

EXPANDING HORIZONS

Exploring, Engaging & Empowering



CORPORATE PRESENTATION - DECEMBER 2022

Cholamandalam Investment and Finance Company Limited

Table of Contents



1. Group overview



2. Corporate
overview



3. Financial
performance



4. Business
segments'
overview



5. Funding profile



6. Subsidiaries
performance



7. Environmental
Social Governance



8. Risk
management



Murugappa Group Overview



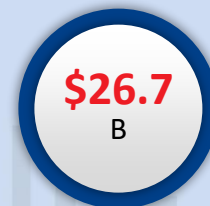
Murugappa Group in a Nutshell



Years of
Existence



Consolidated
Turnover
(FY22)



Group Market
cap (as on 31st
Dec 2022)



Sectors



Businesses



Listed
Companies



Geographical
Presence



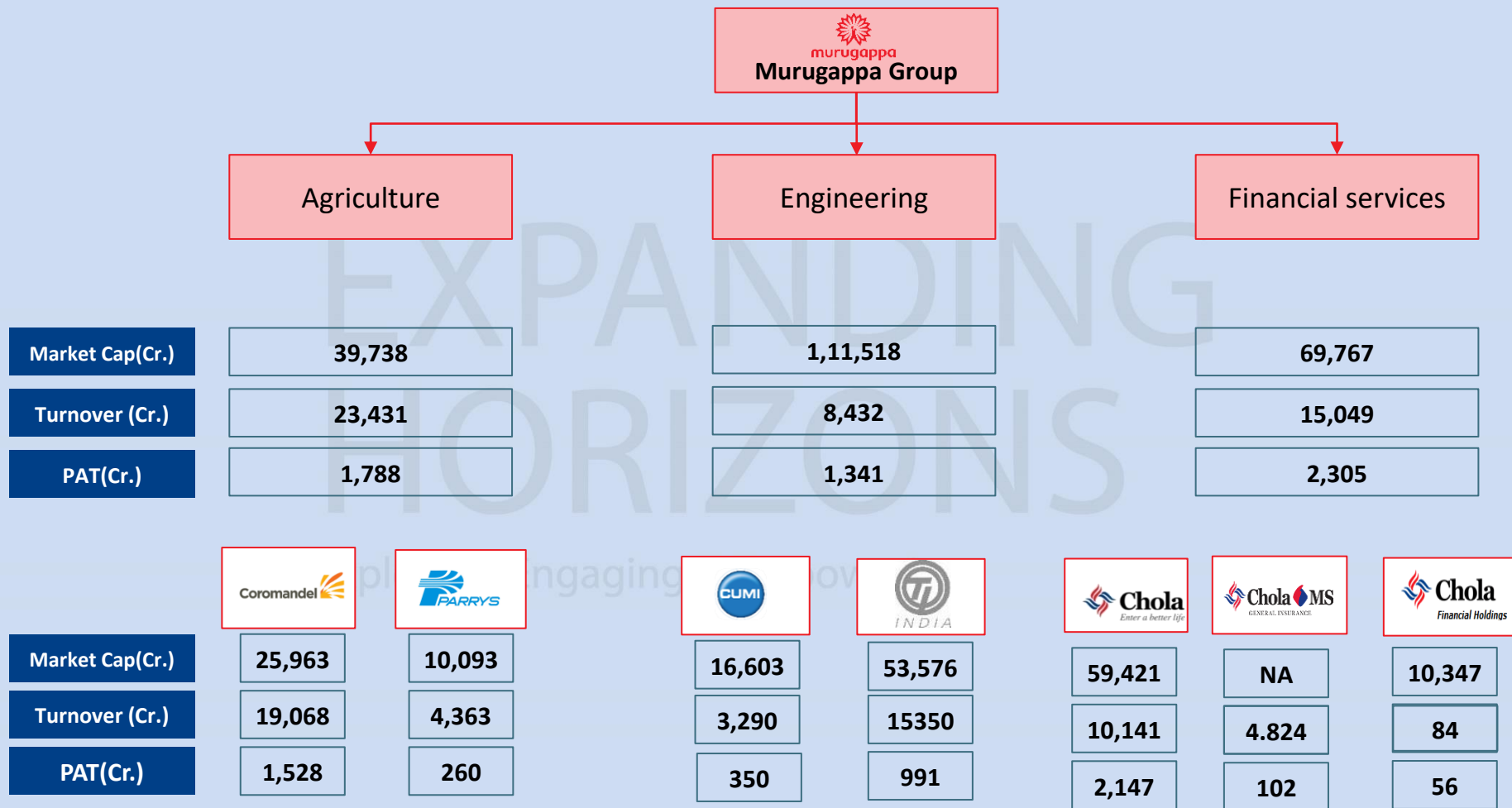
Manufacturing
Locations



Work force

Exploring, Engaging & Empowering

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 31st Dec 2022. Source: BSE

Corporate Overview



SPIRIT OF MURUGAPPA



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

Cholamandalam Investment & Finance Company Limited



22.7 lakh + customers

Helping customers enter better life

2 lakh customers in year 2000 to 22.7 lakh plus customers till date



41,445 employees

Experienced team to serve more customers

200 plus employees in year 2000 to 41,000+ employees today



Rs. 1 lakh Cr. Total AUM

Healthy ROA of 3.6%

PAT - CAGR of 24% from FY18 to FY22



Rs. 59+k Cr. market cap

Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 59K Cr. in 2022



1166 branches

Strong geographical presence

Across 29 states/Union Territories 80% presence across tier III—VI towns



Diversified product portfolio

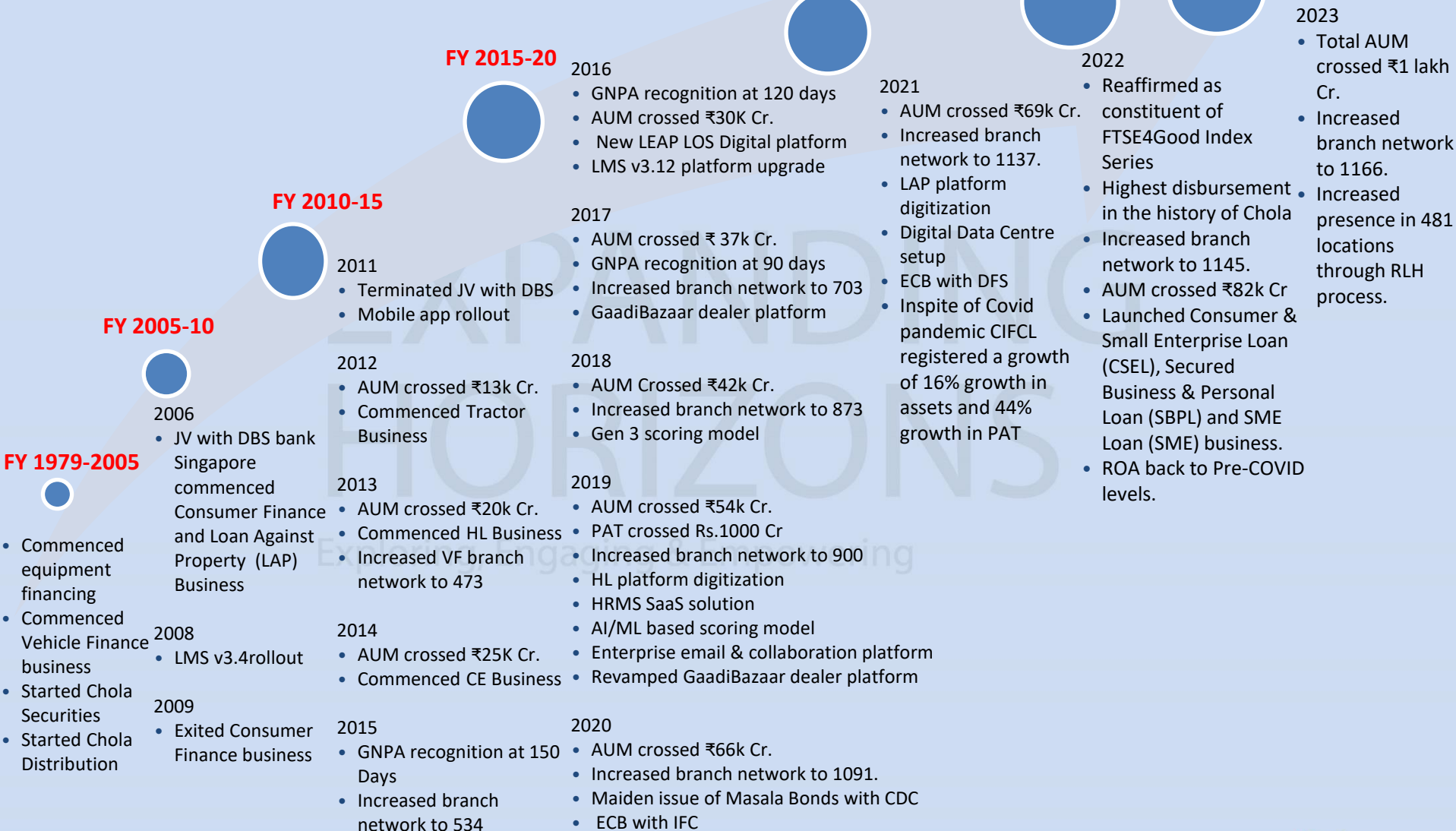
- Presence across Vehicle Finance loans, Loan Against Property, Home Loans, Consumer loans, Personal loans, SME Loans, Stock broking & distribution of financial products.



Highly experienced management

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

Our journey so far



Overview

- Highest ever disbursement of Rs.45,512 Cr which is a growth of 100% as compared to YTD Dec21.
- Business AUM at Rs 95,468 Cr registering a growth of 31% YoY.
- Total AUM has crossed Rs.1 lakh Cr.
- PBT at Rs.2,441 Cr registers a growth of 24% as compared to YTD Dec21.
- PBT - ROTA maintained at 3.6% as compared to YTD Dec21.
- Return on Equity maintained at 19.1% as on YTD Dec22 as compared YTD Dec21.

VF

- Well-diversified product portfolio spread across 1109 branches PAN India.
- Focused on financing of Commercial, Passenger, Two-wheelers, Tractors and Construction Equipment in both New and Used Vehicles.
- Our focus continues to be on retail customers especially in smaller towns and rural areas.
- Disbursement of Rs.27,509 Cr as on YTD Dec22 (65% Growth) as compared to YTD Dec21.
- PBT stood at Rs.1,538 Cr as on YTD Dec22 (12% Growth) as compared to YTD Dec21.

LAP

- Focused on financing of Loans against Property to SME customers for their business needs and operates out of 571 branches PAN India.
- Over 82% of the book is financed against Self-Occupied residential property as collateral
- Delivered Disbursements of Rs.6,537 Cr as on YTD Dec22 (78% Growth) as compared to YTD Dec21
- PBT stood at Rs.564 Cr as on YTD Dec22 (91% Growth) as compared to YTD Dec21.

Click the
respective link
for business
performance

HL

- Focused on providing Home Loans under affordable segment with presence across 426 branches PAN India.
- 89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities
- Delivered disbursements of Rs.2,425 Cr as on YTD Dec22 (80% growth) as compared to YTD Dec21.
- PBT stood at Rs.223 Cr as on YTD Dec22 (48% growth) as compared to YTD Dec21.

New Businesses

- **CSEL** - Offers Personal Loans, Professional Loans & Business Loans to salaried, self-employed professionals and micro & small businesses – present in 328 locations (co-located) and have acquired over 3.7 lakh+ customers as on Dec22. The business growth is both through traditional model and partnerships with Fin-techs.
- **SBPL** - Offers secured business loan against self-occupied residential property or commercial-cum-residential property as collateral – present in 188 locations (co-located) spread across 10 states as on Q3 FY23.
- **SME** – The product suite includes Supply chain financing, Term loans for capex, Loan against shares, Funding on hypothecation of machinery for specific industries. Servicing out of 49 (co-located) locations with business growth both through traditional and Fintech partnerships.

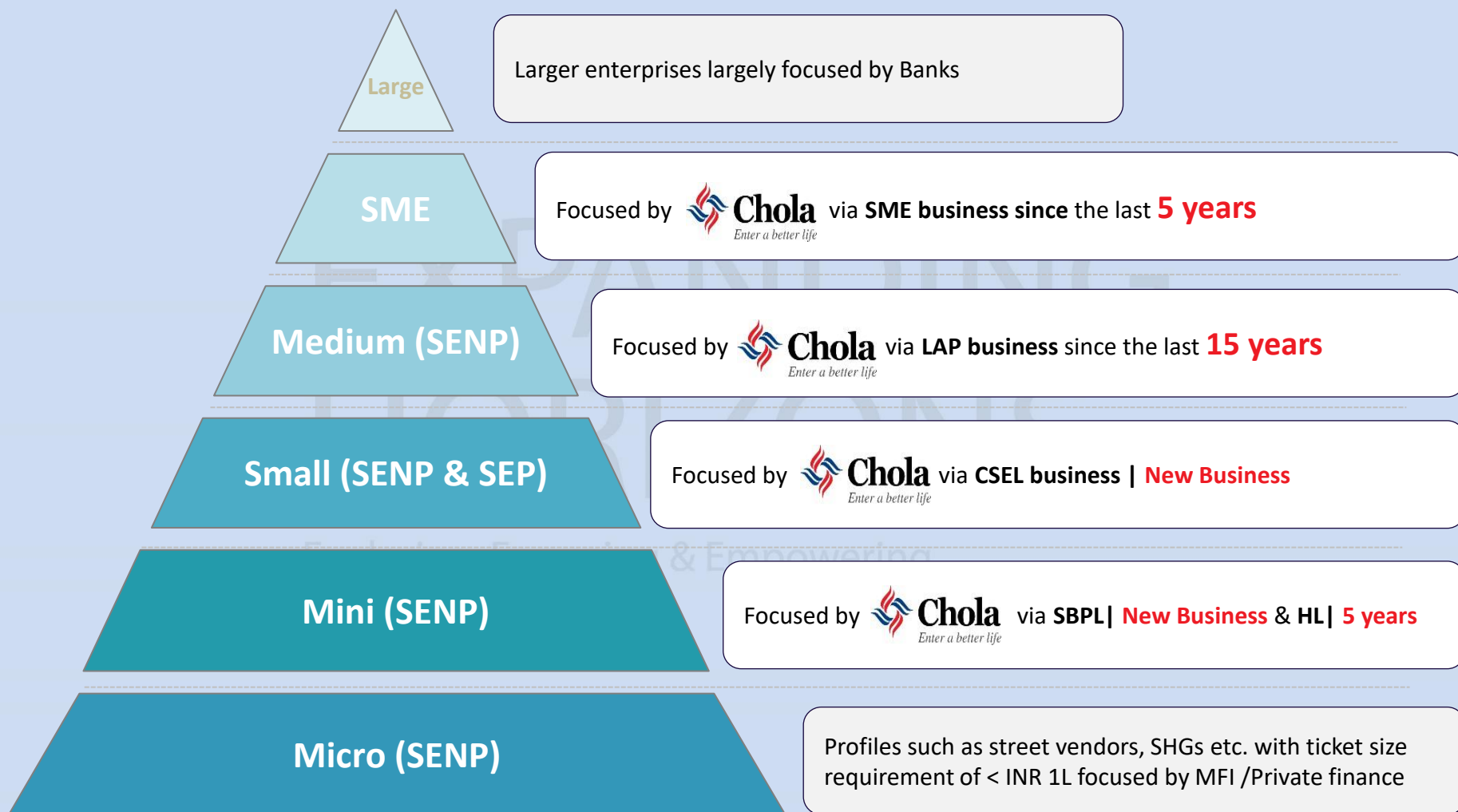
Credit Quality

- Strong collections resulted Stage 3 reduction to 3.51% in Dec22 from 3.84% in Sep22.
- GNPA as per RBI IRAC norms stood at 5.37% in Dec22 as against 5.84% in Sep22 and NNPA at 3.76% in Dec22 against 4.07% in Sep22.
- Management overlay held at Rs.500 Cr as of Dec22

Treasury

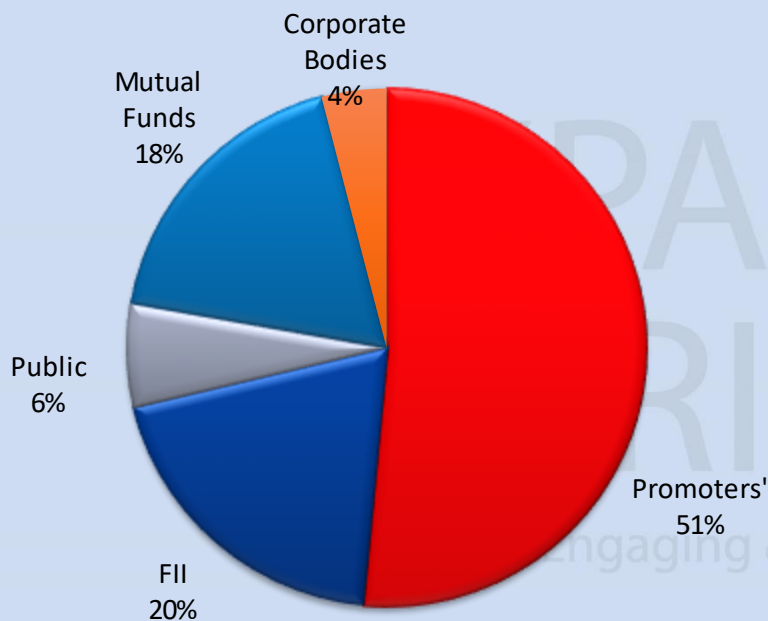
- Cost of funds to borrowings is at 6.8% YTD Dec22 as against 6.7% YTD Dec21
- Comfortable ALM and liquidity position
- Capital adequacy ratio stood at 17.75%. Tier I at 15.12%.

Ecosystem Play in the MSME Sector



Shareholding

Shareholding Pattern



- Promoters' share holding of 51.49% includes
 - Cholamandalam Financial Holdings Limited – 45.38%,
 - Ambadi Investments Limited – 4.10%
 - Others - 2.01%

Institutional Holders (More than 1%)

Top Domestic Institutional Holding

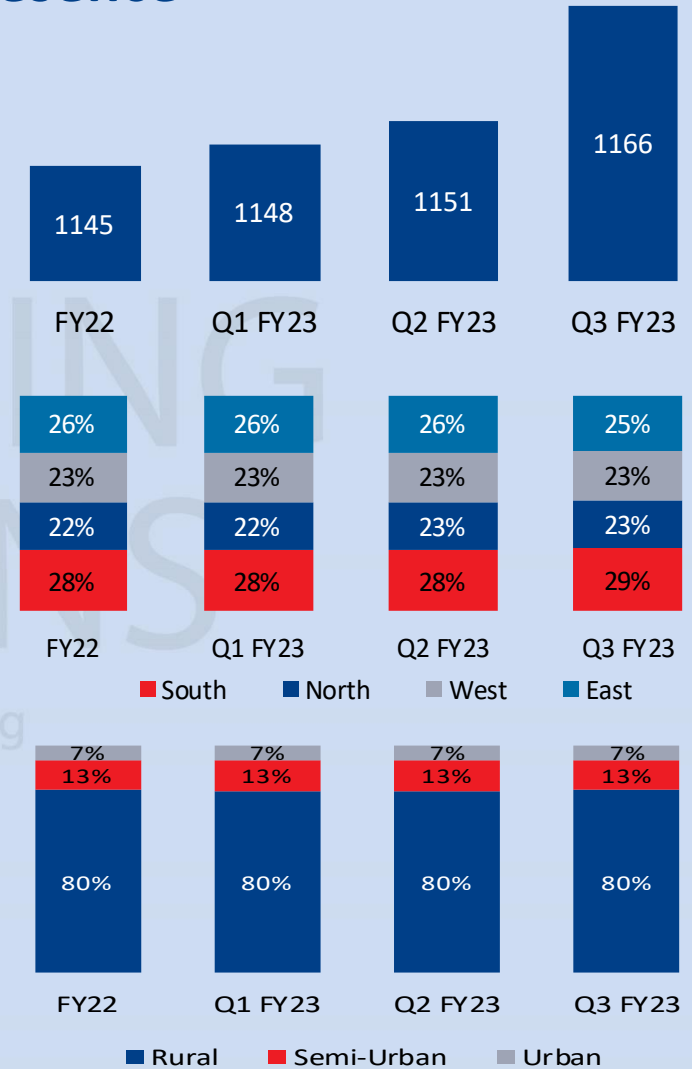
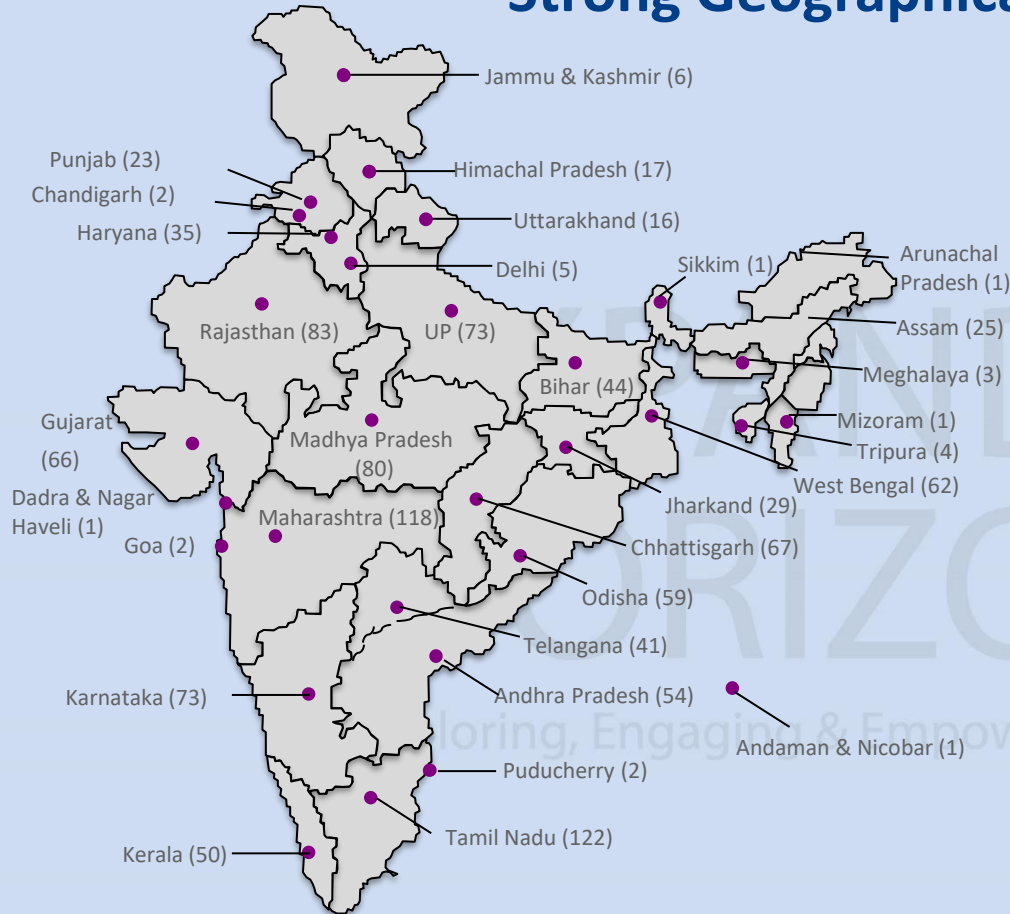
- Axis Mutual Fund
- HDFC Mutual Fund
- SBI Mutual Fund
- Birla Sun Life Mutual Fund
- Canara Robeco Mutual Fund
- UTI Mutual Fund

Top Foreign Institutional Holding

- Capital World
- Vanguard
- Blackrock
- WhiteOak Capital

Note: As on 27th Dec 2022

Strong Geographical Presence



- 1166 branches across 29 states/Union territories: 1109 VF, 571 LAP (562 co-located with VF), 426 HL (383 co-located with VF), 328 CSEL, 188 SBPL, 49 SME (all co-located with VF) & 5 locations for Head office Functions and Operations in Tamil Nadu
- 80% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns

Financial Performance

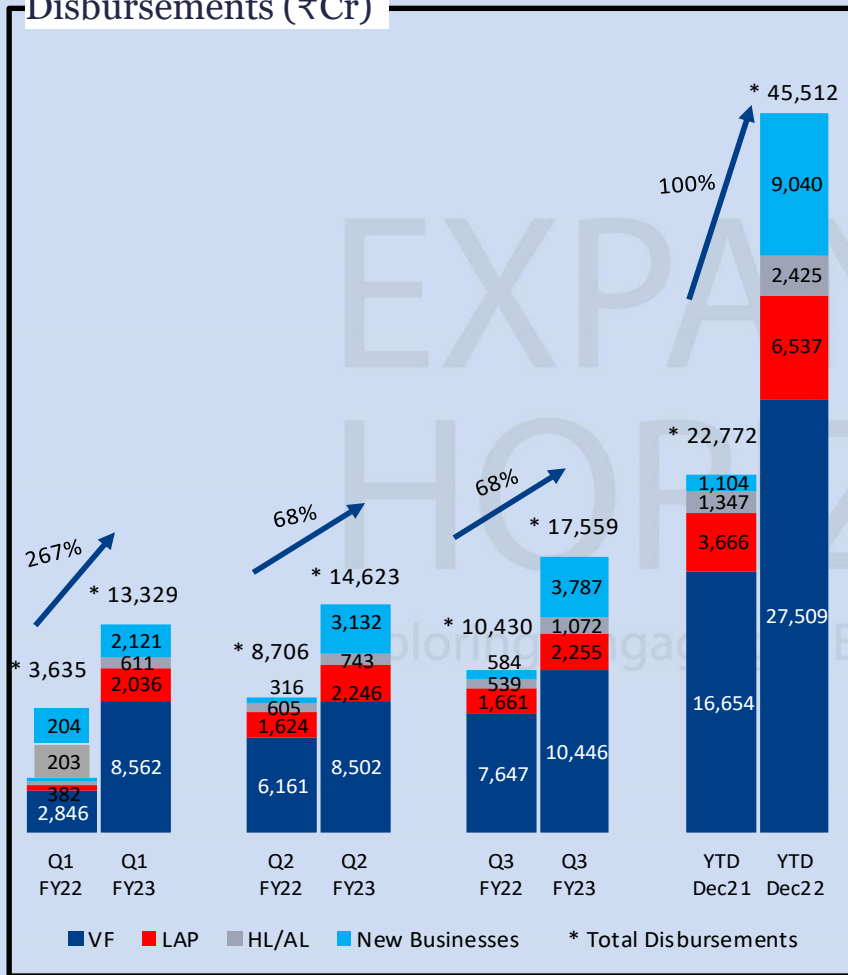


Financial Snapshot — 10 Years

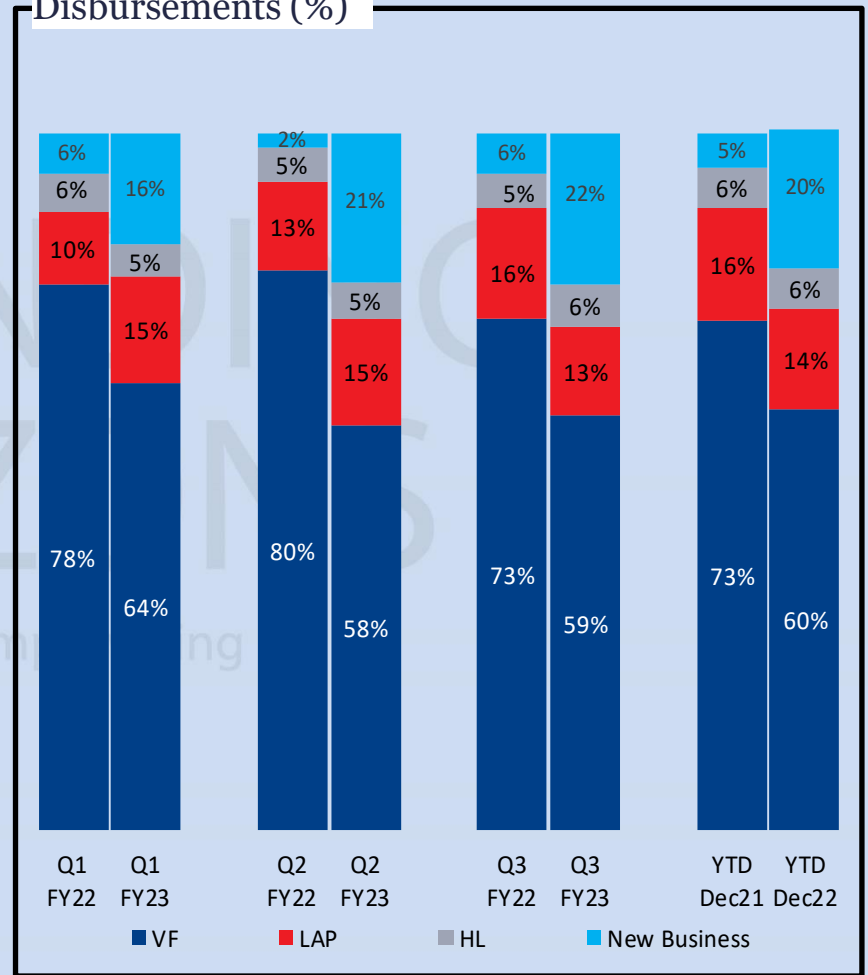
| Financials Snapshot | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | YoY | CAGR (5 years) | CAGR (10 years) |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|-------------------|--------------------|
| | IGAAP | IGAAP | IGAAP | IGAAP | IGAAP | INDAS | INDAS | INDAS | INDAS | INDAS | | | |
| Disbursements | 12,118 | 13,114 | 12,808 | 16,380 | 18,591 | 25,114 | 30,451 | 29,091 | 26,043 | 35,490 | 36% | 9% | 13% |
| Assets under management | 18,998 | 23,253 | 25,452 | 29,650 | 34,167 | 42,924 | 54,279 | 60,549 | 69,996 | 76,907 | 10% | 16% | 17% |
| Total Income | 2,556 | 3,263 | 3,691 | 4,194 | 4,660 | 5,529 | 7,049 | 8,715 | 9,576 | 10,139 | 6% | 16% | 17% |
| Interest expenses | 1,411 | 1,771 | 1,960 | 2,051 | 2,231 | 2,659 | 3,589 | 4,592 | 4,576 | 4,299 | -6% | 13% | 13% |
| Net Income | 1,145 | 1,492 | 1,731 | 2,143 | 2,430 | 2,870 | 3,460 | 4,123 | 5,000 | 5,840 | 17% | 19% | 20% |
| Operating Expenses | 570 | 658 | 749 | 845 | 1,013 | 1,115 | 1,270 | 1,578 | 1,583 | 2,069 | 30.6% | 17% | 15% |
| Operating Profit Before Loan Losses | 575 | 834 | 982 | 1,298 | 1,416 | 1,754 | 2,190 | 2,545 | 3,416 | 3,771 | 10% | 21% | 23% |
| Loan Losses & Provision | 124 | 283 | 325 | 427 | 311 | 353 | 367 | 959 | 1,378 | 880 | -36% | 26% | 24% |
| Profit before tax | 451 | 550 | 657 | 871 | 1,106 | 1,401 | 1,823 | 1,586 | 2,038 | 2,891 | 42% | 20% | 23% |
| Profit after tax | 307 | 364 | 435 | 568 | 719 | 918 | 1,186 | 1,052 | 1,515 | 2,147 | 42% | 24% | 24% |
| Ratios | | | | | | | | | | | | | |
| Net Income to assets (%) | 7.6 | 7.7 | 6.9 | 7.7 | 7.5 | 7.7 | 7.0 | 6.9 | 7.3 | 7.9 | | | |
| Expense to assets (%) | 3.8 | 3.4 | 3.0 | 3.0 | 3.1 | 3.0 | 2.6 | 2.6 | 2.3 | 2.8 | | | |
| Losses and provisions (%) | 0.8 | 1.5 | 1.3 | 1.5 | 1.0 | 0.9 | 0.7 | 1.6 | 2.0 | 1.2 | | | |
| Return on assets (PBT) (%) | 3.0 | 2.8 | 2.6 | 3.1 | 3.4 | 3.7 | 3.7 | 2.7 | 3.0 | 3.9 | | | |
| Networth | *1965 | 2295 | *3173 | 3657 | 4285 | 5098 | 6176 | *8172 | 9560 | 11708 | | | |
| Tier I | 11.1 | 10.5 | 13.0 | 13.3 | 13.6 | 13.2 | 12.6 | 15.3 | 15.1 | 16.5 | | | |
| CAR (%) | *19.0 | 17.2 | *21.2 | 19.7 | 18.6 | 18.4 | 17.4 | *20.68 | 19.1 | 19.6 | | | |
| Return on equity (%) | 18.1 | 17.1 | 15.8 | 16.7 | 18.1 | 19.6 | 20.9 | 15.2 | 16.9 | 20.4 | | | |
| Earnings per share (Basic) | 4.6 | 5.1 | 6.0 | 7.5 | 9.2 | 11.8 | 15.2 | 13.4 | 18.5 | 26.2 | | | |
| Dividend | 35% | 35% | 35% | 45% | 55% | 65% | 65% | 85% | 100% | 100% | | | |
| Market Capitalisation | 3883 | 4125 | 8423 | 11140 | 15072 | 22667 | 22624 | 12535 | 45824 | 58978 | | | |
| GNPA (%) | 1.0 | 1.9 | 3.1 | 3.5 | 4.7 | 3.4 | 2.7 | 3.8 | 4.0 | 6.8 | | | |
| NNPA (%) | 0.2 | 0.7 | 2.0 | 2.1 | 3.2 | 2.2 | 1.7 | 2.2 | 2.2 | 4.7 | | | |
| NPA Recognition | 6month | 6month | 5month | 4month | 3month | 3month | 3month | 3month | 3month | 3month | | | |
| Branch Network | 518 | 574 | 534 | 534 | 703 | 873 | 900 | 1091 | 1137 | 1145 | | | |

Disbursements

Disbursements (₹Cr)

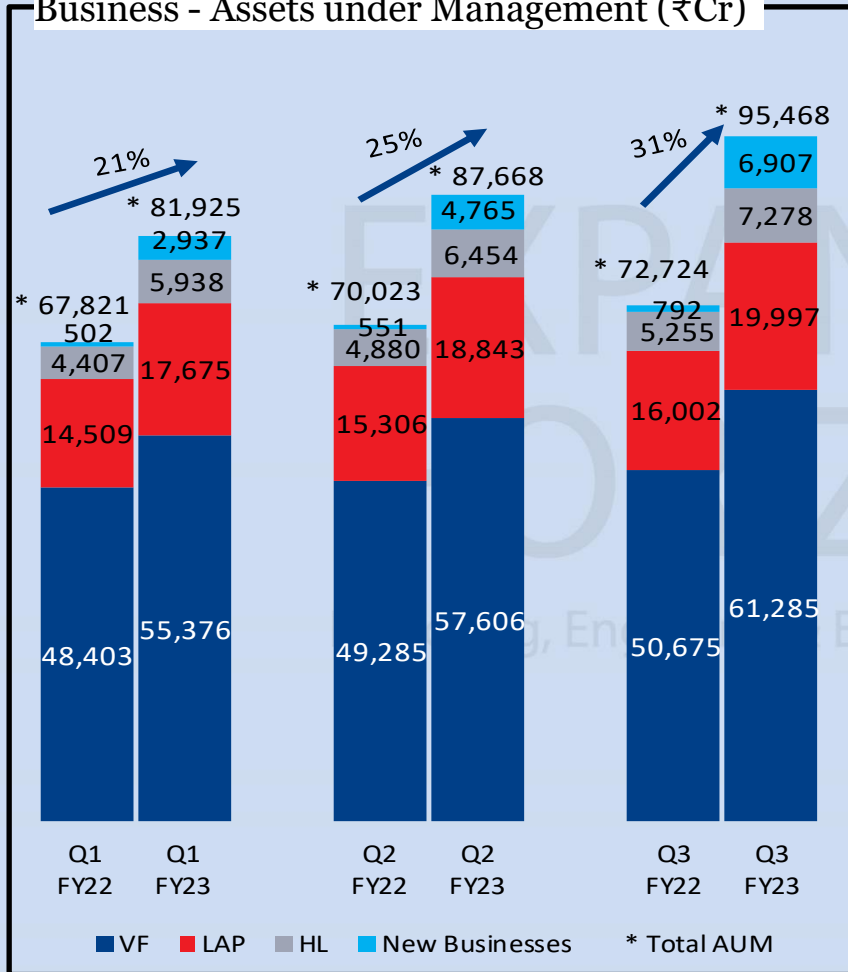


Disbursements (%)

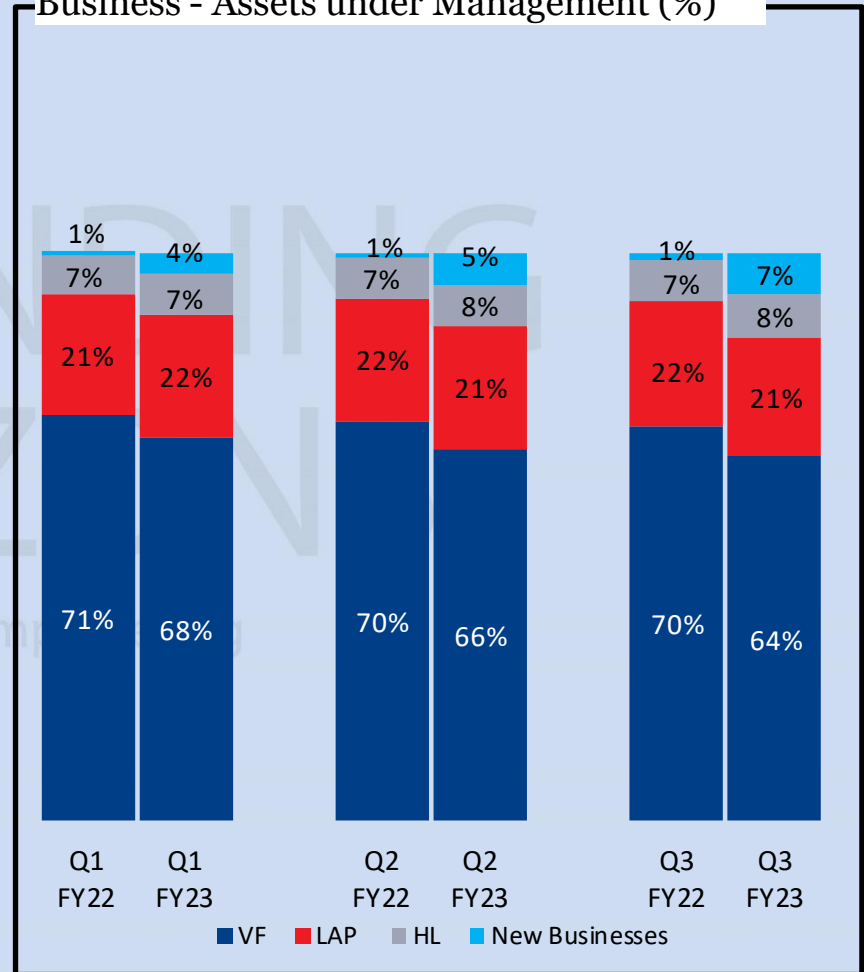


Assets Under Management

Business - Assets under Management (₹Cr)

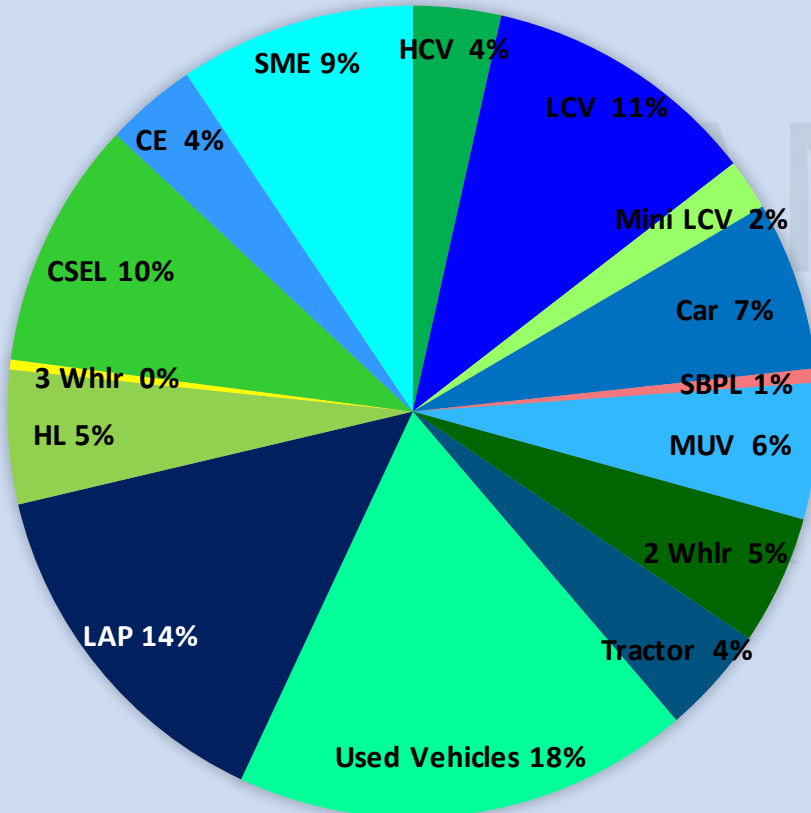


Business - Assets under Management (%)

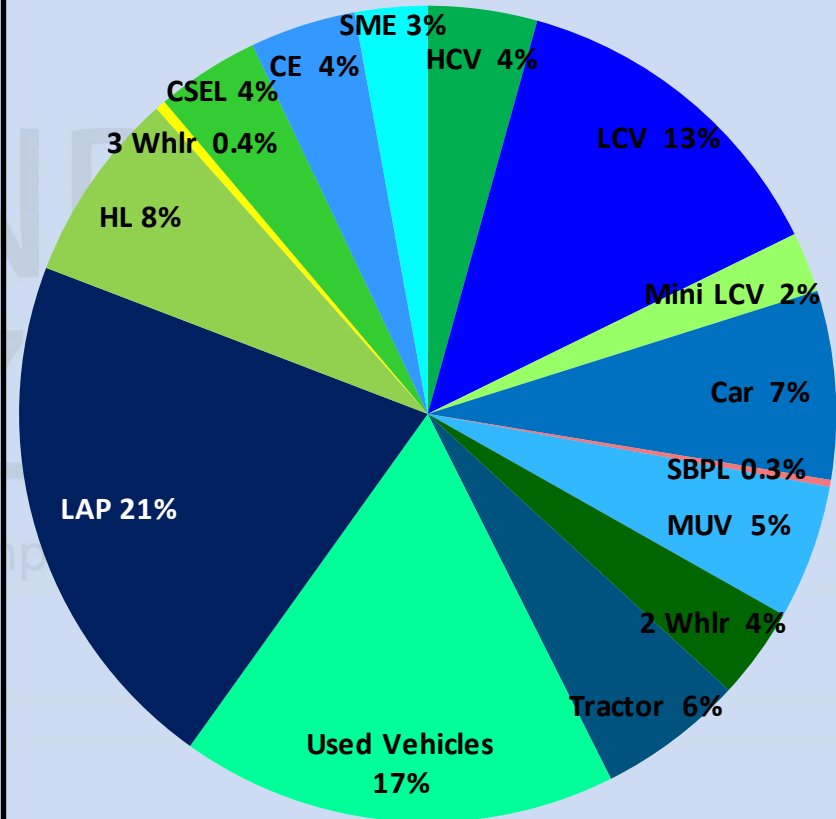


Well diversified product segments

Disbursements (%) - Product wise

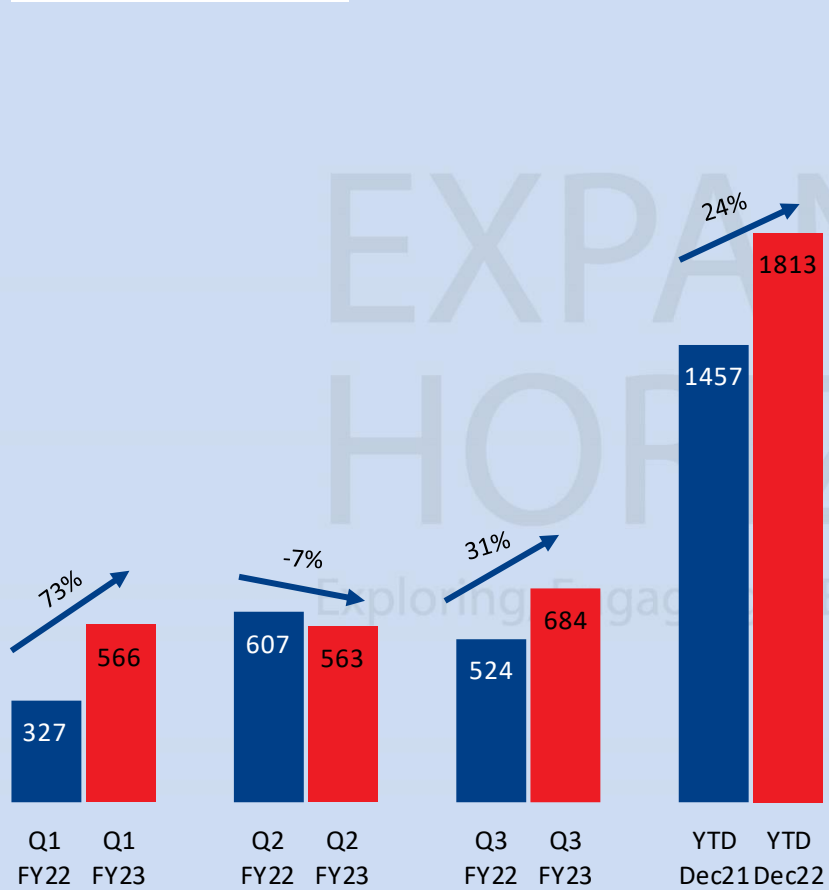


Portfolio (%) - Product wise

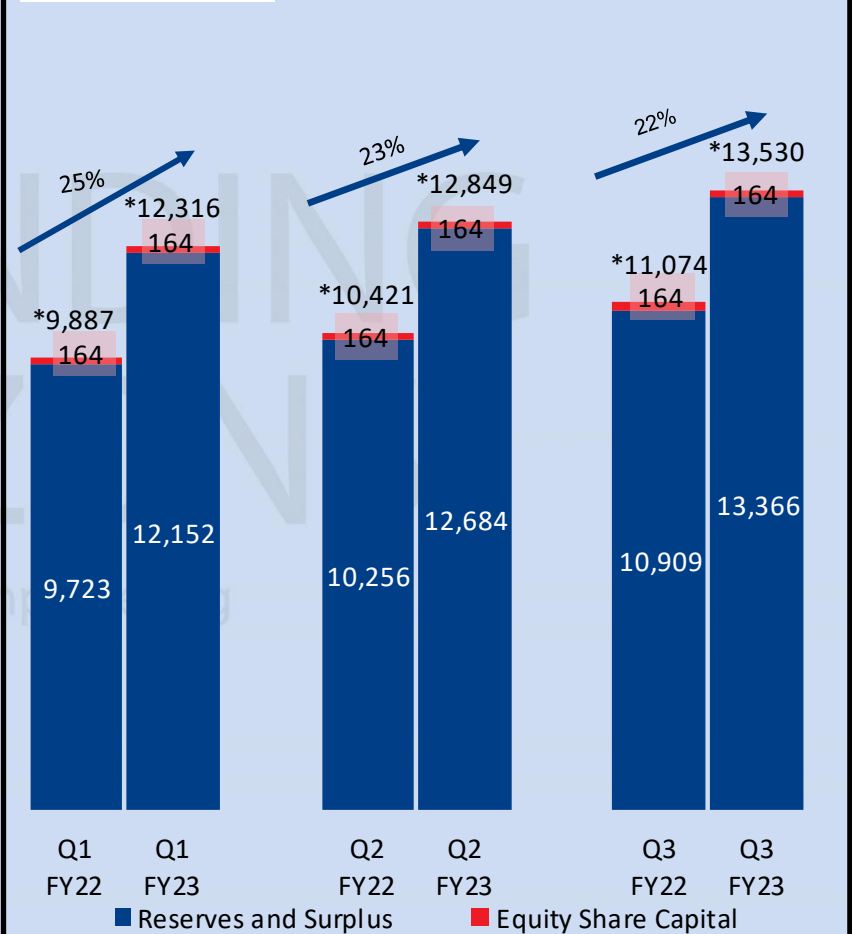


Profitability and Net worth

Profit after tax (₹Cr)

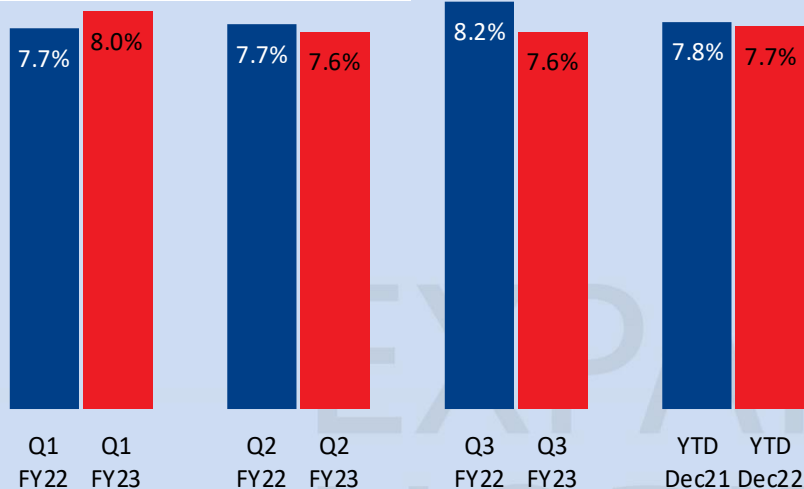


Networth (₹Cr)

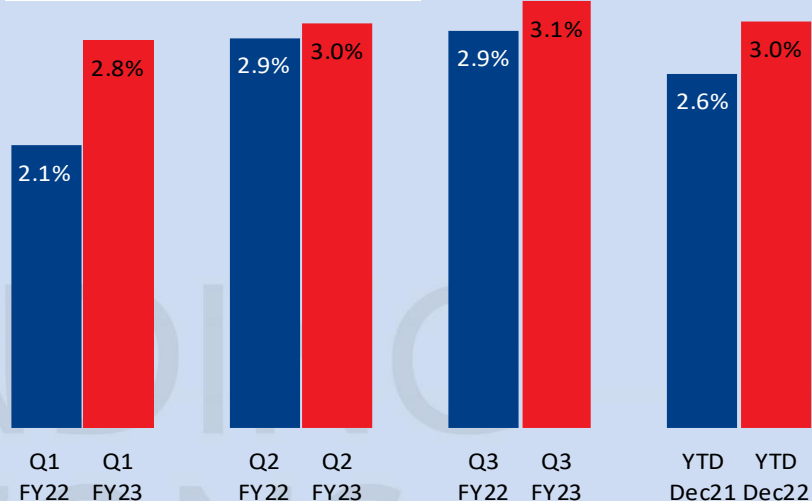


Asset Ratios

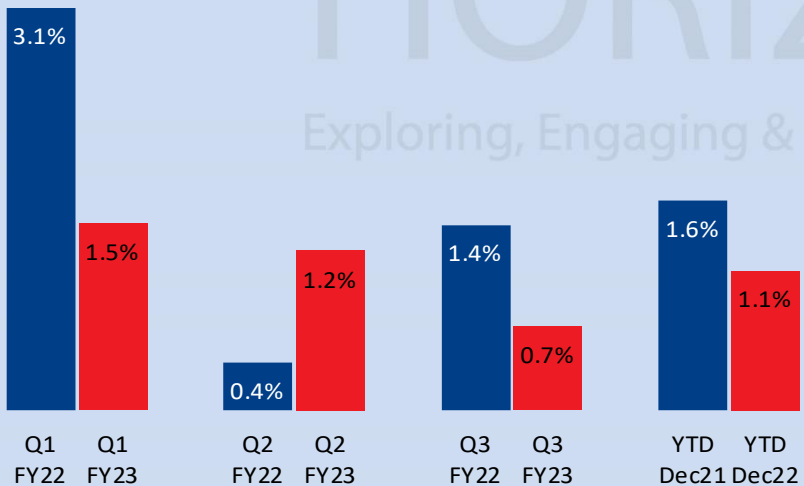
Net Income Margin (%)



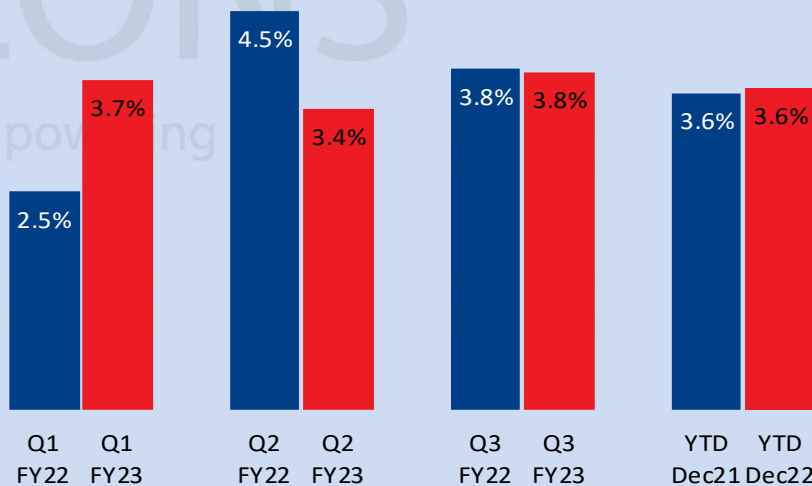
Expenses Ratio (%)



Loan Losses & Provisions (%)

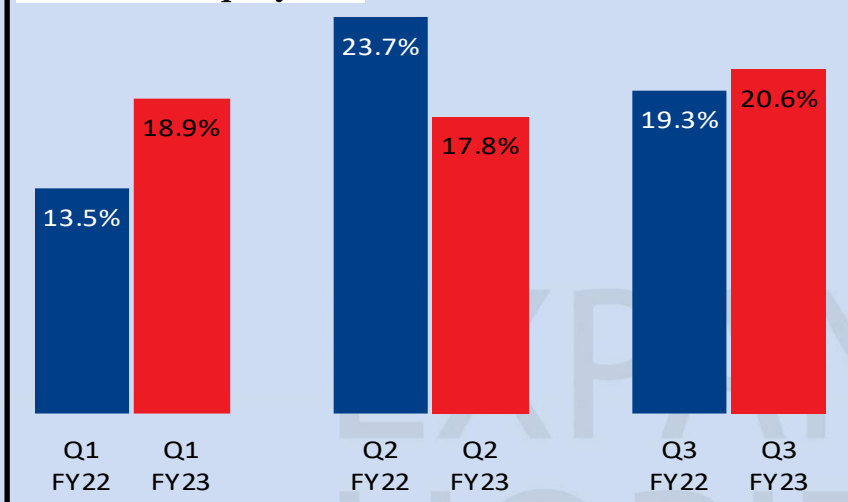


ROA - PBT (%)

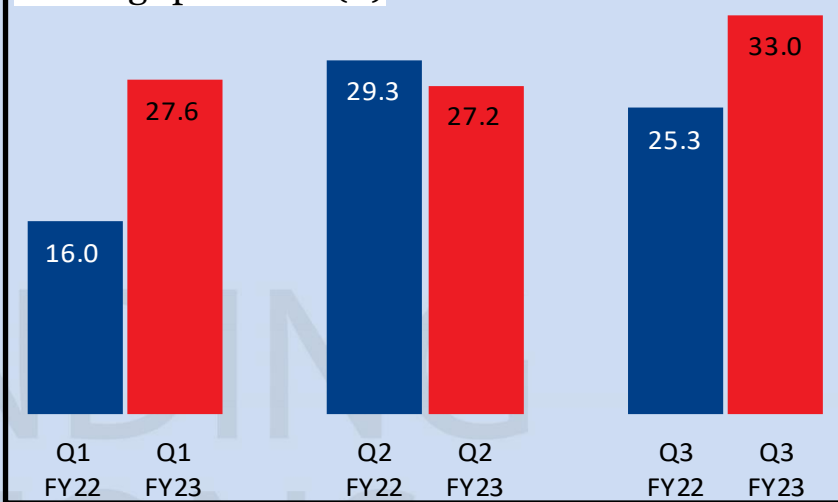


Shareholders' Returns Ratios

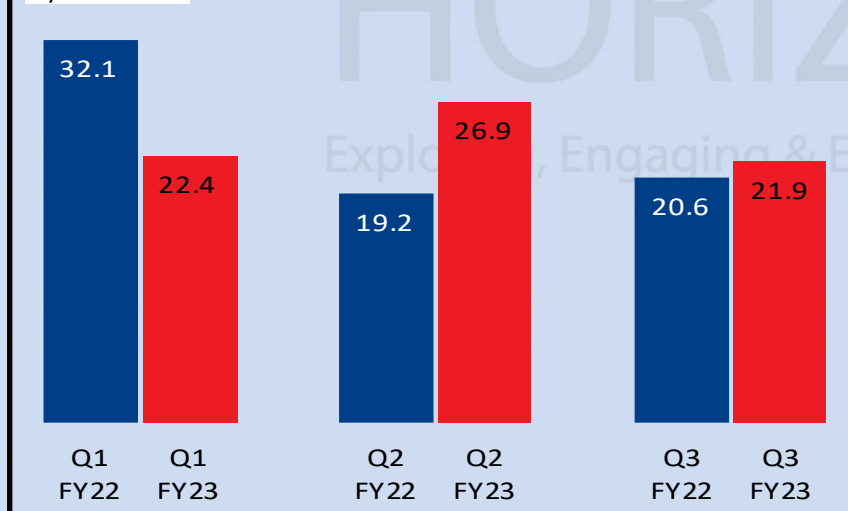
Return on equity (%)



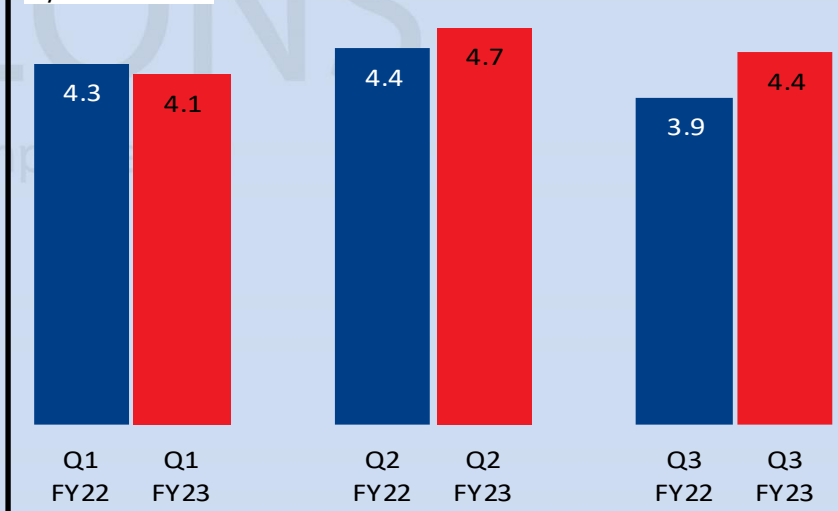
Earnings per share (₹)



P/E Ratio



P/BV Ratio



Profit and Loss Statement (As per IND AS)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------------|---------------|-----------------|----------------------------|
| Disbursements | 3,635 | 13,329 | 8,706 | 14,623 | 10,430 | 17,559 | 68% | 22,772 | 45,512 | 100% |
| Closing Assets - Managed | 75,763 | 86,703 | 75,063 | 91,841 | 79,161 | 1,03,789 | 31% | 79,161 | 1,03,789 | 31% |
| Operating Income | 2,478 | 2,771 | 2,481 | 3,038 | 2,547 | 3,375 | 32% | 7,507 | 9,184 | 22% |
| Finance Charges | 1,104 | 1,131 | 1,078 | 1,340 | 1,046 | 1,543 | 48% | 3,228 | 4,015 | 24% |
| Net Income | 1,374 | 1,640 | 1,403 | 1,697 | 1,501 | 1,832 | 22% | 4,279 | 5,169 | 21% |
| Expenses | 371 | 580 | 518 | 661 | 532 | 752 | 41% | 1,420 | 1,993 | 40% |
| Net Credit Losses | 563 | 299 | 69 | 278 | 265 | 159 | -40% | 897 | 736 | -18% |
| PBT | 441 | 762 | 817 | 758 | 704 | 921 | 31% | 1,962 | 2,441 | 24% |
| PAT | 327 | 566 | 607 | 563 | 524 | 684 | 31% | 1,457 | 1,813 | 24% |
| Asset Ratios | | | | | | | | | | |
| Income | 13.8% | 13.5% | 13.7% | 13.6% | 13.9% | 14.0% | | 13.7% | 13.7% | |
| Cost of Funds | 6.1% | 5.5% | 5.9% | 6.0% | 5.7% | 6.4% | | 5.9% | 6.0% | |
| Net Income Margin | 7.7% | 8.0% | 7.7% | 7.6% | 8.2% | 7.6% | | 7.8% | 7.7% | |
| Expense | 2.1% | 2.8% | 2.9% | 3.0% | 2.9% | 3.1% | | 2.6% | 3.0% | |
| Losses & Provisions | 3.1% | 1.5% | 0.4% | 1.2% | 1.4% | 0.7% | | 1.6% | 1.1% | |
| ROA-PBT | 2.5% | 3.7% | 4.5% | 3.4% | 3.8% | 3.8% | | 3.6% | 3.6% | |
| ROA-PAT | 1.8% | 2.8% | 3.3% | 2.5% | 2.9% | 2.8% | | 2.7% | 2.7% | |
| Gross - Stage 3 | 4,545 | 3,408 | 4,271 | 3,375 | 4,244 | 3,367 | | 4,244 | 3,367 | |
| ECL Provisions - Stage 3 | 1,614 | 1,387 | 1,557 | 1,400 | 1,647 | 1,379 | | 1,647 | 1,379 | |
| Coverage Ratio - Stage 3 | 35.5% | 40.7% | 36.5% | 41.5% | 38.8% | 41.0% | | 38.8% | 41.0% | |

Balance Sheet (As per IND AS)

₹ Cr

| Particulars | Dec21 | Mar22 | Dec22 |
|----------------------------------|---------------|---------------|-----------------|
| ASSETS | | | |
| Financial Assets | 77,025 | 81,081 | 1,03,086 |
| Cash and Bank balance | 5,114 | 4,220 | 5,054 |
| Derivative financial instruments | 124 | 187 | 352 |
| Receivables | 108 | 128 | 163 |
| Loans | 69,600 | 74,149 | 93,546 |
| Investments | 1,640 | 2,076 | 3,709 |
| Other Financial Assets | 438 | 321 | 263 |
| Non- Financial Assets | 1,244 | 1,282 | 1,404 |
| Current tax assets (Net) | 197 | 251 | 237 |
| Deferred tax assets (Net) | 719 | 671 | 681 |
| Property, Plant and Equipment | 220 | 240 | 292 |
| Capital work in progress | - | 23 | 30 |
| Intangible assets | 25 | 29 | 40 |
| Other Non-Financial Assets | 83 | 69 | 124 |
| TOTAL | 78,269 | 82,363 | 1,04,490 |
| EQUITY AND LIABILITIES | | | |
| Financial Liabilities | 66,942 | 70,479 | 90,761 |
| Derivative financial instruments | 171 | 170 | 183 |
| Trade Payables - Others | 290 | 81 | 65 |
| Other Payables - Others | 142 | 722 | 856 |
| Borrowings | 65,806 | 69,174 | 89,305 |
| Other Financial Liabilities | 534 | 333 | 352 |
| Non-Financial Liabilities | 253 | 176 | 199 |
| Shareholder's fund | 11,074 | 11,708 | 13,530 |
| TOTAL | 78,269 | 82,363 | 1,04,490 |

Stagewise Assets & Provision Summary

₹ Cr

| Particulars | Sep22 | Sep22 | Sep22 | Dec22 | Dec22 | Dec22 | Sep22 | Sep22 | Sep22 | Dec22 | Dec22 | Dec22 |
|---------------------|---------------|------------|---------------|---------------|------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| | Normal | Mgt | Total | Normal | Mgt | Total | Normal | Mgt | Total | Normal | Mgt | Total |
| | INR Cr | Overlay | INR Cr | INR Cr | Overlay | INR Cr | % to GA | % to GA | % to GA | % to GA | % to GA | % to GA |
| Gross Assets | 87,872 | | 87,872 | 95,893 | | 95,893 | 100.0% | | 100.0% | 100.0% | | 100.0% |
| Stage 1 | 79,171 | | 79,171 | 87,823 | | 87,823 | 90.10% | | 90.10% | 91.58% | | 91.58% |
| Stage 2 | 5,326 | | 5,326 | 4,704 | | 4,704 | 6.06% | | 6.06% | 4.91% | | 4.91% |
| Stage 3 | 3,375 | | 3,375 | 3,367 | | 3,367 | 3.84% | | 3.84% | 3.51% | | 3.51% |
| Provision | 1,868 | 528 | 2,395 | 1,847 | 500 | 2,347 | 2.13% | 0.60% | 2.73% | 1.93% | 0.52% | 2.45% |
| Stage 1 | 411 | | 411 | 453 | | 453 | 0.52% | - | 0.52% | 0.52% | - | 0.52% |
| Stage 2 | 564 | 20 | 584 | 494 | 20 | 514 | 10.59% | 0.38% | 10.97% | 10.51% | 0.43% | 10.94% |
| Stage 3 | 892 | 507 | 1,400 | 899 | 480 | 1,379 | 26.44% | 15.04% | 41.48% | 26.71% | 14.25% | 40.96% |
| Net Assets | 86,004 | | 85,477 | 94,046 | | 93,546 | 97.87% | | 97.27% | 98.07% | | 97.55% |
| Stage 1 | 78,760 | | 78,760 | 87,369 | | 87,369 | 89.63% | | 89.63% | 91.11% | | 91.11% |
| Stage 2 | 4,762 | | 4,742 | 4,209 | | 4,189 | 5.42% | | 5.40% | 4.39% | | 4.37% |
| Stage 3 | 2,482 | | 1,975 | 2,468 | | 1,988 | 2.82% | | 2.25% | 2.57% | | 2.07% |

Stagewise ECL Summary – Dec22

| Particulars | | Asset | Normal | Mgmt Overlay | Total Provn | NNPA | Asset | Normal | Mgmt Overlay | Total Provn | NNPA |
|--|-------------|----------|--------|-----------------|----------------|--------|---------|--------|-----------------|----------------|--------|
| | | | Model | | | | | Model | | | |
| | | Rs in Cr | | | | | | % | | | |
| Stage 1A | (A) | 87,602 | 442 | - | 442 | 87,160 | 91.35% | 0.50% | - | 0.50% | 90.89% |
| Stage 1B | (B) | 221 | 11 | - | 11 | 210 | 0.23% | 5.04% | - | 5.04% | 0.22% |
| Total Stage 1 | (C) | 87,823 | 453 | - | 453 | 87,369 | 91.58% | 0.52% | - | 0.52% | 91.11% |
| Stage 2A | (D) | 3,145 | 301 | - | 301 | 2,844 | 3.28% | 9.58% | - | 9.58% | 2.97% |
| Stage 2B | (E) | 1,558 | 193 | 20 | 213 | 1,345 | 1.62% | 12.40% | 1.29% | 13.68% | 1.40% |
| Total Stage 2 | (F) | 4,704 | 494 | 20 | 514 | 4,189 | 4.91% | 10.51% | 0.43% | 10.94% | 4.37% |
| Total Stage 3 | (G) | 3,367 | 899 | 480 | 1,379 | 1,988 | 3.51% | 26.71% | 14.25% | 40.96% | 2.07% |
| Total | (C + F + G) | 95,893 | 1,847 | 500 | 2,347 | 93,546 | 100.00% | 1.93% | 0.52% | 2.45% | 97.55% |
| NPA as per RBI (incl Sec) | (B + E + G) | 5,146 | 1,103 | 500 | 1,603 | 3,542 | 5.37% | 21.44% | 9.72% | 31.16% | 3.69% |
| NNPA% - RBI: Net NPA / (Asset - provisions for GNPA) | | | | | | | | | | | 3.76% |

Addition of Stage 1B, Stage 2B and Stage 3 will be the GNPA% and NNPA % as per RBI norms with INDAS values.

We carry additional provision of Rs.726 Cr under INDAS over IRAC

Asset Classification:

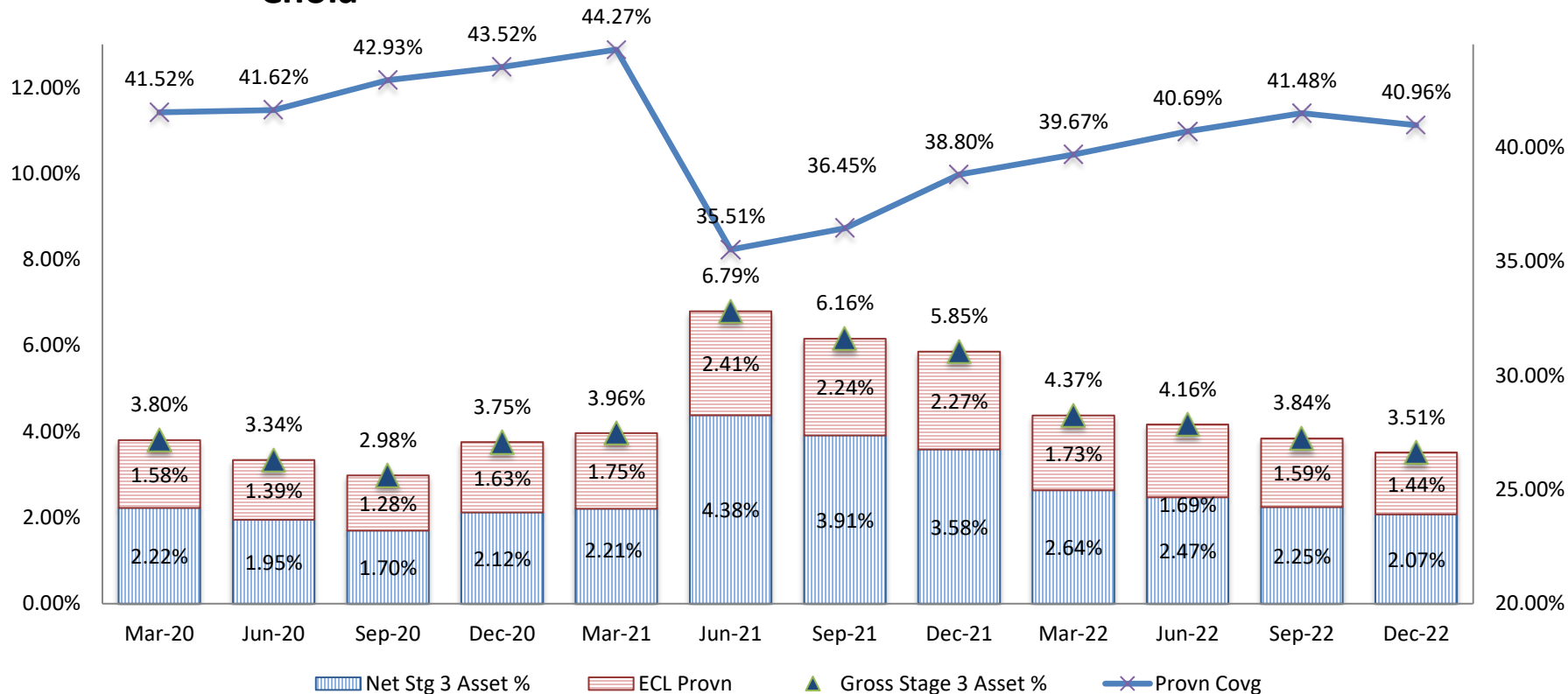
| | |
|----------|--|
| STAGE_1A | Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised and currently in the 0-30 days - Hence no more an NPA as per RBI norms |
| STAGE_1B | Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to stage 1 currently - Hence an NPA as per current RBI norms |
| STAGE_2A | Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised post that and now in 31-90 days DPD - Hence no more an NPA as per RBI norms |
| STAGE_2B | Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to stage 2 currently - Hence an NPA as per current RBI norms |
| STAGE_3 | Represents assets which continues to be a NPA as on the closing date - Hence an NPA as per current RBI norms |

Stage 3 Assets Product-wise

| Asset Class | Closing Asset | Gross Stage 3 | Stage 3 Asset % | ECL Provision | Provision Coverage | Net Stage 3 | Net Stage 3% |
|--------------|---------------|---------------|-----------------|---------------|--------------------|--------------|--------------|
| Dec22 | 95,893 | 3,367 | 3.51% | 1,379 | 40.96% | 1,988 | 2.07% |
| VF | 62,634 | 2,274 | 3.63% | 949 | 41.74% | 1,325 | 2.12% |
| LAP | 19,296 | 918 | 4.76% | 345 | 37.61% | 573 | 2.97% |
| HL | 6,957 | 137 | 1.97% | 68 | 49.44% | 69 | 0.99% |
| Others | 7,006 | 38 | 0.54% | 17 | 44.73% | 21 | 0.30% |
| Sep22 | 87,872 | 3,375 | 3.84% | 1,400 | 41.48% | 1,975 | 2.25% |
| VF | 58,907 | 2,270 | 3.85% | 972 | 42.82% | 1,298 | 2.20% |
| LAP | 18,028 | 922 | 5.11% | 342 | 37.08% | 580 | 3.22% |
| HL | 6,114 | 155 | 2.53% | 75 | 48.26% | 80 | 1.31% |
| Others | 4,823 | 28 | 0.58% | 11 | 40.58% | 17 | 0.34% |

As per revised RBI norms GNPA% & NNPA% as of Dec22 is at 5.37% and 3.76% respectively.

Chola



As per revised RBI norms GNPA% & NNPA% as of Dec22 is at 5.37% and 3.76% respectively.

Business Overview



Vehicle Finance



Vehicle Finance: YTD Dec22 Performance

Disbursements

- Disbursements grew by 65% in YTD Dec22 to Rs.27,509 Cr as compared to Rs.16,654 Cr in YTD Dec21.

Assets under management

- AUM have grown by 21% YoY.

Loss and provisions

- Loan losses dropped to 1.5% in YTD Dec22 as compared to 1.9% in YTD Dec21.

Profit before tax

- PBT grew by 12% at Rs.1,538 Cr in YTD Dec22 as compared to Rs.1,369 Cr in YTD Dec21.

Sector Outlook

- The Light Commercial Vehicle segment had a growth of 14% in Q3 FY23 & 47% in YTD Dec22. The segment is witnessing healthy demand from e-commerce, agriculture and its allied sectors coupled with replacement demand.
- The Small Commercial Vehicle segment had a de-growth of 8% in Q3 FY23 but has grown at 26% as of YTD Dec22. This segment is expected to grow in the coming quarters due to its nature of deployment in last mile connectivity.
- The Heavy Commercial Vehicle segment had a growth of 42% in Q3 FY23 & 68% in YTD Dec22. The recovery in macroeconomic environment and improved freight availability will aid growth in this segment during the year.

Chola's Position

- Increased demand for Light Commercial Vehicle will help us garner higher volumes. However, we will be cautious in this segment based on rural sentiments and upcoming Rabi harvest.
- 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.
- Our exposure in this segment is 7% at a portfolio level. We will continue to keep a close watch on this segment and are treading cautiously in this segment due to uneven freight availability (capacity utilisation), freight charges and higher operating costs.

Exploring, Engaging & Empowering

Sector Outlook

- The Passenger Vehicle (Car & MUV) segment had a growth of 23% in Q3 FY23 which is the second highest sales for any quarter after Q2 FY23 over the decade & 34% growth at YTD levels which is the all time highest in the 9 month period (Apr–Dec). This segment is poised for an all-time high sales this fiscal.
- The Two-wheeler industry had a growth of 6% in Q3 FY23 & 20% in YTD Dec22. Healthy rural cash flow, coupled with OEM offers and introduction of new models will help growth in this segment.
- Used vehicle business has contributed to 30% of our disbursement volumes and this segment is expected to grow even further.

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 thereby maintaining 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

- The Construction Equipment segment had a growth of 25% in Q3 FY23 & 28% in YTD Dec22. Volumes are expected to pickup in coming quarters supported by improvement in construction, mining activities and increased spend on infrastructure.
- The Tractor industry had a growth of 10% in Q3 FY23 & 11% in YTD Dec22. Expectation of strong Rabi harvest and improved cash flow will aid growth in this segment.

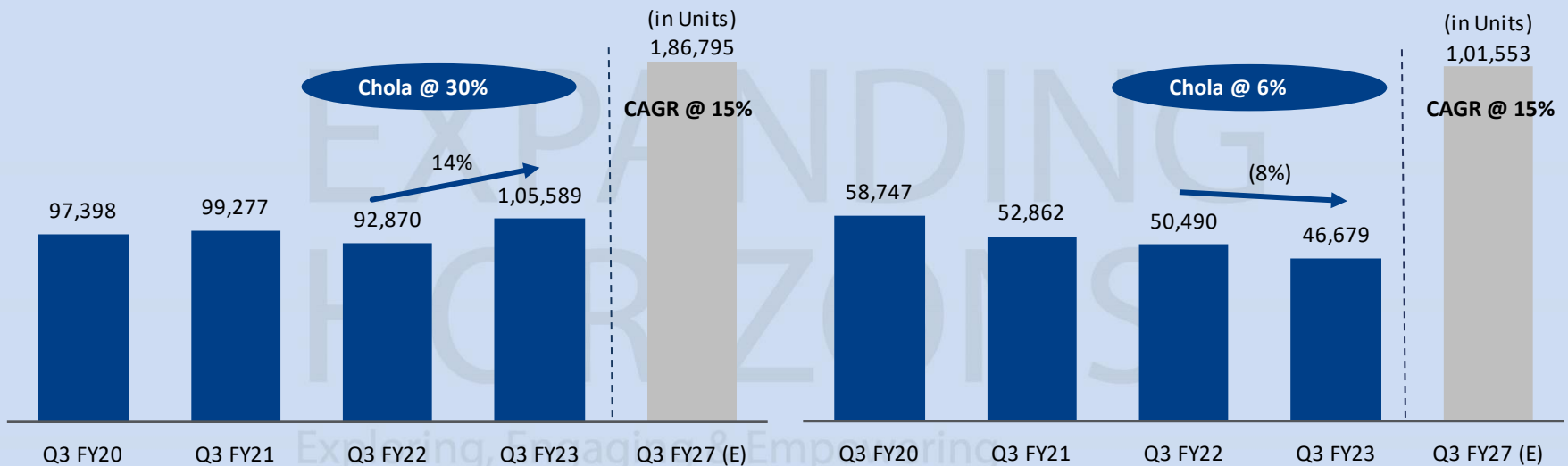
Chola's Position

- Our exposure in this segment is around 6% at a portfolio level and our focus will be on building a quality book.
- We will approach this segment with a close watch on portfolio considering various external factors like uneven rainfall, crop loss and irregular cash flows.

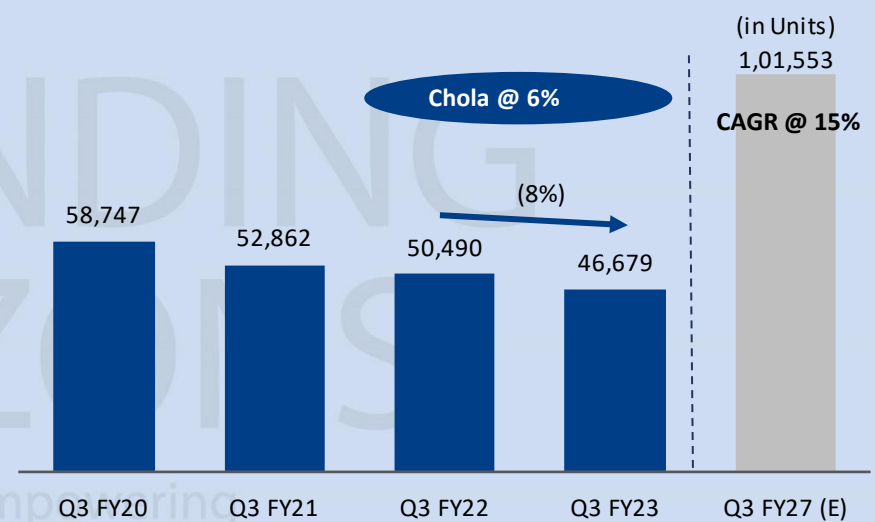
Exploring, Engaging & Empowering

Auto Industry Outlook

Trend in Domestic LCV Sales



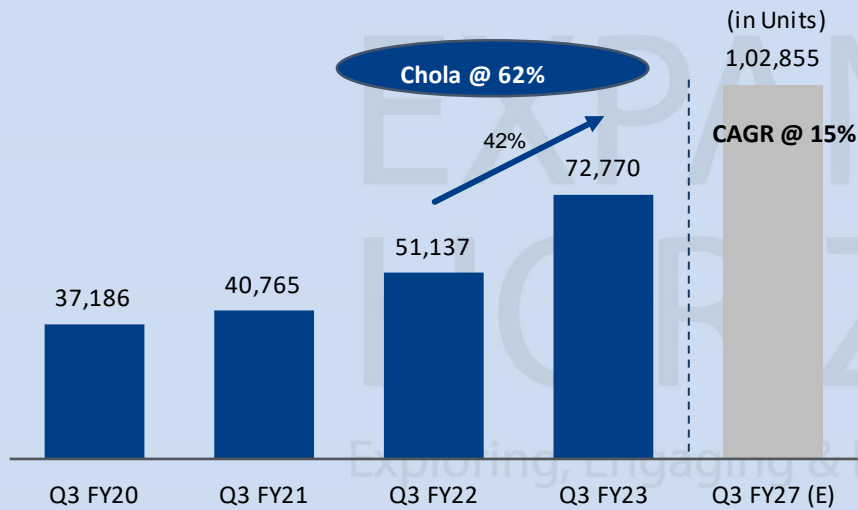
Trend in Domestic SCV Sales



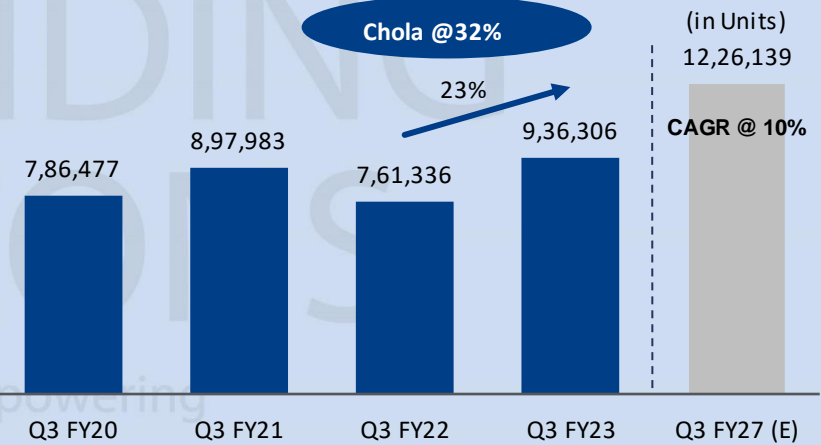
- Replacement demand, last-mile transport requirements and positive macroeconomic environment.
- Stronger demand from consumption driven sectors and E-commerce based companies.
- Demand for Pickups to increase in the long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales to be supported by growing urban population, demand from schools/ corporates and increased inter-city travel.

Auto Industry Outlook

Trend in Domestic HCV Sales



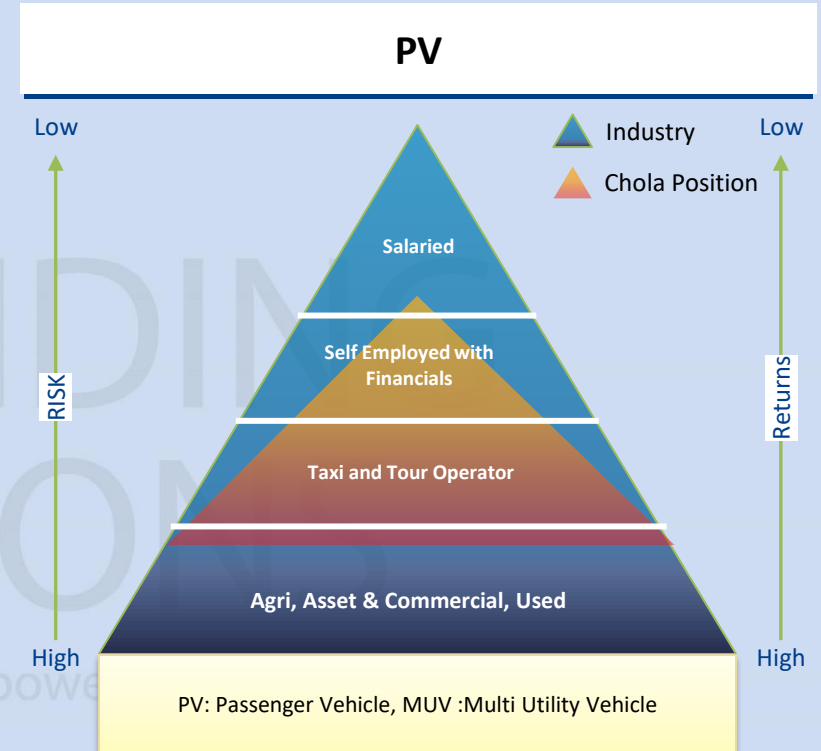
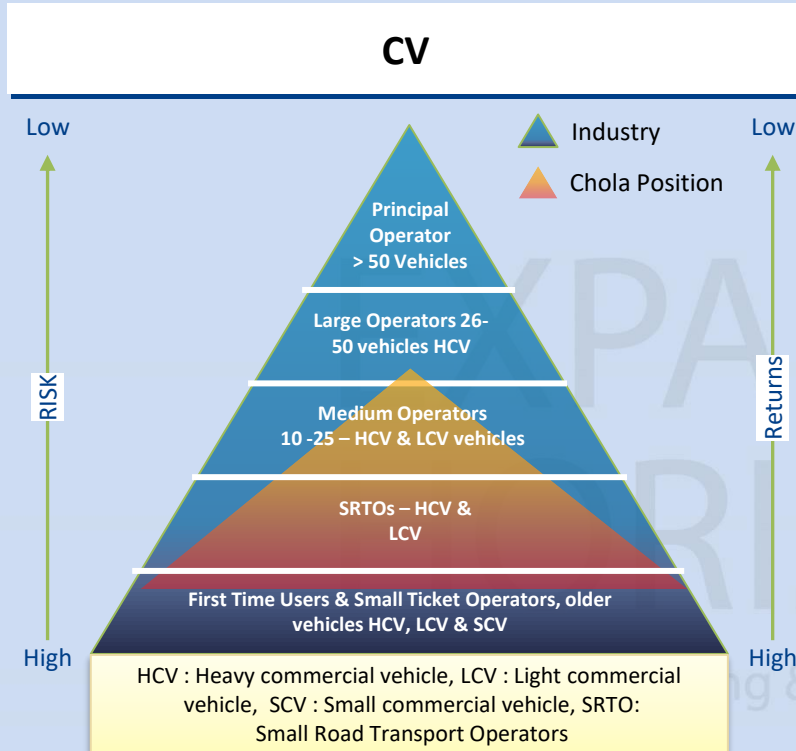
Trend in Domestic Car & MUV Sales



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

- Higher disposable income and introduction of newer models to aid long term demand.
- Increase in rural demand and growing penetration in tier III, tier IV towns will back stable growth.

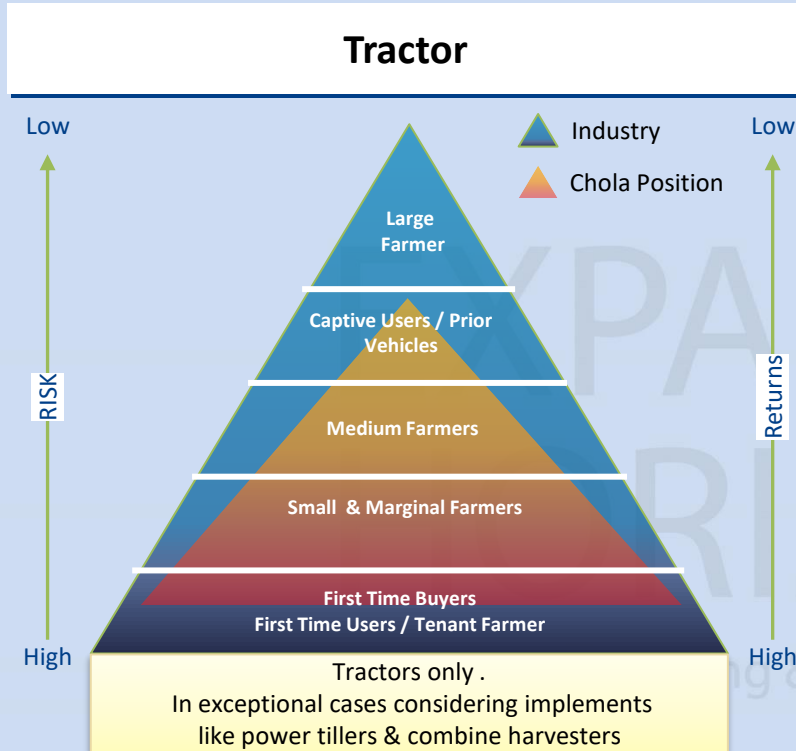
Vehicle Finance—Business Model & Positioning



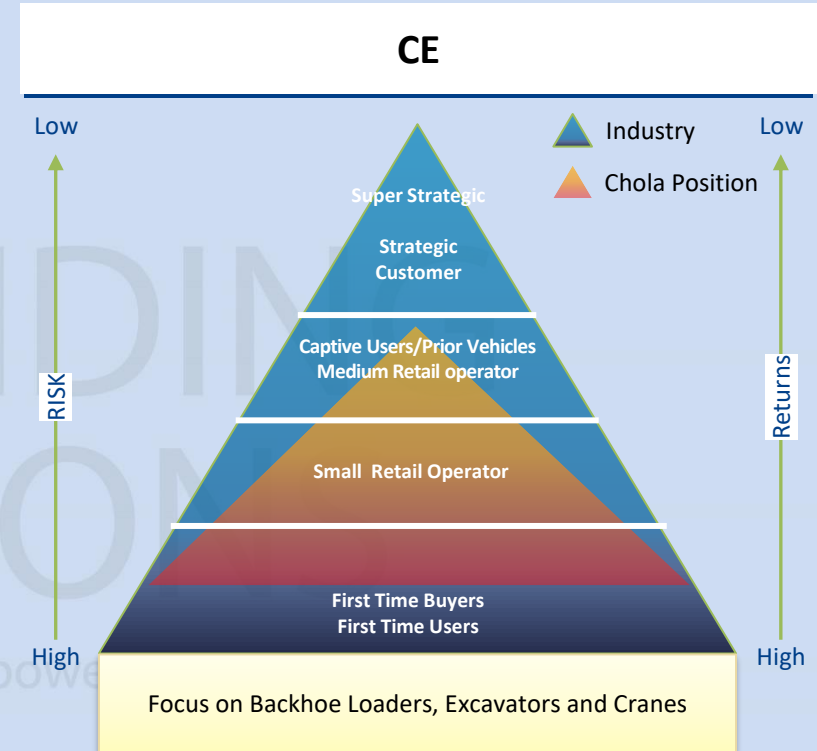
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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



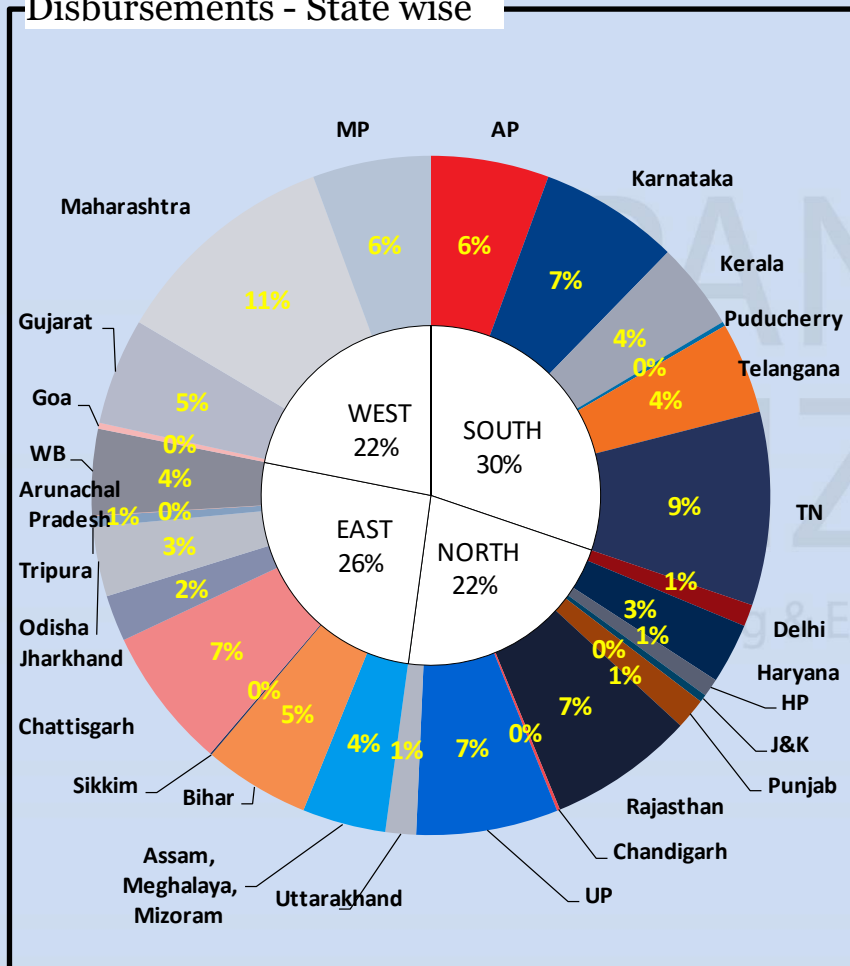
- ~65% of disbursements are to agri -based customer segment
- Application -
 - Agri usage
 - Commercial usage
 - Agri and Commercial usage
- New & Used



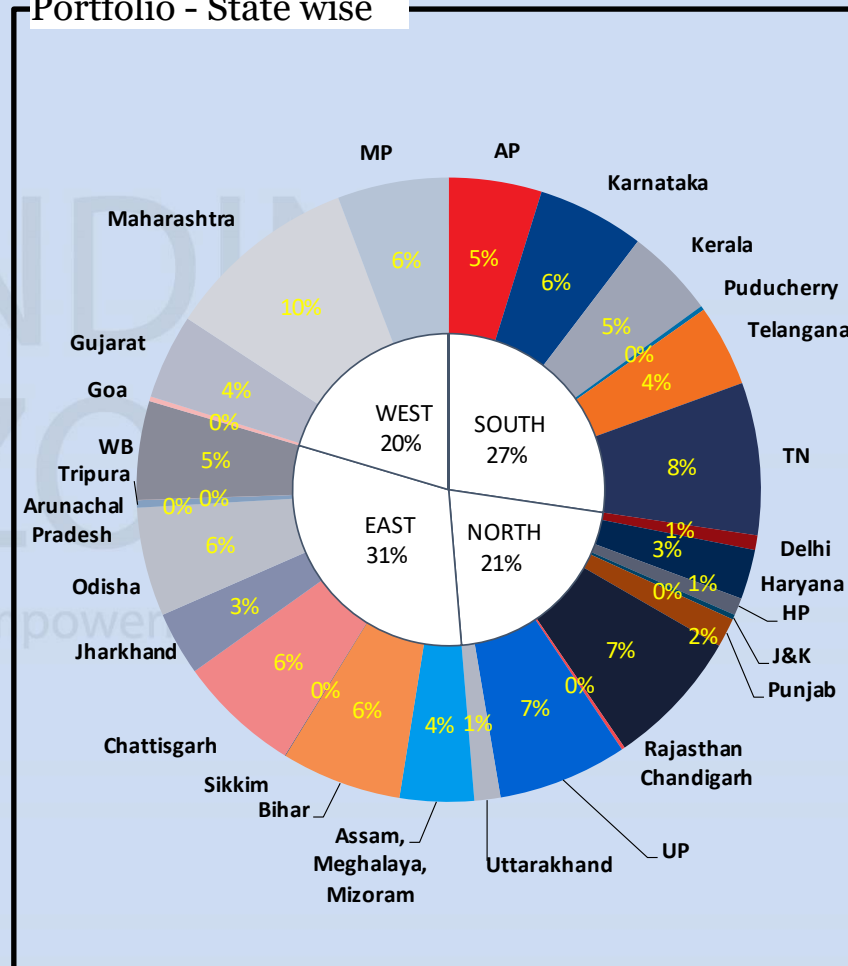
- ~ 69% of disbursements are to retail customer segment
- Application –
 - Captive
 - Hiring
- New & Used

Well diversified across geography

Disbursements - State wise

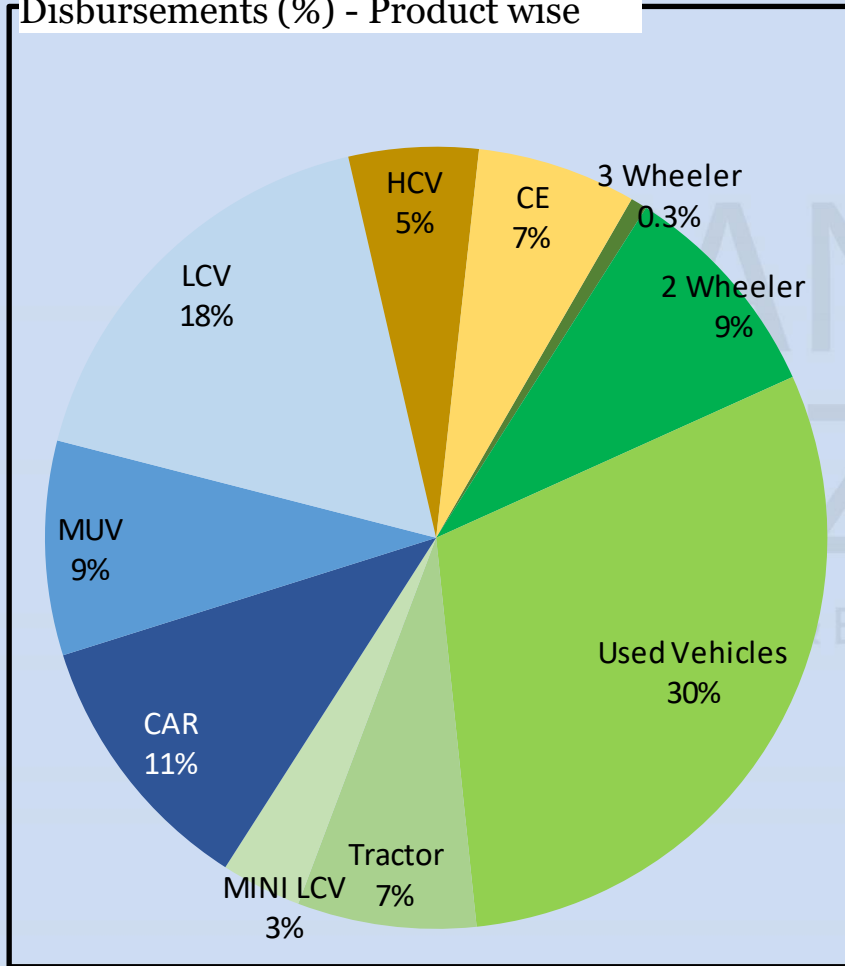


Portfolio - State wise

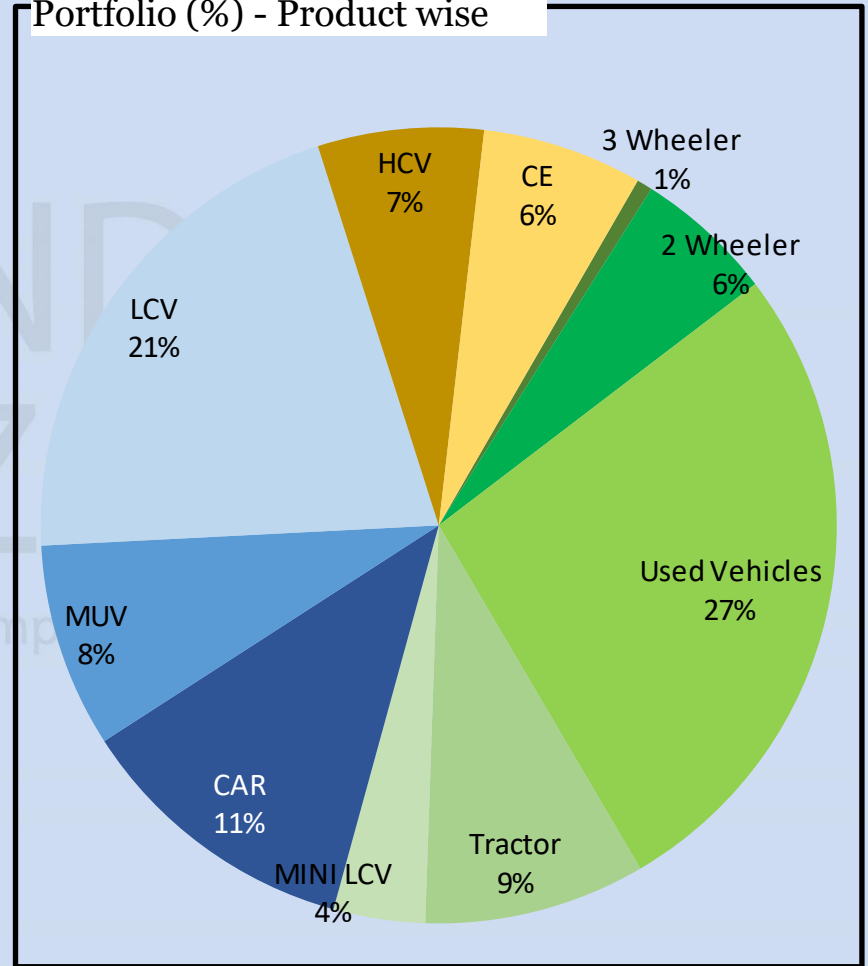


Well diversified product segments

Disbursements (%) - Product wise

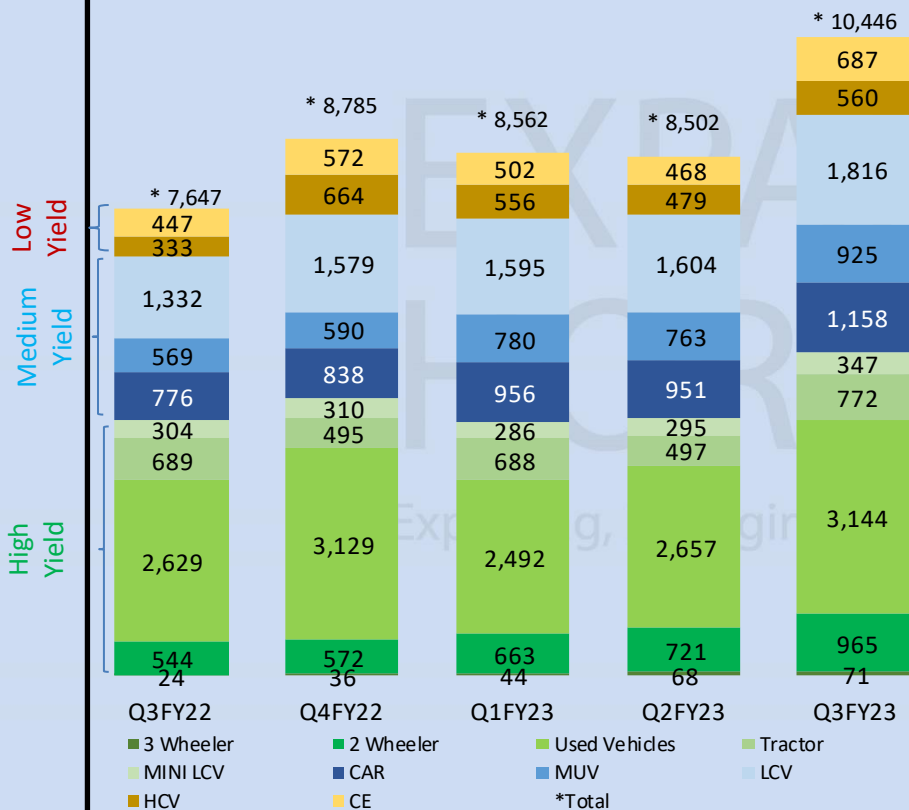


Portfolio (%) - Product wise

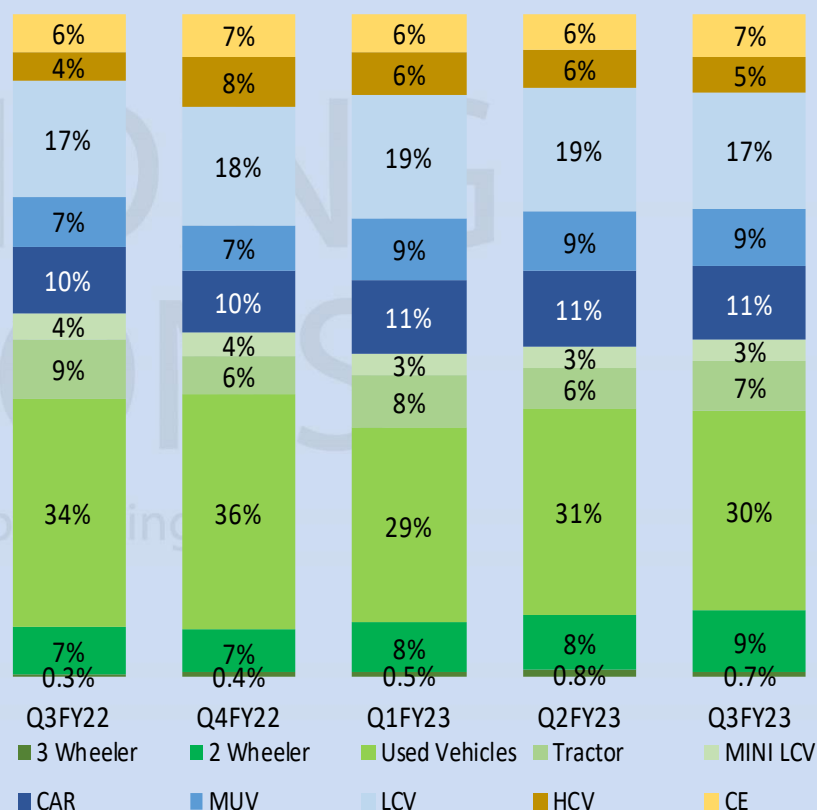


Vehicle Finance - Disbursement Mix – Quarter-wise

Disbursement (₹Cr) - Product wise

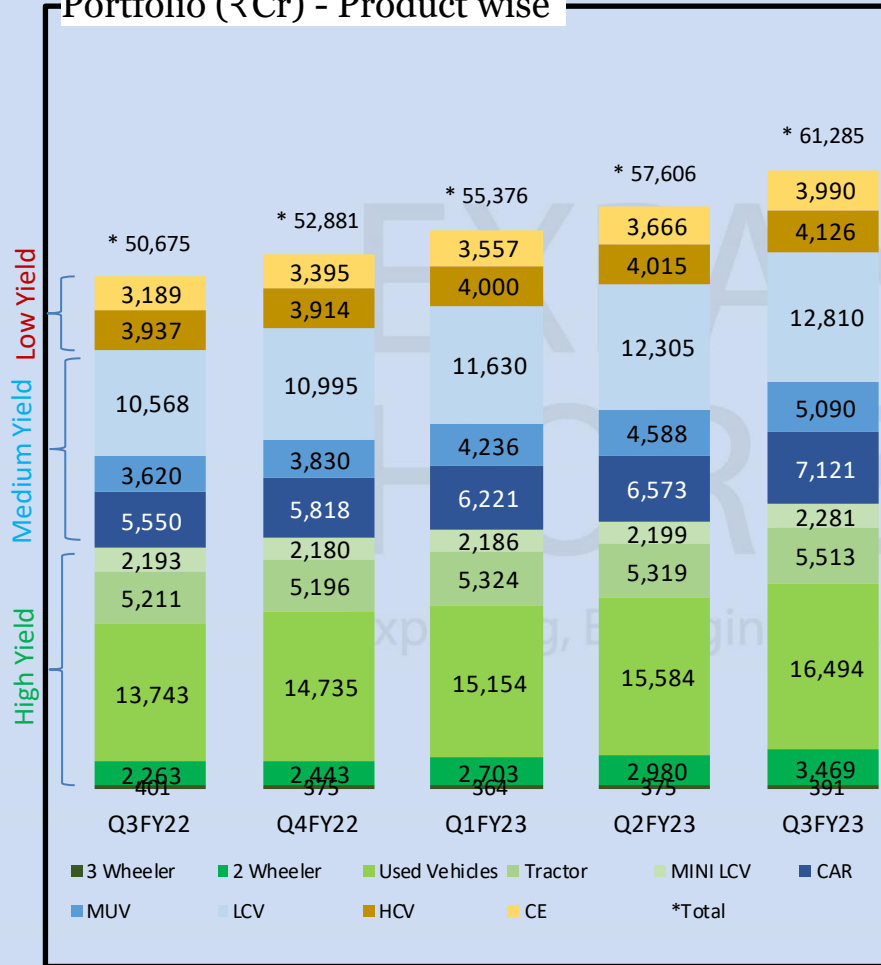


Disbursement (%) – Product wise

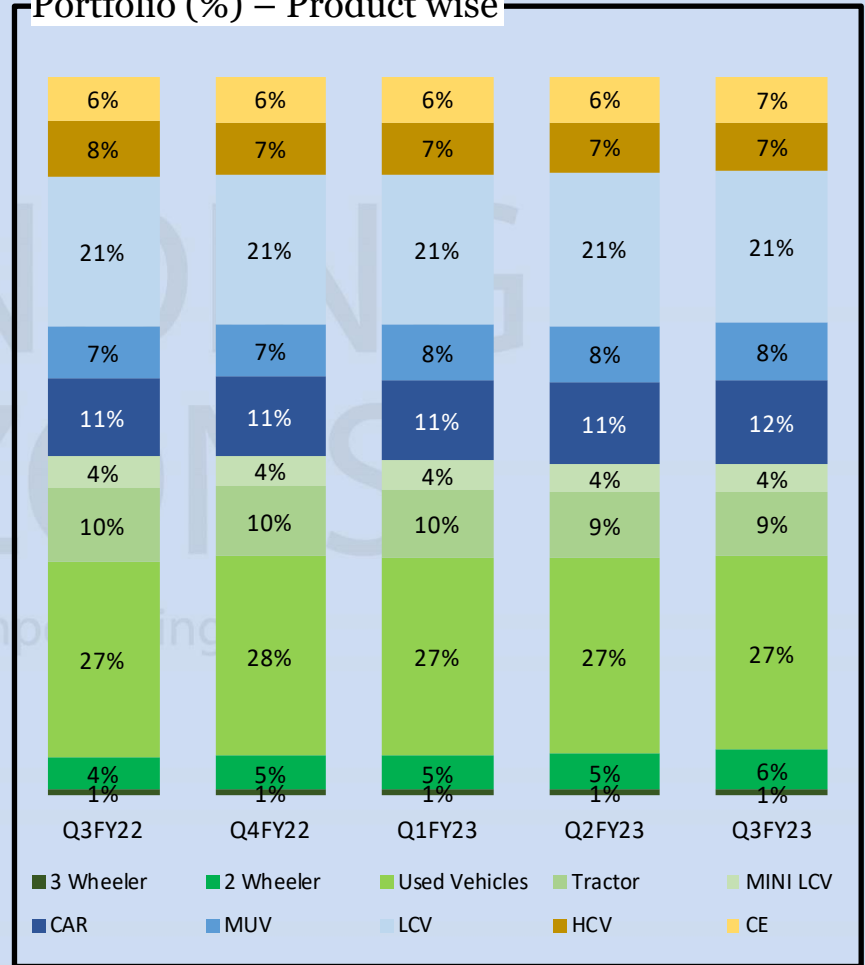


Vehicle Finance - Portfolio Mix – Quarter-wise

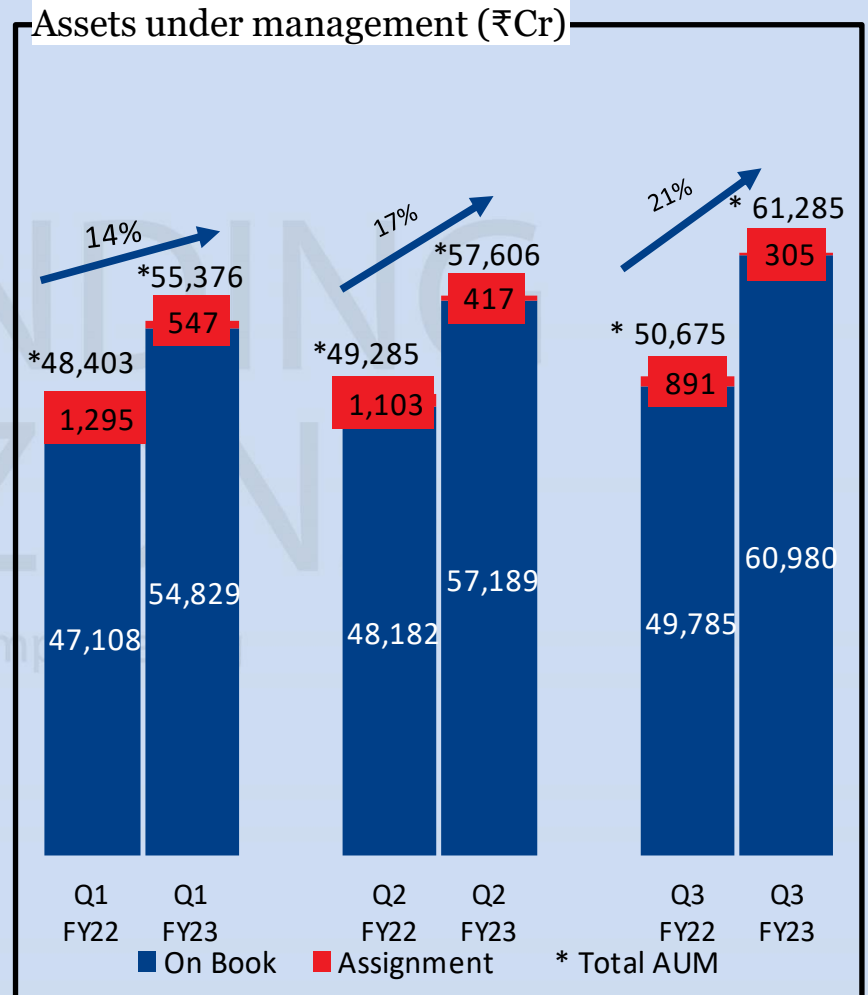
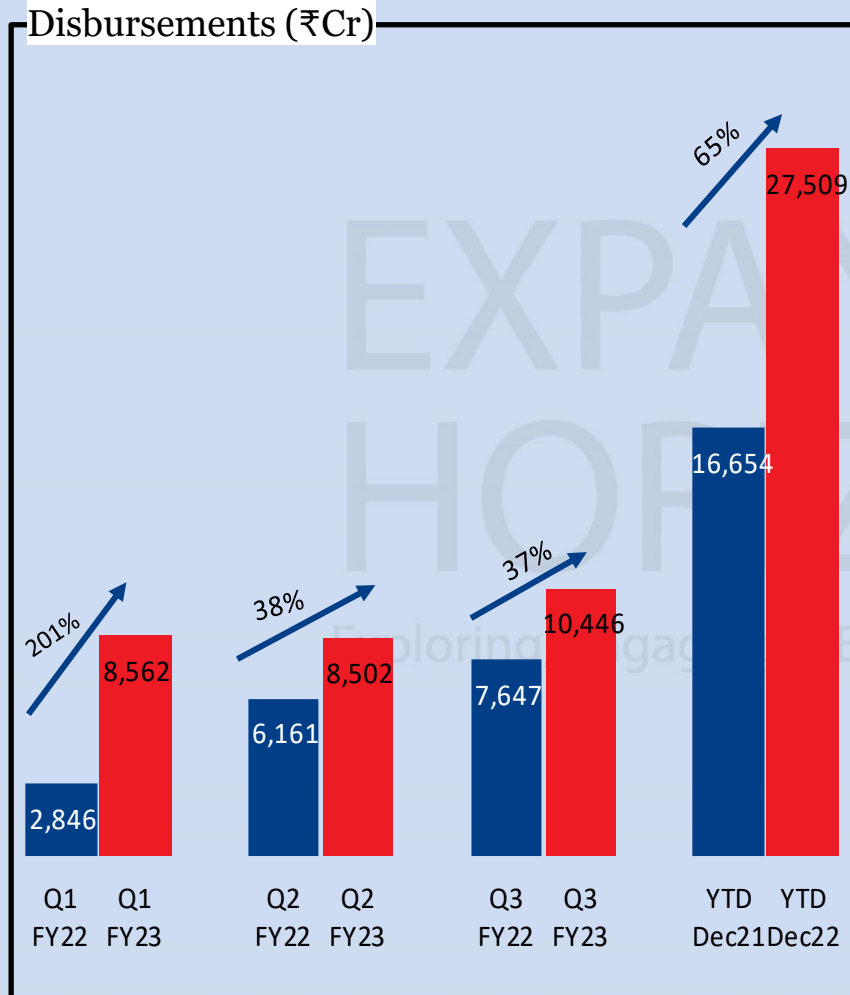
Portfolio (₹Cr) - Product wise



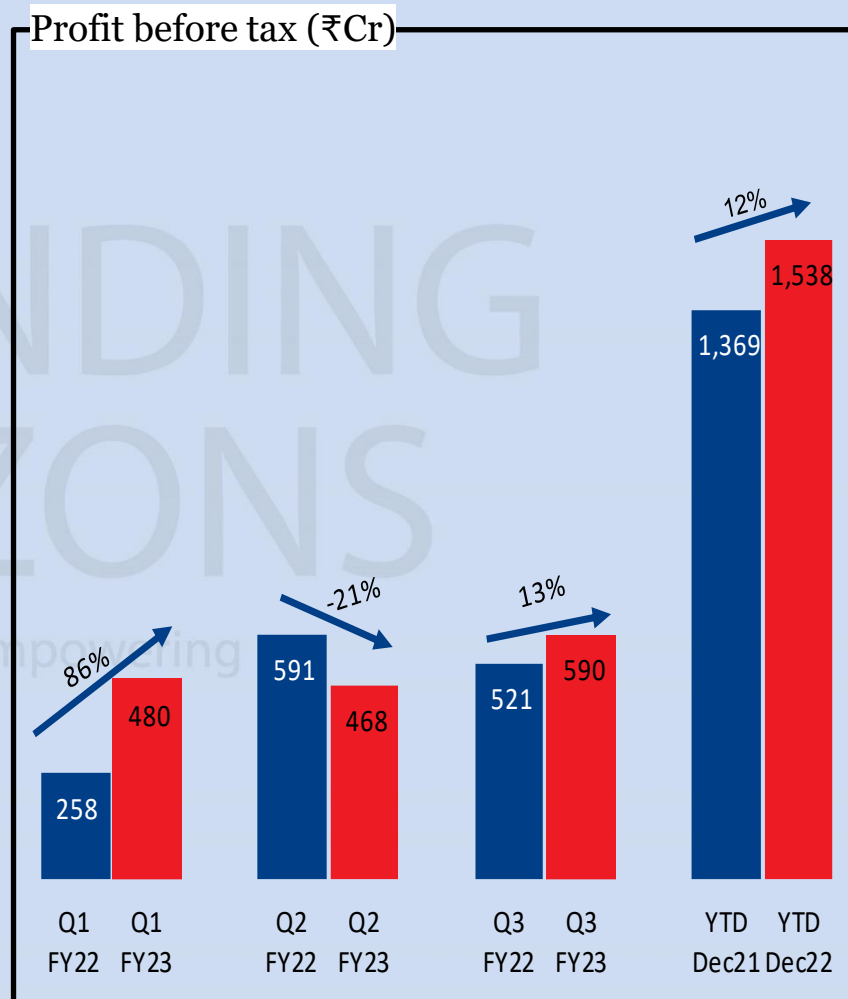
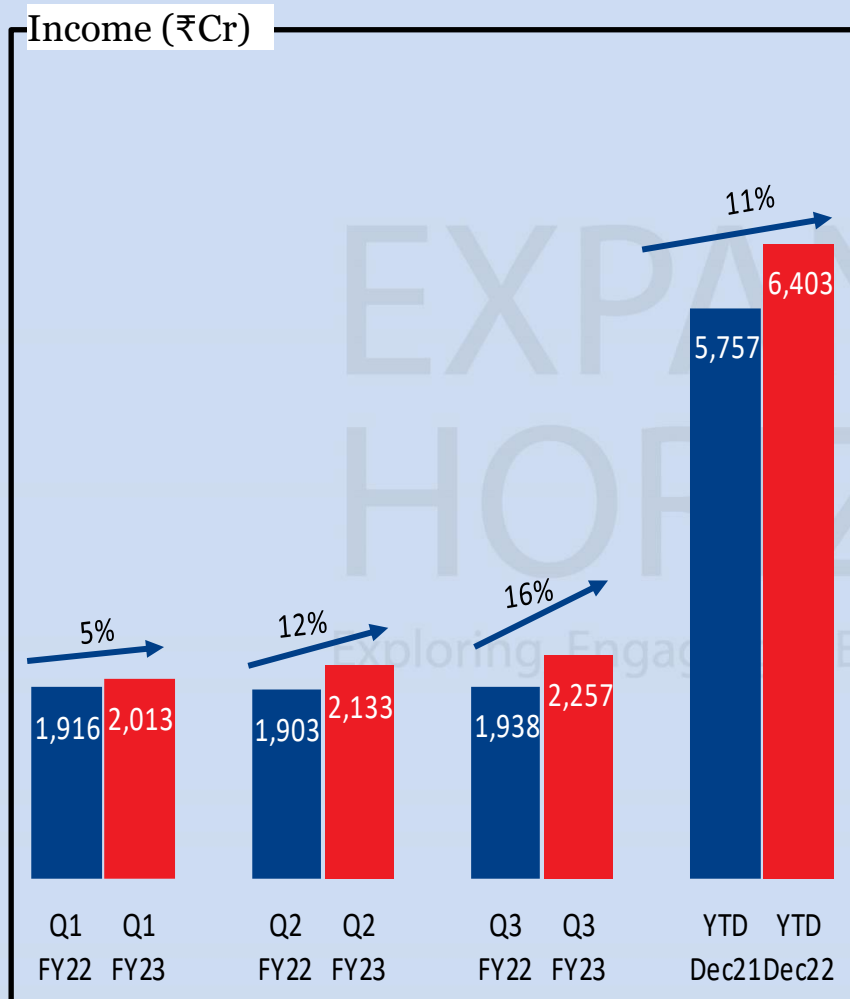
Portfolio (%) – Product wise



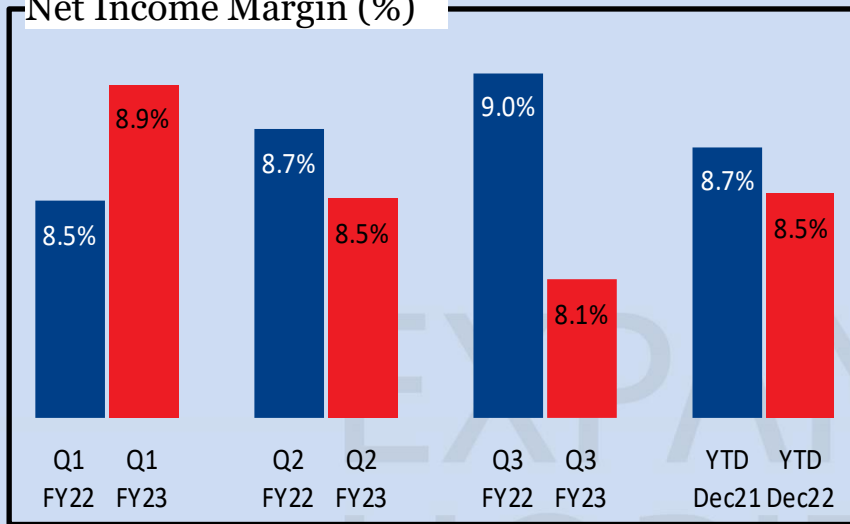
Vehicle Finance - Disbursements and Asset Under Management



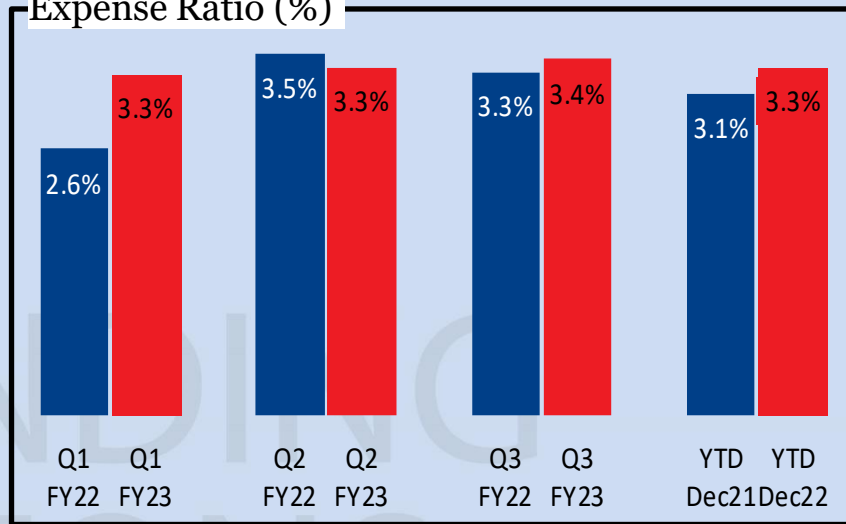
Vehicle Finance - Income and Profit before tax



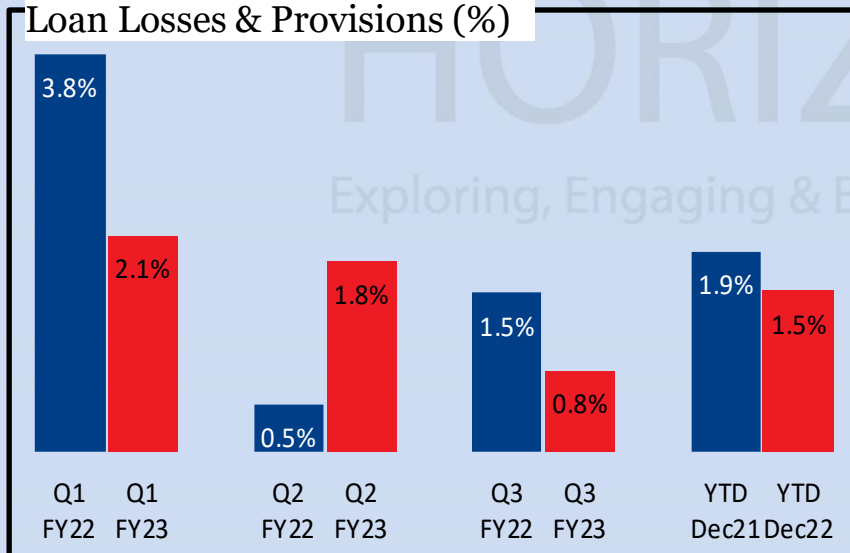
Net Income Margin (%)



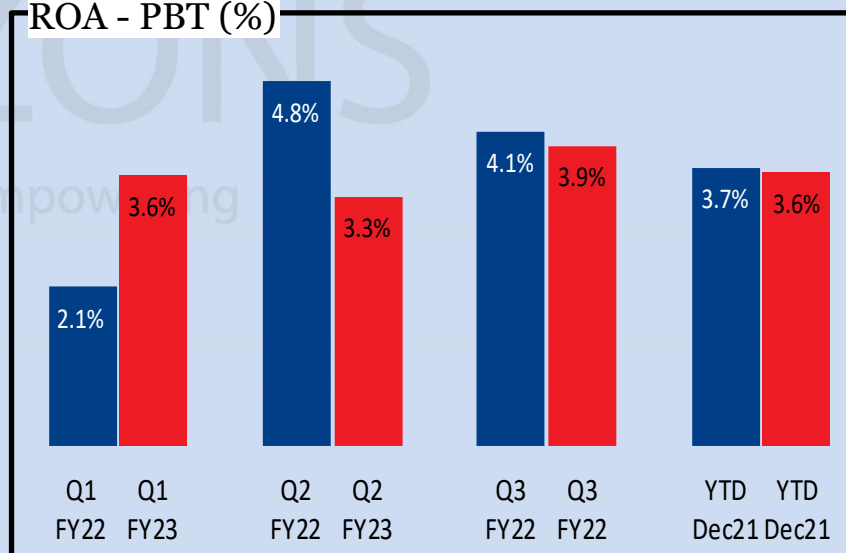
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Vehicle Finance (Managed)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|----------------------------|
| Disbursements | 2,846 | 8,562 | 6,161 | 8,502 | 7,647 | 10,446 | 37% | 16,654 | 27,509 | 65% |
| Closing Assets - Managed | 48,403 | 55,376 | 49,285 | 57,606 | 50,675 | 61,285 | 21% | 50,675 | 61,285 | 21% |
| Operating Income | 1,916 | 2,013 | 1,903 | 2,133 | 1,938 | 2,257 | 16% | 5,757 | 6,403 | 11% |
| Finance Charges | 875 | 811 | 828 | 928 | 810 | 1,036 | 28% | 2,513 | 2,775 | 10% |
| Net Income | 1,041 | 1,202 | 1,075 | 1,205 | 1,128 | 1,221 | 8% | 3,245 | 3,627 | 12% |
| Expenses | 315 | 442 | 427 | 477 | 415 | 512 | 23% | 1,158 | 1,431 | 24% |
| Net Credit Losses | 468 | 280 | 57 | 260 | 192 | 118 | -39% | 717 | 658 | -8% |
| PBT | 258 | 480 | 591 | 468 | 521 | 590 | 13% | 1,369 | 1,538 | 12% |
| Asset Ratios | | | | | | | | | | |
| Income | 15.6% | 14.9% | 15.5% | 15.0% | 15.4% | 15.1% | | 15.4% | 15.0% | |
| Cost of Funds | 7.1% | 6.0% | 6.7% | 6.5% | 6.4% | 6.9% | | 6.7% | 6.5% | |
| Net Income Margin | 8.5% | 8.9% | 8.7% | 8.5% | 9.0% | 8.1% | | 8.7% | 8.5% | |
| Expense | 2.6% | 3.3% | 3.5% | 3.3% | 3.3% | 3.4% | | 3.1% | 3.3% | |
| Losses & Provisions | 3.8% | 2.1% | 0.5% | 1.8% | 1.5% | 0.8% | | 1.9% | 1.5% | |
| ROA-PBT | 2.1% | 3.6% | 4.8% | 3.3% | 4.1% | 3.9% | | 3.7% | 3.6% | |

Profit and Loss Statement - Vehicle Finance (On Book)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|----------------------------|
| Disbursements | 2,846 | 8,562 | 6,161 | 8,502 | 7,647 | 10,446 | 37% | 16,654 | 27,509 | 65% |
| Closing Assets (On B/S) | 47,108 | 54,829 | 48,182 | 57,189 | 49,785 | 60,980 | 22% | 49,785 | 60,980 | 22% |
| Operating Income | 1,876 | 1,992 | 1,865 | 2,116 | 1,905 | 2,242 | 18% | 5,607 | 6,350 | 13% |
| Finance Charges | 847 | 798 | 804 | 889 | 790 | 1,058 | 34% | 2,441 | 2,746 | 12% |
| Net Income | 1,028 | 1,194 | 1,062 | 1,227 | 1,114 | 1,184 | 6% | 3,166 | 3,605 | 14% |
| Expenses | 315 | 442 | 427 | 477 | 415 | 512 | 23% | 1,158 | 1,431 | 24% |
| Net Credit Losses | 468 | 280 | 57 | 260 | 192 | 118 | -39% | 679 | 658 | -3% |
| PBT | 245 | 472 | 577 | 490 | 507 | 554 | 9% | 1,329 | 1,515 | 14% |
| Asset Ratios | | | | | | | | | | |
| Income | 15.7% | 14.9% | 15.5% | 15.0% | 15.4% | 15.1% | | 15.3% | 15.0% | |
| Cost of Funds | 7.1% | 6.0% | 6.7% | 6.3% | 6.4% | 7.1% | | 6.7% | 6.5% | |
| Net Income Margin | 8.6% | 8.9% | 8.8% | 8.7% | 9.0% | 7.9% | | 8.7% | 8.5% | |
| Expense | 2.6% | 3.3% | 3.6% | 3.4% | 3.4% | 3.4% | | 3.2% | 3.4% | |
| Losses & Provisions | 3.9% | 2.1% | 0.5% | 1.8% | 1.6% | 0.8% | | 1.9% | 1.6% | |
| ROA-PBT | 2.0% | 3.5% | 4.8% | 3.5% | 4.1% | 3.7% | | 3.6% | 3.6% | |

Loan Against Property



Loan Against Property – YTD Dec22 Performance

Disbursements

- Disbursements grew by 78% in YTD Dec22 at Rs.6,537 Cr as compared to Rs.3,666 Cr in YTD Dec21.

Asset under management

- AUM grew by 25% YoY.

Loss and provisions

- Loan losses dropped to 0.02% in YTD Dec22 from 1.1% in YTD Dec21.

Profit before tax

- PBT grew by 91% at Rs.564 Cr in YTD Dec22 as compared to Rs.296 Cr in YTD Dec21.

Sector Outlook

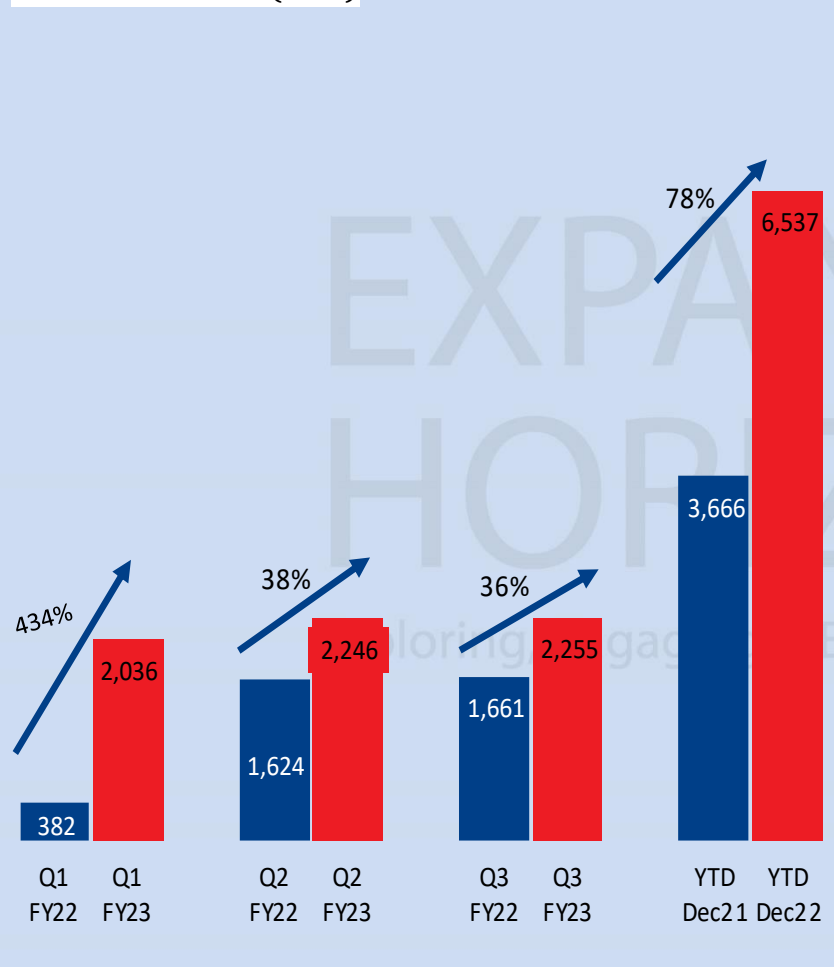
- CRISIL expects MSME LAP segment to grow at 6-8% in FY23, driven by improving economic conditions and the mild impact of the third pandemic wave, assisting in normalization of business activities followed by 9-11% growth in fiscal 2024.*
- India Ratings and Research (Ind-Ra) opines that there would be some pressure on net interest margins due to an 80-100bp rise in funding costs in FY23. Some NBFCs would be able to pass on the increase to borrowers in small-ticket LAP, microfinance loans, etc owing to the dynamics of segment and competitive landscape. However, NBFCs in extremely competitive segments such as big-ticket LAP and housing loans may have to absorb some part of the rise in funding cost, thus affecting their margins. **

Chola's Position

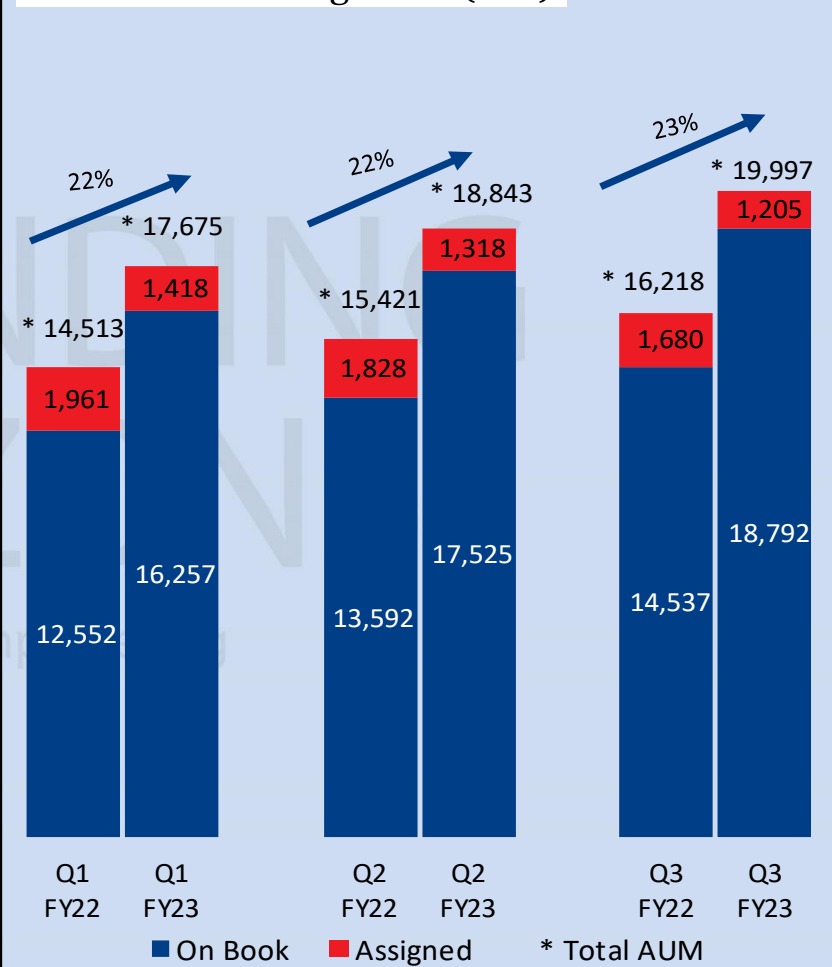
- Chola's LAP team is currently focusing on increasing its market share backed by consistent disbursement growth and collections performance in YTD Dec'22. Business is expanding further in Tier-3 & Tier-4 branches.
- Chola's LAP business has disbursed loans to customers with floating rate of interest. Business has been able to partially cover up rising cost of funds by increasing the customer's effective lending rate. Staggered portfolio rate hike has helped business to mitigate impact on margins. Chola's LAP business is further focusing on increasing contribution of product with high yield to maintain margins.

Loan Against Property - Disbursements and Asset Under Management

Disbursements (₹Cr)

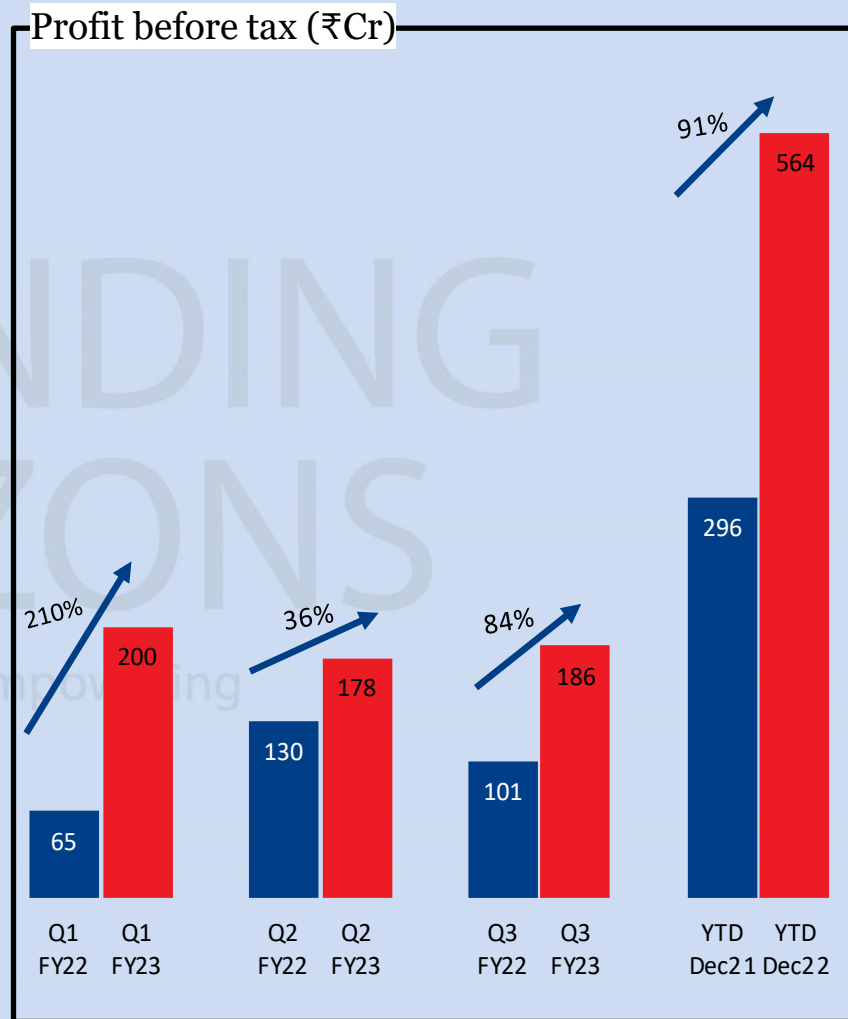
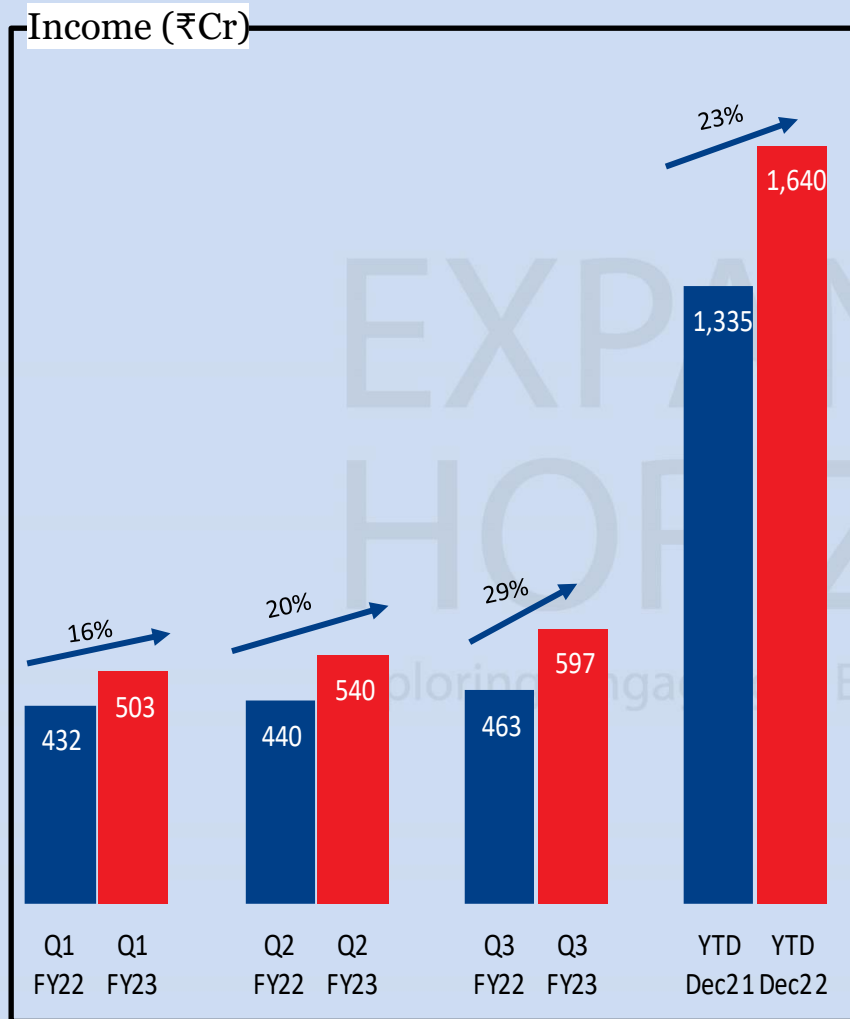


Assets under Management (₹Cr)



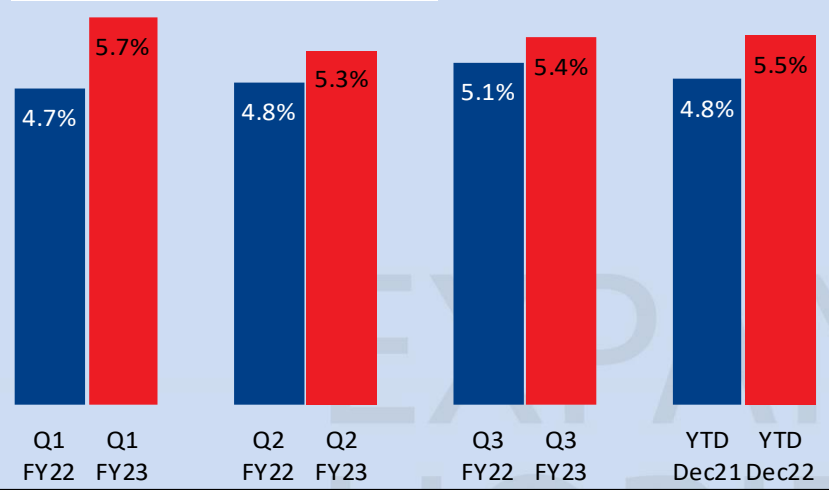
■ On Book ■ Assigned * Total AUM

Loan Against Property – Income and Profit before tax

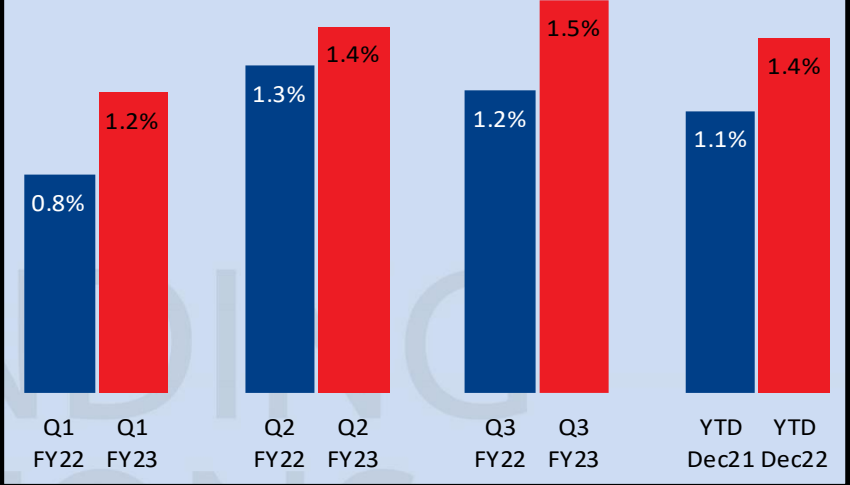


Loan Against Property – Asset Ratios

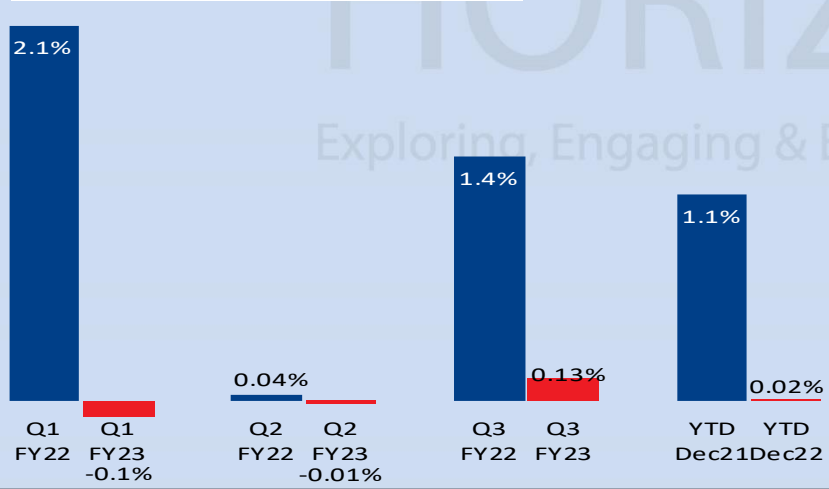
Net Income Margin (%)



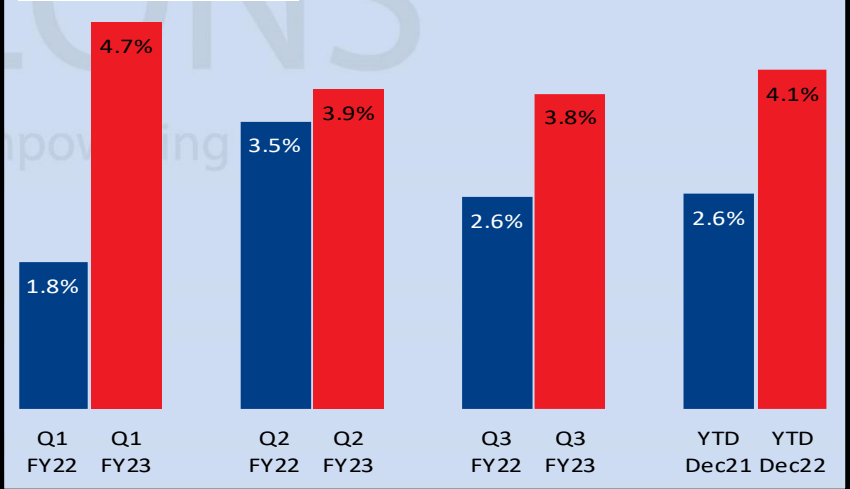
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Loan Against Property (Managed)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|----------------------------|
| Disbursements | 382 | 2,036 | 1,624 | 2,246 | 1,661 | 2,255 | 36% | 3,666 | 6,537 | 78% |
| Closing Assets - Managed | 14,509 | 17,675 | 15,306 | 18,843 | 16,002 | 19,997 | 25% | 16,002 | 19,997 | 25% |
| Operating Income | 432 | 503 | 440 | 540 | 463 | 597 | 29% | 1,335 | 1,640 | 23% |
| Finance Charges | 261 | 257 | 261 | 298 | 263 | 331 | 26% | 785 | 886 | 13% |
| Net Income | 171 | 246 | 179 | 242 | 200 | 266 | 33% | 550 | 754 | 37% |
| Expenses | 31 | 49 | 47 | 65 | 46 | 74 | 61% | 123 | 188 | 52% |
| Net Credit Losses | 76 | -4 | 2 | (0.5) | 53 | 6 | -88% | 131 | 2 | -98% |
| PBT | 65 | 200 | 130 | 178 | 101 | 186 | 84% | 296 | 564 | 91% |
| Asset Ratios | | | | | | | | | | |
| Income | 11.8% | 11.7% | 11.7% | 11.7% | 11.7% | 12.2% | | 11.7% | 11.9% | |
| Cost of Funds | 7.2% | 6.0% | 6.9% | 6.5% | 6.7% | 6.8% | | 6.9% | 6.4% | |
| Net Income Margin | 4.7% | 5.7% | 4.8% | 5.3% | 5.1% | 5.4% | | 4.8% | 5.5% | |
| Expense | 0.8% | 1.2% | 1.3% | 1.4% | 1.2% | 1.5% | | 1.1% | 1.4% | |
| Losses & Provisions | 2.1% | -0.1% | 0.04% | -0.01% | 1.4% | 0.13% | | 1.1% | 0.02% | |
| ROA-PBT | 1.8% | 4.7% | 3.5% | 3.9% | 2.6% | 3.8% | | 2.6% | 4.1% | |

Profit and Loss Statement - Loan Against Property (On Book)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|----------------------------|
| Disbursements | 382 | 2,036 | 1,624 | 2,246 | 1,661 | 2,255 | 36% | 3,666 | 6,537 | 78% |
| Closing Assets (On B/S) | 12,552 | 16,257 | 13,477 | 17,525 | 14,322 | 18,792 | 31% | 14,322 | 18,792 | 31% |
| Operating Income | 378 | 453 | 384 | 497 | 409 | 575 | 41% | 1,171 | 1,524 | 30% |
| Finance Charges | 221 | 227 | 222 | 249 | 227 | 325 | 43% | 670 | 801 | 20% |
| Net Income | 158 | 226 | 162 | 248 | 181 | 249 | 37% | 501 | 723 | 44% |
| Expenses | 31 | 49 | 47 | 65 | 46 | 74 | 61% | 123 | 188 | 52% |
| Net Credit Losses | 76 | -4 | 2 | (1) | 54 | 6 | -88% | 131 | 2 | -98% |
| PBT | 51 | 180 | 113 | 184 | 82 | 169 | 107% | 247 | 533 | 116% |
| Asset Ratios | | | | | | | | | | |
| Income | 12.0% | 11.5% | 11.7% | 11.7% | 11.7% | 12.6% | | 11.7% | 11.9% | |
| Cost of Funds | 7.0% | 5.8% | 6.8% | 5.8% | 6.5% | 7.1% | | 6.7% | 6.3% | |
| Net Income Margin | 5.0% | 5.8% | 4.9% | 5.8% | 5.2% | 5.4% | | 5.0% | 5.7% | |
| Expense | 1.0% | 1.3% | 1.4% | 1.5% | 1.3% | 1.6% | | 1.2% | 1.5% | |
| Losses & Provisions | 2.4% | -0.1% | 0.0% | 0.0% | 1.5% | 0.1% | | 1.3% | 0.02% | |
| ROA-PBT | 1.6% | 4.6% | 3.4% | 4.3% | 2.3% | 3.7% | | 2.5% | 4.2% | |

Home Loans



Home Loans – YTD Dec22 Performance

Disbursements

- Disbursements grew by 80% in YTD Dec22 at Rs.2,425 Cr as compared to Rs.1,347 Cr in YTD Dec21.

Asset under management

- AUM have grown by 39% YoY.

Loss and provisions

- Loan losses dropped to 0.6% in YTD Dec22 from 1.3% in YTD Dec21.

Profit before tax

- PBT grew by 48% at Rs.223 Cr in YTD Dec22 as compared to Rs.150 Cr in YTD Dec21.

Sector Outlook

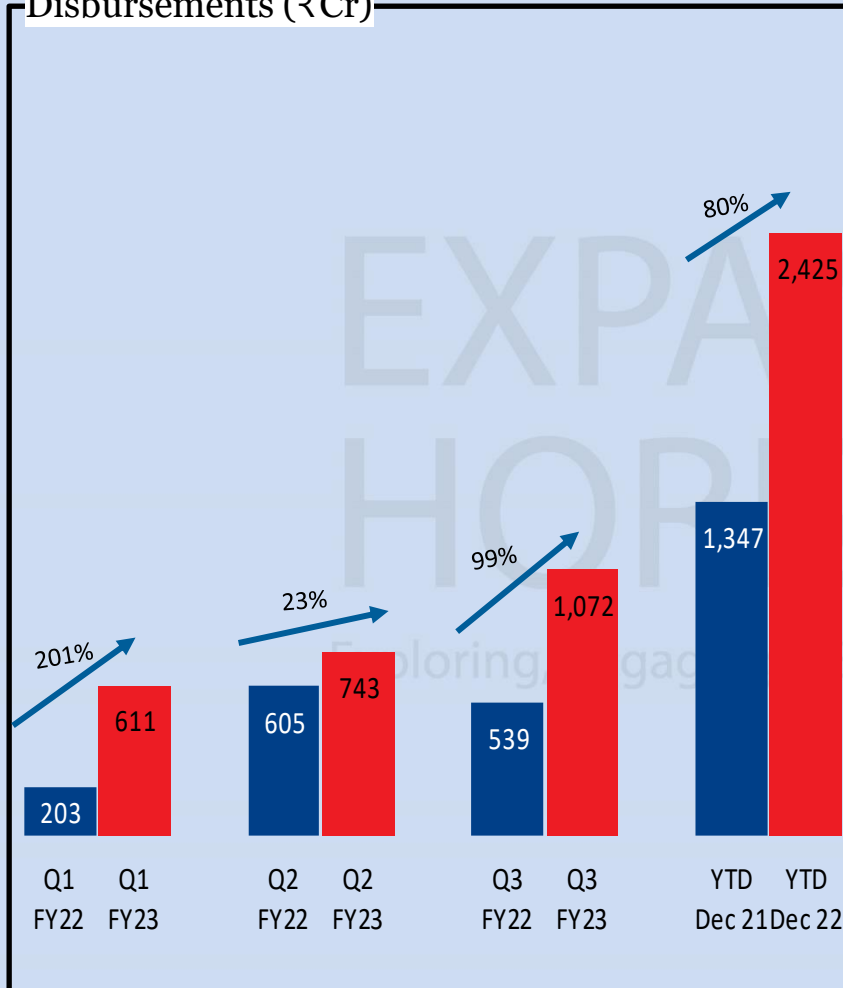
- Demand remained robust in Q3 FY23 and Affordable HFC growth continues to be pegged at 17-20% in FY23.
- GNPA's are expected to stabilize and analysts expect stress from restructured assets to be largely absorbed by H2 FY2023.
- The impact of rising interest rates on funding costs is expected in H2 FY2023, which could exert some pressure on the net interest margins (NIMs). However, it is expected to be somewhat offset by the upward revision in yields.

Chola's Position

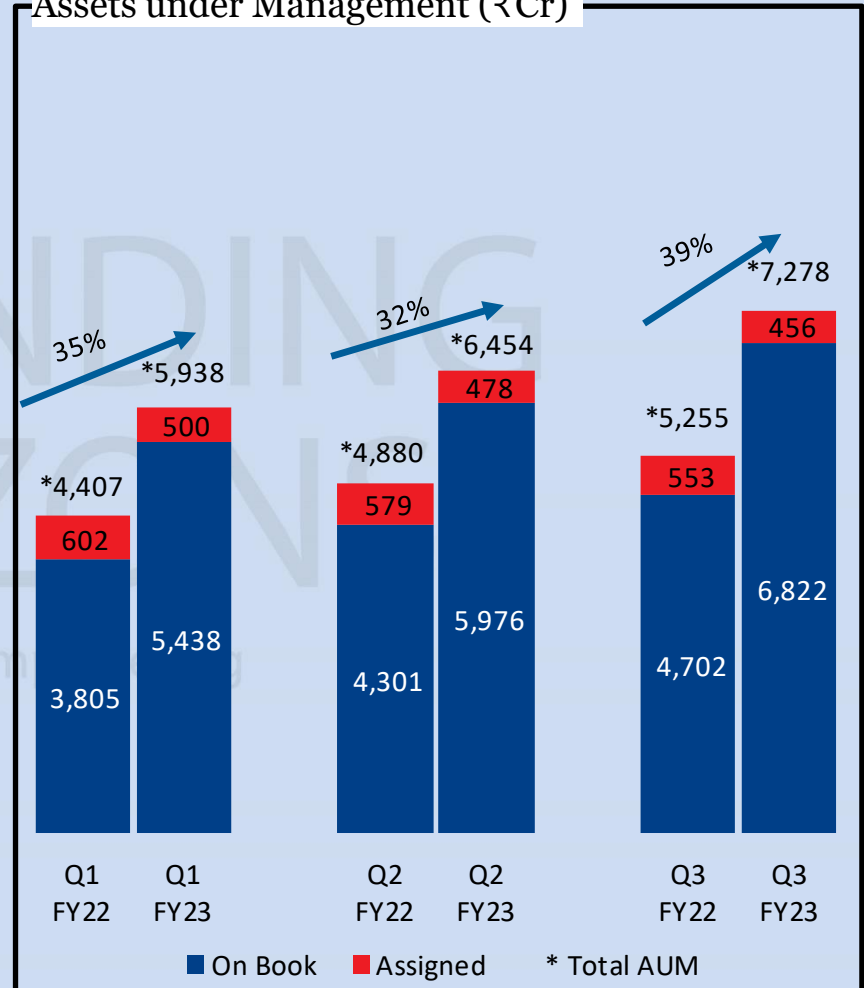
- Chola continues to expand its geographical footprint in the North, East & West Zones while continuing to deepen its footprint in the South.
- Chola is focusing on improving asset quality through analytics driven underwriting, improving efficiencies in collections and resolution of NPAs through SARFAESI.
- Business has been able to partially cover up rising cost of funds by increasing the customer's effective lending rate.

Home Loans - Disbursements and Asset Under Management

Disbursements (₹Cr)

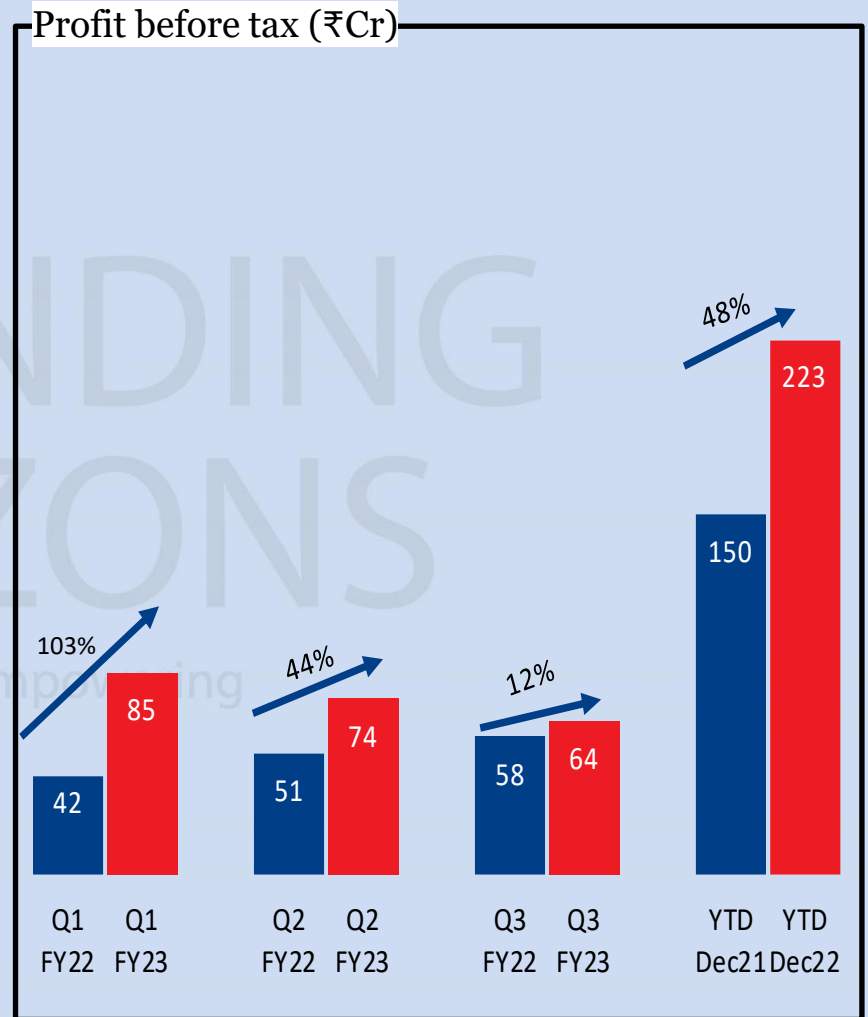
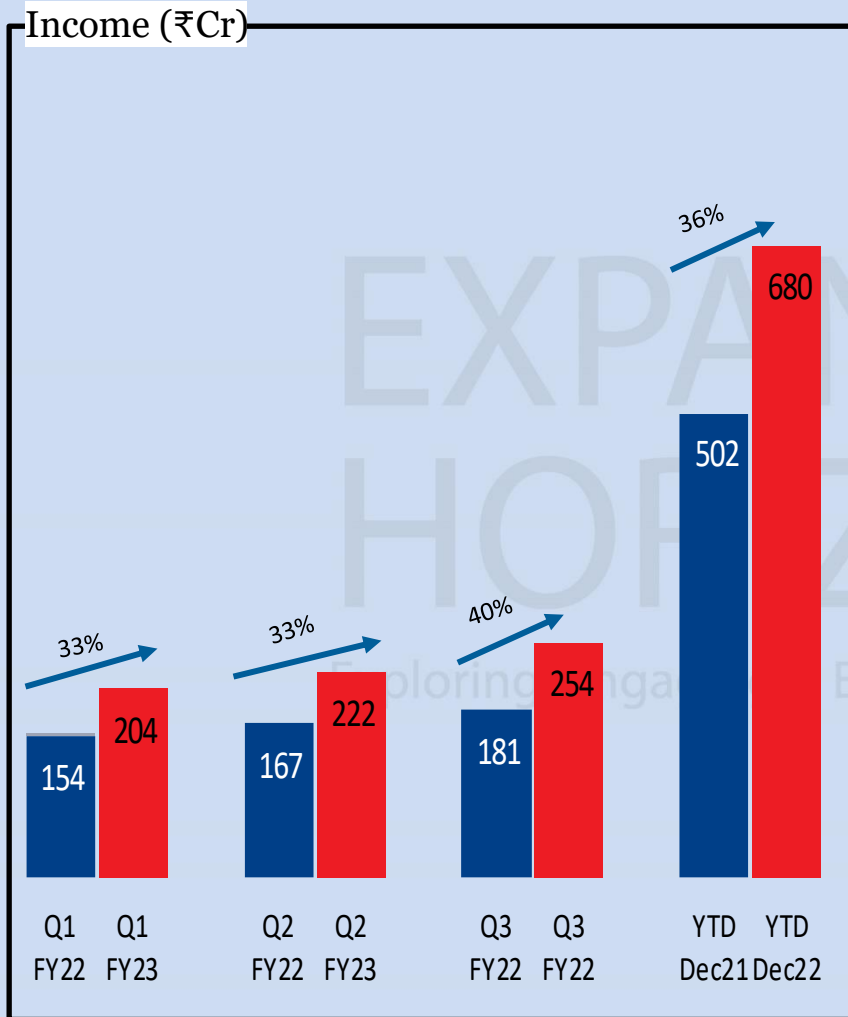


Assets under Management (₹Cr)



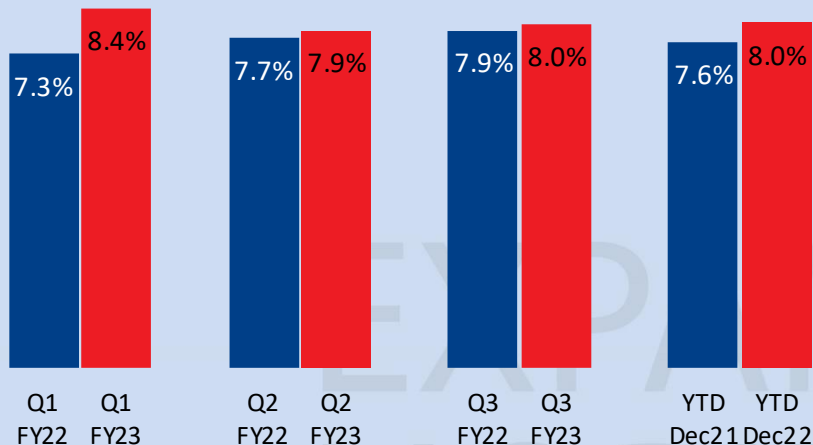
■ On Book ■ Assigned * Total AUM

Home Loans - Income and Profit before tax

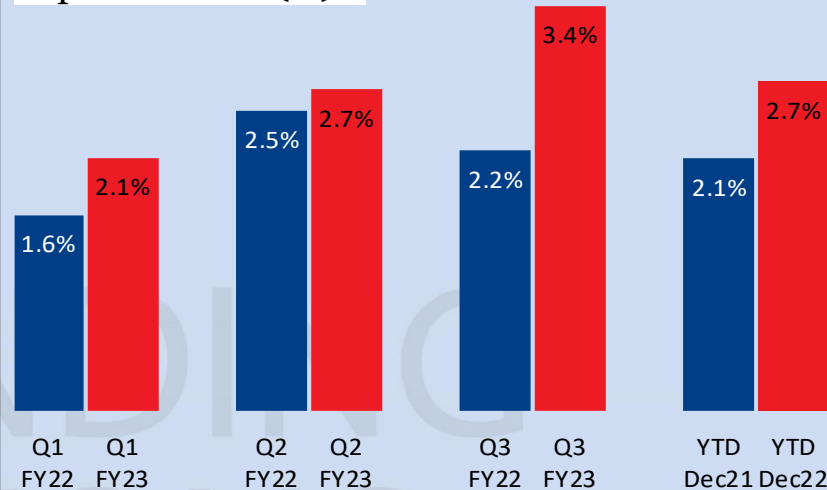


Home Loans – Asset Ratios

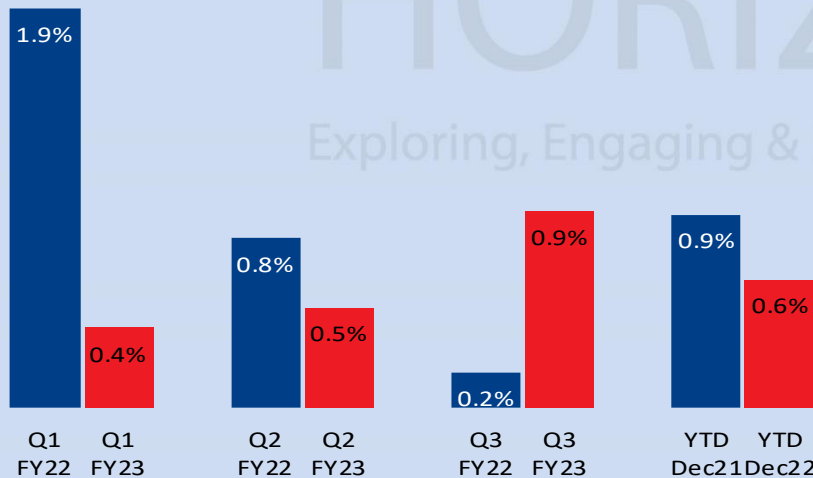
Net Income Margin (%)



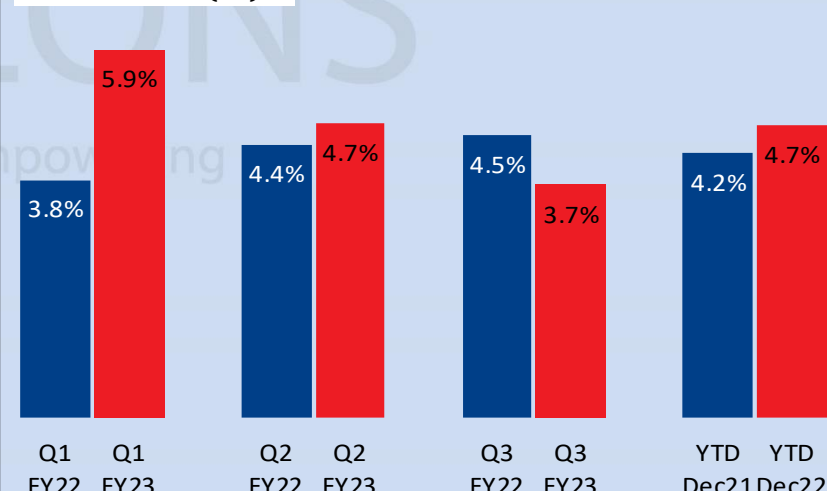
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Home Loans (Managed)

₹ Cr

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|----------------------------|
| Disbursements | 203 | 611 | 605 | 743 | 539 | 1,072 | 99% | 1,347 | 2,425 | 80% |
| Closing Assets - Managed | 4,407 | 5,938 | 4,880 | 6,454 | 5,255 | 7,278 | 39% | 5,255 | 7,278 | 39% |
| Operating Income | 154 | 204 | 167 | 222 | 181 | 254 | 40% | 502 | 680 | 36% |
| Finance Charges | 74 | 84 | 77 | 99 | 81 | 116 | 43% | 232 | 299 | 29% |
| Net Income | 80 | 120 | 90 | 123 | 100 | 139 | 38% | 270 | 382 | 41% |
| Expenses | 18 | 30 | 29 | 42 | 28 | 58 | 110% | 75 | 130 | 74% |
| Net Credit Losses | 20 | 5.40 | 9 | 7 | 15 | 16 | 6% | 45 | 29 | -36% |
| PBT | 42 | 85 | 51 | 74 | 58 | 64 | 12% | 150 | 223 | 48% |
| Asset Ratios | | | | | | | | | | |
| Income | 14.1% | 14.2% | 14.2% | 14.2% | 14.2% | 14.7% | | 14.1% | 14.3% | |
| Cost of Funds | 6.8% | 5.9% | 6.6% | 6.3% | 6.3% | 6.7% | | 6.5% | 6.3% | |
| Net Income Margin | 7.3% | 8.4% | 7.7% | 7.9% | 7.9% | 8.0% | | 7.6% | 8.0% | |
| Expense | 1.6% | 2.1% | 2.5% | 2.7% | 2.2% | 3.4% | | 2.1% | 2.7% | |
| Losses & Provisions | 1.9% | 0.4% | 0.8% | 0.5% | 1.2% | 0.9% | | 1.3% | 0.6% | |
| ROA-PBT | 3.8% | 5.9% | 4.4% | 4.7% | 4.5% | 3.7% | | 4.2% | 4.7% | |

Profit and Loss Statement - Home Loans (On Book)

₹ Cr

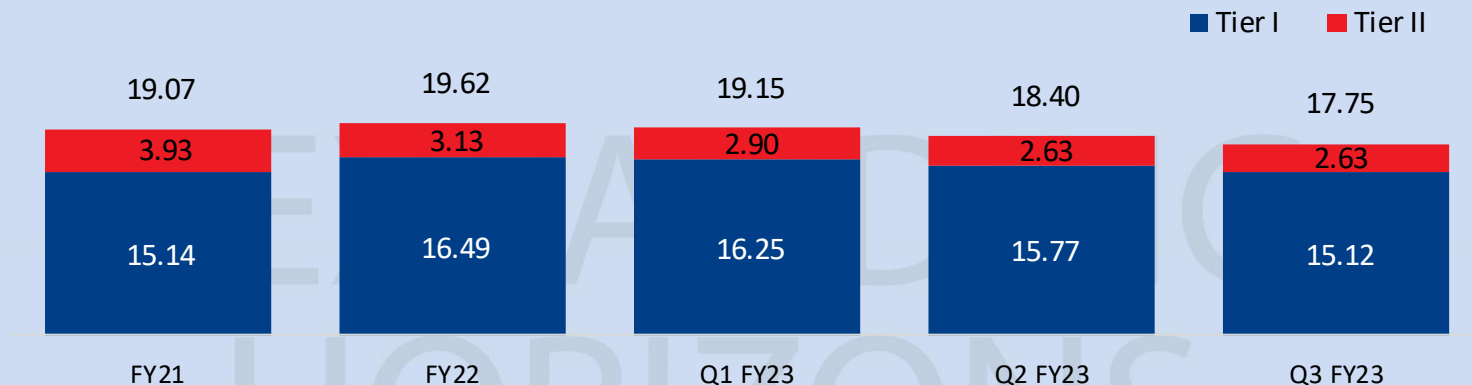
| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 | YTD Dec21 | YTD Dec22 | Growth % (YTD) Y-o-Y |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|----------------------------|
| Disbursements | 203 | 611 | 605 | 743 | 539 | 1,072 | 99% | 1,347 | 2,425 | 80% |
| Closing Assets (On B/S) | 3,805 | 5,438 | 4,301 | 5,976 | 4,702 | 6,822 | 45% | 4,702 | 6,822 | 45% |
| Operating Income | 136 | 185 | 148 | 205 | 164 | 239 | 46% | 447 | 630 | 41% |
| Finance Charges | 62 | 74 | 65 | 85 | 70 | 110 | 58% | 197 | 270 | 37% |
| Net Income | 74 | 111 | 83 | 120 | 94 | 129 | 37% | 251 | 360 | 44% |
| Expenses | 18 | 30 | 29 | 42 | 28 | 58 | 110% | 75 | 130 | 74% |
| Net Credit Losses | 20 | 5 | 9 | 7 | 15 | 16 | 6% | 45 | 29 | -36% |
| PBT | 35 | 75 | 44 | 71 | 52 | 55 | 7% | 131 | 201 | 53% |
| Asset Ratios | | | | | | | | | | |
| Income | 14.4% | 14.1% | 14.4% | 14.3% | 14.5% | 14.8% | | 14.4% | 14.3% | |
| Cost of Funds | 6.6% | 5.7% | 6.4% | 5.9% | 6.1% | 6.8% | | 6.3% | 6.1% | |
| Net Income Margin | 7.8% | 8.5% | 8.1% | 8.3% | 8.3% | 8.0% | | 8.0% | 8.2% | |
| Expense | 1.9% | 2.3% | 2.9% | 2.9% | 2.4% | 3.6% | | 2.4% | 3.0% | |
| Losses & Provisions | 2.2% | 0.4% | 0.9% | 0.5% | 1.3% | 1.0% | | 1.4% | 0.7% | |
| ROA-PBT | 3.8% | 5.7% | 4.3% | 4.9% | 4.5% | 3.4% | | 4.2% | 4.6% | |

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 | - |

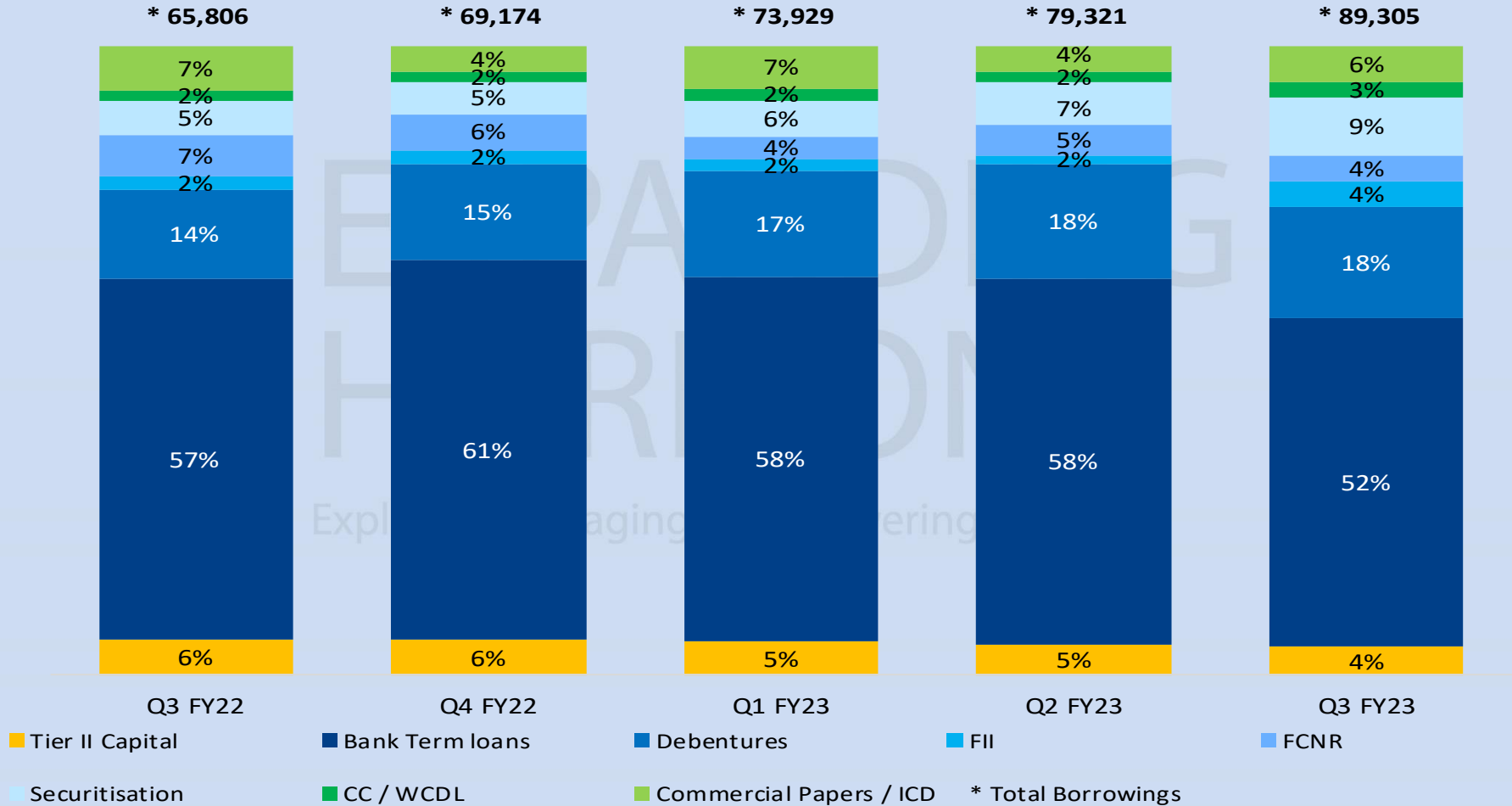
^ CP Rating

* NCD Rating

Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type

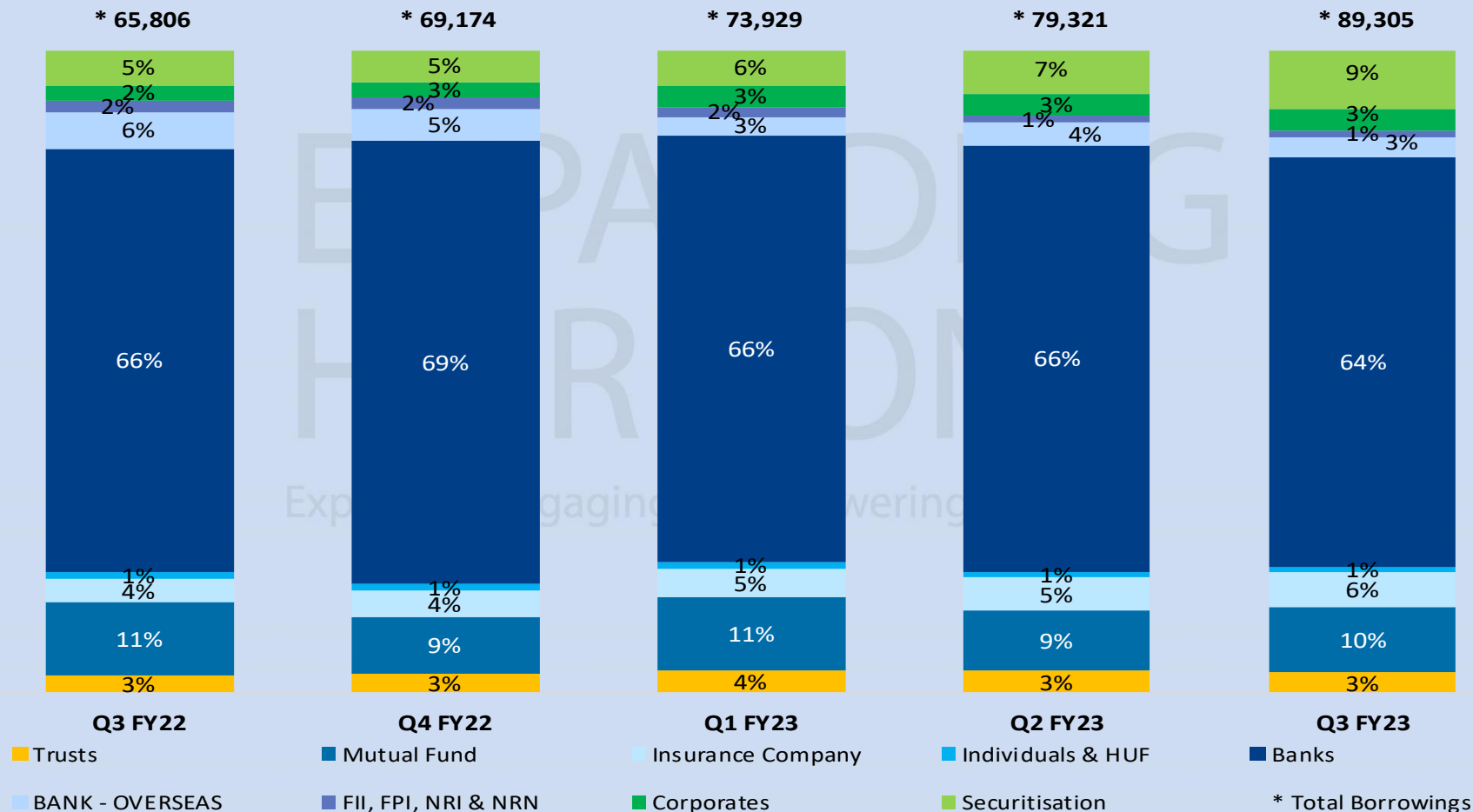
(₹Cr)



Diversified Borrowings Profile (I/II)

(₹Cr)

Borrowing mix by investor type



* Total Borrowings

ALM Statement as of 31st Dec 2022 (As per IND AS)

(₹Cr)

| ALM snapshot as on 31st Dec 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 | 2,920.00 | 899.28 | 1,662.68 | 0.80 | 381.18 | - | - | 1,532.34 | 7,396.27 |
| Advances | 4,744.75 | 3,685.19 | 3,237.35 | 9,430.04 | 15,033.08 | 39,653.44 | 12,212.76 | 10,432.02 | 98,428.63 |
| Trade Receivable & Others | 92.82 | 127.39 | 48.63 | 19.38 | 91.10 | 643.22 | 534.59 | 1,990.28 | 3,547.41 |
| Total Inflows (A) | 7,757.57 | 4,711.86 | 4,948.66 | 9,450.22 | 15,505.36 | 40,296.66 | 12,747.35 | 13,954.64 | 1,09,372.31 |
| Cumulative Total Inflows (B) | 7,757.57 | 12,469.43 | 17,418.09 | 26,868.30 | 42,373.67 | 82,670.32 | 95,417.67 | 1,09,372.31 | |
| Borrowin Repayment-Bank & Others | 3,612.79 | 1,055.29 | 2,465.99 | 4,039.10 | 11,118.81 | 30,216.21 | 12,412.29 | 565.20 | 65,485.69 |
| Borrowin Repayment- Market | 1,411.14 | 3,417.03 | 2,422.66 | 1,443.18 | 2,185.94 | 9,222.71 | 3,011.52 | 2,716.20 | 25,830.38 |
| Capital Reserves and Surplus | - | - | - | - | - | - | - | 13,819.42 | 13,819.42 |
| Other Outflows | 2,643.89 | 181.60 | 55.36 | 333.33 | 590.83 | 191.35 | 112.20 | 128.25 | 4,236.82 |
| Total Outflows (C) | 7,667.82 | 4,653.92 | 4,944.00 | 5,815.62 | 13,895.59 | 39,630.27 | 15,536.01 | 17,229.08 | 1,09,372.31 |
| Cumulative Total Outflows (D) | 7,667.82 | 12,321.74 | 17,265.74 | 23,081.36 | 36,976.95 | 76,607.22 | 92,143.23 | 1,09,372.31 | |
| E. GAP (A - C) | 89.75 | 57.95 | 4.65 | 3,634.60 | 1,609.77 | 666.39 | (2,788.66) | (3,274.44) | |
| F.Cumulative GAP (B - D) | 89.75 | 147.69 | 152.35 | 3,786.94 | 5,396.72 | 6,063.10 | 3,274.44 | 0.00 | |
| Cumulative GAP as % (F/D) | 1.17% | 1.20% | 0.88% | 16.41% | 14.59% | 7.91% | 3.55% | 0.00% | |

Note: Behavioural ALM.

Advances and maturities include the securitization inflows and outflows respectively

Consolidated Financials



Consolidated Profit & Loss

(₹Cr)

| Particulars | Q1 FY22 | Q1 FY23 | Q2 FY22 | Q2 FY23 | Q3 FY22 | Q3 FY23 | Growth % Q3-o-Q3 |
|-------------|---------|---------|---------|---------|---------|---------|---------------------|
| Income | 2,493 | 2,796 | 2,497 | 3,067 | 2,557 | 3,408 | 33% |
| Expenses | 2,049 | 2,032 | 1,675 | 2,305 | 1,847 | 2,482 | 34% |
| PBT | 444 | 764 | 821 | 762 | 710 | 926 | 30% |
| PAT | 329 | 562 | 610 | 563 | 528 | 685 | 30% |



The background image shows a person in a dark suit and tie, holding a transparent globe with the letters 'ESG' in white. The person's hand is visible, and they are pointing upwards with their index finger. In the background, there are faint, glowing icons: a leaf inside a circle (representing environment), a group of people (representing social), and a building (representing governance). The text 'ENVIROMENT' is visible in the top left, 'SOCIAL' in the middle left, and 'GOVERNANCE' in the bottom left, all in a light blue, sans-serif font. A red diagonal line runs from the top left towards the bottom right, separating the text area from the image.

Environmental Social Governance

Awards & Accolades

FY21

- **FTSE Russell** - Included in FTSE4 Good Index series

FY22

- **FTSE Russell** - Reaffirmed as constituent of FTSE4Good Index Series in June 2021.

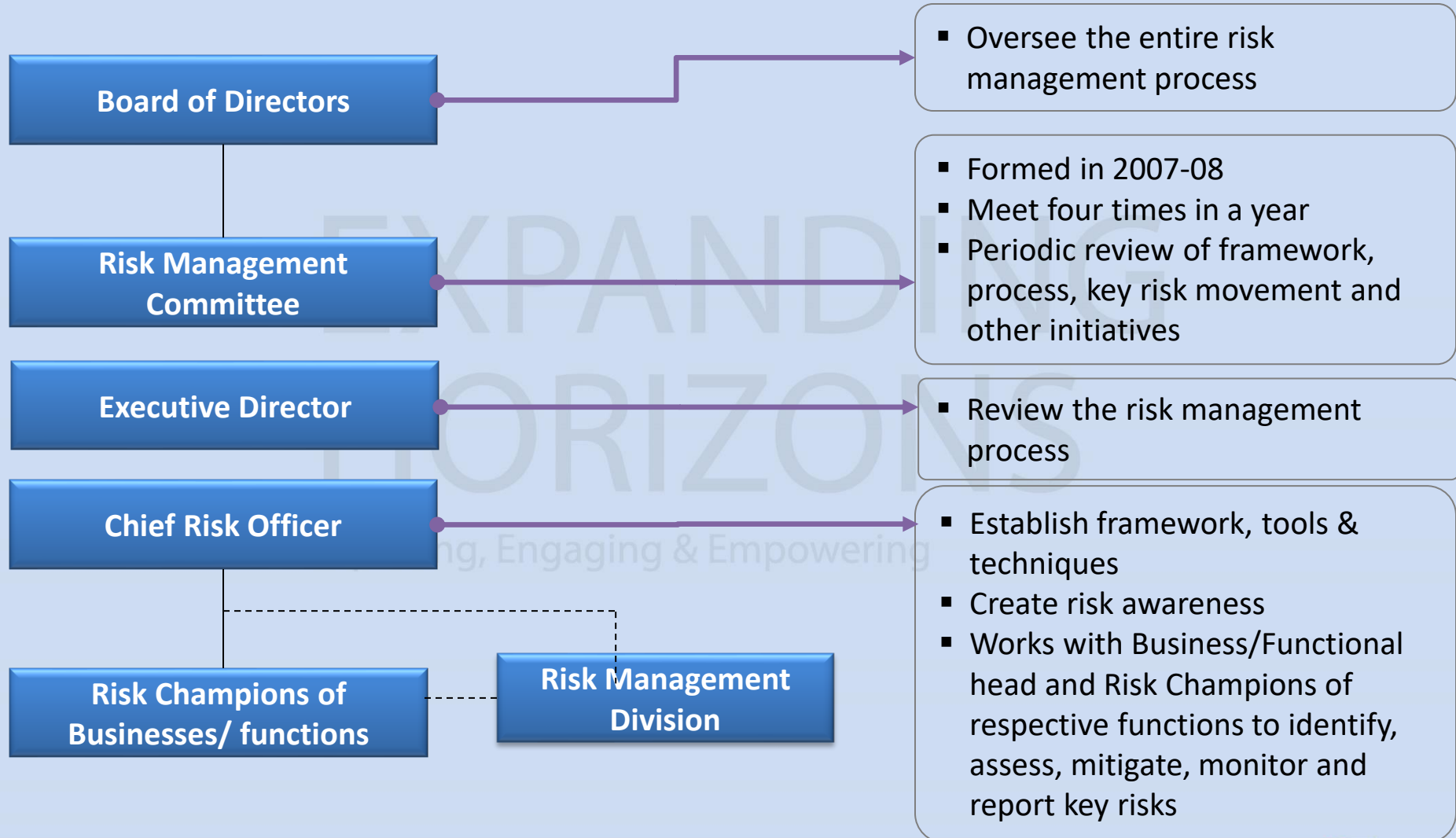
FY 23

- **FTSE Russell** - Reaffirmed as constituent of FTSE4Good Index Series in June 2022.
- **CRISIL ESG rating** – STRONG

Risk Management



Risk Governance Structure

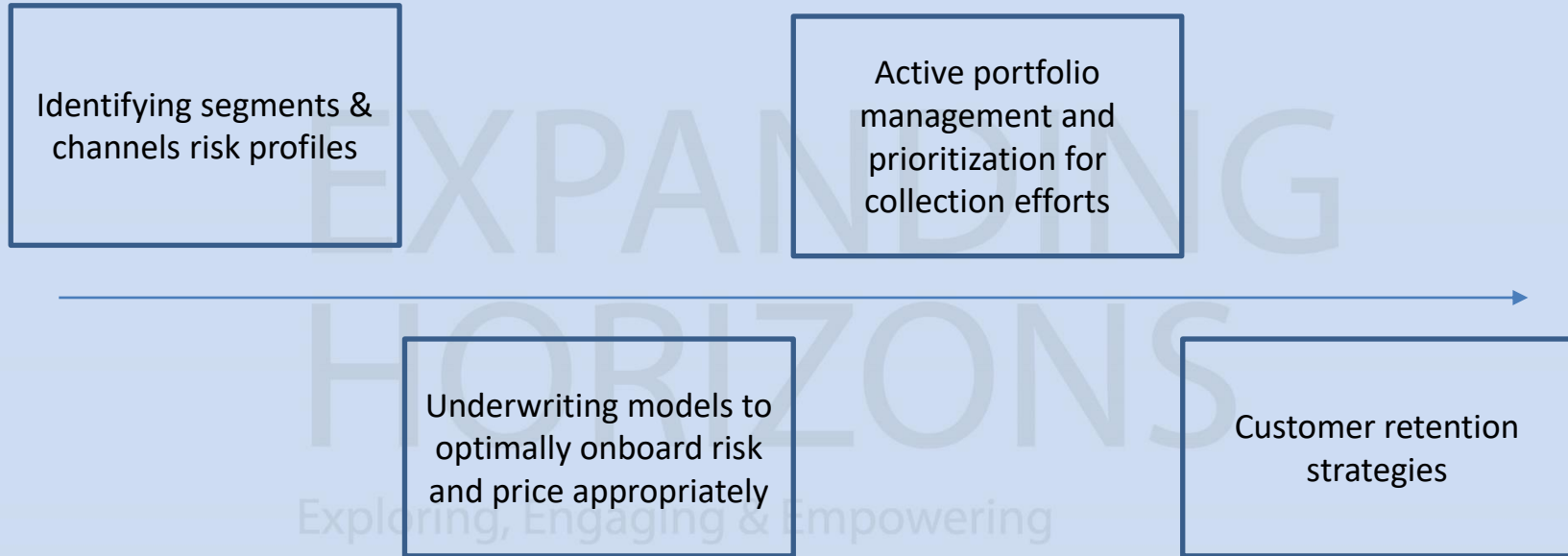


Key Functions of Risk Management Division

- Identify key risks in each function/business
- Assess the risks in terms of probability of occurrence and their impact
- Identify mitigation/ risk controls put in place by respective process champions
- Identify key risk indicators to measure and monitor residual risk. Breach in key risks against thresholds are highlighted to risk champions to take appropriate mitigation strategies
- For each function/business, the Risk Index monitors the level and direction of risk. Composite Risk Index tracks the level and direction of risks at an enterprise level.

ERM as Value Centre in Business Processes

- ERM works with business teams on the overall customer life cycle management



- ERM team actively engages with the product teams for assessing risk reward trade-offs and other initiatives

ERM as Value Centre in Corporate Processes

- Periodic engagement with internal audit team to incorporate key observations on process failures identified by IA team which will be considered as part of risk review process. ERM also gives risk based inputs to internal audit team to plan and prioritize their audits
- Actively participates and provides inputs to Asset Liability support group which monitors company's liquidity position
- Actively involved in risk assessment of IT and Cyber Security and its mitigation strategies
- Developing a framework for ESG implementation in the organization
- Develop and manage business continuity plan for all critical corporate functions across the organization

Information Technology



Technology Infrastructure

Provide resilient & scalable environment

- Continue wider usage of hybrid cloud solutions and adopt cloud-first approach for new business solutions
- Established upgraded network infrastructure to support cloud solution & collaboration
- Design comprehensive BCP / DR execution for critical applications w.r.t Cloud & On-Premise solution hosting
- Augmented asset and service management solution to handle all lifecycle events of technology assets

Digital Engagement & Application Platform

Deliver seamless digital experience for all

- New platform for digital enablement of SME ecosystem with API enabled solution
- New Digital services for online partnerships as well as assisted mode for personal and business loans
- Complete integrated solution for loan management lifecycle for the mortgage business
- Increased robotic automation for targeted processes in the Finance & Operations functions

Security & Governance

Embed cyber security & technology governance

- Continued rigor for carrying out vulnerability assessment for deployed solutions and underlying systems
- Drive cyber security and data handling awareness across organization's employee and customer base
- Enhanced automation for user lifecycle management with respect to user accounts and application access
- Execute cyber security governance and checks for new 3rd party partners & service providers for our businesses
- Develop and manage a clear electronic asset disposal policy and appropriate handling of e-waste

People & Innovation

Drive innovation & build new capabilities

- Ensure ongoing compliance with RBI master directions, across infrastructure, applications, network, service management and security
- Improve employee engagement & productivity through deployment of collaboration tools and automated reports
- Deploy enhanced bots and engagement of customers using online, voice, and WhatsApp channels
- Build teams with requisite skills in strategic technology areas to ensure readiness on Digital Technology front as a function

Contact us

Our registered office

Cholamandalam Investment and Finance Company Limited (Chola),
Dare House 1st Floor, No. 2, NSC Bose Road, Parrys,
Chennai 600001.

Toll free number: 1800-200-4565 (9 AM to 7 PM)

Land Line: 044-3000 7172

<http://www.cholamandalam.com>

Email-ID

Sujatha P-Sr. Vice President & Company Secretary–
companysecretary@chola.murugappa.com

Arulselvan D-Executive Vice President & CFO–
cfo@chola.murugappa.com

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