# SHRIRAM CITY UNION FINANCE LIMITED

## Performance Review for the quarter ended December 2015

**29th January 2016**

# Q3 - FY 2016
# Performance Review

# Performance Highlights

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

**(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

# Performance Highlights

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

(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%** |

# Performance Highlights

| 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 |

# P & L Analysis

| 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% | **14.42%** | 2.79% | 3.30% | 6.09% | 0.17% | **8.50%** | 2.95% | **5.55%** |
| Qtr ended Sept 2015 | 21.22% | 7.71% | **13.51%** | 2.79% | 3.02% | 5.81% | 0.01% | **7.71%** | 2.65% | **5.07%** |
| Qtr ended Dec 2015 | 21.53% | 7.60% | **13.94%** | 2.60% | 2.96% | 5.56% | 0.01% | **8.38%** | 2.70% | **5.68%** |

# AUM & NPA Analysis

| 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%** |
| **Total AUM** | **16177** | **18165** | **19016** | **5%** | **18%** |

| 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% |

**AUM – Dec 2014**

**AUM – Sept 2015**

**AUM – Dec 2015**

# Borrowings

| 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% |
| **Total Borrowings** | **11363** | **13267** | **14049** |
| **WACOB (qtr ended)** | **11.28%** | **10.64%** | **10.34%** |

| Particulars | Dec-14 | Sep-15 | Dec-15 |
|---|---|---|---|
| **Total Borrowings (on Books)** | 11363 | 13267 | 14049 |
| 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

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

- 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

| | Q-o-Q comparison | | | Y-o-Y comparison | | | Y-o-Y comparison | | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars** | **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*