SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Ref: D: STEC

October 25, 2018

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: Scrip Code: BSE – 532498 and NSE - SHRIRAMCIT

Please find attached the presentation on financial results 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.

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

Thanking you,

Yours faithfully,

For Shriram City Union Finance Limited,

25/10/18

C R Dash
Company Secretary

AS

Encl: a/a.

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Investor Presentation

2Q and H1FY19

Content

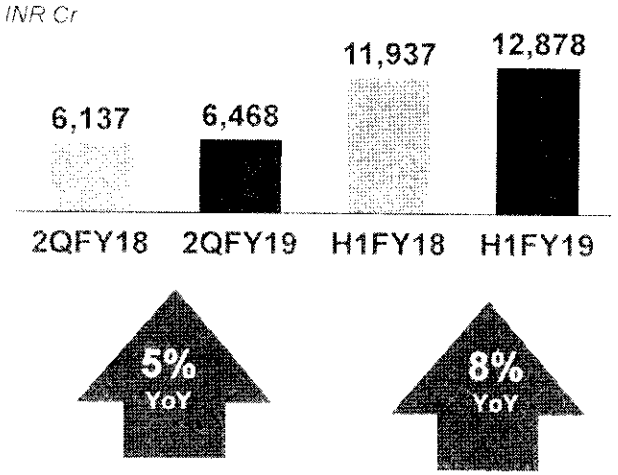
Performance Highlights

Company Overview

Performance Highlights for 2Q and H1FY19

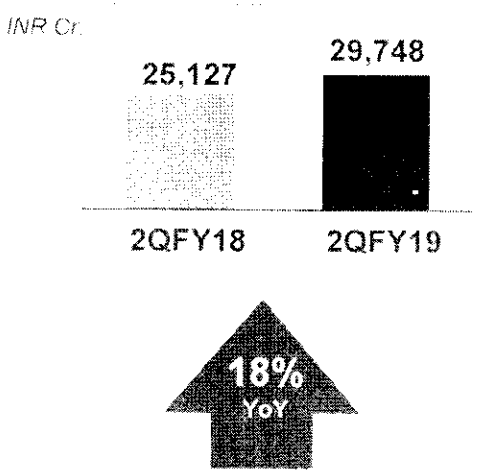
Key Financial Metrics

Total Disbursements



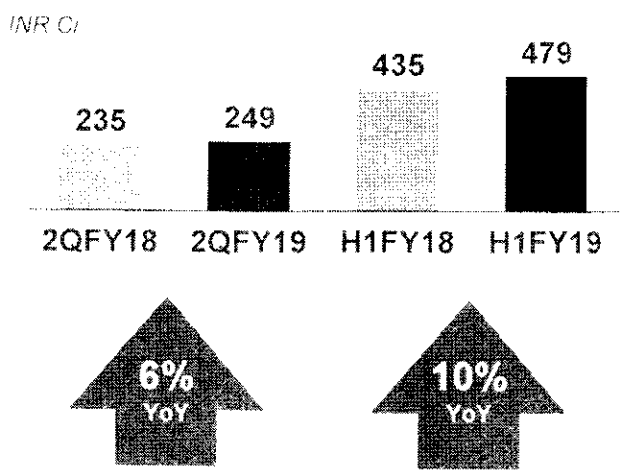
Ex-gold disbursement growth was 16% YoY

Total AUM – Under Ind AS



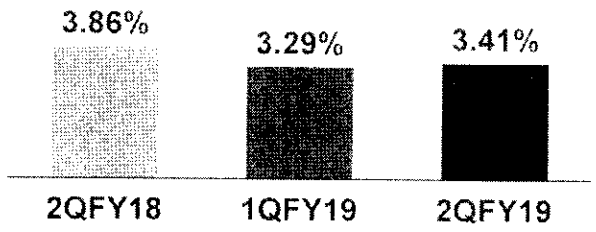
Ex-gold AUM growth was 23% YoY

PAT – Under Ind AS



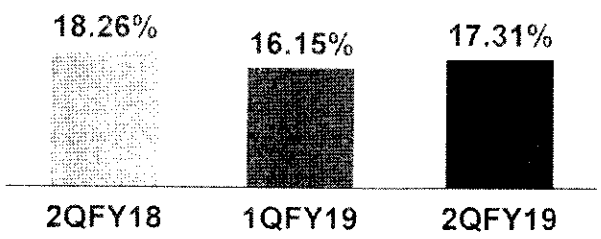
RoA – Under Ind AS

% of Average AUM – annualized basis



RoE – Under Ind AS

% of Average Networth – annualized basis

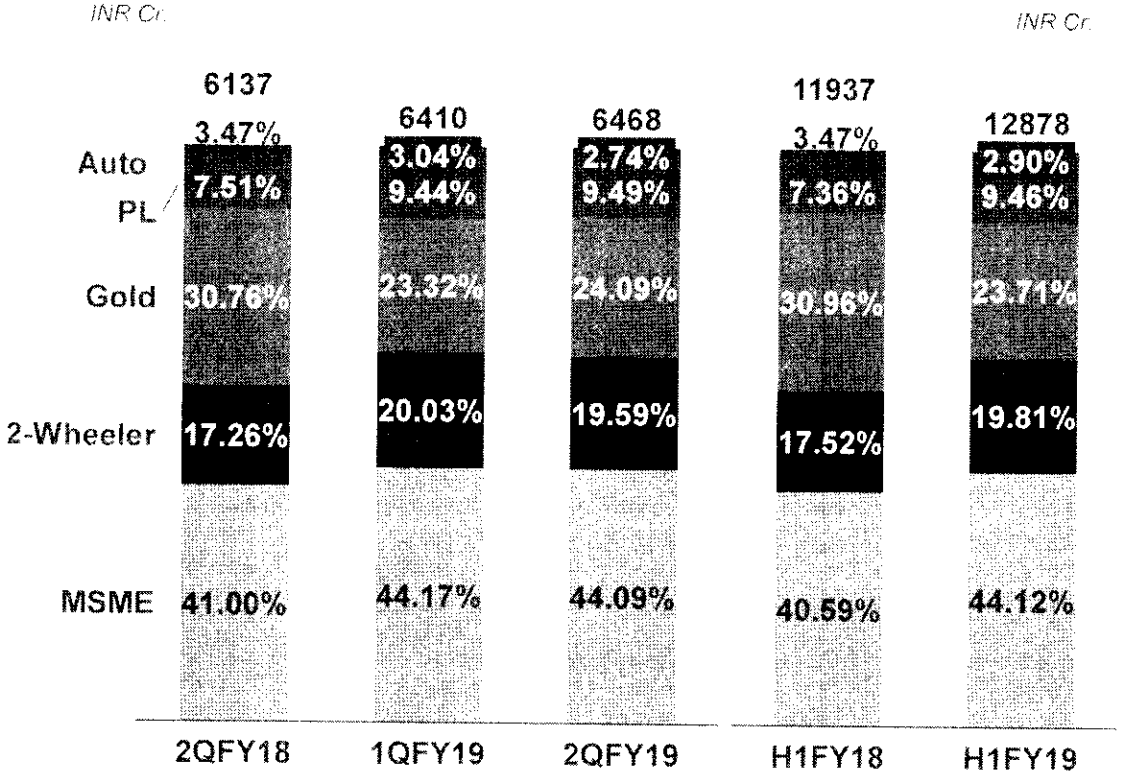


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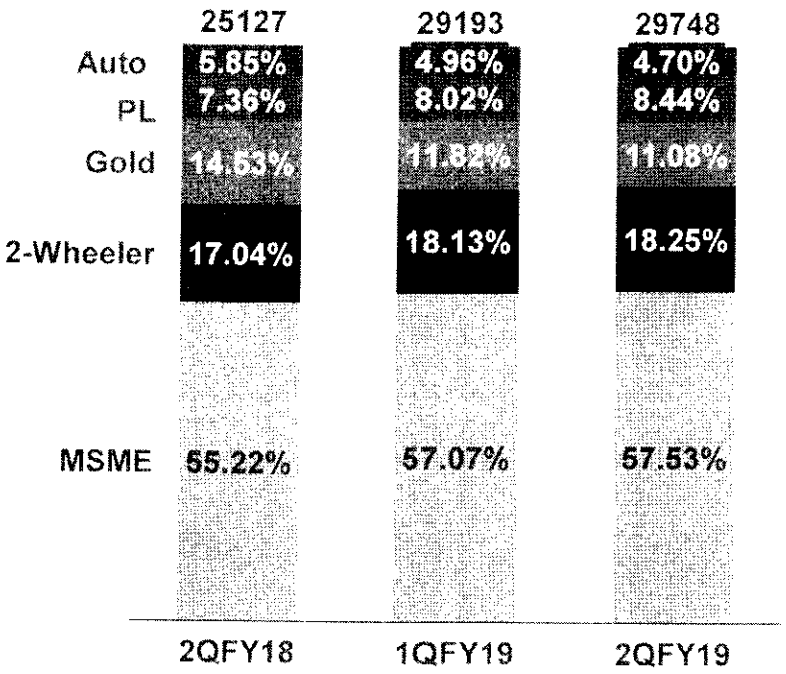
Performance Highlights for 2Q and H1FY19

Product-wise Performance

Disbursement by Product



AUM by Product – Under Ind AS



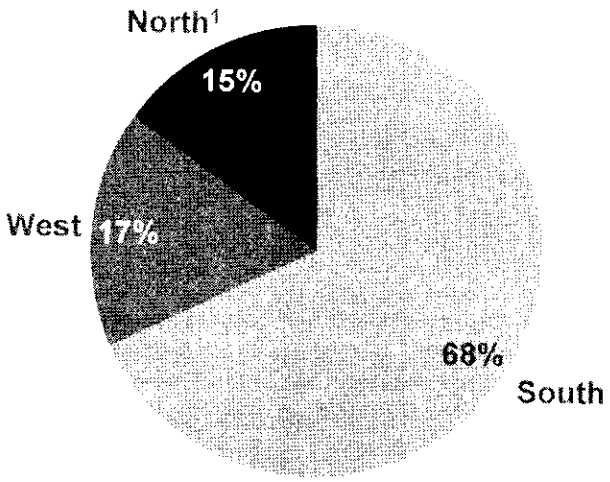
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Performance Highlights for 2QFY19

Geographic Breakup of Business

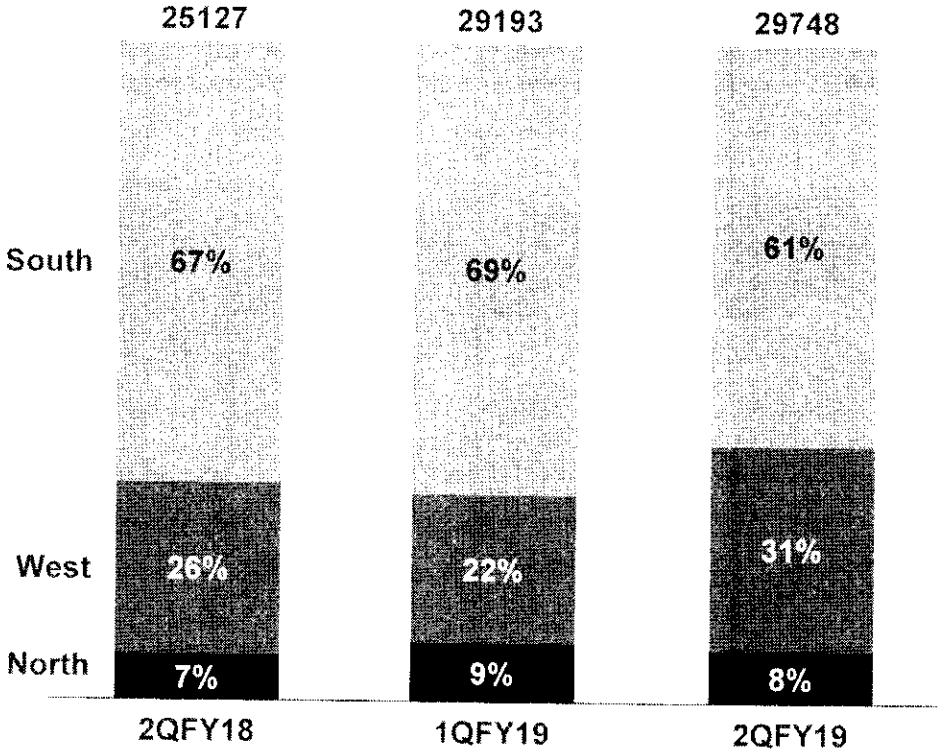
Branch Network by Geography

969 branches as of 30-Sept-2018



AUM by Geography

AUM in INR Cr.



[1] East region has 22 branches, which are combined with North region

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Performance Highlights for 2QFY19

Income Statement under Ind-AS vs. I-GAAP

Particulars (INR in Crores)	As per Ind AS			As per IGAAP			YoY Growth	
	2QFY18	1QFY19	2QFY19	2QFY18	1QFY19	2QFY19	IND AS	IGAAP
Assets Under Management	**25127**	**29193**	**29748**	**24898**	**28928**	**29472**	**18%**	**18%**
Disbursements	6137	6410	6468	6137	*6410*	6468	5%	5%
Income from Operations	**1290**	**1402**	**1515**	**1285**	**1405**	**1482**	**17%**	**15%**
Other Income	0	2	1	0	2	1	100%	100%
Total Income	**1290**	**1403**	**1516**	**1285**	**1407**	**1483**	**18%**	**15%**
Interest Expenses	415	464	495	412	460	501	19%	22%
Net Interest Income	**875**	**938**	**1021**	**872**	**945**	**981**	**17%**	**13%**
Personnel Expenses	169	205	212	168	207	215	25%	28%
Other Operating Expenses (incl depreciation)	175	166	185	163	163	184	6%	13%
Total Operating Expenses	**344**	**371**	**397**	***331***	**370**	***399***	***15%***	***21%***
Pre Provisions Profits	**532**	**569**	**624**	**541**	**577**	**583**	**17%**	**8%**
Provisions for NPA & Std Assets	9	44	98	74	78	60	989%	-19%
Write offs	163	171	152	163	171	152	-7%	-7%
Provisions & Write offs	**172**	***215***	**251**	**237**	**249**	**212**	**46%**	**-11%**
Profit Before Tax	360	353	374	304	328	371	4%	22%
Profit After Tax	**235**	***230***	**249**	**198**	**213**	**242**	**6%**	**22%**

Performance Highlights for H1FY19

Income Statement under Ind-AS vs. I-GAAP

Particulars (INR in Crores)	As per Ind AS		As per IGAAP		YoY Growth	
	H1FY18	H1FY19	H1FY18	H1FY19	IND AS	IGAAP
Assets Under Management	**25127**	**29748**	**24898**	**29472**	**18%**	**18%**
Disbursements	11937	12878	11937	12878	8%	8%
Income from Operations	**2523**	**2915**	**2502**	**2887**	**16%**	**15%**
Other Income	0	1	2	3	178%	42%
Total Income	**2524**	**2916**	**2504**	**2890**	**16%**	**15%**
Interest Expenses	819	959	814	961	17%	18%
Net Interest Income	**1704**	**1957**	**1688**	**1926**	**15%**	**14%**
Personnel Expenses	328	416	326	421	27%	29%
Other Operating Expenses (incl depreciation)	341	348	325	347	2%	7%
Total Operating Expenses	**669**	**764**	***651***	***768***	***14%***	***18%***
Pre Provisions Profits	**1036**	**1193**	**1039**	**1161**	**15%**	**12%**
Provisions for NPA & Std Assets	67	142	136	138	112%	2%
Write offs	301	324	301	323	7%	7%
Provisions & Write offs	**368**	**466**	**437**	**462**	**27%**	**6%**
Profit Before Tax	667	727	602	699	9%	16%
Profit After Tax	**435**	**479**	**392**	**457**	**10%**	**17%**

Performance Highlights for 2QFY19

Analysis on Average AUM

Analysis on Average AUM	As per Ind AS			As per IGAAP		
	2QFY18	1QFY19	2QFY19	2QFY18	1QFY19	2QFY19
Yield on Assets	**20.87%**	**19.70%**	**20.56%**	**21.00%**	**19.93%**	**20.30%**
Finance Expenses	6.72%	6.52%	6.72%	6.70%	6.53%	**6.90%**
Net Interest Margin	**14.15%**	**13.18%**	**13.84%**	**14.30%**	**13.40%**	**13.40%**
Personnel Expenses	2.73%	2.88%	2.87%	2.70%	2.93%	**2.90%**
Other Opex	2.82%	2.34%	2.51%	2.70%	2.31%	**2.50%**
Total Operating Expenses	**5.55%**	**5.21%**	**5.38%**	**5.40%**	**5.24%**	**5.40%**
Pre Provision Profits	**8.61%**	**7.99%**	**8.47%**	**8.80%**	**8.19%**	**8.00%**
Provisions for NPA, & Std Assets / ECL*	0.14%	0.62%	1.33%	1.20%	1.11%	**0.80%**
Write offs	2.64%	2.41%	2.07%	2.70%	2.43%	**2.10%**
Provisions & Write offs	**2.78%**	**3.03%**	**3.40%**	**3.90%**	**3.54%**	**2.90%**
Net Spread (Pre Tax)	**5.83%**	**4.96%**	**5.07 %**	**5.00%**	**4.65%**	**5.10%**
Cost to Income Ratio	39.21%	**39.55%**	38.86%	38.01%	**39.11%**	**40.63%**
Earnings per Share (Rs- for the Quarter)	35.62	**34.60**	37.79			
Book Value per Share (Rs)	798.65	**861.88**	884.55			
CRAR Total				23.15%	**20.98%**	20.79%
CRAR (Tier I)				21.89%	20.30%	20.44%

Asset Quality Details (as per IGAAP)

Product	2QFY18 (120 DPD)			1QFY19 (90 DPD)			2QFY19 (90 DPD)		
-	GNPA	NNPA	PCR(IGAAP)	GNPA	NNPA	PCR(IGAAP)	GNPA	NNPA	PCR(IGAAP)
Small Enterprise Finance	7.31%	2.15%	70.54%	9.70%	3.79%	60.86%	9.63%	3.65%	62.12%
Two Wheelers	7.55%	2.19%	71.00%	9.90%	4.97%	49.84%	9.87%	4.80%	51.37%
Auto Loans	9.31%	2.52%	72.91%	11.01%	5.05%	54.12%	11.05%	4.42%	60.00%
Personal Loans	8.87%	-	100.00%	10.81%	-	100.00%	10.53%	-	100.00%
Loan Against Gold	2.75%	0.82%	70.11%	1.71%	0.68%	60.10%	1.85%	0.92%	50.00%
Total	**6.91%**	**1.83%**	**73.58%**	**8.93%**	**3.40%**	**61.99%**	**8.94%**	**3.27%**	**63.38%**

Stage Analysis as per Ind AS

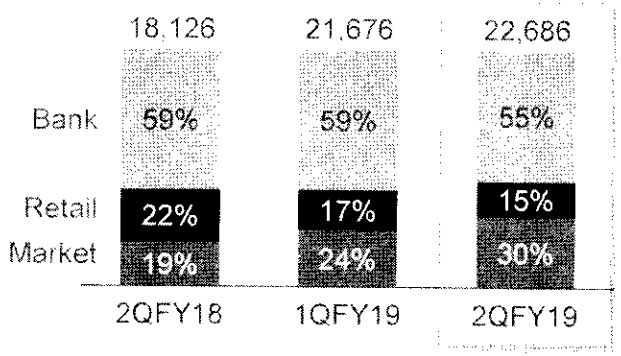
Rs. Crores

Provisions Analysis as per Ind AS	As at Sep-17	As at Jun-18	As at Sep-18
Stage 3 - Gross	2471	2872	2960
Stage 3 - ECL Provisions	1201	1518	1577
Stage 3 - Net	1270	1353	1383
Stage 3 - Coverage Ratio (%)	**48.59%**	**52.87%**	**53.27%**
Stage 1 & 2 - Gross	22606	26321	26606
Stage 1 & 2 - ECL Provisions	440	613	653
Stage 1 & 2 - Net	22166	25708	25952
Stage 1 & 2 - ECL Provisions %	**1.95%**	**2.33%**	**2.46%**
Stage 3 % - Gross	**9.85%**	**9.84%**	**10.01%**
Stage 3 % - Net	**5.07%**	**4.64%**	**4.68%**

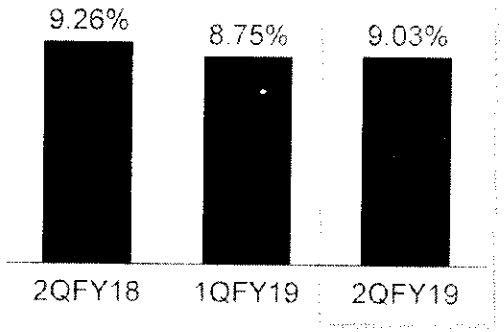
Diversified Borrowing Profile

Funding Mix and Cost Analysis

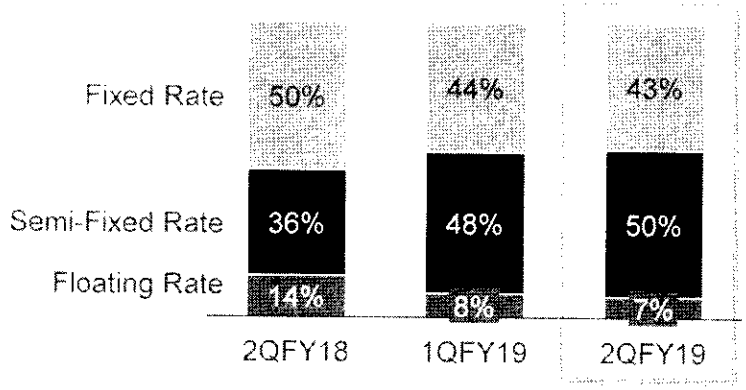
Split of Borrowing (INR Cr.)



Average Cost of Borrowing



Interest Rate Mix of Borrowings



Credit Ratings

CARE	India Ratings	ICRA	CRISIL
AA+	AA	AA	AA

Long Term (Secured)

CARE	India Ratings	ICRA	CRISIL
A1+	A1+	A1+	A1+

Short Term

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ALM statement as of 30 Sept 2018

ASSUMING 100% COLLECTION EFFICIENCY

Rs. Crores

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liquidity Back Ups (Current Account & Fixed deposits)	1,073								1,073
Inflows from Assets (Assets)	1,681	1,239	1,256	3,860	6,805	8,790	2,424	1,526	27,581
Outflows towards Scheduled Commitments (Borrowings)	1,200	965	1,530	2,445	5,842	9,523	1,483	-	22,989
Mismatch	1,554	274	(274)	1,415	963	(733)	941	1,526	5,665
Cumulative Mismatch	**1,554**	**1,828**	**1,553**	**2,968**	**3,931**	**3,198**	**4,139**	**5,665**	

ASSUMING 90% COLLECTION EFFICIENCY

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liquidity Back Ups (Current Account & Fixed deposits)	1,073								1,073
Inflows from Assets (Assets)	1,512.97	1,114.75	1,130.42	3,473.88	6,124.51	7,911.13	2,181.54	1,373.69	24,823
Outflows towards Scheduled Commitments (Borrowings)	1,200	965	1,530	2,445	5,842	9,523	1,483	-	22,989
Mismatch	1,386	150	(400)	1,029	282	(1,612)	698	1,374	2,907
Cumulative Mismatch	**1,386**	**1,536**	**1,136**	**2,165**	**2,447**	**835**	**1,533**	**2,907**	

Outlook

✓ **Grow loan book at 18-20% CAGR**

- Consolidate leadership positions in MSME Finance and 2-W Finance
- Leverage existing branch network to offer all products
- Continue to promote cross-sell of products to our customer base
- Adequately capitalized for continued growth in the medium term

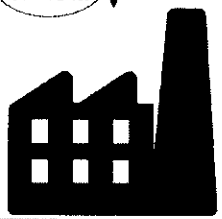
✓ **Revert to our historical RoE range of 18-20%**

- Digital enablement of entire business to drive growth and operational efficiencies
- Normalization of credit costs following disruption and accounting effects over FY16-18

Company Overview

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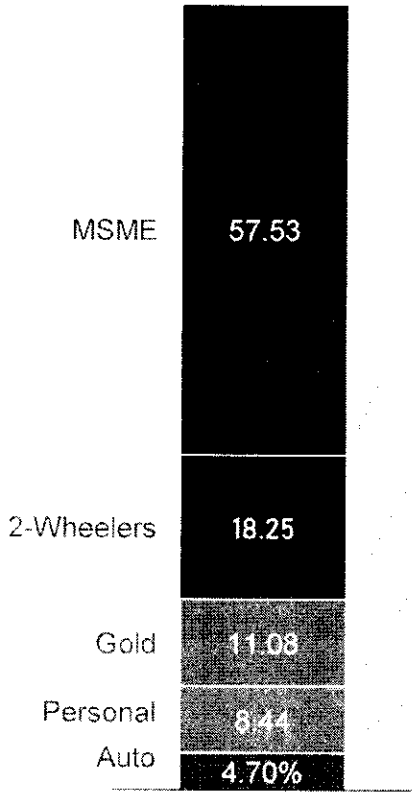
- **32 years in existence**
- **Primarily caters to un-banked and under-banked customers**
- **Leading small enterprise finance company in India in the small loan segment**
- **Leading two-wheeler lender in India**
- **Active customer base of 4.03m; Strong base of 27748 employees**
- **Strong presence in the rural and semi-urban markets**

MSME Financing	Two-Wheeler Financing	Gold Loans	Personal Loans	Auto Loans
57.53% of AUM	18.25% of AUM	11.08% of AUM	8.44% of AUM	4.70% of AUM
				
• Loans to micro, small and medium enterprise businesses	• Strong pan-India presence in two-wheeler financing	• Gold loans to individuals who do not have access to formal credit	• Personal loans to salaried and self employed individuals	• Loans for entry level new and used cars

Presence across attractive retail lending segments

Company Overview
Product details

Product Portfolio (AUM breakup)



	Launch Year	Avg. Ticket	Tenor Band	Indicative Yield Band	LTV	Description
MSME	2006	~INR 10L	36-60 months	14-22%	Cash flow based	Loans to under-banked / un-banked micro & small enterprises 80% of the loans are collateralized
2-Wheelers	**2002**	**~INR 43k**	**24-30 months**	**21-24%**	**75%**	Market leader with ~23% market share. Primarily caters to self-employed customers in rural and semi-urban markets
Gold	2007	~INR 40k	~4 months	14-18%	75%	Largely focused on lending to individual customers Presence only in 5 states
Personal Auto	2002	~INR 75k	18-36 months	22-28%	Cash flow based	Cross-sell primarily to existing tenured customers with a strong track record of repayments
	2006	~INR 150k	24-48 months	18-24%	60-80%	Funding for entry level new cars, and used cars for self-employed customers

Niche, granular and diversified product portfolio focused on harder to access customers

Company Overview
Business Strategy – Cash Flow Based Lending

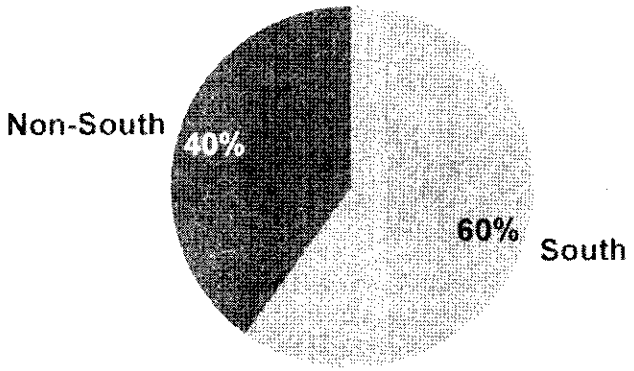
57.53% of AUM

MSME Finance

- Cash flow based lending model
- Relationship and contact-led, community-driven approach enable us to profitably serve customers in rural and semi-urban India
- Empowered branches with tailored credit appraisal techniques
  - Locally drawn field force with personal knowledge of the market
  - In-house teams for pre-lending field investigations and appraisals
- Long runway for growth:
  - Geographical expansion
  - Deeper penetration in existing markets
  - Increasing customer lifecycle

MSME AUM Split by Geography

As of Sept-18



8.44% of AUM

Personal Loans

- Primarily to existing customers with track record of timely repayments
- Cross-sell product that provides operating leverage to the business and enables us to service the customer better
- Significant runway for growth through continued improvement in cross-sell penetration

Company Overview
Business Strategy – Asset Financing

18.25% of AUM

2-W Financing

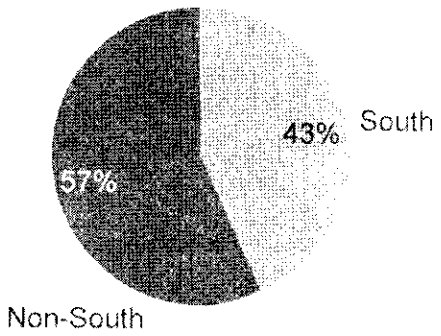
Caters largely to self-employed customers in rural and semi-urban markets

Lead financier in the 2-W market; Focus on:

- Historically under-served markets,
- Quick turnaround times,
- Excellent relationships with dealers and OEMs, and
- Feet-on-street model
- Growth headroom from geographical expansion and improvement in financing penetration

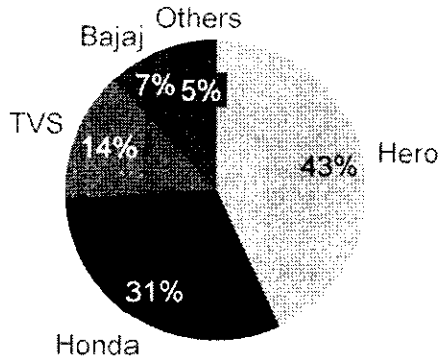
2-W AUM Split by Geography

As of Sept-18



2-W OEM Exposure

As of Sept-18



11.08% of AUM

Loans against Gold

Loans primarily to individual customers

Business conducted out of existing branches – provides operating leverage and mitigates risk

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Key Highlights

1 Addressing large, under-served markets

2 Differentiated product offerings with high entry barriers

3 Focus on credit quality and collections

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4 Digitally-enabled & well-positioned to exploit multiple growth opportunities

5 Adequately leveraged for growth

6 Strong financial metrics

MSME Finance

Leading lender to MSMEs; Focus on under-served segments

MSME
57.53%
AUM

Focus on Under-served MSME



- ✓ Local, trained field force with extensive market knowledge
- ✓ Empowered branches
- ✓ Significant growth runway by leveraging existing network

Segment Performance Overview

	2QFY18	1QFY19	2QFY19
Disbursals INR Cr.	2,515	2,830	2,852
YoY growth	*3.84%*	*21.46%*	*13.40%*
Loan AUM INR Cr.	13,875	16,661	17,113
YoY growth	*15.35%*	*26.05%*	*23.34%*
GNPA (As per IGAAP)	**7.31% (120 DPD)**	**9.70% (90 DPD)**	**9.63% (90 DPD)**

Key Customers

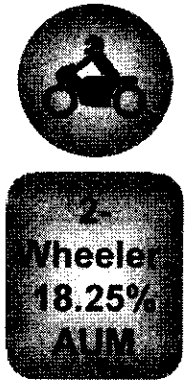
- ✓ **Traders – Wholesale / Retail**
- ✓ **Service providers**
- ✓ **Small-scale manufacturers**

Salient Product Features

- ✓ **Cash flow based lending**
- ✓ **Small ticket size**
- ✓ **Speedy disbursement**
- ✓ **Flexible offerings**

2-Wheeler Financing

Leading player in 2-Wheeler Financing; Focus on under-served segments



Dominant in 2-Wheeler Financing

- ✓ Caters largely to self-employed customers in rural / semi-urban markets
- ✓ Dominant on-ground presence
- ✓ Growth headroom with geographical expansion and continued improvement in financing penetration

Segment Performance Overview

	2QFY18	1QFY19	2QFY19
Disbursal INR Cr.	1,059	1,284	1,267
YoY growth	*5.37%*	*24.54%*	*19.64%*
Loan AUM INR Cr.	4,281	5,294	5,430
YoY growth	*13.92%*	*27.14%*	*26.84%*
GNPA (As per IGAAP)	**7.55% (120 DPD)**	**9.90% (90 DPD)**	**9.87% (90 DPD)**

Gold Loans



Gold Loan Book Overview

- ✓ Focus primarily on individual customers
- ✓ Business carried out from existing branches and provides operating leverage
- ✓ Present only in 5 states

Growth in gold loans is dependent on extant market conditions & price

Segment Performance Overview

	2QFY18	1QFY19	2QFY19
Disbursal INR Cr.	1,888	1,495	1,558
YoY growth	*20.64%*	*-17.31%*	*-17.48%*
Loan AUM INR Cr.	3,652	3,450	3,295
YoY growth	*19.78%*	*-6.20%*	*-9.78%*
GNPA (As per IGAAP)	**2.75% (120 DPD)**	**1.70% (90 DPD)**	**1.85% (90 DPD)**

Shriram Housing Finance Ltd

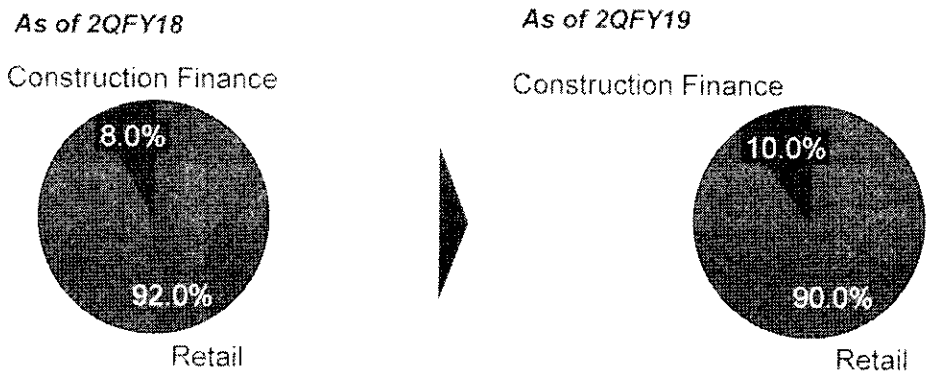
Establishing presence in Affordable Housing through subsidiary Shriram Housing

Housing: 5.93% of Consol AUM

- ✓ Registered as non-deposit accepting HFC with the National Housing Bank
- ✓ Predominantly catering to self-employed borrowers/ informal salaried customers in Tier-II / Tier-III towns
- ✓ Focus on lower-income segment; average retail ticket size of under INR 10 lakhs
- ✓ Operates out of 88 branches and 31 sales offices across 17 states in India with 1138 employees
- ✓ Rated 'AA+' by Care Ratings and 'Ind AA' by India Ratings

Growing presence in retail housing segment

Loan AUM Split



SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Shriram Housing Finance Ltd
Quarterly Financial Highlights

Particulars (INR in Crores)	As per Ind AS		As per IGAAP		YoY Growth	
	2QFY18	2QFY19	2QFY18	2QFY19	IND AS	IGAAP
Assets Under Management	**1616**	**1940**	**1611**	**1927**	**20.04%**	**19.65%**
Disbursements	121	249	121	249	106.21%	106.21%
Interest Income[1]	60.05	67.19	60.68	67.60	11.89%	11.40%
Interest Reversal	(10.62)	(19.53)	(10.62)	(19.53)	83.90%	83.90%
Interest Income	**49.43**	**47.66**	**50.06**	**48.07**	**-3.58%**	**-3.98%**
Other Income	15.49	26.31	15.85	25.76	69.85%	62.52%
Total Income	**64.92**	**73.98**	**65.91**	**73.83**	**13.96%**	**12.02%**
Interest Expenses	28.00	31.38	28.14	31.65	12.07%	12.47%
Personnel Expenses	10.92	15.32	10.62	14.89	40.29%	40.21%
Operating Expenses & others	12.61	15.64	12.46	15.46	24.03%	24.08%
Impairment on financial instruments/Provisions & Write offs[2]	4.86	(0.75)	3.93	1.76	-115.43%	-55.22%
Profit Before Tax	8.52	12.39	10.76	10.08	45.42%	-6.32%

Shriram Housing Finance Ltd
Quarterly Financial Highlights

Particulars (IND AS) (INR in Crores)	As per Ind AS		As per IGAAP	
	2QFY18	2QFY19	2QFY18	2QFY19
Yield on Assets	**15.44%**	**15.45%**	**15.92%**	**15.28%**
Financial Expenses	9.70%	7.86%	9.14%	8.04%
Net Interest Margin	**8.75%**	**8.89%**	**9.07%**	**8.71%**
Cost to Income Ratio	36.07%	41.66%	61.11%	71.94%
Gross NPAs	5.50%	6.40%	4.90%	5.40%
Net NPAs	3.40%	4.60%	**3.40%**	**3.80%**
RoA	**1.34%**	**1.43%**	**1.61%**	**1.07%**
RoE	**5.78%**	**6.50%**	**6.92%**	**5.05%**
Leveraging	2.95x	3.62x	2.79x	3.61x
Capital Adequacy Ratio (IGAAP)	35.01%	30.97%	35.01%	30.97%
Net worth (INR Cr.)	**413.16**	**455.42**	**426.72**	**448.60**

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