

August 10, 2022

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

**The Secretary**  
**BSE Limited,**  
**25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Fort,**  
**Mumbai 400 001**

**Symbol : CHOLAHLDNG**

**Scrip Code : 504973**

Dear Sir / Madam,

**Sub: Presentation to Analyst / Investor**

This is further to our letter dated August 9, 2022 on the analyst / investor call scheduled on August 11, 2022.

Pursuant to Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the presentation which will be shared with the analyst / investors is enclosed. The same is made available on the Company's website [www.cholafhl.com](http://www.cholafhl.com)

We request you to kindly take the information on record.

Thanking you,

Yours faithfully,  
for **Cholamandalam Financial Holdings Limited**



**E Krithika**  
**Company Secretary**

**Encl: As above**



**Chola**

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**CORPORATE PRESENTATION – Q1-FY23**



**murugappa**

# Murugappa Group in a Nutshell



Years of Existence



Consolidated Turnover (FY22)



Group Market cap (as on 30<sup>th</sup> Jun 2022)



Sectors



Businesses



Listed Companies



Geographical Presence

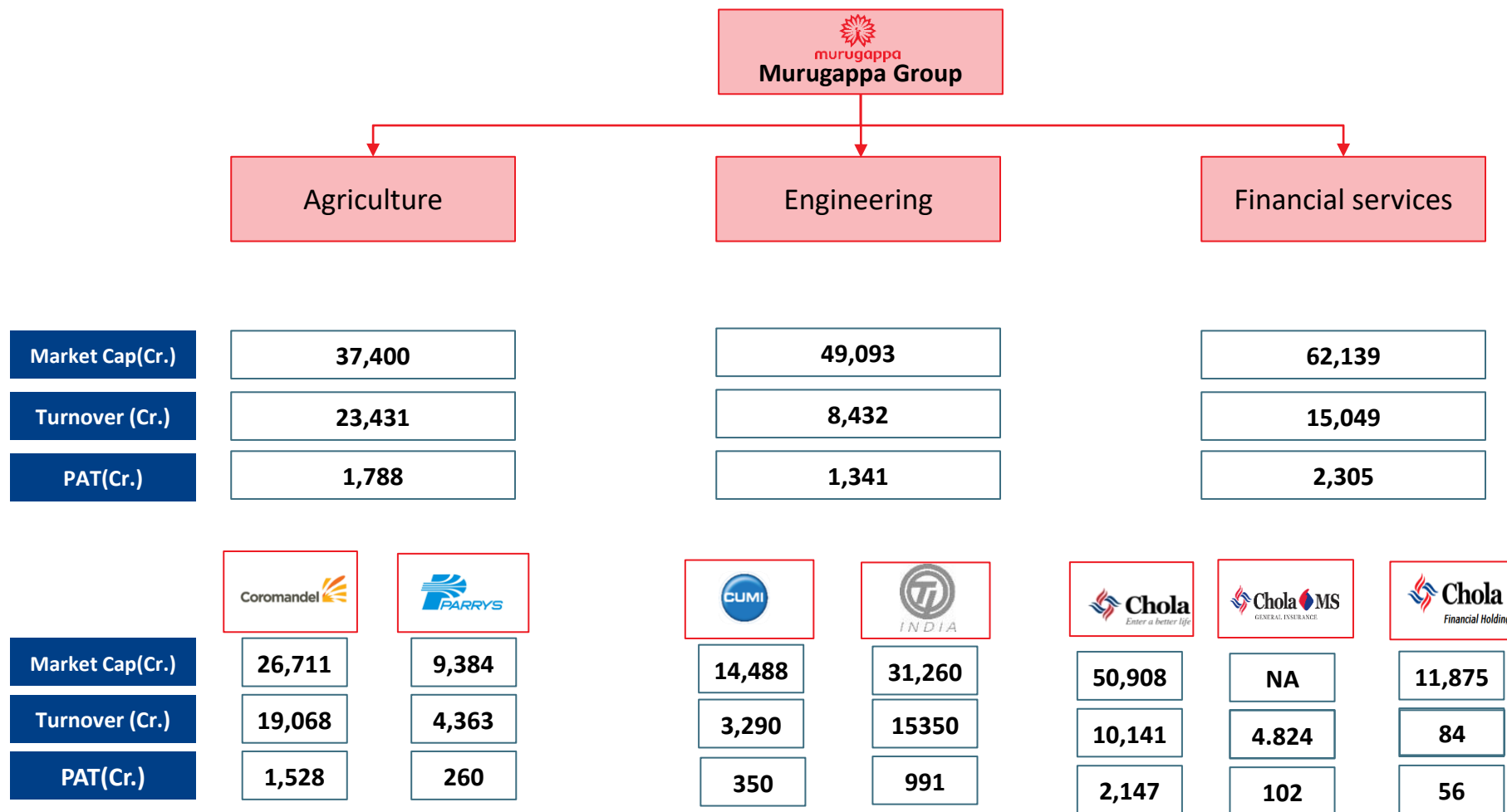


Manufacturing Locations



Work force

# Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.  
 Financial Performance are of FY 21-22.  
 Market data as on 30<sup>th</sup> Jun 2022. Source: BSE

# SPIRIT OF MURUGAPPA



**The five lights**  
The values, principles and beliefs that have always guided us and continue to show the way forward.

**Integrity**  
We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

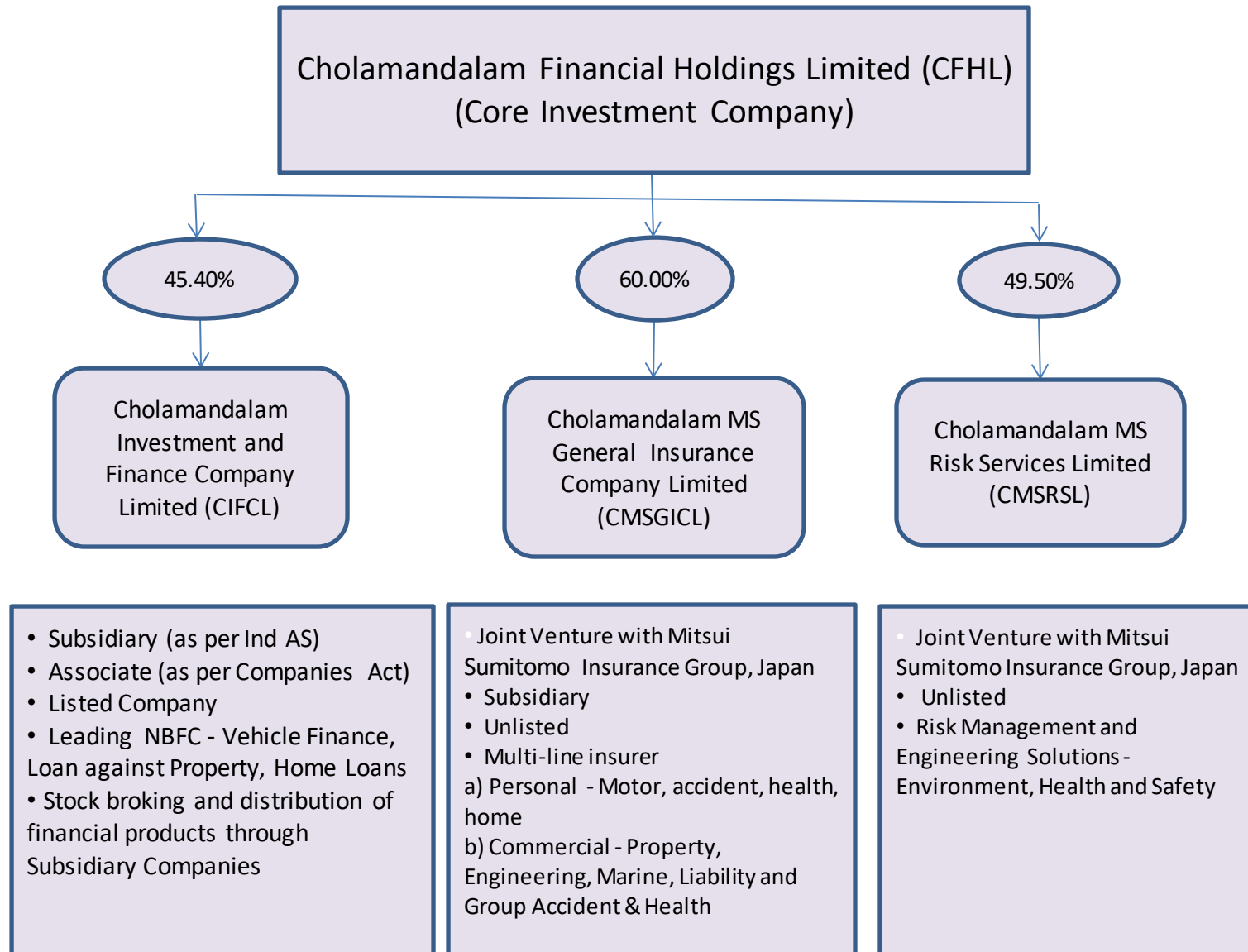
**Passion**  
We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

**Quality**  
We take ownership of our work. We unflinchingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

**Respect**  
We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

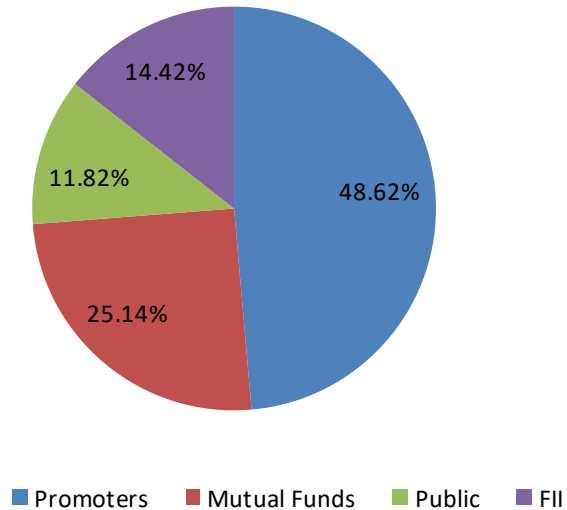
**Responsibility**  
We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that benefits our size and also reflects our humility.

“The fundamental principle of economic activity is that no man you transact with will lose, then you shall not.”



## Shareholding pattern

**Shareholding Pattern  
as of June 30, 2022**



### **Institutional Holders (More than 1%)**

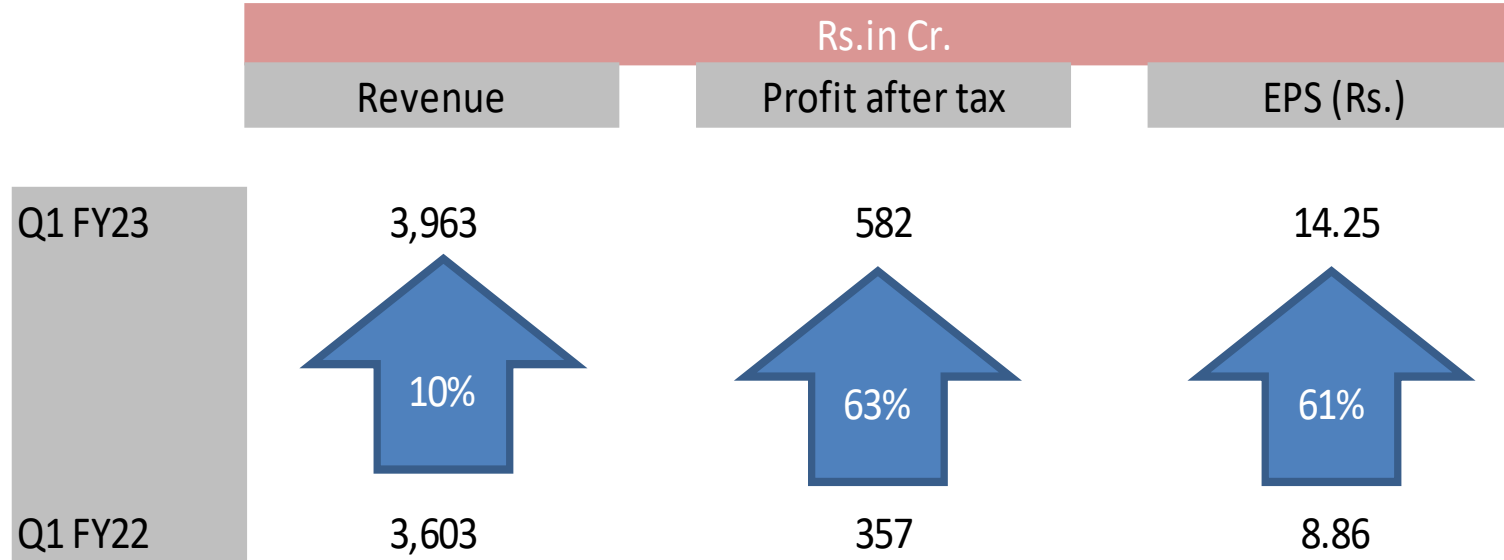
#### **Top Domestic Institutional Holdings**

- \* ICICI Mutul Fund
- \* Aditya Birla Mutul Fund
- \* HDFC Mutul Fund
- \* Nippon India Mutual Fund
- \* Sundaram Mutul Fund

#### **Top Foreign Institutional Holdings**

RBC Emerging Markets Small-cap Equity Fund  
Toyota Tusho Corporation

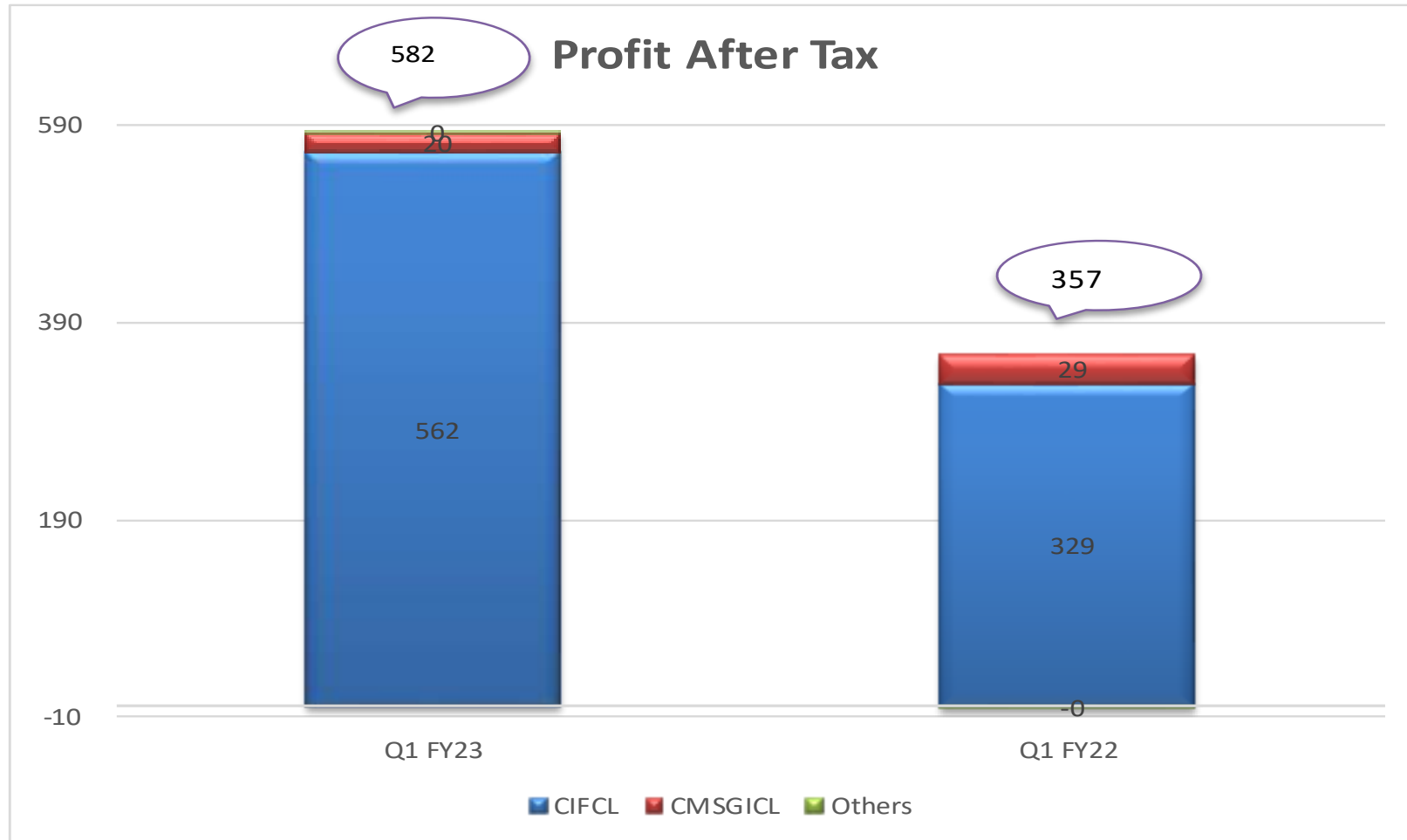
## Performance Highlights - Consolidated





# Performance Highlights - Consolidated

Rs.cr



## Financial Performance & Metrics

CFHL - Standalone	Q1 FY23	Q1 FY22
Particulars (Rs. in Cr)		
Income	2	2
Expenses	2	3
Profit Before Tax	(0)	(1)
Tax Expense	-	-
Profit After Tax	(0)	(1)

CFHL - Standalone	As of	As of
Balance Sheet (Rs. in Cr)	30-Jun-2022	31-Mar-2022
Networth	1,187	1,187
Other Liabilities	105	104
Total Equity and Liabilities	1,292	1,291
Investments and Bank deposits	1,289	1,290
Other Assets	3	1
Total Assets	1,292	1,291

CIFCL	Q1 FY23	Q1 FY22
Disbursements (Rs. in Cr)	13,329	3,635
	As of	As of
	30-Jun-2022	31-Mar-2022
AUM (Rs. in Cr)	86,703	82,904
No.of Branches	1,148	1,145

CMSGICL	Q1 FY23	Q1 FY22
GWP (Rs. in Cr)	1,384	997
	As of	As of
	30-Jun-2022	31-Mar-2022
Investment Portfolio (Rs. in Cr)	11,818	11,356
No of physical touch points including SMO	510	565

CMSRSL	Q1 FY23	Q1 FY22
Revenue (Rs. in Cr)	15	11
PAT (Rs. in Cr)	1	0
	As of	As of
	30-Jun-2022	31-Mar-2022
Networth (Rs. in Cr)	32	31

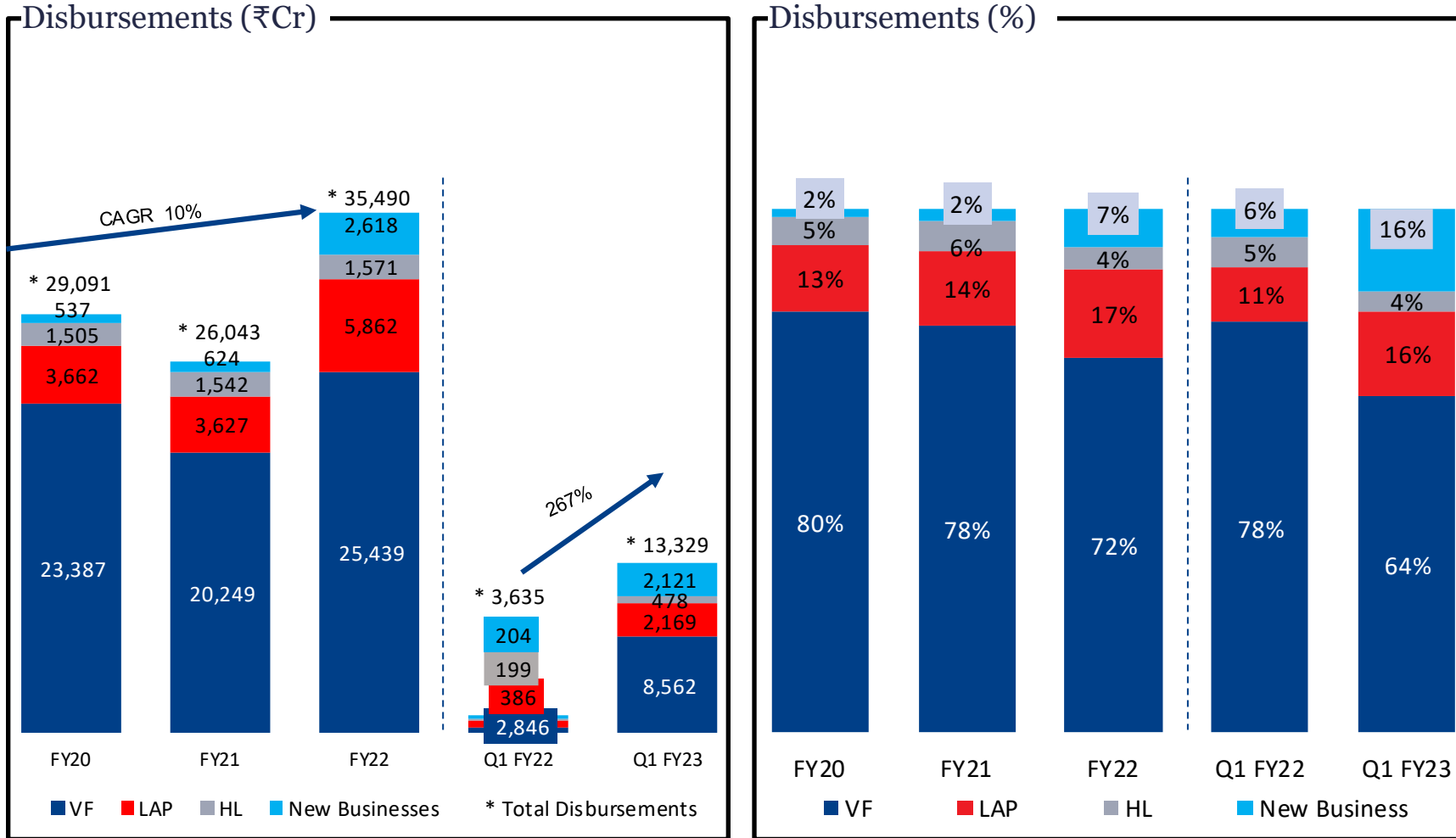
## Regulatory Ratios of CFHL

Rs Crs

Particulars	As of June 30, 2022	As of March 31, 2022
Owned Funds (A)	1,187.23	1,187.17
Adjusted Networth (B)	12,962.09	12,072.90
Risk Weighed Assets ( C)	1,282.87	1,280.57
Outside Liabilities (D)	104.76	103.73
Net assets (E)	1,282.13	1,279.89
Investment in equity shares of group companies (F)	1,279.98	1,279.84
Capital Ratio (B / C)	1010.40%	942.78%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.01	0.01
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.832%	99.996%
Regulatory minimum	90.00%	90.00%

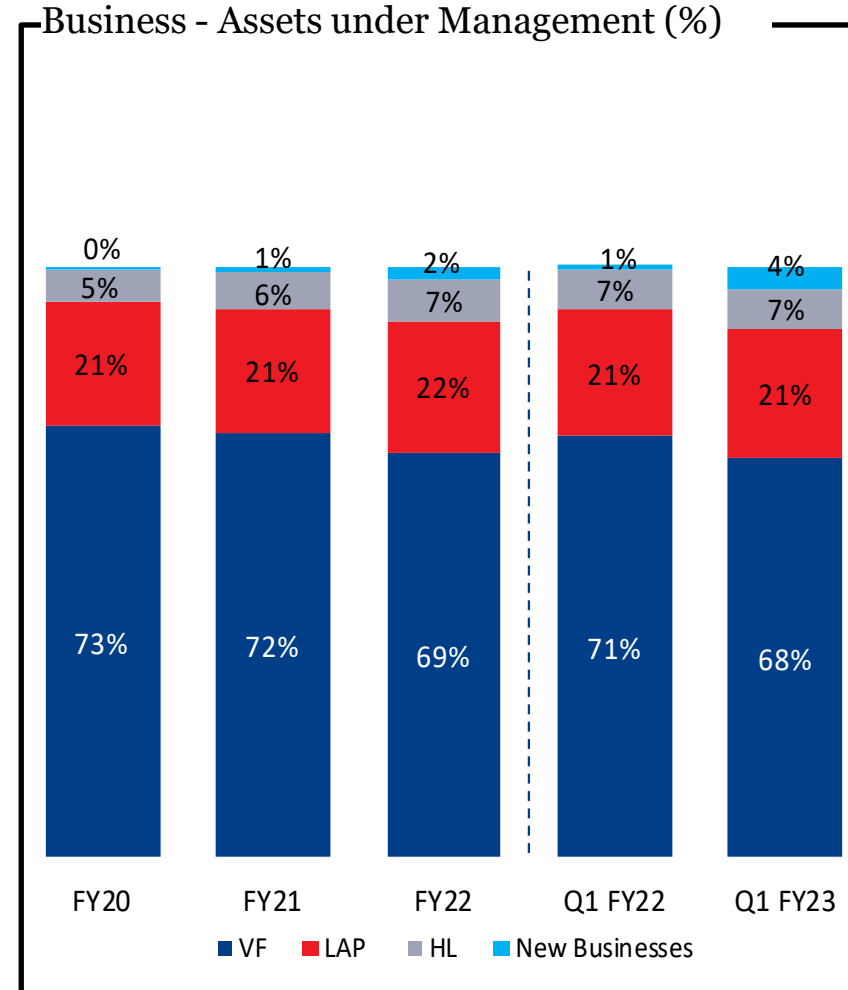
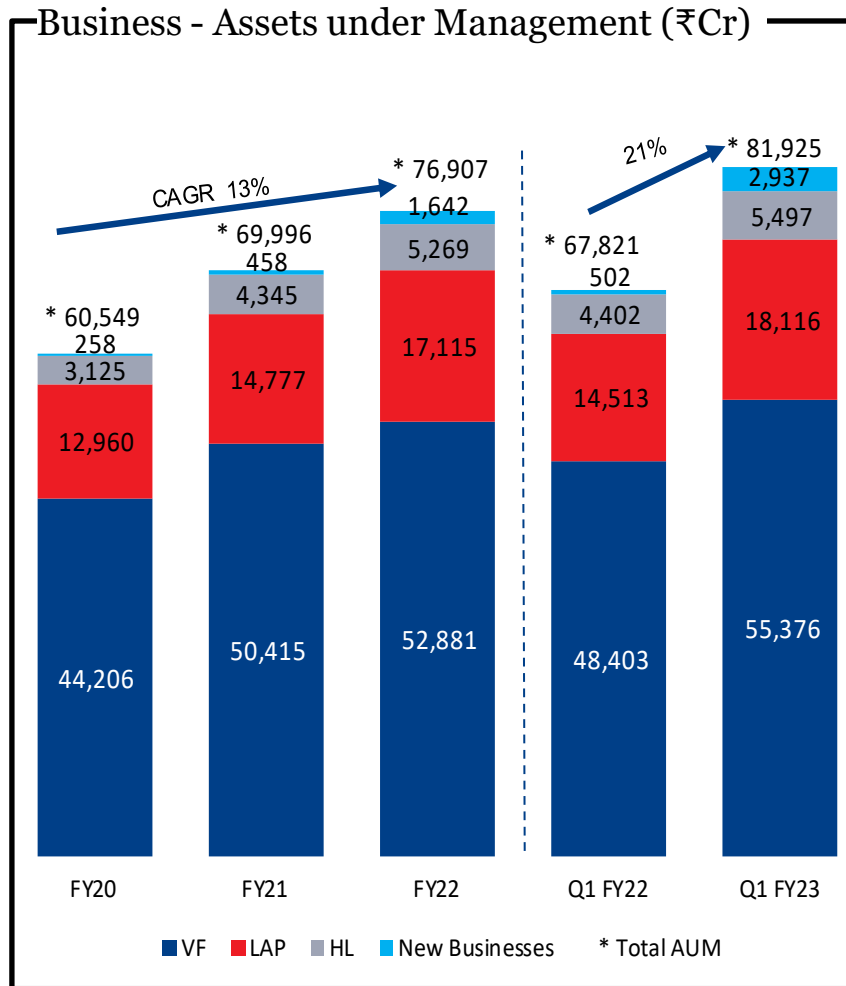
# Cholamandalam Investment and Finance Company Limited

# Disbursements

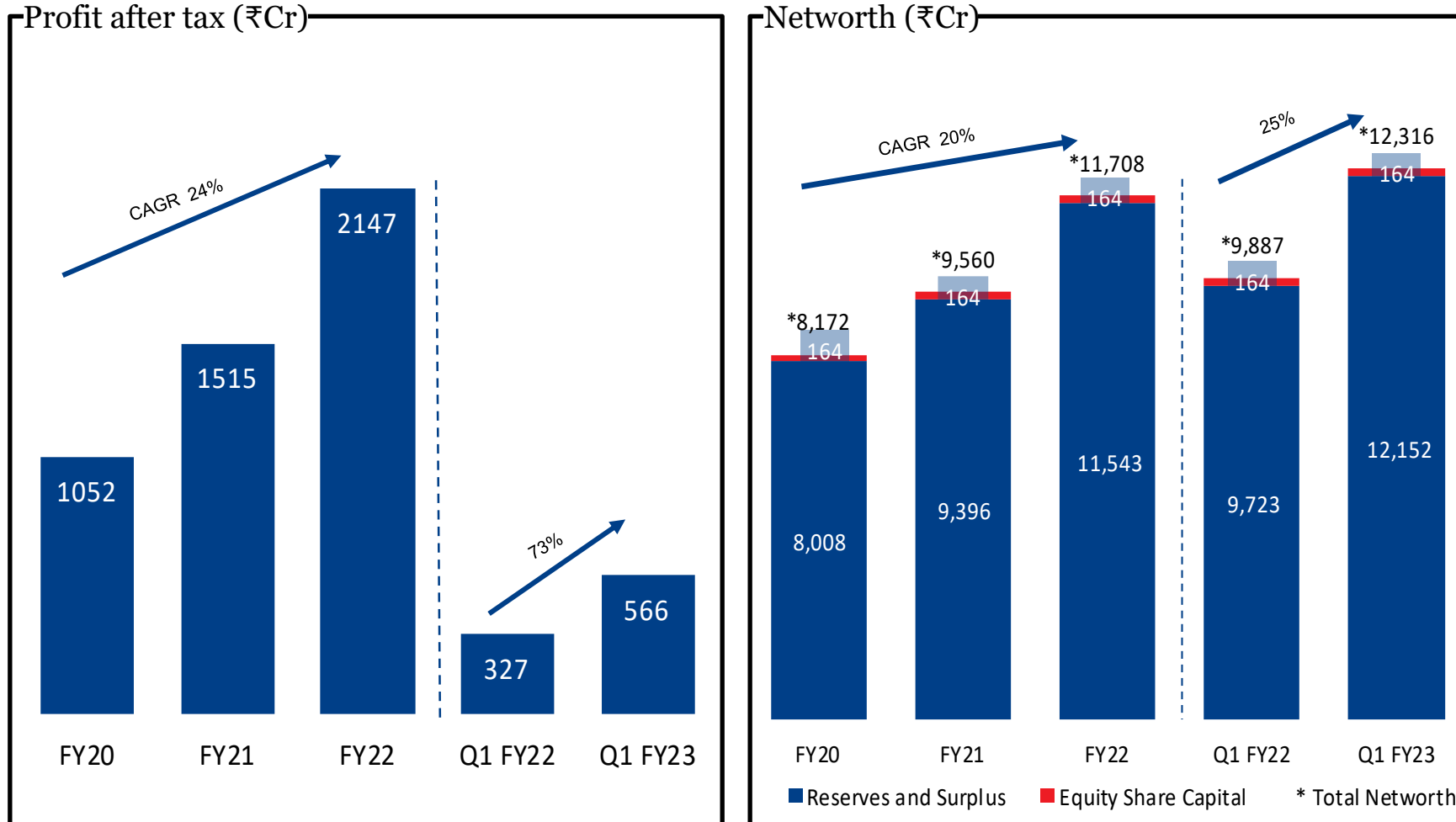


New business includes SME, CSEL and SBPL

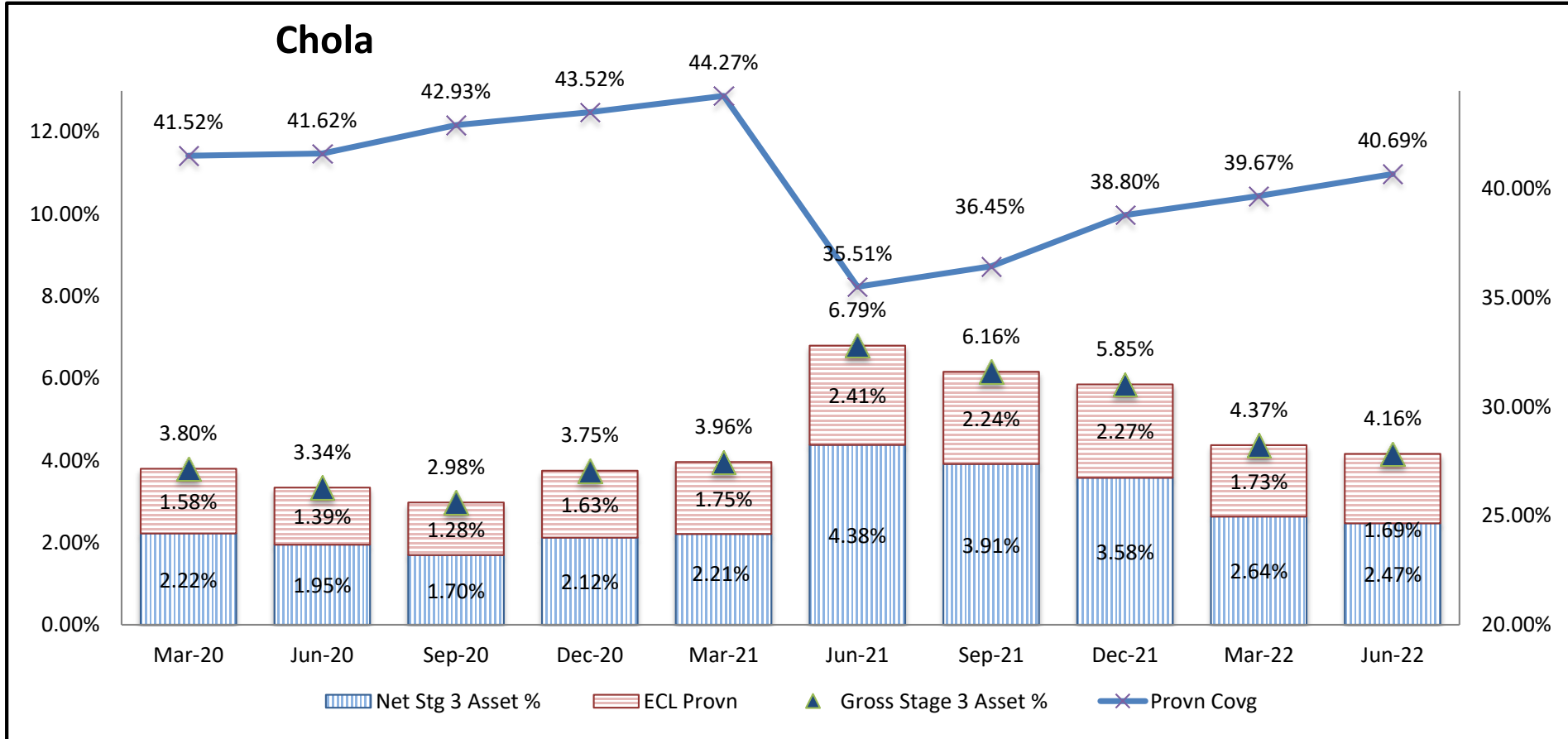
# Assets Under Management



## Profitability and Net worth



## Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of June'22 is at 6.31% and 4.43% respectively.



# Vehicle Finance



## Vehicle Finance: Q1 FY23 Performance

### Disbursements

- Disbursements grew by 201% in Q1FY23 at Rs.8,562 crores as compared to Rs.2,846 crores in Q1FY22.

### Assets under management

- AUM have grown by 14% YoY

### Loss and provisions

- Loan losses improved to 2.1% in Q1FY23 from 3.8% in Q1FY22.

### Profit before tax

- PBT grew by 86% at Rs.480 crores in Q1FY23 as compared to Rs.258 crores in Q1FY22.

## Sector outlook – Vehicle Finance business (1/3)

### Sector Outlook

- The Light commercial vehicle segment had a growth of 104% in Q1 FY'23. This is due to low base effect of the corresponding quarter last year which was hit by the pandemic. This segment is witnessing healthy recovery supported by increased demand from agriculture and its allied sectors coupled with replacement demand.
- The Small commercial vehicle segment had a growth of 110% in Q1 FY'23. This segment is expected to grow in the coming quarters due to its nature of deployment in last mile connectivity and improvement in road infrastructure.
- The Heavy commercial vehicle segment had a growth of 143% in Q1 FY'23. This is due to the low base effect of previous corresponding quarter of last year which was severely hit by the pandemic. The recovery in macroeconomic environment and improved freight availability will aid growth in this segment during the coming quarters.

### Chola's Position

- Increased demand for Light commercial vehicle will help us garner higher volumes, however we will be cautious since the rainfall has been uneven and there has been significant deficit of rainfall in some of the states and excess rainfall (flooding) in some parts.
- Uptick in demand for Small commercial vehicles will help us improve our disbursements combined with our vigilant approach to financing, based on vehicle viability and earning capacity. We are cautious in this segment due to significant increase in vehicle prices and lower EMI affordability (Operator viability).
- Our exposure in this segment is 7% at a portfolio level. We will continue to keep a close watch on this segment for further improvement in market conditions. We are trading cautiously in this segment due to uneven freight availability (capacity utilisation), freight charges and higher cost of operation.

## Sector outlook – Vehicle Finance business (2/3)

### Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 41% in Q1 FY'23 due to improvement in semiconductor supplies and higher demand for utility vehicles due to positive market sentiments. This segment is expected to post healthy growth aided by improvement in semiconductor supplies and materialisation of pent-up demand.
- The Two-wheeler industry had a growth of 54% in Q1 FY'23. Timely monsoon, increase in rural cash flow, and easing of chip shortage issues will aid growth in this segment during the year.
- Used vehicle business has contributed to 29% of our disbursement volumes and this segment is expected to grow even further in the coming quarters.

### Chola's Position

- Our focus continues to be on retail customers especially in smaller towns and rural areas. We will continue to focus on this segment in line with market trends.
- The company intends to maintain its focus on two-wheeler financing with a clear eye for credit underwriting to maintain portfolio performance.
- We are one of the key financiers in this segment and will continue to maintain a cautious approach along with a razor-sharp focus on collections.

## Sector outlook – Vehicle Finance business (3/3)

### Sector Outlook

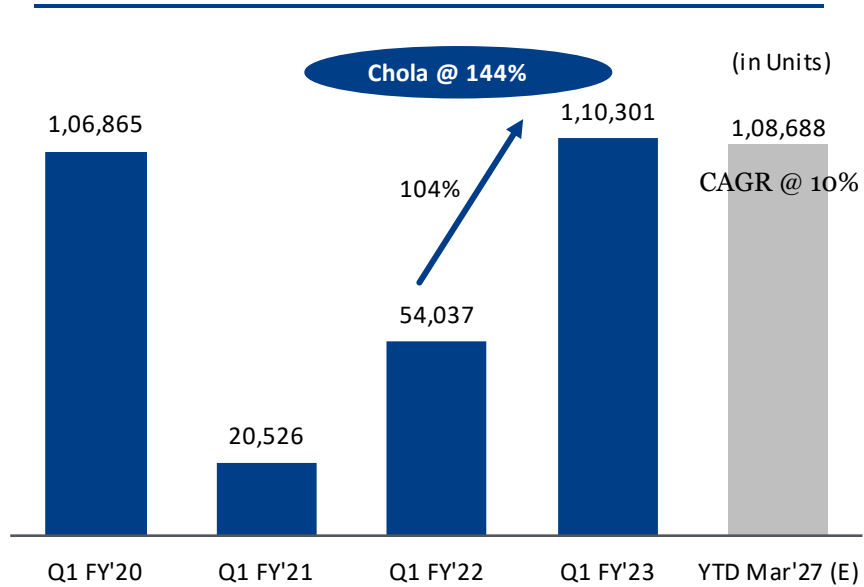
- The Construction Equipment segment had a growth of 61% in Q1 FY'23 due to a predominantly low base in Q1 of last year. However, the volumes are expected to pick up in H2 of FY'23 aided by increased spend on infrastructure and improvement in mining activities.
- The Tractor industry had a growth of 16% in Q1 FY'23. The segment is expected to have healthy growth supported by healthy monsoons, a strong kharif harvest and good water levels of reservoirs.

### Chola's Position

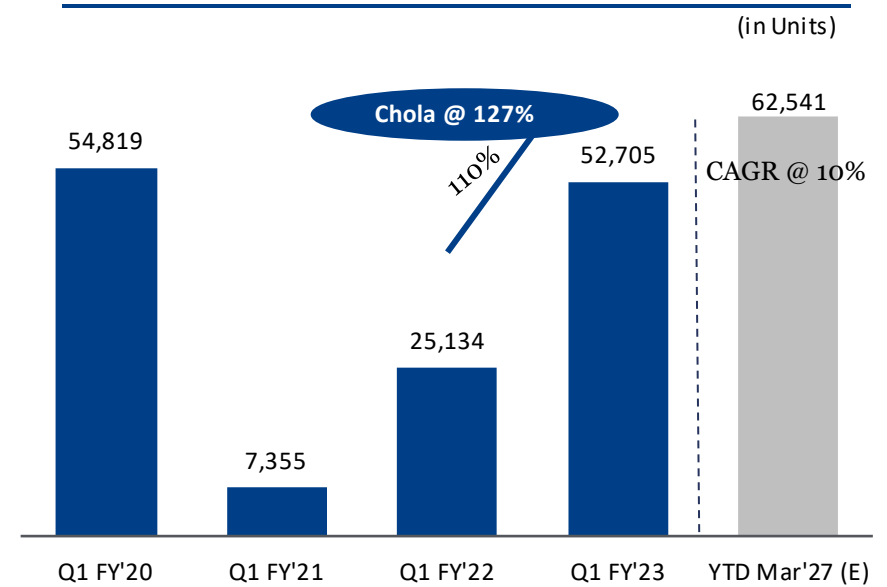
- Our exposure in this segment is around 6% at a portfolio level and our focus will be on building a quality book. We are cautious in this segment since the cost of operation and viability have been impacted during recent times due to increase in input cost and emission norm changes resulting in increased equipment prices.
- We will approach this segment with a close watch on portfolio considering various external factors like uneven rainfall, crop loss and irregular cash flows.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



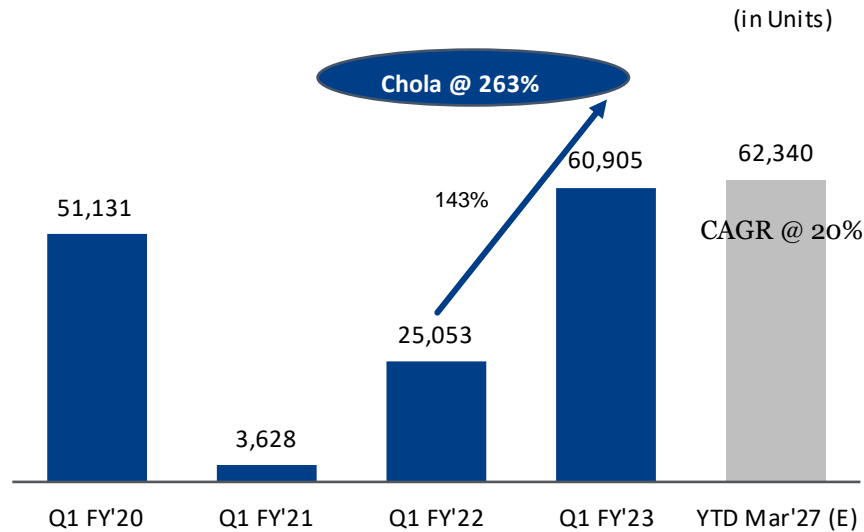
## Trend in Domestic SCV Sales



- Replacement demand, increasing last-mile transport requirements, and recovery in the macroeconomic environment.
- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies.
- Demand for Pickups will increase in the long term due to higher flexibility in usage of sub-one-tonne vehicles.
- Bus Sales to be supported by growing urban population, demand from schools/ corporates and increased inter-city travel due to higher vaccination coverage and reduced impact of COVID-19.

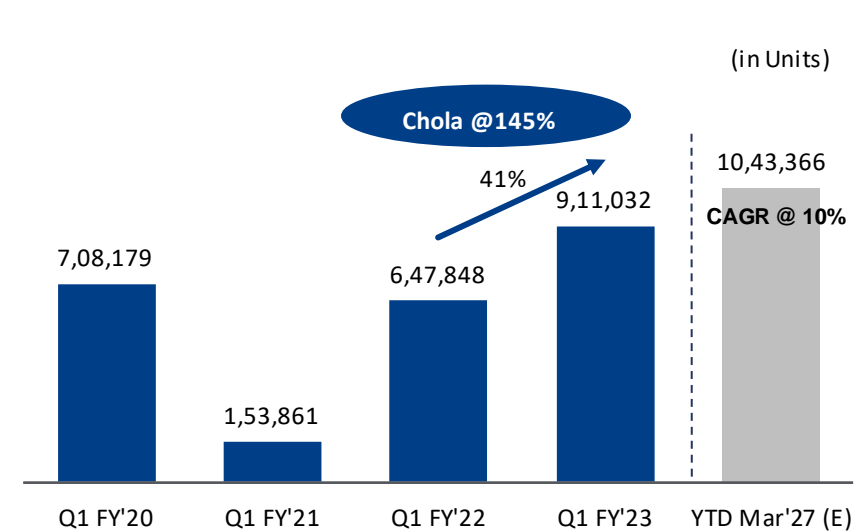
# Auto Industry Outlook

## Trend in Domestic HCV Sales



- Improved industrial activity, steady agricultural output, rebound of economic activity and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

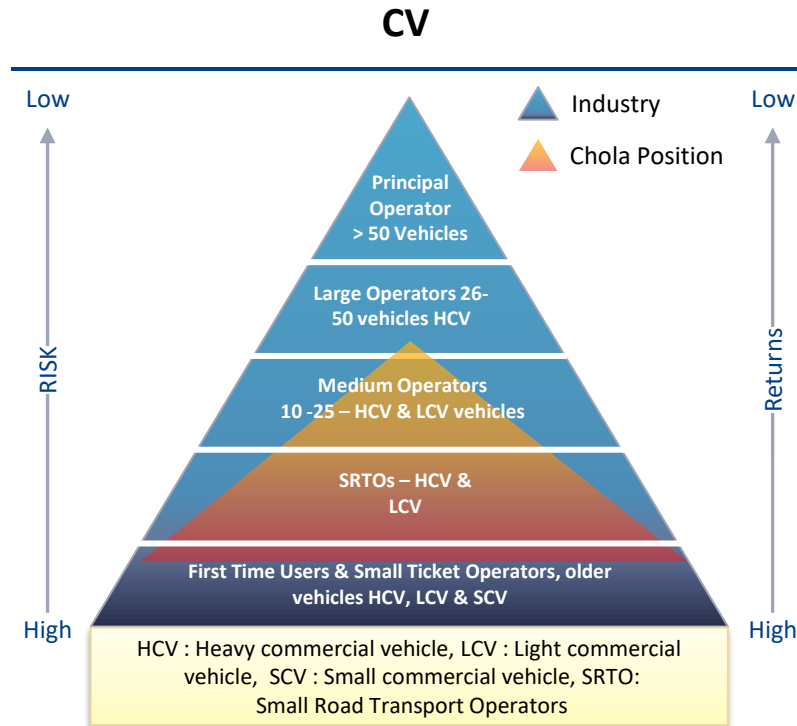
## Trend in Domestic Car & MUV Sales



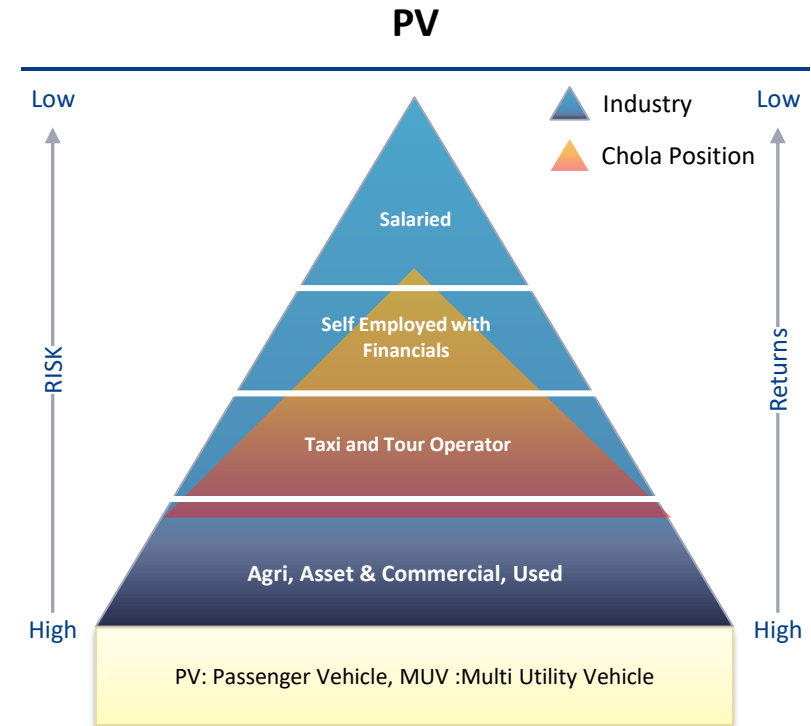
- Higher Income, lower penetration and lower cost of capital to boost long term demand.
- Improvement in semiconductor supplies and materialisation of pent-up demand.

Source: FY19 to FY27 numbers are from SIAM & CRISIL

# Vehicle Finance—Business Model & Positioning



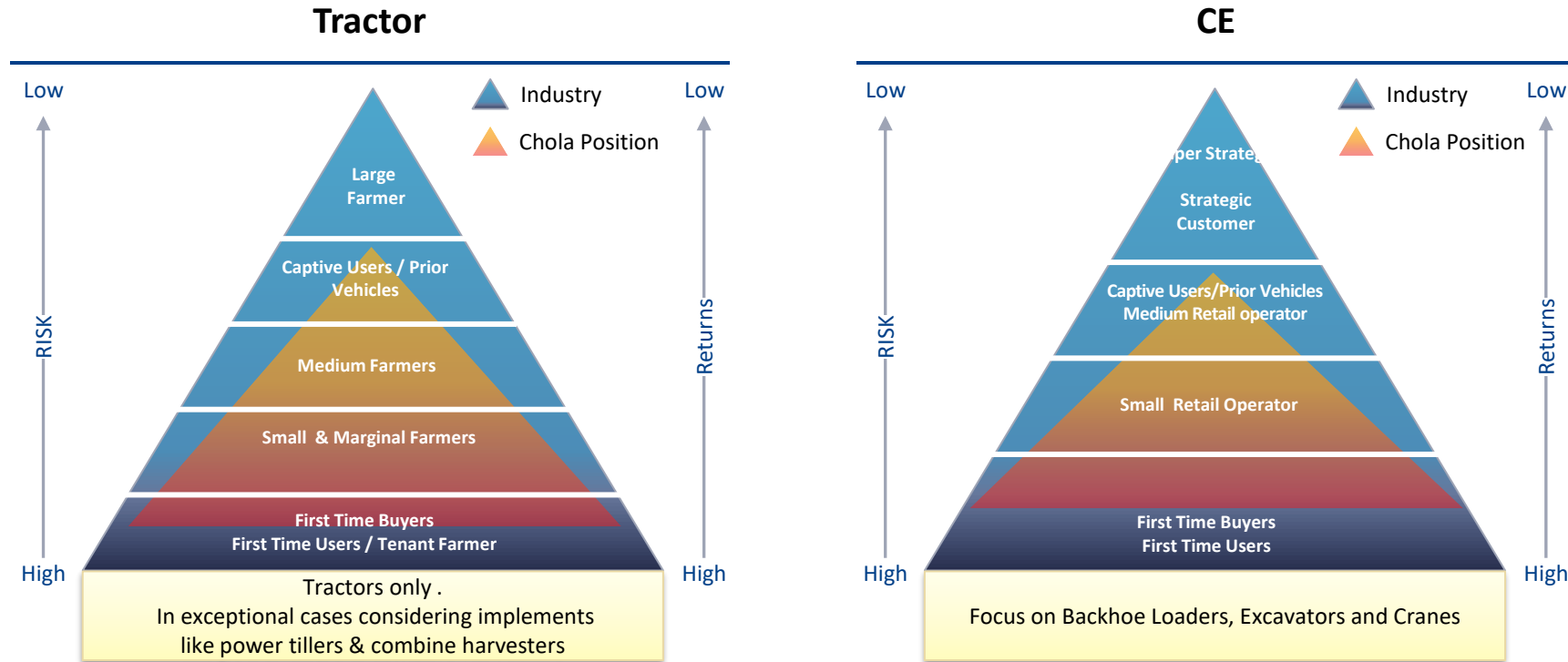
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh



- ~ 66% of disbursements are to Chola Existing, Agri & Commercial usage customers
- ~ 34% disbursements are to Self Employed with financials
- Chola positioning-
  - Middle of the pyramid is into Agri, Asset & Commercial



# Vehicle Finance—Business Model & Positioning



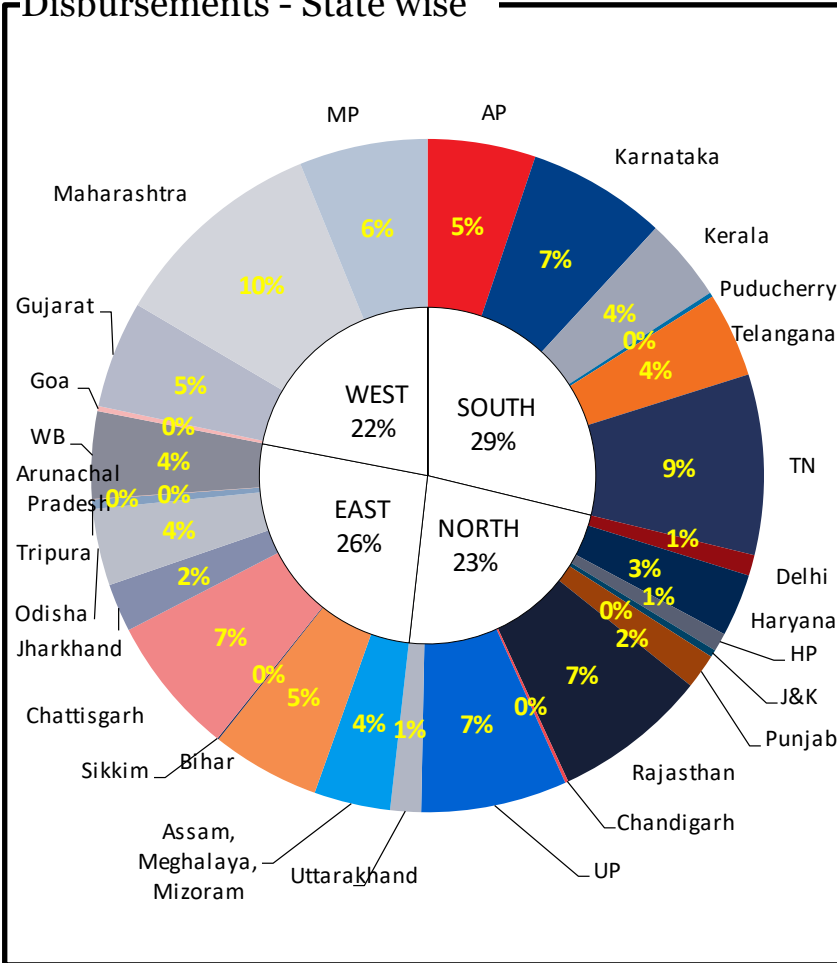
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

- ~ 69% of disbursements are to retail customer segment
- Application –
  - Captive
  - Hiring
- New & Used

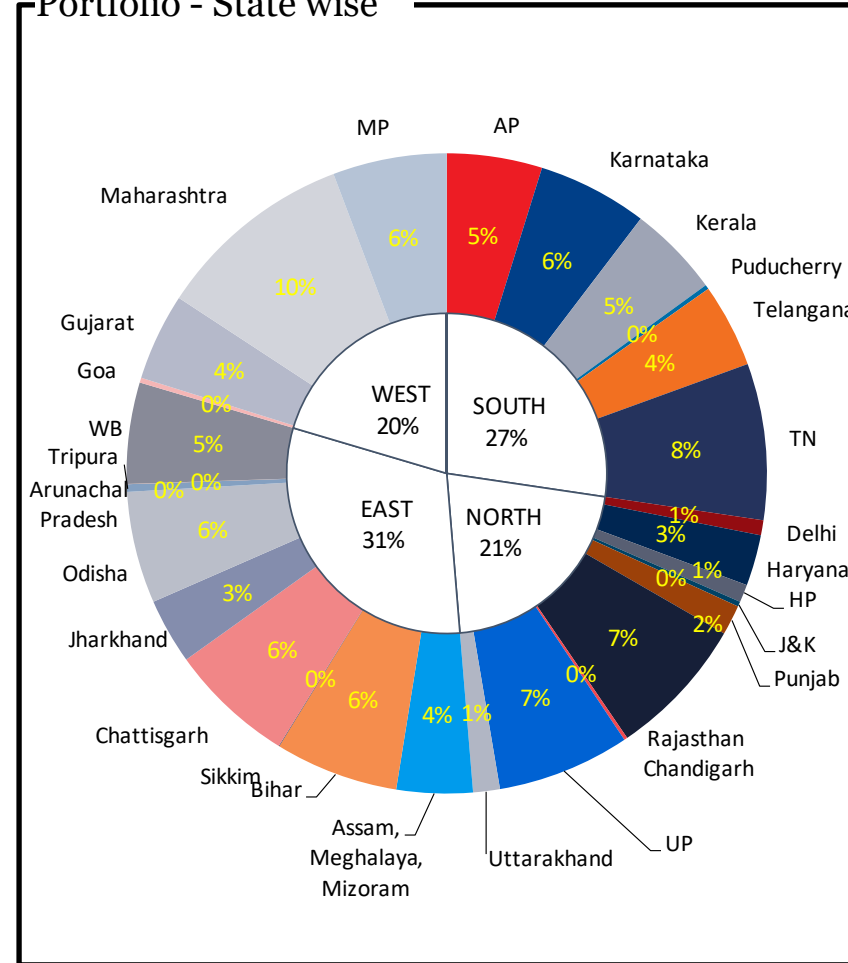
# Vehicle Finance - Disbursement/Portfolio Mix – Q1FY23

Well diversified across geography

Disbursements - State wise



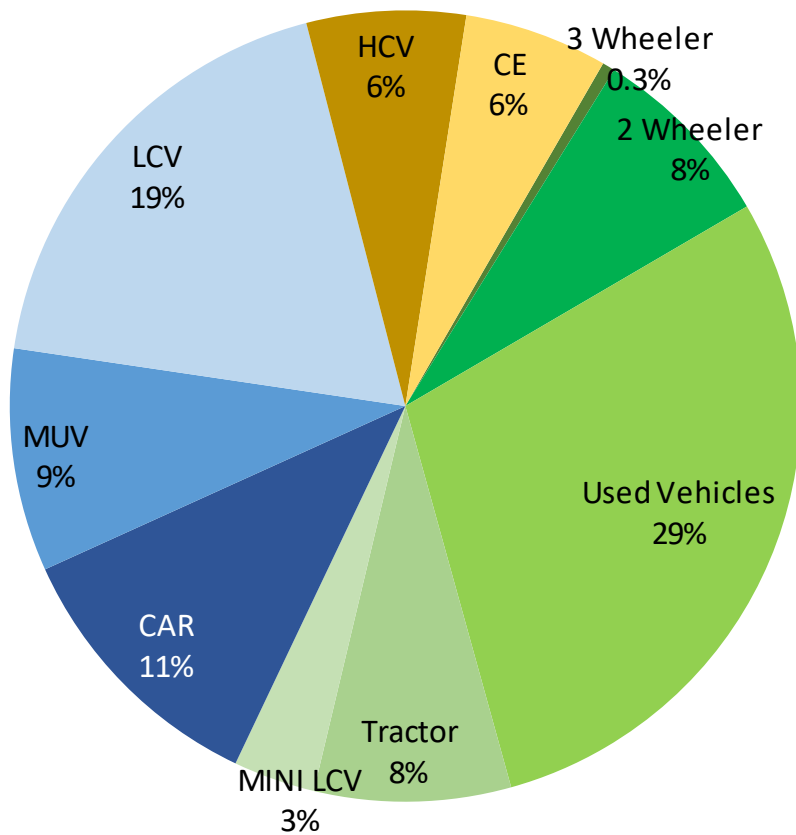
Portfolio - State wise



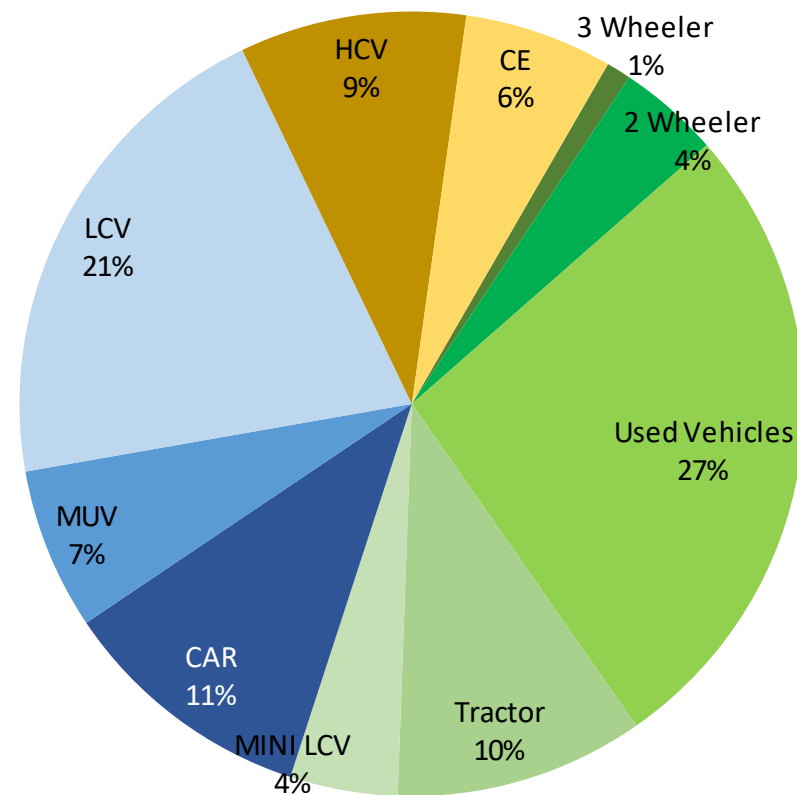
# Vehicle Finance - Disbursement/Portfolio Mix – Q1FY23

Well diversified product segments

Disbursements (₹Cr) - Product wise



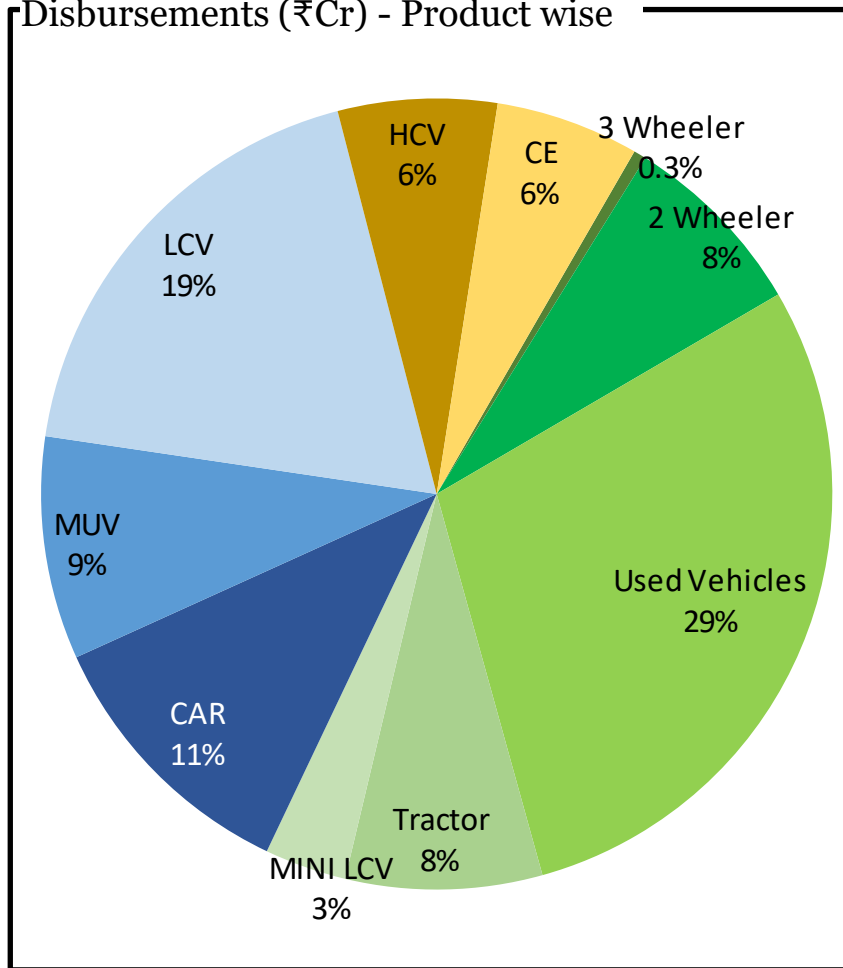
Portfolio (₹Cr) - Product wise



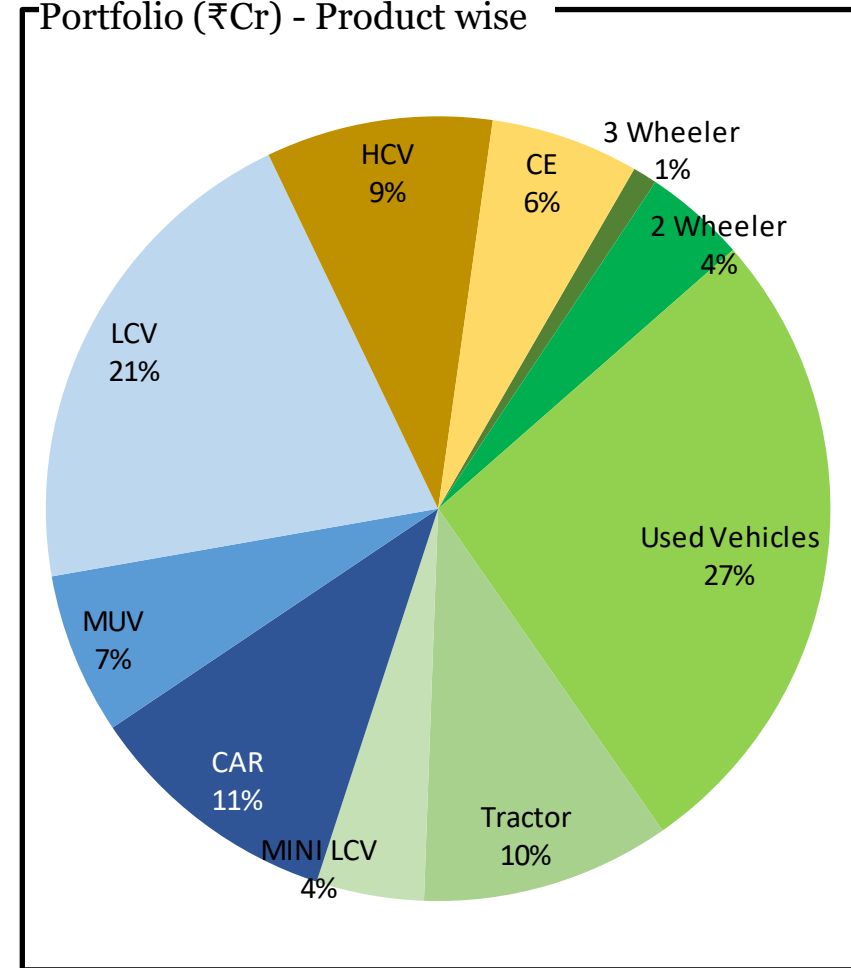
# Vehicle Finance - Disbursement/Portfolio Mix – Q1FY23

Well diversified product segments

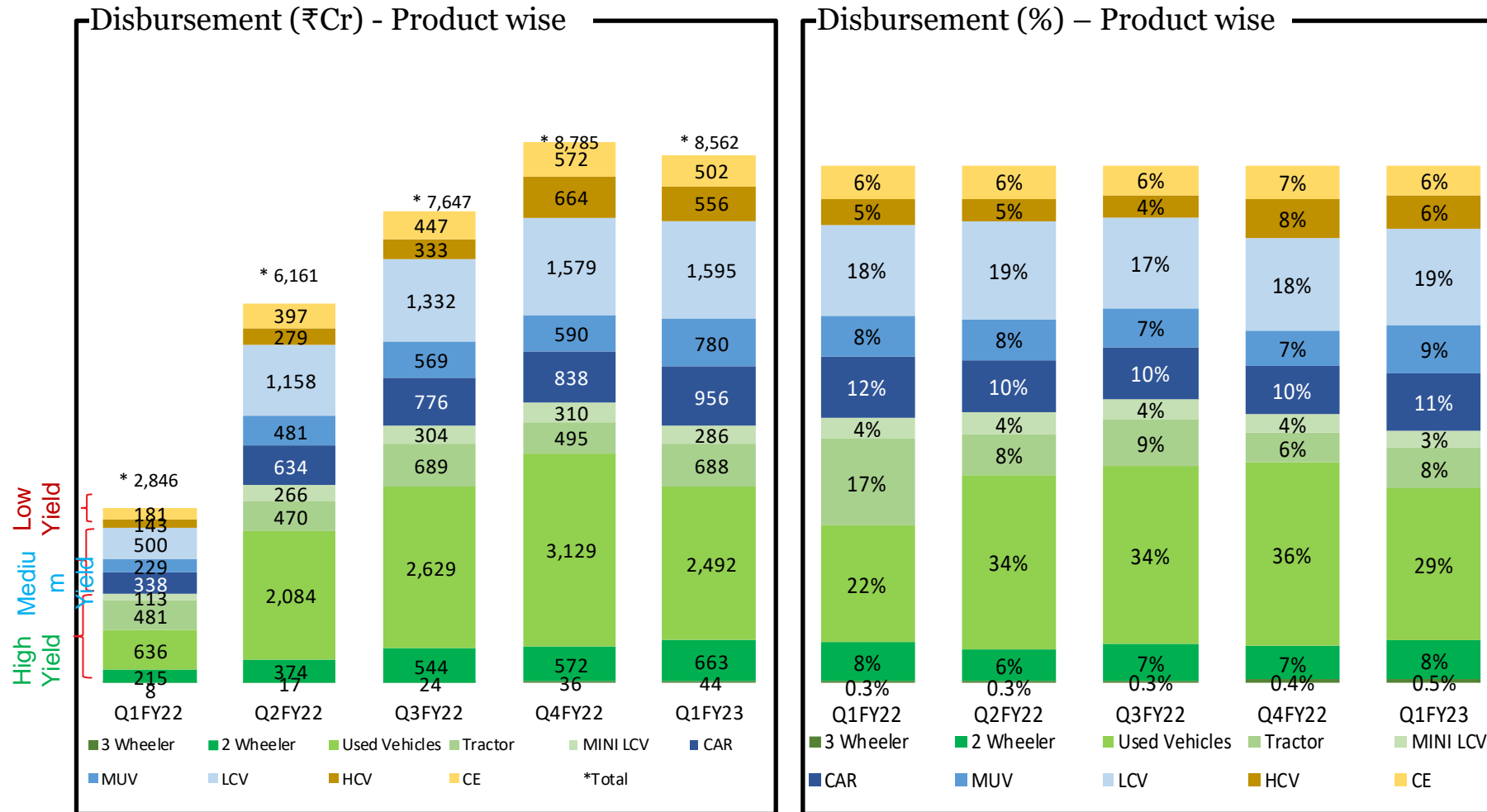
Disbursements (₹Cr) - Product wise



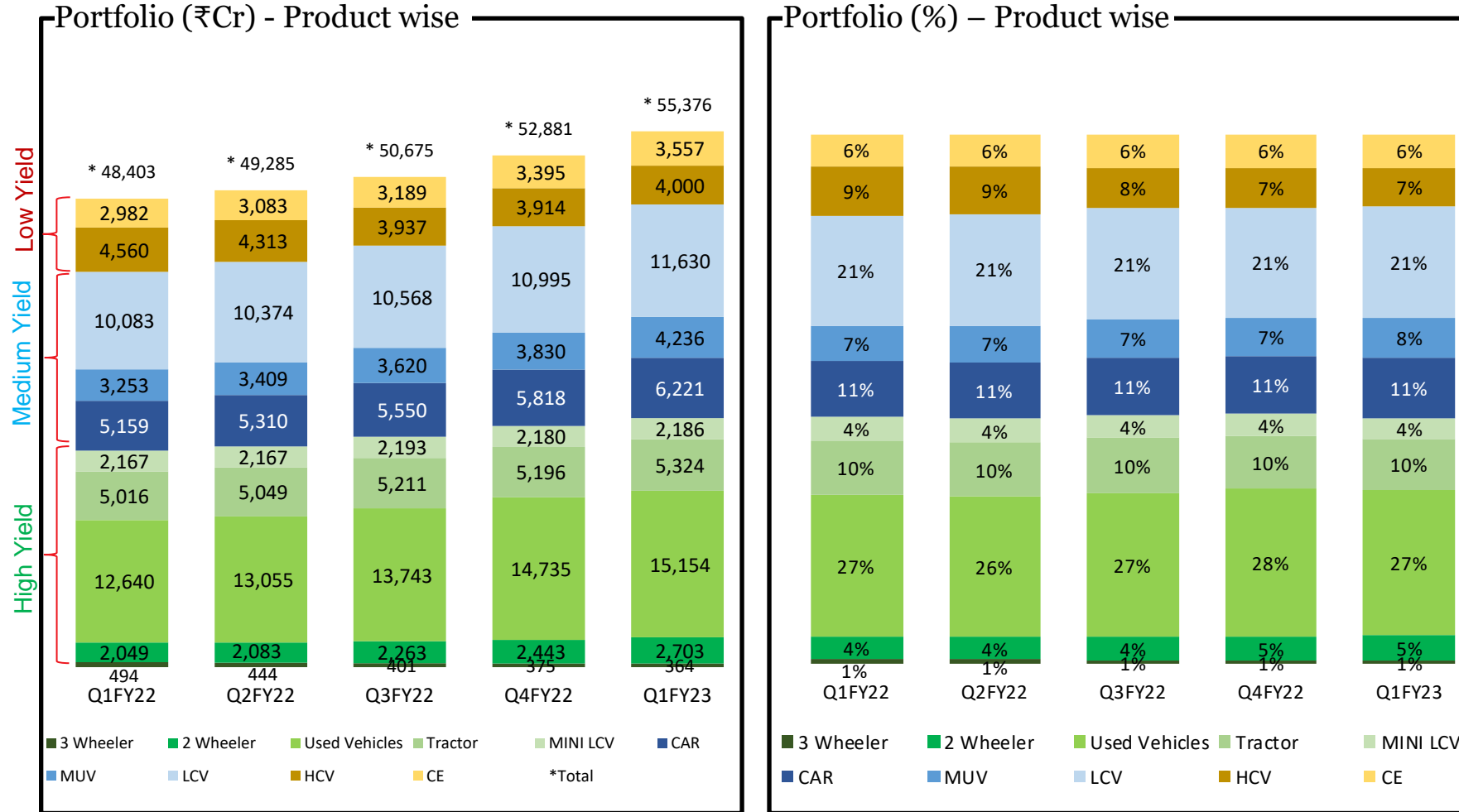
Portfolio (₹Cr) - Product wise



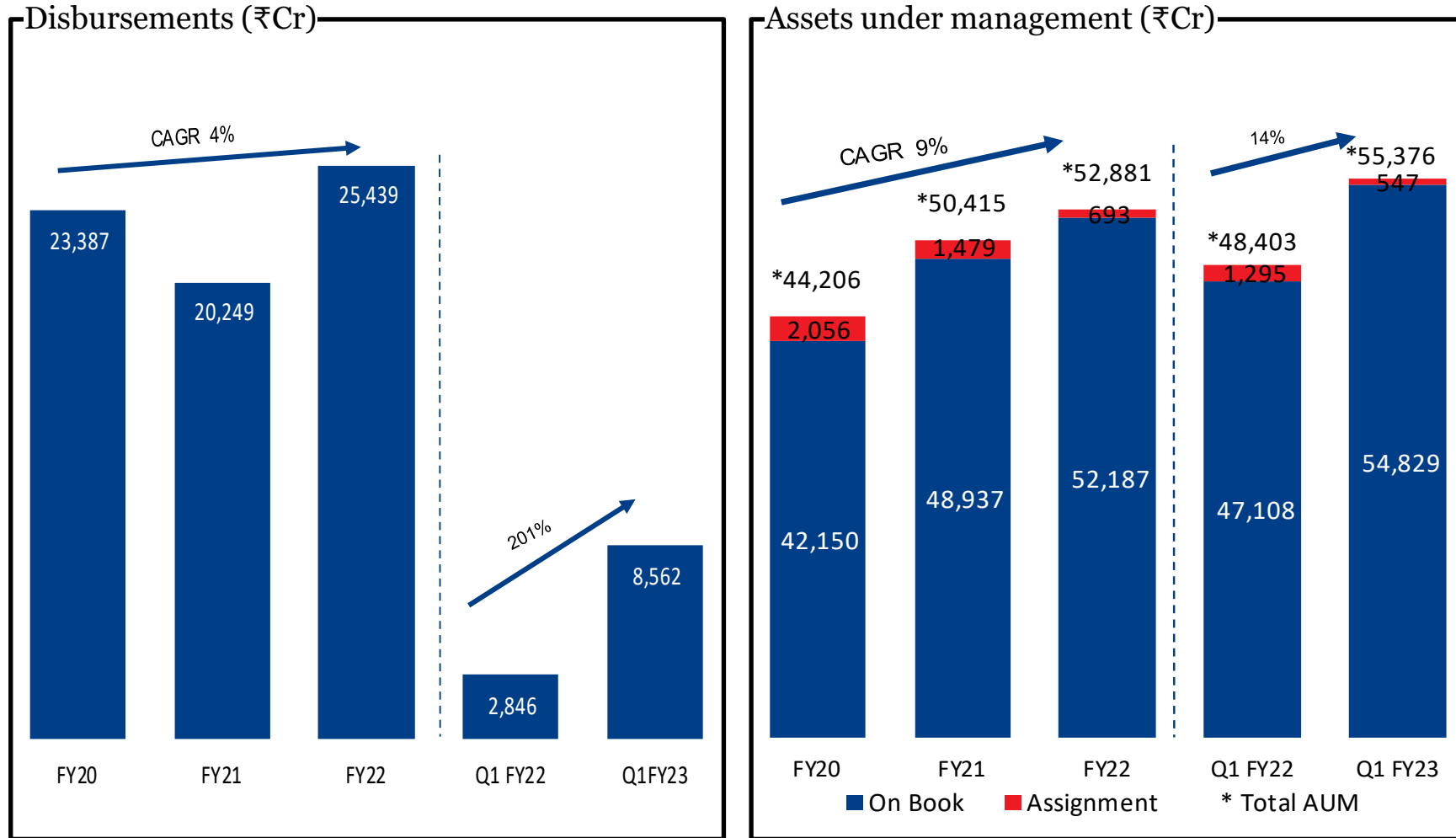
# Vehicle Finance - Disbursement Mix – Quarter-wise



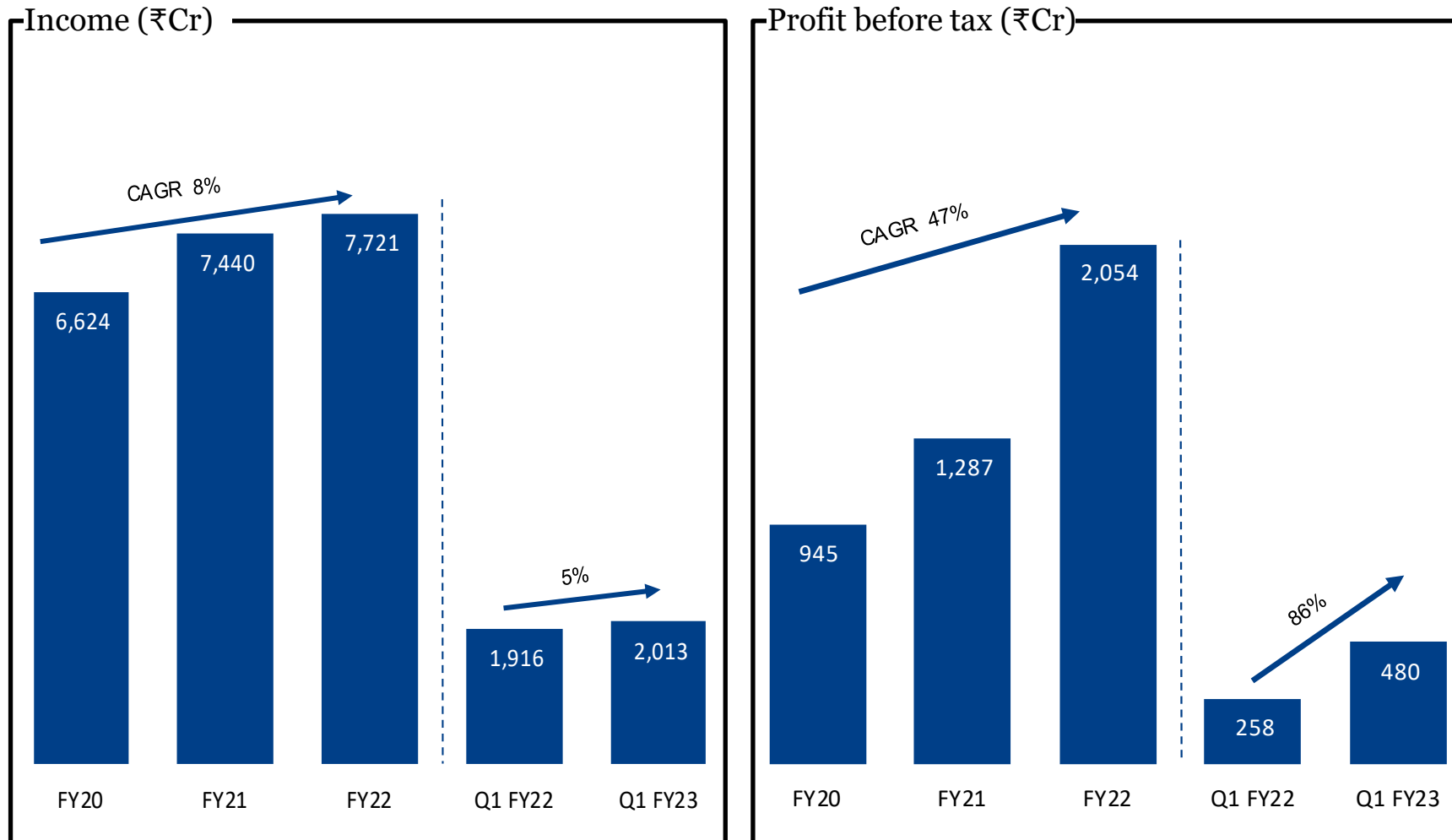
# Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management



# Vehicle Finance - Income and Profit before tax





# Loan Against Property



## Loan Against Property – Q1 FY23 Performance

### Disbursements

- Disbursements grew by 462% in Q1FY23 at Rs.2,169 crores as compared to Rs.386 crores in Q1FY22.

### Asset under management

- AUM have grown by 25% YoY.

### Loss and provisions

- Loan losses improved to -0.1% in Q1FY23 from 2.1% in Q1FY22.

### Profit before tax

- PBT grew by 220% at Rs.207 crores in Q1FY23 as compared to Rs.65 crores in Q1FY22.

## Loan Against Property: Industry outlook

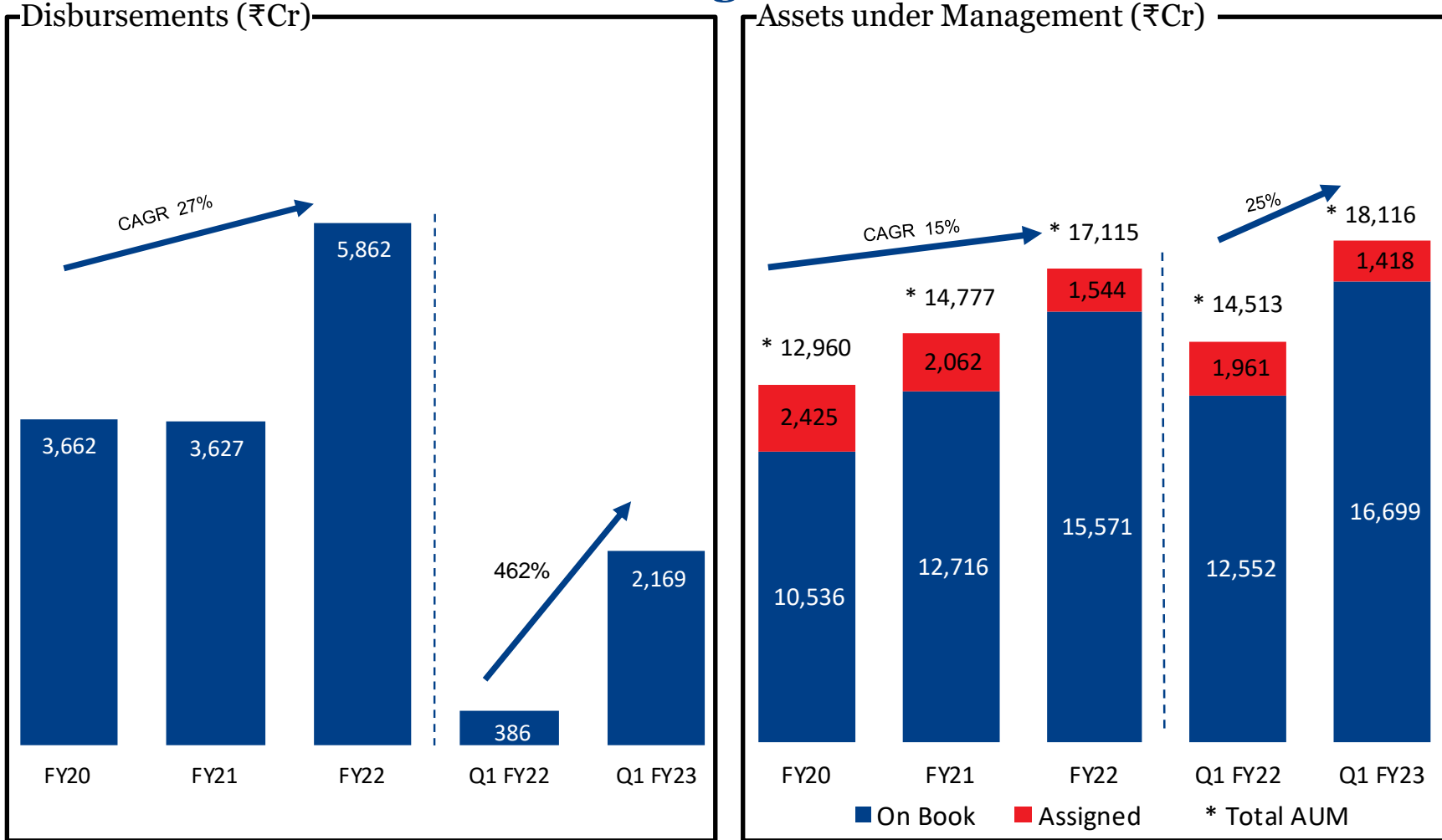
### Sector Outlook

- The Overall portfolio of NBFC credit is expected to grow at 11-12% during this fiscal and the overall outstanding book of NBFCs is projected at INR 28 trillion, with visible recovery across most lending verticals
- The LAP segment is expected to perform better with the credit requirements for LAP in MSME segment is projected to grow at 5-7% in this fiscal with the pickup in demand for credit driven by normalizing business activities
- The asset quality performance was better than expected in FY 2022 and the provisions carried by the entities are relatively higher than the pre-covid level. The existing provisioning made by NBFCs is estimated to be comfortable and the ability to absorb unforeseen shocks is expected to be better.

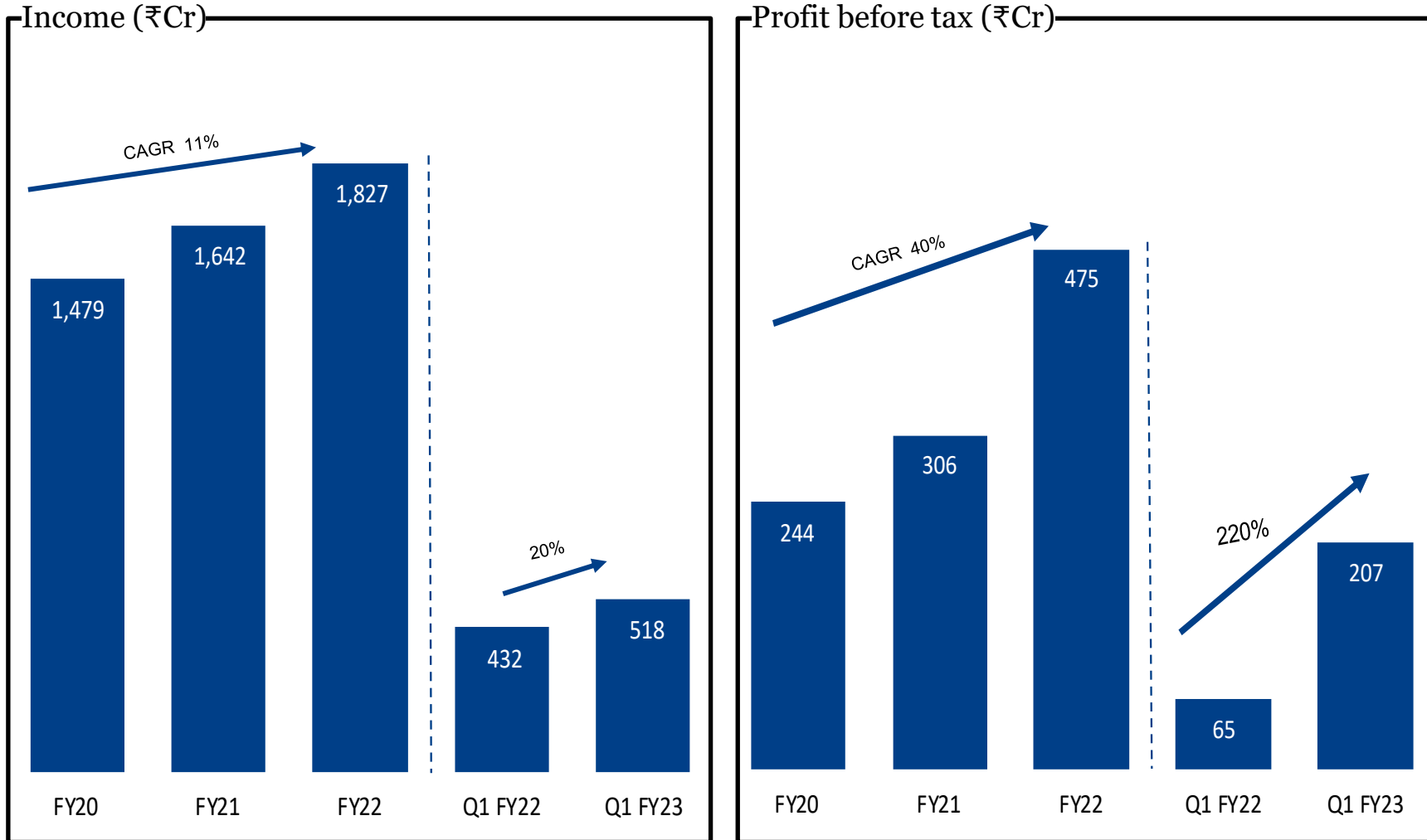
### Chola's Position

- Chola's LAP business has witnessed strong growth during Q1 with the highest ever disbursements done in June 2022, on the back of improved demand. This is expected to continue in the upcoming quarters as well.
- Chola is poised to increase its market share in this segment with adequate liquidity position and better cost of funds. The expansion plan is happening in-line with focus on smaller towns, as more branches are opened in Tier-3 & Tier-4 areas in Q1.
- The asset quality of the company has shown steady improvement with the net credit losses for the company and stage 3 book % has come down with consistent improvement in collection efficiency.

# Loan Against Property - Disbursements and Asset Under Management



# Loan Against Property – Income and Profit before tax



# Home Loans



## Home Loans – Q1 FY23 Performance

### Disbursements

- Disbursements grew by 140% in Q1FY23 at Rs.478 crores as compared to Rs.199 crores in Q1FY22.

### Asset under management

- AUM have grown by 25% YoY.

### Loss and provisions

- Loan losses improved to 0.4% in Q1FY23 from 1.9% in Q1FY22.

### Profit before tax

- PBT grew by 87% at Rs.77 crores in Q1FY23 as compared to Rs.41 crores in Q1FY22.

# Home Loans - Industry outlook

## Sector Outlook

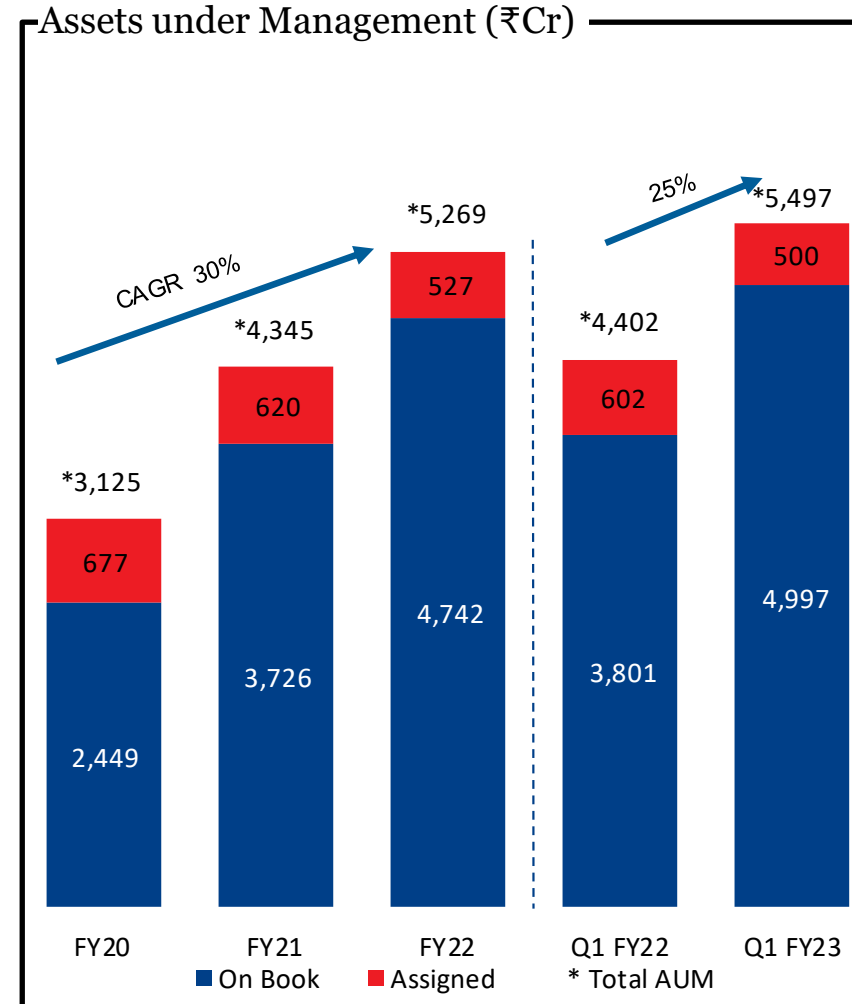
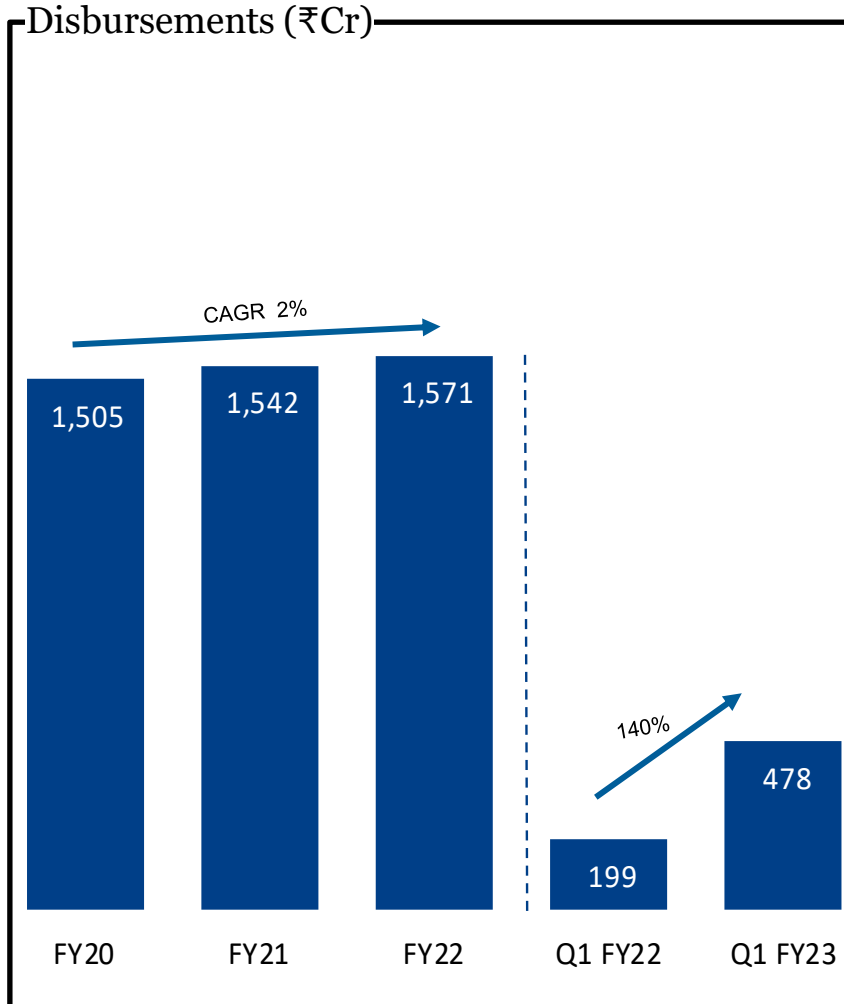
- Revival of demand was witnessed in Q1 FY23 and is expected to sustain in remaining quarters of FY23.
- As cash flows of micro and small businesses remain stable, fresh collections are also expected to remain stable.
- Affordable housing credit is estimated to grow 17-20% in FY23. Retail segment demand is likely to continue to be for ready property and self-construction, especially in Tier 3, 4 towns and cities.

## Chola's Position

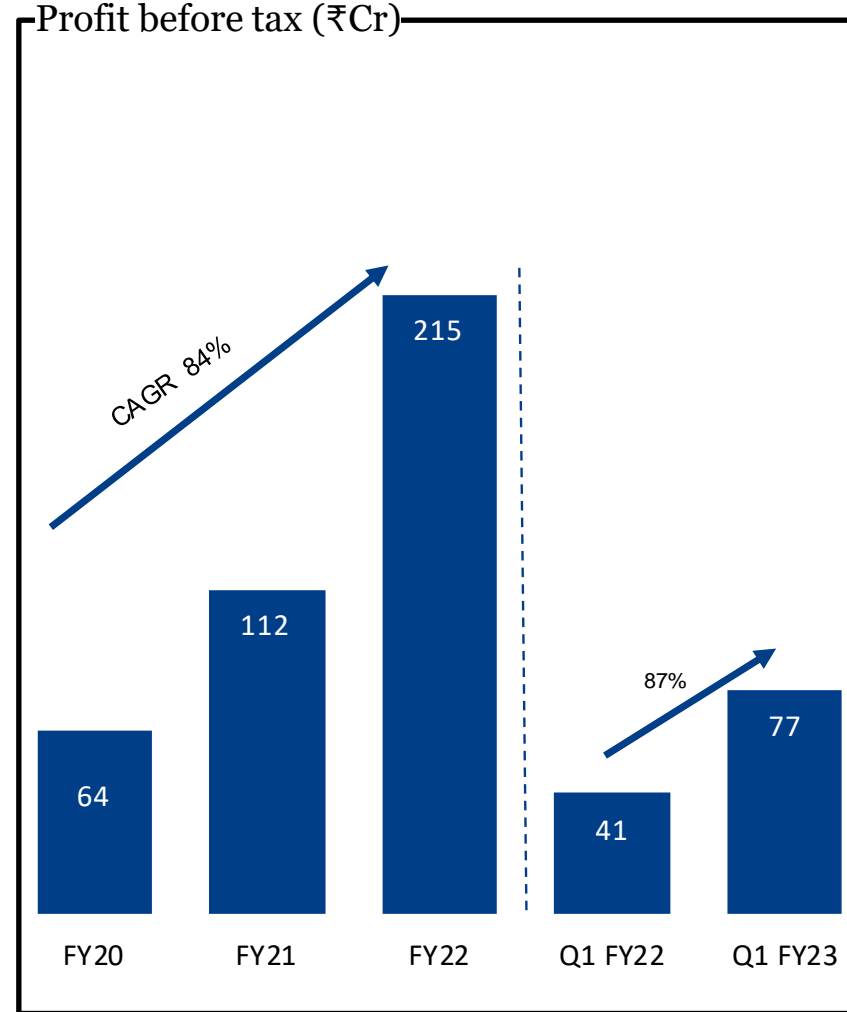
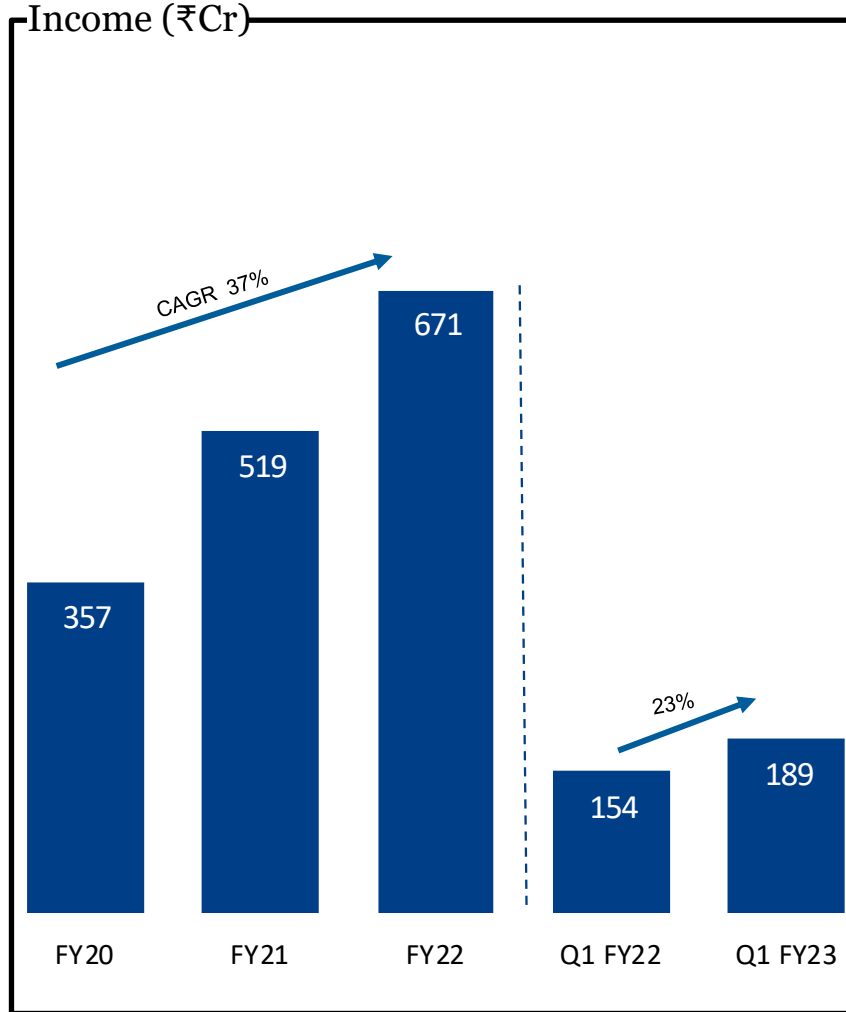
- Chola is expanding its geographical footprint especially in the North, East & West Zones and deepening footprint in South to augment asset growth.
- Chola is focusing on robust credit underwriting processes across geographies to maintain portfolio performance, focus on improving its resolution of NPAs and collecting accounts which had earlier faced stress due to the impact of the pandemic.
- 90% of assets are in Tier 2,3,4 cities and suburbs of Tier 1 cities



# Home Loans - Disbursements and Asset Under Management



## Home Loans - Income and Profit before tax

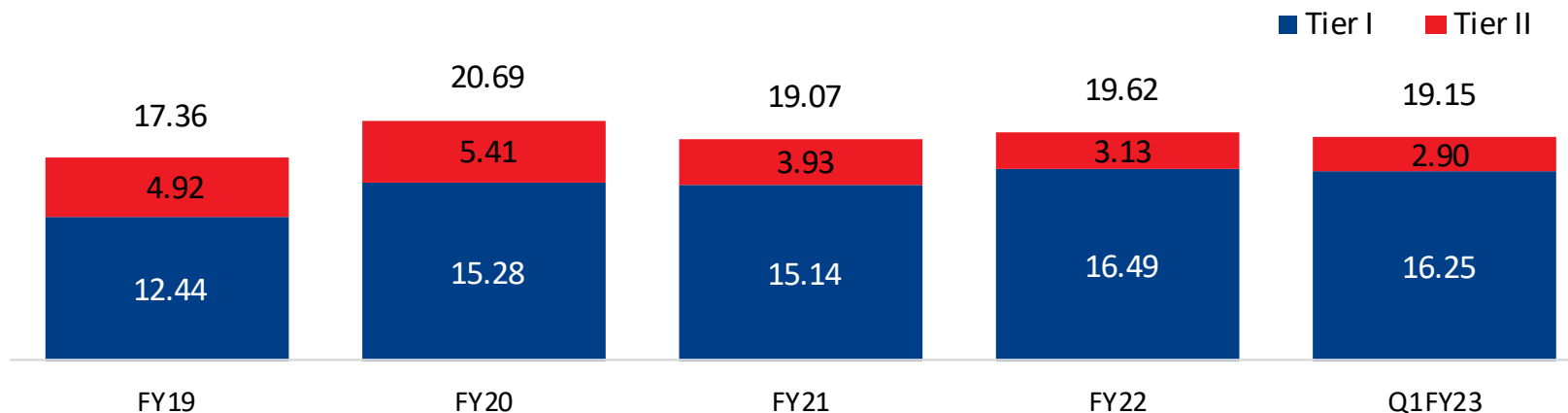


# Funding Profile



# CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



Minimum CAR Stipulated by RBI is 15% & for Tier I is 10%

## Credit Rating

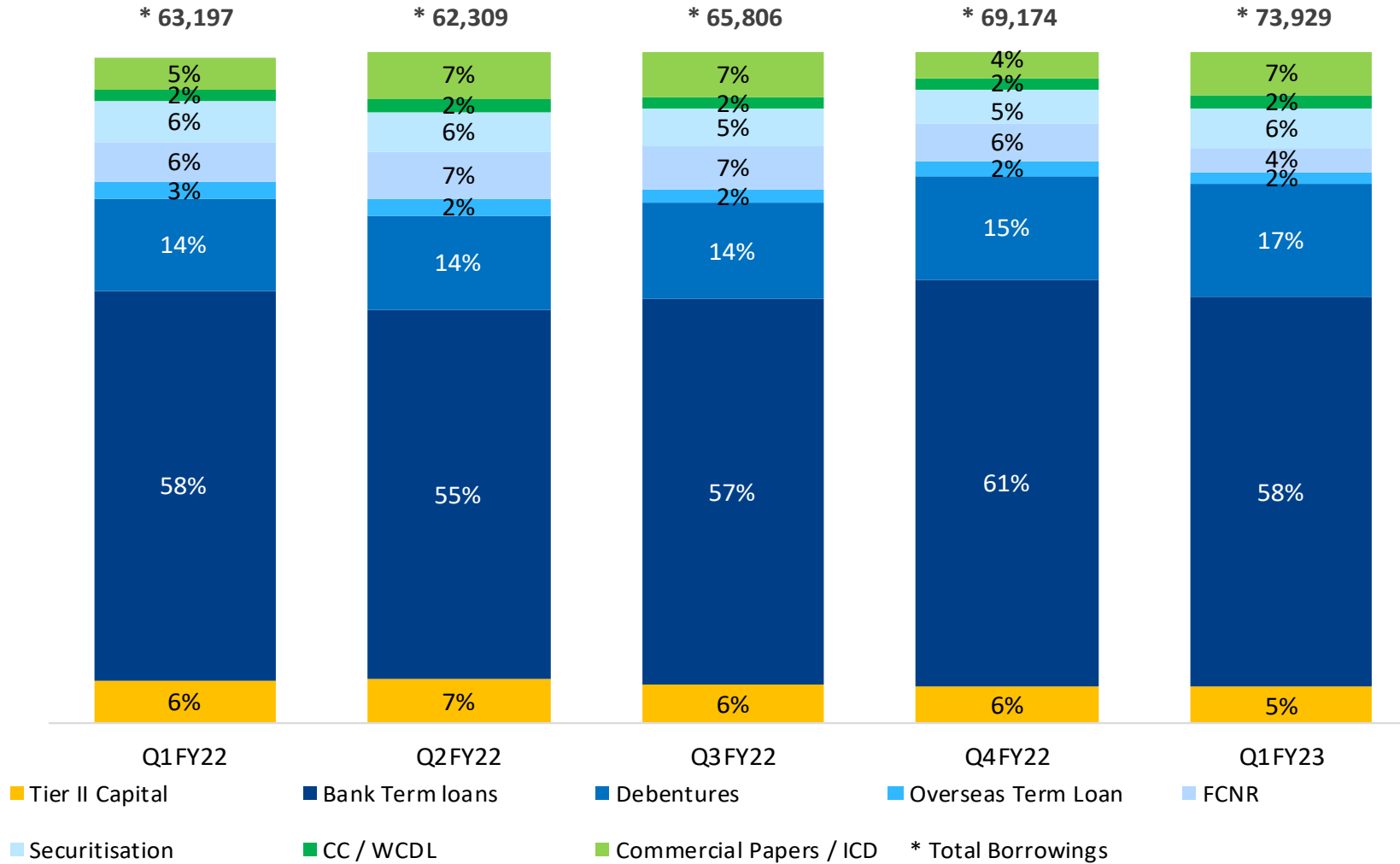
Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	CARE A1+^	[ICRA] A1+	[CRISIL] A1+
LT NCD/CC	IND AA + (ind) stable*	-	[ICRA] AA+	-
Tier II SD	IND AA + (ind) stable	CARE AA+	[ICRA] AA+/Stable	[CRISIL] AA+/Stable
Tier I PDI	IND AA (ind)	CARE AA	[ICRA] AA/Stable	-

^ CP Rating  
\* NCD Rating

# Diversified Borrowings Profile (I/II)

(₹Cr)

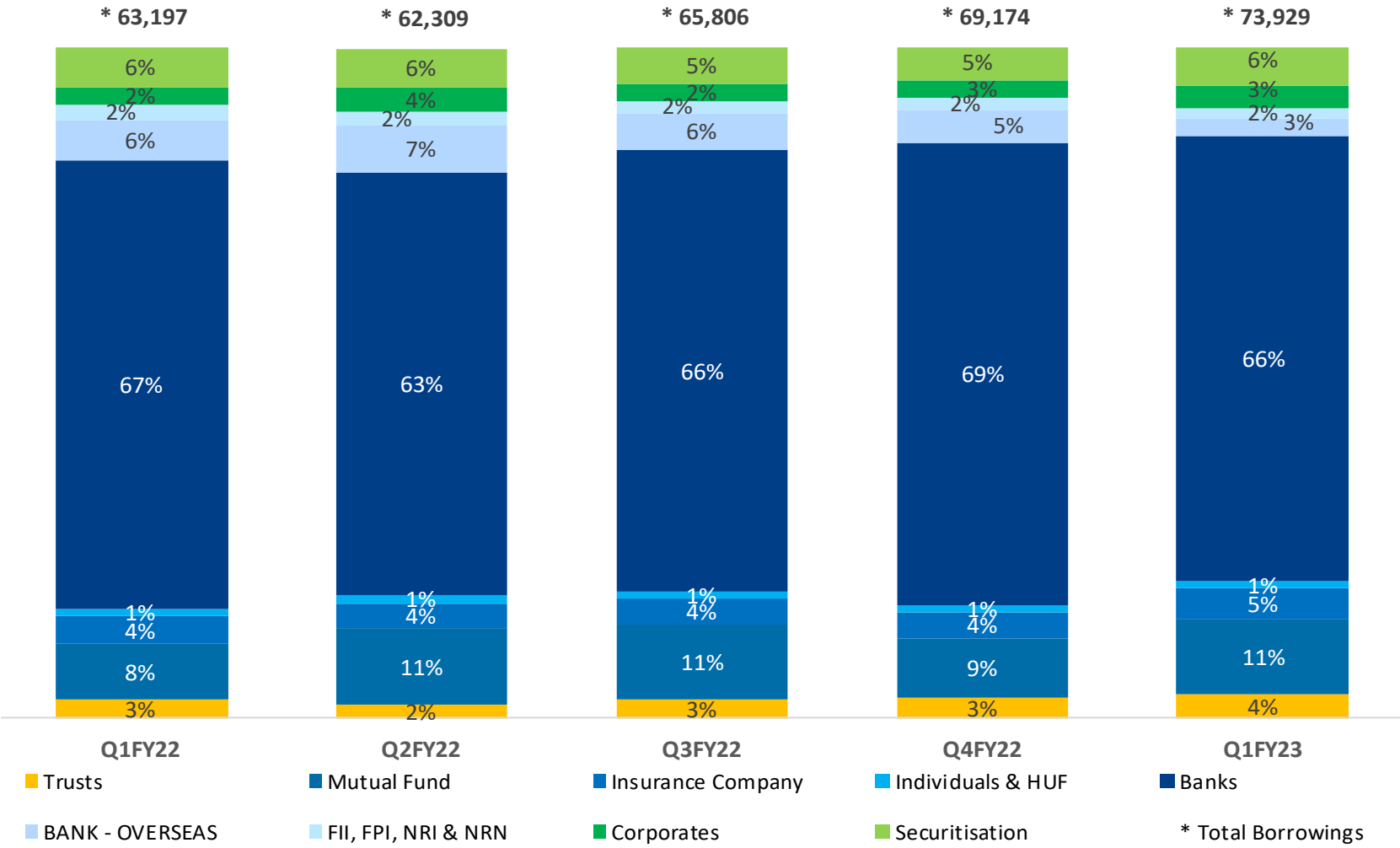
## Borrowing mix by instrument type



# Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



# ALM Statement as of 30<sup>th</sup> Jun 2022 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Jun 2022									
Particulars	1 m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash & Bank Balances	3,361.54	-	21.68	196.38	-	-	-	1,533.41	5,113.00
Advances	3,913.09	2,557.50	5,200.49	8,421.64	13,213.01	33,540.18	10,172.44	8,539.97	85,558.31
Trade Receivable & Others	79.91	105.73	35.61	40.38	107.89	348.01	258.51	1,959.95	2,935.98
<b>Total Inflows (A)</b>	<b>7,354.54</b>	<b>2,663.22</b>	<b>5,257.77</b>	<b>8,658.39</b>	<b>13,320.90</b>	<b>33,888.19</b>	<b>10,430.95</b>	<b>12,033.32</b>	<b>93,607.29</b>
<b>Cumulative Total Inflows (B)</b>	<b>7,354.54</b>	<b>10,017.77</b>	<b>15,275.54</b>	<b>23,933.93</b>	<b>37,254.83</b>	<b>71,143.03</b>	<b>81,573.97</b>	<b>93,607.29</b>	
Borrowin Repayment-Bank & Others	3,080.67	1,262.10	2,476.27	3,892.43	7,668.41	25,859.30	11,442.79	928.45	56,610.43
Borrowin Repayment- Market	1,469.81	710.21	2,411.10	2,074.88	3,186.59	6,164.09	3,122.07	2,451.07	21,589.81
Capital Reserves and Surplus	-	-	-	-	-	-	-	12,494.76	12,494.76
Other Outflows	1,958.80	37.81	40.16	195.46	285.67	198.79	112.36	83.25	2,912.30
<b>Total Outflows (C)</b>	<b>6,509.28</b>	<b>2,010.12</b>	<b>4,927.53</b>	<b>6,162.77</b>	<b>11,140.67</b>	<b>32,222.18</b>	<b>14,677.23</b>	<b>15,957.52</b>	<b>93,607.29</b>
<b>Cumulative Total Outflows (D)</b>	<b>6,509.28</b>	<b>8,519.40</b>	<b>13,446.93</b>	<b>19,609.70</b>	<b>30,750.37</b>	<b>62,972.54</b>	<b>77,649.77</b>	<b>93,607.29</b>	
E. GAP (A - C)	845.26	653.11	330.24	2,495.62	2,180.23	1,666.02	(4,246.28)	(3,924.20)	
<b>F.Cumulative GAP (B - D)</b>	<b>845.26</b>	<b>1,498.37</b>	<b>1,828.61</b>	<b>4,324.23</b>	<b>6,504.46</b>	<b>8,170.48</b>	<b>3,924.20</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>12.99%</b>	<b>17.59%</b>	<b>13.60%</b>	<b>22.05%</b>	<b>21.15%</b>	<b>12.97%</b>	<b>5.05%</b>	<b>0.00%</b>	

Note: Behavioural ALM.

Advances and maturities include the securitization inflows and outflows respectively

# Cholamandalam MS General Insurance Company Limited

*Financial data in this section is as per IGAAP*



## Profit and Loss (Rs. Crs)

Particulars – In Rs. Cr	FY'20	FY'21	FY'22	Q1 FY'22	Q1 FY'23
Gross Written Premium	4398	4388	4824	900	1290
Growth	-0.7%	-0.2%	9.9%	4.7%	43.3%
NWP	3409	3357	3572	656	932
NEP	3437	3202	3437	837	921
U/W Results	-247	-287	-433	-100	-142 <sup>^</sup>
Investment income (Net of other expenses)	502	662	539	138	194
PBT	255	375*	106*	37**	51 <sup>^</sup>
PAT	149	282	77	28	38
Networth	1603	1885	1962	1913	2000
Investment portfolio	9078	11061	12534	11188	12901
Solvency Ratio (x)	1.58	2.08	1.95	1.79	2.08
Earnings per Share (Rs.)	5.00	9.43	2.58	0.94	1.28
Book value per Share (Rs.)	53.64	63.07	65.65	64.01	66.92
Return on Networth (%)	9.32%	14.95%	3.93%	#1.47%	#1.91%
Investment Corpus to Networth (x)	5.7	5.9	6.4	5.8	6.5
CoR%	107.5%	107.3%	111.0%	120.9%	114.9%
*Impact of IRDAI order on DAC (opening balance)		0	263	68	NA

\*PBT impacted by Covid claims and IRDAI order on DAC.

\*\* PBT negatively impacted by Covid Claims & DAC and positively impacted by lockdown benefit in motor TP & OD claims

<sup>^</sup> Q1 FY'23 includes : Rs 49 Crs of inflation linked Motor TP provisioning; Rs 33 Crs of sourcing cost on growth in Long Term premium; Rs 59 Crs of sourcing cost on growth in annual premium

# Not Annualized

# LOB Wise - Quarterly Growth Trends

LOB Wise - Monthly Growth Trends									
Particulars	Months	Fire	Other Comml Lines	Motor	Health	PA	Crop	Others	Total
Industry	Apr'22	14.8%	24.5%	29.3%	26.4%	5.4%	93.2%	18.8%	23.3%
	May'22	11.0%	24.5%	41.5%	17.3%	-14.8%	36.1%	55.9%	24.7%
	Jun'22	9.7%	37.2%	16.3%	12.4%	-6.3%	205.2%	31.3%	19.4%
	Q1 FY'23	12.8%	28.1%	27.5%	19.6%	-5.5%	135.0%	28.1%	22.3%
Private sector	Apr'22	19.2%	42.3%	36.2%	28.4%	7.2%	91.9%	41.4%	29.1%
	May'22	16.1%	41.6%	53.2%	30.5%	65.8%	38.7%	55.8%	40.3%
	Jun'22	15.0%	24.4%	24.9%	23.9%	59.7%	190.5%	42.3%	31.9%
	Q1 FY'23	17.7%	36.8%	36.4%	27.6%	37.5%	129.8%	45.8%	33.0%
Public sector	Apr'22	6.8%	-5.4%	15.0%	25.5%	1.9%	97.5%	-7.7%	16.1%
	May'22	5.4%	5.6%	19.7%	8.8%	-59.2%	-269.6%	56.0%	7.5%
	Jun'22	3.6%	58.9%	-0.6%	6.6%	-45.7%	-177.6%	20.5%	5.3%
	Q1 FY'23	5.6%	15.3%	10.0%	15.4%	-41.9%	-578.7%	13.2%	10.2%
SAHI	Apr'22				28.4%	31.0%			28.5%
	May'22				21.7%	54.2%			22.7%
	Jun'22				30.9%	64.2%			31.9%
	Q1 FY'23				27.1%	49.5%			27.8%
Chola MS	Apr'22	56.0%	44.3%	36.4%	49.5%	68.9%		235.7%	45.3%
	May'22	74.2%	0.0%	60.7%	34.4%	104.0%		314.4%	60.5%
	Jun'22	21.4%	10.1%	24.2%	78.1%	46.9%		154.6%	29.4%
	Q1 FY'23	49.6%	24.4%	37.9%	52.9%	71.4%		217.3%	43.3%

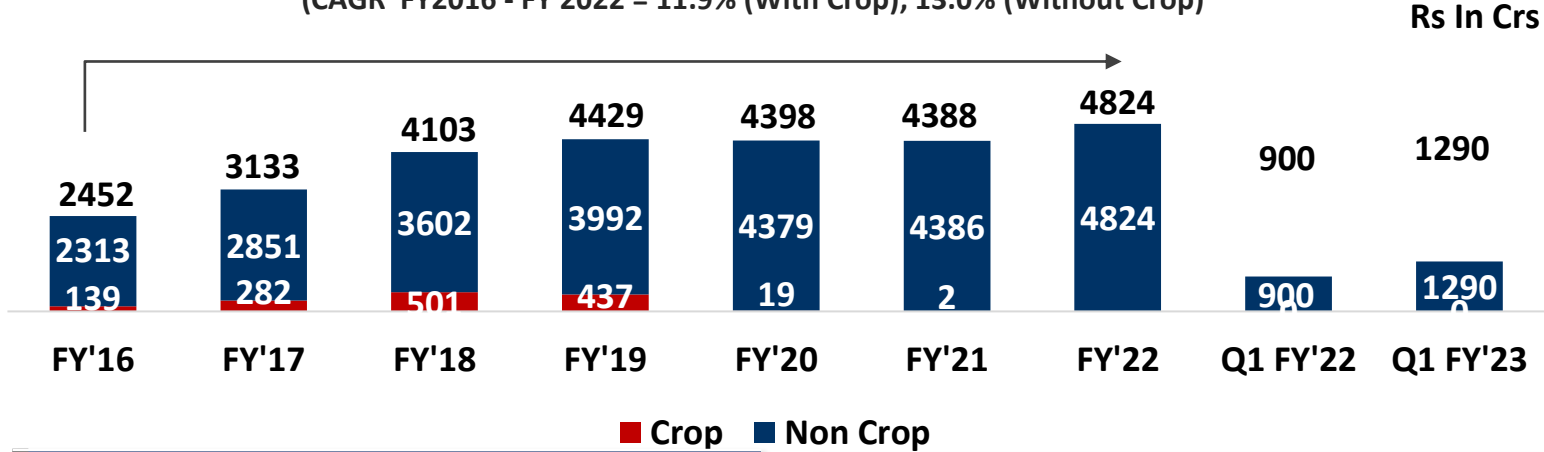
In Q1, Chola MS

- Overall growth higher than industry at 43.3%
- Motor, Fire & Health lines : Higher than industry & Private Sector players
- SAHI players growth weighed down by muted growth of Star Health at 12.6%

# Among the Top ranked GI Players supported by strong growth

## Solid GWP growth over years

(CAGR FY2016 - FY 2022 = 11.9% (With Crop); 13.0% (Without Crop))



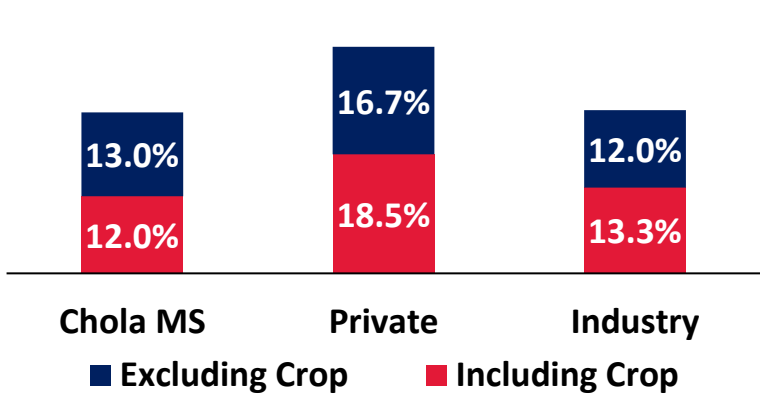
Q1 FY'23  
**9<sup>th</sup> Largest Private Insurer by GWP**

**5.2% Market share in Motor Insurance**

**5.7% Market share in PA**

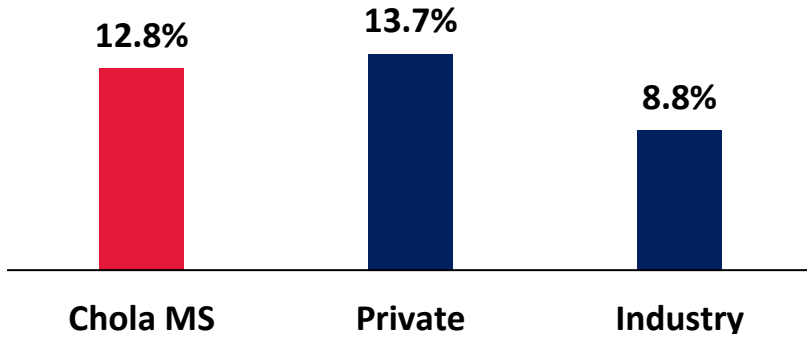
## Growth vis-à-vis peers / industry

GWP CAGR (FY 2016 - FY 2022)



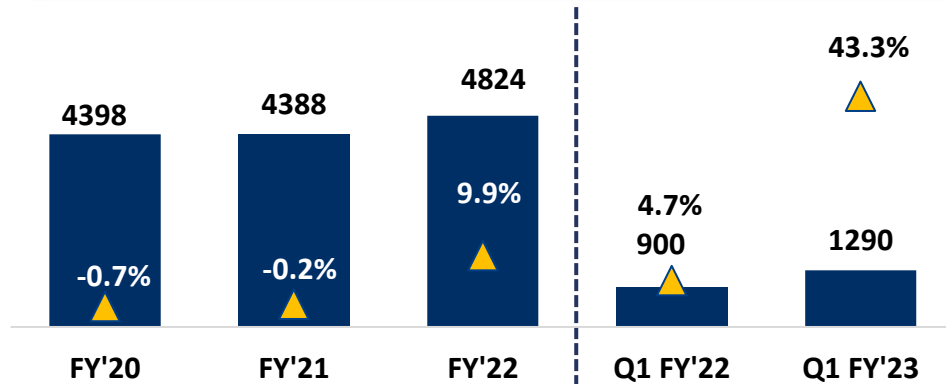
## Amongst the fastest growing Motor GWP

Motor GWP CAGR (FY 2016 - FY 2022)

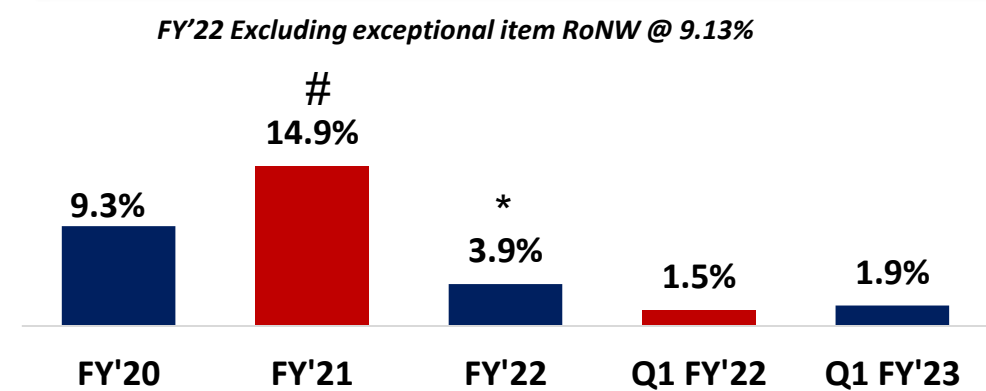


# Key Financial Indicators

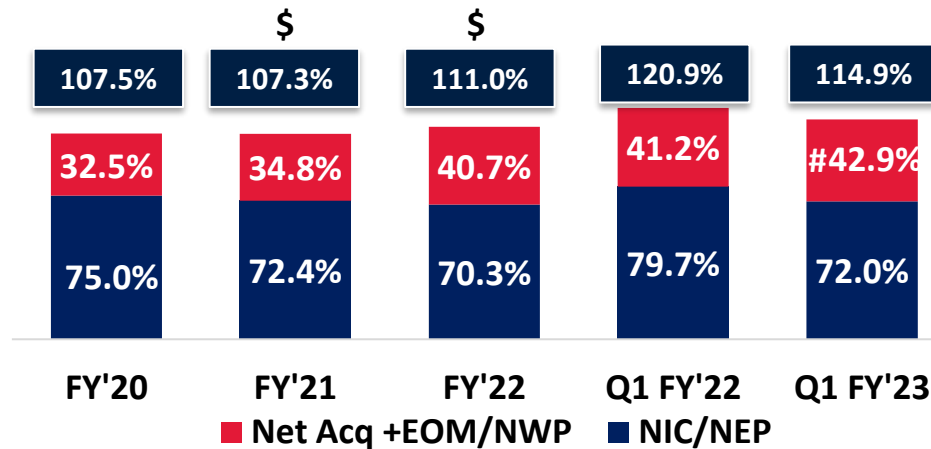
## GWP (INR Cr) and Growth (%)



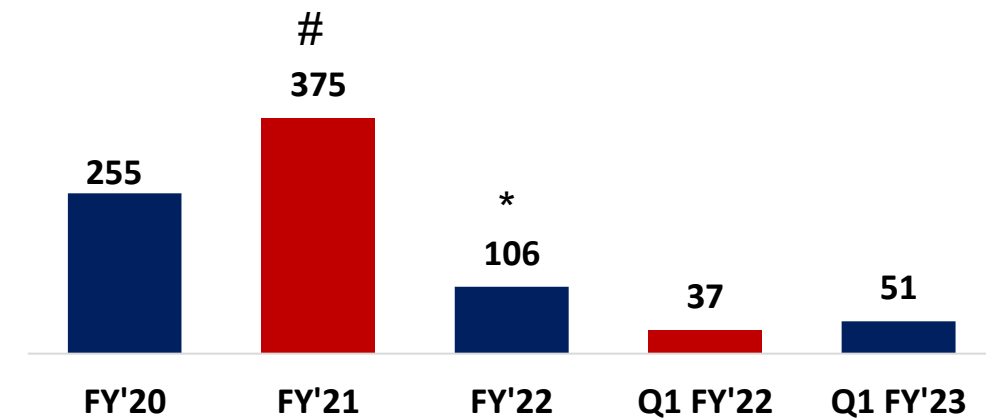
## Return on Net Worth(%)



## Break up of CoR(%)



## Profit Before Tax (Rs. Crs)



\* PBT impacted by Covid claims and IRDAI order on DAC  
# PBT impacted by Covid Claims

\$ CoR-impact by Covid Claims FY '21 – 4.50%; FY'22 – 5.90%

# Impact of high growth (both long term & annual)

## Constantly improving operating metrics

Particulars		2018-19	2019-20	2020-21	2021-22	Q1 2021-22	Q1 2022-23
Number of Customers (Live Customer)	No in Lacs	100	141	165	254	189	282
Number of policies issued	No in Lacs	29	45	63	99	14	23
Market Presence(Branch + CIE + VO)	No's	559	645	593	638	624	639
PSB Branches*	No's	19000+	41000+	37000+	34000+	32000+	32000+
Motor OD Claims Settlement	%	95%	94%	94%	93%	69%	75%
Compromised TP settlement	No's	10955	9958	6516	10365	1299	1052
Network Garages	No's	6000+	8600+	10000+	12600+	10000+	12900+
Network Hospitals	No's	8000+	9000+	9500+	10000+	9500+	10000+
Complaints Disposal Ratio%	%	100%	100%	100%	100%	100%	100%

\* Reduction arising from merger of bank branches

## Loss Ratio (%)

Loss Ratio%(NIC/NEP)						
Line of Business	FY2020	FY2021	FY2022	Q4 FY22	Q1 FY'22	Q1 FY'23
Motor OD	61.9%	57.0%	69.8%	82.8%	56.5%*	75.8%
Motor TP	90.7%	79.7%	63.4%	66.6%	61.7%*	77.6%
Motor Total	83.0%	74.3%	65.1%	70.8%	60.4%	77.1%
Health, Travel & PA	40.8%	77.2%	117.1%	78.9%	186.3%	55.1%
Health, Travel & PA (w/o Covid)	40.8%	46.9%	73.2%	77.7%	78.2%	55.1%
Fire	42.3%	33.8%	33.5%	-1.7%	58.3%	62.7%
Marine	57.6%	73.5%	61.9%	30.0%	69.3%	68.2%
Engineering	50.7%	64.6%	28.5%	18.0%	24.5%	46.5%
<b>Total</b>	<b>75.0%</b>	<b>72.4%</b>	<b>70.3%</b>	<b>67.1%</b>	<b>79.7%</b>	<b>72.0%</b>
Total (w/o Covid)	75.0%	67.7%	69.9%	66.9%	62.8%	72.0%

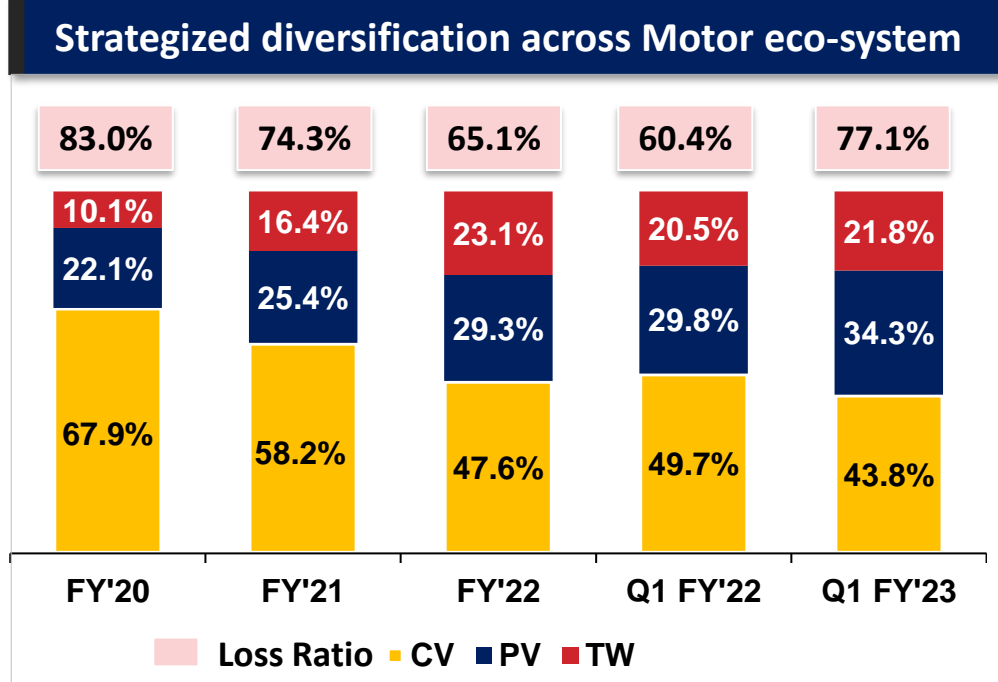
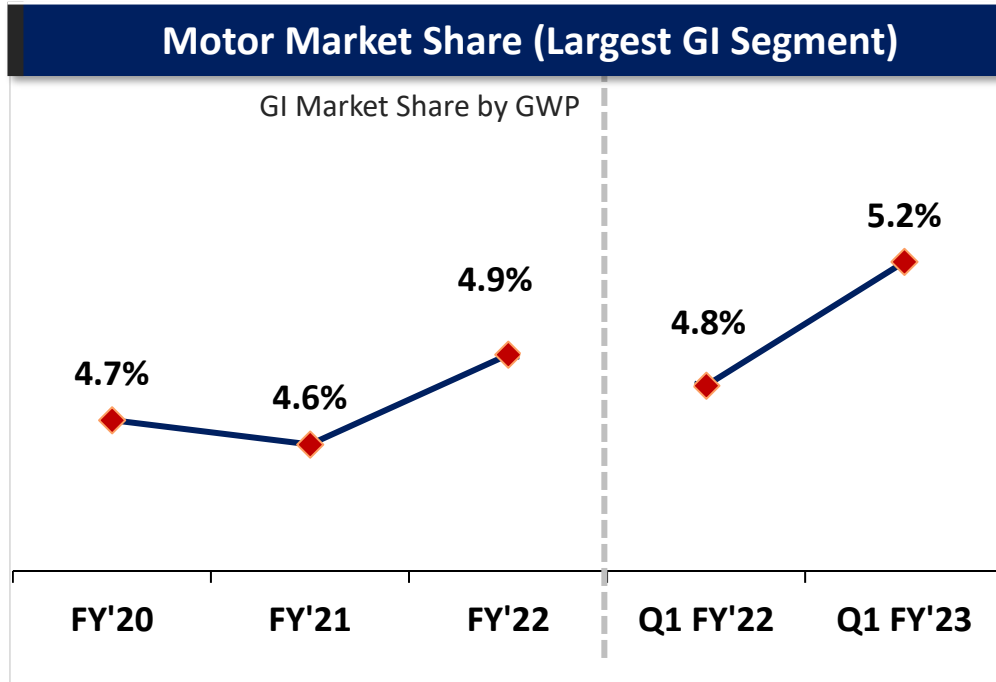
*\* Including Lockdown benefit*

## Investment Book Overview (Rs. Crs)

Catogery	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22
C Govt Sec	3051	4074	5905	31.1%	36.5%	45.8%
S Govt Sec	4037	3371	3082	41.1%	30.2%	23.9%
Housing sector	753	1204	1014	7.7%	10.8%	7.9%
Infra sector*	618	765	1545	6.3%	6.9%	12.0%
Approved - Other Corp Bonds	621	311	315	6.3%	2.8%	2.4%
Other Inv - Other Corp Bonds	408	97	0	4.2%	0.9%	0.0%
Equity	98	91	179	1.0%	0.8%	1.4%
AIF	13	10	14	0.1%	0.1%	0.1%
Mutual Funds/TREPs	99	29	114	1.0%	0.3%	0.9%
Investment Property	29	31	29	0.3%	0.3%	0.2%
Bank Deposits	92	1173	686	0.9%	10.5%	5.3%
<b>Grand Total</b>	<b>9821</b>	<b>11156</b>	<b>12883</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Yield with profit on sale				7.0%	6.5%	6.2%
Yield without profit on sale				6.6%	6.3%	6.2%
Investment book / NW				5.4	5.8	6.5
Investment book / GWP annualized				1.8	3.1	2.5

- Exposure to securities rated less than AA: NIL
- MTM deficit as at June 2022: Debt @ Rs. 445 Crs; Unrealized gain in Equity @ Rs. 17 Crs
- \* Over 90% of Investments in Infra are in PSUs / Infra Bonds of private Sector Banks

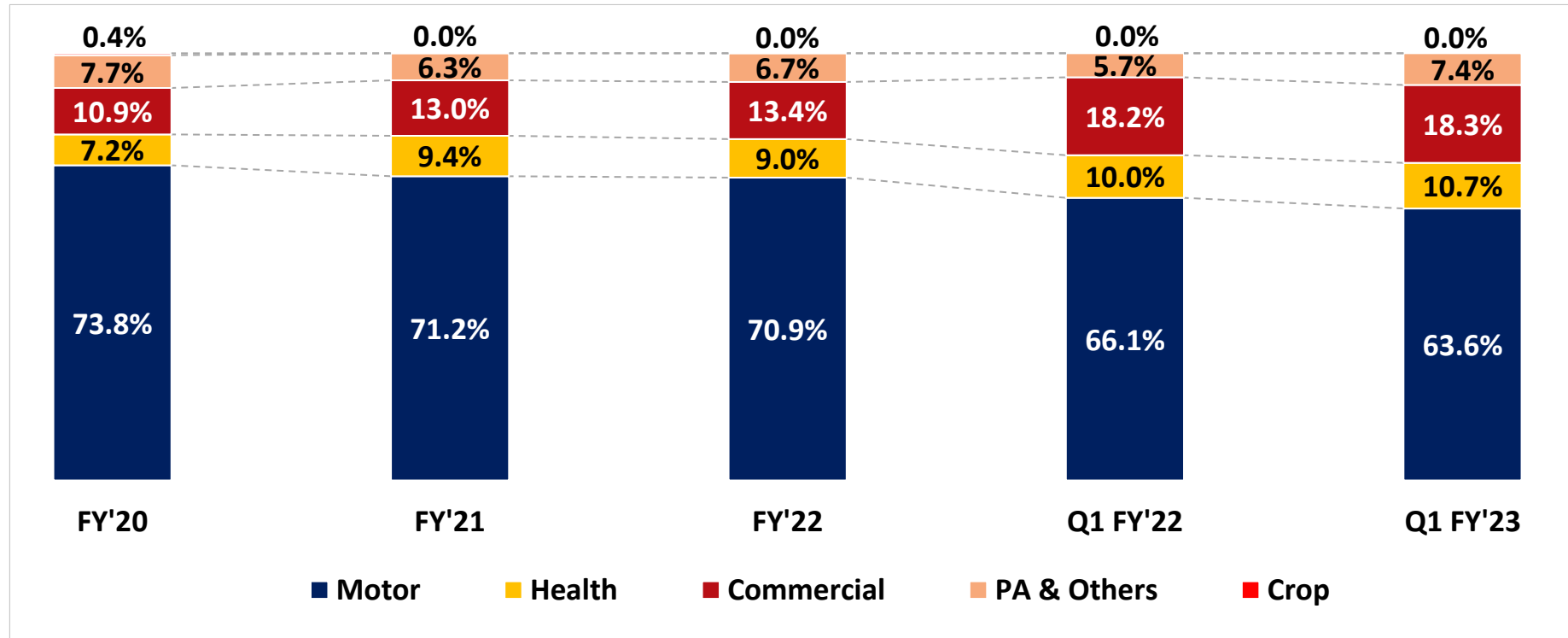
# Dominance in Motor, Diversification Underway



- ~10% Market share in new TWs; TW composition increased from almost NIL to 22% Q1 FY23
- ~9% Market share in new Tractors
- PV share improved to almost 34% due to new tieup
- CV composition bottomed out in Q1 – should go back to sub 50% levels



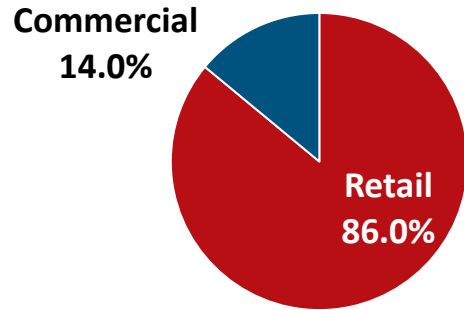
## Dominance in Motor, Gaining Prominence in Other Segment



- Focus on Commercial business (including SME business) has helped raise the share of top line to 18%
- Health mix improved to ~11% while PA & others increased to 7.4%

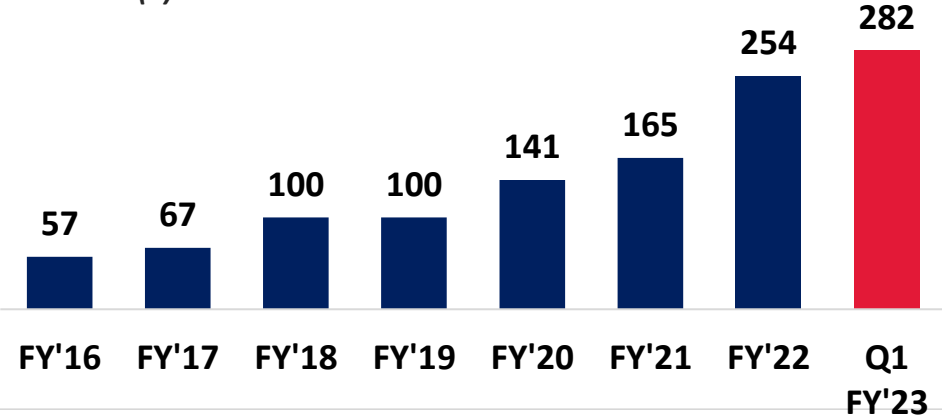
# Retail Focused Diversified Operations

## Retail dominated business mix



## Granular book aided by increasing dispersed customer base

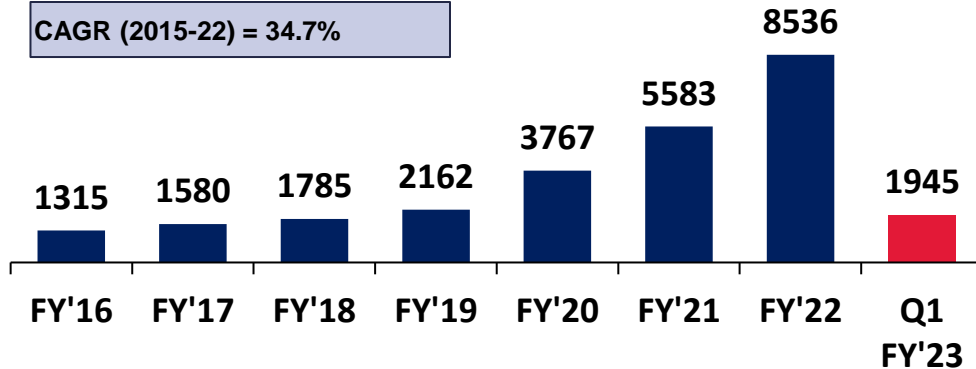
Customers (#) in Lacs



## Significant growth in retail oriented policies

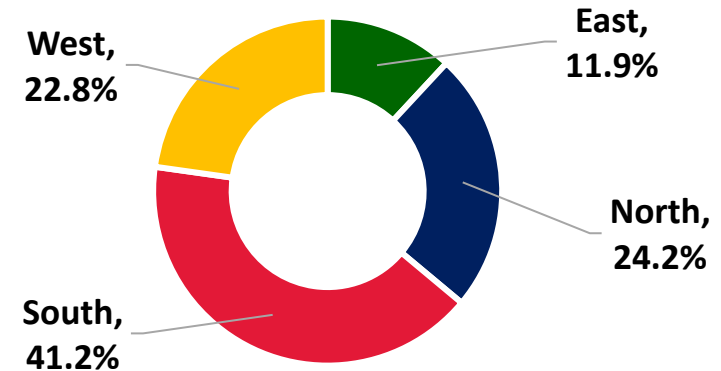
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2015-22) = 34.7%

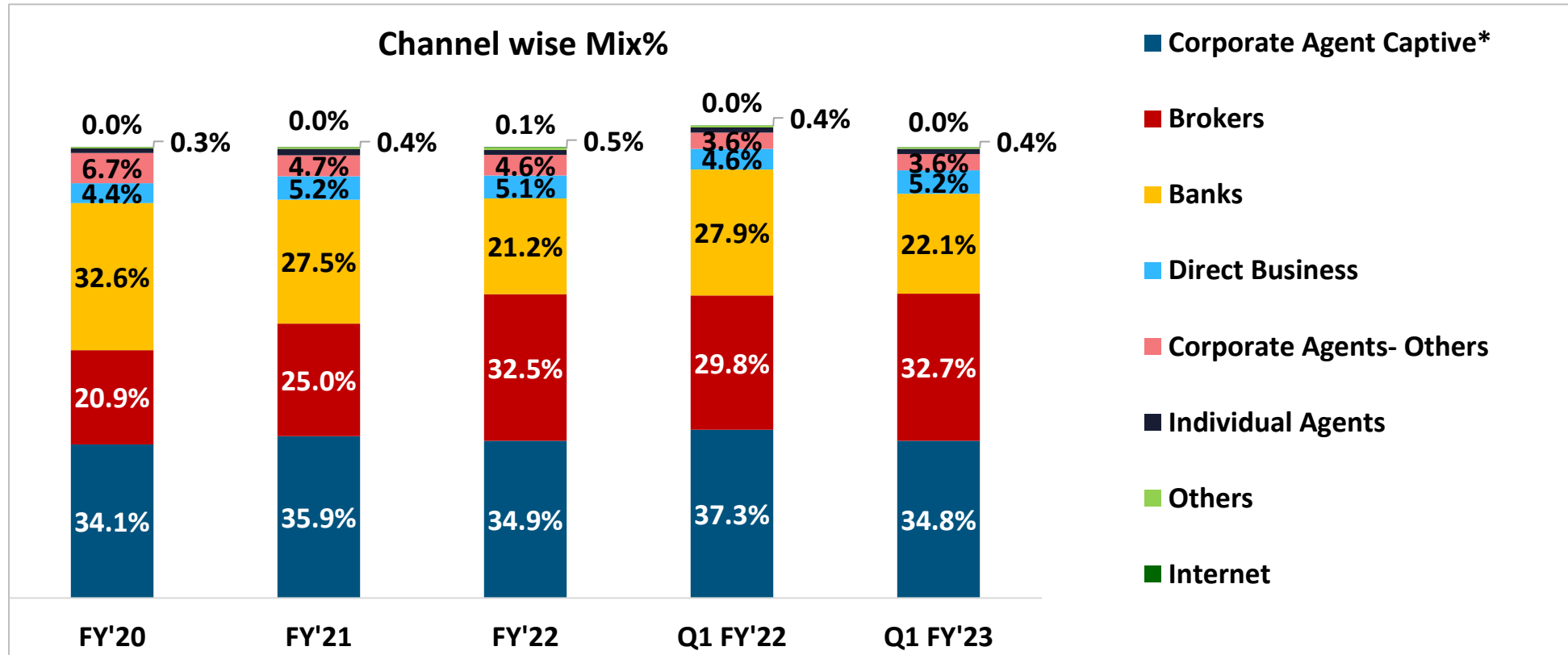


## Geographic Presence – Mix %

Mix %

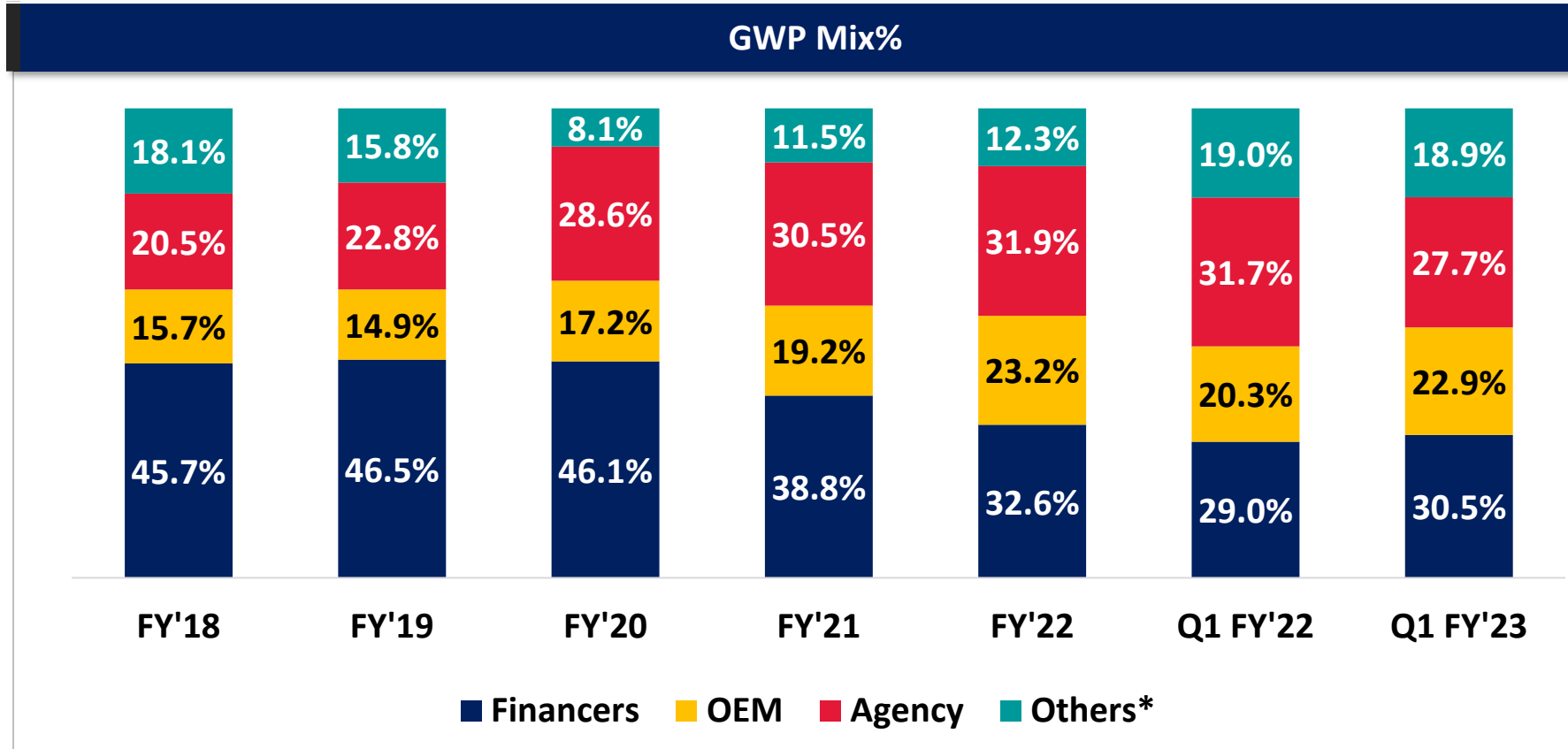


## Multi-channel model ensures lesser concentration / & diversified revenue Stream



\*Chola Finance + Coromandel+ CIE

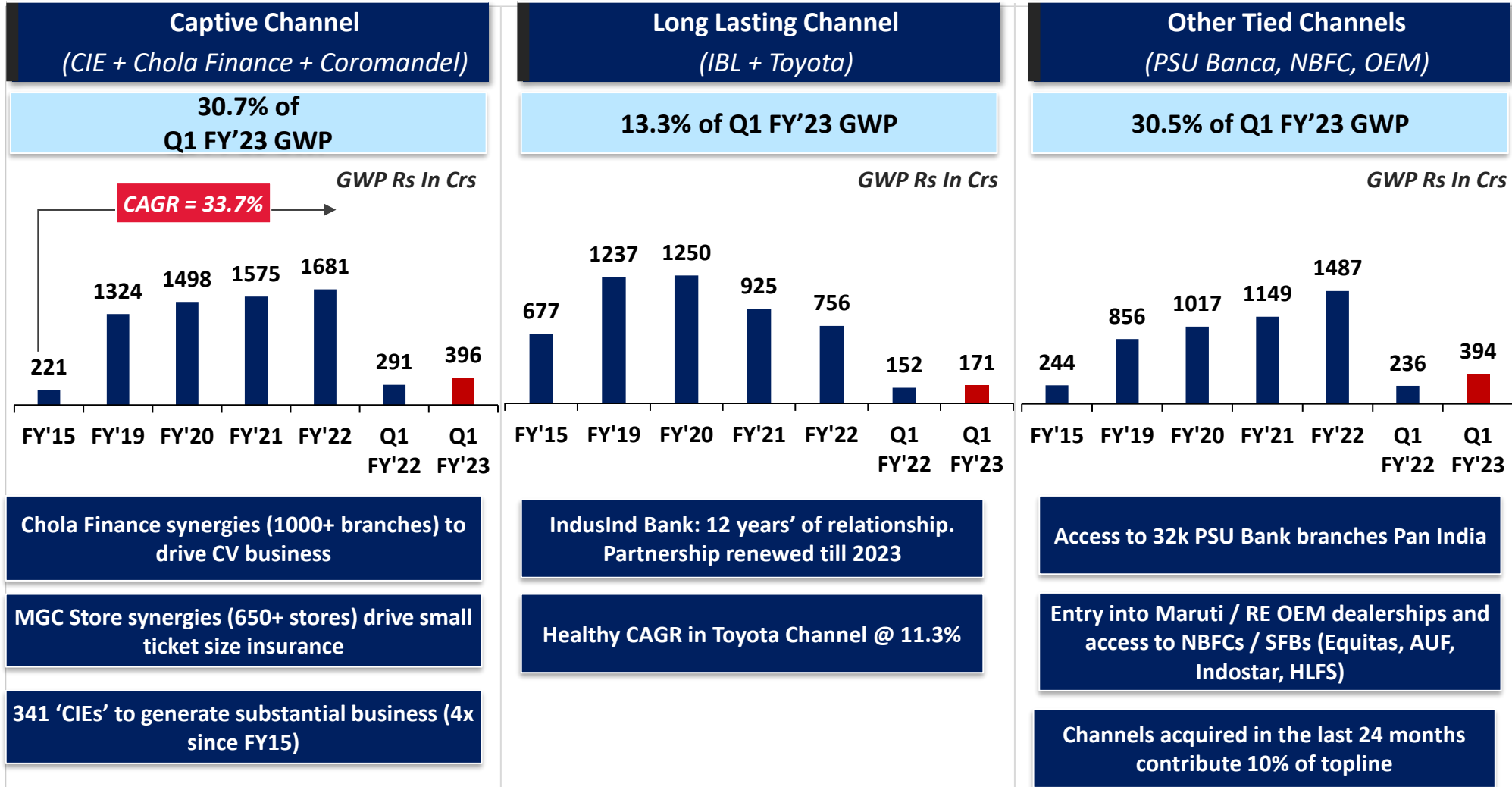
## Volumes Sustained Despite Stress in Financier Partners



- Volumes from financiers has bottomed out

\* Others includes crop (upto FY19), large commercial business and digital partners

# Balanced Revenue Mix: Stable in-house + Growth Channels



# Tech Enablers across the value chain



## Channels (Products & Services)

- ~94% of monthly policy issuance is through system integrated channels
- API based integration capabilities for major products



## Platforms (Scale, User Experience)







- Introduced **Phoenix** as new microservices based platform for transactions at **scale & speed**
- End to End **digitized agent onboarding** platform for distribution scaleup
- Health sourcing platform with product recommendation, UW rules, renewals, & portability journeys included
- UW rule engine for Motor and Health products



## Service Improvement (Productivity, Ease of use)


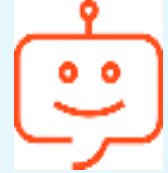
- **RPA bots** enabling 25+ processes in finance, Claims & Operations with **100K+ transactions** each month
- **Self Service Enablers** – Joshu, Renewals Voice Bot (Industry First)
- **Industry leading adoption of LVS** (Live Video Streaming) for motor claims at **90%+ overall**
- **AI based** proctoring solution for new hires
- **AI based** motor damage assessment capabilities
- Simplified Customer Claims workflow

# Glimpse of new Tech & Digital Capabilities across the value chain (1/2)

	Distribution Build	Sales Fulfilment		Underwriting	
Assets	 <p>End to End Digital Onboarding of agents (Prospecting, lead, COP, Onboarding, Training etc.)</p>	 <p>Health Policy Issuance</p>  <p>Motor Issuance</p>	 <p>SME Commercial Policy Issuance</p>  <p>API</p>  <p>Cattle Policy Issuance</p>	<p><b>Tailor</b></p> <p>Health Rules Engine (UW &amp; Fraud)</p> <p><b>Tele UW</b></p>	<p><b>UW OCR</b></p> <p>Health Pre Policy Medical Digitization</p> <p>Tele UW capabilities</p>
Tech Levers	Mobile App, OCR, Workflow, Bank Verification, Learning Content, Cloud	Mobile App, Seamless Journey, Product Recommendation Engine, Cross Sell and Up Sell capabilities, STP & NSTP Workflows, Payment Integration, Instant Policy Issuance		Parameterized Rules Engine, Fraud Analytics Model, AI driven advanced OCR for digitization, Tele Consulting and associated Workflows	
Benefits	<p><b>100%</b></p> <p>Digital Onboarding of Agents</p>	<p><b>100%</b></p> <p>Policy Issuance Digitally</p>	<p><b>2 Min</b></p> <p>Instant Policy Issuance</p>	<p><b>~75%</b></p> <p>STP issuance for Health (including Tele UW &amp; Rule Engine decisions)</p>	<p><b>100%</b></p> <p>Digitization of Pre Policy medical check records for UW decision improvement</p>

# Glimpse of new Tech & Digital Capabilities across the value chain

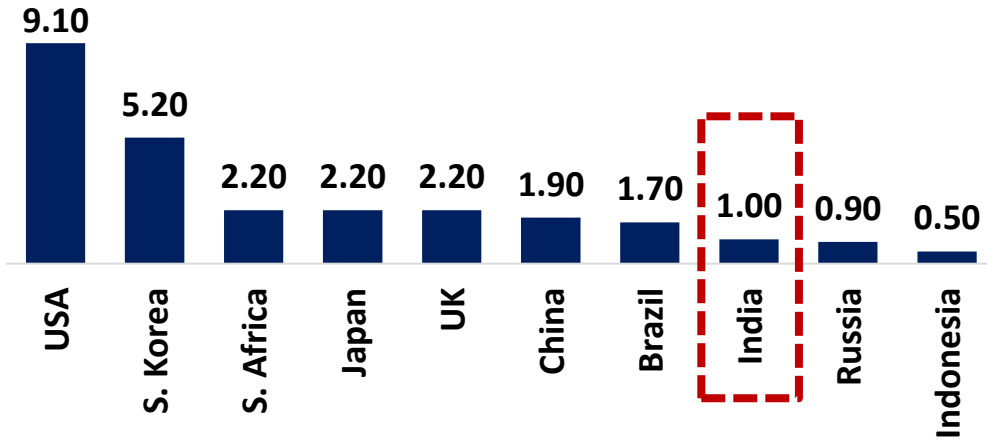
(2/2)

	Claims	Renewals	Operations & Servicing
Assets	 Health Claim Workflow <b>Claims OCR</b> AI based Motor Claim Adjudication Health Claim Digitization <b>Provider Portal</b>	 Voice Bot for renewals <b>NRLMS</b> Renewal Lead Management & Lead Propensity Scoring	RPA for Claims, Finance, Operations AI based proctoring for new hires <b>Joshu</b> Self Service Chatbot for customers
Tech Levers	Analytical Models for Risk scoring & fraud indicators, Provider-payer integration workflows, AI based OCR for Health Claims, AI based Motor damage assessment model for cars and SUVs	Voice bot driven renewals, 2 Click renewals, Advanced lead propensity driven lead scoring model	RPA Bots to automate manual repetitive processes, AI based proctoring for new hires, AI powered chatbot for customer service
Benefits	<b>87%+</b> Accuracy of AI based Motor damage assessment model Improved digitization of Health Claims for Analytics Reduced TAT for Health Claims discharge	<b>100%</b> Automated fulfilment of renewals via bot Improved persistency with lead prioritization & propensity scoring	<b>24x7</b> Query resolution using chatbot <b>100K+</b> Successful monthly RPA transactions Monthly Self Service Sessions via Chatbot

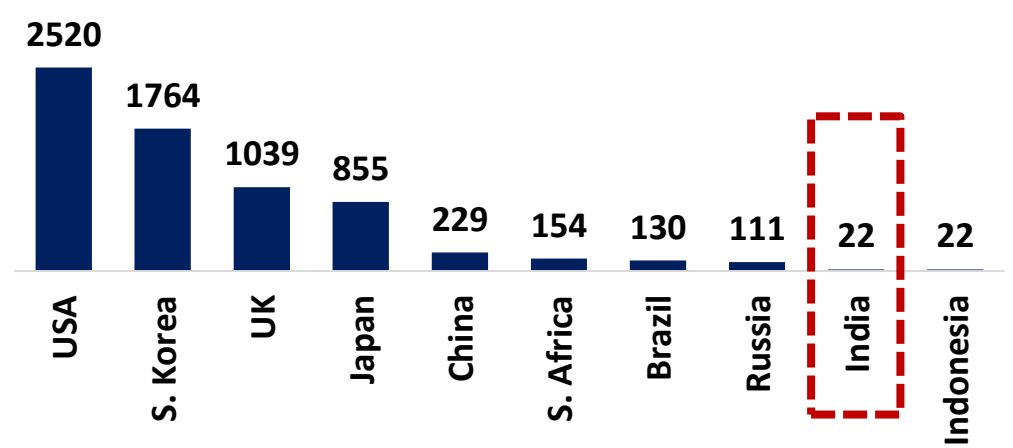


# Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY21) (US\$)



Non-Life Insurance Density (Premium per capital) (CY21) (US\$)



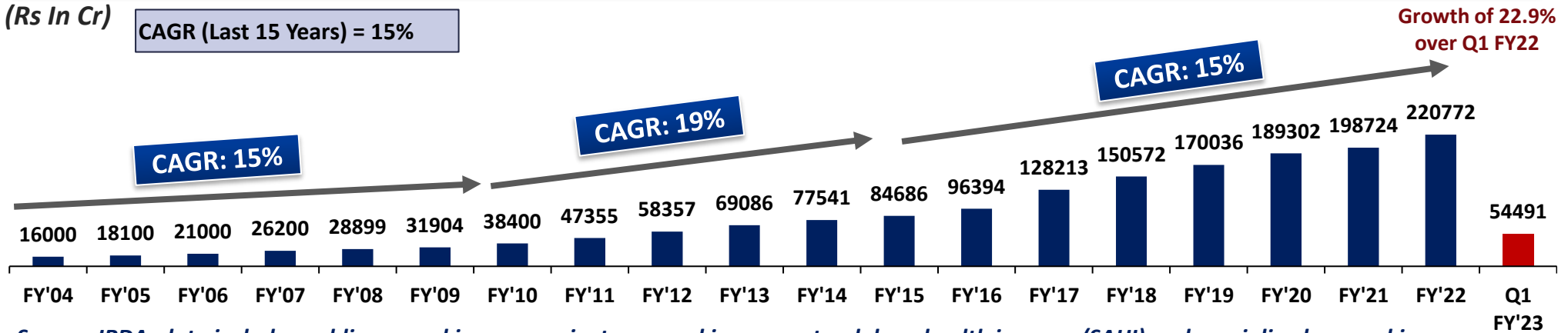
- India is the 4th largest non-life insurance market in Asia and 14th largest globally
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering to rural masses, innovative selling and bright long term outlook for growth
- Every 0.25% increase in penetration can increase industry GWP by Rs. 600 Bn

# Industry has Witnessed Strong Growth Over the last 15 Years

General Insurance Gross Premium has grown >10x over the last 15 years

(Rs In Cr)

CAGR (Last 15 Years) = 15%



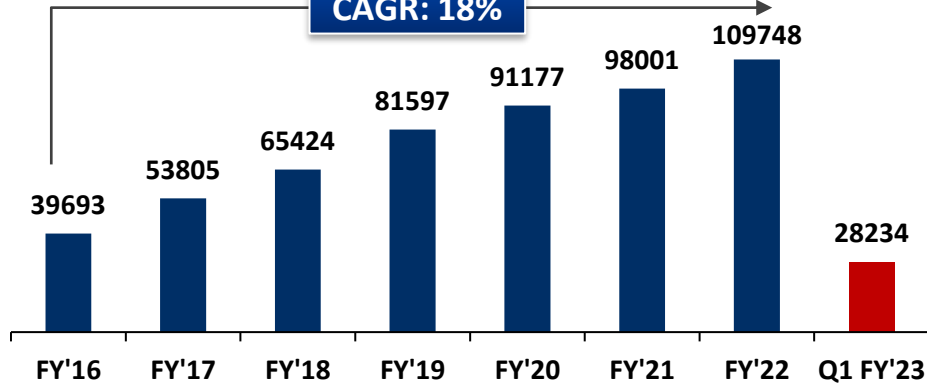
Source: IRDA; data includes public general insurers, private general insurers, standalone health insurers (SAHI) and specialized general insurers

## Private GI Players have grown at a faster pace

(Rs In Cr)

CAGR: 18%

Growth of 33.8% over Q1 FY'22

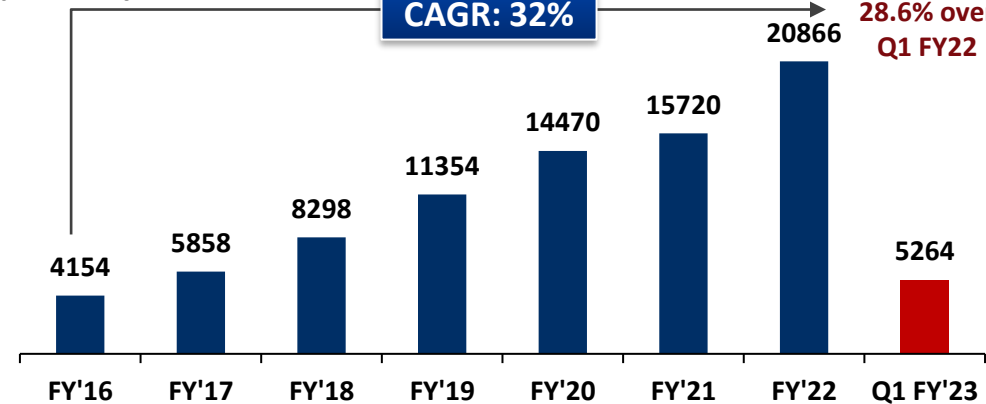


## Robust growth for SAHI Players driven by Retail

(Rs In Cr)

CAGR: 32%

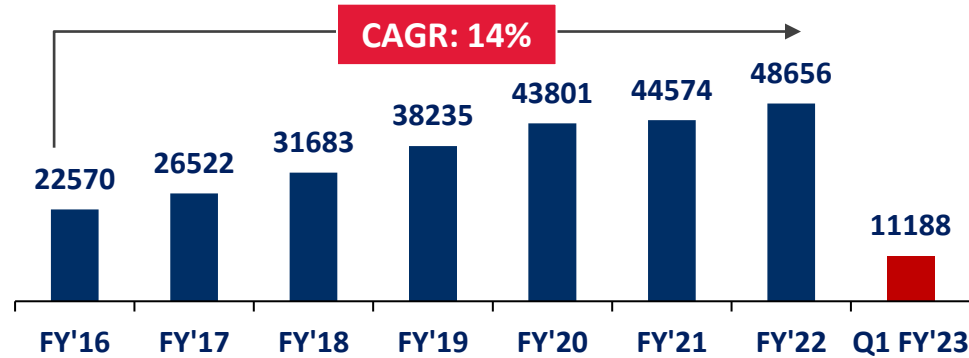
Growth of 28.6% over Q1 FY'22



## Motor & Retail Health are the Largest GI Segment and Continue to Grow at Steady Pace

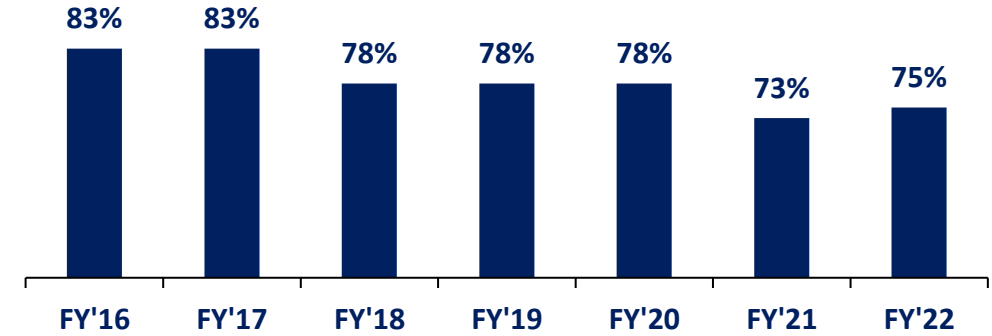
**Motor accounts for 39.6% share of the overall GWP for Private General Insurers (single largest segment)**

(Private Motor Insurance – GWP Rs in Crs)



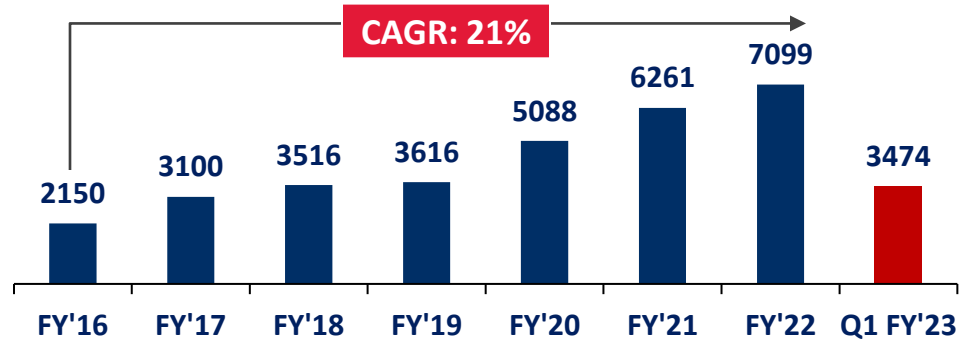
**Motor Claim ratio**

(Private Motor Insurance – Claims Ratio)



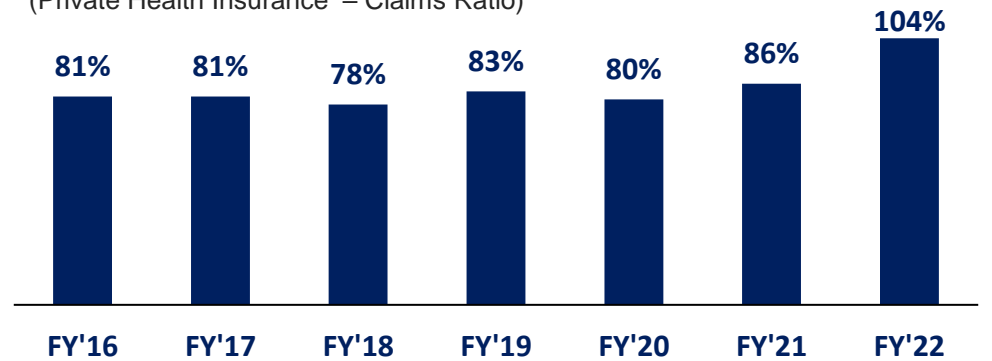
**Retail Health (7.1%\* share of overall GWP) is the fastest growing segment**

(Private Retail Health Insurance – GWP Rs in Crs)



**Health Claim Ratio**

(Private Health Insurance – Claims Ratio)



\* Excluding SAHI Companies

# Industry Growth – Q1 FY'23

INSURER(Rs. in Mn)	Addressable Market Share					Preferred lines - Chola MS	
	GWP Rs in Mn	Growth over Q1 FY'22	Crop	Group Health	Govt Health	Industry Ex -Crop ,Group & Govt Health	Growth over Q1 FY'22
ICICI-Lombard	53703	28.2%	1405	10834	0	41465	21.4%
Bajaj Allianz	31002	25.4%	19	4280	1082	25621	19.0%
HDFC ERGO	30734	28.8%	121	3864	0	26749	26.2%
Tata-AIG	29153	40.6%	22	3049	0	26082	36.4%
Reliance	24744	20.4%	5743	3416	508	15076	19.2%
IFFCO-Tokio	21294	16.2%	2666	3844	-15	14799	10.0%
SBI General	17504	50.3%	603	2948	0	13953	45.8%
Go Digit	15293	94.0%	0	1639	0	13654	119.8%
<b>Chola MS</b>	<b>12903</b>	<b>43.3%</b>	<b>0</b>	<b>364</b>	<b>0</b>	<b>12539</b>	<b>45.1%</b>
Future Generali	8660	23.8%	87	1113	0	7460	23.4%
Universal Sampo	8282	65.4%	1011	666	0	6605	60.5%
Royal Sundaram	7292	17.8%	0	779	0	6514	13.6%
Magma HDI	5405	82.4%	0	370	0	5035	78.3%
Liberty Videocon	4564	35.4%	0	961	0	3603	31.1%
Shriram	4015	16.6%	0	0	0	4015	16.6%
Acko	3182	86.9%	0	1699	0	1484	61.7%
Kotak Mahindra	2175	82.8%	0	538	0	1637	78.5%
Raheja QBE	1117	28.0%	0	30	0	1087	26.2%
Edelweiss	1106	82.1%	0	269	0	838	93.4%
Coco By Navi	214	177.8%	0	34	0	180	168.5%
<b>PRIVATE TOTAL</b>	<b>282342</b>	<b>33.8%</b>	<b>11678</b>	<b>40696</b>	<b>1575</b>	<b>228393</b>	<b>30.8%</b>
New India	95501	8.1%	0	38075	5289	52138	2.9%
United India	43089	18.3%	165	10085	5995	26843	10.6%
Oriental	36398	15.8%	2	12094	2496	21806	2.8%
National	31275	1.2%	13	6903	1788	22571	-1.4%
<b>PUBLIC TOTAL</b>	<b>206262</b>	<b>10.2%</b>	<b>180</b>	<b>67157</b>	<b>15568</b>	<b>123358</b>	<b>3.6%</b>
<b>GEN. INSURER'S TOTAL</b>	<b>488604</b>	<b>22.7%</b>	<b>11858</b>	<b>107852</b>	<b>17143</b>	<b>351751</b>	<b>19.8%</b>

## Industry Landscape – GWP Growth for Private GI Players (5 Yr CAGR)

Insurers	Q1 FY'23 GWP (Rs in Crs)	Growth over Q1 FY'22	Market Share	Last 5 years GWP CAGR	Motor Mix %	Heath + PA Mix%	Crop Mix%	Fire Mix%	Others
ICICI-Lombard	5370	28.2%	11.0%	17.3%	33.2%	26.8%	2.6%	21.3%	16.2%
Bajaj Allianz	3100	25.4%	6.3%	18.6%	34.4%	24.8%	0.1%	23.4%	17.4%
HDFC ERGO	3073	28.8%	6.3%	28.5%	27.2%	41.5%	0.4%	19.6%	11.3%
Tata-AIG	2915	40.6%	6.0%	27.6%	41.7%	16.7%	0.1%	22.6%	19.0%
Reliance	2474	20.4%	5.1%	27.5%	29.0%	19.9%	23.2%	19.5%	8.3%
SBI General	1750	50.3%	3.6%	20.0%	33.7%	32.2%	3.4%	24.9%	5.7%
IFFCO-Tokio	2129	16.2%	4.4%	32.9%	34.4%	21.4%	12.5%	16.4%	15.2%
Go Digit	1529	94.0%	3.1%	NA	49.3%	13.6%	0.0%	9.6%	27.4%
<b>Chola MS</b>	<b>1290</b>	<b>43.3%</b>	<b>2.6%</b>	<b>14.5%</b>	<b>63.6%</b>	<b>16.7%</b>	<b>0.0%</b>	<b>14.6%</b>	<b>5.0%</b>
Future Generali	866	23.8%	1.8%	21.6%	44.3%	18.8%	1.0%	20.0%	15.8%
Universal Sompo	828	65.4%	1.7%	15.2%	54.0%	17.2%	12.2%	12.4%	4.1%
Royal Sundaram	729	17.8%	1.5%	26.0%	60.9%	18.8%	0.0%	14.5%	5.8%
Magma HDI	541	82.4%	1.1%	0.5%	74.6%	8.6%	0.0%	14.6%	2.2%
Shriram	401	16.6%	0.8%	33.8%	91.9%	1.5%	0.0%	4.4%	2.2%
Liberty Videocon	456	35.4%	0.9%	30.1%	54.8%	25.1%	0.0%	8.2%	12.0%
Acko	318	86.9%	0.7%	NA	38.9%	54.0%	0.0%	0.0%	7.2%
Kotak Mahindra	218	82.8%	0.4%	188.4%	46.3%	38.5%	0.0%	8.8%	6.4%
Raheja QBE	112	28.0%	0.2%	67.2%	73.8%	3.3%	0.0%	7.0%	16.0%
Edelweiss	111	82.1%	0.2%	NA	53.1%	33.7%	0.0%	6.8%	6.4%
Coco By Navi	21	177.8%	0.0%	NA	42.4%	53.4%	0.0%	4.2%	0.0%
Average of top 10 Insurers				23.2%	39.1%	23.2%	4.3%	19.2%	14.1%

# Favorable Regulations Aiding Growth

Amendment to Acts expected to improve profitability and growth across segments

## Working well

### Mandatory Long term Third Party Insurance



- ▶ 3 years for Cars, 5 years for 2W
- ▶ Expands premium coverage, client stickiness
- ▶ Increases float income

### Amendments to the Motor Vehicle Act



- ▶ Claim initiation time cut to 6 months, shortening the long tail of claims
- ▶ ~10x increase in penalties for non-compliance of traffic rules

### Regulatory Amendments



- ▶ Use & File across product lines
- ▶ Innovation – Sandbox / PAYD / PHYD
- ▶ Tier 2 limits revised

## Requiring Tweaks

### Crop Insurance

- ▶ PMFBY financially supports farmers
- ▶ Minimal premium up-to 2% by farmers & balance by State & Central Govt.

### Introduction of MISP guidelines



- ▶ Motor dealers as insurance intermediaries
- ▶ Shifting of bargaining power to OEM / Dealer

### TP Premium Pricing



- ▶ 15% CAGR in Motor TP premium rates over the last 7 years
- ▶ Marginal increase effective June 22 after 3 years

## Yet to Take Off

### Single Limit for Expense of Management



- ▶ Fungible EOM limits across LOBs
- ▶ Fungible EOM limits across intermediaries

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