

Cholamandalam Investment and Finance Company Limited

42nd Annual General Meeting

Managing Director's Message

30th July 2020



Company overview

Cholamandalam Investment & Finance Company Limited



14 lakh + customers

Helping customers enter better life

2 lakh customers in year 2000 to 14 lakh plus customers till date



26,558 employees

Strong employees force to serve more customers

200 plus employees in year 2000 to 26,500 employees today



Rs. 66+k Cr. AUM

Healthy ROA of 2.7%

PAT - CAGR of 19% from FY15 to FY20



Rs. 12K Cr. market cap

Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 12K Cr. in 2020



1091 branches

Strong geographical presence

Across 29 states/Union Territories 82% presence across tier III—VI towns



Diversified product portfolio

- Presence across vehicle finance, business finance, home equity loans, stock broking & distribution of financial products



Highly experienced management

- Highly experienced management team with unrivaled industry experience
- Significant synergies with Murugappa group, deriving operational and financial benefits

Business Profile and AUM as on 31st Mar 2020

Business AUM
Rs. 60,549Cr

Vehicle Finance
Rs. 44,206Cr

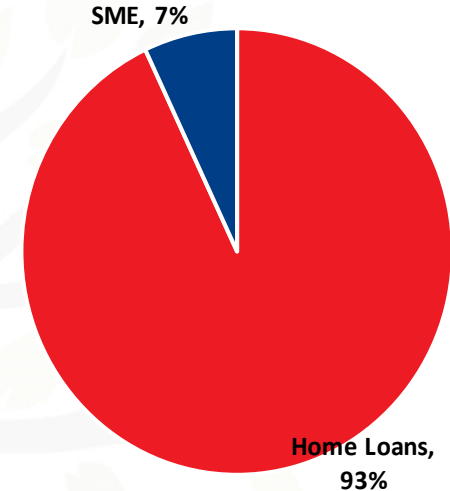
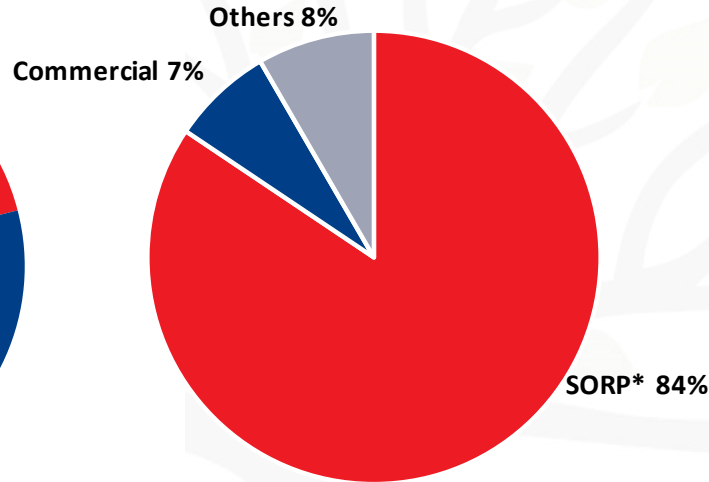
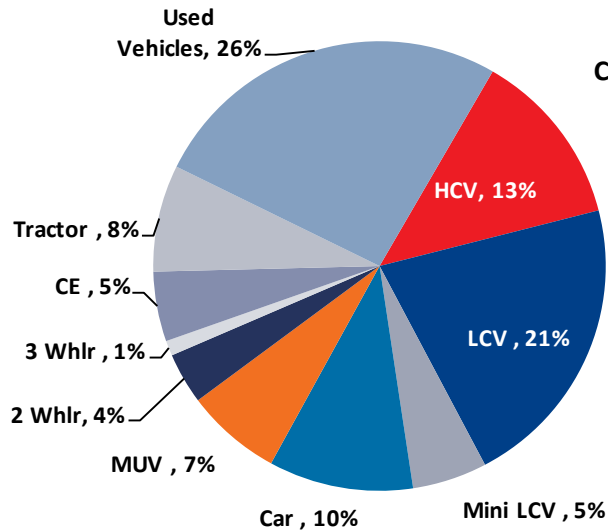
Home Equity
Rs. 12,960Cr

Home Loan & Others
Rs. 3,383Cr

73%

21%

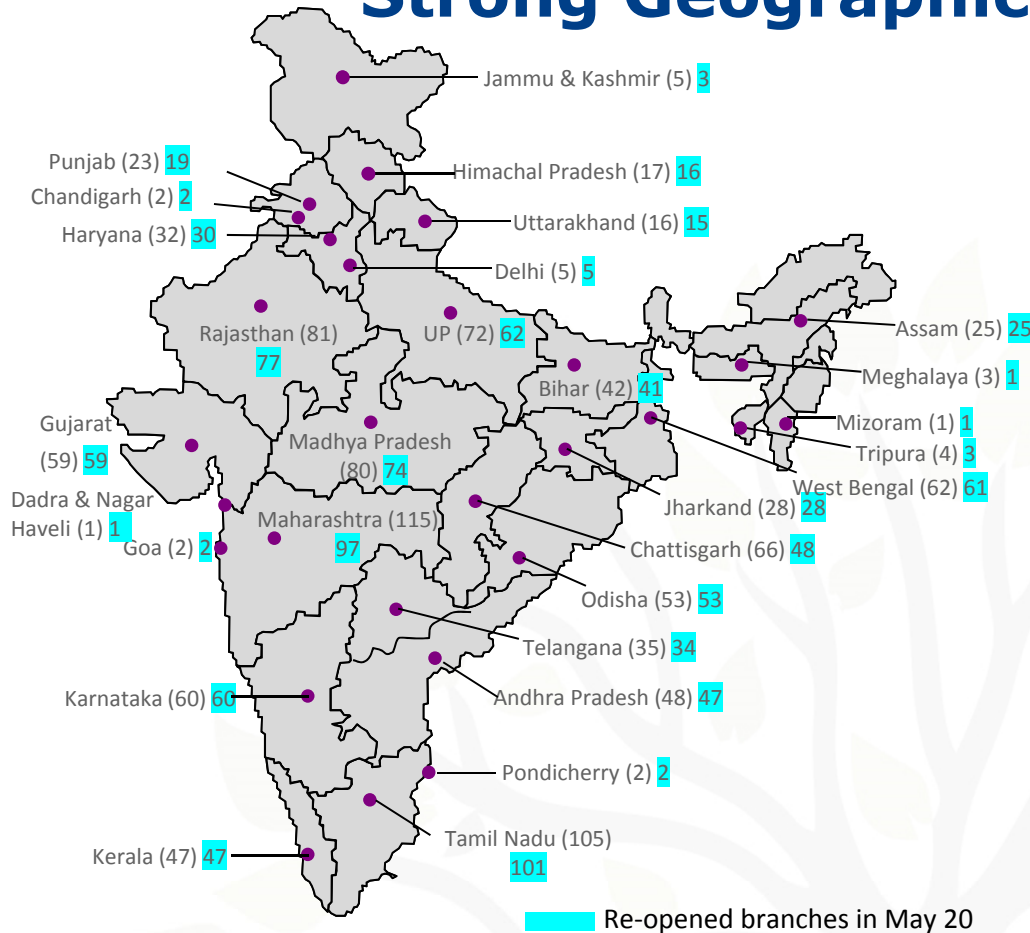
6%



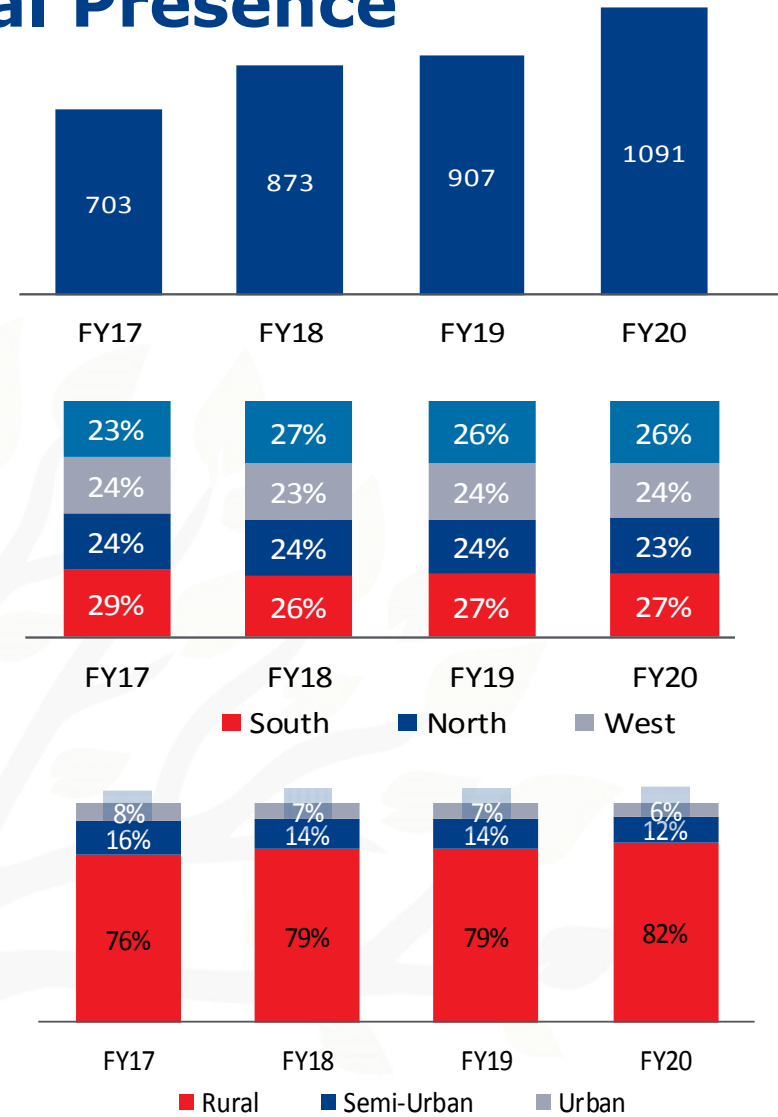
SORP: Self Occupied Residential Property
SCV: Small Commercial Vehicle
TW: Two Wheeler
HCV: Heavy Commercial Vehicle

LCV: Light Commercial Vehicle
CE: Commercial Equipment
MUV: Multi Utility Vehicle
SME: Small & Medium Enterprise

Strong Geographical Presence



- 1091 branches across 29 states/Union territories: 1081 VF, 234 HE (228 co-located with VF), 192 HL (167 co-located with VF) & 4 Regional offices in Tamil Nadu
- 82% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns



Financial performance update

Business Update

- Chola has instituted a robust Business Continuity Plan as a response to COVID addressing financial planning, business strategy realignment, employee productivity re-focus, IT enablement and renewed customer engagement.
- Chola's FY20 disbursements decreased by 4% over FY19, majorly due to COVID impact. However, the total Assets Under Management (AUM) have increased by 16% for the same period.
- Chola has offered moratorium to its customers as per its Board approved policy and have not availed moratorium on its borrowing repayments. In spite of this, we have a comfortable ALM position with no cumulative mis-matches across future time buckets.
- Chola continues to exercise significant advantage owing to a strong positive cash balance and high liquidity. Chola had Rs. 10,908 Cr positive cash balance (including sanctioned and undrawn lines) as of March 20 and continue to be held above Rs.10,000 Cr as of end June as well.
- Chola's underwriting strategy has ensured that the assets portfolio across Vehicle Finance, Home Equity and Home Loans businesses will have relatively lesser impact due to COVID.
- In order to ensure uninterrupted operations during Covid lockdown, your company has activated enhanced tools & superior connectivity for employees working remotely and has also put in place strong cybersecurity measures.

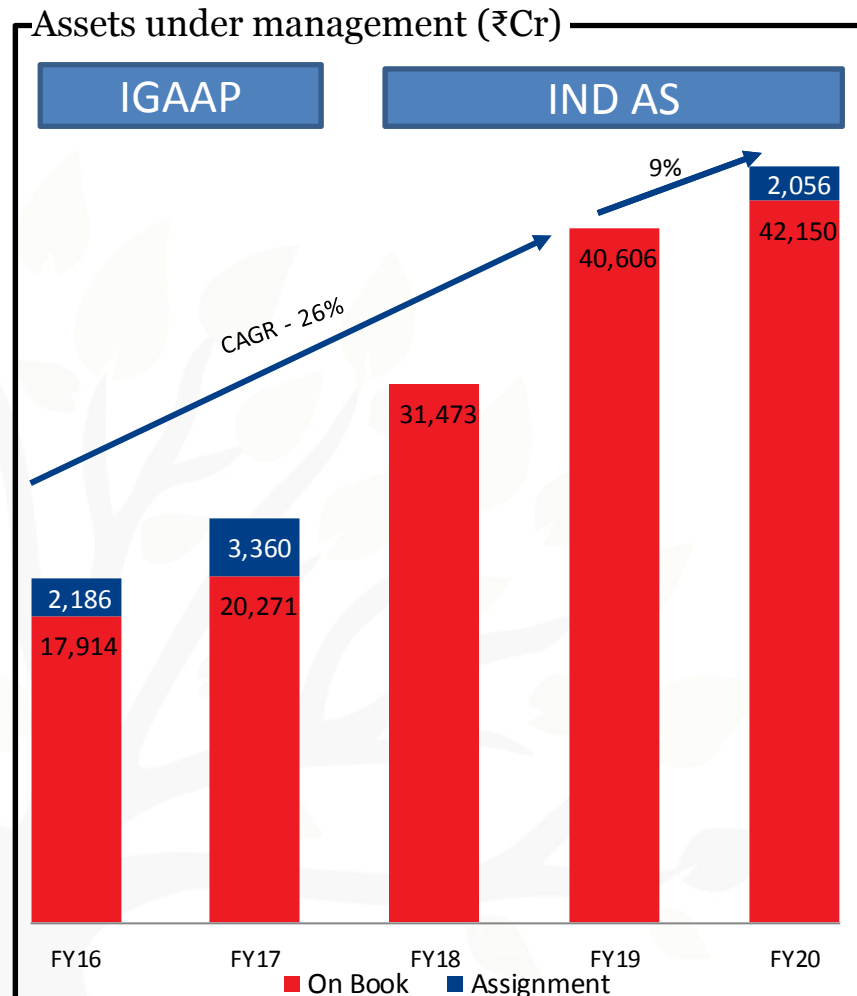
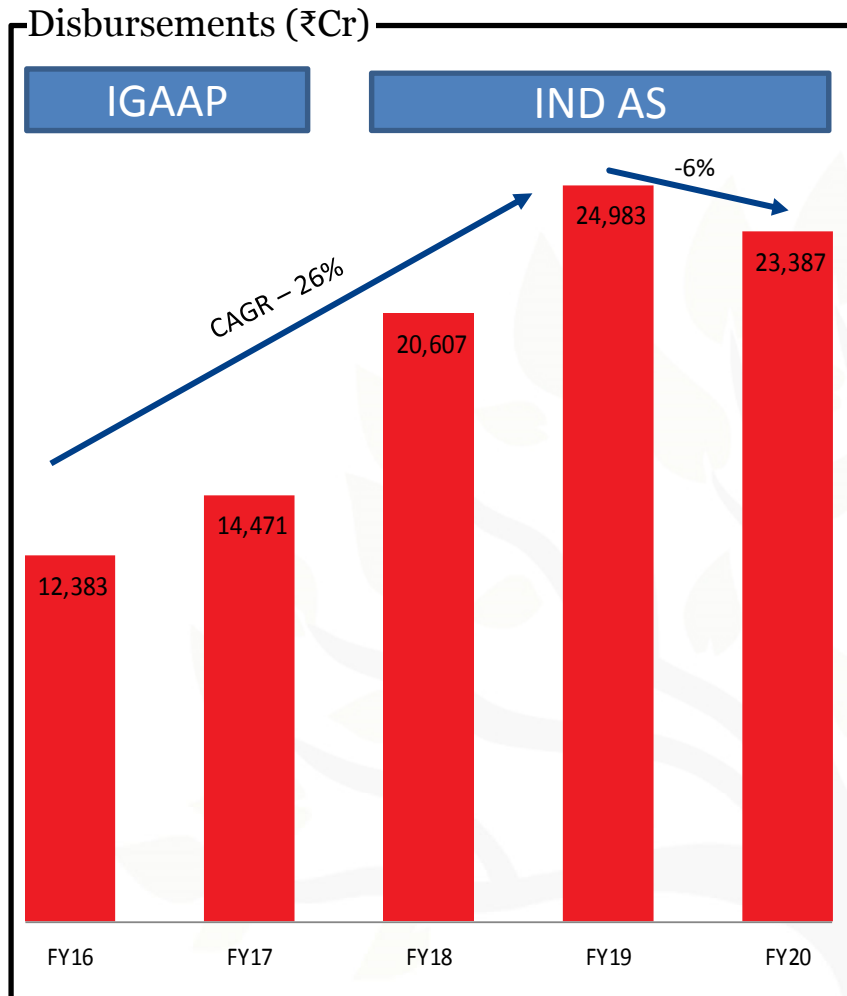
Standalone Financials – FY20

Rs in Cr

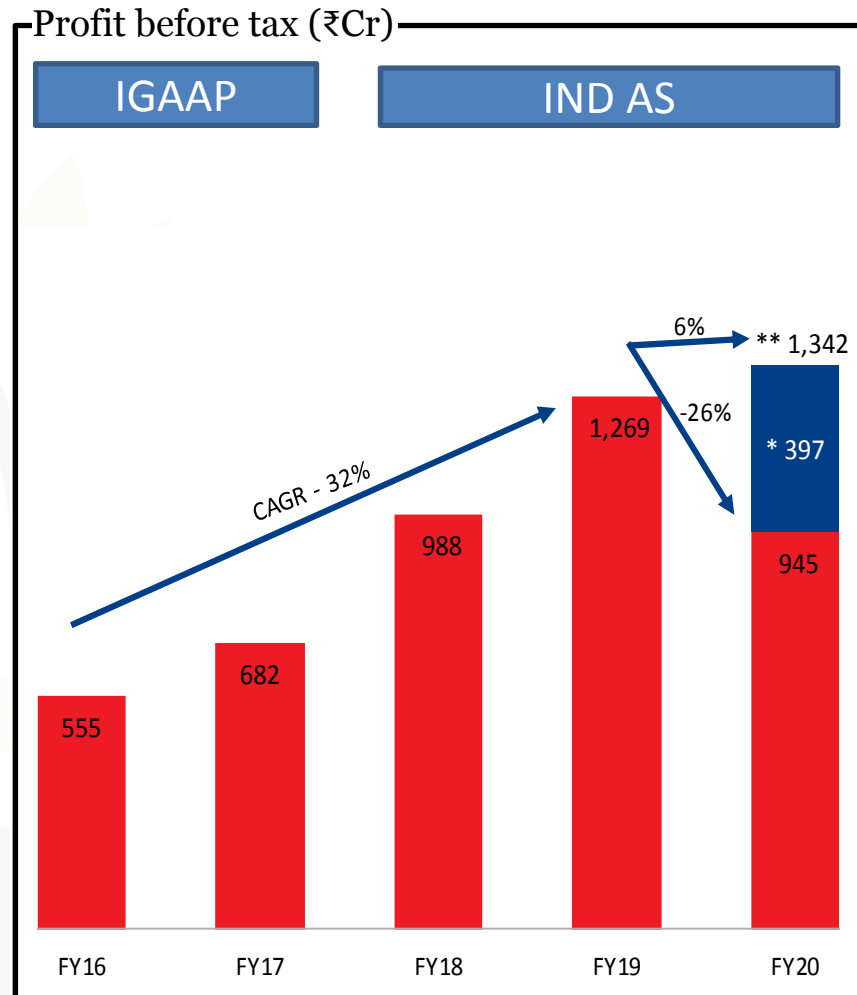
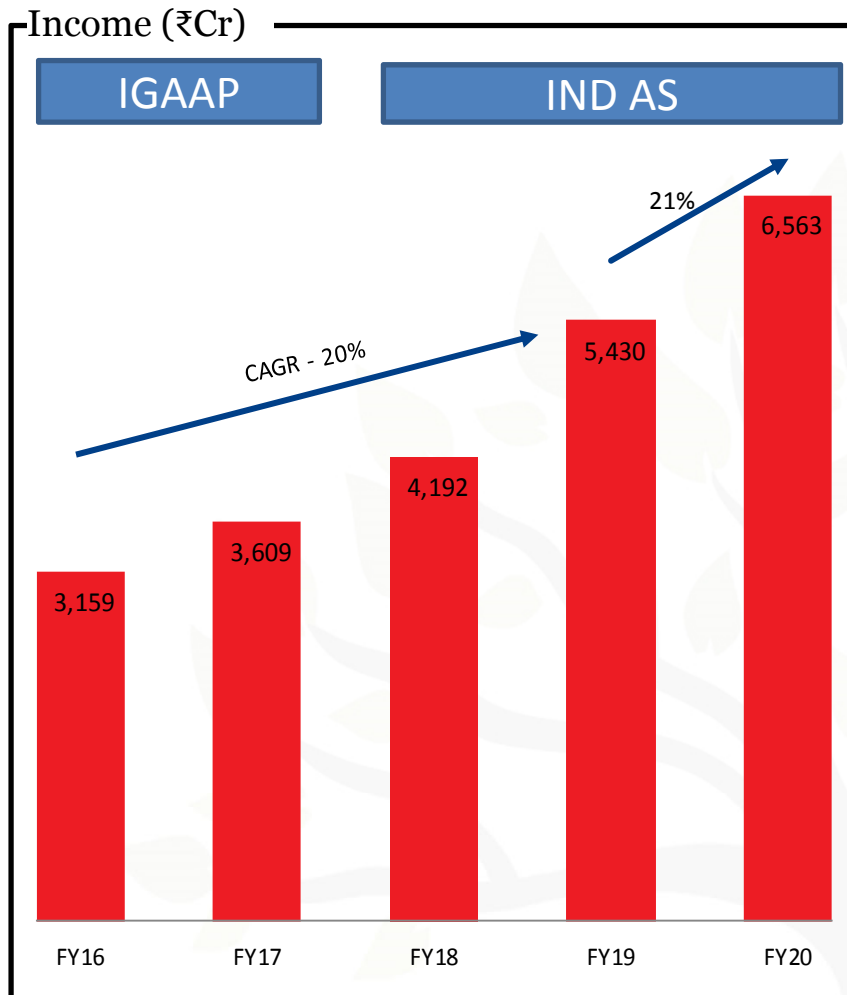
Profit & Loss Account	FY 20	FY 19	Growth%
Disbursements	29,091	30,451	-4%
Income	8,653	6,993	24%
Finance Costs	(4,592)	(3,589)	-28%
Operating Expenses	(1,578)	(1,270)	-24%
Loan Losses	(393)	(311)	-26%
One time Provision due to COVID + Macro Provision	(504)	-	
Profit Before Tax	1,586	1,823	-13%
Profit Before Tax (before considering COVID and Macro Provision)	2,090	1,823	15%
Taxes	(533)	(637)	16%
Profit After Tax	1,052	1,186	-11%
Profit after Tax (before considering COVID and Macro Provision)	1,387	1,186	17%

Vehicle Finance business update

Vehicle Finance: Financial summary FY20 (I)



Vehicle Finance: Financial summary FY20 (II)

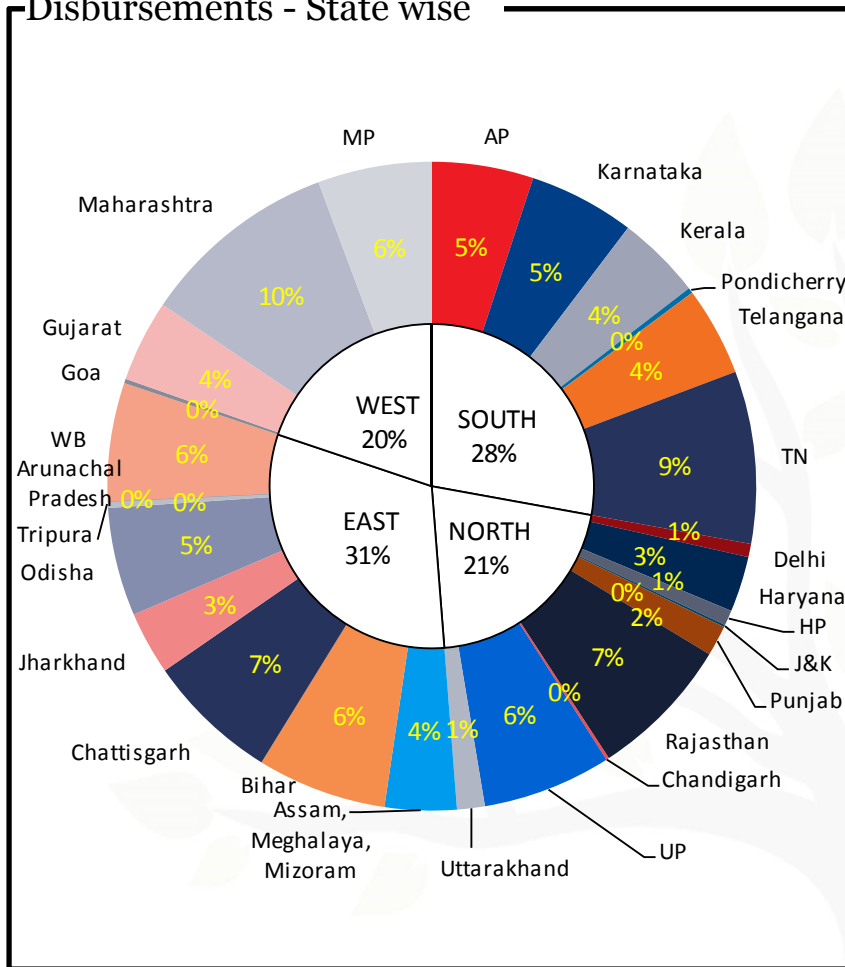


* One time provision for COVID 19 + Macro provision ** PBT adjusted before COVID & Macro provision

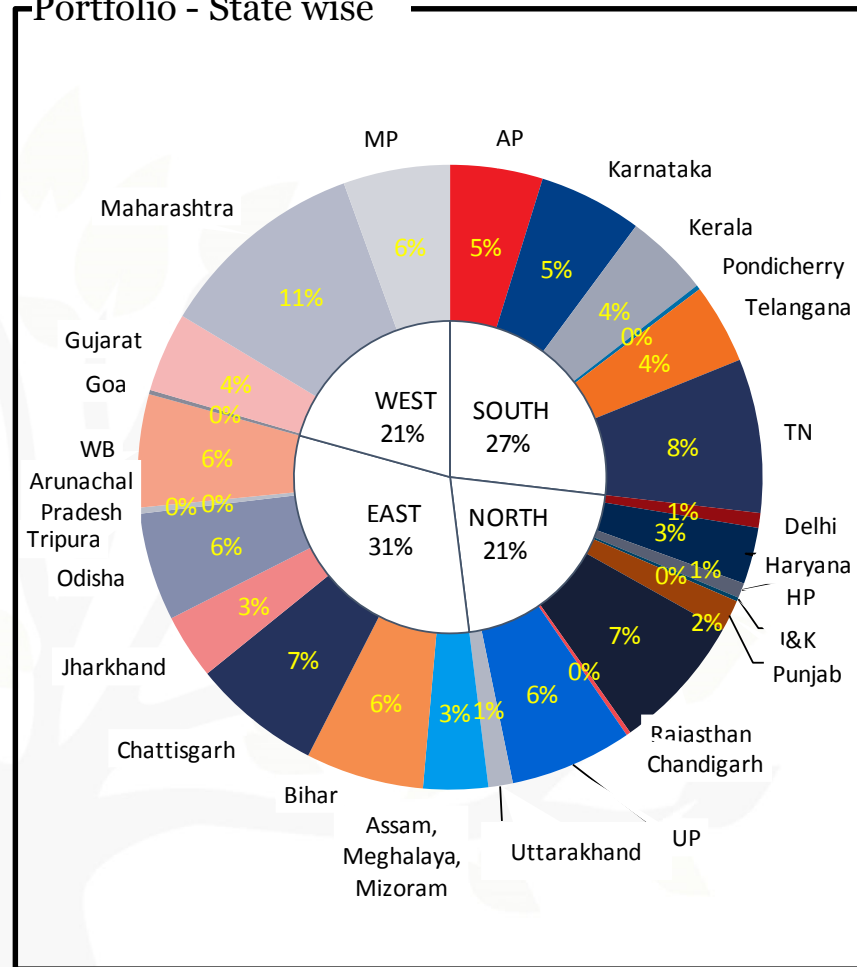
Vehicle Finance - Disbursement/Portfolio Mix – FY20

Well diversified across geography & product segments

Disbursements - State wise



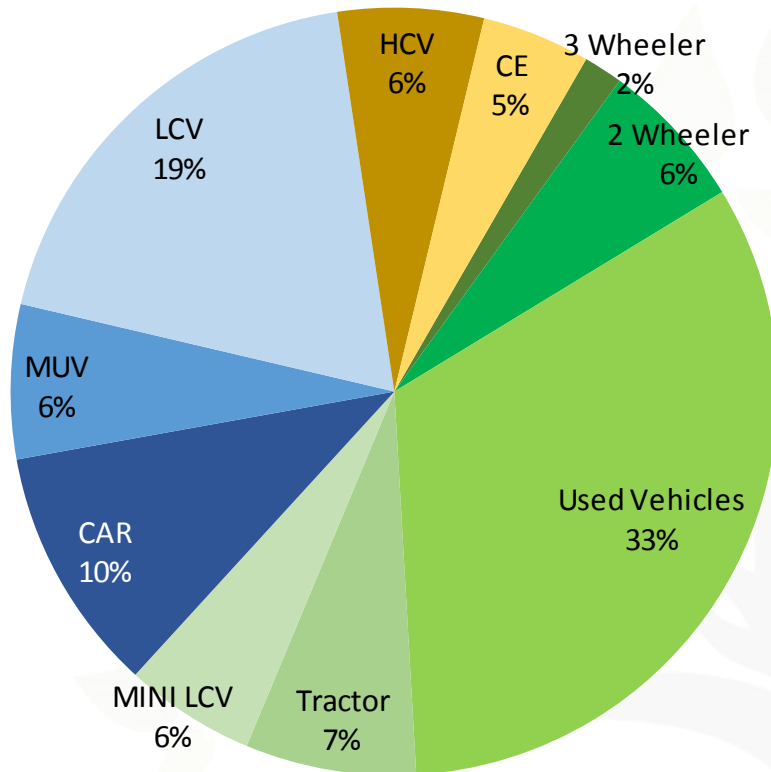
Portfolio - State wise



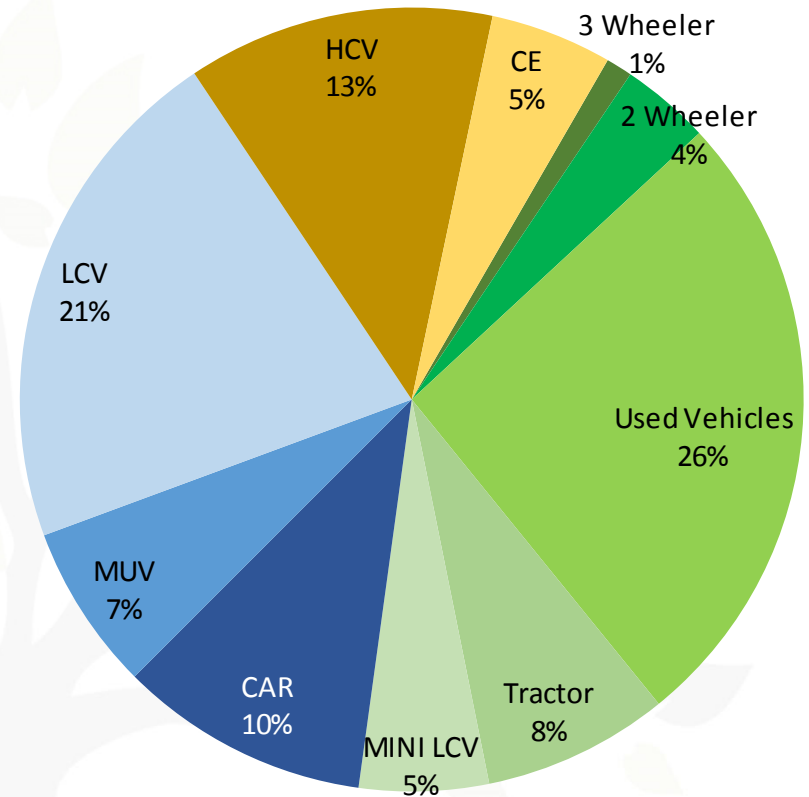
Vehicle Finance - Disbursement/Portfolio Mix – FY20

Well diversified across geography & product segments

Disbursements (₹Cr) - Product wise



Portfolio (₹Cr) - Product wise



Vehicle Finance - Key initiatives in FY20

The vehicle finance business has invested 2019-20 in building long term capabilities for future growth

End to End Digitization

Leveraging advanced analytics

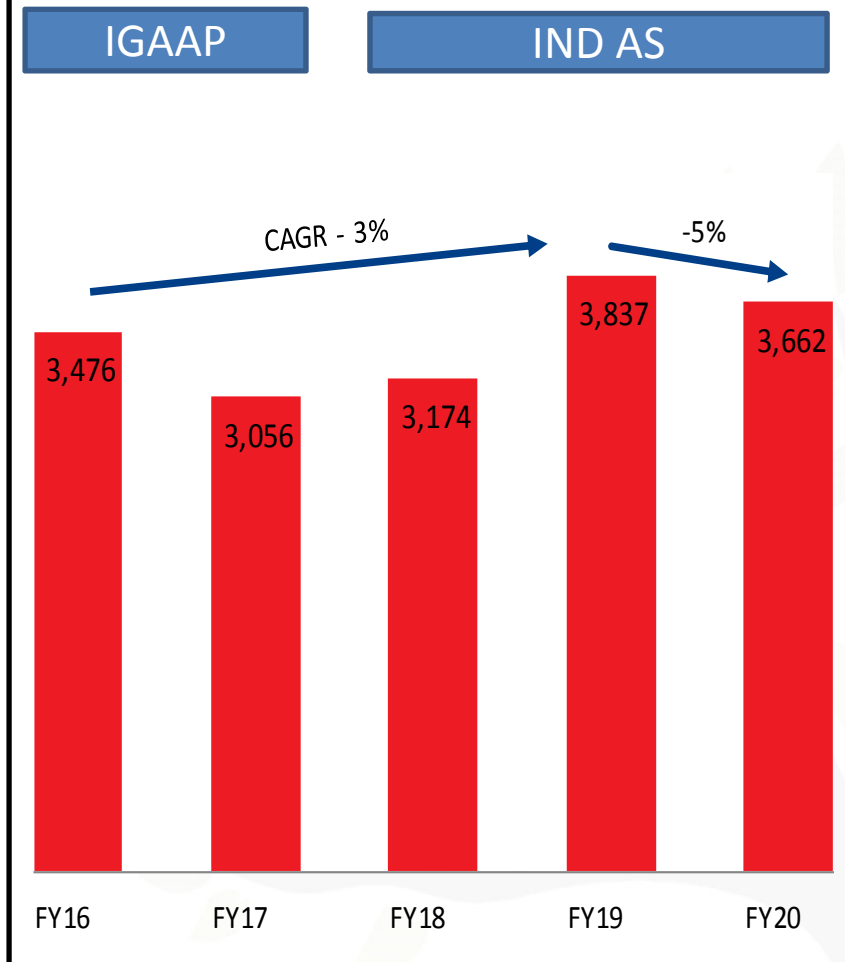
Strategic partnerships

Gaadi Bazaar

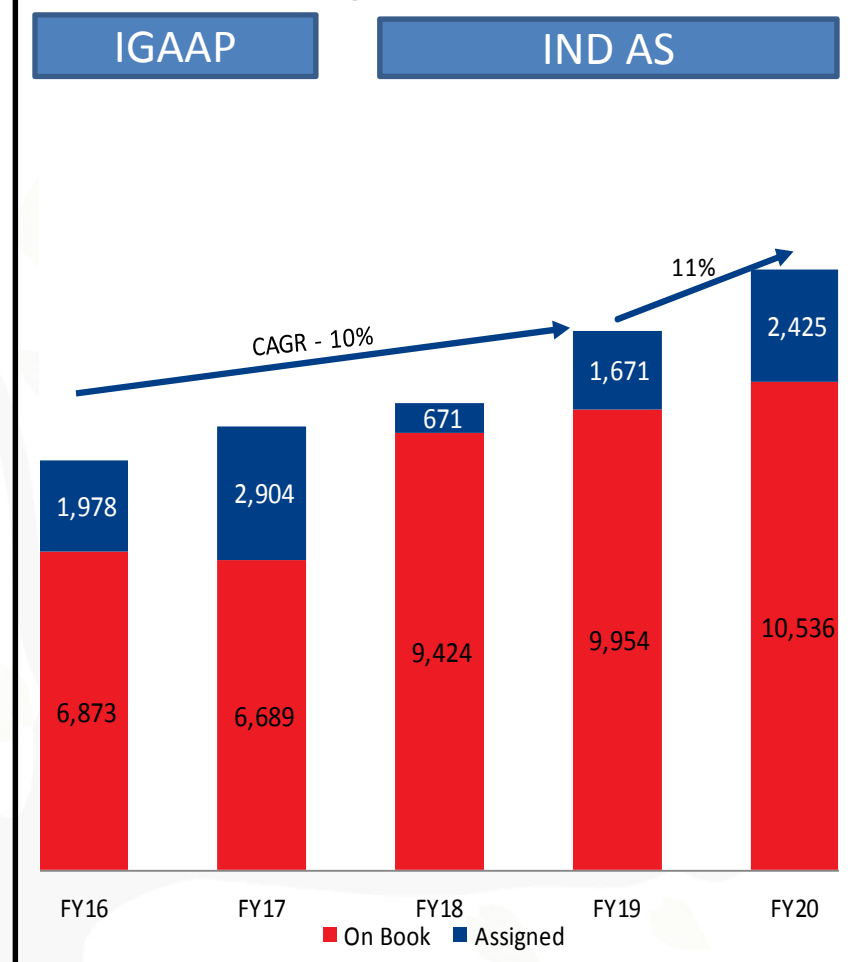
Home Equity business update

Home Equity – Financial Summary FY20 (I)

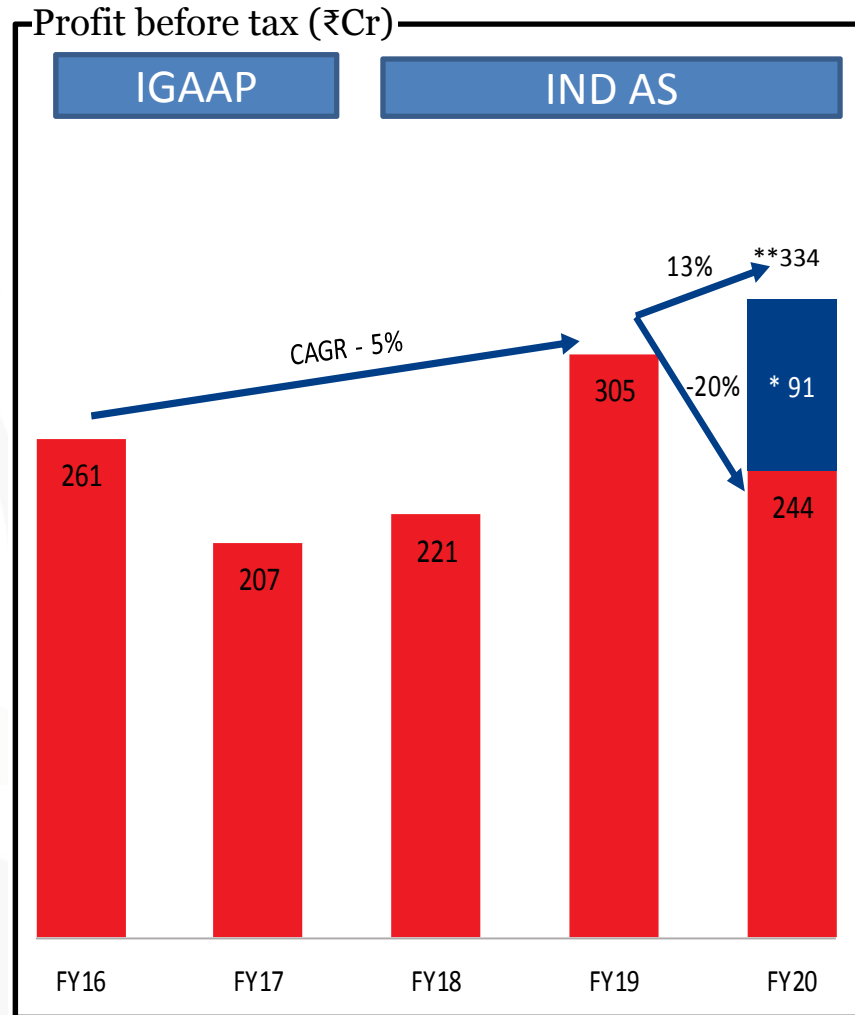
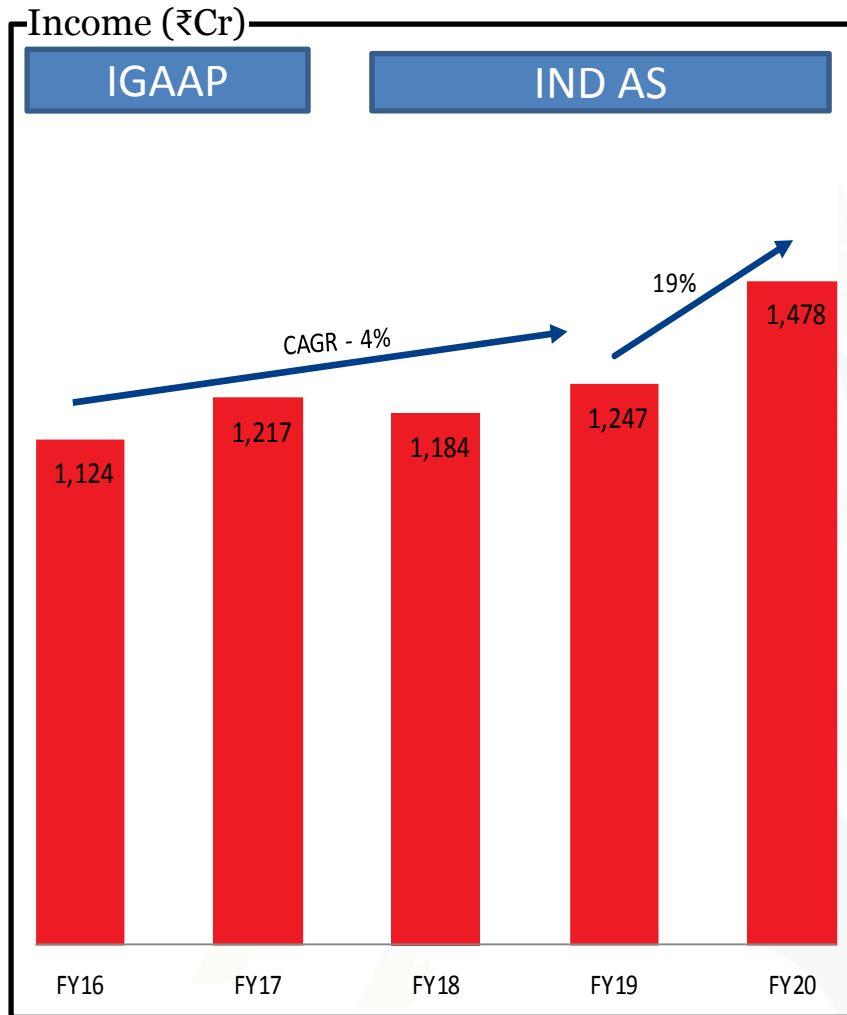
Disbursements (₹Cr)



Assets under Management (₹Cr)



Home Equity – Financial Summary FY20 (II)



* One time provision for COVID 19 + Macro provision ** PBT adjusted before COVID & Macro provision

Home equity - Key initiatives in FY20

New LOS and LMS

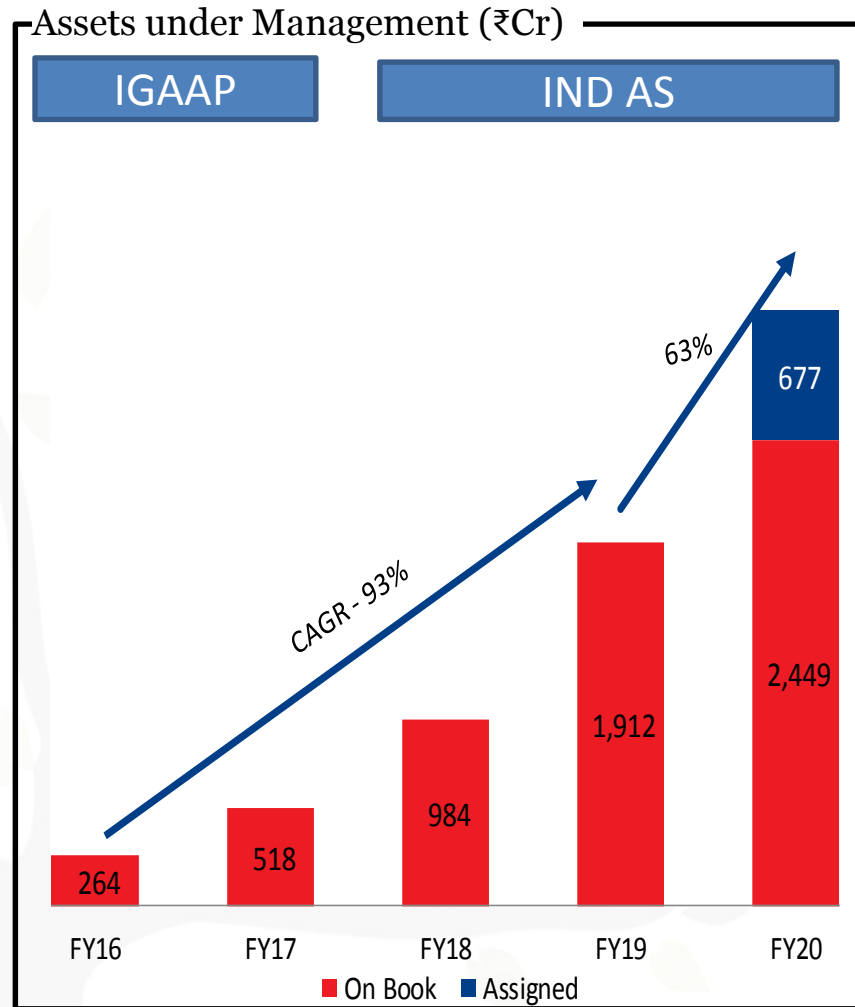
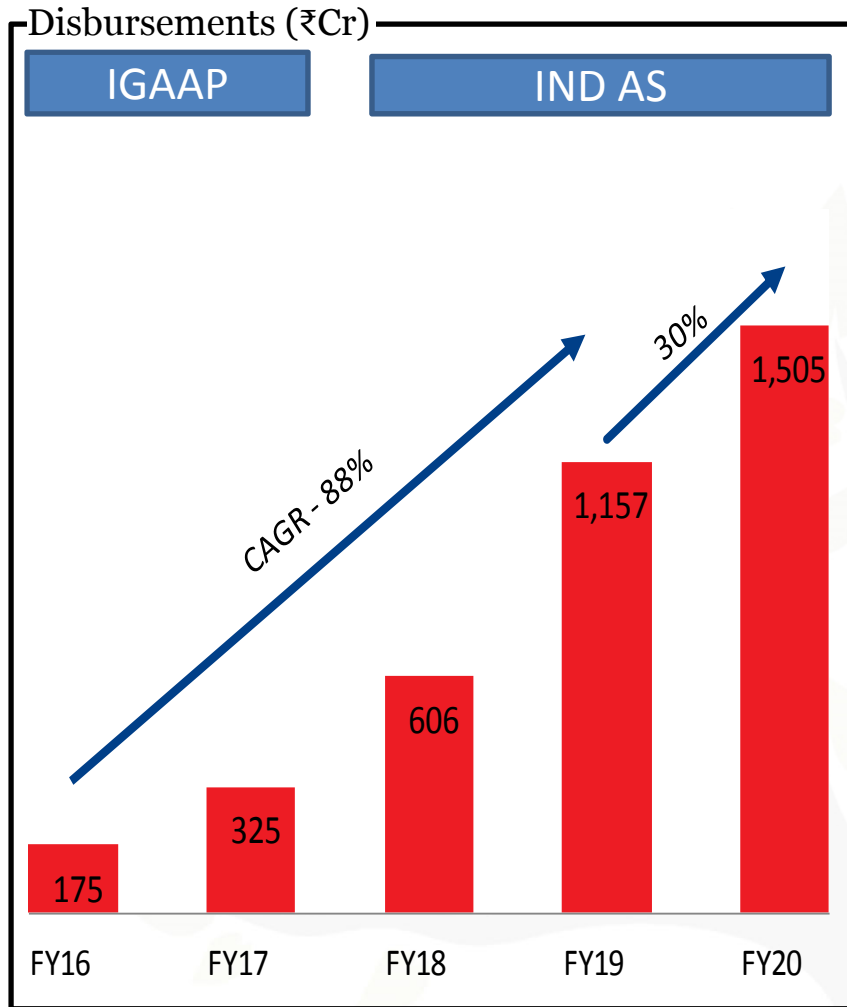
Focus on DSTs

Enhanced Underwriting

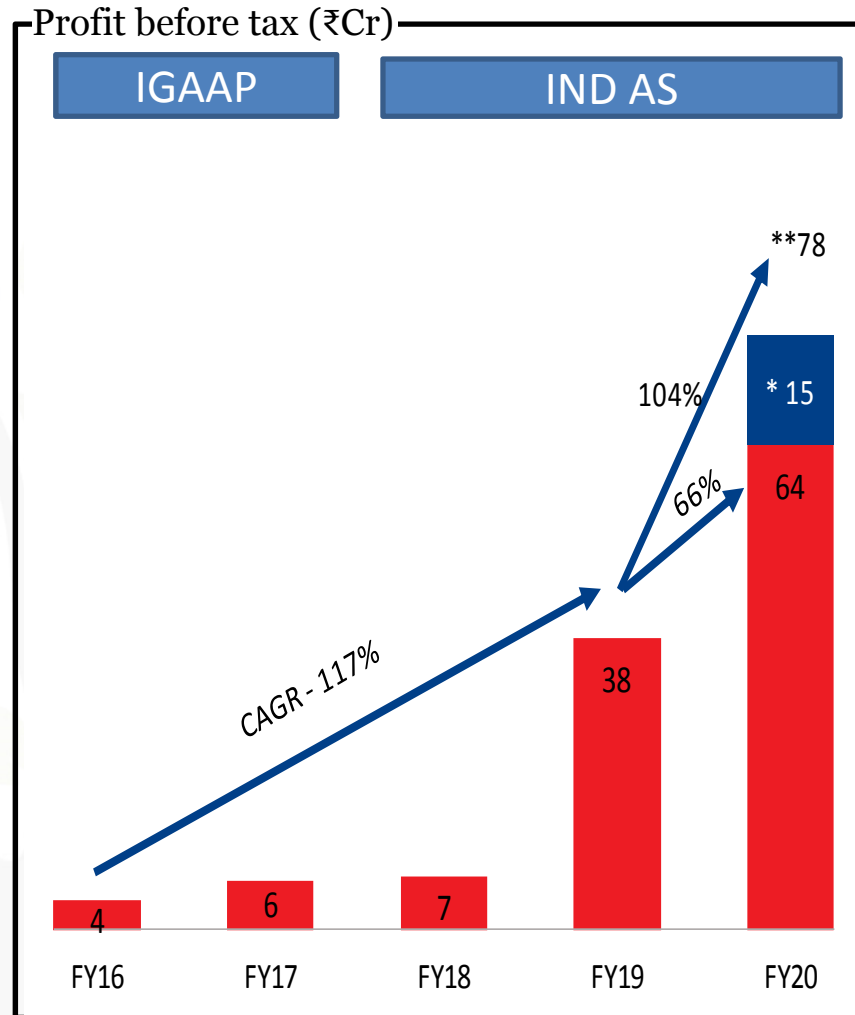
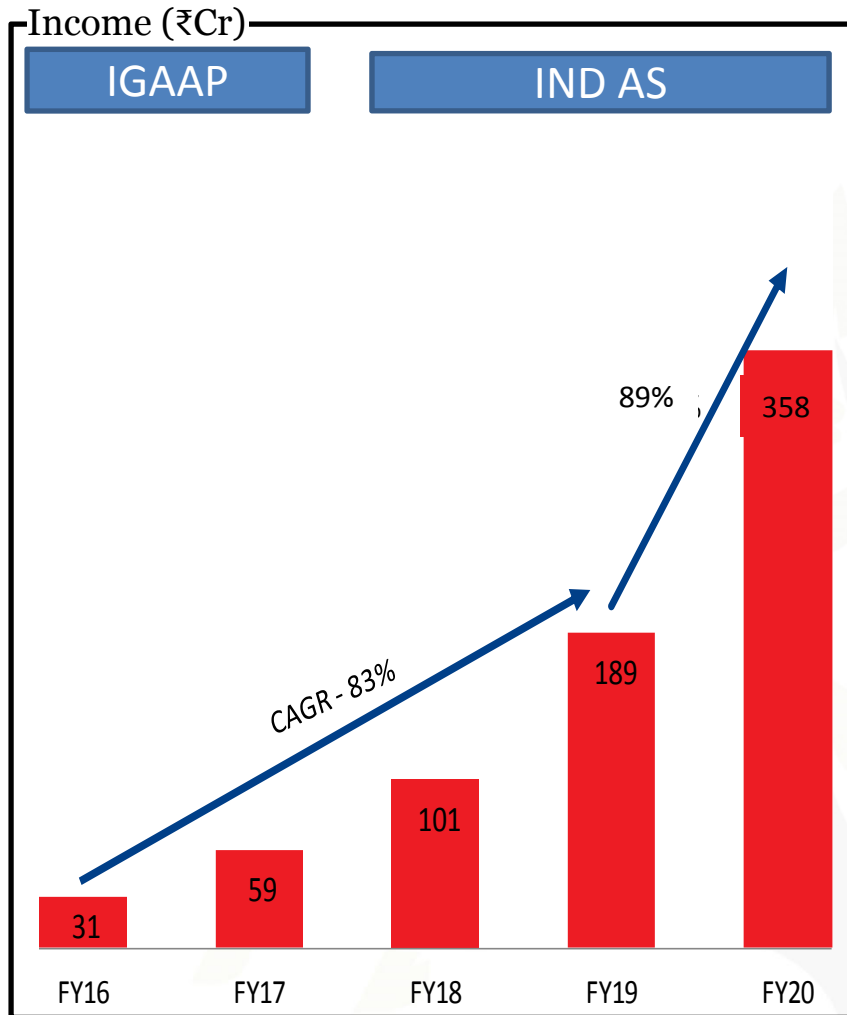
Alternate sales channels

Home Loans business update

Home Loans—Financial Summary FY20 (I)



Home Loans—Financial Summary FY20 (II)



* One time provision for COVID 19 + Macro provision ** PBT adjusted before COVID & Macro provision

Home Loans – Establishing the business in FY20

New Leadership

**Loan Origination System -
FALCON**

Renewed Customer, product, distribution and channel strategies



Q1 FY21 Update

Key activities during Q1 FY21

Covid-19 update

- NBFC industry faced muted disbursements and slowdown in repayments due to the moratorium.
- Chola's response was comprehensive - valuable learnings from these past few months shall remain with us for many years to come.

Focus on the company's long-term aspirations

- Optimizing the company's cost structure
- Tech and Digital interventions
- Target Operating Model

Q1 Financial Results

Particulars	Q1 FY21	Q1 FY20	Growth
Disbursements in Cr.	3,589	8,572	-58%
Assets under Management in Cr.	70,826	62,827	13%
Profit After Tax in Cr.	431	314	37%
Earnings Per Share in Rs.	21	16	31%
Book Value per Share in Rs.	105	83	26%
Gross Stage3 Assets %	3.34%	2.97%	12.5%

Market data as on 30th June 2020. Source: BSE Sensex

Thank You

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