



Chola

Financial Holdings

CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED

CORPORATE PRESENTATION – Q1-FY25



murugappa

Murugappa Group in a Nutshell



Years of Existence



Consolidated Turnover (FY24)



Group Market cap (as on 28th Jun 2024)



Sectors



Businesses



Listed Companies



Geographical Presence

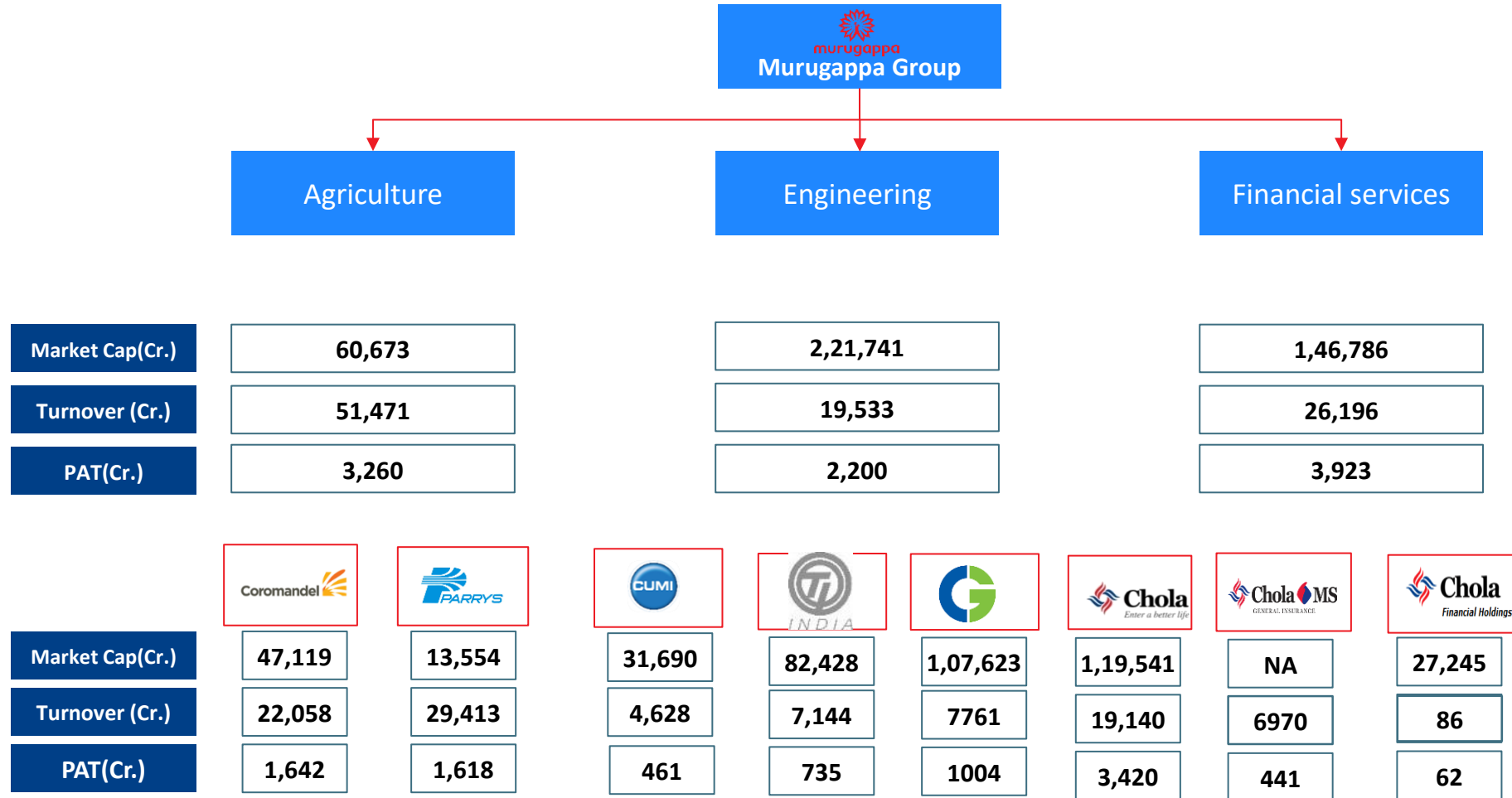


Manufacturing Locations



Work force

Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.
 Financial Performance are of FY 23-24.
 Market data as on 28th Jun 2024. 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.”

Cholamandalam Financial Holdings Limited (CFHL)
(Core Investment Company)

44.38%

Cholamandalam
Investment and
Finance Company
Limited (CIFCL)

- Subsidiary (as per Ind AS)
- Associate (as per Companies Act)
- Listed Company
- Leading NBFC - Vehicle Finance, Loan against Property, Home Loans and other Secured/Unsecured Loans
- Stock broking and distribution of financial products through Subsidiary Companies

60.00%

Cholamandalam MS
General Insurance
Company Limited
(MSGICL)

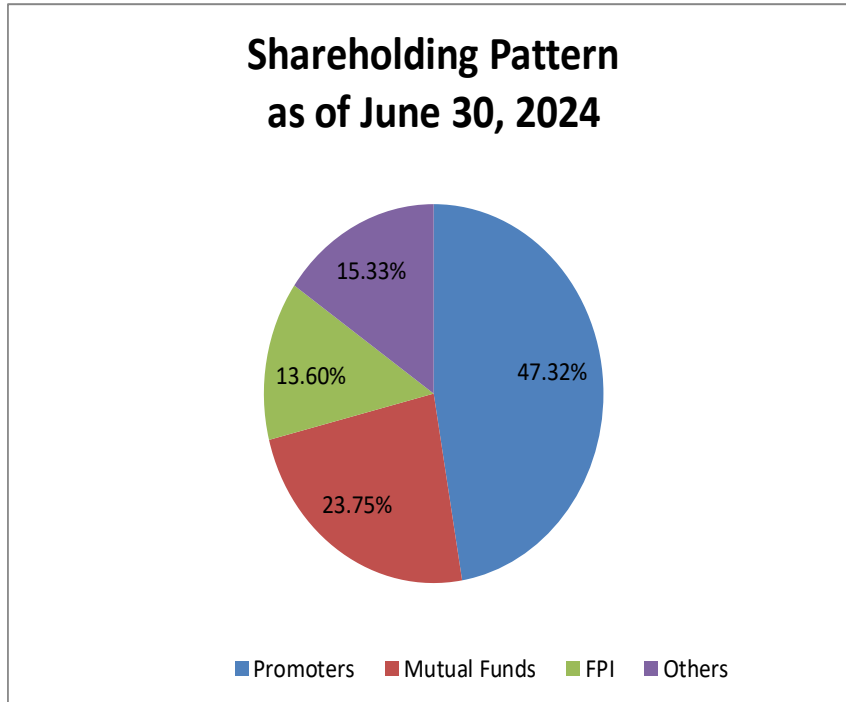
- Joint Venture with Mitsui Sumitomo Insurance Group, Japan
- Subsidiary
- Unlisted
- Multi-line insurer
 - a) Personal - Motor, accident, health, home
 - b) Commercial - Property, Engineering, Marine, Liability and Group Accident & Health

49.50%

Cholamandalam MS
Risk Services Limited
(CMSRSL)

- Joint Venture with Mitsui Sumitomo Insurance Group, Japan
- Unlisted
- Risk Management and Engineering Solutions - Environment, Health and Safety

Shareholding Pattern



Institutional Holders (More than 1%)

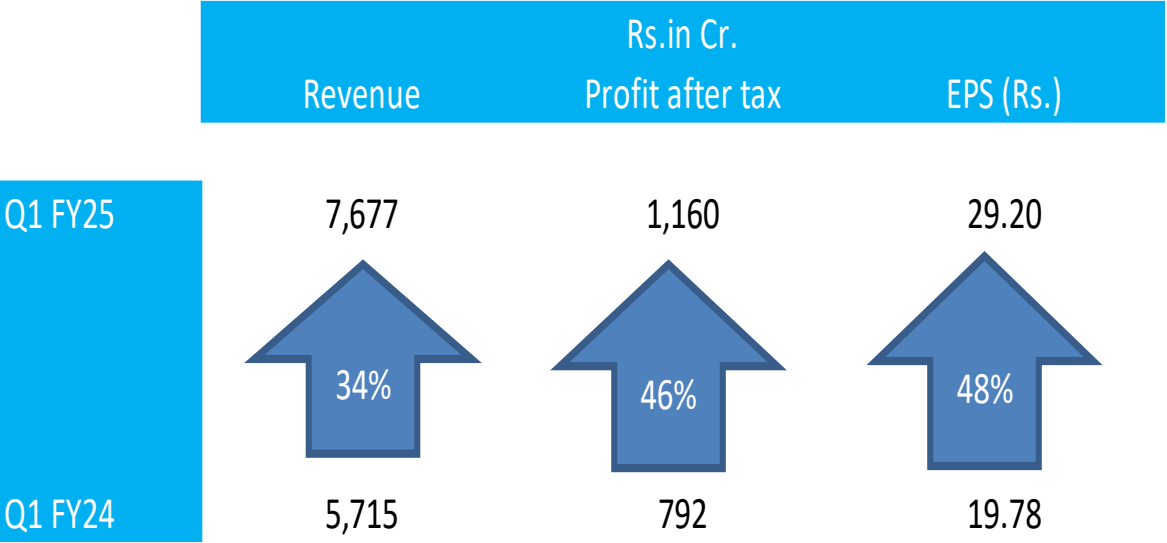
Top Domestic Institutional Holdings

- * ICICI Mutual Fund
- * Aditya Birla Mutual Fund
- * HDFC Mutual Fund
- * Nippon India Mutual Fund
- * Sundaram Mutual Fund
- * Axis Mutual Fund
- * Bandhan Mutual Fund

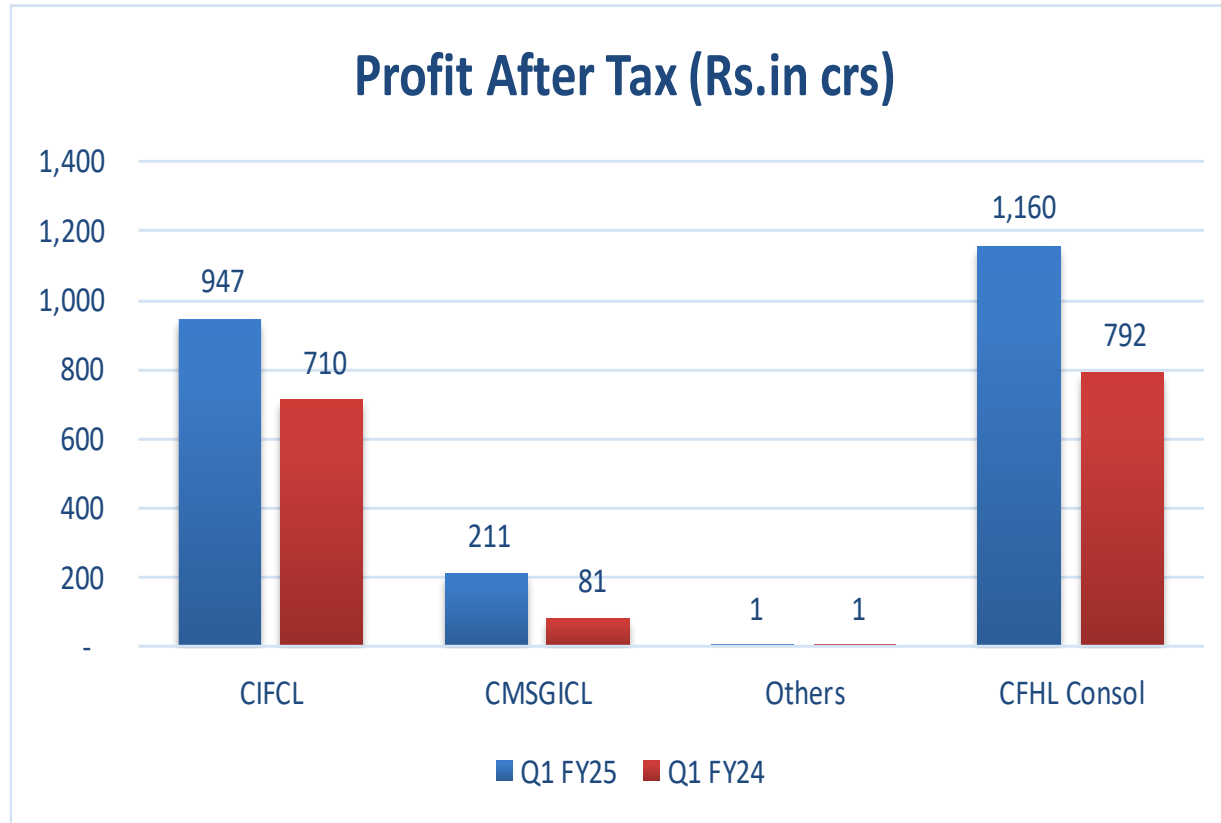
Top Foreign Institutional Holdings

First Sentier Investors ICVC - Stewart Investors I

Performance Highlights - Consolidated



Performance Highlights - Consolidated



Financial Performance & Metrics

CFHL - Standalone	Q1 FY25	Q1 FY24
Particulars (Rs. in Cr)		
Income	2.58	2.58
Expenses	0.72	1.55
Profit Before Tax	1.86	1.03
Tax Expense	0.47	0.26
Profit After Tax	1.39	0.77

CFHL - Standalone	As of	As of
Balance Sheet (Rs. in Cr)	30-Jun-2024	31-Mar-2024
Networth	1,289.05	1,287.50
Other Liabilities	1.81	1.65
Total Equity and Liabilities	1,290.86	1,289.15
Investments and Bank deposits	1,279.49	1,279.31
Other Assets	11.37	9.84
Total Assets	1,290.86	1,289.15

*CIE - Chola Insurance Express; VO - Virtual Office

CIFCL	Q1 FY25	Q1 FY24
Disbursements (Rs. in Cr)	24,332	20,015
	As of	As of
	30-Jun-2024	31-Mar-2024
Asset Under Management (Rs. in Cr)	1,68,832	1,53,718
No. of Branches	1,438	1,387

CMSGICL	Q1 FY25	Q1 FY24
Gross Written Premium (Rs. in Cr)	1,957	1,731
	As of	As of
	30-Jun-2024	31-Mar-2024
Investment Portfolio (Rs. in Cr)	16,826	16,538
Market presence (Branch+CIE +VO)*	668	669

CMSRSL	Q1 FY25	Q1 FY24
Revenue (Rs. in Cr)	16.29	15.28
Profit After Tax (Rs. in Cr)	0.12	0.25
	As of	As of
	30-Jun-2024	31-Mar-2024
Networth (Rs. in Cr)	42.96	42.84

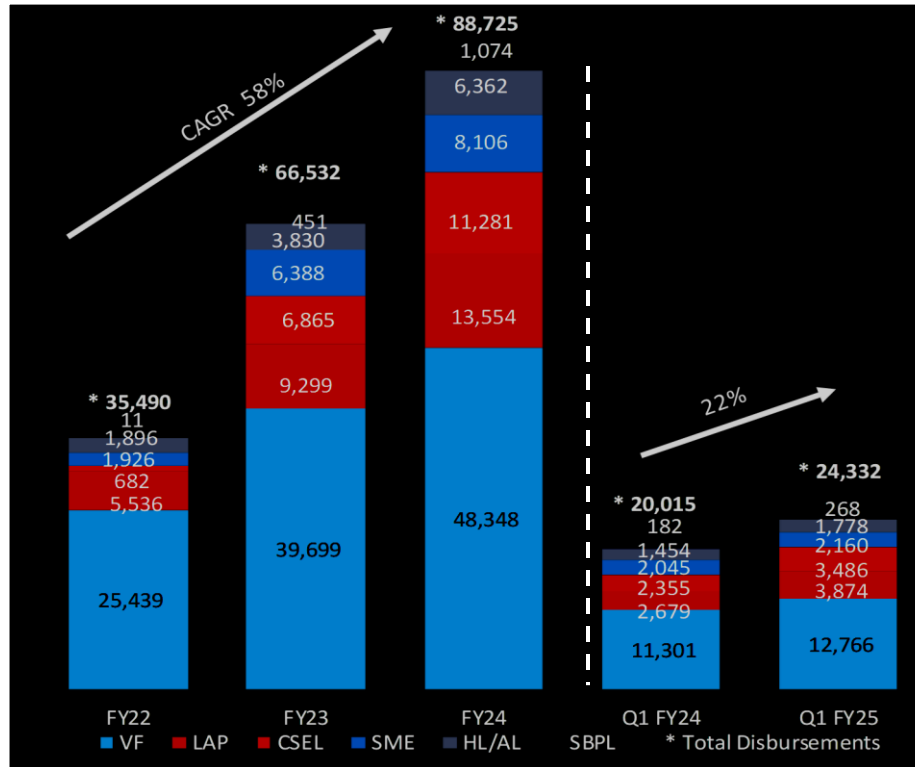
Regulatory Ratios of CFHL

Particulars	Rs Crs	
	As of June 30, 2024	As of March 31, 2024
Owned Funds (A)	1,278.65	1,277.09
Adjusted Networth (B)	23,370.55	22,575.32
Risk Weighed Assets (C)	1,280.42	1,280.25
Outside Liabilities (D)	1.81	1.65
Net assets (E)	1,279.73	1,279.56
Investment in equity shares of group companies (F)	1,279.49	1,279.31
Capital Ratio (B / C)	1825.22%	1763.36%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.0001	0.0001
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.981%	99.980%
Regulatory minimum	90.000%	90.000%

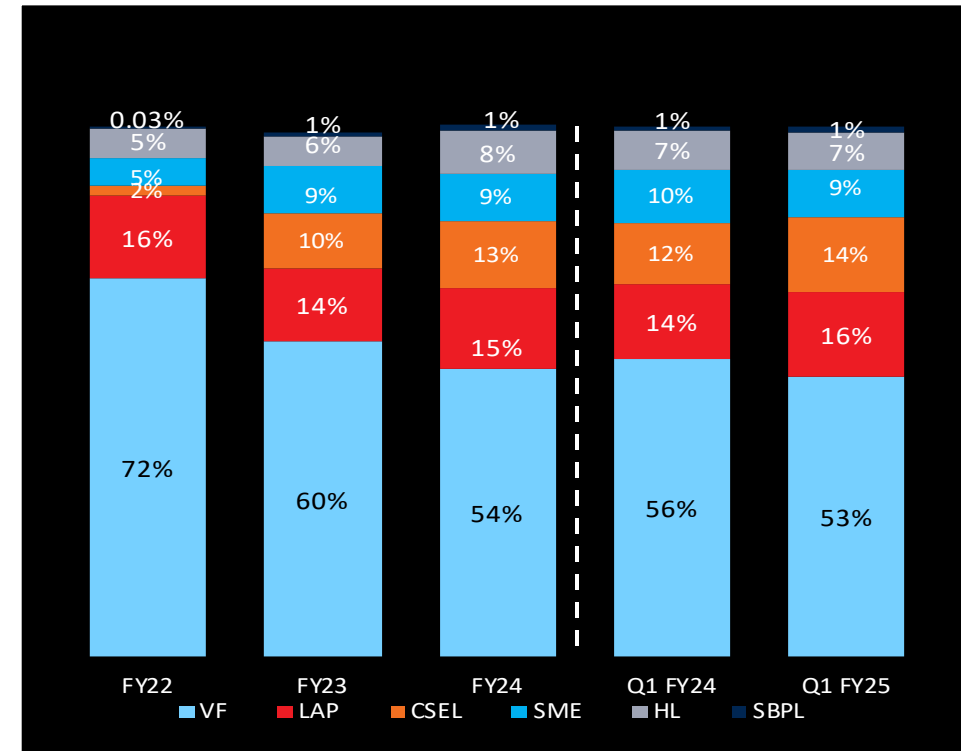
Cholamandalam Investment and Finance Company Limited

Disbursements

Disbursements (₹Cr)



Disbursements (%)

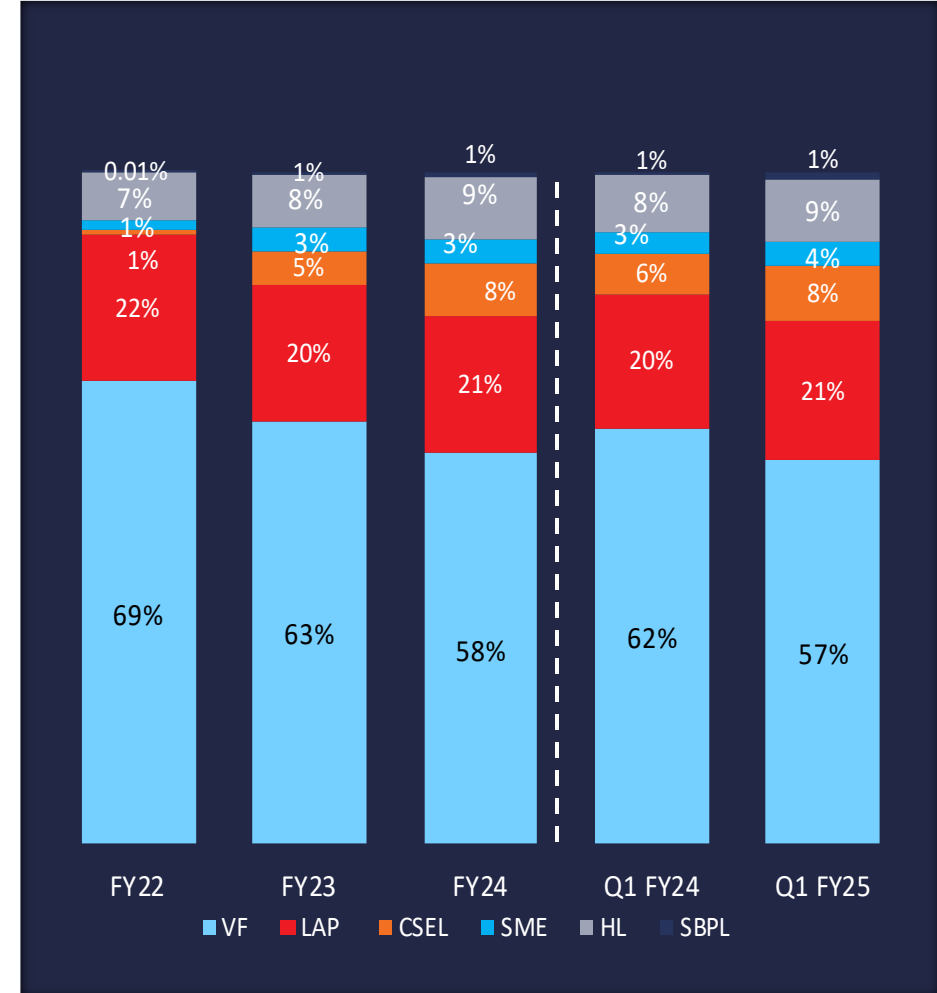
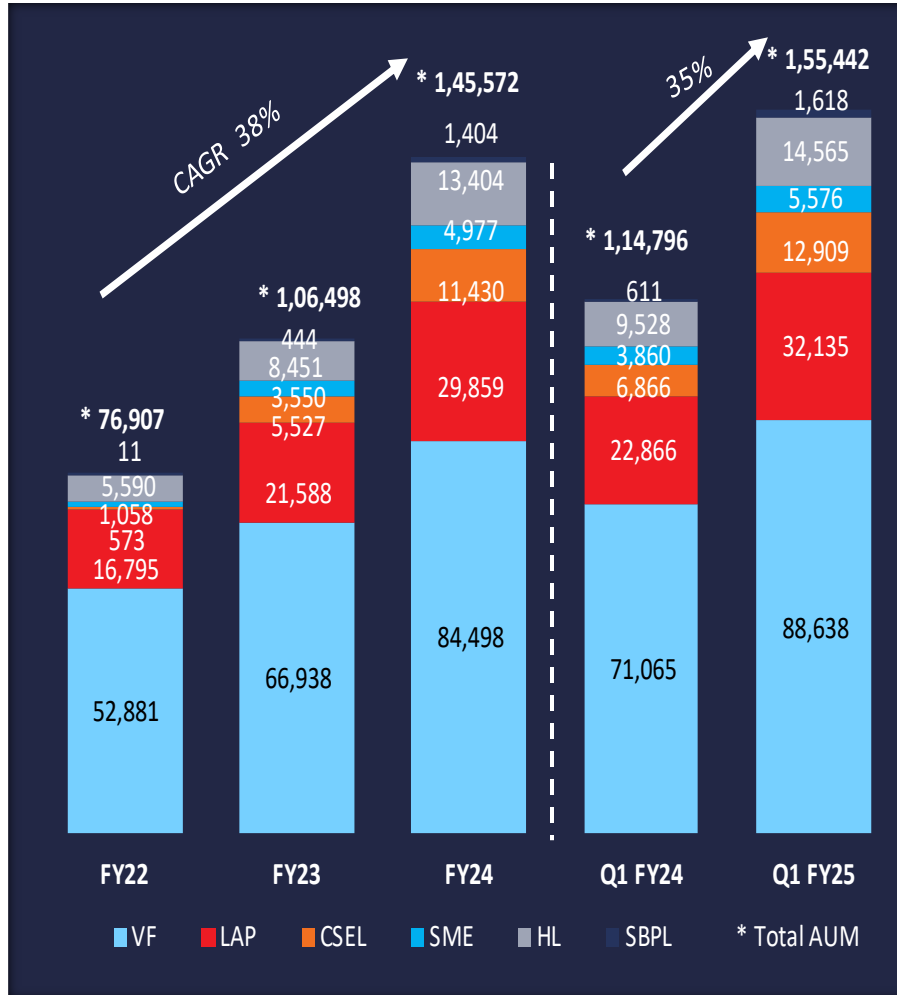


New business includes SME, CSEL and SBPL

Assets Under Management

Business - Assets under Management (₹Cr)

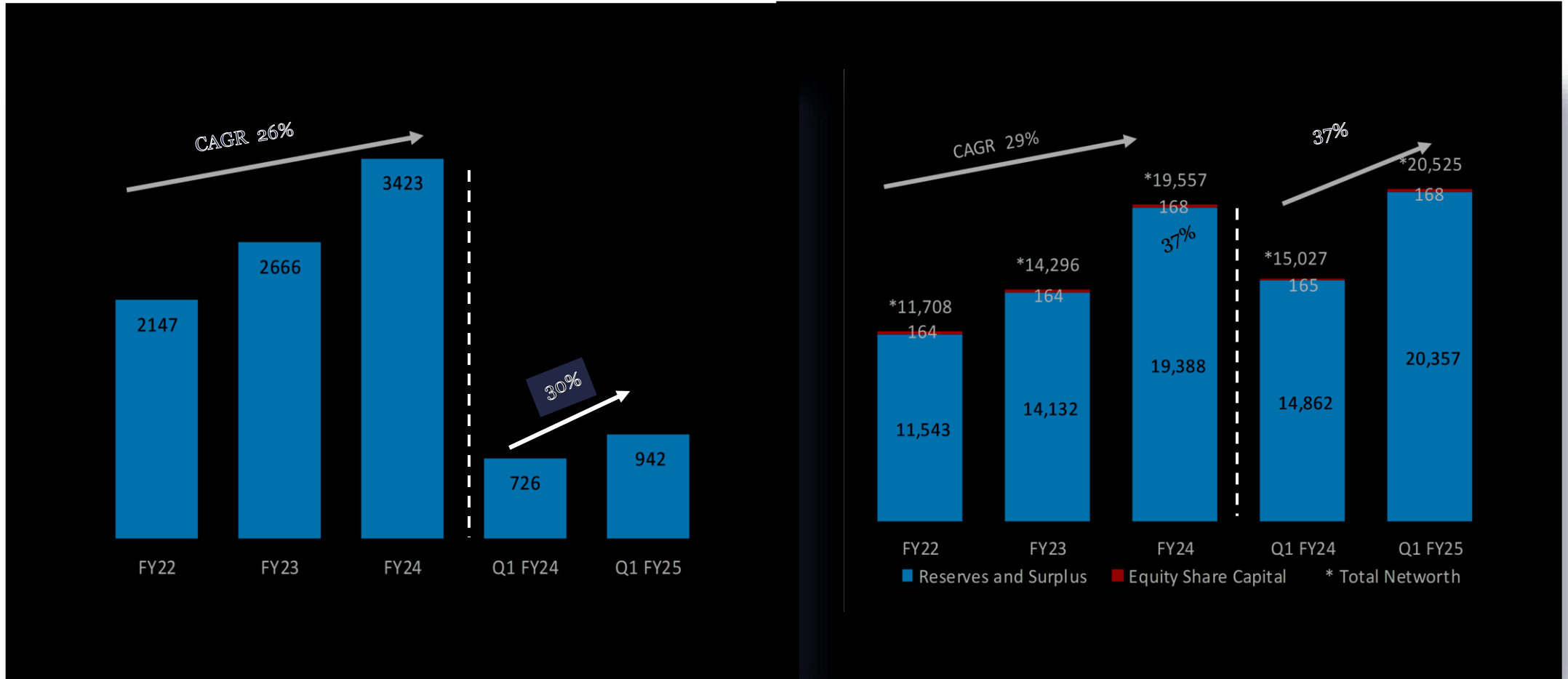
Business - Assets under Management (%)



Profitability and Net worth

Profit after tax (₹Cr)

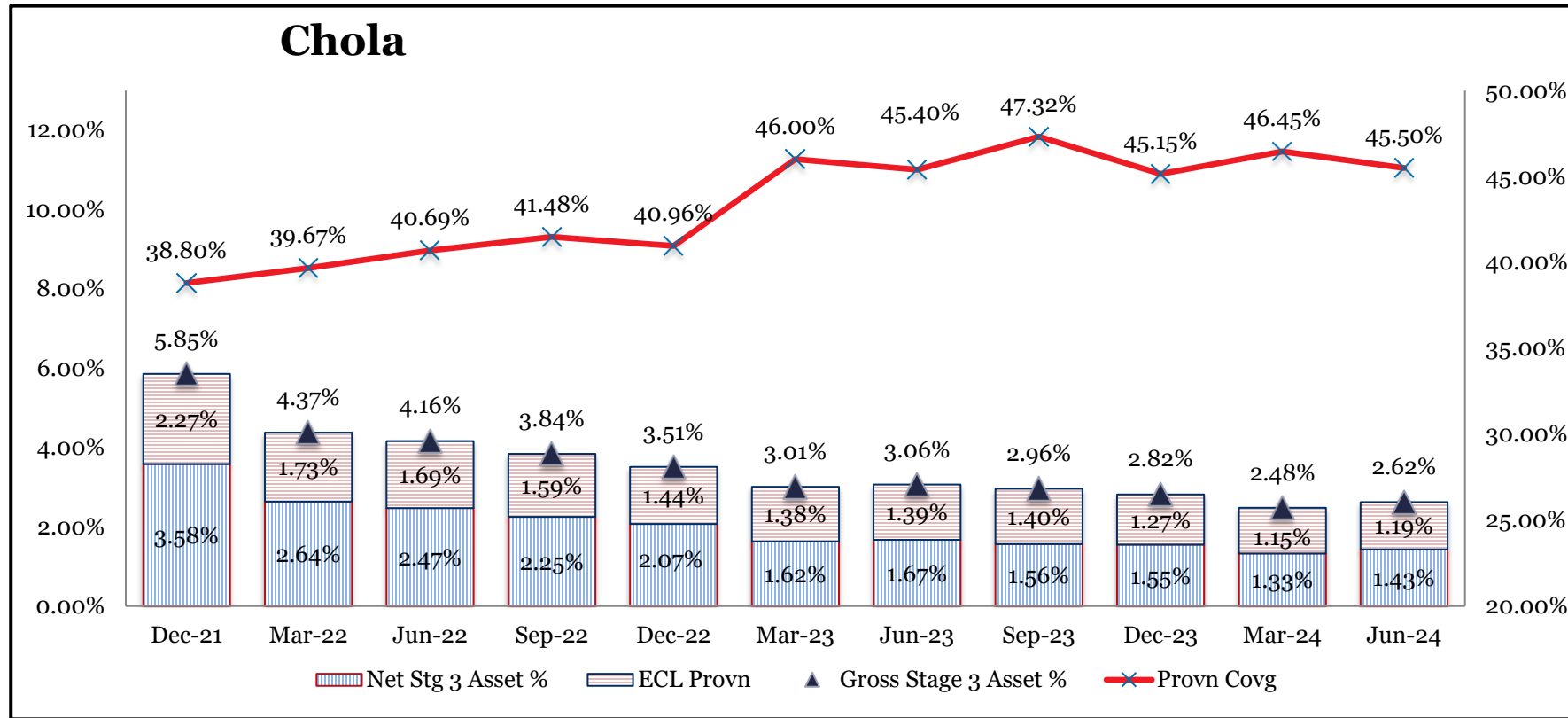
Networth (₹Cr)



Note on Networth

FY24 – Raised capital of ₹2,000 Cr (QIP) and Rs.2,000 Cr (Compulsory Convertible Debentures).

Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of Jun24 is at 3.62% and 2.37% respectively.

Vehicle Finance



Vehicle Finance: Q1FY25 Performance

Disbursements	<ul style="list-style-type: none">Disbursements grew by 13% in Q1FY25 to Rs. 12,766 Cr as compared to Q1FY24.
Assets under management	<ul style="list-style-type: none">AUM has grown by 25% YoY.
Loss and provisions	<ul style="list-style-type: none">Loan losses at 1.9% in Q1FY25 from 1.5% in Q1FY24.
Profit before tax	<ul style="list-style-type: none">PBT grew by 24% in Q1FY25 to Rs.620 Cr as compared to Q1FY24

Sector outlook – Vehicle Finance business (1/3)

Sector Outlook

- The Light commercial vehicle segment had a growth of 6% in Q1 FY'25 which is an all-time high sales for Q1 of any previous year. The impact of high base effect may mute growth in this segment during the year.
- The Small commercial vehicle segment had a de-growth of 1% in Q1 FY'25. Slowdown of growth is expected in this segment.
- The Heavy commercial vehicle segment had a growth of 5% in Q1 FY'25. The growth in this segment will be dependent on government spends and thrust on infra.

Chola's Position

- We will continue our focus in this segment in line with macro economic demand.
- Our financing in this segment will be based on viability and cash flows amongst customers.
- Our exposure in this segment is minimal at a portfolio level. We will keep a close watch on this segment in line with industry growth.

Sector outlook – Vehicle Finance business (2/3)

Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 3% in Q1 FY'25 which is an all-time high sales for Q1 of any previous year. This segment has witnessed consecutive all time high growth over the last two years and is expected to have single digit growth this year.
- The Two-wheeler industry had a growth of 20% in Q1 FY'25. This segment is expected to grow at a healthy pace supported by rural demand.
- The Used vehicle industry growth is directly attributed to the increasing price trends of new vehicles over the years and also driven by higher replacement demand. The growth in this segment is expected to be positive during the year.

Chola's Position

- We will continue our focus in this segment in line with retail demand and customer sentiments.
- Our focus in two-wheeler segment will be driven by portfolio quality and profitability.
- Used vehicles contribute to nearly 28% of our portfolio. We will continue to focus this segment with a clear focus on collections.

Sector outlook – Vehicle Finance business (3/3)

Sector Outlook

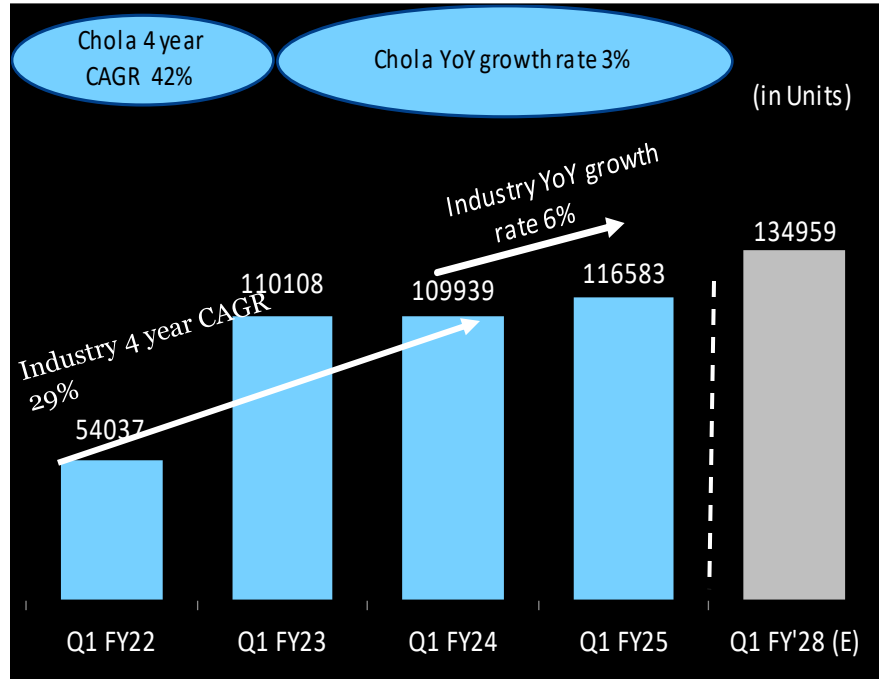
- The Construction Equipment segment had a growth of 5% in Q1 FY'25. This segment is poised to grow in line with governments infra outlay, improvement in mining and thrust on rural projects.
- The Tractor industry had a marginal growth of 1% in Q1 FY'25. This segment is expected to have marginal growth supported by above normal rainfall forecast for the year, higher budget allocation for agriculture and allied activities.

Chola's Position

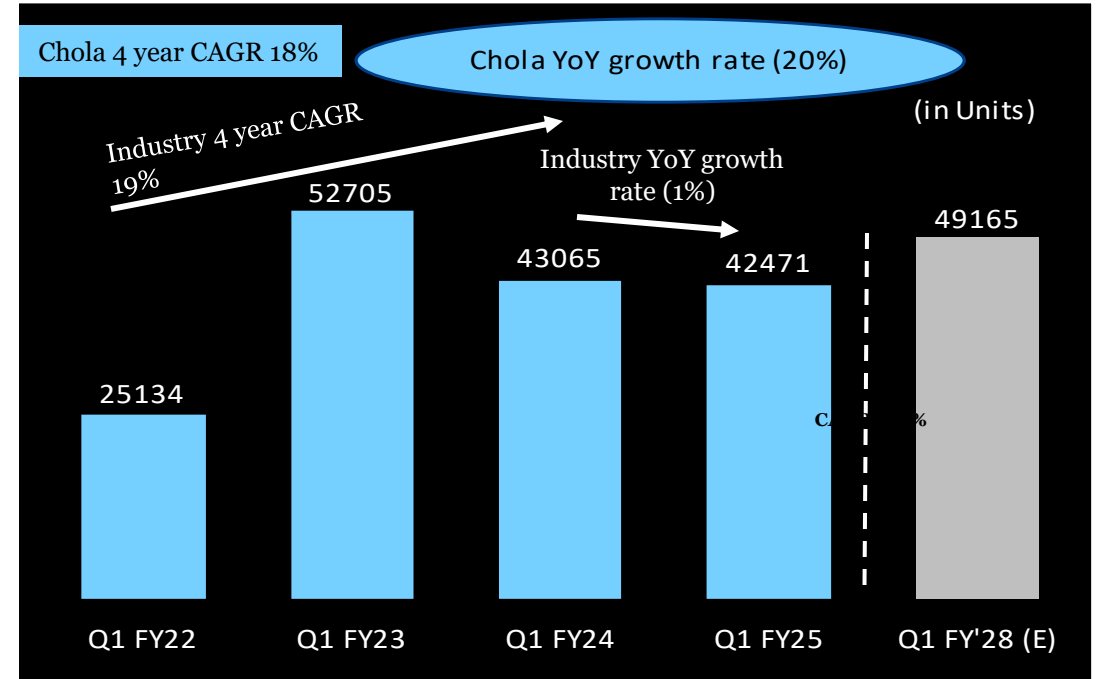
- Our exposure in this segment is around 7% at a portfolio level and we will strive to maintain quality book.
- Our growth in this segment will be influenced by multiple external factors like even rainfall, healthy crop harvest and rural cash flows.

Auto Industry Outlook

Trend in Domestic LCV Sales

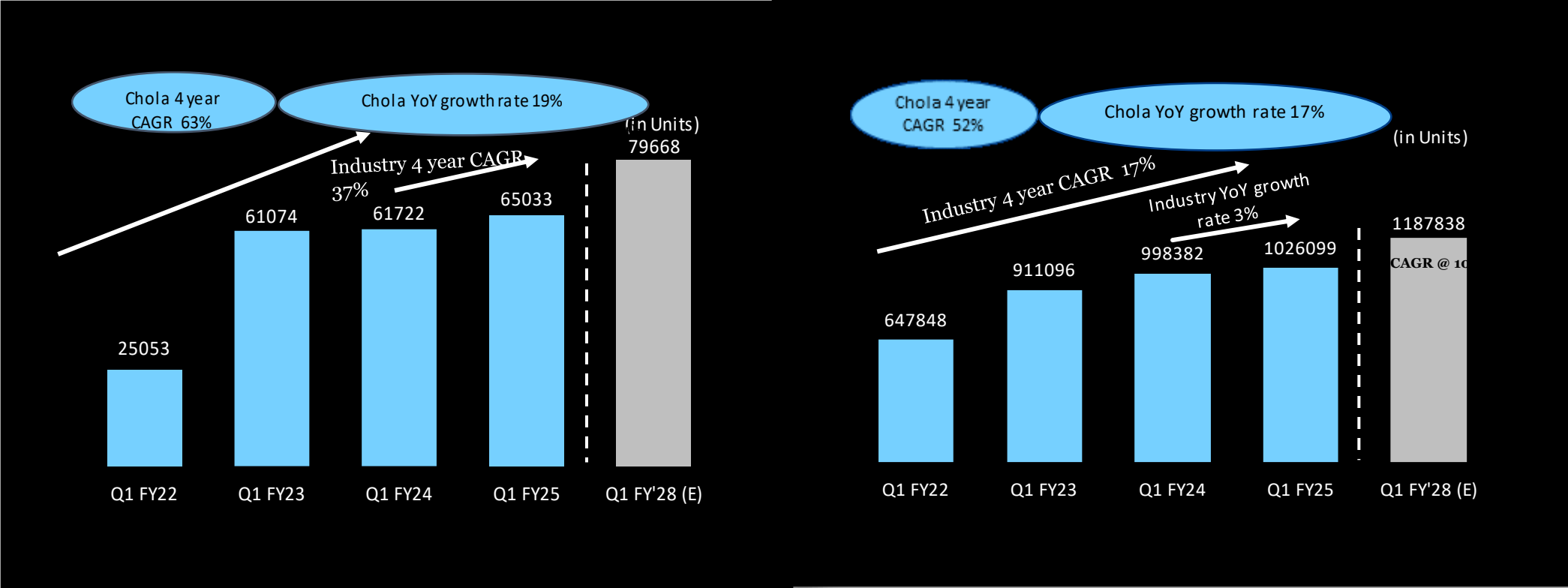


Trend in Domestic SCV Sales



- 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



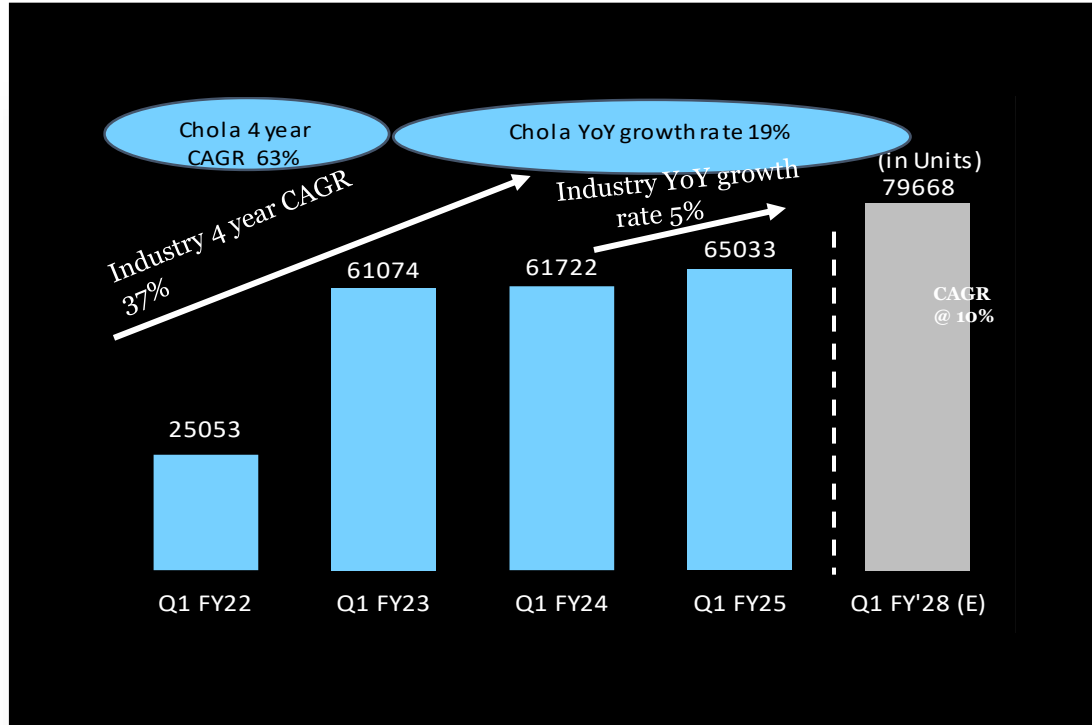
- Improved industrial activity, steady agricultural output and the government’s focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

- 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.

Source: FY22 to FY28 numbers are from SIAM & ICRA

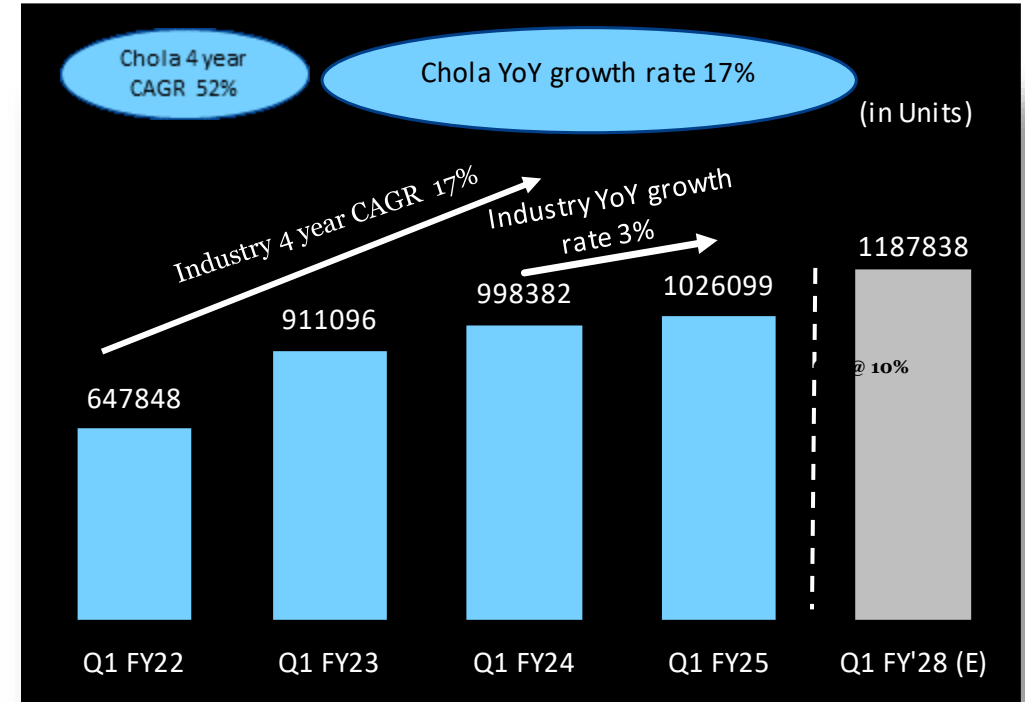
Auto Industry Outlook

Trend in Domestic HCV Sales



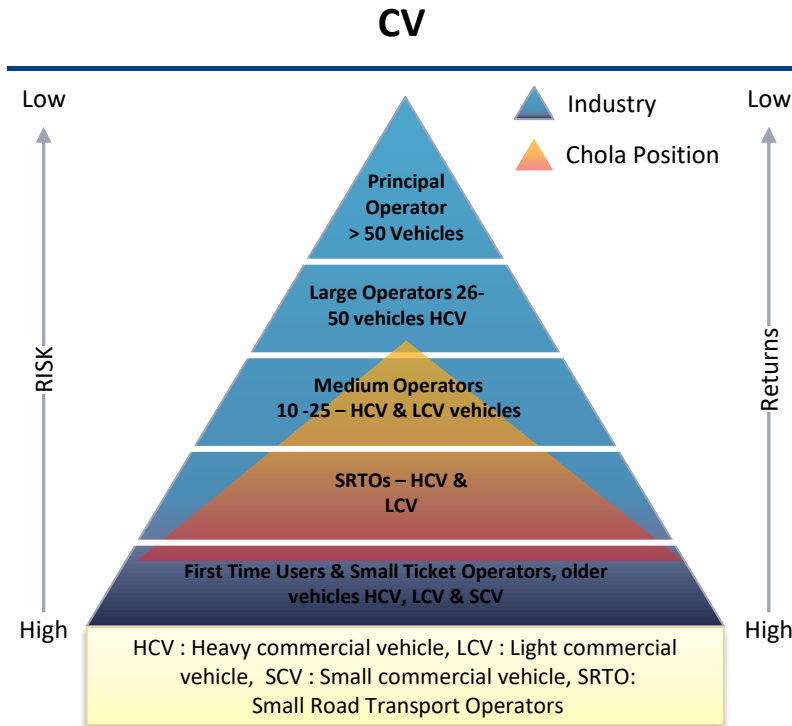
- Improved industrial activity, steady agricultural output and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

Trend in Domestic Car & MUV Sales

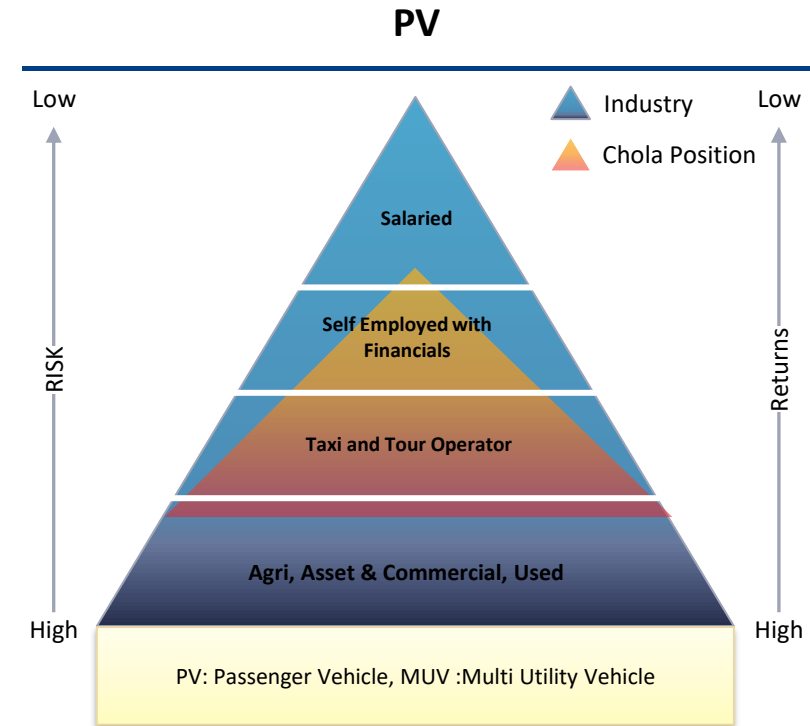


- Higher disposable income and introduction of newer models to aid long term demand.
- Increase in rural demand and growing penetration in tier III, tier IV towns will back stable growth.

Vehicle Finance—Business Model & Positioning

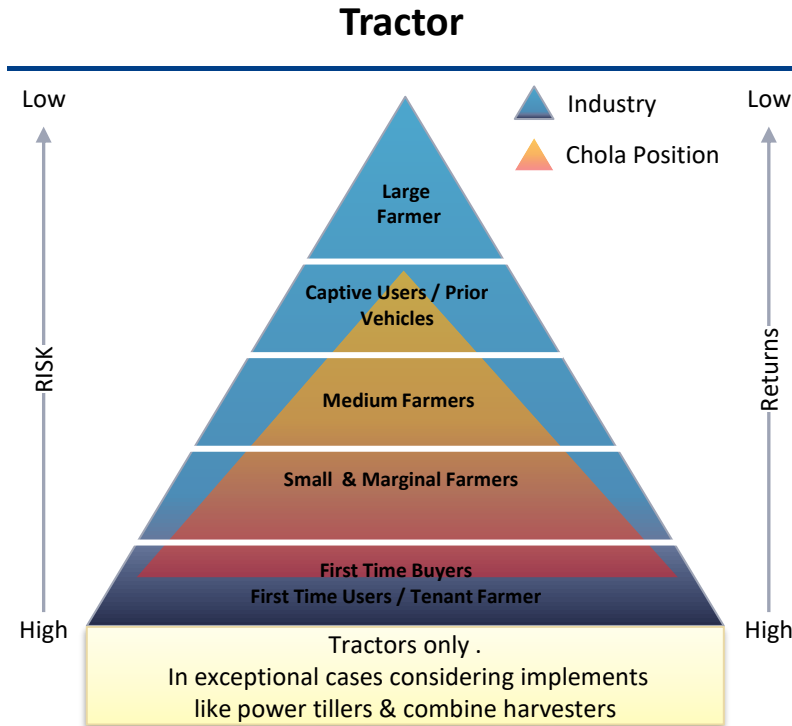


- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

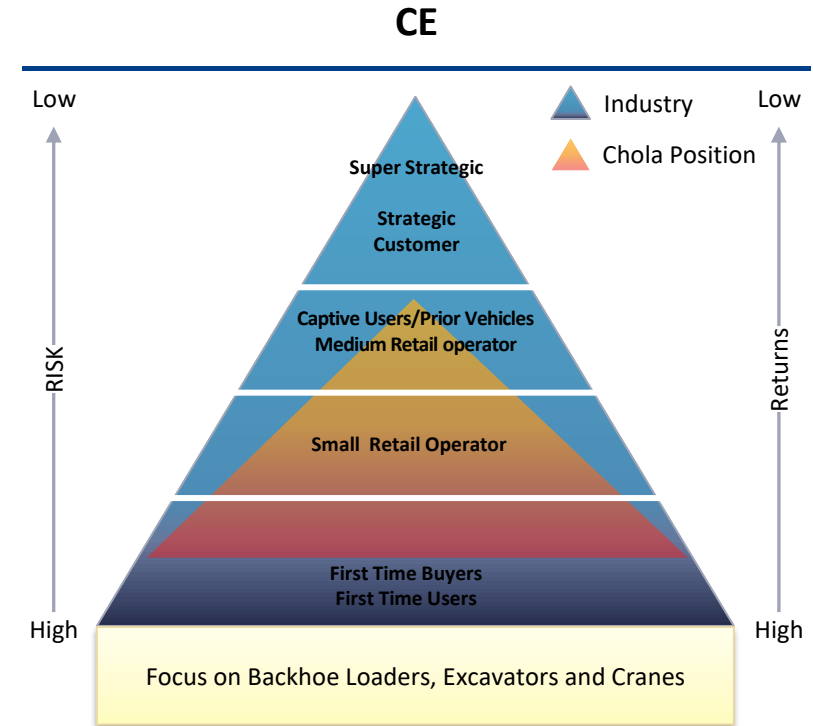


- ~ 66% of disbursements are to Chola Existing, Agri & Commercial usage customers
- ~ 34% disbursements are to Self Employed with financials
- Chola positioning-
 - Middle of the pyramid is into Agri, Asset & Commercial

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



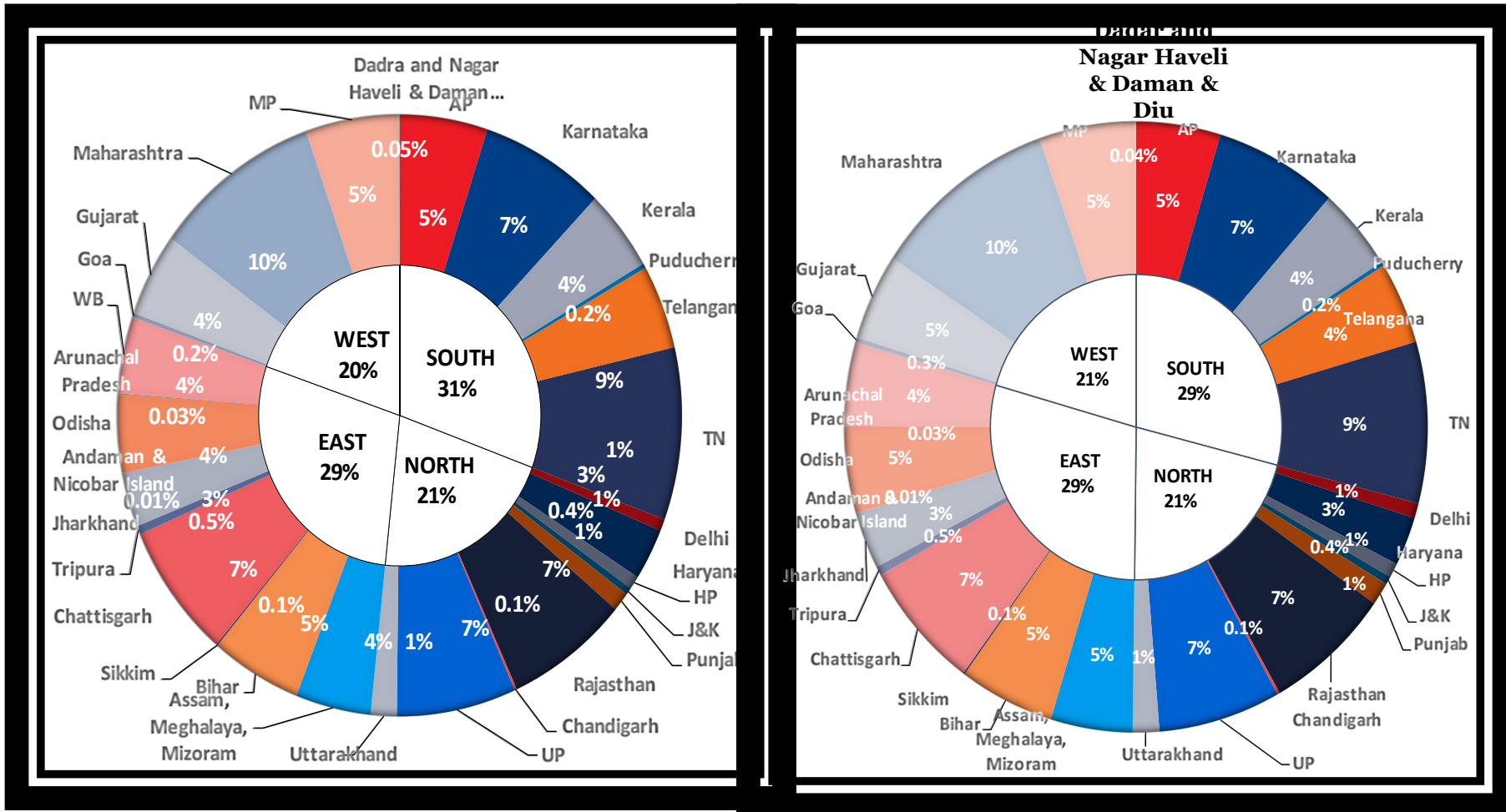
- ~ 69% of disbursements are to retail customer segment
- Application –
 - Captive
 - Hiring
- New & Used

Vehicle Finance - Disbursement/Portfolio Mix – Q1FY25

Well diversified across geography

Disbursements - State wise

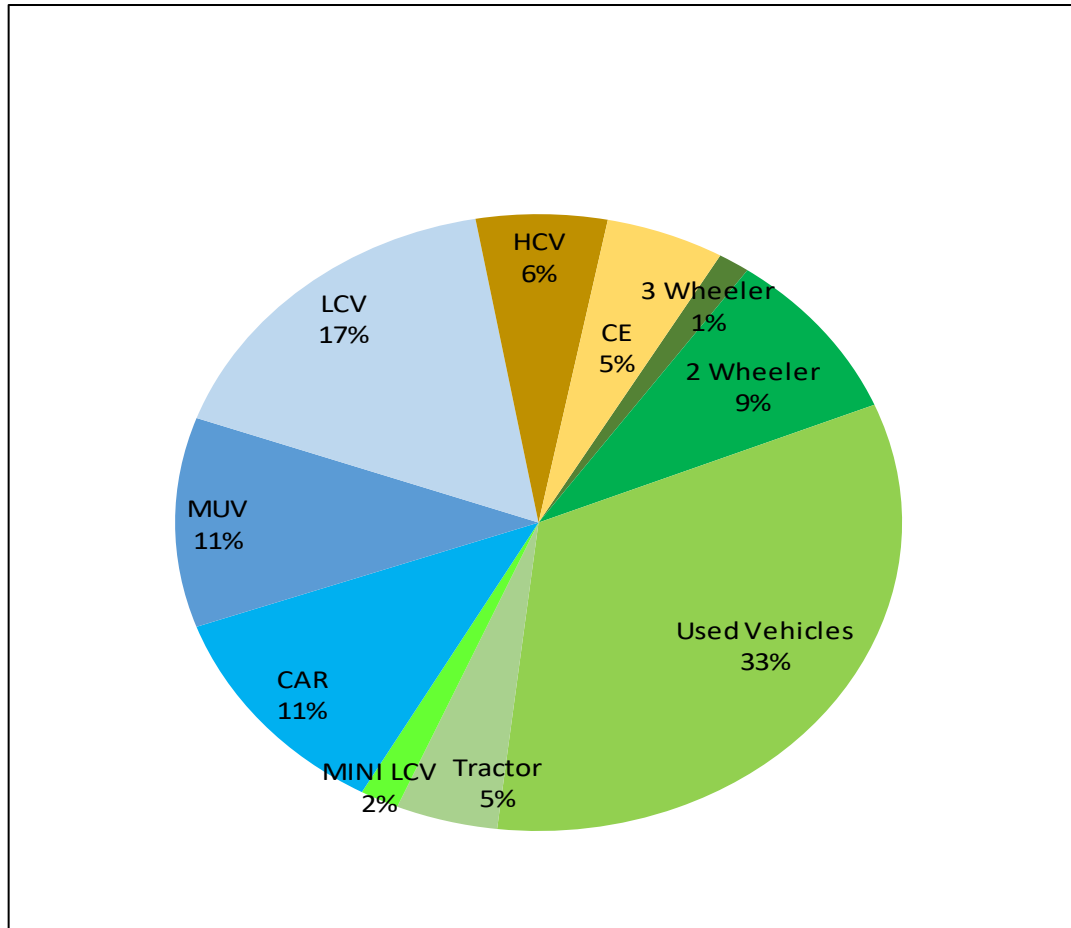
Portfolio - State wise



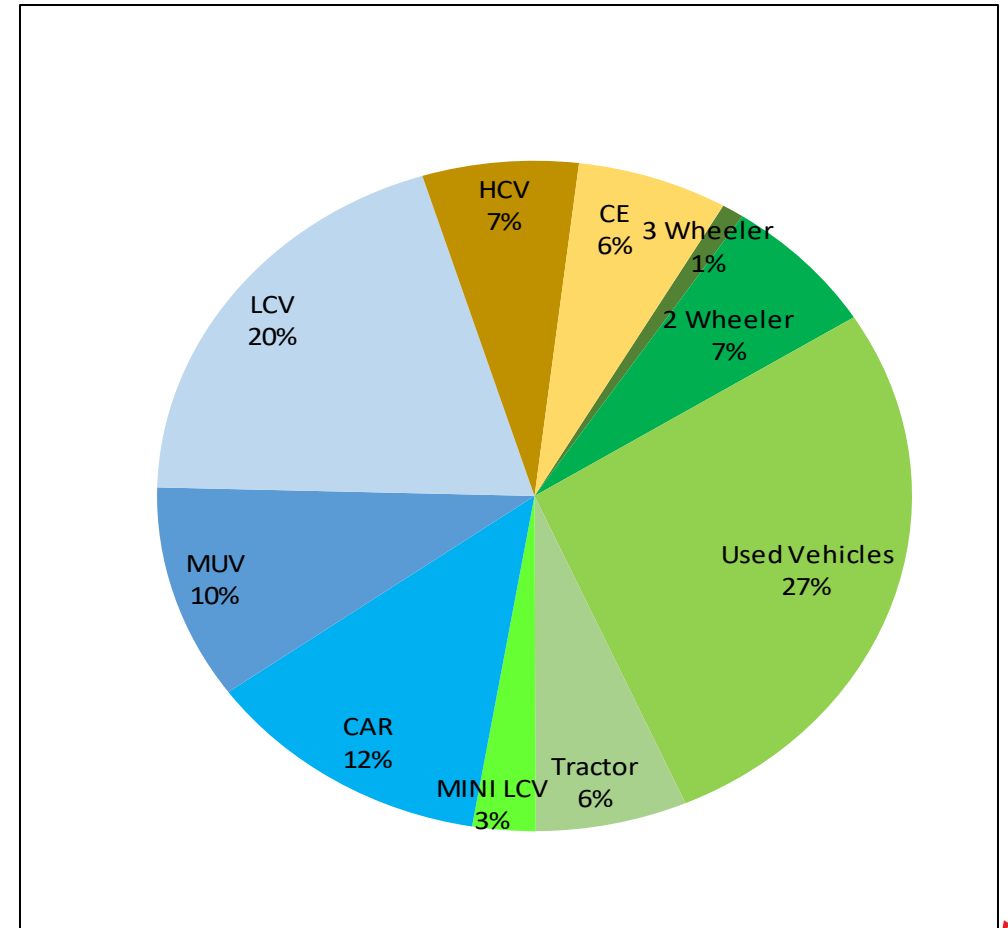
Vehicle Finance - Disbursement/Portfolio Mix – Q1FY25

Well diversified product segments

Disbursements (%) - Product wise

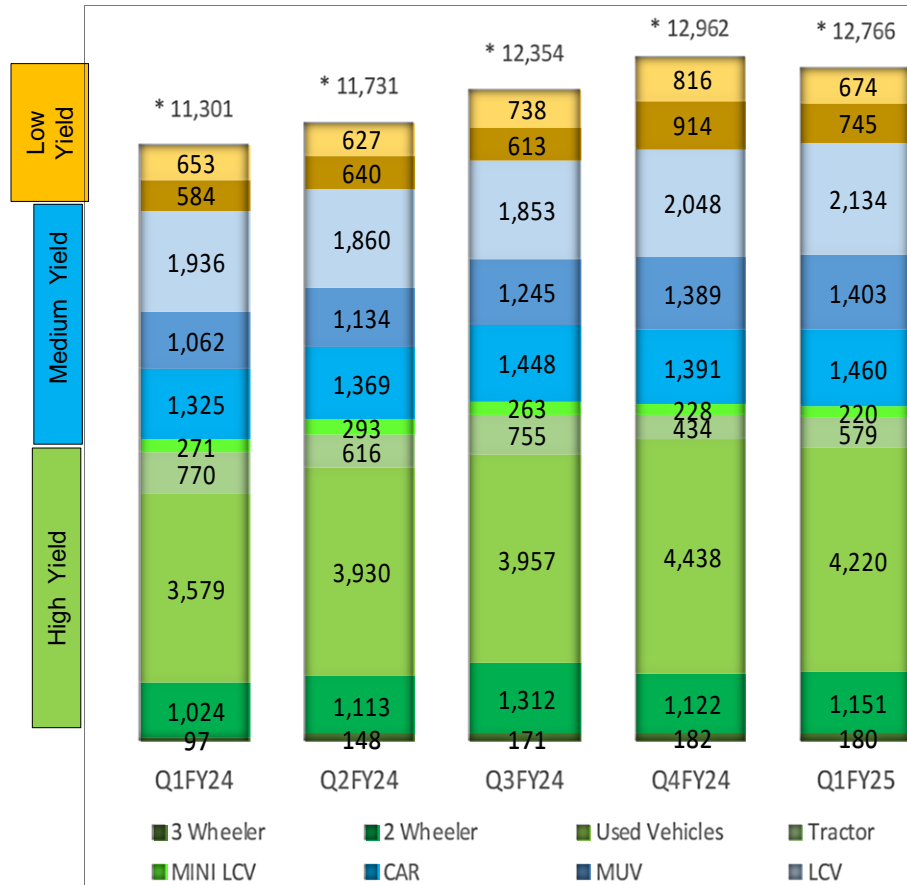


Portfolio (%) - Product wise

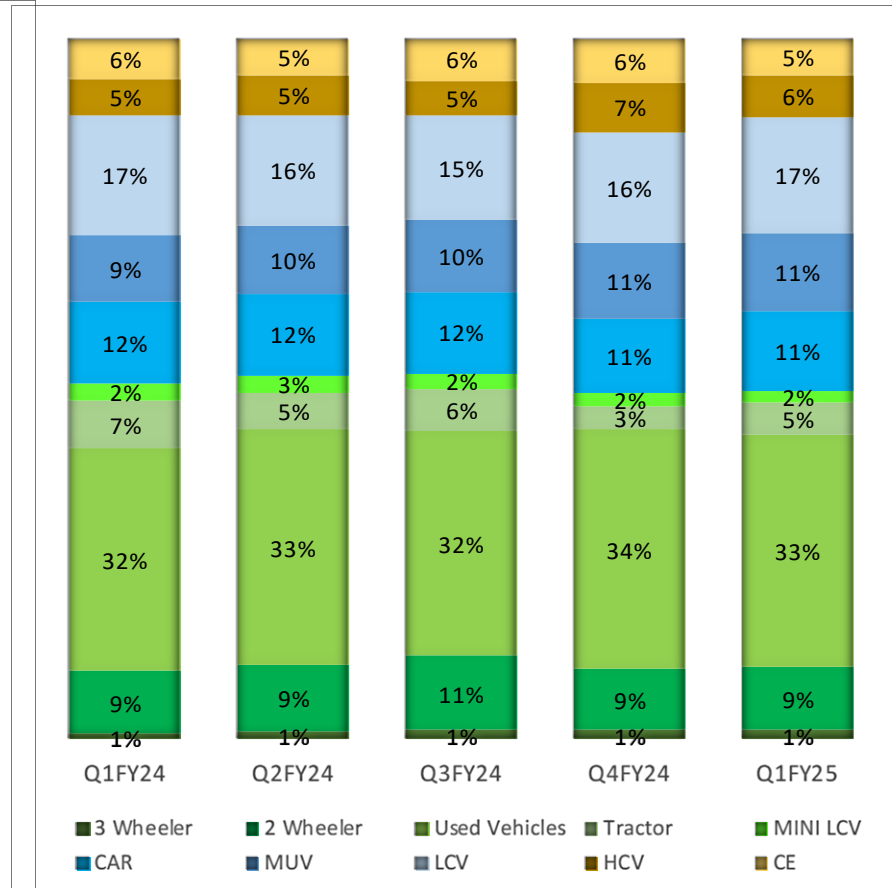


Vehicle Finance - Disbursement Mix – Quarter-wise

Disbursement (₹Cr) - Product wise



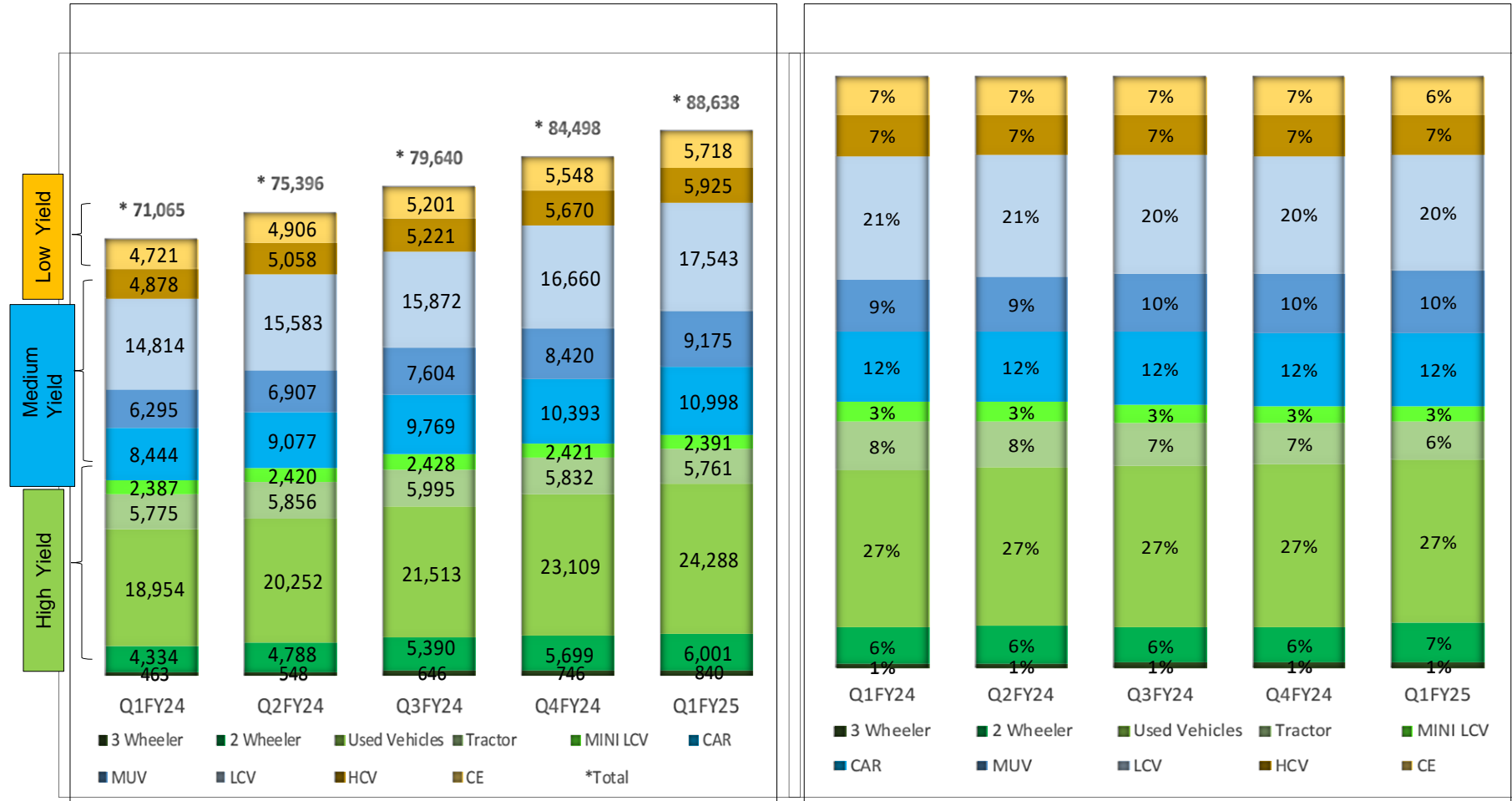
Disbursement (%) – Product wise



Vehicle Finance - Portfolio Mix – Quarter-wise

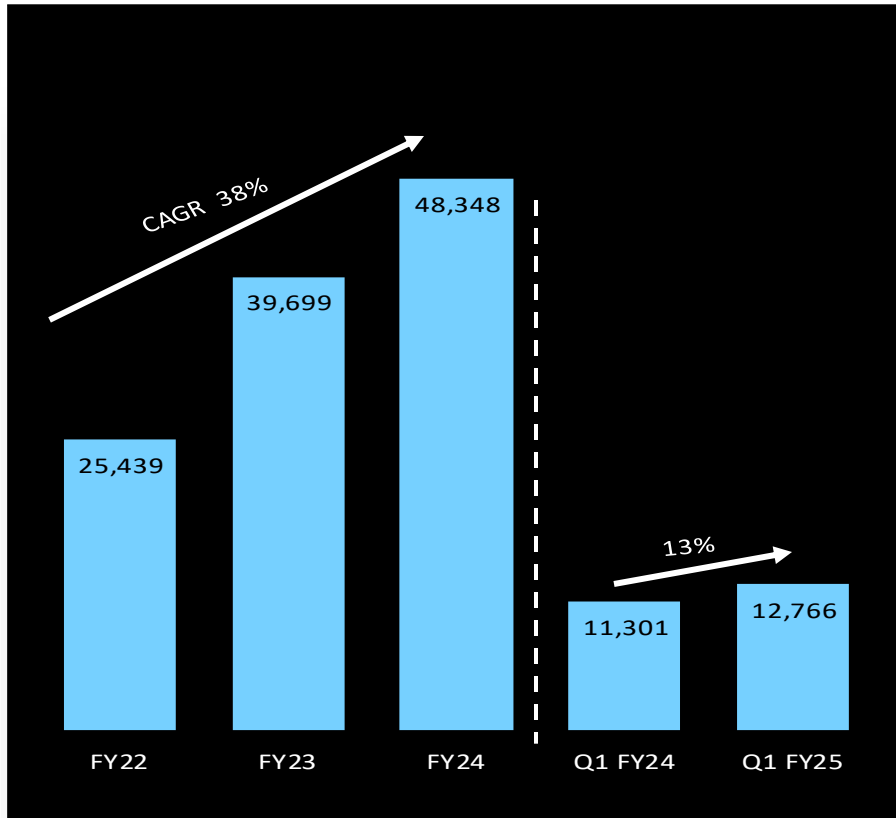
Portfolio (₹Cr) - Product wise

Portfolio (%) – Product wise

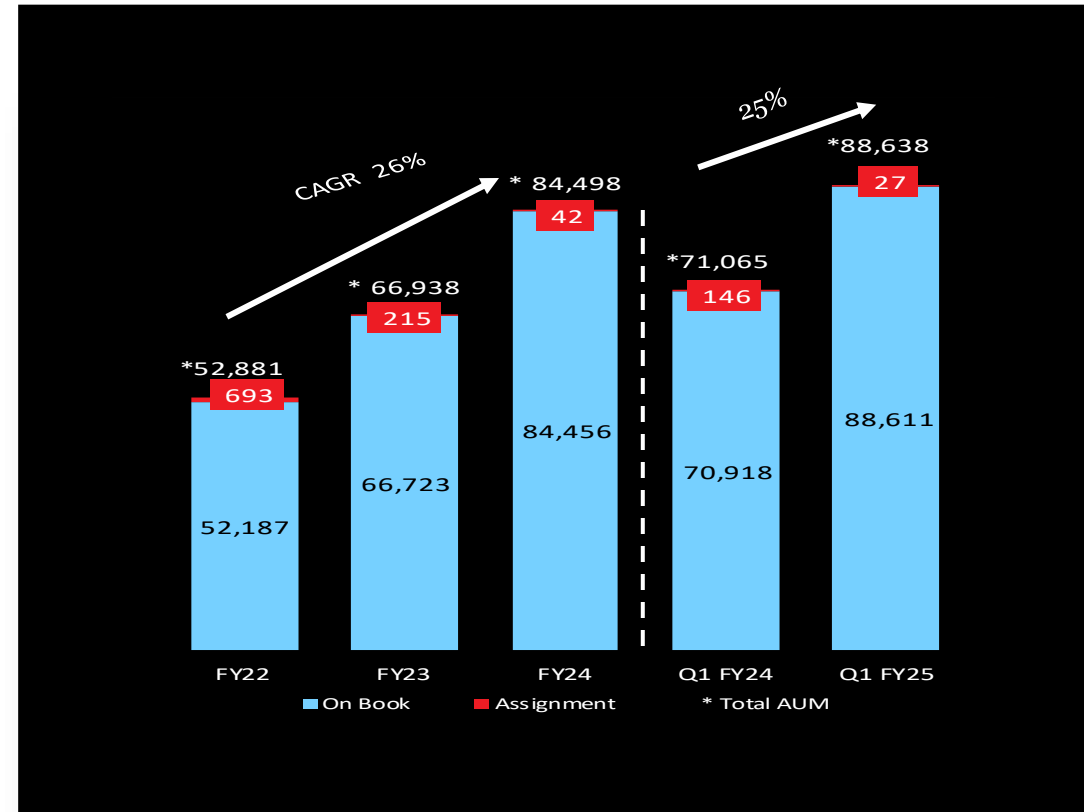


Vehicle Finance - Disbursements and Asset Under Management

Disbursements (₹Cr)

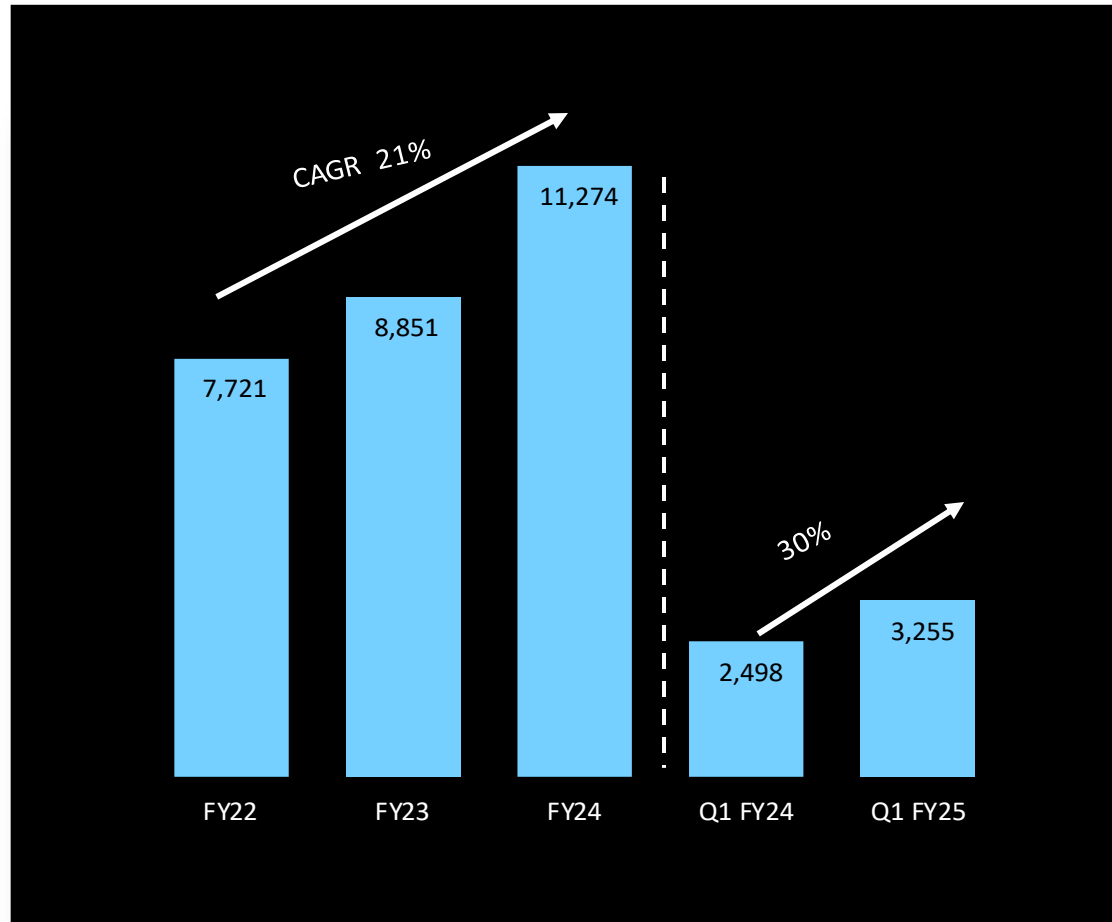


Assets under management (₹Cr)

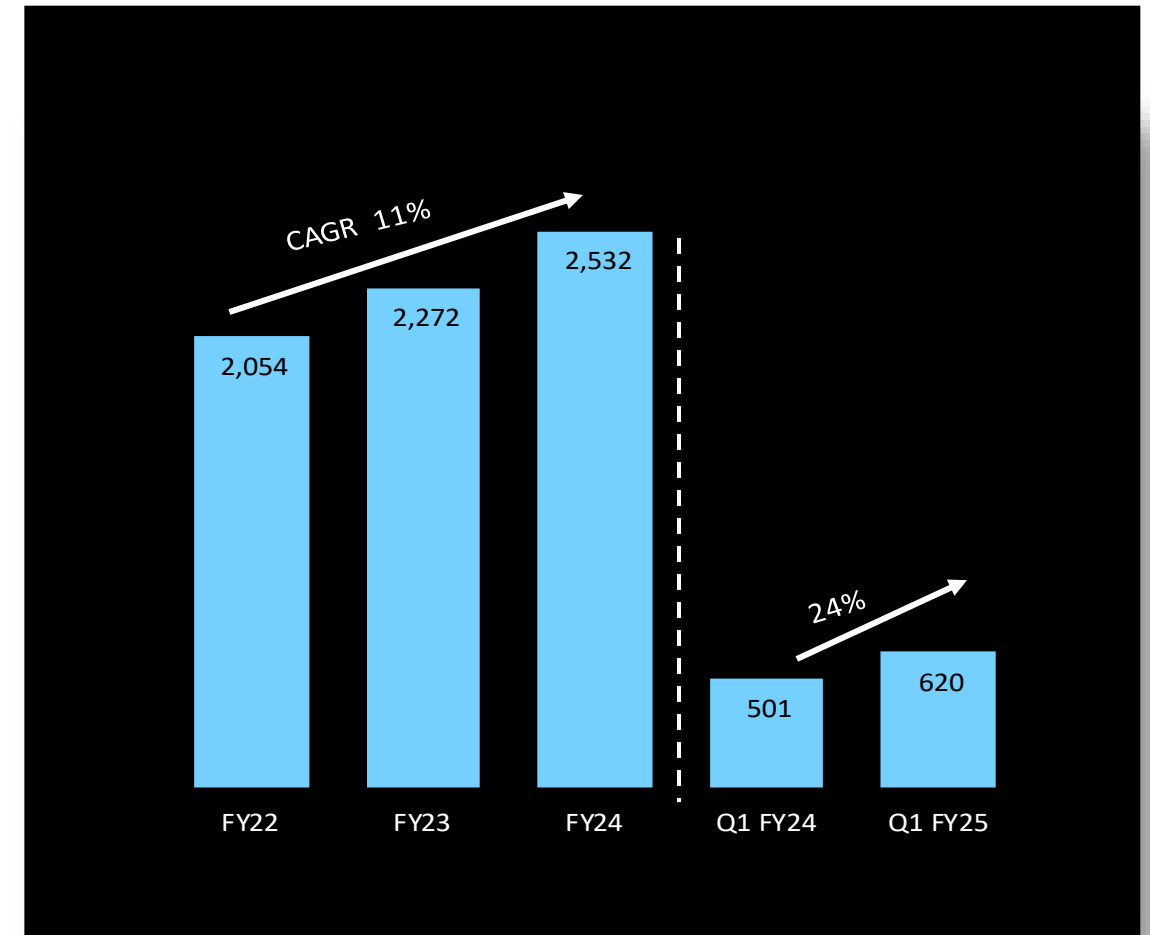


Vehicle Finance - Income and Profit before tax

Income (₹Cr)



Profit before tax (₹Cr)



Loan Against Property



Loan Against Property – Q1FY25 Performance

Disbursements

- Disbursements grew by 45% in Q1FY25 to Rs. 3,874 Cr as compared to Q1FY24.

Asset under management

- AUM has grown by 41% YoY.

Loss and provisions

- Loan losses at 0.1% in Q1FY25 from -0.1% in Q1FY24

Profit before tax

- PBT grew by 31% in Q1FY25 to Rs.292 Cr as compared to Q1FY24.

Loan Against Property: Industry outlook

Sector Outlook

- CRISIL MI&A Research estimates the LAP segment to grow 25-26% for NBFCs in fiscal 2024. Similarly, range bound growth is anticipated in fiscal 2025, with NBFCs likely to grow at a rate of 22-24%
- Ind-Ra believes NBFCs' funding strategy will continue to be in focus for FY25. Furthermore, while net interest margins will be under pressure, other levers including fee income, operating expenses and credit costs will be used to minimize any impact on profitability
- With continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level decreased compared to previous years and is expected to improve in this fiscal.

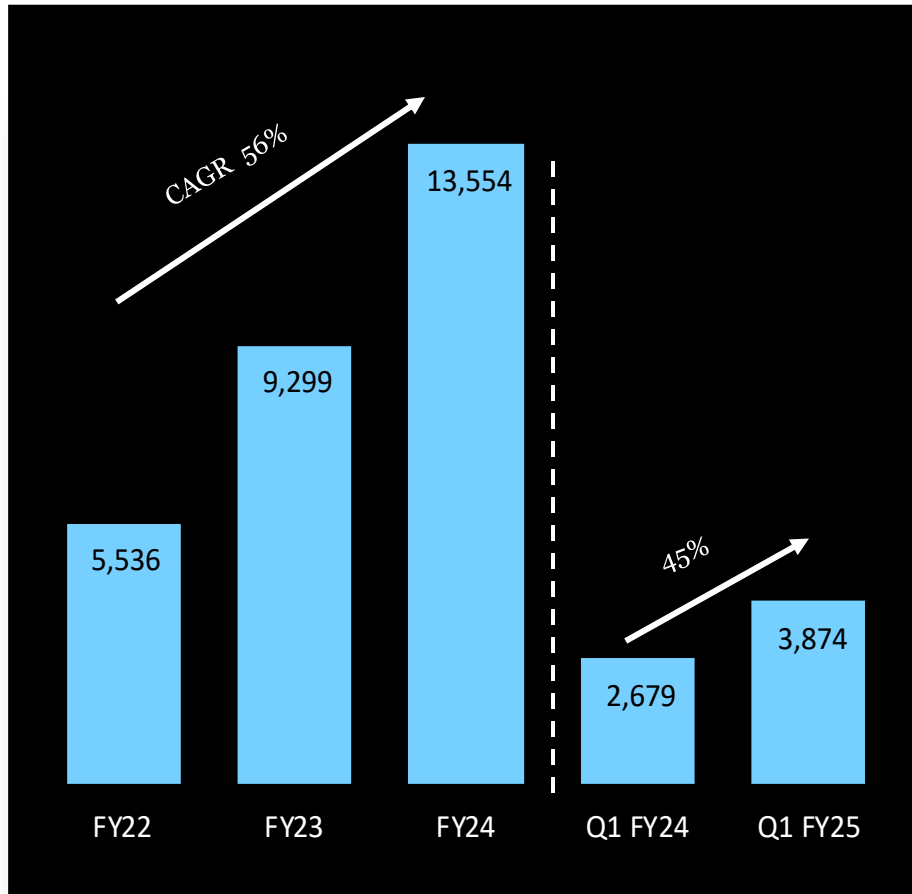
Chola's Position

- The focus is on increasing the market share backed by consistent disbursement growth and collections performance. Our focus continues to be on retail customers especially in smaller towns and rural areas.
- We are capitalizing on our pan India geographical presence by going wide in tier 3 and tier 4 markets to improve margins, while continuing to hold significant presence in tier 1 and tier 2 markets.
- We have strengthened our collection & legal process, and the asset quality has shown steady improvement. The stage 3 book has come down with consistent improvement in collection efficiency

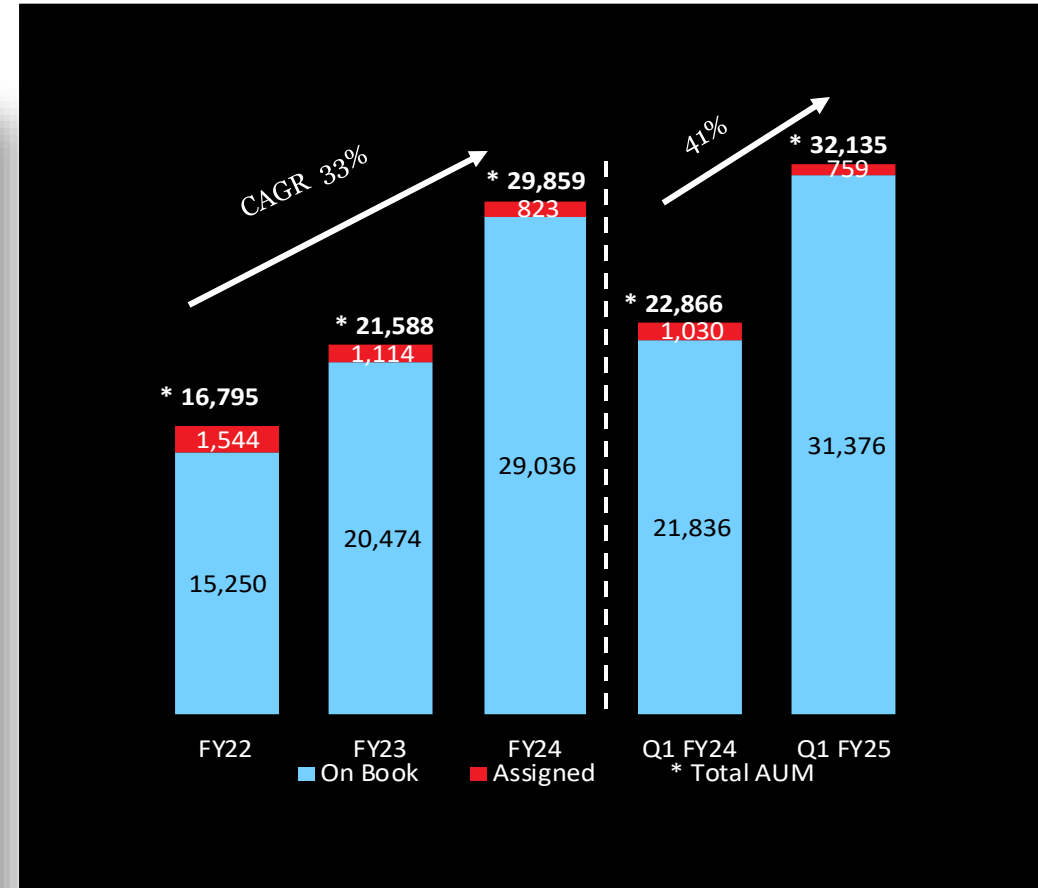
Source: https://www.crisilresearch.com/#/home/NBFCReportSummary/26_4102_21215/ <https://www.indiaratings.co.in/pressrelease/70289>

Loan Against Property - Disbursements and Asset Under Management

Disbursements (₹Cr)



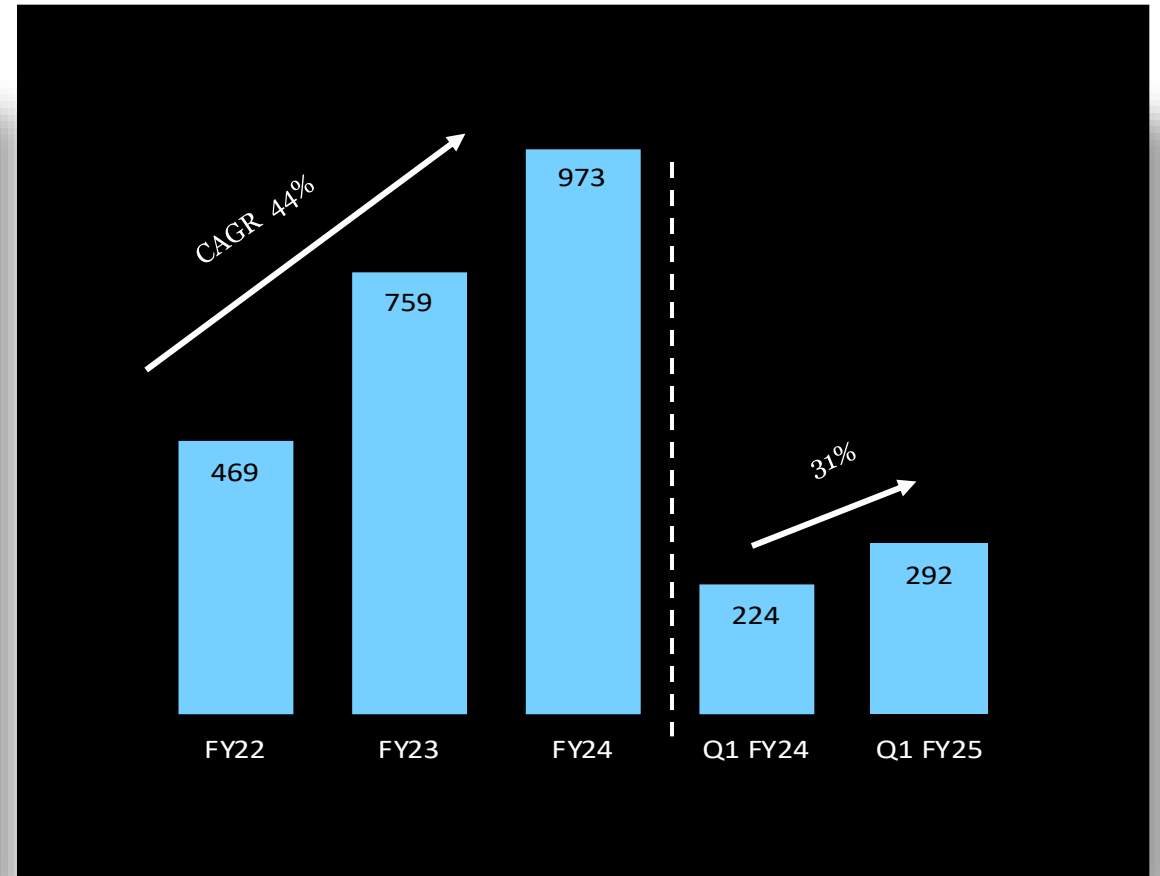
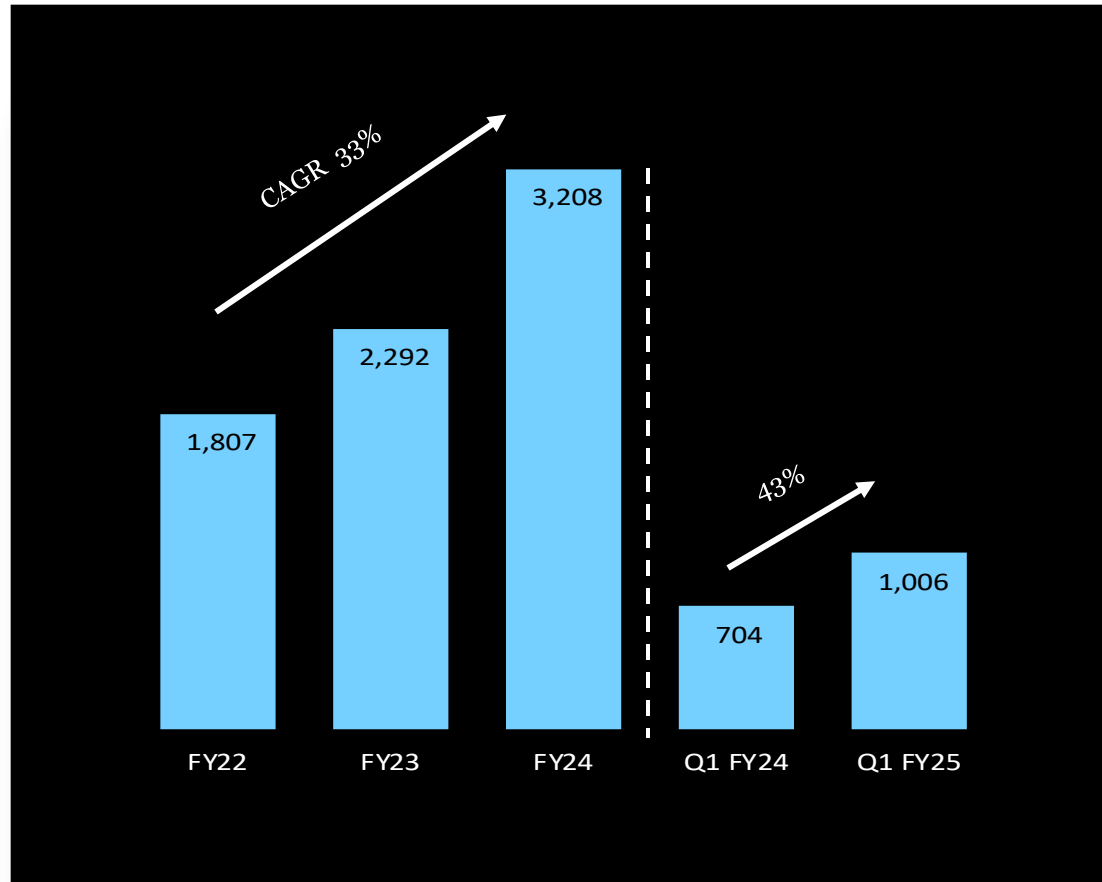
Assets under Management (₹Cr)



Loan Against Property – Income and Profit before tax

Income (₹Cr)

Profit before tax (₹Cr)



Home Loans



Home Loans – Q1FY25 Performance

Disbursements

- Disbursements grew by 22% in Q1FY25 to Rs. 1,778 Cr as compared to Q1FY24.

Asset under management

- AUM have grown by 53% YoY.

Loss and provisions

- Loan losses at 0.3% in Q1FY25 from -0.1% in Q1FY24.

Profit before tax

- PBT grew by 88% in Q1FY25 to Rs.163 Cr as compared to Q1FY24.

Note: Home Loans includes Affordable LAP

Home Loans - Industry outlook

Sector Outlook

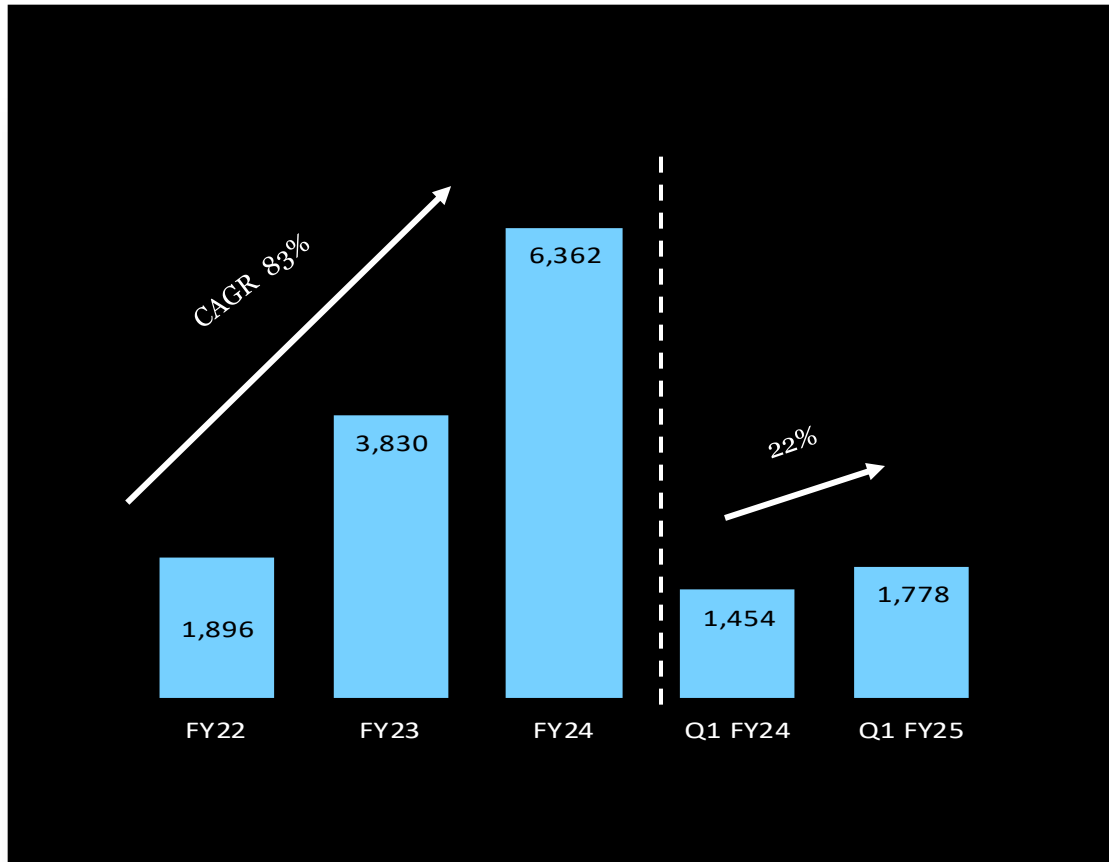
- The overall growth in HFCs is expected to remain at 12-14% in FY25
- GNPA's of AHFCs are expected to stabilize and further recovery in FY25 is anticipated
- Moderation in NIMs expected; however, contained credit costs to support profitability. Adequate capital and liquidity support the entity-level risk profiles.

Chola's Position

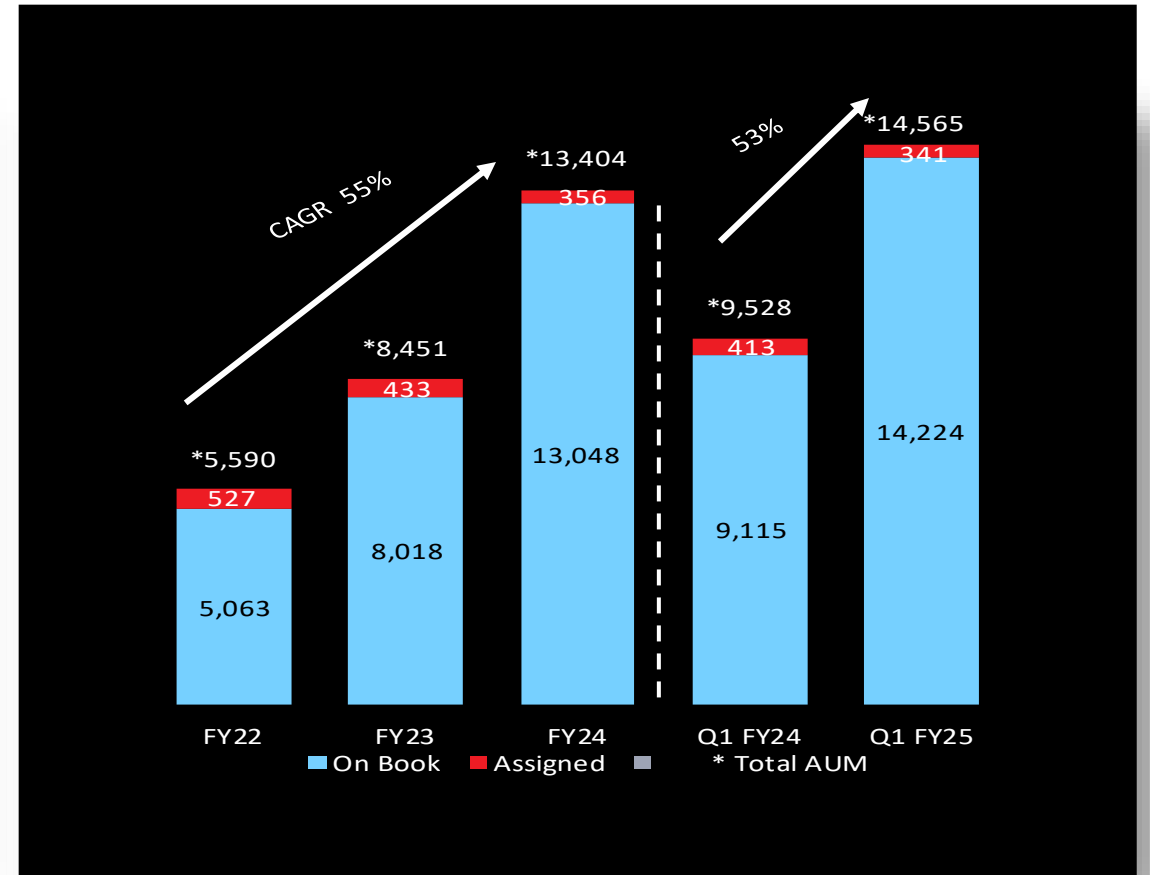
- Chola continues to leverage its strength in penetrating to smallest villages and towns. Chola will focus on penetrating untapped rural areas across India and provide accessibility to home loans for all.
- Chola continues to pursue legal recovery for the higher bucket portfolio & is also continuously improving collection efficiencies through advanced analytics & digital-led collections.
- Chola continues to pursue profitable growth through low-cost expansion, process optimizations, & elimination of inefficiencies across all functions to ensure margins are sustained. Chola will focus on optimizing profitability through differential pricing model based on customer risk profiling.

Home Loans - Disbursements and Asset Under Management

Disbursements (₹Cr)

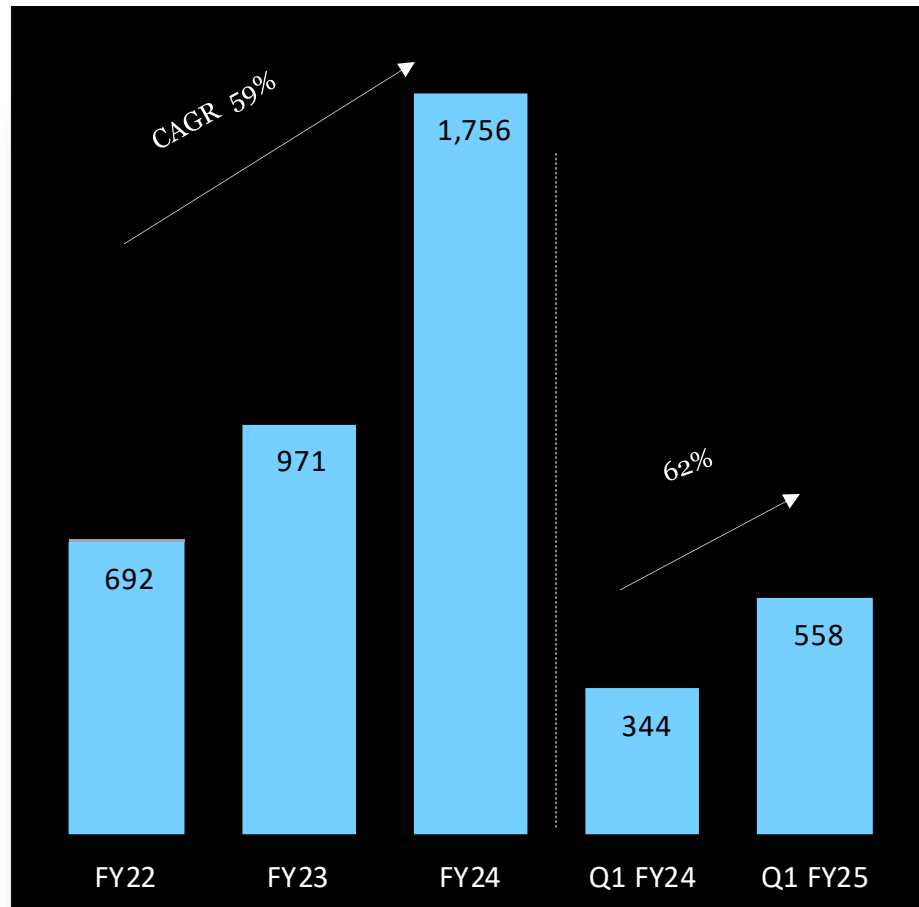


Assets under Management (₹Cr)

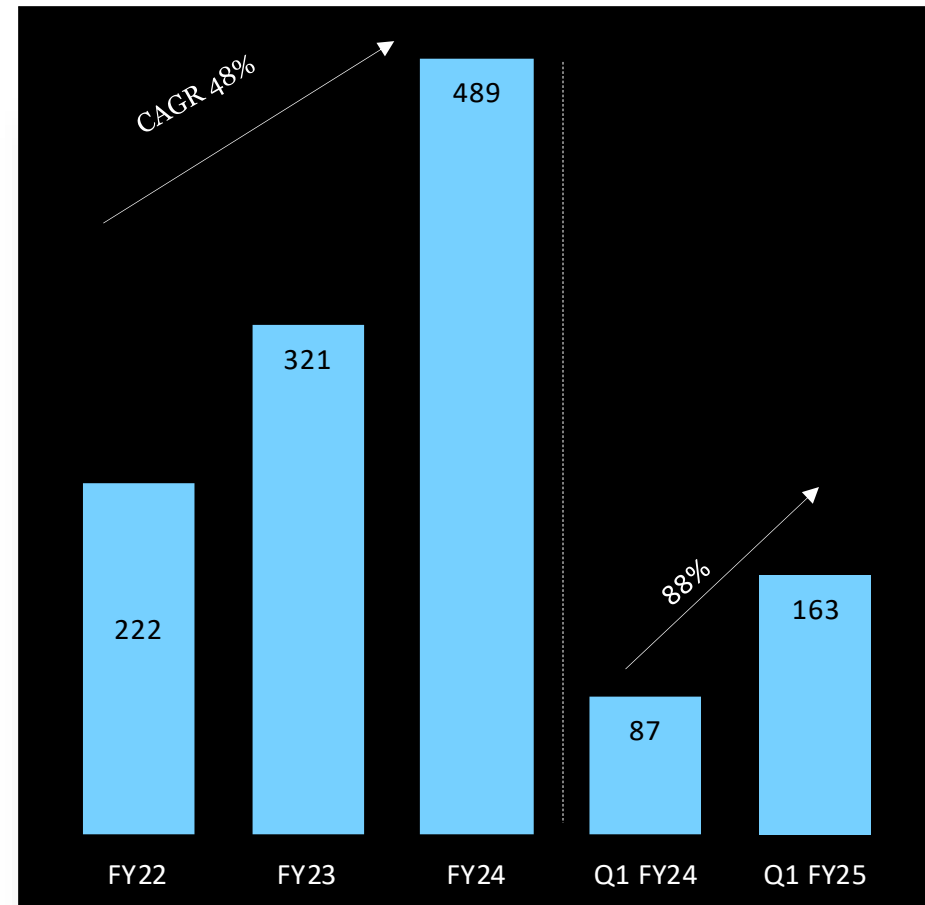


Home Loans - Income and Profit before tax

Income (₹Cr)



Profit before tax (₹Cr)

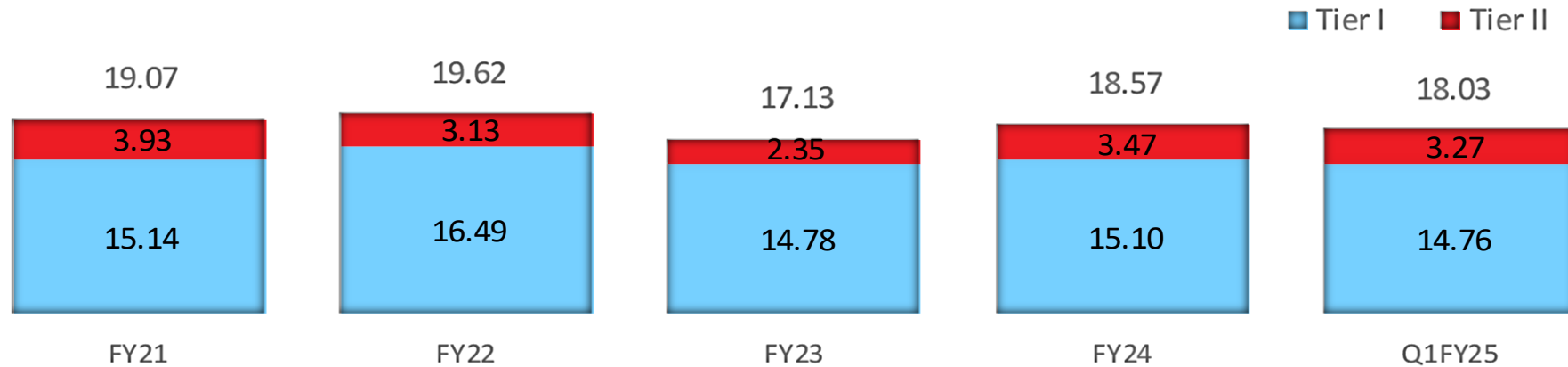


Funding Profile



CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



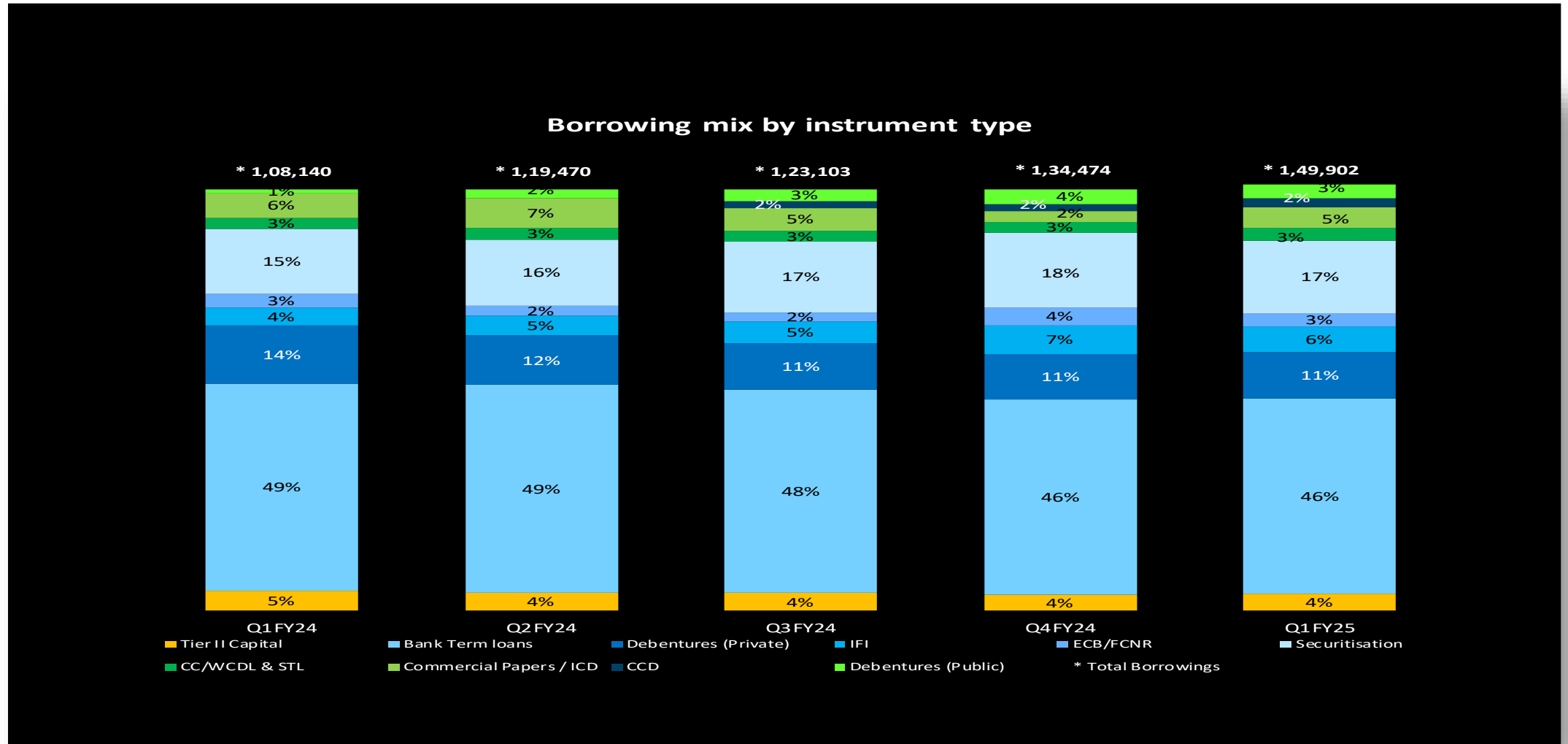
Minimum CAR Stipulated by RBI is 15% & for Tier I is 10%

Tier 2 includes 1.49% % of CCD which is compulsorily convertible into equity in Sep 2026.

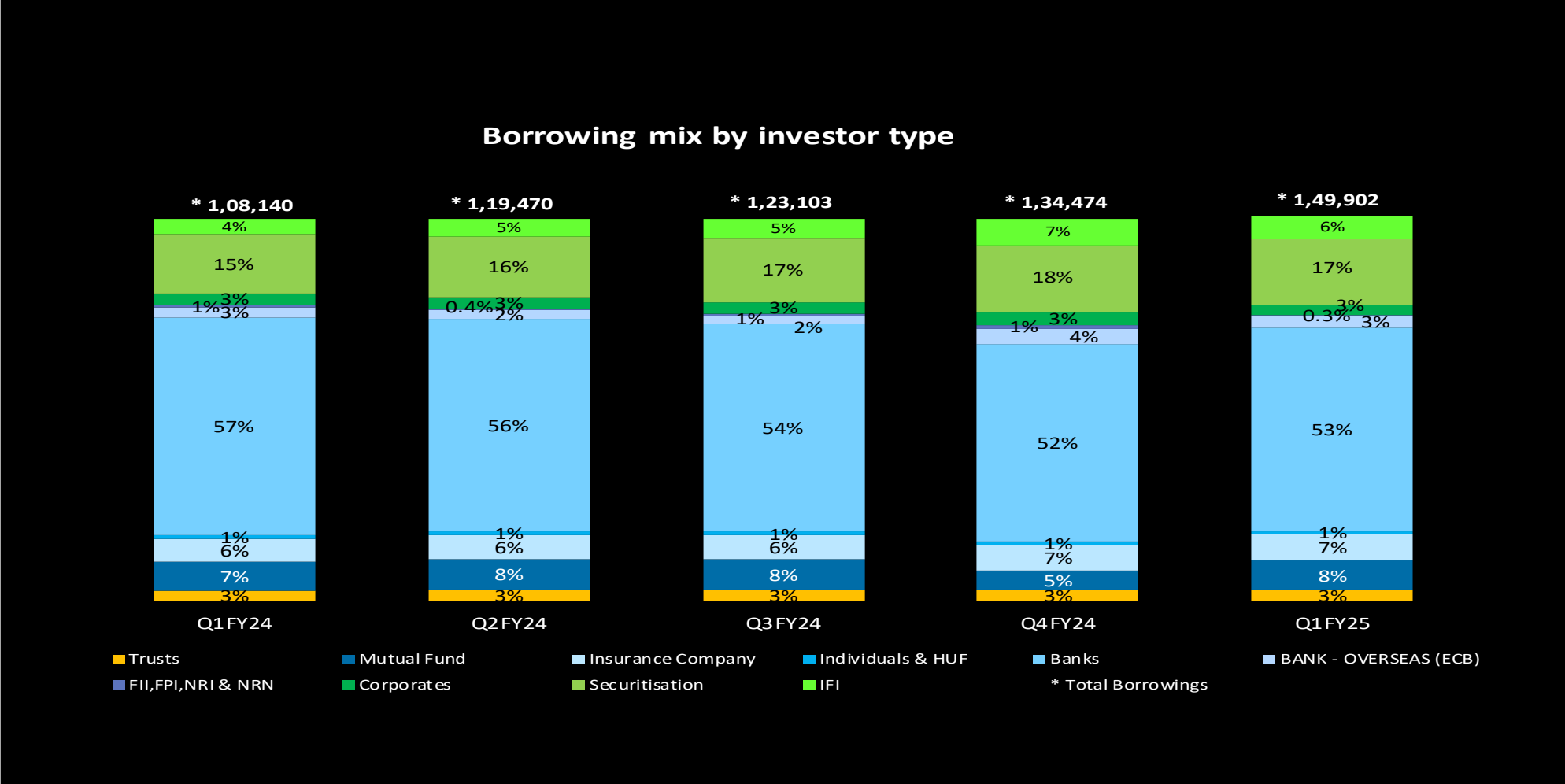
Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	-	[ICRA] A1+	[CRISIL] A1+
LT NCD/CC	IND AA + (ind) stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
NCD (Public Issue)	IND AA+/ Stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
Tier II SD	IND AA+/ Stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
Tier I PDI	IND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

Note : ICRA has reaffirmed the Ratings and Outlook upgraded to AA+ (Positive) from AA+ (Stable)

Diversified Borrowings Profile (I/II)



Diversified Borrowings Profile (I/II)



ALM Statement as of 30th Jun 2024 (As per IND AS)

₹Cr)

ALM snapshot as on 30th Jun 2024									
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	6,904.02	12.73	2,329.23	200.84	417.72	2,063.06	867.47	1,528.94	14,324.00
Advances	5,333.32	5,103.70	3,908.99	14,670.56	23,764.95	62,411.27	23,504.86	17,984.39	1,56,682.06
Trade Receivable & Others	102.71	301.71	1.87	44.48	7.09	107.51	406.65	2,997.91	3,969.93
Total Inflows (A)	12,340.05	5,418.14	6,240.10	14,915.88	24,189.76	64,581.84	24,778.97	22,511.25	1,74,975.99
Cumulative Total Inflows (B)	12,340.05	17,758.19	23,998.29	38,914.17	63,103.93	1,27,685.77	1,52,464.74	1,74,975.99	
Borrowin Repayment-Bank & Others	5,239.96	2,801.89	5,143.00	10,062.97	16,762.60	56,738.06	16,289.45	168.92	1,13,206.85
Borrowin Repayment- Market	2,542.57	2,336.52	1,029.26	3,762.20	4,637.21	10,122.73	8,691.60	3,441.41	36,563.51
Capital Reserves and Surplus	-	-	-	-	-	-	-	20,655.93	20,655.93
Other Outflows	3,243.15	194.53	46.80	125.90	169.54	317.87	391.13	60.78	4,549.70
Total Outflows (C)	11,025.68	5,332.94	6,219.05	13,951.07	21,569.34	67,178.67	25,372.19	24,327.05	1,74,975.99
Cumulative Total Outflows (D)	11,025.68	16,358.62	22,577.67	36,528.74	58,098.09	1,25,276.76	1,50,648.94	1,74,975.99	
E. GAP (A - C)	1,314.37	85.20	21.04	964.81	2,620.41	(2,596.82)	(593.22)	(1,815.80)	
F.Cumulative GAP (B - D)	1,314.37	1,399.57	1,420.61	2,385.42	5,005.84	2,409.02	1,815.80	0.00	
Cumulative GAP as % (F/D)	11.92%	8.56%	6.29%	6.53%	8.62%	1.92%	1.21%	0.00%	

Cholamandalam MS General Insurance Company Limited

Financial data in this section is as per IGAAP

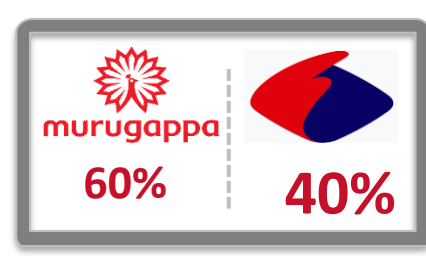
Chola MS General Insurance: Brief Overview

Murugappa Group

- Murugappa Group - India's leading business conglomerate
- Founded in 1900, Headquartered in Chennai, the INR 742 Billion Murugappa Group is one of India's leading business conglomerates
- Diversified presence in 3 sectors - Agriculture, Engineering, Financial Services
 - 28 businesses
 - Market leaders in served segments
 - Renowned Brands
 - 73000+ employees

Mitsui Sumitomo Insurance, Japan

- Mitsui Sumitomo Insurance - part of MS&AD – one of the largest insurance group in the world.
- MS&AD is the 8th largest insurance group in the World with size of USD 46 billion
- No. 1 insurer in ASEAN region
- Operates in 48 countries; 35854 employees
- Leader in venture investments amongst global insurers / reinsurers



1945^{\$}

Q1 FY'25 GWP (INR Cr)



14.3%

Growth over
Q1 FY'24



1.92

Solvency (Jun'24)



476 Lacs

of Live Customers



29 Lacs

Policies sold in
Q1 FY'25

Financial data as per standalone IGAAP

Key Financial Parameters (Rs. Crs)

Particulars – In Rs. Cr	FY'23	FY'24	Q1 FY'24	Q1 FY'25
Gross Written Premium\$	6200	7598	1701	1945
NEP	4019	5079	1172	1319
U/W Results	-599	-659	-171^	-128^
Investment income (Net)	887	1116	265	316
PBT	264	444	88	179
PAT	199	331	65	134
Net worth (Ex fair value change surplus)	2160	2492	2226	2625
Solvency Ratio (x)	2.01	1.79	1.96	1.92
Earnings per Share (Rs.)– Not Annualized	6.65	11.09	2.19	4.48
Book value per Share (Rs.)	72.3	83.4	74.5	87.9
Return on Average Networkworth (%) – Not Annualized	9.7%	14.3%	2.9%	5.2%
EOM on GWP %	NA	32.64%	33.89%	33.34%
CoR % (on NWP)	109.3%	109.9%	112.9%^	108.8%^

^ Impact of NatCat events @ Rs. 6.3 Crs in Q1 FY25 (Rs. 15.7 Crs in Q1 FY24)

\$ GWP Includes RI inward as well

LOB Wise - Monthly Growth Trends of Multi-line Insurers

Particulars	Months	Fire	Other Comml Lines	Motor	Health	PA	Crop	Others	Total
Industry	Apr'24	12.8%	7.4%	18.3%	14.0%	22.5%	-31.6%	44.7%	15.3%
	May'24	4.2%	12.7%	12.6%	13.4%	31.2%	73.9%	22.5%	14.0%
	Jun'24	-7.6%	8.0%	5.9%	13.0%	6.8%	5.3%	18.3%	7.1%
	Q1 FY'25	6.4%	8.9%	12.0%	13.6%	19.8%	19.0%	30.0%	12.4%
Private sector	Apr'24	16.6%	17.1%	21.2%	23.7%	2.4%	4.0%	53.2%	20.6%
	May'24	14.1%	14.7%	15.4%	16.0%	27.5%	73.5%	27.9%	18.4%
	Jun'24	-4.7%	10.4%	9.5%	18.3%	10.8%	0.7%	13.8%	9.2%
	Q1 FY'25	11.8%	14.7%	15.1%	20.0%	14.2%	18.9%	32.5%	16.4%
Public sector	Apr'24	3.4%	-13.7%	11.4%	7.3%	50.3%		34.2%	7.7%
	May'24	-8.7%	9.6%	5.7%	11.3%	44.5%		13.0%	7.3%
	Jun'24	-12.4%	4.0%	-3.0%	9.3%	1.3%	NM	26.2%	3.9%
	Q1 FY'25	-3.9%	-1.7%	4.3%	8.9%	29.8%	NM	26.2%	6.5%
SAHI	Apr'24				28.1%	-6.2%		-6.9%	26.8%
	May'24				26.5%	15.3%		30.1%	26.2%
	Jun'24				22.8%	3.5%		21.1%	22.3%
	Q1 FY'25				25.6%	3.8%		15.0%	24.9%
Chola MS	Apr'24	17.2%	25.0%	-1.5%	84.8%	-6.4%		-40.1%	13.6%
	May'24	28.5%	22.2%	2.0%	27.2%	3.6%		7.4%	15.6%
	Jun'24	-17.6%	-6.3%	9.3%	58.3%	34.6%		-11.8%	13.6%
	Q1 FY'25	11.2%	14.7%	3.2%	59.7%	7.9%	NM	-16.8%	14.2%

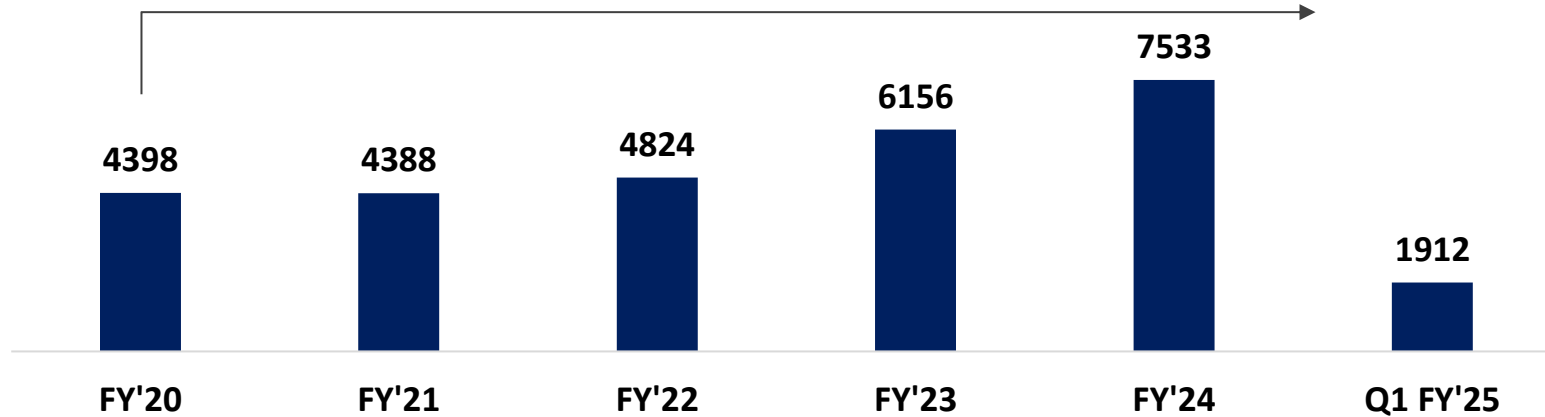
In Q1, Chola MS

- Overall growth higher than industry @ 14.2%
- Commercial vertical and Health higher than industry growth

Among the Top ranked GI Players supported by strong growth

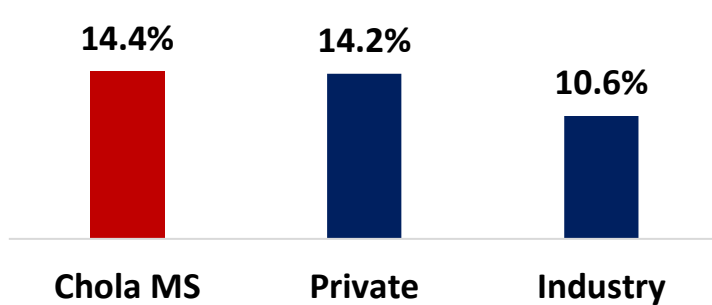
GDPI* growth over years – Faster growth in Last 2 Years Rs In Crs

(CAGR FY2020 - FY 2024 = 14.4%)



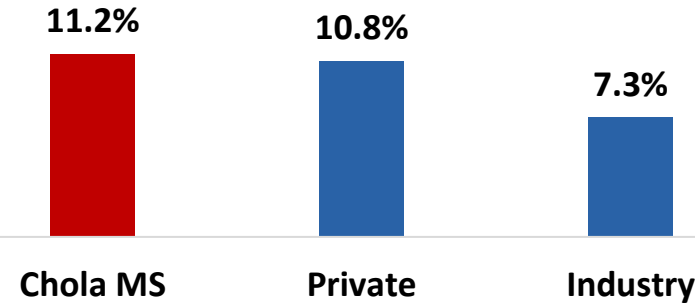
Growth vis-à-vis peers / industry

GWP CAGR (FY 2020 - FY 2024)



Amongst the fastest growing Motor GWP

Motor GWP CAGR (FY 2020 - FY 2024)



Q1 FY'2025

Growing Market Share

5.4%
Market share in Motor Insurance

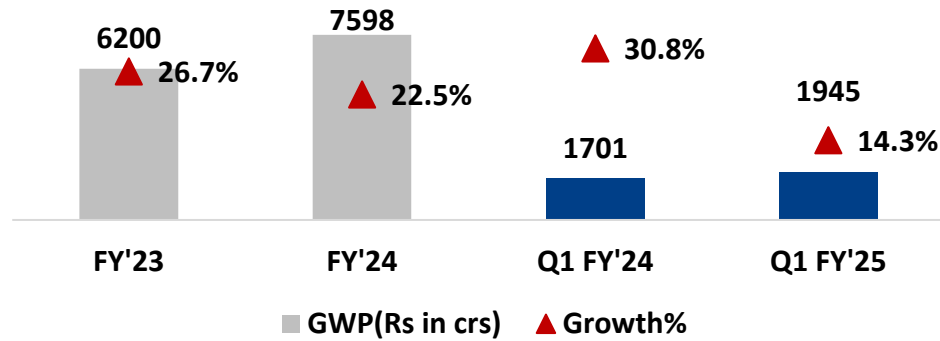
4.6%
Market share in PA

*GDPI – Premium from Direct Business Written

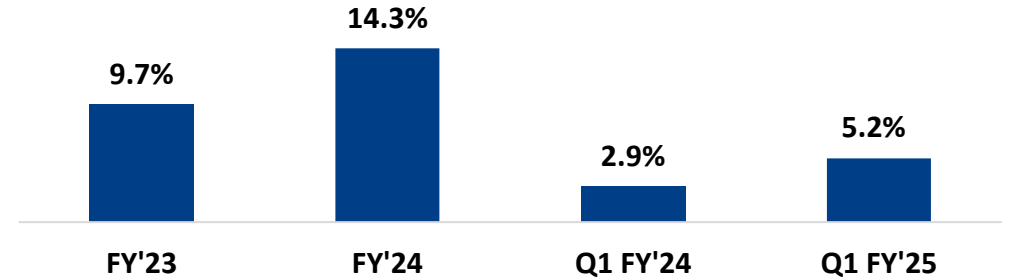
Key Financial Indicators

GWP (INR Cr) and Growth (%)

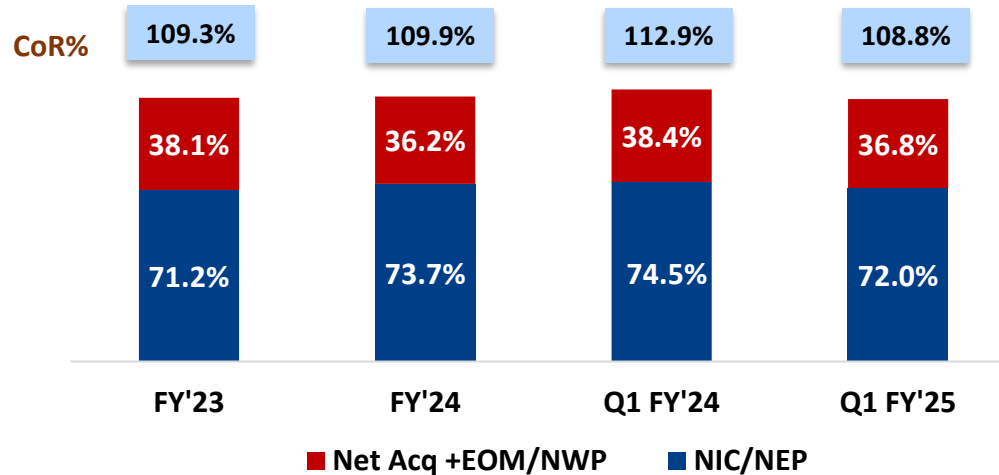
Includes RI Inwards



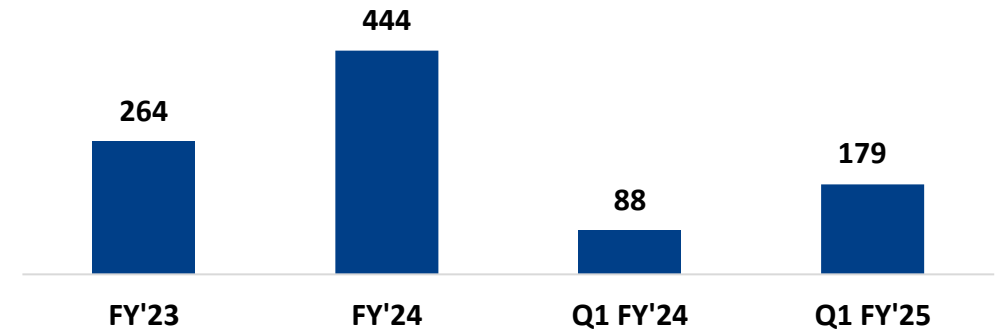
Return on Net Worth(%)



Break up of CoR(%)

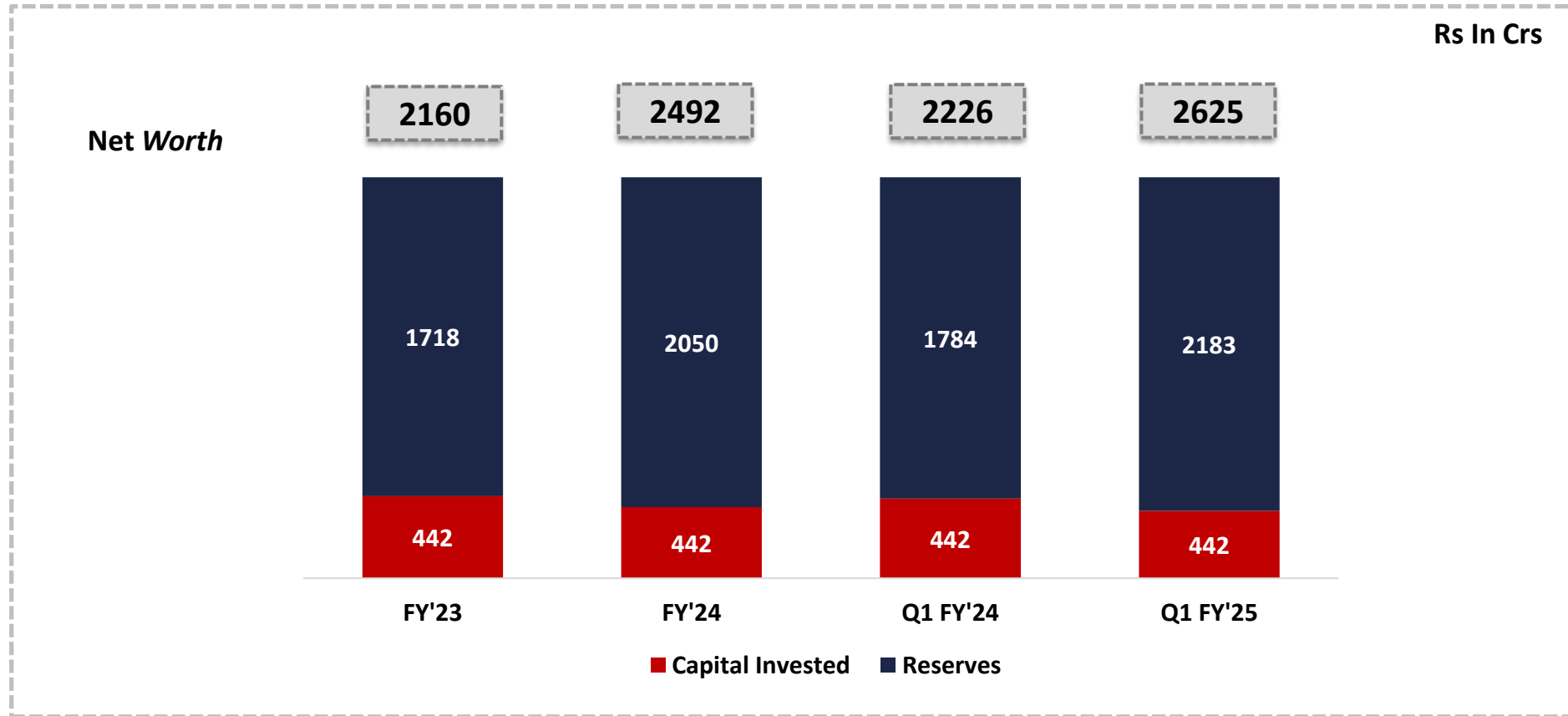


Profit Before Tax (Rs. Crs)



Impact of NatCat events @ Rs. 6.3 Crs in Q1 FY25 (Rs. 15.7 Crs in Q1 FY24)
 RONW for Q1 FY'24 & Q1 FY'25 are not annualized

Capital efficiency - No Capital Infusion Since FY'15



- Accumulated profits @ 82.2% of Net worth (Rs. 2625 Crs) as on Jun'24
- Total Capital infused is Rs. 442 Crs
- Tier 2 Capital presently at Rs. 100 Crs; Need based Issuance of additional Rs. 100 Crs in FY 2024-25

Consistent Operating Metrics

Particulars		2021-22	2022-23	2023-24	Q1 FY'25
Number of Customers (Live Customer)	No in Lacs	254	336	462	476
Number of policies issued	No in Lacs	99	121	137	29
Market Presence(Branch + CIE + VO)	No's	638	604	669	668
Bank Branches	No's	34000+	34000+	38000+	38000+
Motor OD Claims Settlement (TTM)	%	93%	94%	96%	80%
Health Claims Settlement (TTM)	%	97%	94%	95%	83%
Network Garages	No's	12600+	14500+	15900+	16000+
Network Hospitals	No's	10000+	11000+	12000+	12200+
Complaints Disposal Ratio%	%	100%	100%	100%	100%

Claims Ratio (%)

Line of Business	FY'23	FY'24	Q1 FY'24	Q1 FY'25
Motor OD	71.7%	72.8%	74.9%^	75.1%^
Motor TP	77.0%	76.0%	77.2%	72.3%
Motor Total	75.6%	75.1%	76.5%	73.2%
Health, Travel & PA	66.6%	66.7%	64.3%	69.7%
Crop\$	NA	104.2%	NA	31.9%
Fire#	39.0%	78.5%	105.3%^	116.2%^
Marine	62.6%	76.3%	59.4%	54.0%
Engineering	34.7%	54.3%	7.5%	90.1%
Total	71.2%	73.7%	74.5%	72.0%

^ Impact of NatCat events @ Rs. 6.3 Crs in Q1 FY25 (Rs. 15.7 Crs in Q1 FY24)

\$ The Claims ratio in Crop for FY23-24 (Kharif & Rabi together) was 95.9%

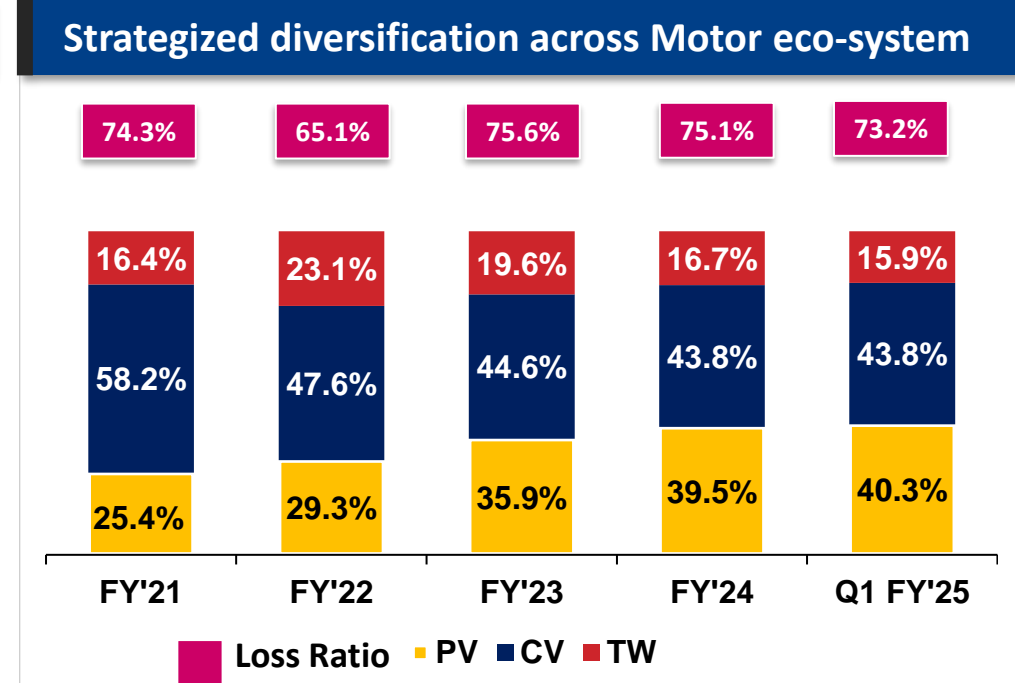
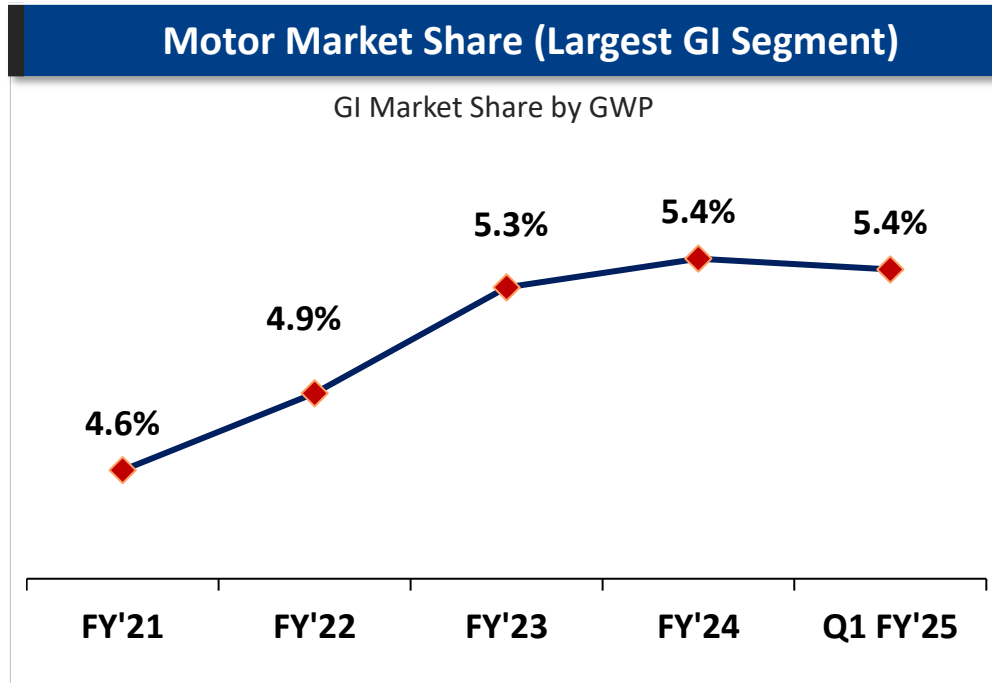
2 large losses amounting to ~Rs. 9.5 Crs (Net) had adverse impact on LR @ 26.2%

Investment Book Overview (Rs In Crs)

Category	Mar-23	Mar-24	Jun-23	Jun-24
Govt Securities	9579	10121	9429	10318
PSU / Corporate Bonds	4483	5475	4915	5334
Equity	321	583	404	706
Others	300	322	331	261
Grand Total	14683	16501	15079	16620
Yield with profit on sale	6.5%	7.1%	6.7%	6.9%
Yield without profit on sale	6.4%	6.6%	6.6%	6.8%
Investment book / Net worth (x)	6.8	6.9	6.8	6.9
Investment book / GWP annualized (x)	2.4	2.2	2.2	2.2
Duration of the Portfolio (Years)	3.80	3.70	3.68	3.69

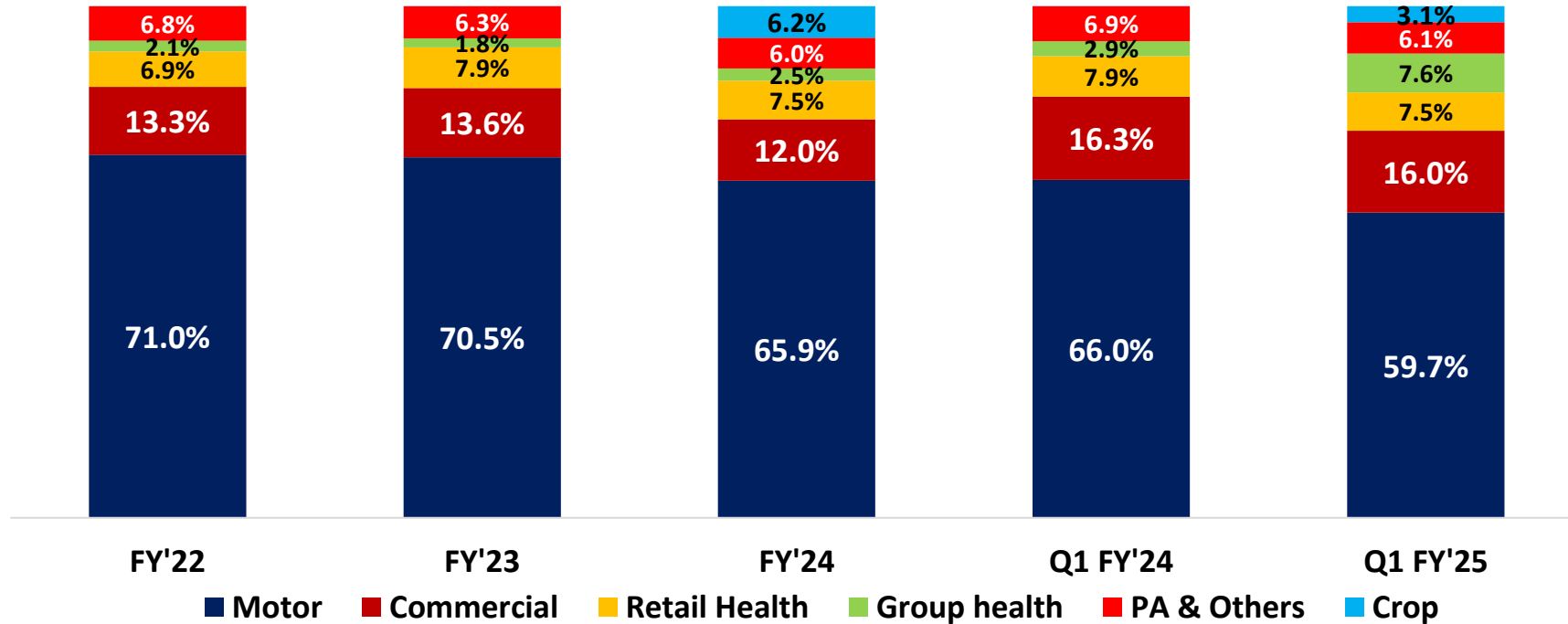
- No Net exposure to stressed assets as at Jun 2024; Exposure to Securities rated less than AA : NIL
- MTM deficit as at Jun 2024: Debt @ Rs. 152.4 Crs; Unrealised Gains in Equity @ 435.9 Crs.
- Over 90% of Investments in Infra are in PSU/Infra Bonds of Private Sector Banks
- Exposure to AIFs at Rs. 98.8Crs
- Incremental deployment of fresh and maturing Investments @ 7.54% yield in Q1 (Q1 of FY 2023-24 – 7.66%)

Dominance in Motor, Diversification Underway



- Mix of private cars going up steadily
- Advance Premium on Long Term Business at June 30th 2024 @ Rs. 1364 Crs (June 30th 2023 – Rs. 1430 Crs)
- No revision in base premium for Motor TP since FY23

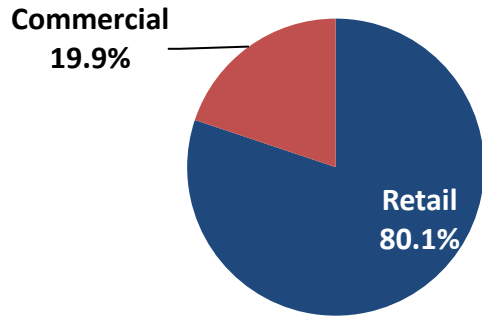
Dominance in Motor, Gaining Prominence in Other Segment



- Motor mix at 60% as at June 2023;
- Commercial lines (including SME business) mix @ ~16%
- Health mix improved to ~15.0% with uptick in group health; PA business stable at ~6.0%
- Crop accounts for ~3.1% of the portfolio

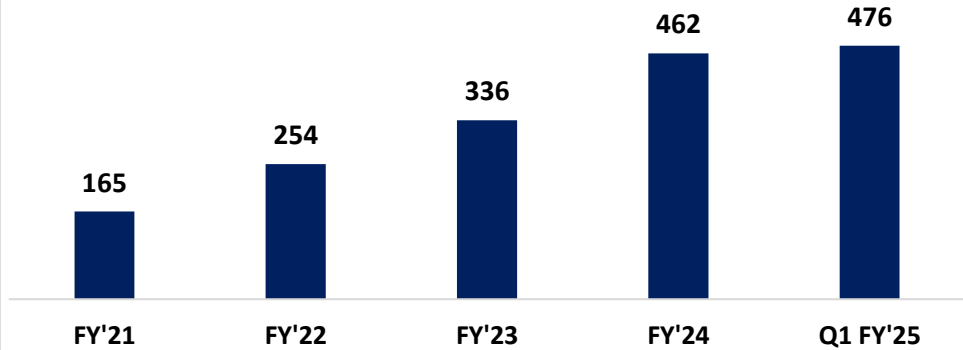
Retail Focused Diversified Operations

Retail dominated business mix



Granular book aided by increasing dispersed customer base

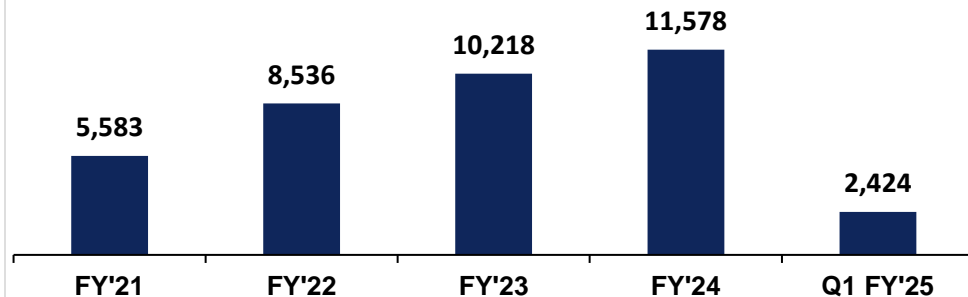
Customers (#) in Lacs



Significant growth in retail oriented policies

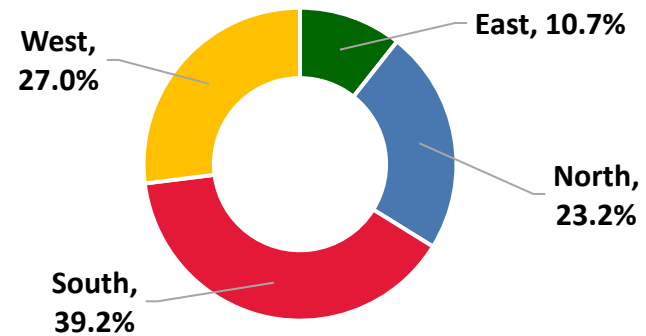
of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2016-24) = 31.2%



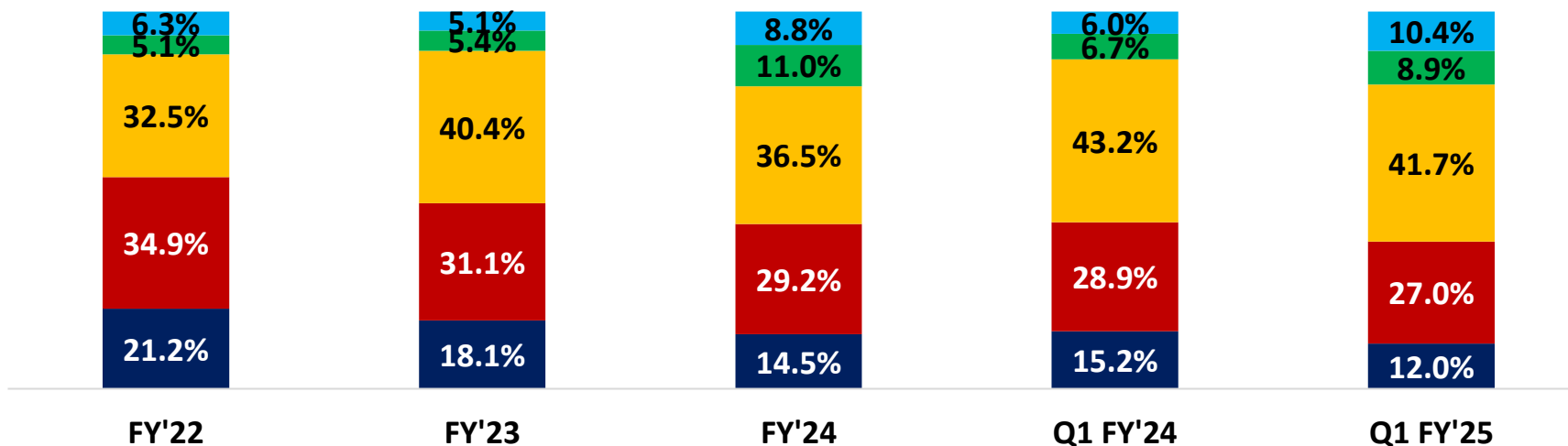
Geographic Presence – Mix %

Mix %



Multi-Channel Model Ensures Less Concentration & Diversified Revenue Stream

Channel wise Mix%



■ Banks ■ Corporate Agent Captive* ■ Brokers ■ Direct Business ■ Others

*Chola Finance + Coromandel+ CIE

Bancassurance	Agency	OEMs	Rural focus	Digital ecosystem
<ul style="list-style-type: none"> ▪ Servicing biggest Bank Network - 30k+ branches Pan India ▪ Tied up with 4 PSU Banks, 4 Pvt. Banks, 3 Small Finance Banks, 6 RRB's & 1 Cooperative Bank & 30+ NBFCs, 5 HFC 	<ul style="list-style-type: none"> ▪ Servicing 60k+ agents / POSPs Pan India ▪ Servicing Partners from 198 Chola MS Offices, 301 Digitally Enabled Offices & 169 Virtual Offices ▪ Geographic Strategy: Proliferated well into tier 2,3,4 & 5 towns in India 	<ul style="list-style-type: none"> ▪ Tied up with all Major Private Cars, Two Wheeler and Commercial Vehicle OEMs in India ▪ Servicing 12000+ dealer network Pan India ▪ 15+ large OEM partnerships 	<ul style="list-style-type: none"> ▪ Chola MS is Ranked NO: 3 among Insurers in Common Service Centre (CSC) platform with overall wallet share @ ~16% ▪ Currently managing one cluster in Maharashtra under Crop Insurance 	<ul style="list-style-type: none"> ▪ 10+ partners across Insurance brokers, Insuretech companies etc...

Core System (PAS) upgraded for Motor Pvt Car

TCS Bancs

- Private Car LOBs live on Contemporary Core PAS Platform (TCS BaNCS) from Q2 FY
- Central system of records for all transaction history
- Integrated to 7 OEMs and 70+ subsystems across the ecosystem.

32K+

Policies Issued
in July in BaNCS

2000+

Claims Processed
in July in BaNCS



Agile configuration capabilities to enable faster time to market with new product launches



Out of the box microservice based APIs to integrate real time with channel partners



Cloud native architecture for better performance and access to scalability options



Agile configuration capabilities to enable faster time to market with new product launches

Tech Enablers across the value chain of functionalities to enable better user experience and productivity

User Experience

Products & Services

- ~94% of monthly policy issuance is through system integrated channels
- API based integration capabilities for major products
- CRM **Sales Force** Implementation for Omni Channel experience

Scalable Platforms

- Microservices based platform for transactions at **scale & speed**
- End to End **digitized agent onboarding** platform for distribution scaleup
- Pricing Tool for Crop
- Health sourcing platform with product recommendation, UW rules, renewals, & portability journeys included
- UW rule engine for Motor and Health products

Productivity

Service Improvement

- **RPA bots** enabling 25+ processes in Finance, Claims & Operations with **700K+ transactions** each month
- **Self Service Enablers** – Renewals Voice Bot (Industry First)
- **Industry leading adoption of LVS** (Live Video Streaming) for motor claims at **90%+ overall**
- **Chola MS** app for retail customers
- **Whatsapp** communication
- **AI based** motor damage assessment capabilities
- DIY **Endorsement** portal launched

Glimpse of new Tech & Digital Capabilities across the value chain leading to superior partner and customer experiences

Distribution build

ZING AGENT PRO

100%

Digital Onboarding of Agents

Sales fulfilment

ZING Insta 360 **Phoenix** **LIVESTOCK**

100%

Policy issuance digitally

2 min

Instant policy issuance

Underwriting

Taylor **Tele UW** **UW OCR**

75%

STP issuance for Health

100%

Digitization of PPMC records

Claims

AI based Motor Claim Adjudication

Provider Portal

90+%

Accuracy of AI based Motor damage assessment model

Renewals

Voice Bot for renewals

NRLMS

100%

Automated fulfilment of renewals via bot

Ops and servicing

Self Service Chatbot

RPA for Claims, Finance, Operations

24 x 7

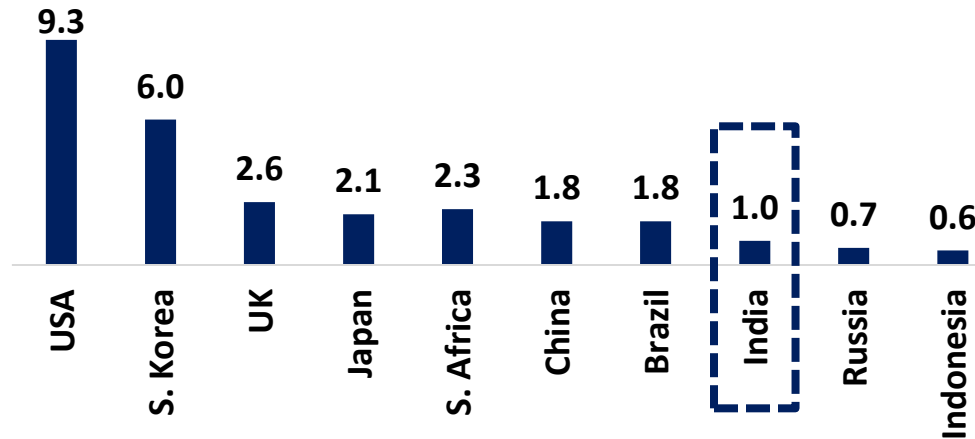
700K+

Query resolution using chatbot

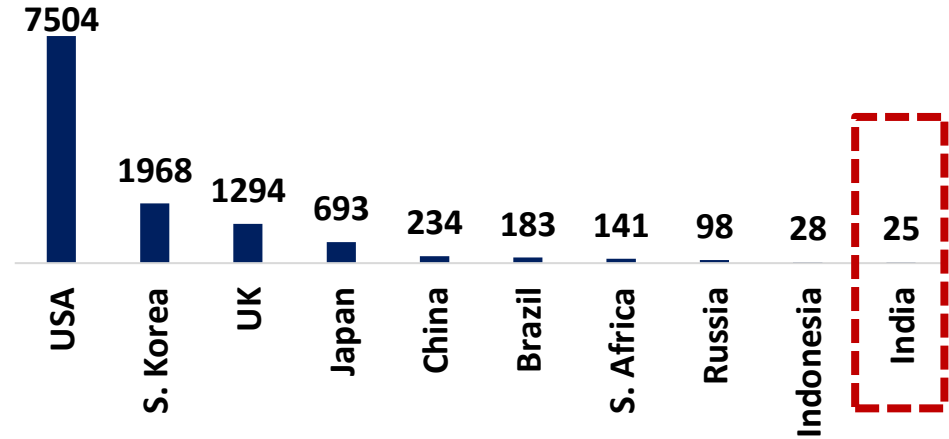
Successful monthly RPA transactions

Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY23) (US\$)



Non-Life Insurance Density (Premium per capita) (CY23) (US\$)

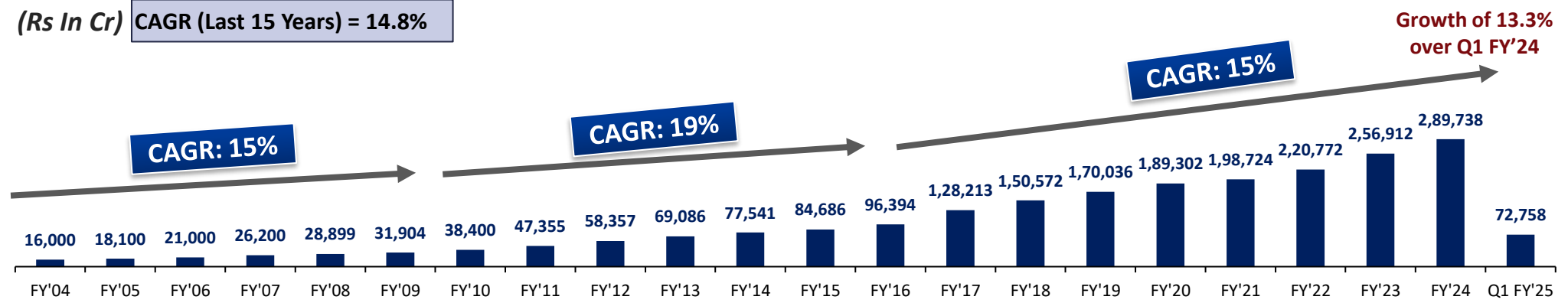


- India is the 4th largest non-life insurance market in Asia and 14th largest globally
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering to rural masses, innovative selling and bright long term outlook for growth
- Every 0.25% increase in penetration can increase industry GWP by Rs. 775 Bn

Industry has Witnessed Strong Growth Over the last 15 Years

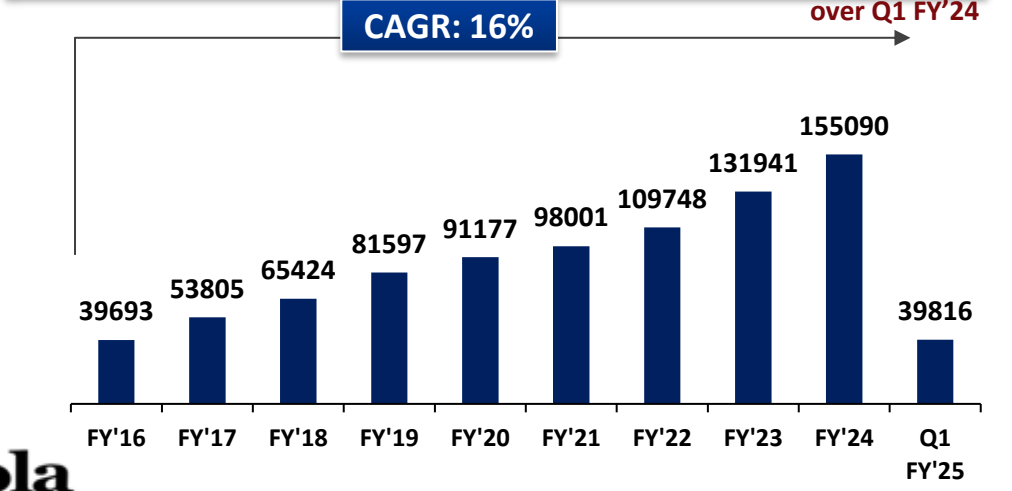
General Insurance Gross Premium has grown >10x over the last 15 years

(Rs In Cr) CAGR (Last 15 Years) = 14.8%

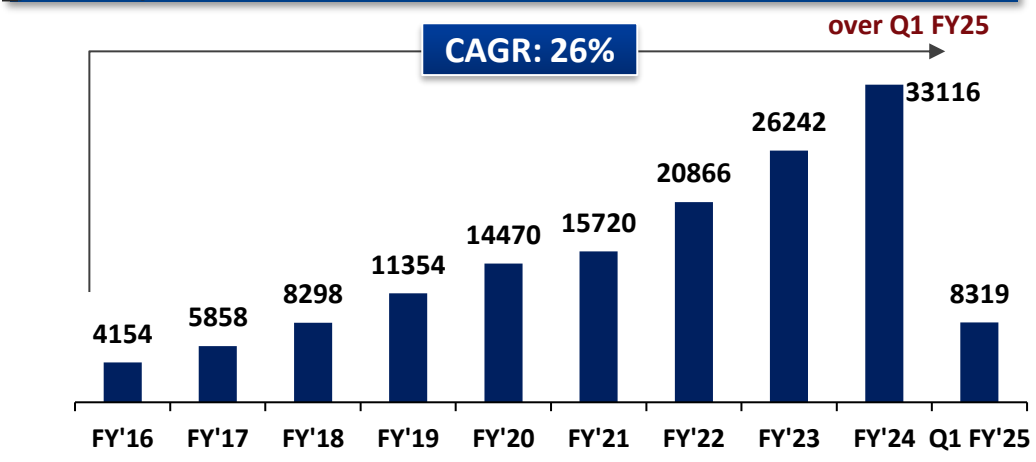


Source: IRDA; data includes public general insurers, private general insurers, standalone health insurers (SAHI) and specialized general insurers

Private GI Players have grown at a faster pace



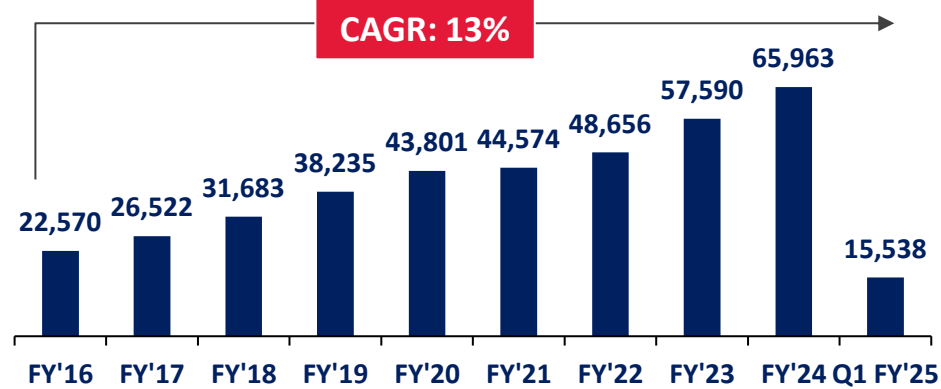
Robust growth for SAHI Players driven by Retail



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

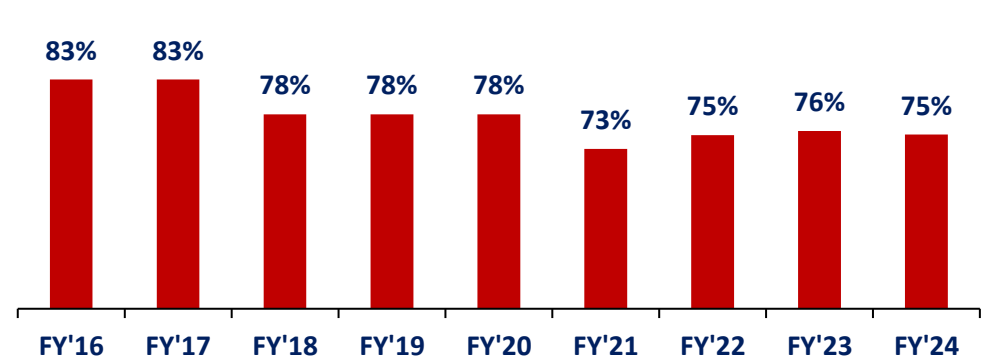
Motor accounts for 42.5% share of the overall GWP for Private General Insurers (single largest segment)

(Private Motor Insurance– GWP Rs in Crs)



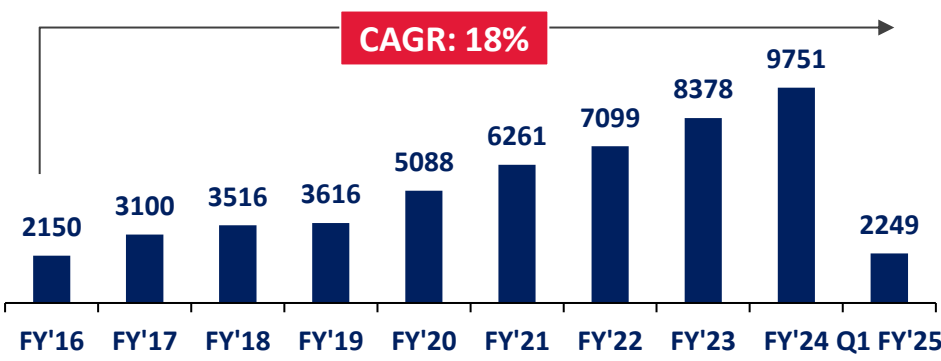
Motor Claim ratio

(Private Motor Insurance– Claims Ratio)



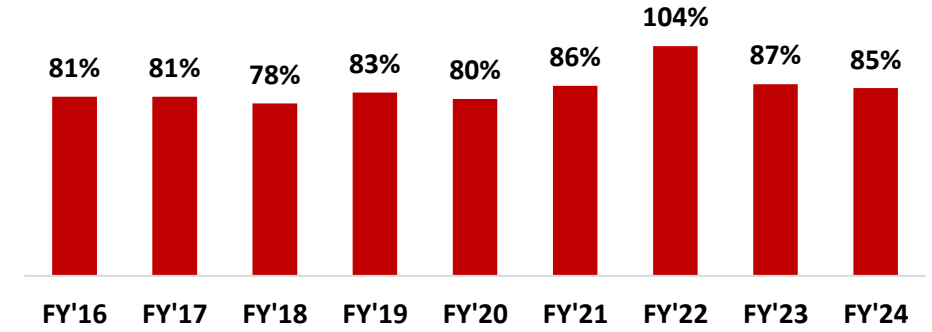
Retail Health (4.0%* share of overall GWP) is the fastest growing segment

(Private Retail Health Insurance – GWP Rs in Crs)



Health Claim Ratio










(Private Health Insurance – Claims Ratio)



* Excluding SAHI Companies

Favorable Regulations Aiding Growth

Amendment to Acts expected to improve profitability and growth across segments

Growth Oriented	Requiring Tweaks	Impending
<p>Product Regulations</p>  <ul style="list-style-type: none"> ▶ Use and File across lines ▶ Flexibility in Short term / long term products ▶ Flexibility in wordings ▶ IIB burn cost rates ceasing to be the reference rates 	<p>Rural / Social / TP Obligations</p>  <ul style="list-style-type: none"> ▶ Insurance penetration at Gram Panchayat level 	<p>Courts' recognition of amended MV Act</p>  <ul style="list-style-type: none"> ▶ Claim initiation time cut to 6 months, shortening the long tail of claims ▶ Courts' to recognize and implement for relief to sector
<p>Single Limit for Expense of Management</p>  <ul style="list-style-type: none"> ▶ Fungible EOM limits across LOBs ▶ Fungible EOM limits across intermediaries 	<p>Distribution</p>  <ul style="list-style-type: none"> ▶ Sub-limits to be reviewed as they remain at historic levels ▶ Regulatory Arbitrage to be removed 	<p>Amendments to Insurance Act</p>  <ul style="list-style-type: none"> ▶ composite licenses ▶ Distribute other financial products
<p>Regulatory Amendments</p>  <ul style="list-style-type: none"> ▶ Bima Vistar – combo product ▶ Health Products pricing – Annual revisions enabled 	<p>TP Premium Pricing</p>  <ul style="list-style-type: none"> ▶ Rising medical inflation and wage levels impact claims severity ▶ Inadequate price increase over the last 3 to 4 years 	<p>Regulatory Amendments</p>  <ul style="list-style-type: none"> ▶ Industry managed data repository – corporatization of IIB ▶ Bima Sugam – Common digital platform ▶ Health Claims Exchange

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