



Investor Presentation - Q1 FY 23 (June 2022)

Shriram City Union Finance Ltd.

- Incorporated in the year 1986.
- Diversified NBFC with a wide range of products: MSME financing, 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 MSME financier, with the largest market share of Small Loans.
- Deposit-accepting NBFC.
- 986 branches across the country.

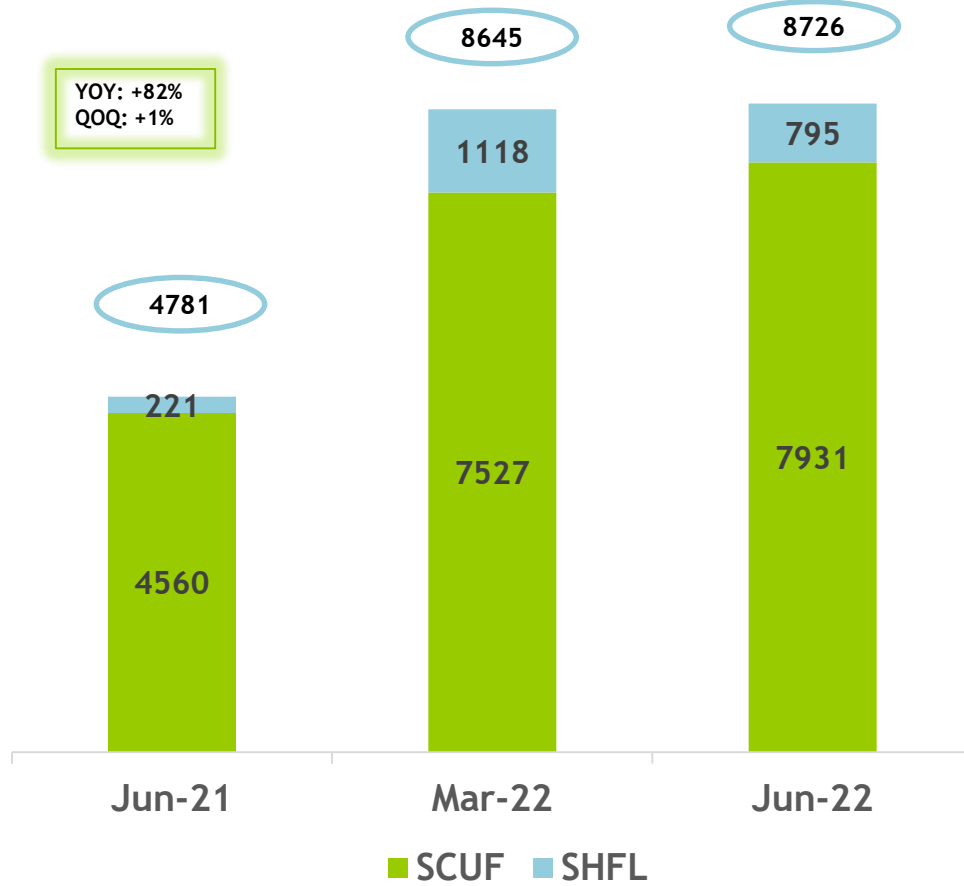
Shriram Housing Finance Ltd.

- Subsidiary of Shriram City Union Finance Ltd. with 85.02% 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.
- 107 branches across India & 211 Griha Poorti Offices

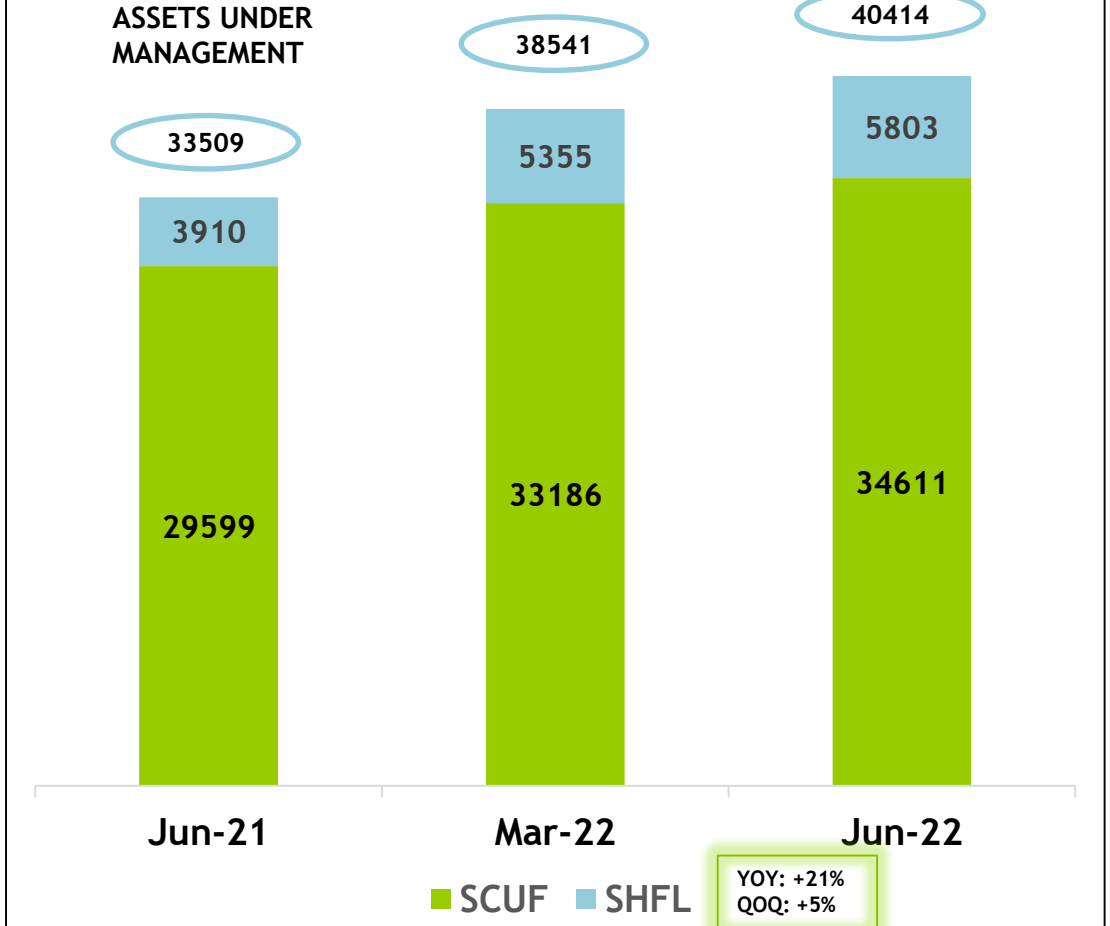
Rs. Crores

DISBURSEMENTS

YOY: +82%
QOQ: +1%



ASSETS UNDER MANAGEMENT



Key Performance Highlights - Consolidated

Rs. Crores

	Assets Under Management	Income from Operations	Net Interest Income	Pre Provision Profits	Profit After Tax
Jun 22	40414	2003	1247	704	354
	↑ 20.6 %	↑ 24.2 %	↑ 29.0 %	↑ 19.9 %	↑ 60.9 %
Jun 21	33509	1611	967	587	220
Jun 22	40414	2003	1247	704	354
	↑ 4.9 %	↑ 5.7 %	↑ 10.3 %	↑ 11.9 %	↑ 8.6 %
Mar 22	38541	1895	1131	629	326

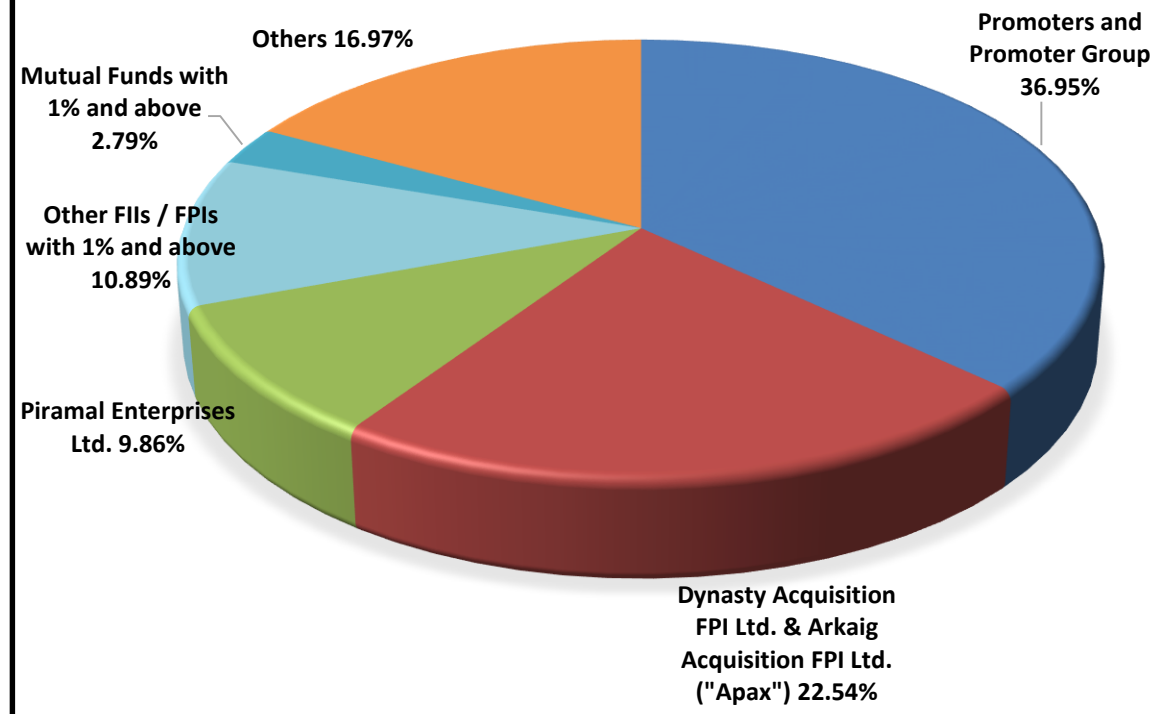
Branch Network

Shriram City Union Finance Ltd.			
STATE	BRANCHES	STATE	BRANCHES
Tamil Nadu	261	Bihar	12
Andhra Pradesh	183	West Bengal	10
Telangana	130	Uttarakhand	8
Maharashtra	94	Himachal Pradesh	6
Karnataka	57	Odisha	5
Uttar Pradesh	54	Puducherry	5
Gujarat	30	Jharkhand	3
Madhya Pradesh	26	Delhi	2
Rajasthan	25	Goa	2
Kerala	22	Chandigarh	1
Punjab	21	Jammu & Kashmir	1
Chhattisgarh	15	TOTAL BRANCHES	986
Haryana	13	EMPLOYEE COUNT	28829

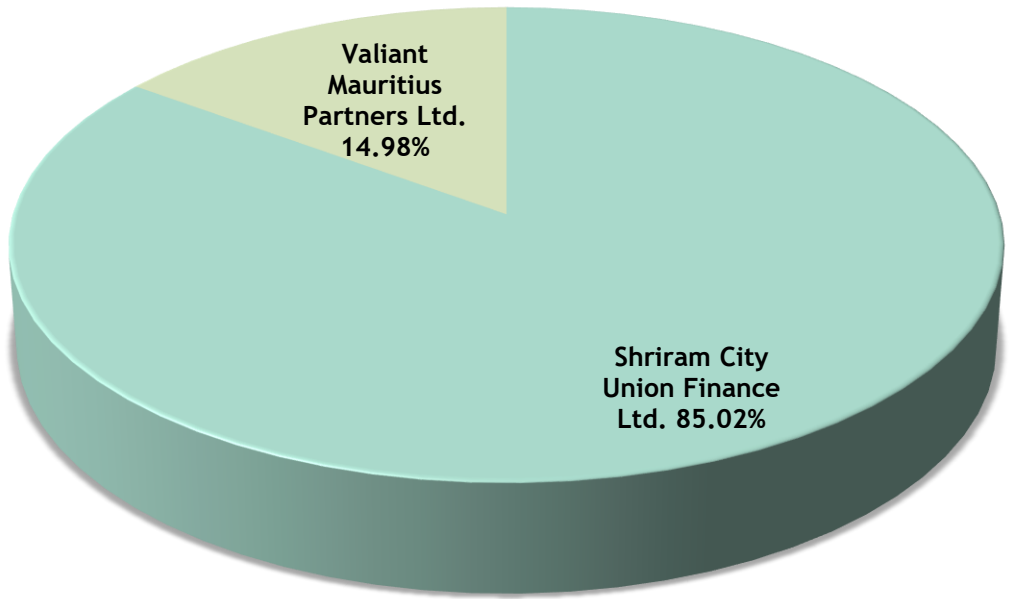
Shriram Housing Finance Ltd.	
STATE	BRANCHES
Tamil Nadu	22
Andhra Pradesh & Telangana	16
Karnataka	14
Gujarat	14
Maharashtra	12
Rajasthan	9
Madhya Pradesh	7
Uttar Pradesh	3
Kerala	2
Punjab	2
West Bengal	2
Chhattisgarh	2
Uttarakhand	1
Delhi	1
TOTAL BRANCHES	107
EMPLOYEE COUNT	799

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 creditors and unsecured creditors.
- The Company now awaits approvals from the Competition Commission of India, Insurance Regulatory & Development Authority and National Company Law Tribunal.
- In the interim and as preparation to commence operations in the merged entity, Shriram City Union Finance has launched business as a merged entity in select branches across five Geographical Units, and the results have been encouraging. This endeavor will be scaled up progressively, leading up to the final, formal merger, so as to cover all branches of the merged company.



Standalone Numbers

Executive Summary

- **Loan disbursements** of Rs. 7931 Cr in Q1FY23 versus Rs. 4560 Cr in Q1FY22 and Rs. 7527 Cr. in Q4FY22, a growth of 73.9% YOY and 5.4% QOQ. The disbursements in the latest quarter have been our highest ever.
- **Assets Under Management** grew to Rs. 34611 Cr in Q1FY23 versus Rs. 29599 Cr in Q1FY22 and Rs. 33186 Cr in Q4FY22. AUM growth: 16.9% YOY and 4.3% QOQ.
- **Profit Before Tax** of Rs. 431 Cr. and **Net Profit** of Rs. 323 Cr. in Q1FY23. These are our highest ever profitability figures.
- **Loan yields** were higher at 21.75% in Q1FY23 versus 20.22% in Q1FY22 and 21.41% in Q4FY22.
- **interest Income** came in at Rs. 1843 Cr in Q1FY23 - our best ever performance - up 23.2% YOY and 5.2% sequentially. **Net Interest Income** was Rs. 1162 Cr., higher by 26.2% YOY and 9.9% QOQ.
- **Covid-related provisioning** stood at Rs. 339 Cr. at the end of Q1FY23.

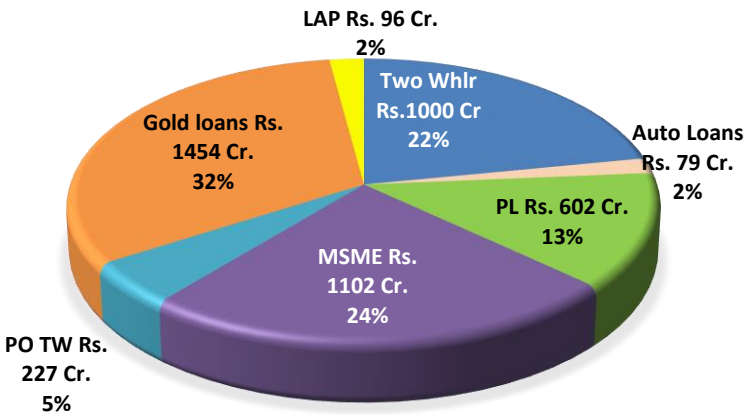
Executive Summary (contd.)

- Total **borrowings** as on 30th June'22 stood at Rs. 32921 Cr. versus Rs. 26188 Cr. at the end of Jun'21 and Rs. 30632 Cr. at the end of March'22. Fixed Deposits stood at Rs. 7212 Cr., a growth of 21.8% YOY.
- **Liquidity reservoir** in the form of free cash & bank balances stood at Rs. 6600 Cr.. Sanctioned and Undrawn credit limits stood at Rs. 771 Cr.
- Comfortable **ALM** position with no mismatch on cumulative basis across future timelines. Net Worth stood at Rs. 9074 Cr.
- **Asset quality** further improved, with GNPA of 6.11% in Q1FY23 versus 6.91% in Q1FY22 and 6.31% in Q4FY22.
- **Credit costs** moderated to 2.68% in Q1FY23 from 3.92% in Q1FY22.

Disbursements for the Quarter

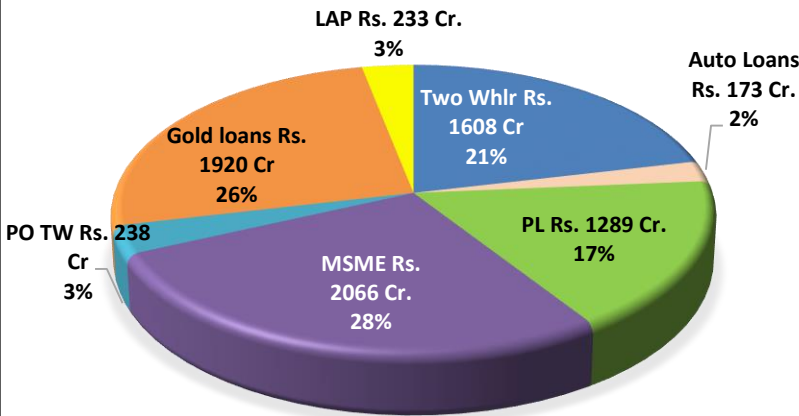
JUN 21

Rs. 4560 Cr



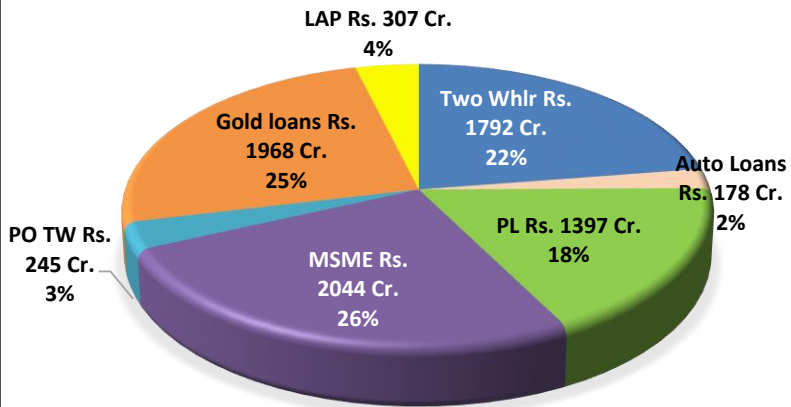
MAR 22

Rs. 7527 Cr.



JUN 22

Rs. 7931 Cr.



YOY: + 73.9%

QOQ: + 5.4%

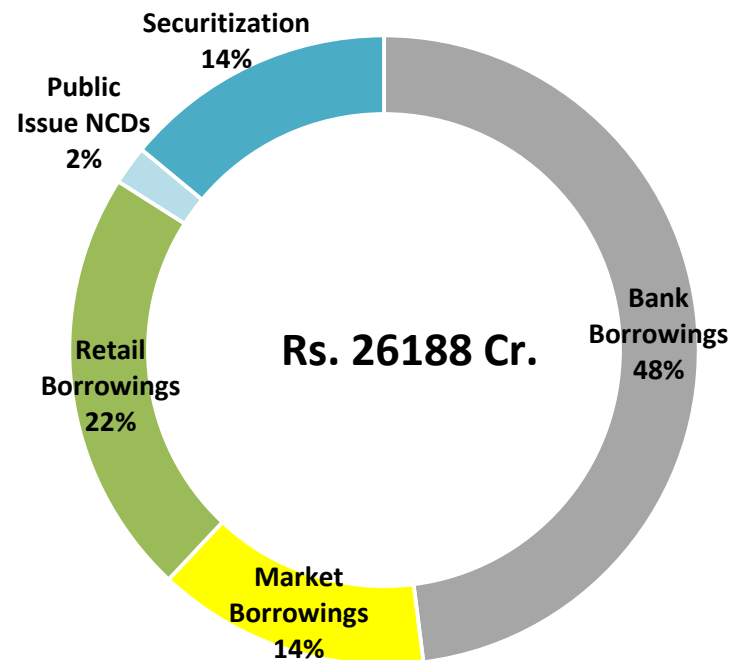
Assets Under Management

Product Segment	Jun 21		Mar 22		Jun 22	
	Value (Rs. Cr.)	% of AUM	Value (Rs. Cr.)	% of AUM	Value (Rs. Cr.)	% of AUM
Small Enterprises Finance	14416	48.7%	14718	44.3%	14868	43.0%
Two Wheelers	6694	22.6%	7764	23.4%	8005	23.1%
Personal Loans	2238	7.6%	4068	12.3%	4716	13.6%
Gold loans	4356	14.7%	4078	12.3%	4187	12.1%
Preowned Two Wheelers	1077	3.6%	1025	3.1%	978	2.8%
Auto Loans	549	1.9%	744	2.2%	811	2.4%
Loan Against Property	269	0.9%	789	2.4%	1046	3.0%
Assets Under Management	29599	100.0%	33186	100.0%	34611	100.0%

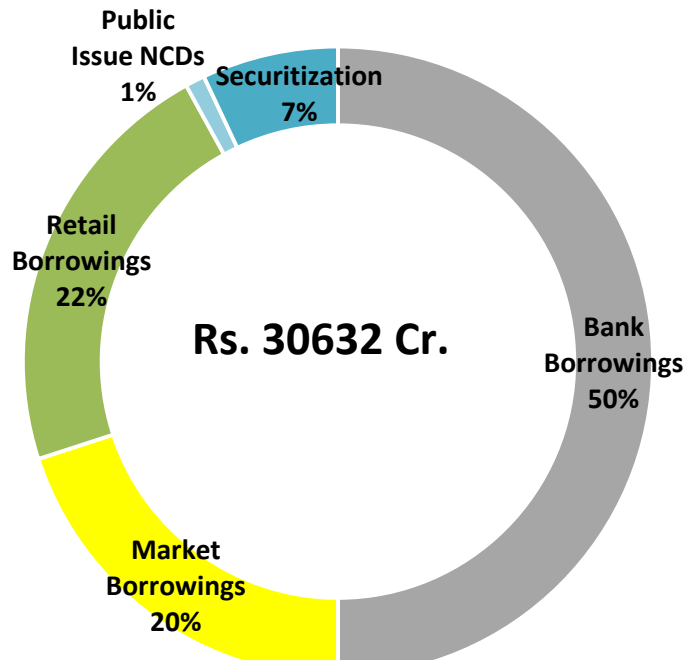
YOY: + 16.9%
QOQ: + 4.3%

Borrowings Profile

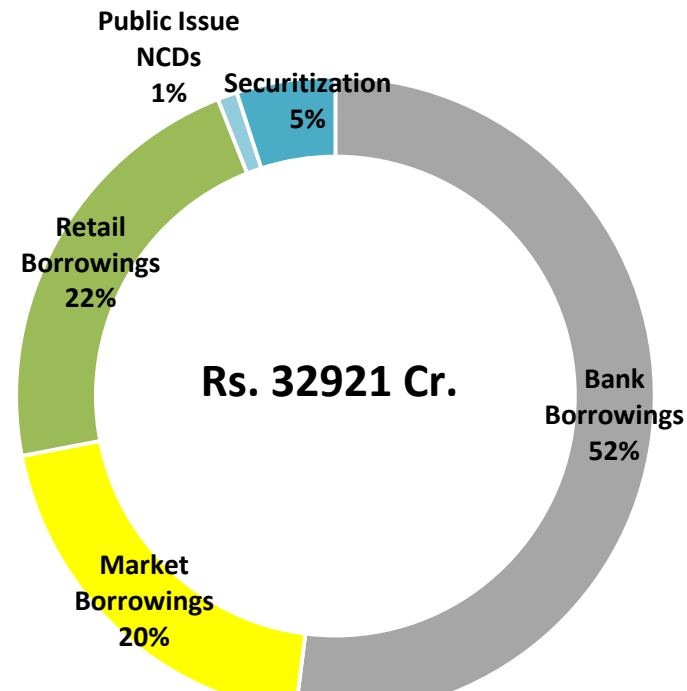
Jun 21



Mar 22



Jun 22



Borrowings Profile (contd.)

CREDIT RATING - LONG TERM



CREDIT RATING - FDs



CREDIT RATING - SHORT TERM



Rs. Crores

ALM Profile

Particulars	Total Inflows	Total Outflows	Mismatch	Cumulative Mismatch
0 - 7 days	5528	333	5196	5196
8 - 14 days	1022	113	909	6105
15 - 30 days	2627	773	1854	7959
>1 - 2 months	1859	1417	441	8400
>2 - 3 months	1868	1395	474	8874
>3 - 6 months	5370	3340	2030	10904
>6 - 12 months	8976	9306	-331	10573
>1 - 3 years	11275	13129	-1854	8719
>3 - 5 years	3345	3654	-309	8410
> 5 years	2952	11510	-8559	-149
Total	44821	44970	-149	

Positive mismatch on cumulative basis across all buckets.

Rs. 154 Cr. is on account of contingent liability and therefore appears in cumulative negative mismatch.

Provisions Analysis

Provisions Analysis	As at		
	Jun-21	Mar-22	Jun-22
Stage 3 - Gross	2040	2089	2109
Stage 3 - ECL Provisions	1055	1030	994
Stage 3 - Net	985	1059	1115
Stage 3 % - Gross	6.91%	6.31%	6.11%
Stage 3 % - Net	3.46%	3.30%	3.32%
Stage 3 Coverage Ratio (%)	51.73%	49.28%	47.13%
Stage 1 - Gross	24036	27151	28409
Stage 1 - ECL Provisions	811	875	886
Stage 1 - Net	23225	26276	27523
Stage 1 % - Gross	81.41%	82.02%	82.26%
Stage 1 - ECL Provisions %	3.37%	3.23%	3.12%
Stage 2 - Gross	3448	3864	4016
Stage 2 - ECL Provisions	243	175	210
Stage 2 - Net	3205	3689	3806
Stage 2 % - Gross	11.68%	11.67%	11.63%
Stage 2 - ECL Provisions %	7.06%	4.52%	5.24%

Rs. Crores

Note: Covid-19 provisions of Rs. 339 Cr. are included in ECL Provisions as mentioned above

Analysis of Stage 3 - Product wise

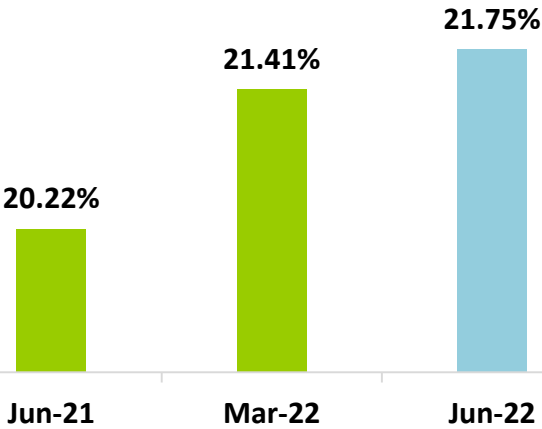
Product Segment	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Jun-21	Mar-22	Jun-22	Jun-21	Mar-22	Jun-22	Jun-21	Mar-22	Jun-22
Small Enterprises Finance	7.72%	7.03%	6.79%	3.20%	3.70%	3.84%	60.47%	49.19%	45.26%
Two Wheeler	6.55%	6.04%	5.90%	3.49%	3.13%	3.19%	48.33%	49.74%	47.40%
Personal Loans	11.07%	9.05%	8.93%	6.05%	3.95%	3.90%	48.23%	58.70%	58.56%
Loan Against Gold	3.53%	1.99%	1.74%	3.38%	1.89%	1.65%	4.40%	5.54%	5.57%
Pre Owned Two Wheeler	3.81%	6.28%	5.60%	1.91%	3.34%	3.07%	50.75%	48.46%	46.62%
Auto Loans	9.47%	9.87%	9.53%	4.85%	5.24%	5.27%	51.23%	49.50%	47.18%
Loan Against Property	0.00%	0.47%	0.62%	0.00%	0.23%	0.33%	0.00%	50.51%	46.46%
Total	6.91%	6.31%	6.11%	3.46%	3.30%	3.32%	51.73%	49.28%	47.13%

Rs. Crores

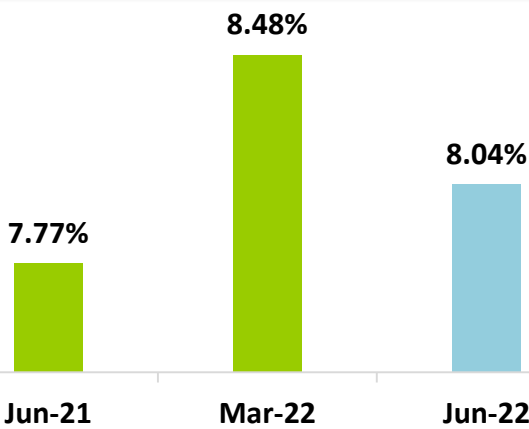
Particulars	Quarter ended			Growth	
	Jun 21	Mar 22	Jun 22	YOY	QOQ
Assets Under Management	29599	33186	34611	16.9%	4.3%
Interest Income	1496	1751	1843	23.2%	5.3%
Interest Expenses	575	694	681	18.5%	-1.8%
Net Interest Income	921	1057	1162	26.1%	9.9%
Operating Expenditure	352	463	503	43.0%	8.7%
Pre Provision Profits	569	594	659	15.7%	10.9%
Provisions & Write offs	290	176	228	-21.5%	29.2%
Profit Before Tax	279	418	431	54.5%	3.1%
Taxes	71	115	108	52.4%	-5.4%
Profit After Tax	208	303	323	55.2%	6.4%

Key Financial Metrics (contd.)

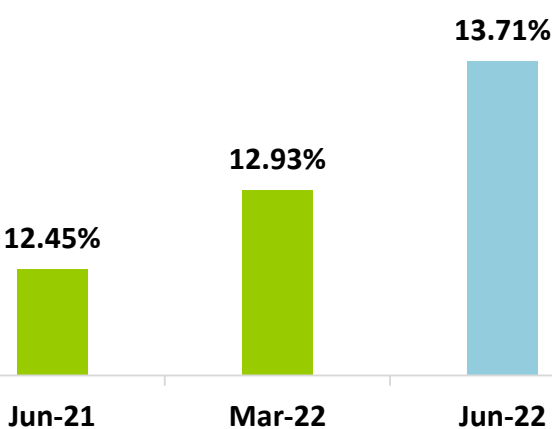
Yield on Assets



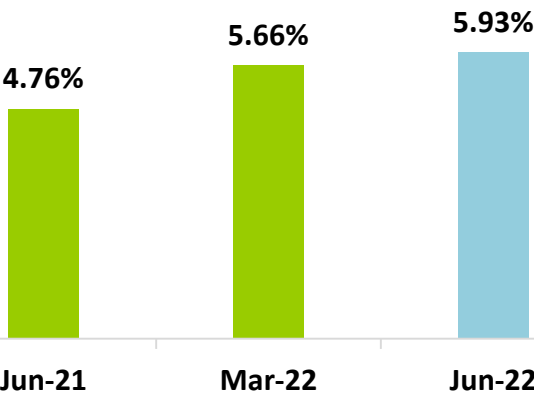
Finance Cost



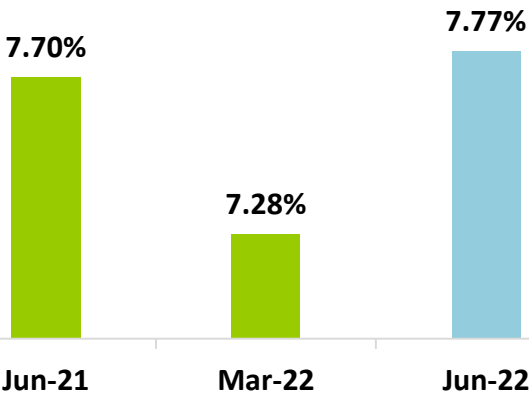
Net Interest Margin



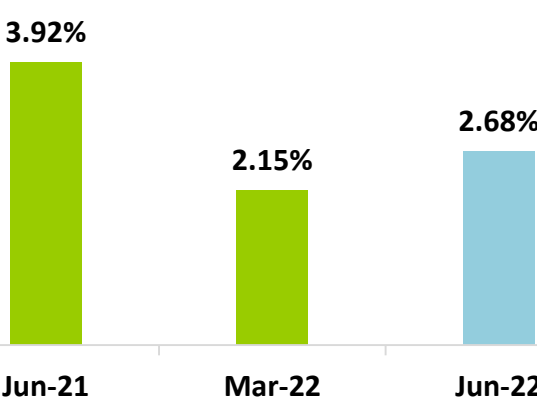
Operating Expenses



Pre Provision Profits

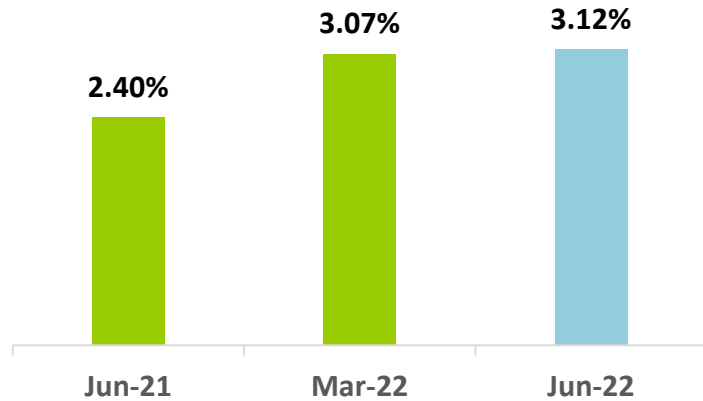


Credit Costs

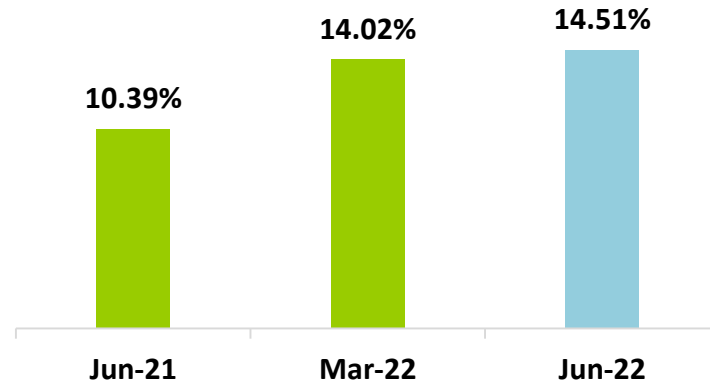


Key Ratios

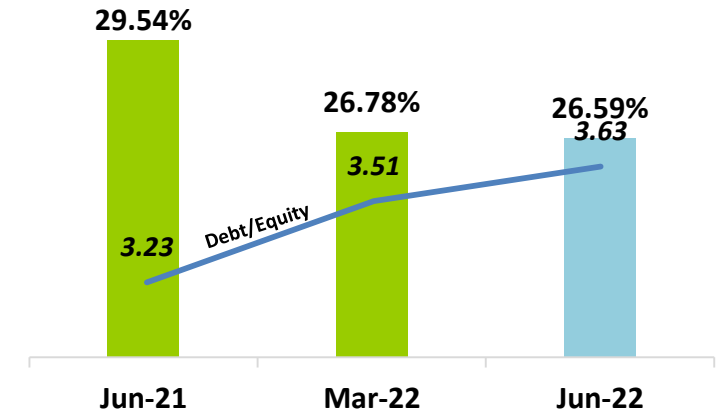
Return on Assets (%)



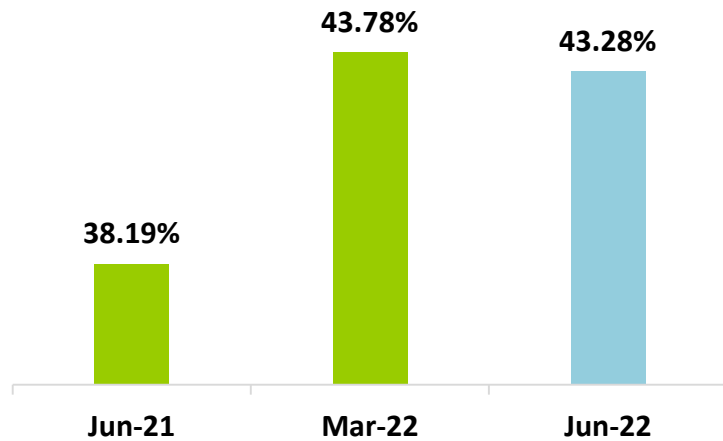
Return on Net worth



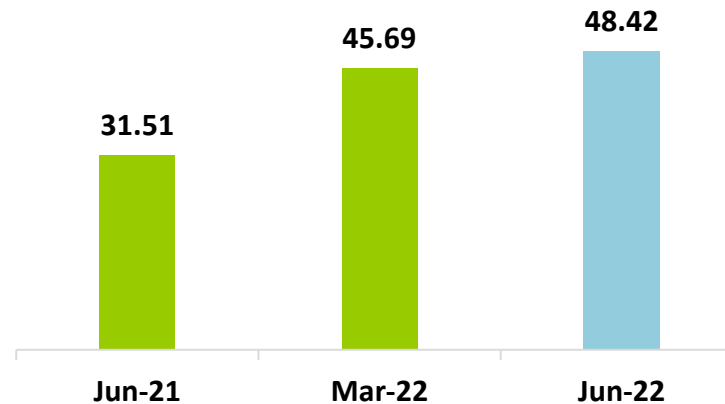
CRAR & Debt/Equity



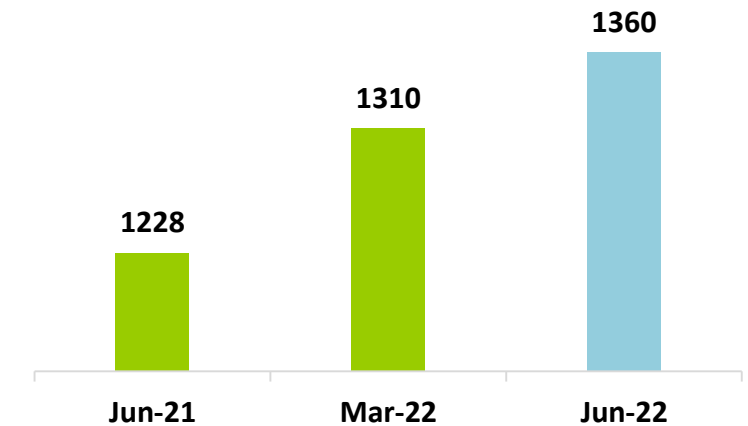
Cost to income ratio (%)



Earnings Per Share (Rs.)



Book Value Per Share (Rs.)





Standalone Numbers

Executive Summary - SHFL

- **Assets Under Management (AUM)** : AUM as at end of Q1FY23 stands at Rs. 5,803 Cr versus Rs. 3,910 Cr in Q1FY22 and Rs. 5,355 Cr in Q4FY22, representing growth of 48% YOY and 8% QOQ.
- **Disbursements** : 2nd highest quarterly originations* since inception. Disbursals for Q1FY23 was Rs.795 Cr as against Rs. 221 Cr in Q1FY22 and Rs.1,118 Cr in Q4FY22.
- **Portfolio Quality** : Lowest 90+ DPD of 0.92% on AUM since inception. Gross Stage 3 Assets also lowest at 1.05% on Loan Book (excl. impact of RBI Circular dated 12th Nov'21). With impact of RBI Circular, Gross Stage 3 Assets are 1.56% on Loan book.
- **Profits** : Profit before Tax of 40.4 Cr. recorded in Q1'23 representing 33% growth QoQ and 170% YoY. PAT recorded at 30.2 Cr., grew by 37% QoQ and 178% YoY
- **Distribution Network:** 107 branches and 211 Griha Poorti locations represents investment in our distribution network.
- **Griha Poorti (GP) Initiative:**
 - Post its successful launch in AP/TG across 178 locations, “Griha Poorti”, the initiative launched to leverage on the group’s vast distribution network, has now been extended to Gujarat. 33 locations in Gujarat have been activated by end of Q1FY23.GP contributed 16% of total Home loan disbursals in Q1FY23.
 - Key features of “Griha Poorti”: 100% direct origination, granular portfolio, yield of 13% and negligible delinquency.
- Average ticket size of retail portfolio : Rs. 16.3 Lacs. Disbursal yield for Q1FY23 at 12.5%
- Collection efficiency of 99.6% in June 2022
- Strong liquidity back up of Rs. 888 Cr. in the form of cash & bank balances and un-availed credit lines
- Incremental borrowing cost declined by 71 bps YoY to 7.67% for Q1FY23.
- Comfortable ALM position with nil negative mismatch on cumulative basis

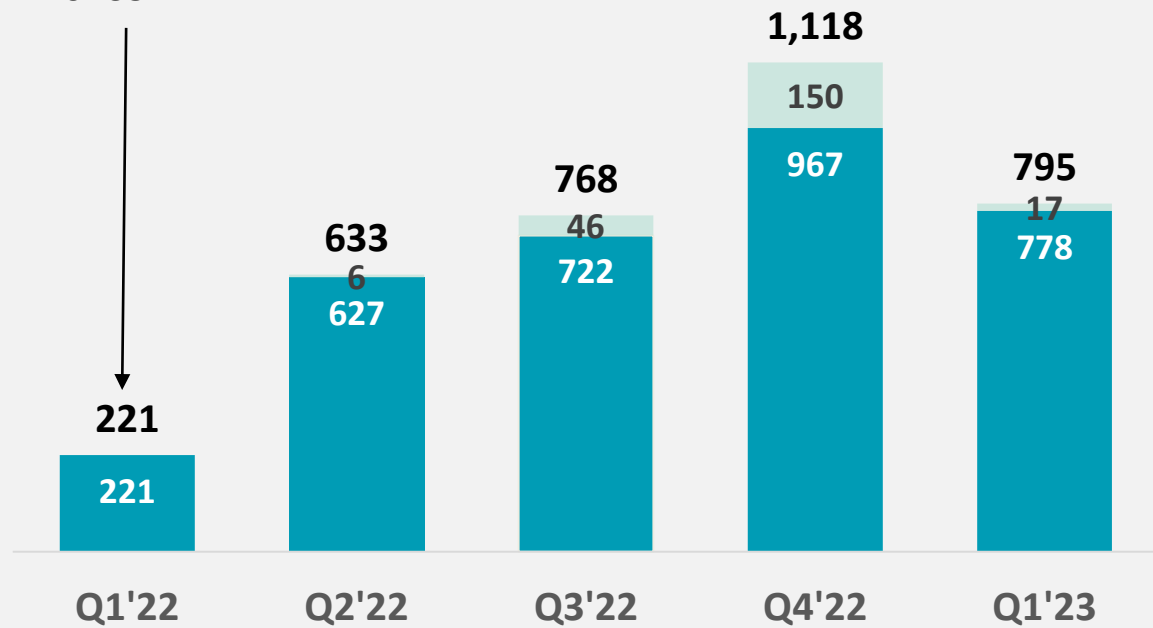
*Self originations excluding buyout

2nd highest Quarterly originations* since inception, disbursements in line with the Q1'23 Budget

Quarterly Disbursement Trend

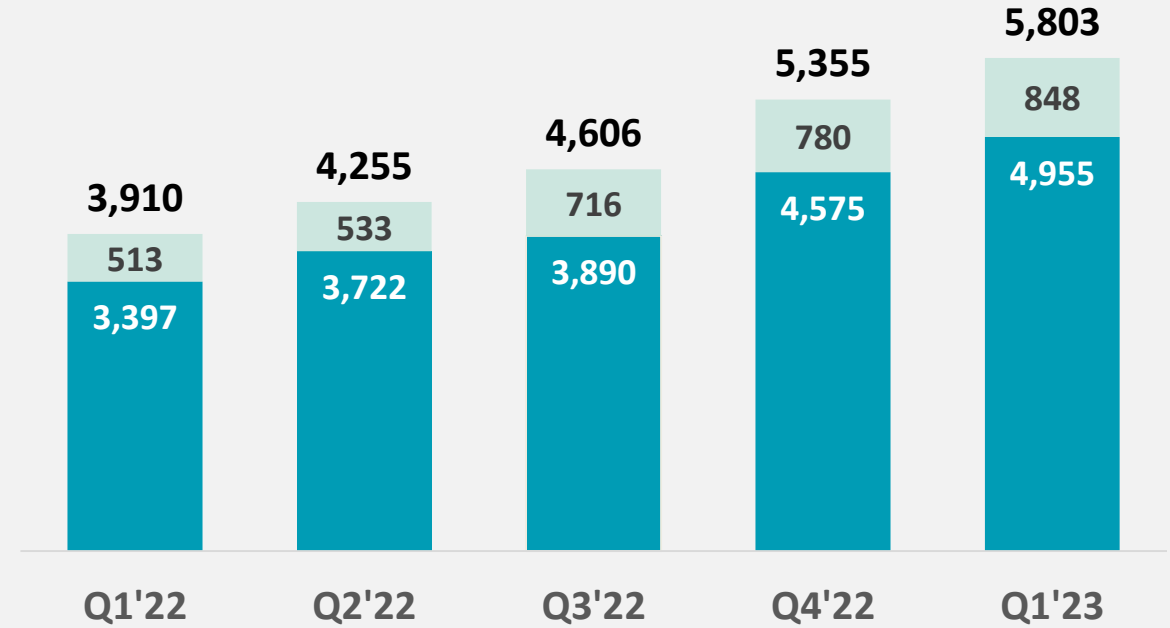
Impact of
2nd wave
of COVID

■ SHFL ■ Buyout



Quarterly AUM Trend

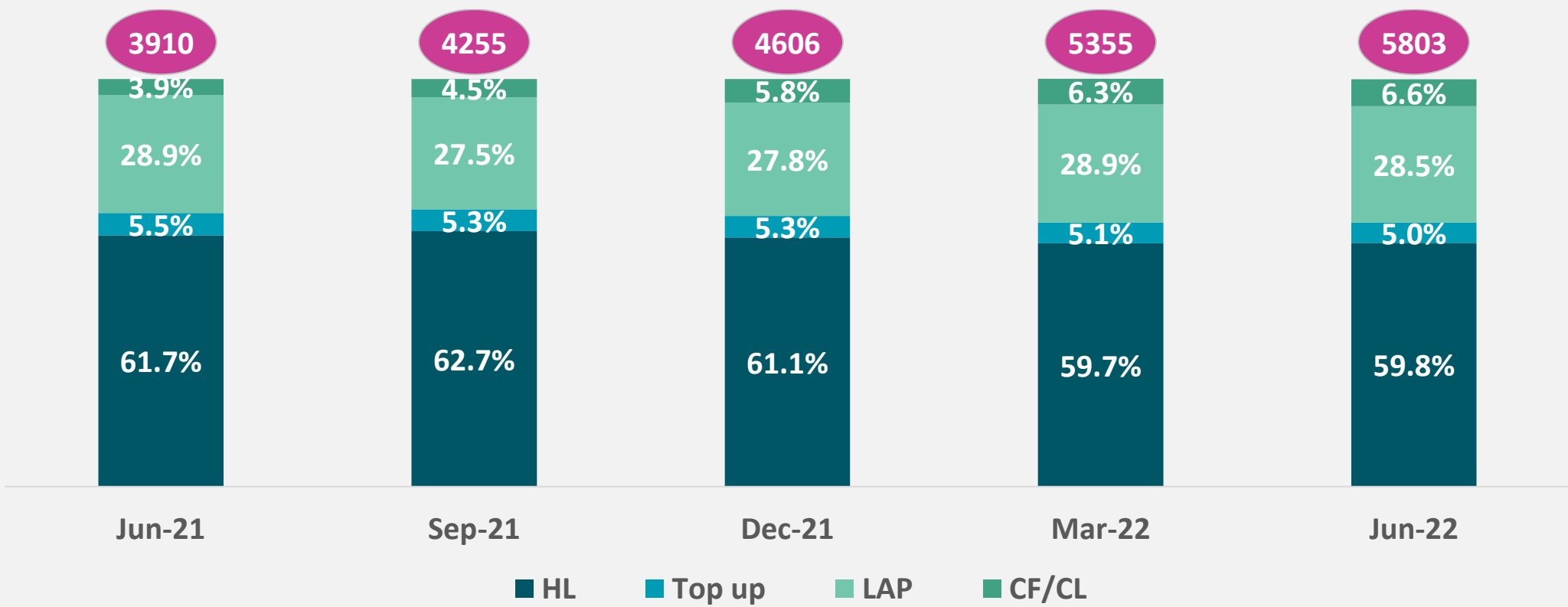
■ On Book ■ Off Book



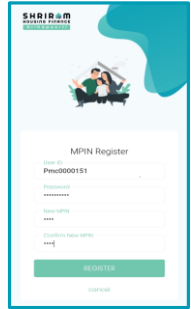
Investments in distribution paying off, consistently hitting 750+ Cr. disbursements in last 3 quarters
AUM grew 8% QoQ and 48% YoY

*Self originations excluding buyout

Product Mix @ Portfolio

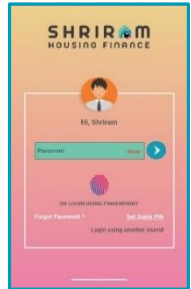


Customer lifecycle Digitization



Grihapoorti App

- Android App on Tablet
- Live in AP, TG, Guj
- 62% disbursals through Digital channel



SHFL Loans App

- 13,000 + Downloads
- 4700+ Active users
- IOS & Android

- Loan Origination System
- Loan Management System
- Collection System
- CRM
- Analytics
- Document Management

Applications

Infra

- Application & Services on Cloud
- Tableau for Data Visualization
- Digital Payment platform
- Salesforce mobility via Tablets



- **Griha Poorti App - Sales Team**
 - Data Entry & Documentation
 - Realtime Bureau & Eligibility
 - Digital IMD
- **SHFL Loans App – Customers**
 - Loan Details
 - Payments
 - Requests

Mobile Apps

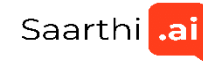
Services

- Video PD
- eNACH
- CKYC
- Score Cards
- Voice BOT
- Digilocker



62% PD via Video PD*

Integrations
& Partnerships



* For salaried customers for Jun'22

Borrowings Profile - SHFL

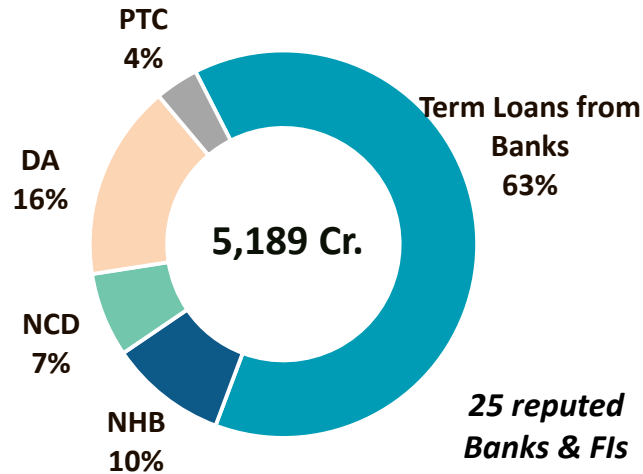
NHB now part of diverse lender base



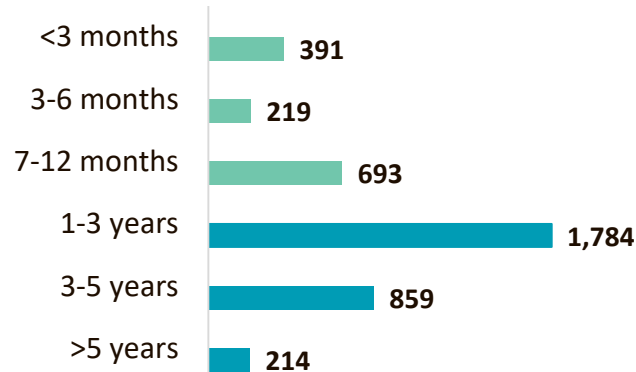
Stable long-term funding *



Augmented by high credit ratings



Debt Maturity Profile (INR Cr.)



* Excludes Securitization (DA & PTC)

CRISIL
An S&P Global Company



AA (CWP#)

India Ratings & Research
A Fitch Group Company



AA (Positive)

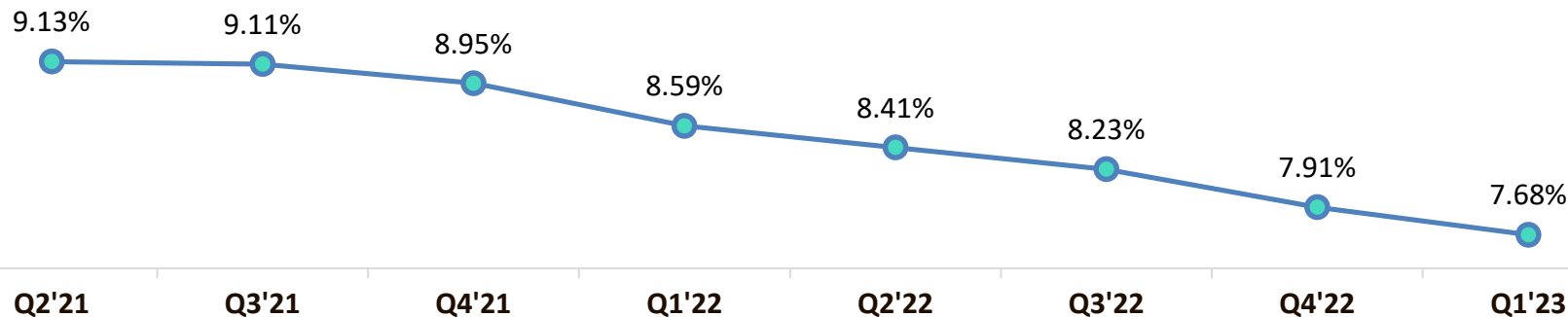
CARE Ratings
Professional Risk Opinion



AA (CWP#)

Credit Watch Positive

Consistent Decline in Cost of Borrowings



COB calculated as Interest expenses / Average Borrowings

Increasing Net-worth

1,188 Cr.



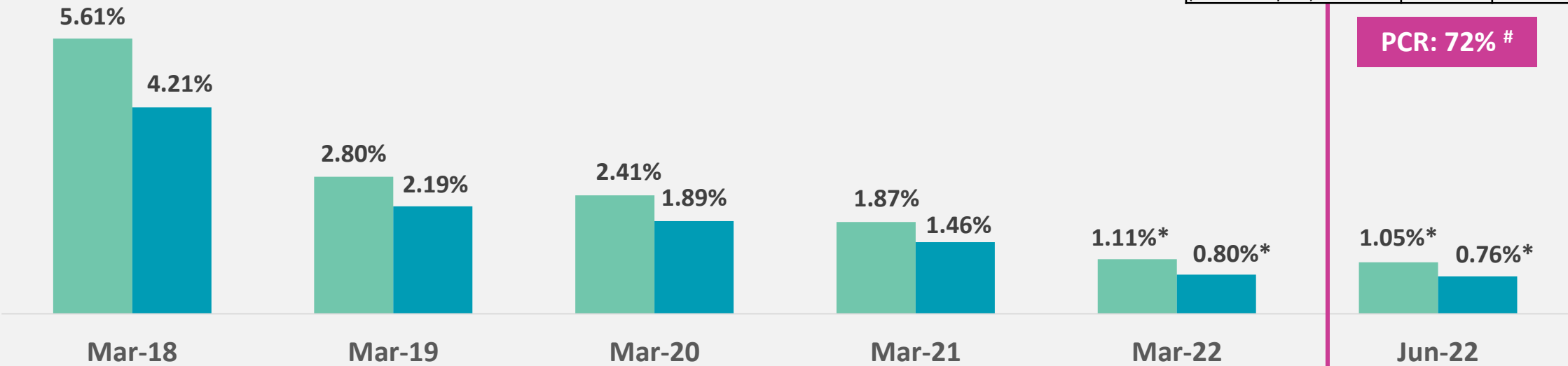
Comfortable CRAR

29.9%

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

Stage-3 Movement (YoY)

■ Stage-3 (Gross)
■ Stage-3 (Net)



GS3% including RBI Circular impact

Particulars	Amount (INR Cr.)	%
Gross Stage 3 Assets	52.1	1.1%
Additional Stage 3 assets - RBI circular 12th Nov'21	25.1*	0.5%
Total Stage 3 Assets (incl. RBI impact)	77.2	1.6%

PCR: 72% #

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

PCR: Total Provision / Stage-3 Assets including RBI Circular impact (on loan book)

Bucket wise position of additional Stage-3 assets per RBI Circular	1-30 DPD	31-60 DPD	61-90 DPD	Total
Amount in Cr.	2.5	10.3	12.3	25.1*

Provisions Analysis (ECL computation under Ind-AS) - SHFL

Particulars (INR Crore)	30-Jun-22	31-Mar-22	30-Jun-21
Gross Stage 1 & 2	4,877.6	4,495.7	3,318.2
ECL Provision Stage 1 & 2	33.5	34.0	24.8
Net Stage 1 & 2	4,844.1	4,461.8	3,293.4
ECL Provision % Stage 1 & 2	0.7%	0.8%	0.7%
Gross Stage 3 (Regular)	52.1	50.9	78.8
Gross Stage 3 (RBI Circular dated 12 th Nov'21)	25.1	27.8	-
Gross Stage 3	77.2	78.8	78.8
ECL Provision Stage 3 (Regular)	14.4	14.4	17.5
ECL Provision Stage 3 (RBI Circular dated 12 th Nov'21)	3.7	4.0	-
Net Stage 3	59.0	60.4	61.3
Coverage Ratio % Stage 3	23.5%	23.4%	22.2%
Gross Assets	4,954.8	4,574.5	3,397.0
Total Provision (Including Special Provision)	55.4	52.4	52.3
Net Assets	4,899.4	4,522.1	3,344.7
Total Provision / Gross Assets (%)	1.1%	1.1%	1.5%
Provision Coverage Ratio (%)	71.8%	66.5%	66.3%
Total Provision includes 3.75 Cr. Special provision as on 30 th June 2022			

Key Financial Metrics - SHFL

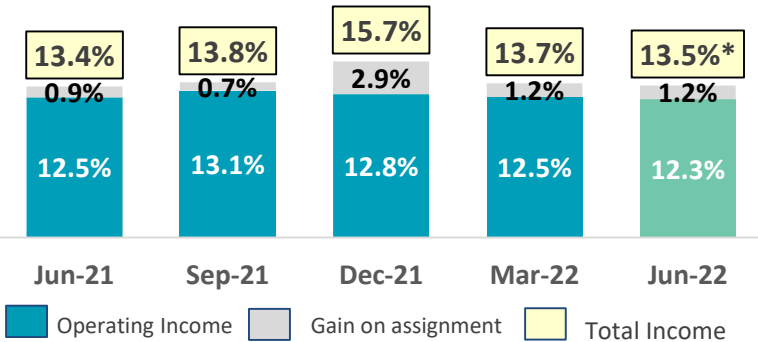
(In Rs Crs.) Financials	Q1'23	Q-o-Q Comparison		Y-o-Y Comparison	
		Q4'22	Δ QoQ	Q1'22	Δ YoY
Loan Book	4,955	4,575	8.3%	3,397	45.9%
Disbursals	795	1,118	(28.9)%	221	260.1%
Total Income	160.1	143.3	11.7%	114.2	40.2%
Interest Income	128.3	114.5	12.1%	96.1	33.6%
Net gain on Assignment	14.7	12.8	15.1%	8.0	83.5%
Other Income	17.1	16.0	6.4%	10.1	68.5%
Interest Expense	74.9	70.3	6.6%	69.9	7.2%
NIM	85.2	73.0	16.7%	44.4	92.0%
Operating Cost	41.6	37.5	11.0%	28.1	48.0%
- Personnel Costs	25.1	24.5	2.3%	19.1	30.9%
- Other Costs	16.5	13.0	27.4%	9.0	84.5%
Profit before provisions & tax	43.6	35.5	22.7%	16.3	167.9%
Provisions & write-offs	3.2	5.1	(37.2)%	1.3	140.2%
PBT	40.4	30.4	32.8%	14.9	170.4%
Taxes	10.1	8.3	22.2%	4.1	150.4%
PAT	30.2	22.1	36.8%	10.9	177.8%

- 2nd highest quarterly originations since inception
- Disbursals for Q1'23 in line with projections
- Healthy financials with uptick on all key parameters
- Revenues grew by 12% QoQ and 40% YoY
- 37% QoQ and 178% YoY growth in profits

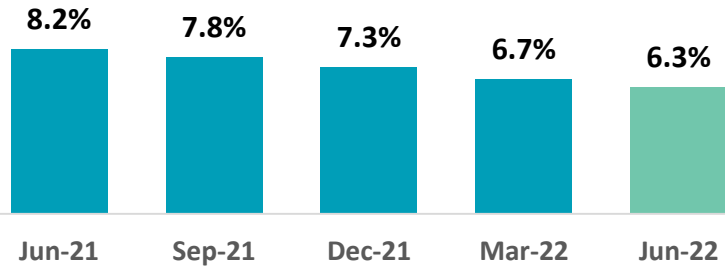
Note: Financials are as per IND-AS

Key Financial Metrics & Ratios - SHFL

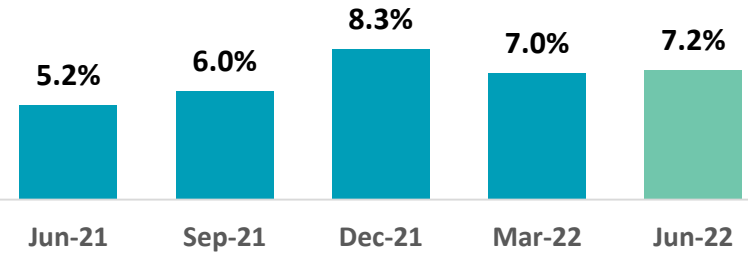
Yield on Assets



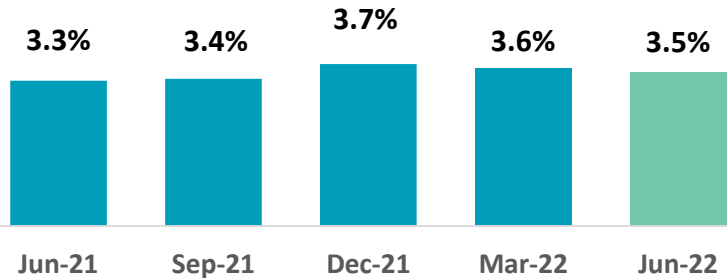
Interest Expenses



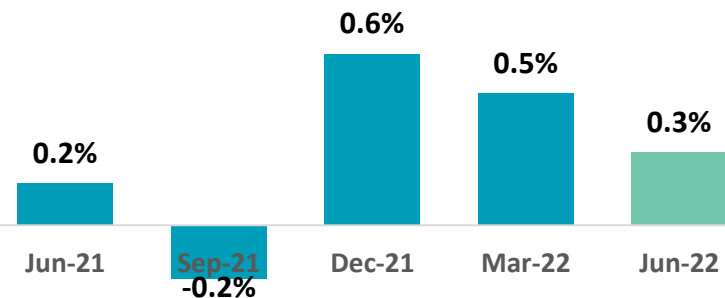
NIM



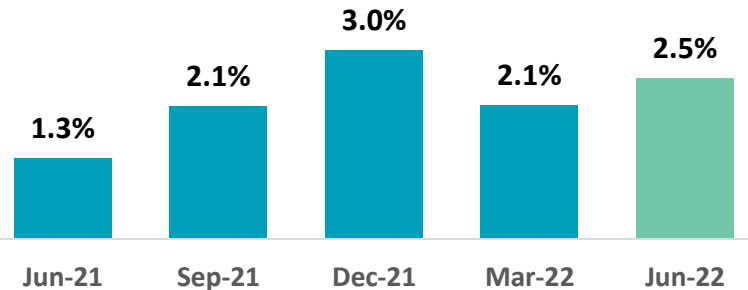
Operating Expenses



Credit Cost



Return on Assets



* Loan Book of 4955 Cr includes ~500 Cr of bought out portfolio yielding 8.75%. Excluding buyout portfolio, yield on self originated assets is 55 bps higher at 14.03%

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

Thank You

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