



# **Chola**

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**CORPORATE PRESENTATION – Q2-FY24**



**murugappa**

# Murugappa Group in a Nutshell



Years of Existence



Consolidated Turnover (FY23)



Group Market cap (as on 30<sup>th</sup> Sep 2023)



Sectors



Businesses



Listed Companies



Geographical Presence

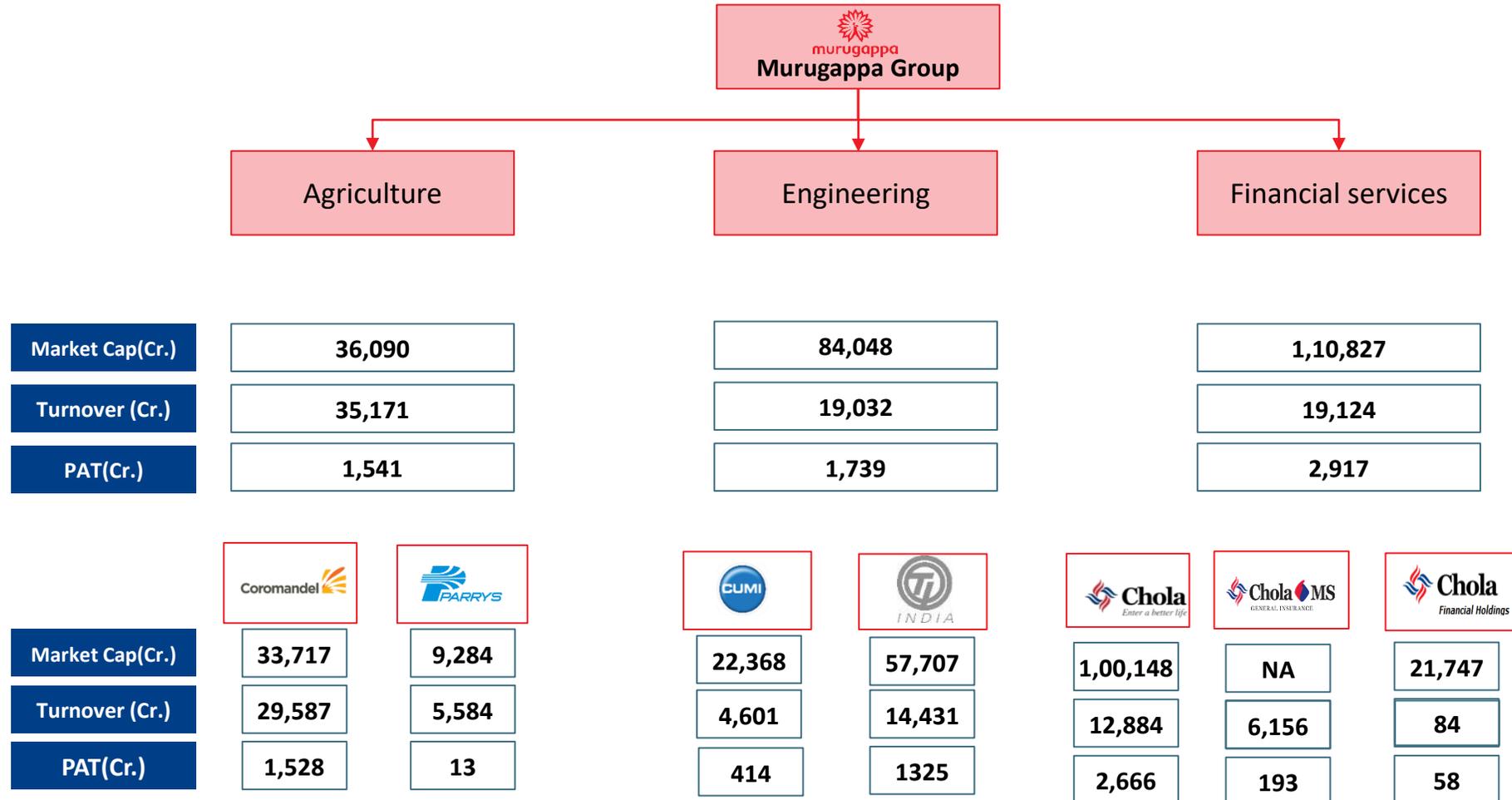


Manufacturing Locations



Work force

# Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings. Financial Performance are of FY 22-23. Market data as on 30<sup>th</sup> Sep 2023. 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.

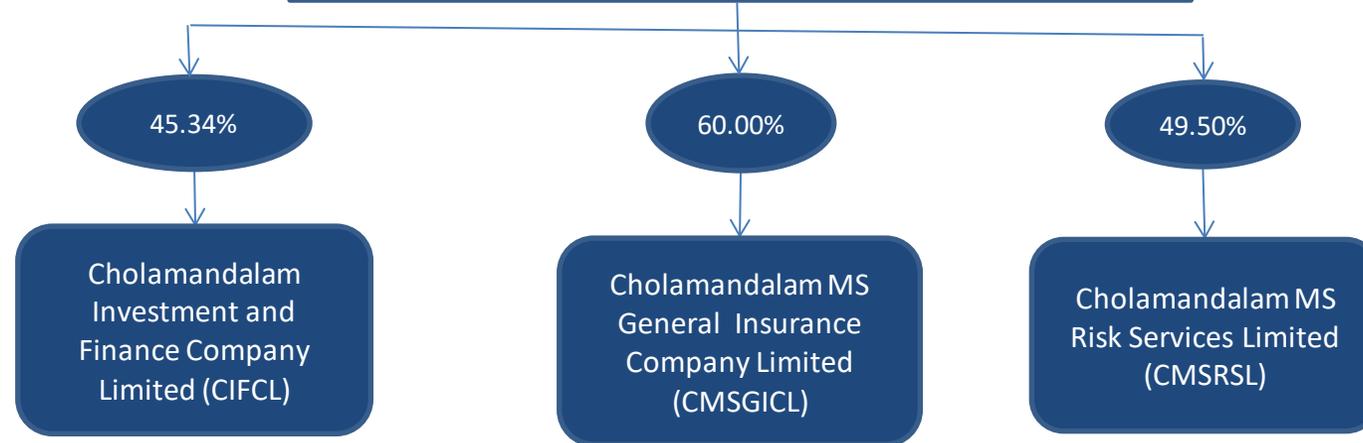
**Quality**  
We take ownership of our work. We unflinchingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

**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)



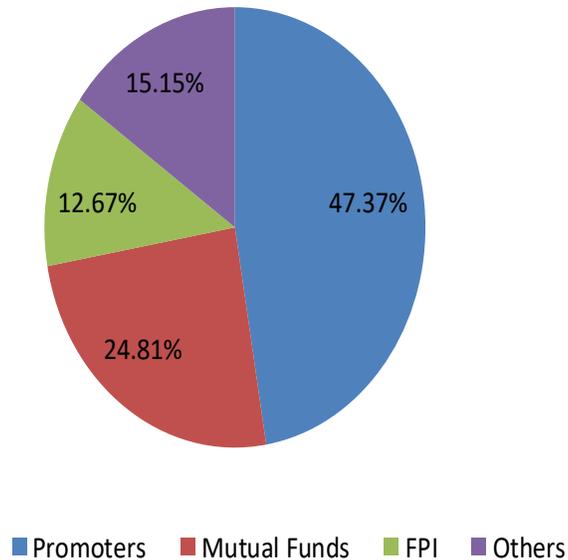
- Subsidiary (as per Ind AS)
- Associate (as per Companies Act)
- Listed Company
- Leading NBFC - Vehicle Finance, Loan against Property, Home Loans and other Secured/Unsecured Loans
- Stock broking and distribution of financial products through Subsidiary Companies

- 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

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

# Shareholding Pattern

Shareholding Pattern  
as of September 30, 2023



## Institutional Holders (More than 1%)

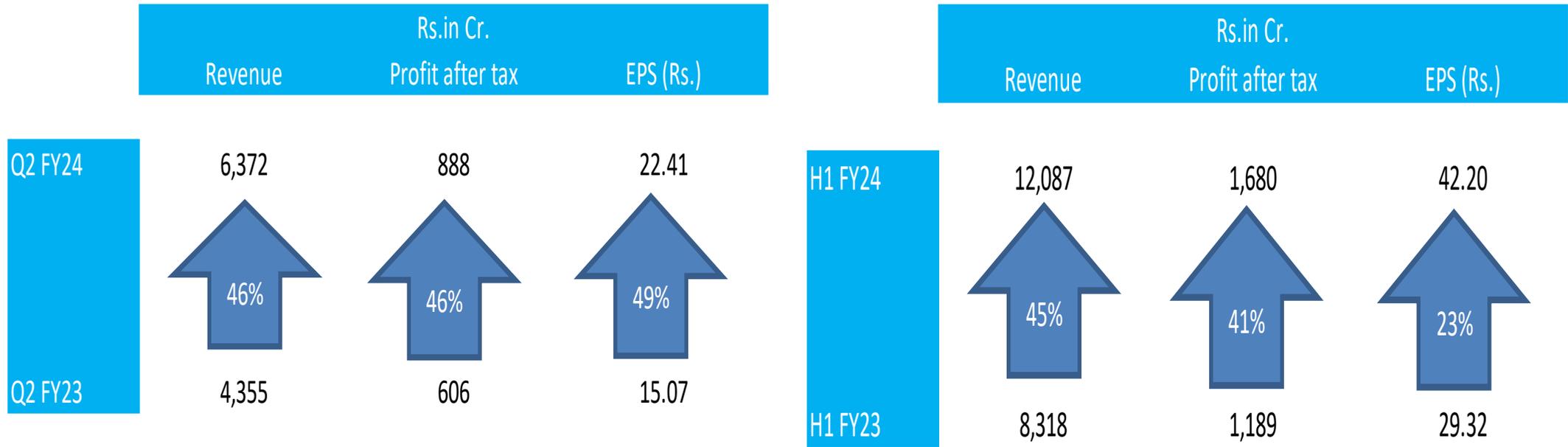
### Top Domestic Institutional Holdings

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

### Top Foreign Institutional Holdings

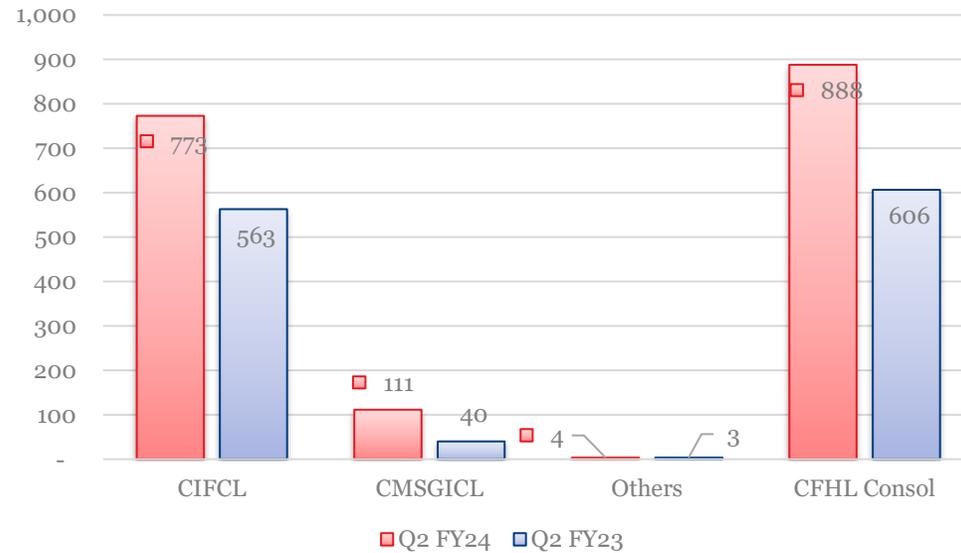
- Nomura India Investment Fund Mother Fund
- First Sentier Investors ICVC - Stewart Investors I
- Toyota Tusho Corporation

# Performance Highlights - Consolidated

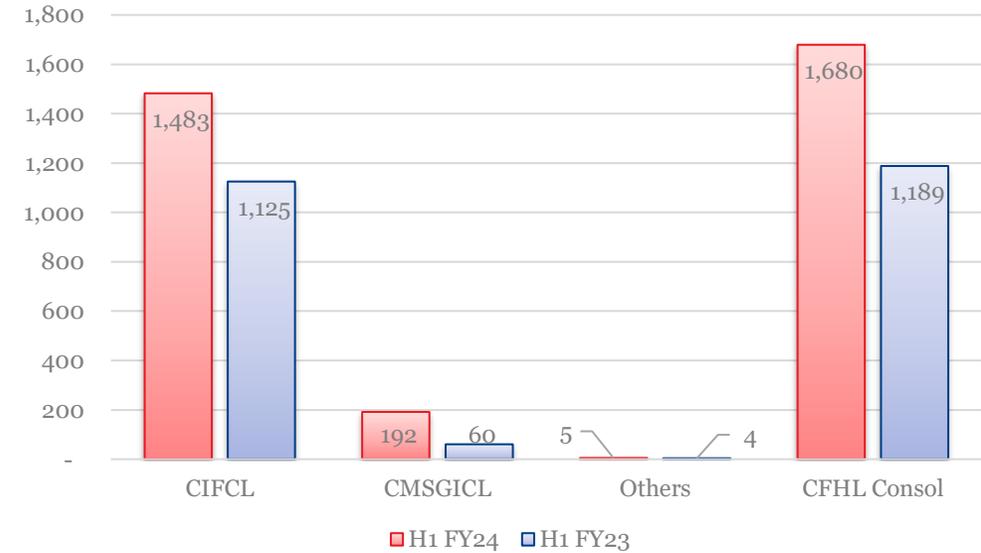


# Performance Highlights - Consolidated

Profit After Tax (Rs.in crs)



Profit After Tax (Rs. in crs)



# Financial Performance & Metrics

CFHL - Standalone Particulars (Rs. in Cr)	H1 FY24	H1 FY23
Income	31.62	30.62
Expenses	3.07	4.73
Profit Before Tax	28.55	25.89
Tax Expense	4.59	3.92
Profit After Tax	23.96	21.97

CFHL - Standalone Balance Sheet (Rs. in Cr)	As of 30-Sep-2023	As of 31-Mar-2023
Networth	1,249.69	1,236.39
Other Liabilities	53.23	51.96
Total Equity and Liabilities	1,302.92	1,288.35
Investments and Bank deposits	1,302.13	1,287.67
Other Assets	0.79	0.68
Total Assets	1,302.92	1,288.35

\*CIE - Chola Insurance Express; VO - Virtual Office

CIFCL	H1 FY24	H1 FY23
Disbursements (Rs. in Cr)	41,557	27,953
	As of 30-Sep-2023	As of 31-Mar-2023
Asset Under Management (Rs. in Cr)	1,33,775	1,12,782
No. of Branches	1,267	1,191

CMSGICL	H1 FY24	H1 FY23
Gross Written Premium (Rs. in Cr)	3,715	2,918
	As of 30-Sep-2023	As of 31-Mar-2023
Investment Portfolio (Rs. in Cr)	15,240	14,271
Market presence (Branch+CIE +VO)*	612	604

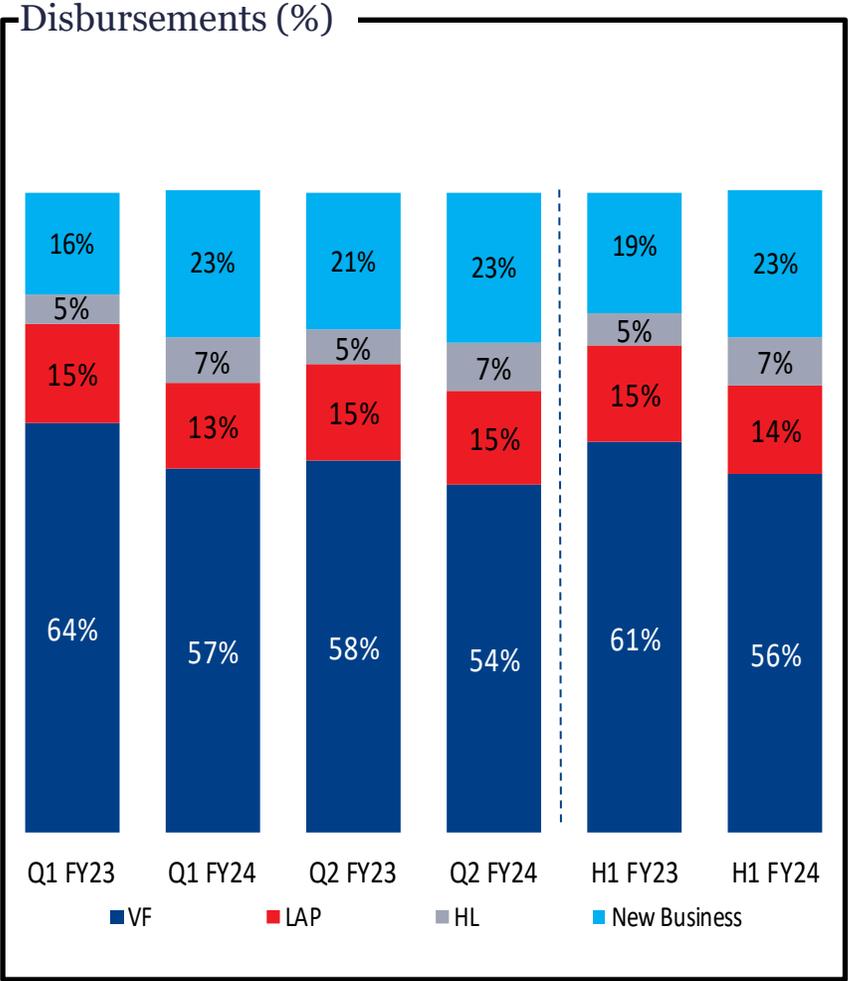
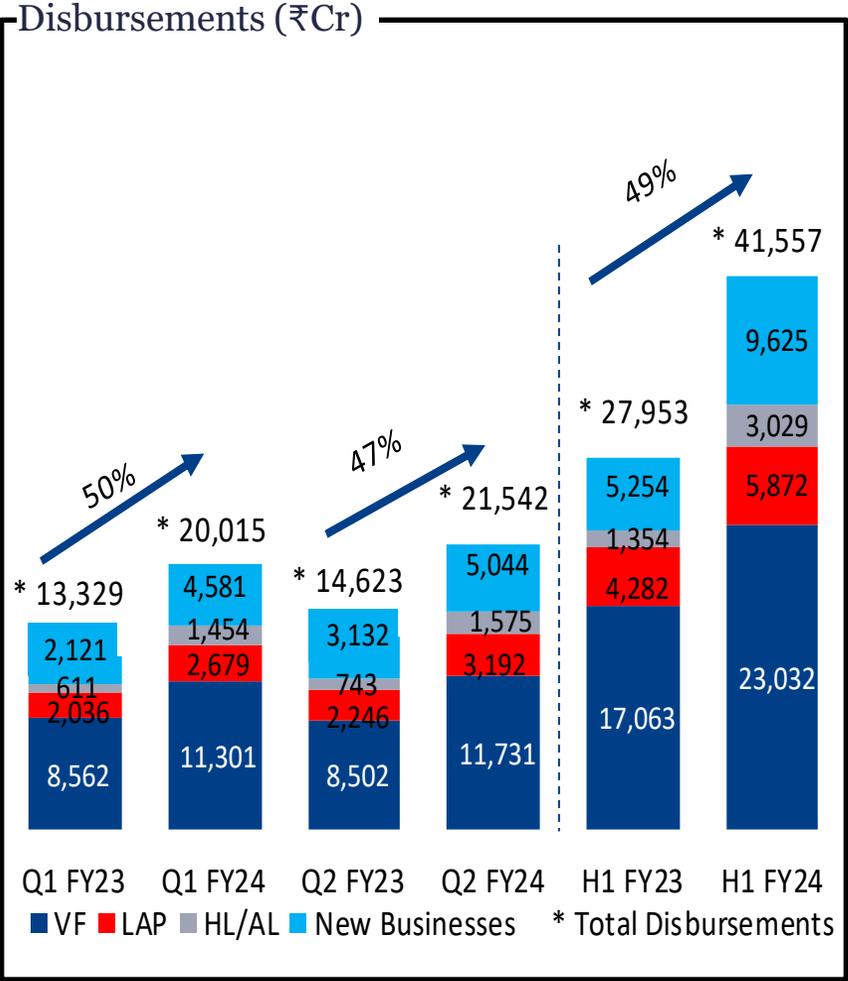
CMSRSL	H1 FY24	H1 FY23
Revenue (Rs. in Cr)	32.83	31.34
Profit After Tax (Rs. in Cr)	1.09	2.83
	As of 30-Sep-2023	As of 31-Mar-2023
Networth (Rs. in Cr)	37.88	37.29

## Regulatory Ratios of CFHL

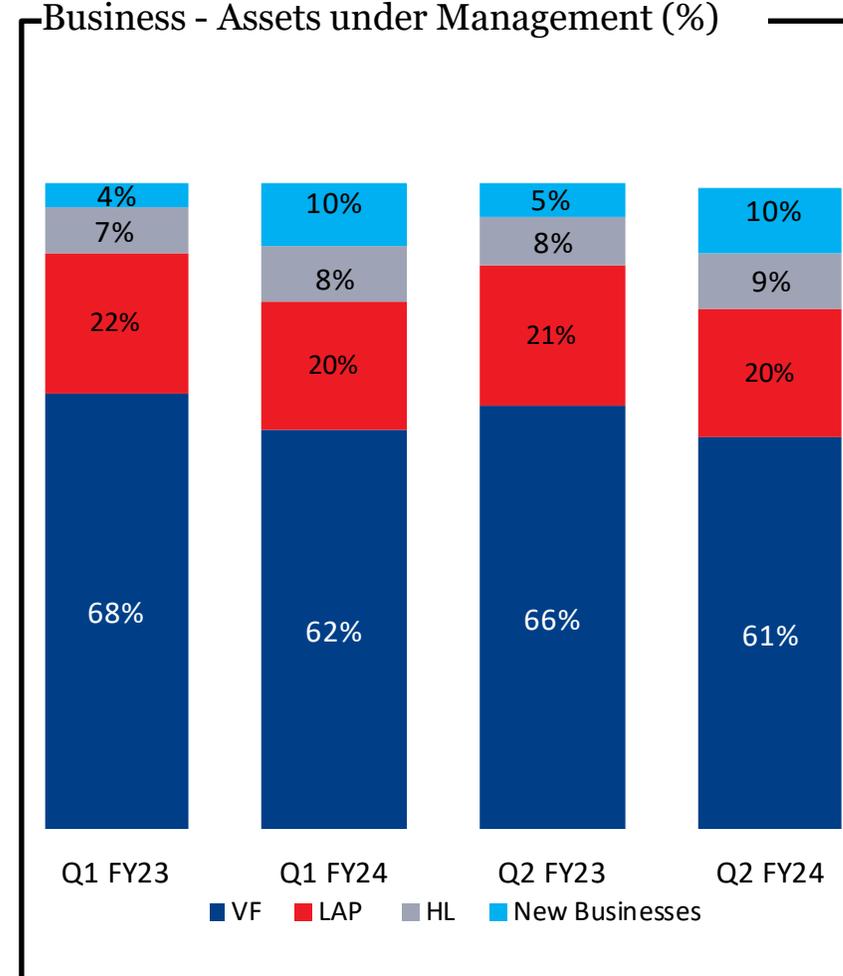
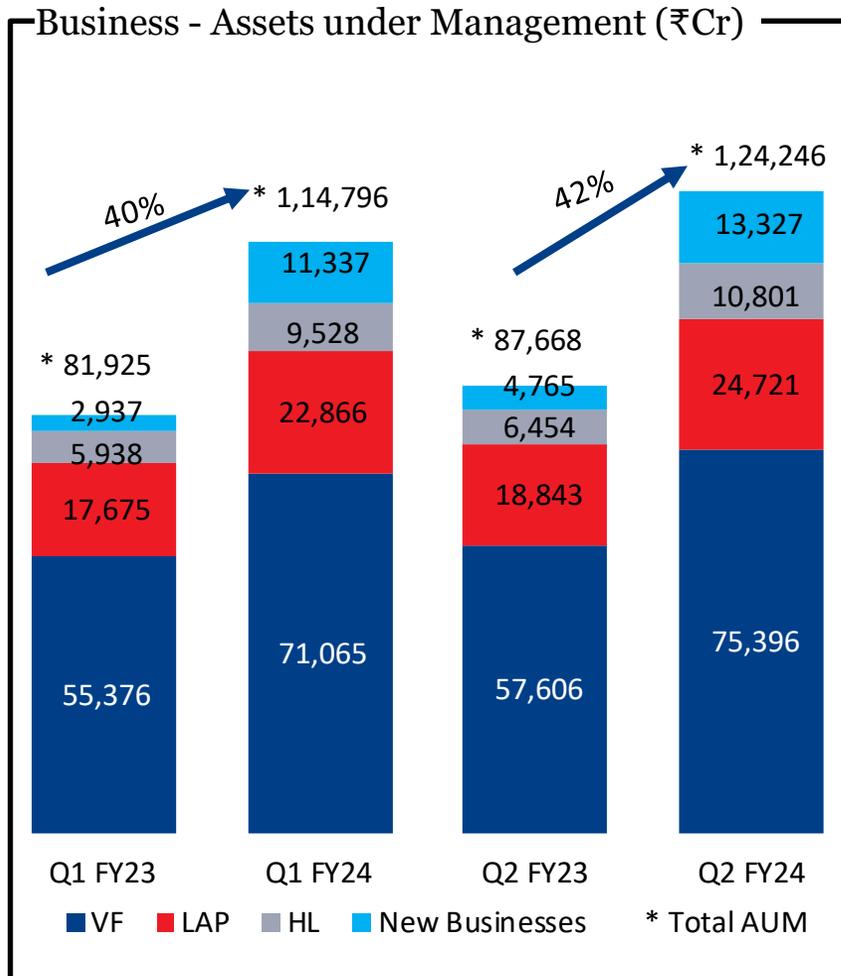
Particulars	Rs Crs	
	As of September 30, 2023	As of March 31, 2023
Owned Funds (A)	1,249.68	1,226.02
Adjusted Networth (B)	20,444.92	14,387.29
Risk Weighed Assets ( C)	1,280.99	1,280.89
Outside Liabilities (D)	53.15	52.39
Net assets (E)	1,280.04	1,280.23
Investment in equity shares of group companies (F)	1,279.84	1,280.12
Capital Ratio (B / C)	1596.03%	1123.23%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.003	0.004
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.984%	99.991%
Regulatory minimum	90.000%	90.000%

# Cholamandalam Investment and Finance Company Limited

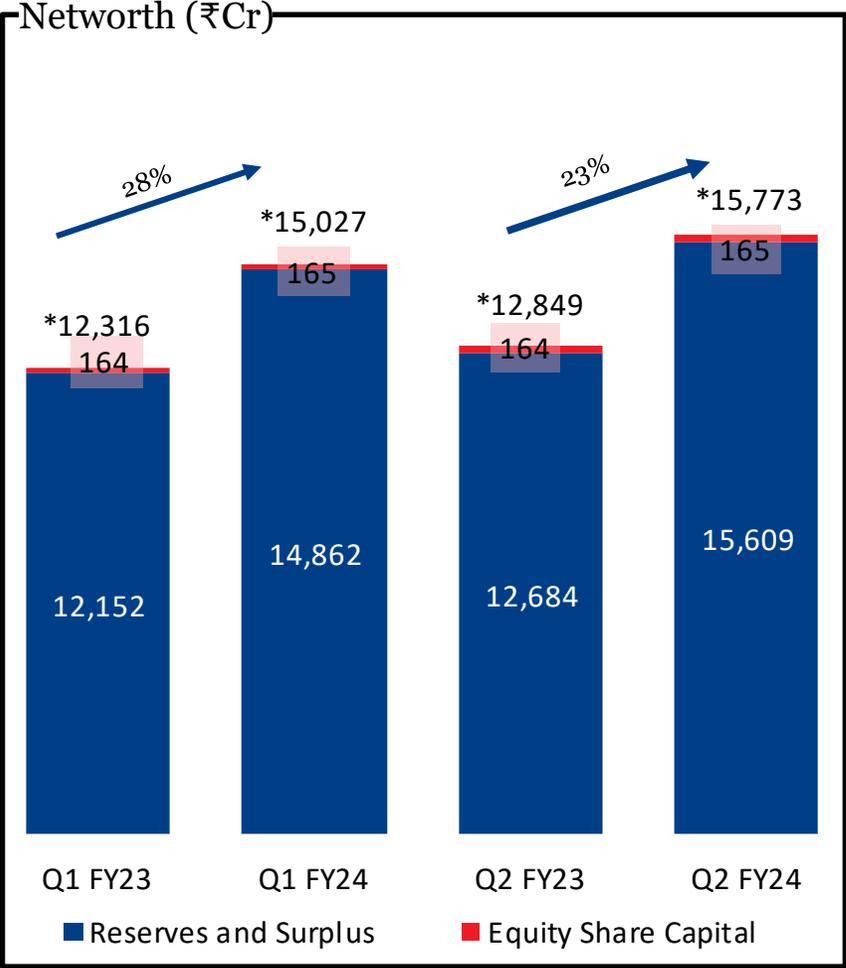
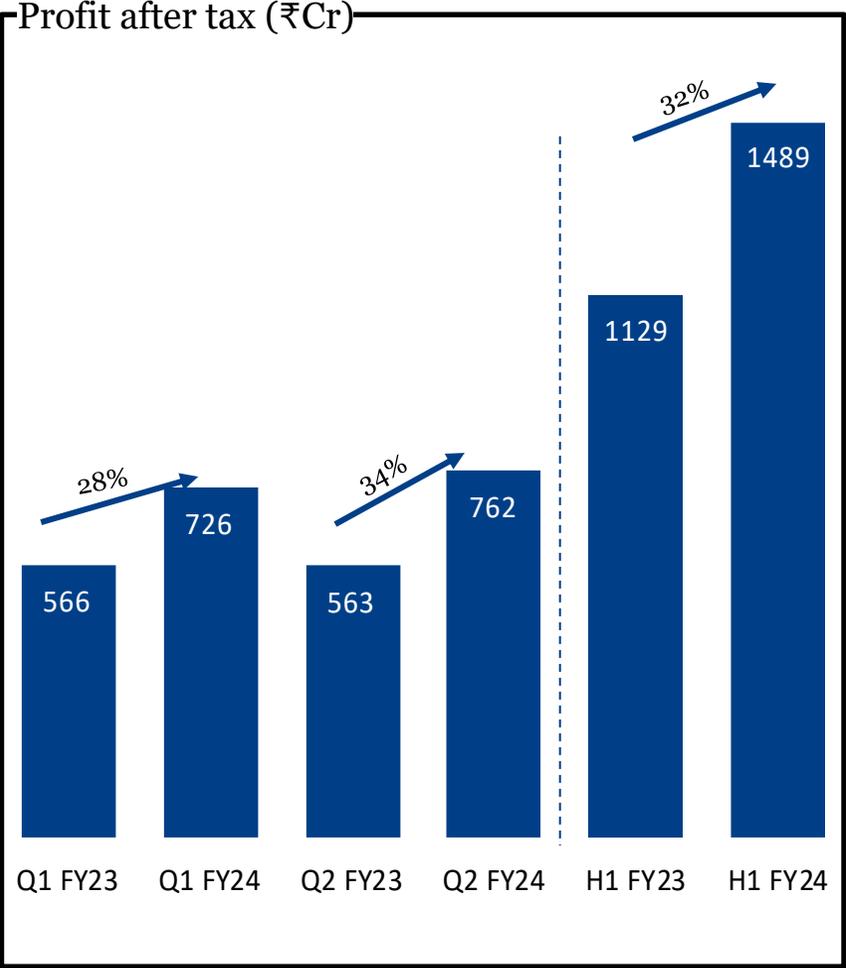
# Disbursements



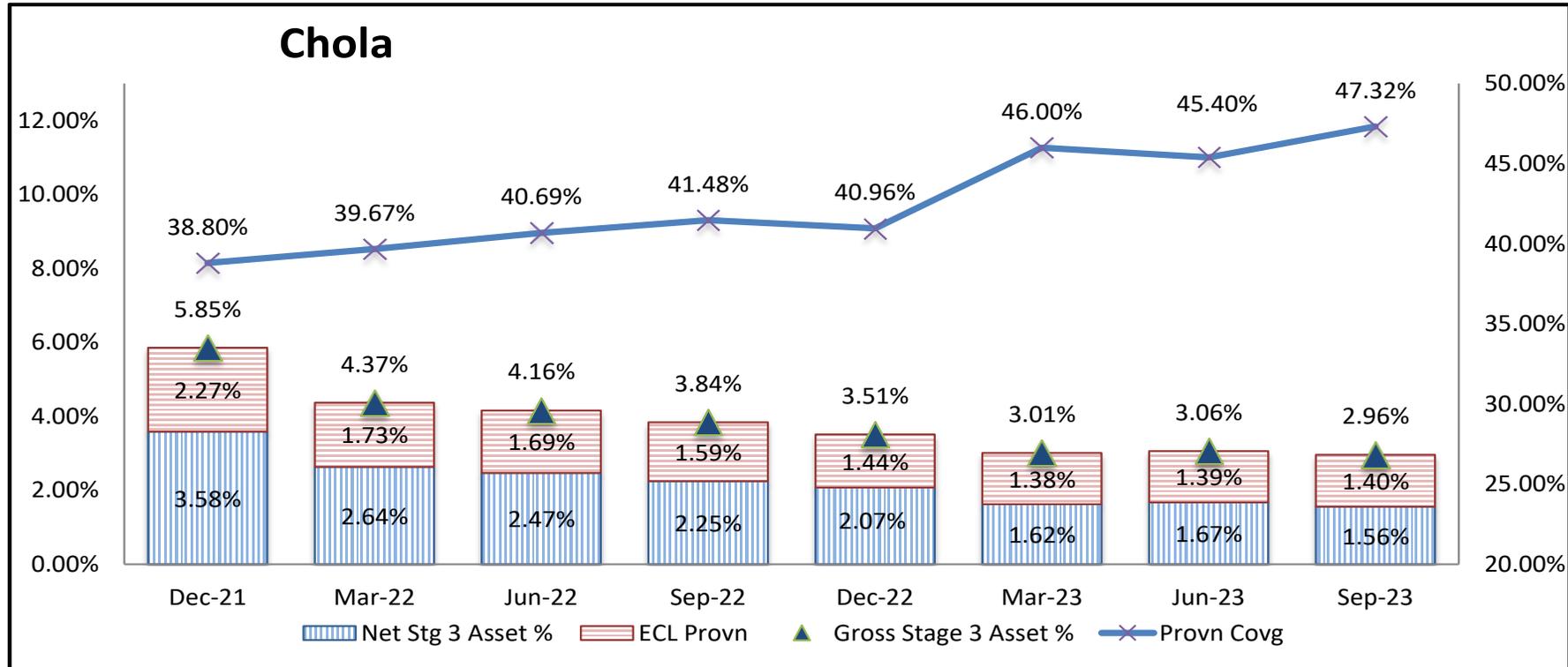
# Assets Under Management



# Profitability and Net worth



# Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of Jun23 is at 4.07% and 2.59% respectively.

# Vehicle Finance



# Vehicle Finance: Q2 FY24 & H1 FY24 Performance

## Disbursements

- Disbursements grew by 38% in Q2 FY24 to Rs. 11,731 Cr & by 35% in H1 FY24 to Rs. 23,032 Cr as compared to Q2 FY23 & H1 FY23 respectively.

## Assets under management

- AUM has grown by 31% YoY.

## Loss and provisions

- Loan losses dropped to 1.7% in Q2 FY24 from 1.8% in Q2 FY23 & to 1.6% in H1 FY24 from 1.9% in H1 FY23.

## Profit before tax

- PBT grew by 7% in Q2 FY24 to Rs.499 Cr & by 6% in H1 FY24 to Rs.1,000 Cr as compared to Q2 FY23 & H1 FY23 respectively.

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

### Sector Outlook

- The Light commercial vehicle segment had a growth of 7% in Q2 FY'24 & 3% in H1 FY'24 with an all-time high sales in H1 of any previous year, The segment is expected to grow stronger in the coming months with festive demand.
- The Small commercial vehicle segment had a de-growth of 8% in Q2 FY'24 & 13% in H1 FY'24. The growth in this segment is expected to be muted.
- The Heavy commercial vehicle segment had a growth of 18% in Q2 FY'24 & 10% in H1 FY'24. The segment is expected to pickup growth in the coming quarters driven by replacement demand, increased mining, infrastructure and construction activities.

### Chola's Position

- Increased demand for Light commercial vehicle will help us garner higher market share, we will continue our focus in this segment based on the upcoming harvest season and rural uptake.
- We will focus on this segment with a cautious approach to financing.
- Our exposure in this segment is 7% at a portfolio level. We are treading carefully in this segment due to increase in price and operating costs.

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

### Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 5% in Q2 FY'24 and 7% in H1 FY'24 with an all-time high sales in H1 of any previous year. This segment is witnessing healthy demand.
- The Two-wheeler industry had a de-growth of 2% in Q2 FY'24 & a growth of 4% in H1 FY'24. This segment is expected to grow with the festive season coming in.
- Used vehicle business has contributed to 33% of our disbursement volumes and this segment will continue to grow with the increased prices of new vehicles.

### Chola's Position

- We will continue to focus in this segment in line with market demand especially in smaller towns and rural areas.
- The company intends to drive two-wheeler financing through quality underwriting and clear portfolio.
- We will continue to be a key financier in this segment with a watch on portfolio quality driven by focussed collection effort.

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

### Sector Outlook

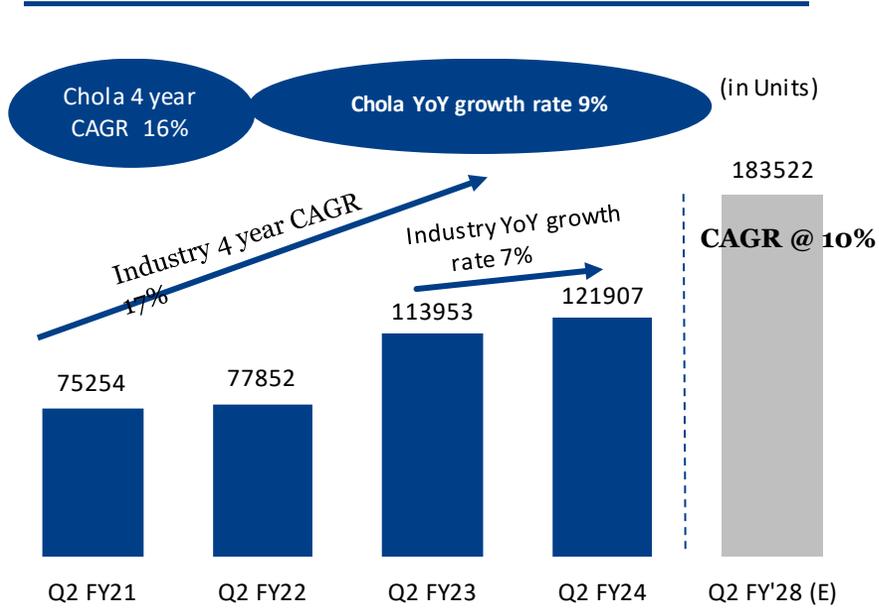
- The Construction Equipment segment had a growth of 29% in Q2 FY'24 and 22% in H1 FY'24. This segment is aided by improvement in overall macroeconomic environment.
- The Tractor industry had a de-growth of 6% in Q2 FY'24 & 4% in H1 FY'24 due to a high base effect in the previous year. We expect this segment to have single digit growth this year due to uneven rainfall.

### Chola's Position

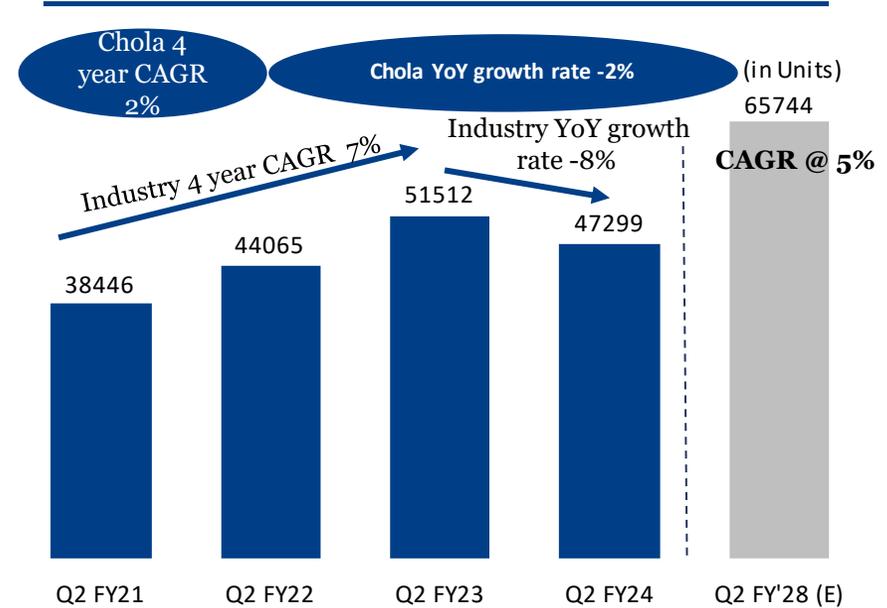
- Our exposure in this segment is around 7% at a portfolio level. We follow a guarded approach to build a clean portfolio.
- We will keep a close watch on this segment considering the El-Nino phenomenon affecting kharif yields and cash flows.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



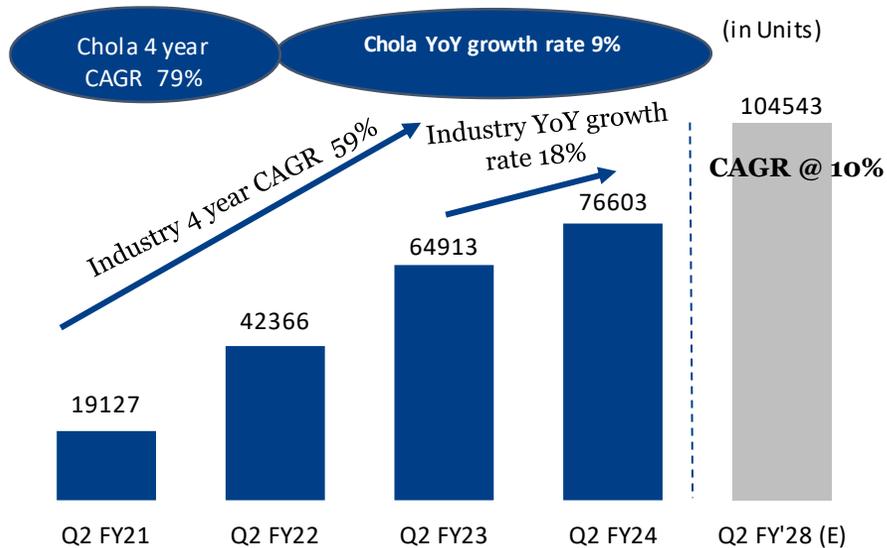
## Trend in Domestic SCV Sales



- 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.

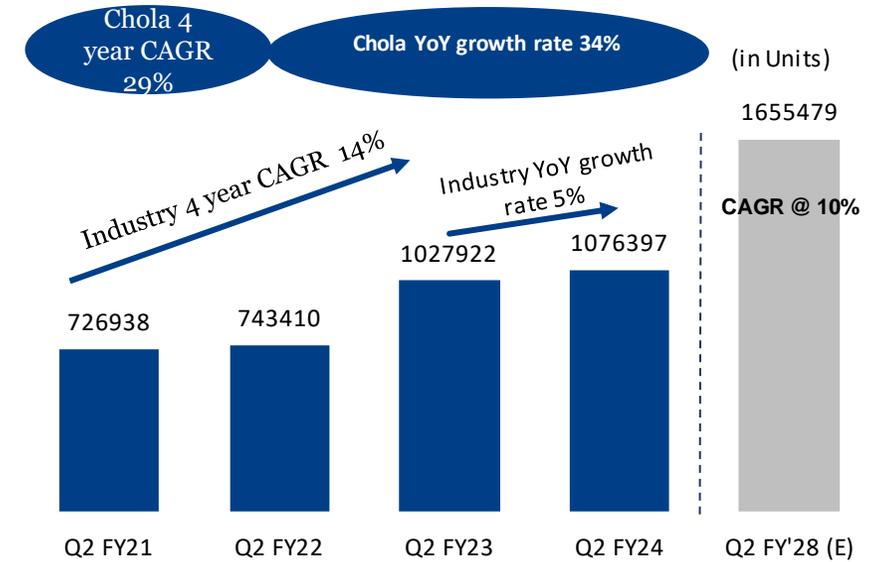
# Auto Industry Outlook

## Trend in Domestic HCV Sales



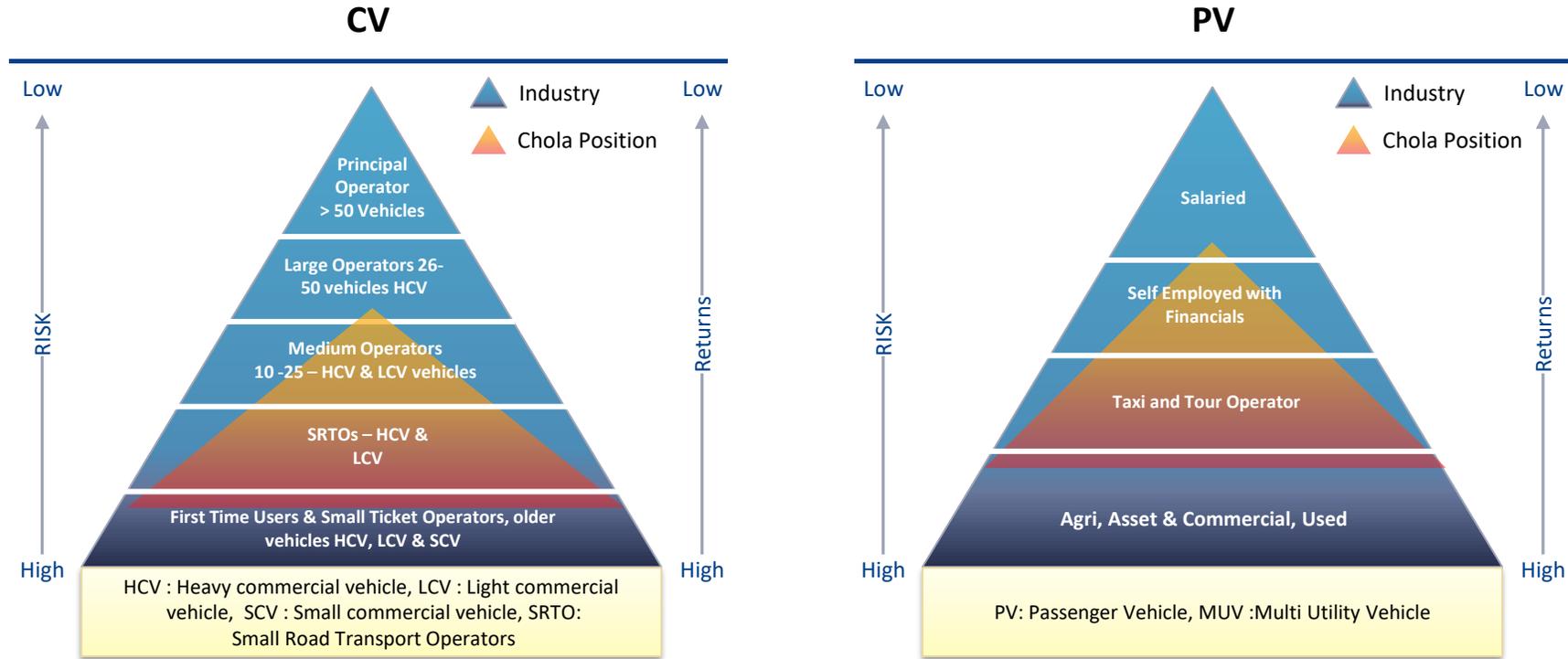
- Improved industrial activity, steady agricultural output and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

## 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.

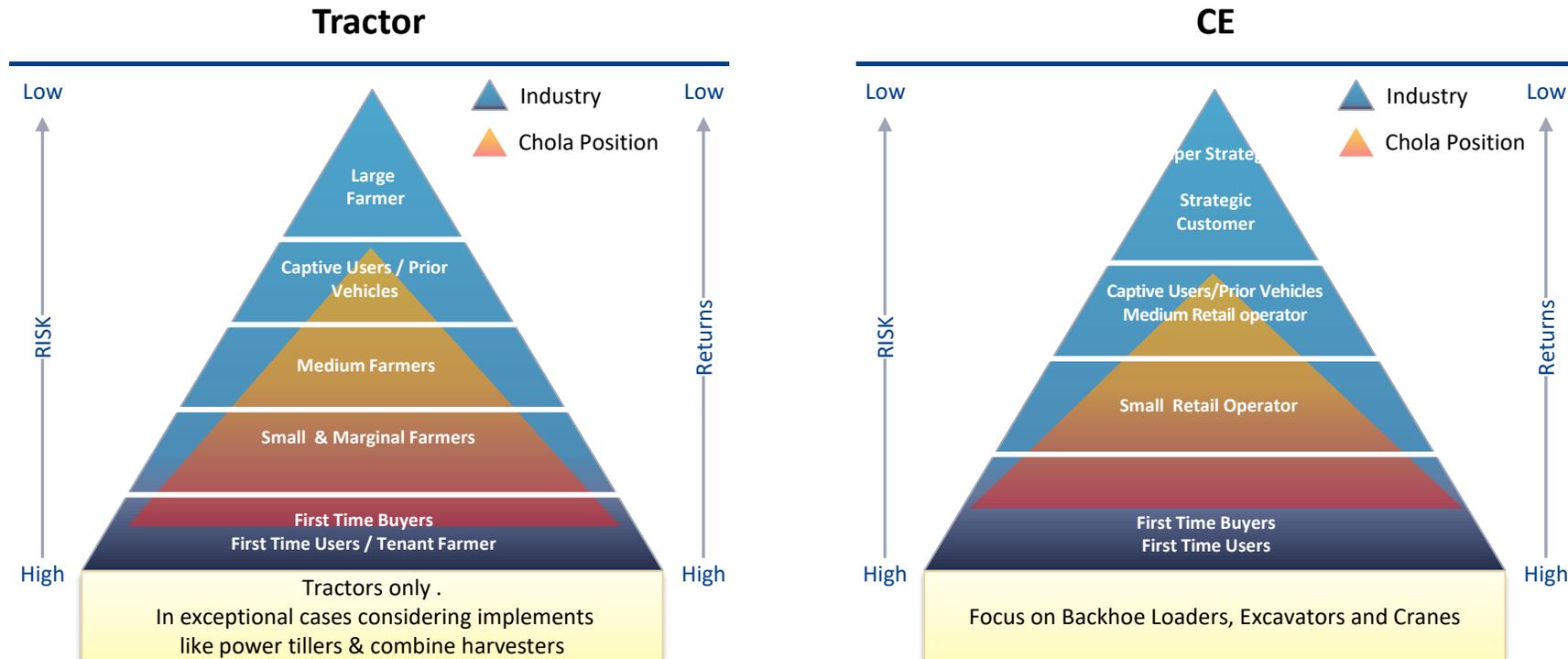
# Vehicle Finance—Business Model & Positioning



- ~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



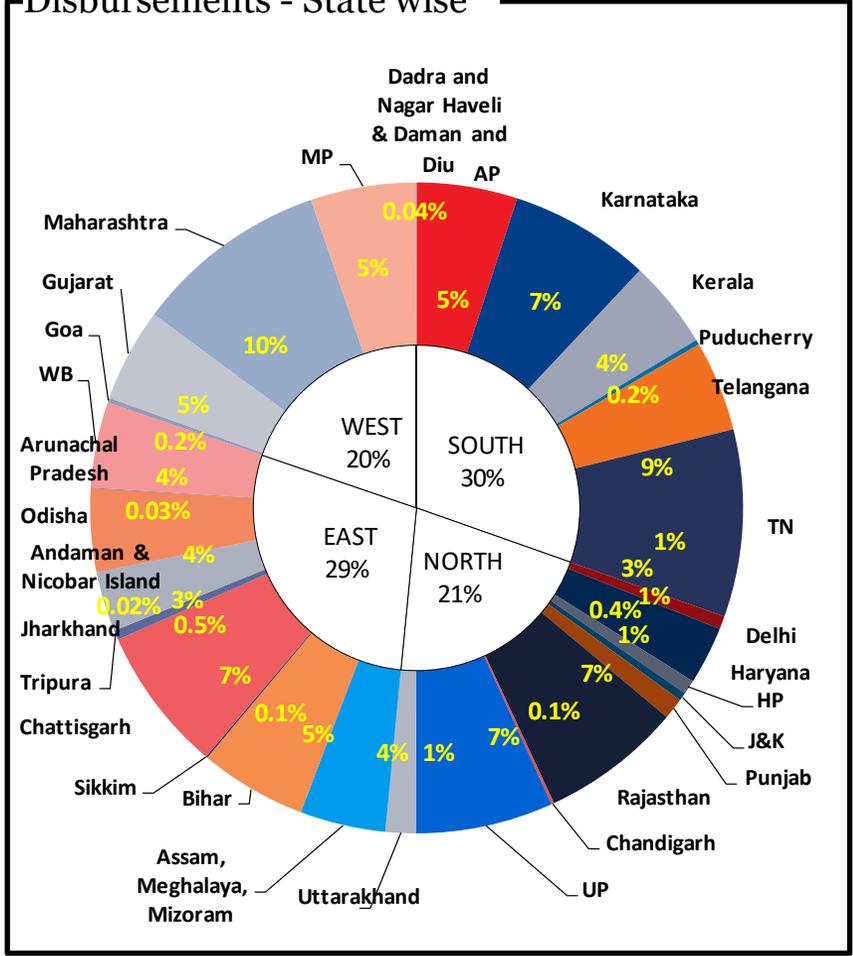
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

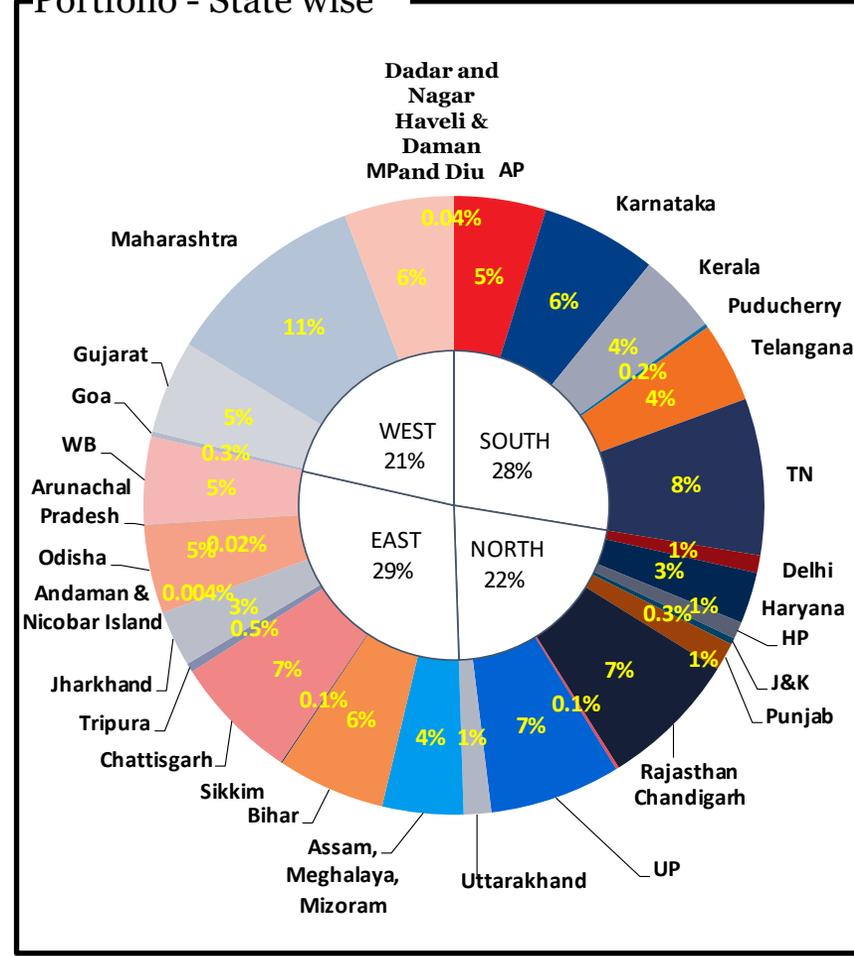
# Vehicle Finance - Disbursement/Portfolio Mix – Q2 FY24

Well diversified across geography

Disbursements - State wise

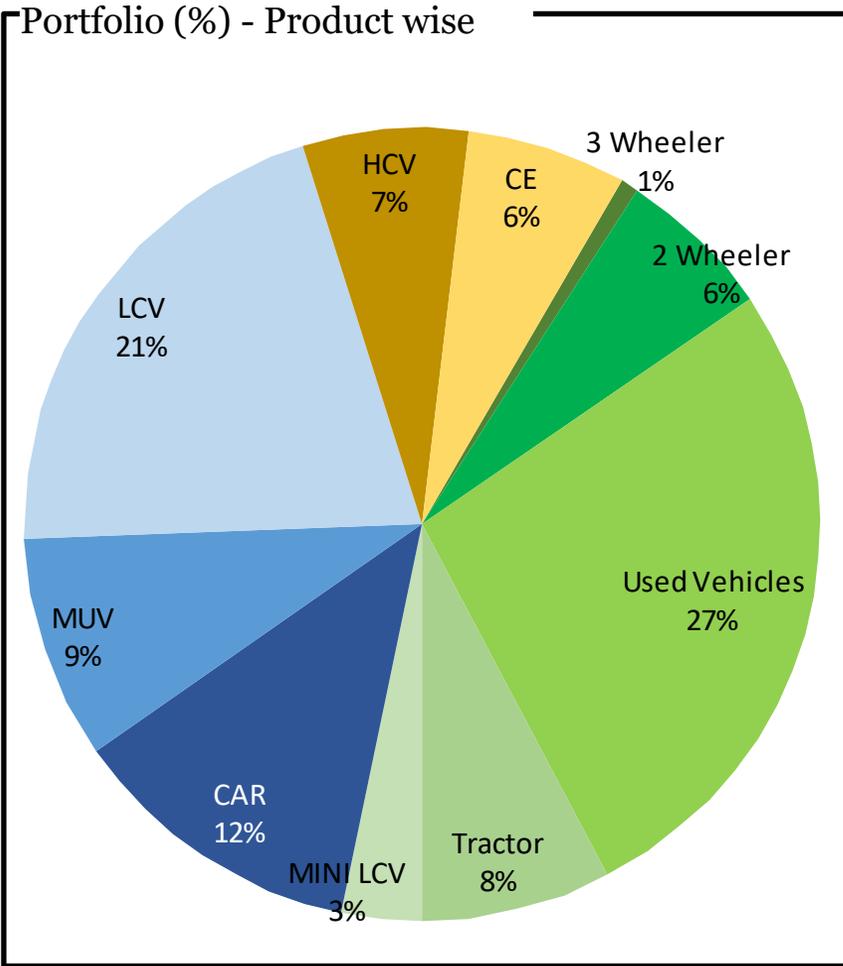
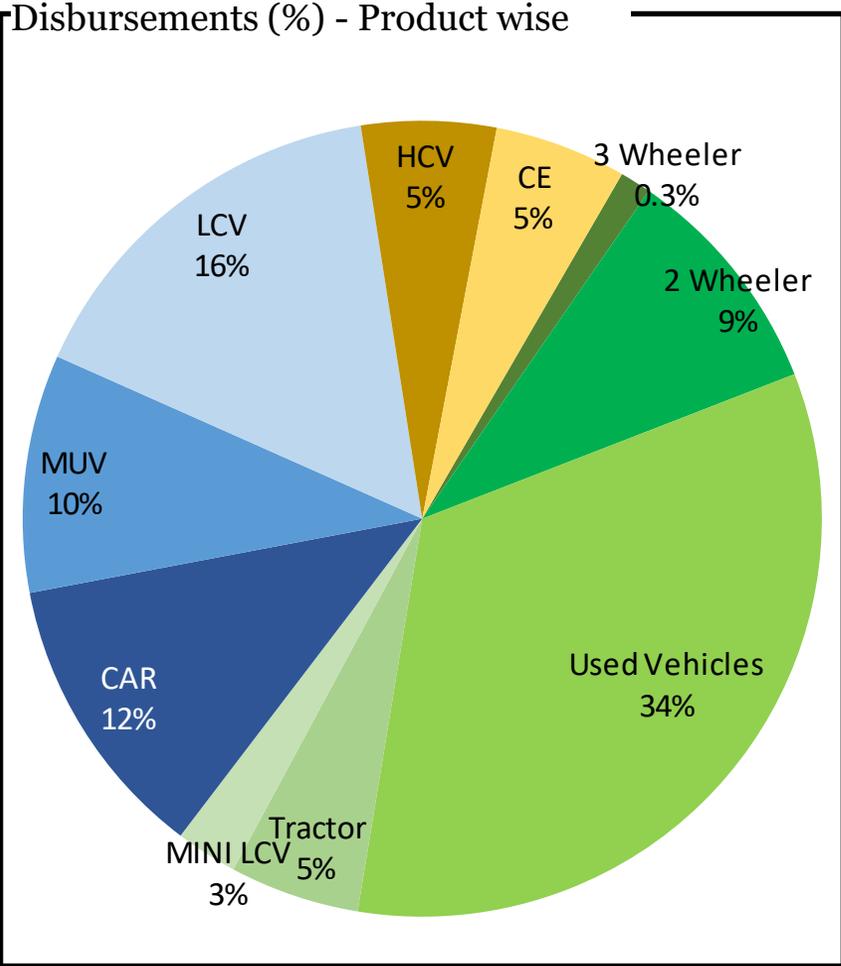


Portfolio - State wise

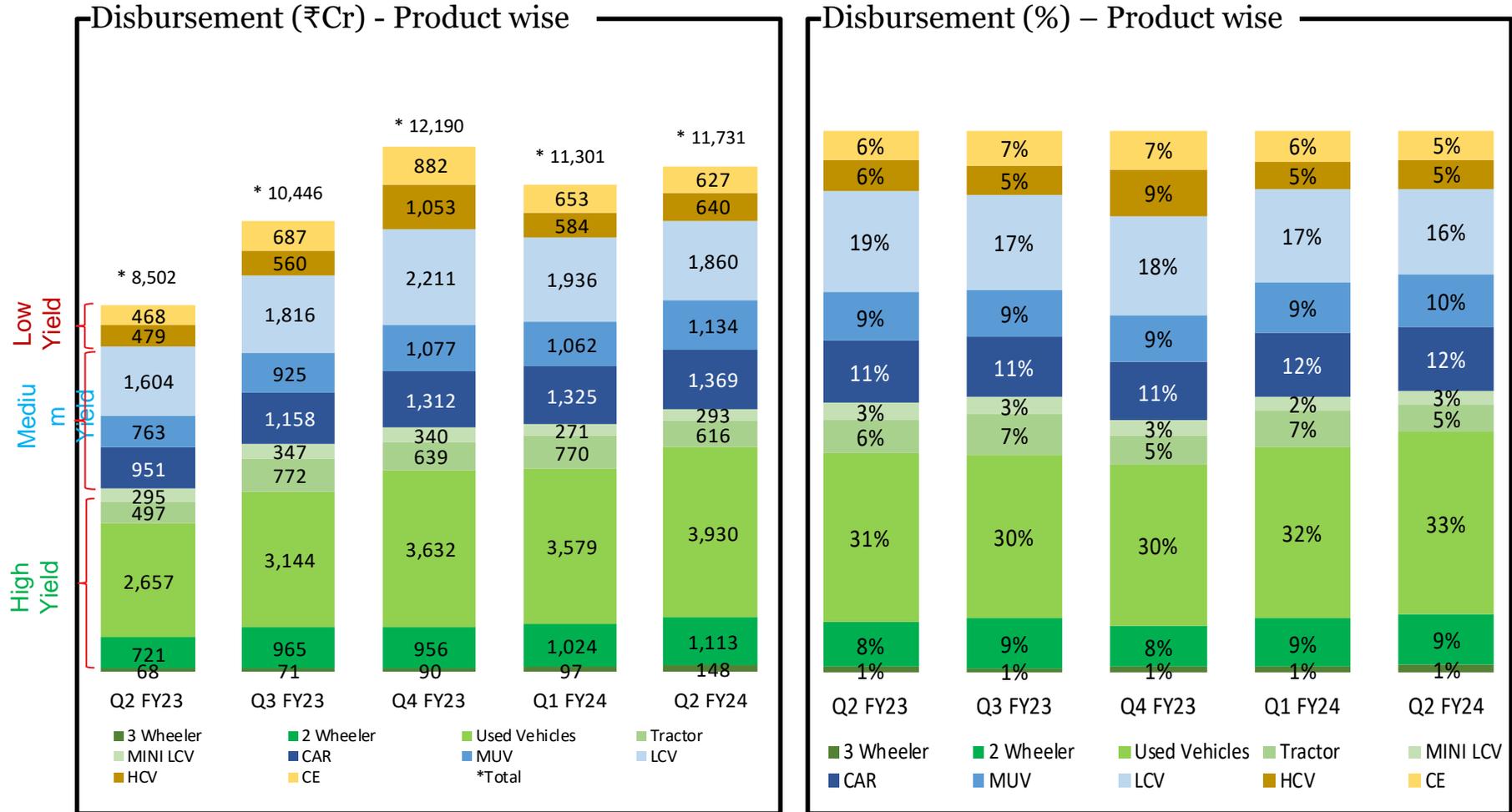


# Vehicle Finance - Disbursement/Portfolio Mix – Q2 FY24

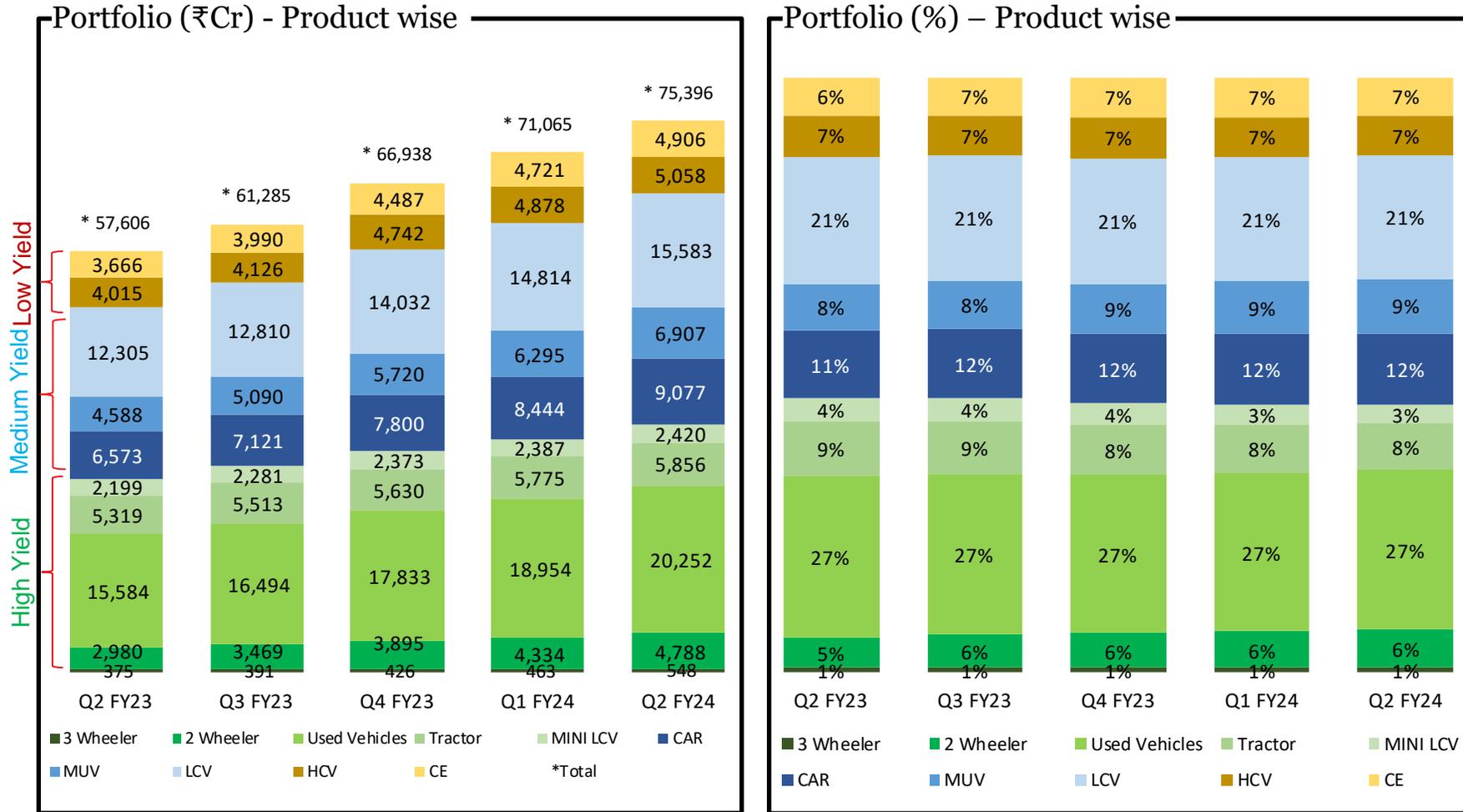
Well diversified product segments



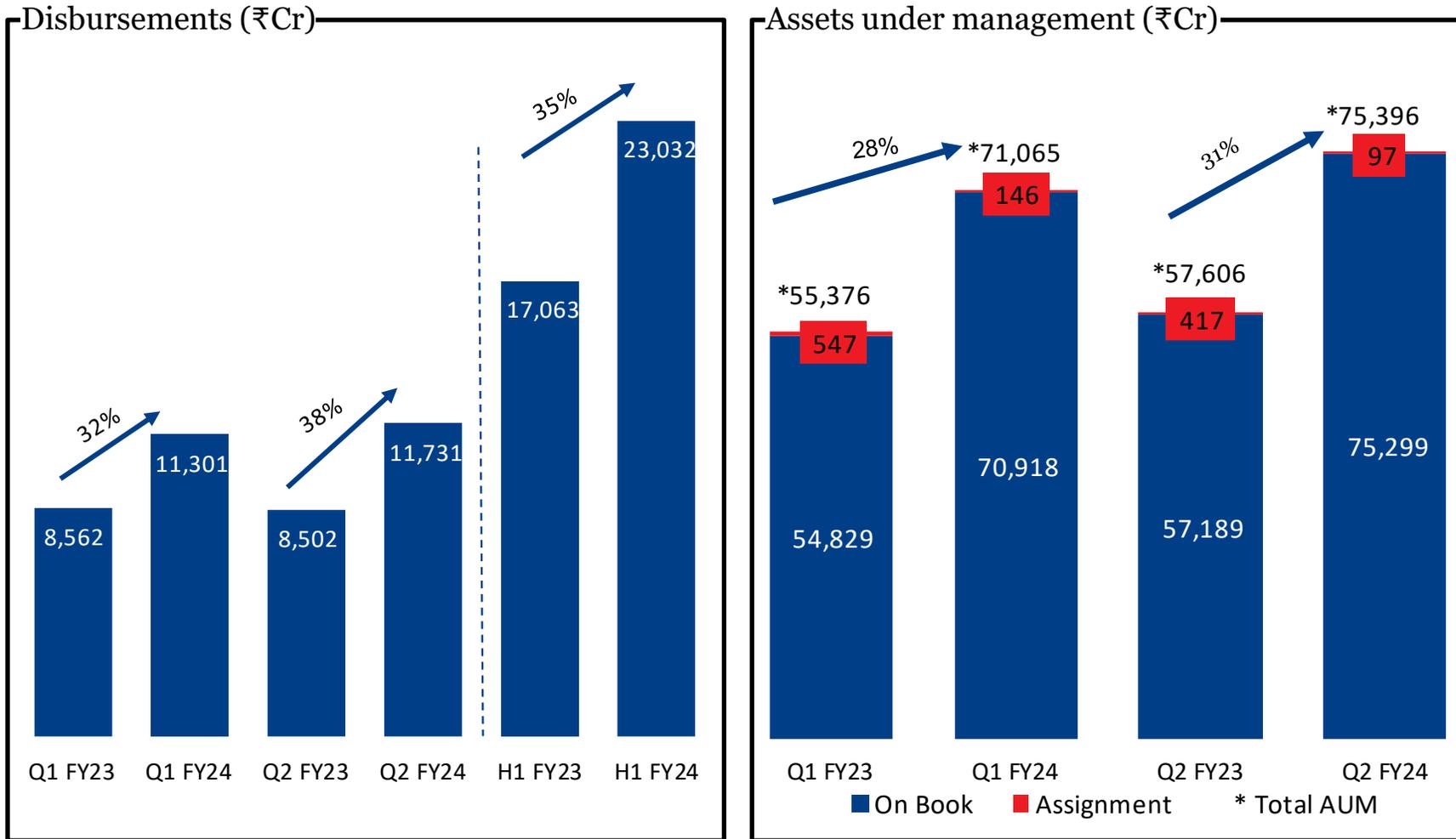
# Vehicle Finance - Disbursement Mix – Quarter-wise



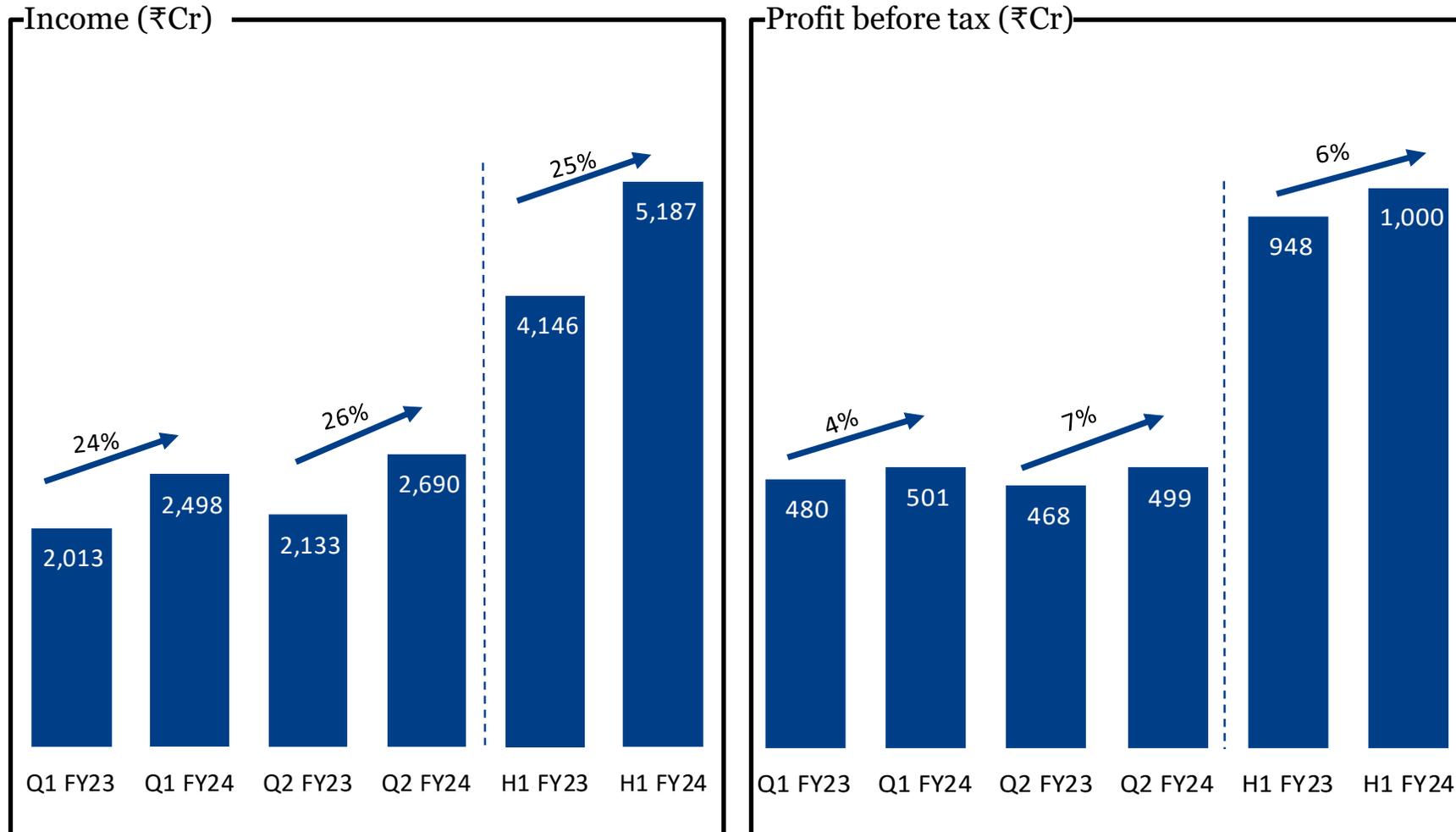
# Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management



## Vehicle Finance - Income and Profit before tax



# Loan Against Property



## Loan Against Property – Q2 FY24 & H1 FY24 Performance

### Disbursements

- Disbursements grew by 42% in Q2 FY24 to Rs. 3,192 Cr & by 37% in H1FY24 to Rs. 5,872 Cr as compared to Q2 FY23 & H1 FY23 respectively.

### Asset under management

- AUM has grown by 31% YoY.

### Loss and provisions

- Loan losses dropped to -0.10% in Q2 FY24 from -0.01% in Q2 FY23 & to -0.11% in H1 FY24 from -0.05% in H1 FY23.

### Profit before tax

- PBT grew by 32% in Q2 FY24 to Rs.234 Cr & by 21% in H1 FY24 to Rs.458 Cr as compared to Q2 FY23 & H1 FY23 respectively.

## Loan Against Property: Industry outlook

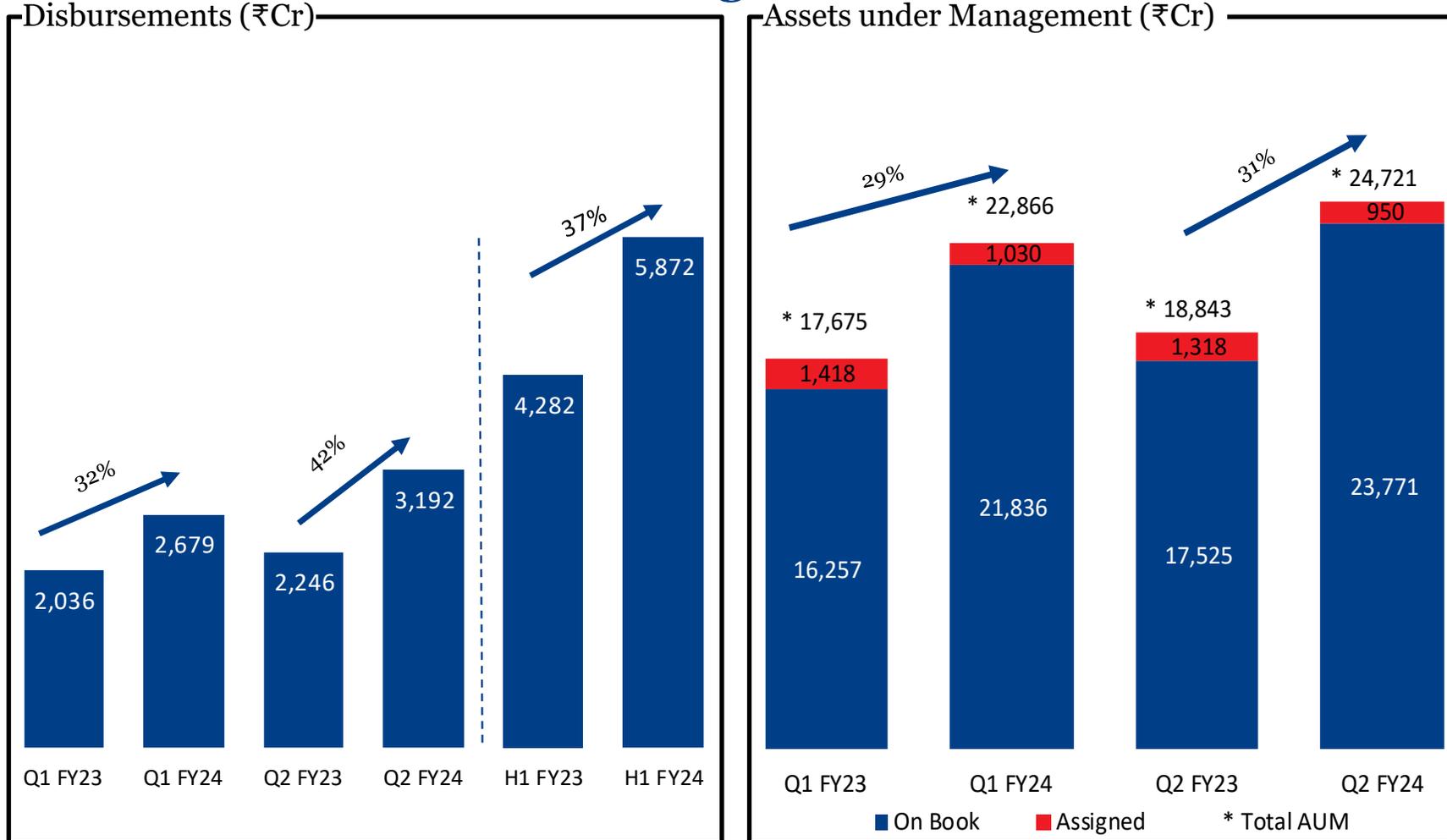
### Sector Outlook

- CRISIL estimates the LAP segment to experience growth at a rate of 10-12% for FY24, on back of favorable economic conditions and gradual restoration of business activities to pre-pandemic levels. This anticipated acceleration is attributed to the overall economy recovery and a more stable business environment
- Ind-Ra believes NBFCs will have to judiciously manage margins in FY24, given the elevated borrowing cost and limited flexibility in passing over rate hikes in the secured lending segments due to the competition from banks and factoring in borrowers' repayment ability
- Ind-Ra believes the sector could witness a marginal rise in the gross stage 3 assets, largely due to inflationary pressures impacting borrower cashflows and the recent slowdown in wage growth.

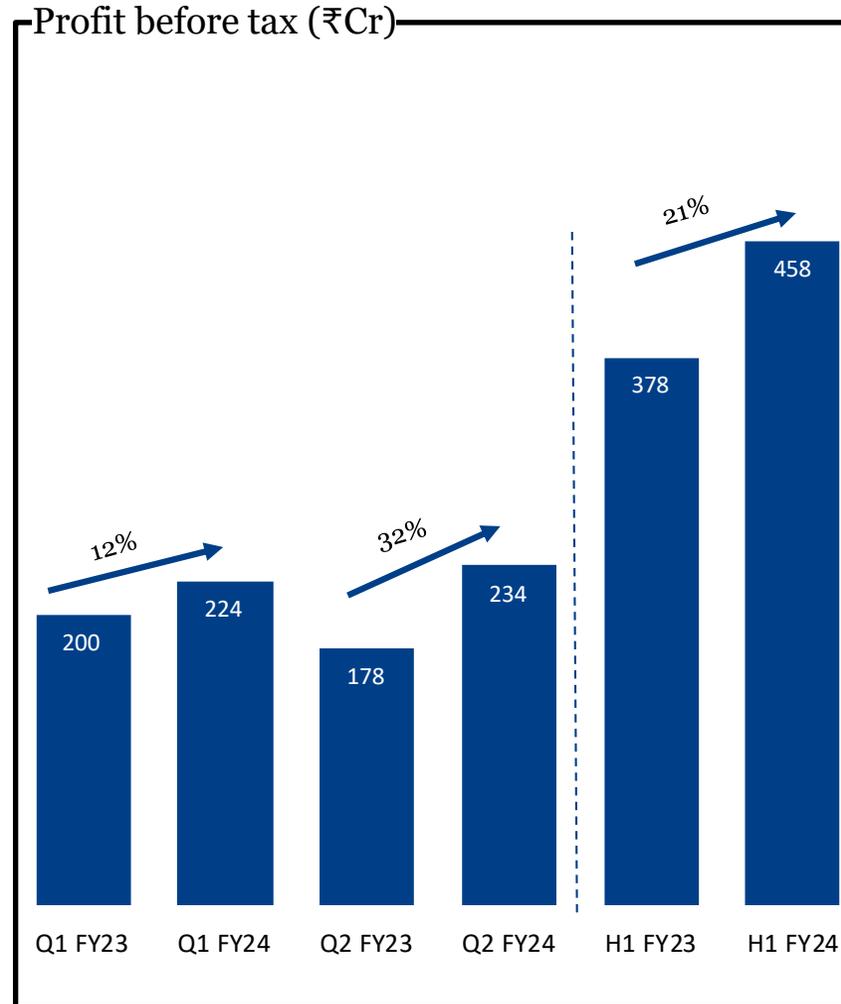
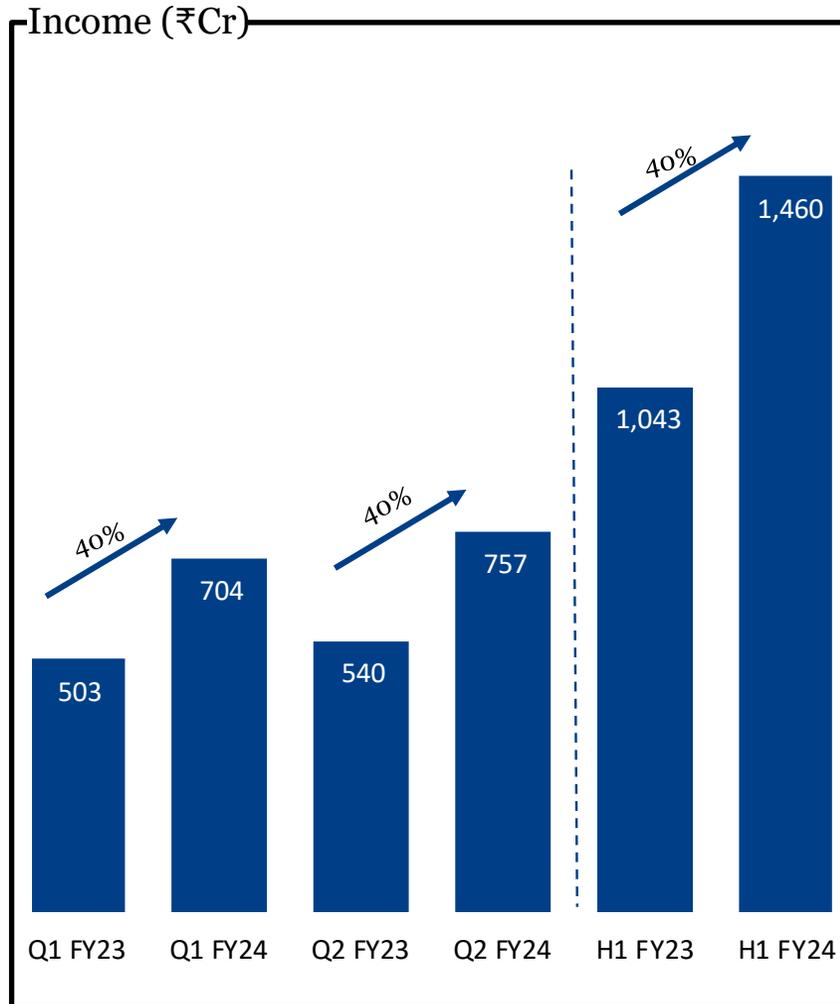
### Chola's Position

- Chola's LAP team is currently focusing on increasing its 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
- LAP team is capitalizing on Chola's pan India geographical presence by going wide in tier 3 and tier 4 markets to improve margins, while continuing to hold market leadership position in tier 1 and tier 2 markets
- Chola LAP team has strengthened collection & legal process and the asset quality has shown steady improvement. The stage 3 book has come down with consistent improvement in collection efficiency

## Loan Against Property - Disbursements and Asset Under Management



# Loan Against Property – Income and Profit before tax



# Home Loans



## Home Loans – Q2 FY24 & H1 FY24 Performance

### Disbursements

- Disbursements grew by 112% in Q2 FY24 to Rs. 1,575 Cr & by 124% in H1FY24 to Rs. 3,029 Cr as compared to Q2 FY23 & H1 FY23 respectively.

### Asset under management

- AUM have grown by 67% YoY.

### Loss and provisions

- Loan losses dropped to 0.4% in Q2 FY24 from 0.5% in Q2 FY23 & to 0.2% in H1 FY24 from 0.4% in H1 FY23.

### Profit before tax

- PBT grew by 30% in Q2 FY24 to Rs.96 Cr & by 15% in H1 FY24 to Rs.183 Cr as compared to Q2 FY23 & H1 FY23 respectively.

Note: Home Loans includes Affordable LAP

# Home Loans - Industry outlook

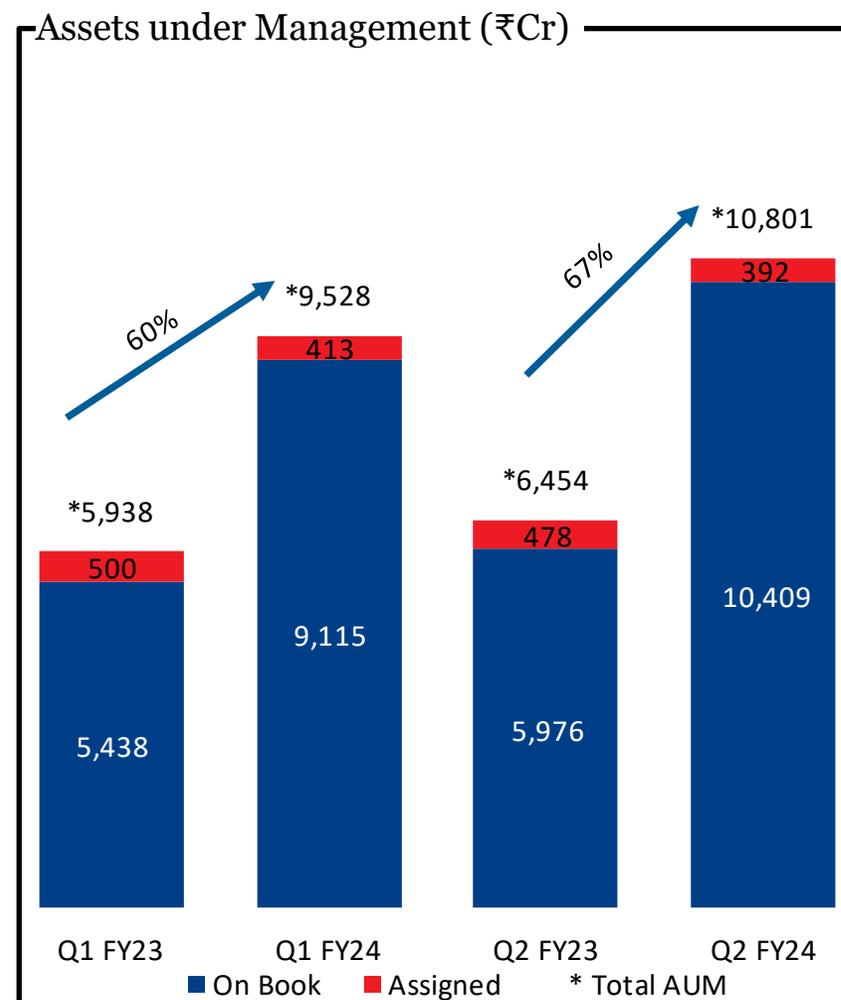
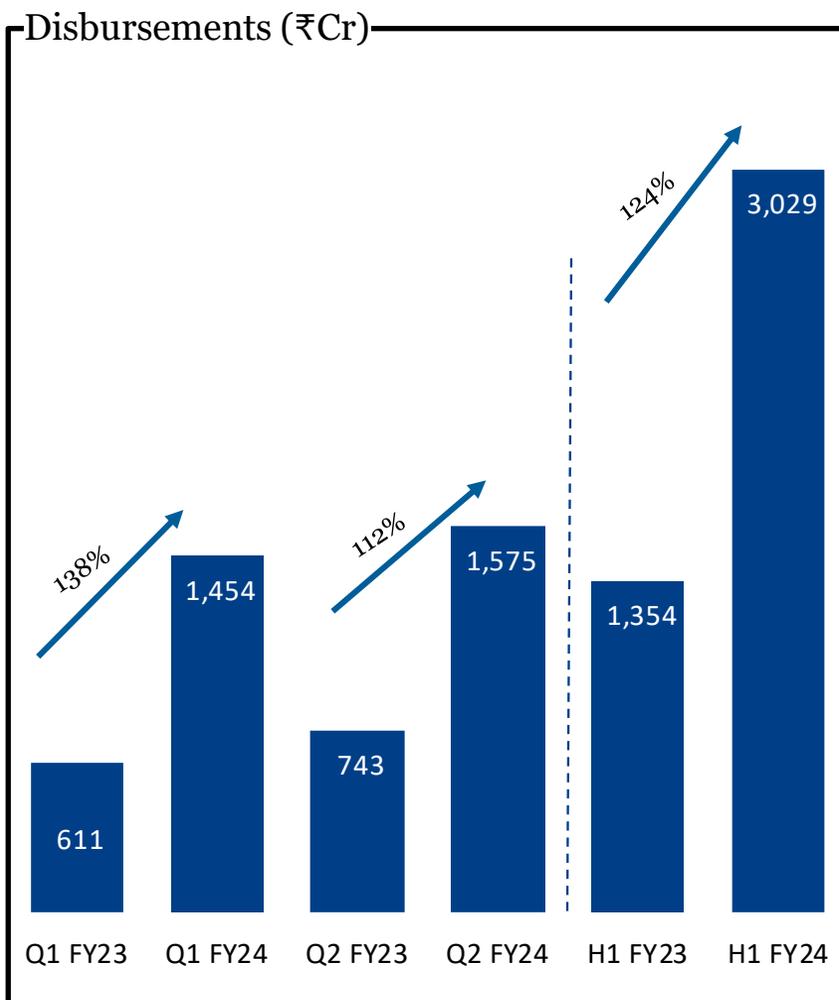
## Sector Outlook

- The overall growth in HFCs is expected to remain at 12-14% in FY24
- GNPA's of AHFCs are likely to continue to be between 2.3% – 2.5% in FY24
- Given current macro economic conditions, cost of funds is expected to remain at elevated levels. Growth related costs are also expected to drive operating expenses for the AHFCs.

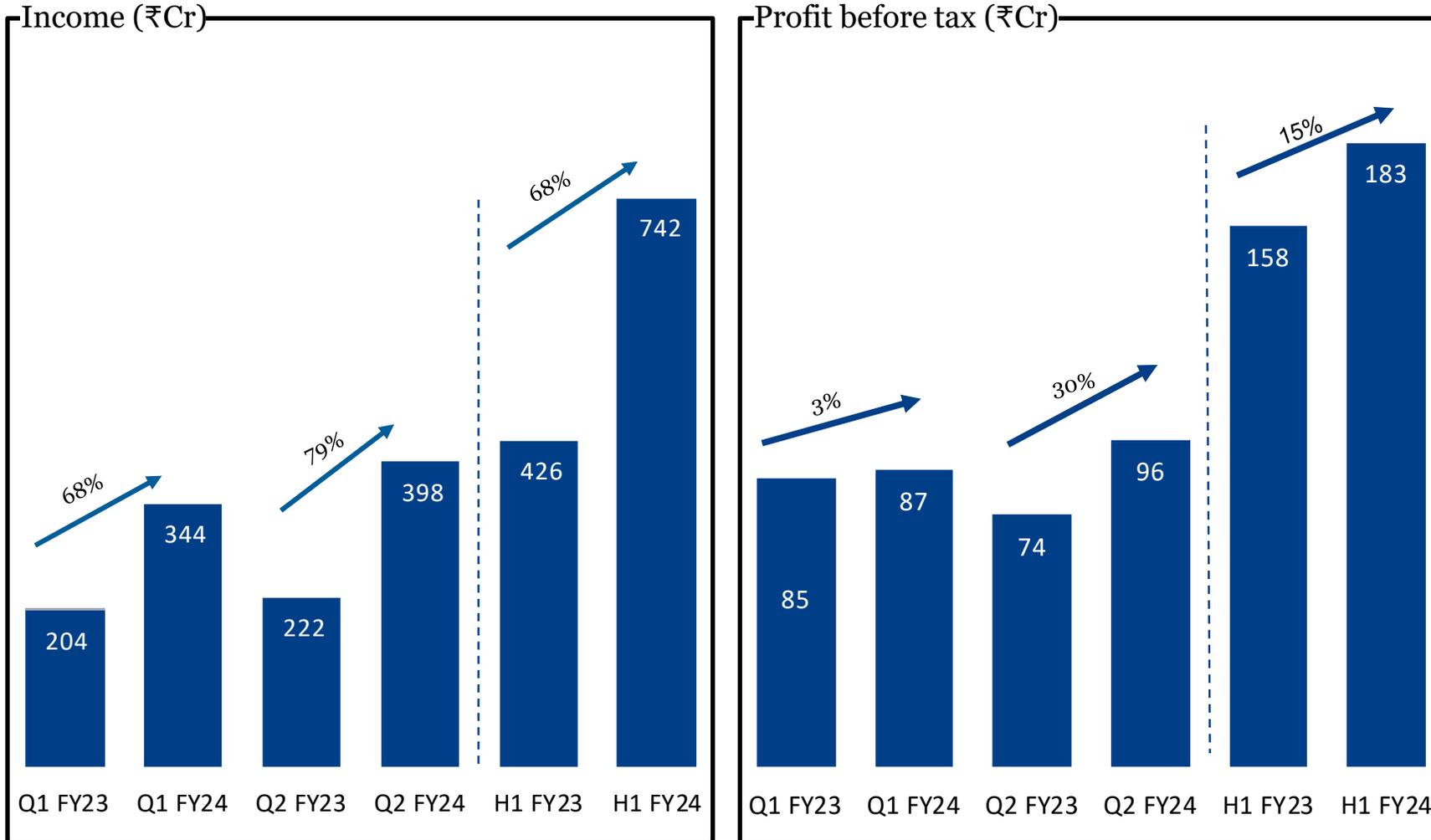
## Chola's Position

- Chola continues to consolidate its position across branches pan-India while also targeting expansion in newer underpenetrated geographies
- Chola continues to pursue legal recovery for the higher bucket portfolio & is also continuously improving collections 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

## Home Loans - Disbursements and Asset Under Management



## Home Loans - Income and Profit before tax

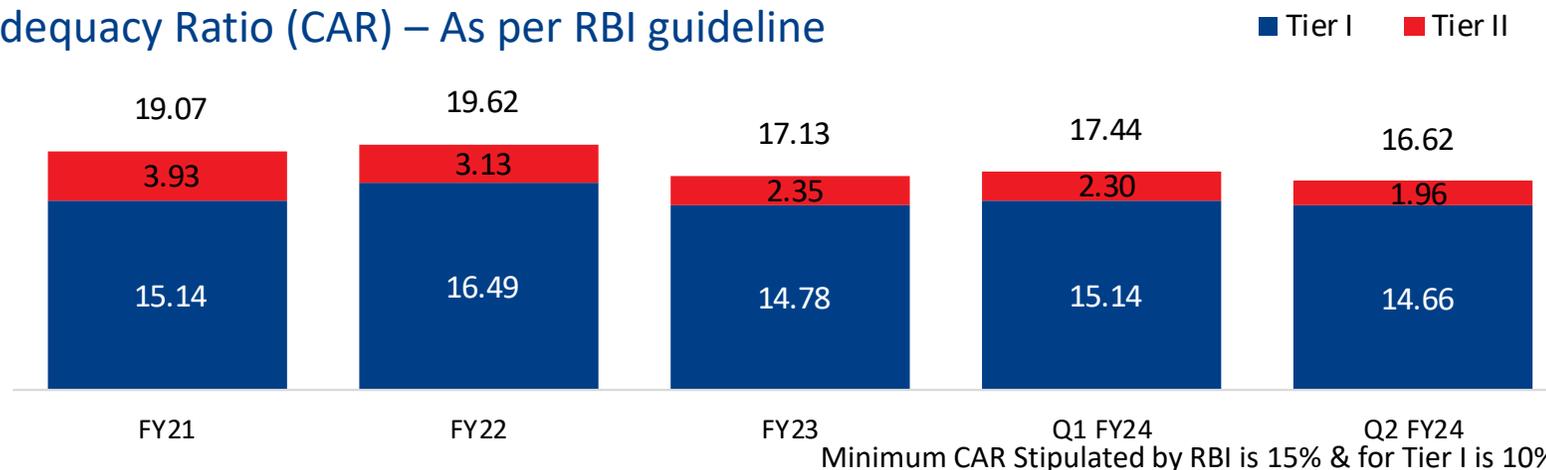


# Funding Profile



# CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



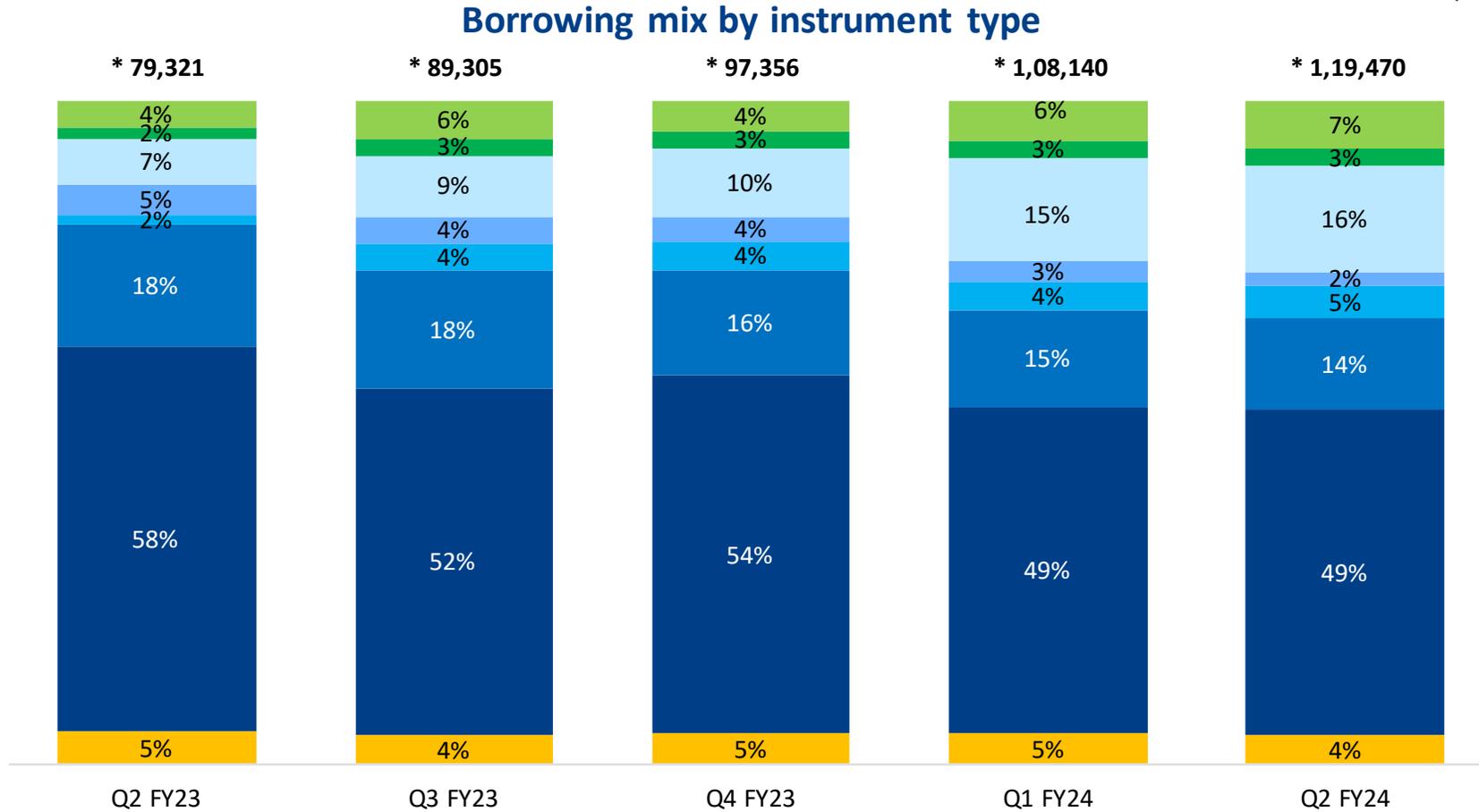
Launched a composite QIP issue of equity shares (Rs 2,000 crores) and compulsorily convertible debentures (Rs 2,000 crores), overall aggregating to **Rs 4,000 crores** and the allotment was done on October 5th 2023. Post the Capital raise, the Capital Adequacy ratio will be more than **20%** and Tier I will be more than 16.5%.

Credit Rating

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+/Stable	-
NCD (Public Issue)	IND AA+/ Stable	-	[ICRA] AA+/Stable	-
Tier II SD	IND AA+/ Stable	CARE AA+/Stable	[ICRA] AA+/Stable	-
Tier I PDI	IND AA/ Stable	CARE AA /Stable	[ICRA] AA/Stable	-

# Diversified Borrowings Profile (I/II)

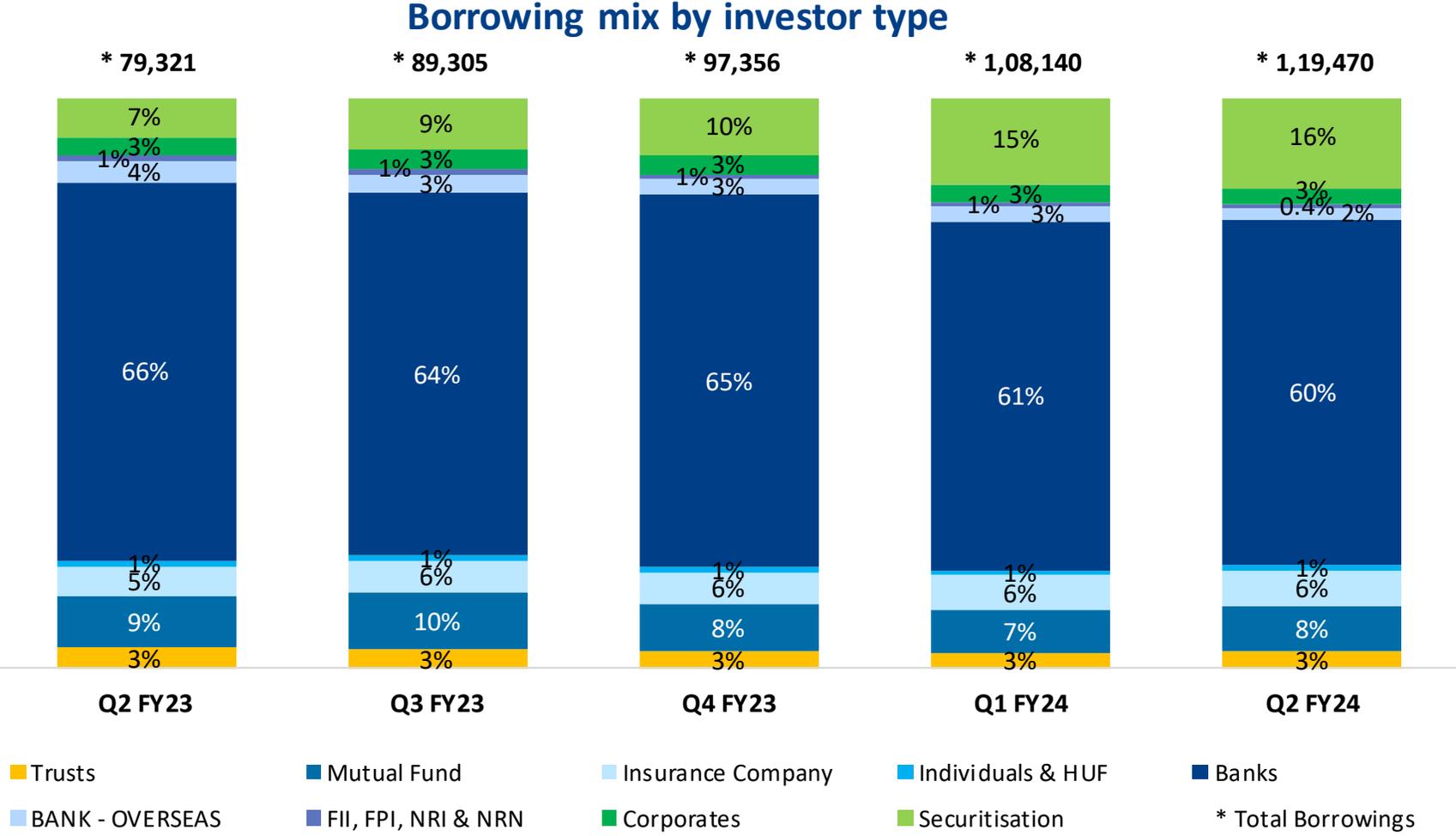
(₹Cr)



■ Tier II Capital 
 ■ Bank Term loans 
 ■ Debentures 
 ■ FII 
 ■ FCNR 
 ■ Securitisation 
 ■ CC / WCDL 
 ■ Commercial Papers / ICD 
 \* Total Borrowings

# Diversified Borrowings Profile (I/II)

(₹Cr)



# ALM Statement as of 30<sup>th</sup> Sep 2023 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Sep 2023									
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	6,843.82	472.69	2,210.54	3.10	707.40	600.00	196.18	-	11,033.73
Advances	4,140.98	3,942.35	3,440.65	11,157.62	18,522.61	50,402.97	14,730.67	18,430.29	1,24,768.13
Trade Receivable & Others	163.05	126.54	9.17	28.12	169.12	1,284.04	1,166.69	2,011.57	4,958.31
<b>Total Inflows (A)</b>	<b>11,147.85</b>	<b>4,541.59</b>	<b>5,660.35</b>	<b>11,188.84</b>	<b>19,399.13</b>	<b>52,287.01</b>	<b>16,093.54</b>	<b>20,441.86</b>	<b>1,40,760.16</b>
<b>Cumulative Total Inflows (B)</b>	<b>11,147.85</b>	<b>15,689.43</b>	<b>21,349.78</b>	<b>32,538.62</b>	<b>51,937.76</b>	<b>1,04,224.76</b>	<b>1,20,318.30</b>	<b>1,40,760.16</b>	
Borrowin Repayment-Bank & Others	4,588.31	1,874.47	3,852.37	7,300.16	13,937.06	43,249.59	13,871.48	344.31	89,017.76
Borrowin Repayment- Market	2,843.44	2,562.01	1,765.22	2,498.70	5,046.19	8,803.72	3,692.90	2,988.94	30,201.12
Capital Reserves and Surplus	-	-	-	-	-	-	-	16,024.06	16,024.06
Other Outflows	2,300.68	104.20	42.42	225.42	415.71	223.44	125.61	2,079.76	5,517.23
<b>Total Outflows (C)</b>	<b>9,732.42</b>	<b>4,540.68</b>	<b>5,660.01</b>	<b>10,024.28</b>	<b>19,398.97</b>	<b>52,276.75</b>	<b>17,689.99</b>	<b>21,437.07</b>	<b>1,40,760.16</b>
<b>Cumulative Total Outflows (D)</b>	<b>9,732.42</b>	<b>14,273.10</b>	<b>19,933.11</b>	<b>29,957.39</b>	<b>49,356.35</b>	<b>1,01,633.10</b>	<b>1,19,323.10</b>	<b>1,40,760.16</b>	
E. GAP (A - C)	1,415.43	0.91	0.34	1,164.56	0.16	10.26	(1,596.45)	(995.21)	
<b>F.Cumulative GAP (B - D)</b>	<b>1,415.43</b>	<b>1,416.33</b>	<b>1,416.68</b>	<b>2,581.24</b>	<b>2,581.40</b>	<b>2,591.66</b>	<b>995.21</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>14.54%</b>	<b>9.92%</b>	<b>7.11%</b>	<b>8.62%</b>	<b>5.23%</b>	<b>2.55%</b>	<b>0.83%</b>	<b>0.00%</b>	

# Cholamandalam MS General Insurance Company Limited

*Financial data in this section is as per IGAAP*

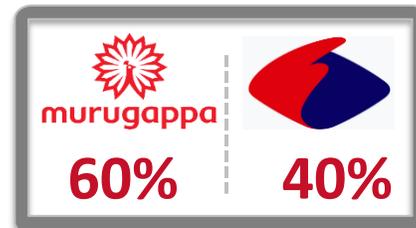
# Chola MS General Insurance: Brief Overview

## 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
  - 29 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; 39962 employees
- Leader in venture investments amongst global insurers / reinsurers



**3708\$**

H1 FY'24 GWP (INR Cr)



**33.0%**

Growth over  
H1 FY'23



**1.89**

Solvency (Sep'23)



**415 Lacs**

# of Live Customers



**62 Lacs**

Policies sold in  
H1 FY'24

*Financial data as per standalone IGAAP*

## Key Financial Parameters (Rs. Crs)

Particulars – In Rs. Cr	FY'22	FY'23	Q2 FY'23	Q2 FY'24	H1 FY'23	H1 FY'24
Gross Written Premium\$	4854	6200	1487	2006	2787	3708
Growth	10.3%	27.6%	20.9%	34.9%	30.6%	33.0%
NWP	3572	4610	1097	1368	2029	2592
NEP	3437	4019	980	1274	1901	2447
U/W Results	-433	-601	-168	-137	-310	-309
Investment income (Net)	539	865	215	269	409	528
PBT	106*	264	47	132^	98	220^
PAT	77	199	35	98	73	164
Net worth (Ex fair value change surplus)	1962	2160	2035	2324	2035	2324
Investment portfolio	12534	14715	13368	15649	13368	15649
Solvency Ratio (x)	1.95	2.01	2.13	1.89	2.13	1.89
Earnings per Share (Rs.)– Not Annualized	2.58	6.65	1.17	3.29	2.44	5.48
Book value per Share (Rs.)	65.65	72.3	68.1	77.8	68.1	77.8
RONW (%) – Not Annualized	3.9%	9.2%	1.7%	4.2%	3.6%	7.0%
Investment Corpus to Networth (x)	6.4	6.8	6.6	6.7	6.6	6.7
CoR % (on NWP)	111.0%	109.3%	112.4%	108.3%	113.5%	110.5%

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

^ Impact of NatCat events in NIC was Rs. 14 Crs for Q2 & Rs. 30 Crs for H1 (Effect on CoR @ 1.16% for H1)

\$ GWP Includes RI inward as well

## LOB Wise - Quarterly Growth Trends of Multi-line Insurers

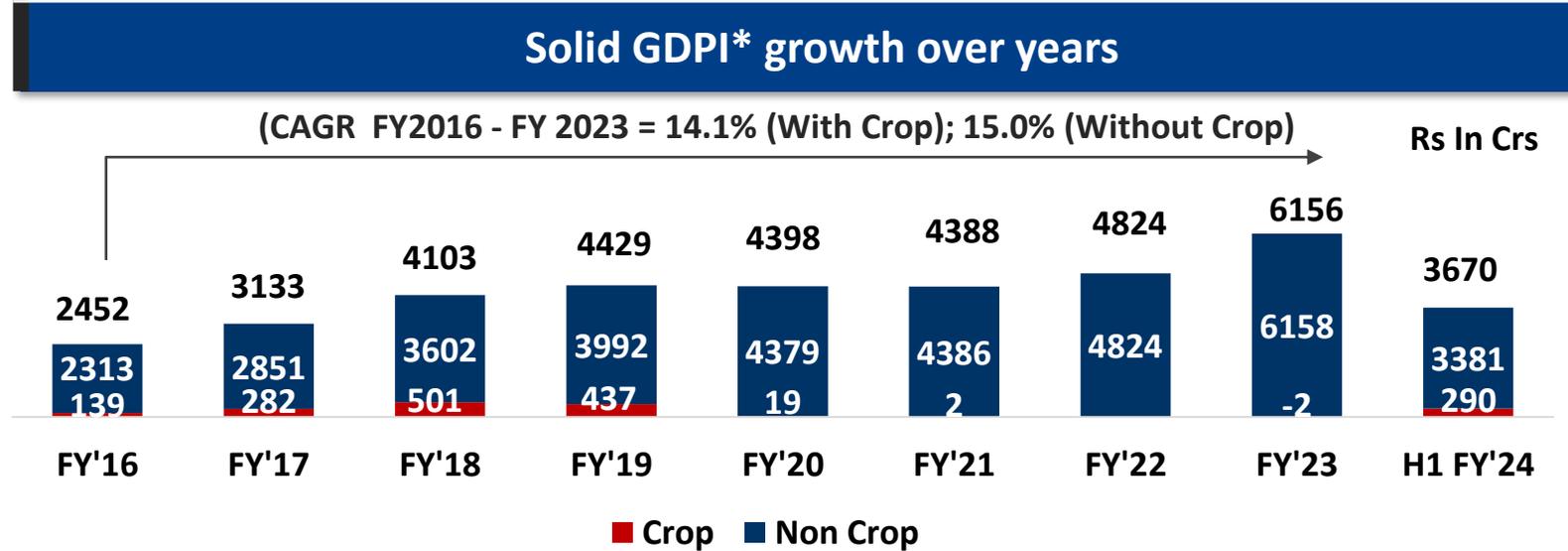
Particulars	Months	Fire	Other Comml Lines	Motor	Health	PA	Crop	Others	Total
Industry	Q1 FY'24	5.9%	8.2%	20.9%	18.5%	31.3%	16.7%	19.4%	16.5%
	Q2 FY'24	7.4%	4.1%	13.9%	28.9%	11.7%	23.0%	23.4%	18.6%
	H1 FY'24	6.5%	6.3%	17.1%	23.7%	19.9%	22.2%	21.3%	17.6%
Private sector	Q1 FY'24	12.2%	9.8%	20.7%	35.0%	26.1%	18.4%	23.0%	21.2%
	Q2 FY'24	8.8%	6.1%	15.2%	56.1%	2.1%	12.6%	36.3%	21.1%
	H1 FY'24	10.9%	8.2%	17.7%	46.0%	13.0%	13.3%	29.6%	21.1%
Public sector	Q1 FY'24	-4.5%	5.3%	21.6%	8.8%	41.8%	-97.6%	14.2%	10.1%
	Q2 FY'24	5.0%	1.1%	10.8%	11.1%	24.5%	377.0%	5.2%	14.3%
	H1 FY'24	-1.1%	3.3%	15.6%	9.9%	30.7%	342.9%	9.7%	12.2%
SAHI	Q1 FY'24				28.0%	-9.6%		9.1%	26.5%
	Q2 FY'24				25.8%	-7.2%		-26.9%	24.2%
	H1 FY'24				26.8%	-8.4%		-13.7%	25.2%
Chola MS	Q1 FY'24	15.4%	20.6%	35.3%	31.4%	17.0%		34.5%	30.3%
	Q2 FY'24	5.5%	0.1%	13.5%	43.0%	21.2%		6.3%	35.0%
	H1 FY'24	10.7%	10.0%	23.2%	37.3%	19.1%		19.6%	32.8%

Industry growth in Q2 higher aided by growth in health

### Chola MS

- Overall H1 growth higher than industry & Pvt. Players @ 32.8% (Non crop growth at 22.6%)
- **Motor & Misc lines** : Higher than industry & Private Sector players
- **Personal accident** : Growth step up in Q2

# Among the Top ranked GI Players supported by strong growth



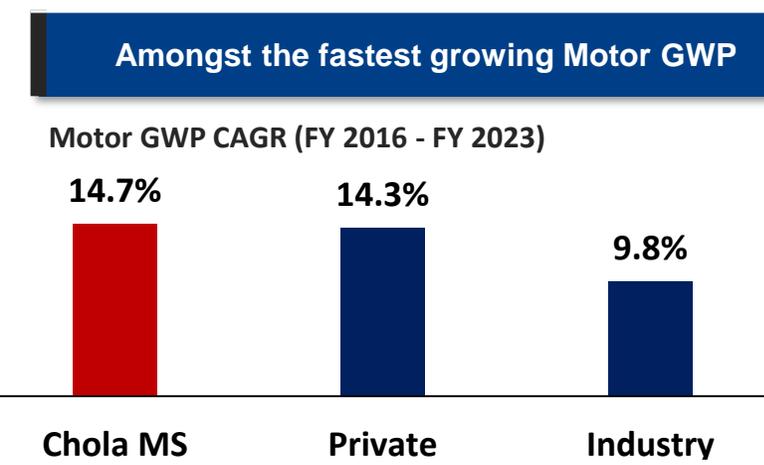
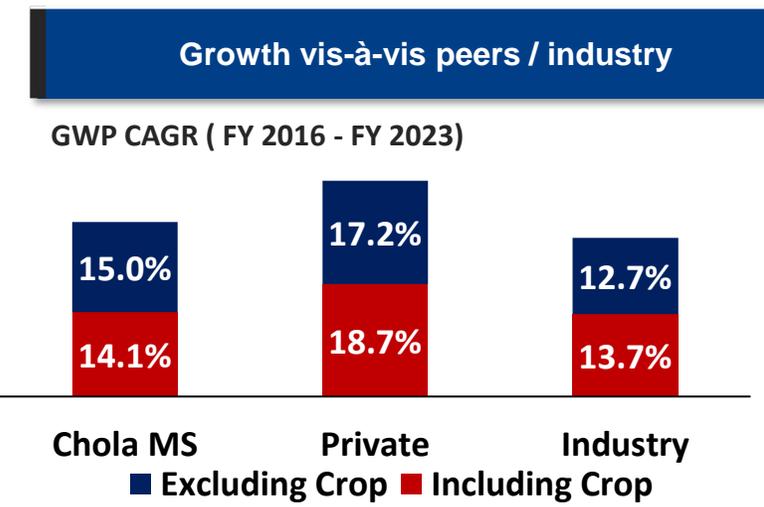
H1 FY'24

**Growing Market Share**

**5.5%**  
Market share in Motor Insurance

**4.6%**  
Market share in PA

**10.7%**  
Growth in Fire Insurance

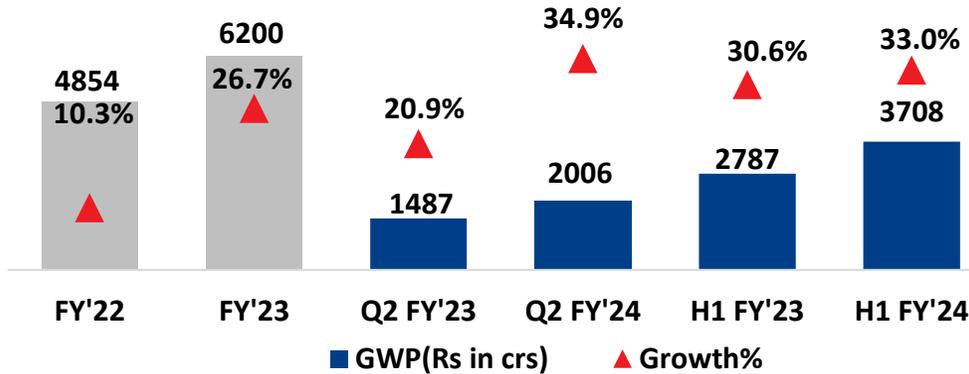


\*GDPI – Premium from Direct Business Written

# Key Financial Indicators

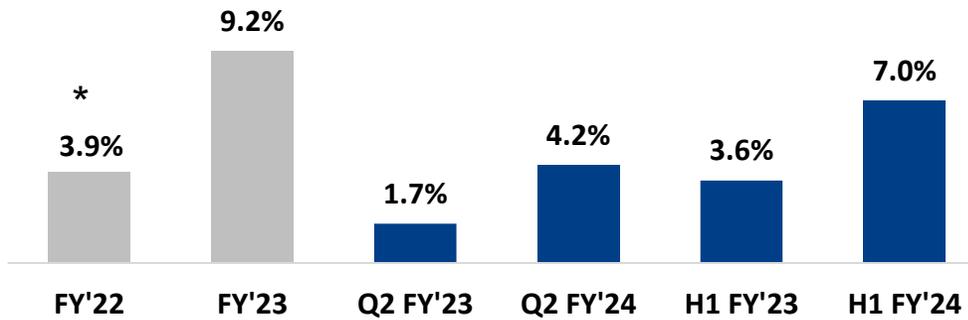
## GWP (INR Cr) and Growth (%)

Includes RI Inwards

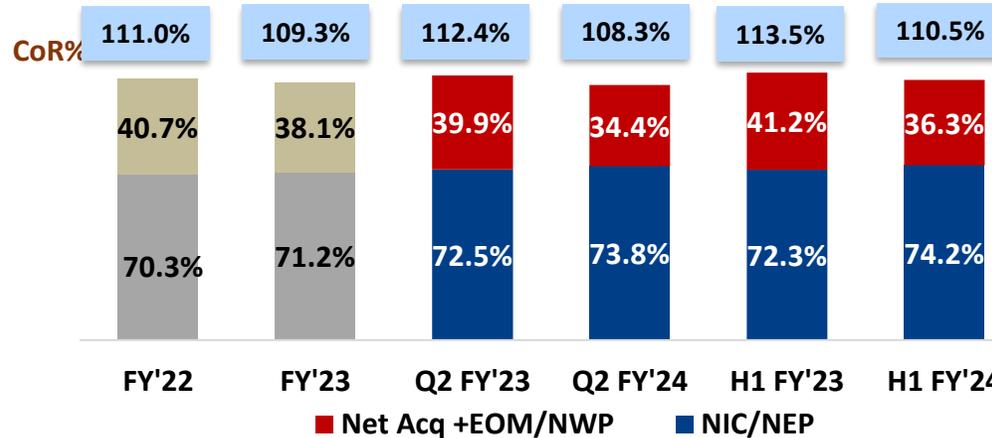


## Return on Net Worth(%)

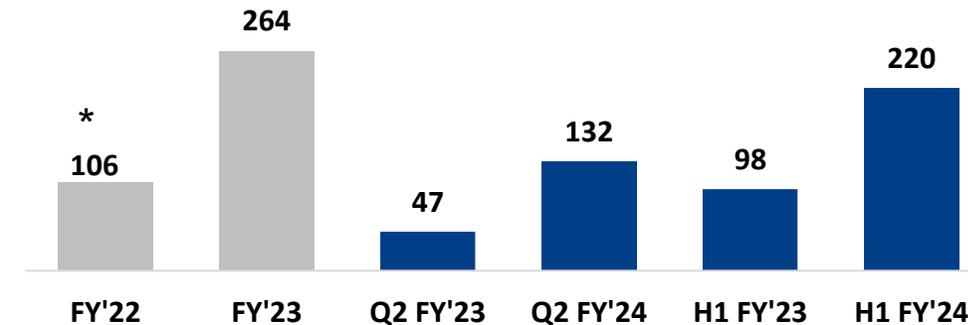
FY'22 Excluding exceptional item RoNW @ 9.13%



## Break up of CoR(%)



## Profit Before Tax (Rs. Crs)

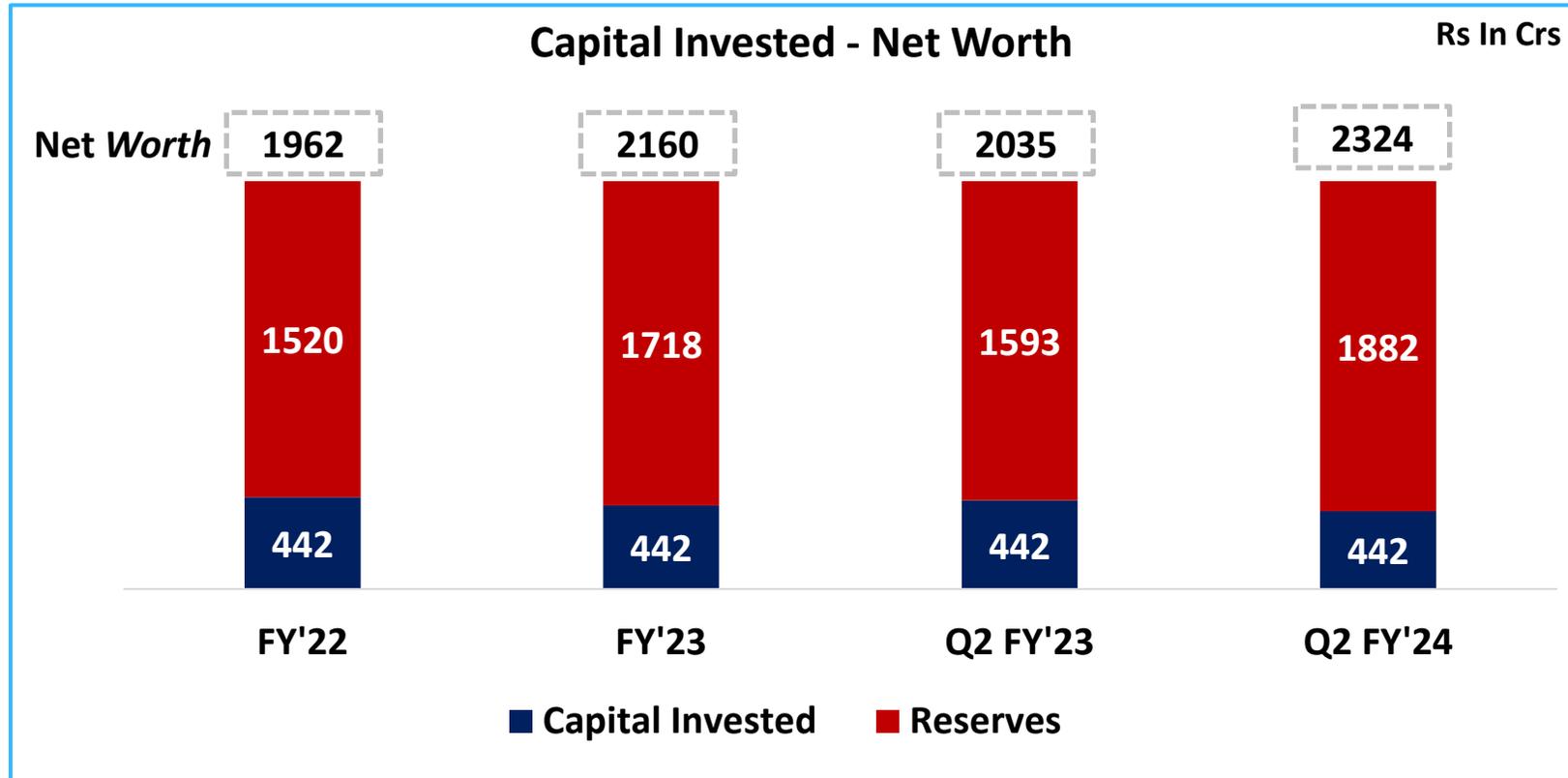


\* PBT impacted by Covid claims and IRDAI order on DAC

Impact of NatCat events in NIC was Rs. 14 Crs for Q2 & Rs. 30 Crs for H1 (Effect on CoR @ 1.16% for H1)

Q2 CoR reduces to 108.3% (Q1 – 112.9%) | Q2 Net Acq. +EOM / NWP at 34.4% (Q1 – 38.4%)

# Capital efficiency - No Capital Infusion Since FY'15



- Accumulated profits @ 81% of Net worth (Rs. 2324 Crs) as on Sep 2023
- Total Capital infused is Rs. 442 Crs

## Consistent Operating Metrics

Particulars		2020-21	2021-22	2022-23	H1 FY'24
Number of Customers (Live Customer)	No in Lacs	165	254	336	415
Number of policies issued	No in Lacs	63	99	121	62
Market Presence(Branch + CIE + VO)	No's	593	638	604	612
Bank Branches	No's	37000+	34000+	34000+	34000+
Motor OD Claims Settlement (TTM)	%	94%	93%	94%	89%
Health Claims Settlement (TTM)	%	90%	97%	94%	89%
Network Garages	No's	10000+	12600+	14500+	15000+
Network Hospitals	No's	9500+	10000+	11000+	11000+
Complaints Disposal Ratio%	%	100%	100%	100%	100%

## Claims Ratio (%)

Line of Business	FY'22	FY'23	Q2 FY'23	Q2 FY'24	H1 FY'23	H1 FY'24
Motor OD	69.8%	71.7%	70.5%	72.7%#	73.0%	73.8%
Motor TP	63.4%*	77.0%	76.5%	76.9%	77.0%	77.0%
Motor Total	65.1%	75.6%	74.9%	75.7%	76.0%	76.1%
Health, Travel & PA	117.1%	66.6%	71.4%	66.5%	63.4%	65.4%
Crop	NA	NA	NA	103.1%	NA	103.1%
Fire	33.5%	39.0%	56.6%	61.3%\$	59.4%	82.9%\$
Marine	61.9%	62.6%	92.9%	100.0%	81.0%	80.0%
Engineering	28.5%	34.7%	32.3%	-1.9%	38.8%	2.5%
<b>Total</b>	<b>70.3%</b>	<b>71.2%</b>	<b>72.5%</b>	<b>73.8%</b>	<b>72.3%</b>	<b>74.2%</b>
<b>Total (w/o Covid)</b>	<b>64.5%*</b>	<b>71.2%</b>	<b>72.5%</b>	<b>73.8%</b>	<b>72.3%</b>	<b>74.2%</b>

\* Includes lockdown benefit

\$ Impact of NatCat events in Q2 – 29.4% (Q1 – 34.1%; H1 – 32.1%)

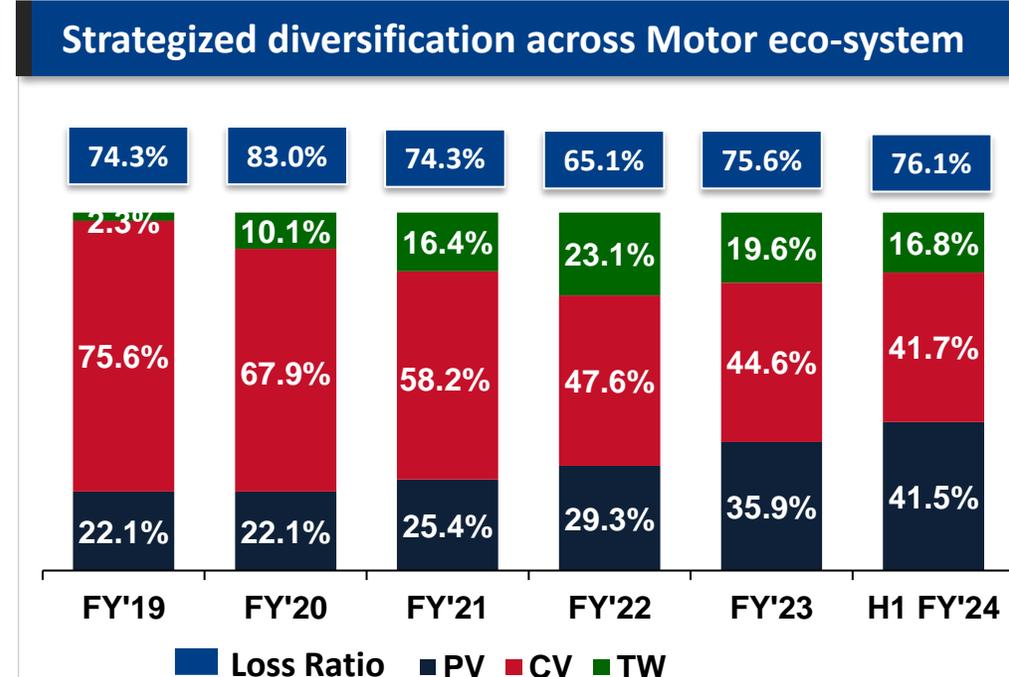
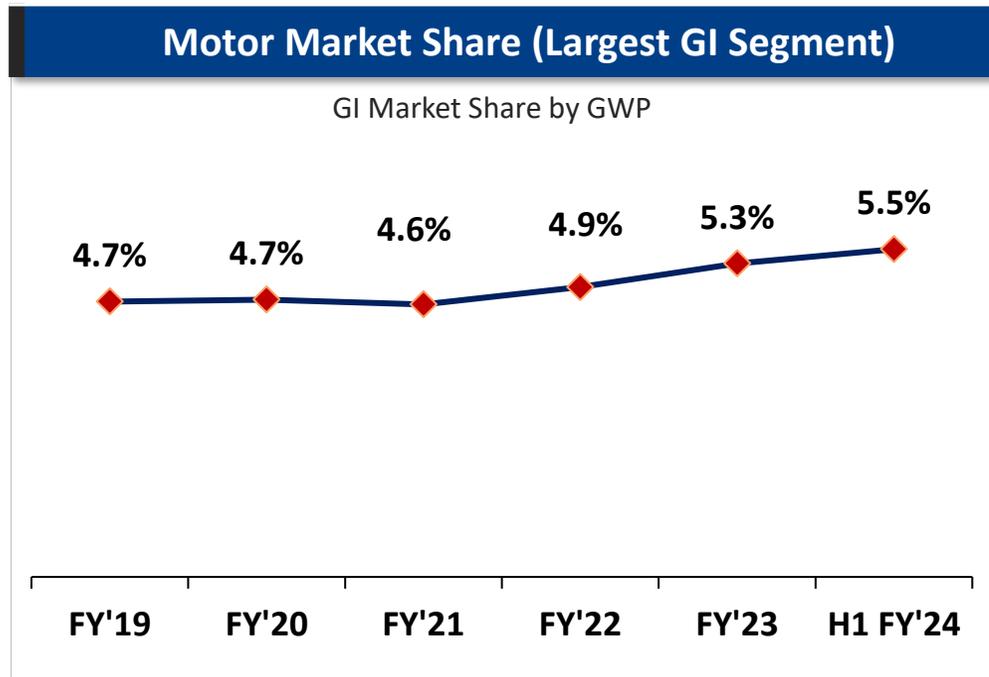
# OD LR reduced from Q1 level of 74.9% to 72.7%

## Investment Book Overview (Rs In Crs)

Category	Mar-21	Mar-22	Mar-23	Sep-23
Govt Securities	7663	8290	9579	9656
PSU / Corporate Bonds	2253	2834	4483	4900
Equity	76	151	321	539
Others	1041	1229	300	393
<b>Grand Total</b>	<b>11034</b>	<b>12504</b>	<b>14683</b>	<b>15487</b>
Yield with profit on sale	7.6%	6.8%	6.5%	6.8%
Yield without profit on sale	6.3%	6.2%	6.4%	6.6%
Investment book / NW	5.9	6.4	6.8	6.7
Investment book / GWP annualized	2.5	2.6	2.4	2.1

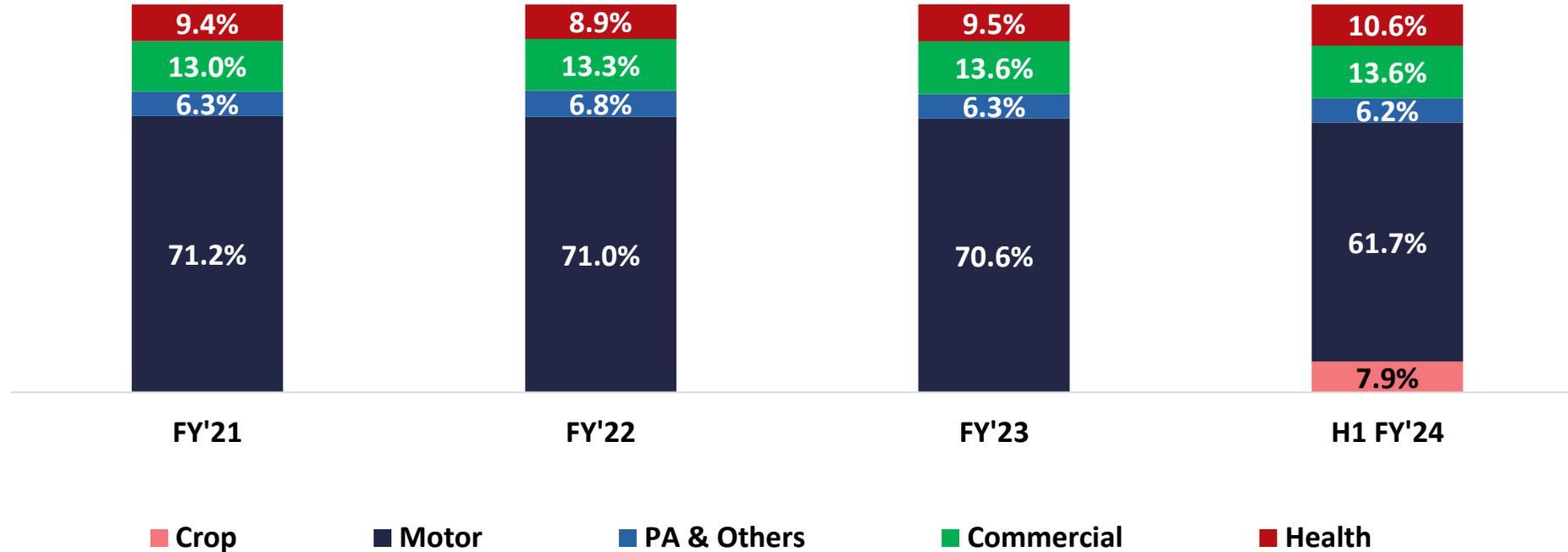
- No Net exposure to stressed assets as at Sep 2023. Recoveries from written off stressed assets will be recognized on realization
- Exposure to Securities rated less than AA : NIL
- MTM deficit as at Sep 2023: Debt @ Rs. 310 Crs; Unrealised Gains in Equity @ 162 Crs.
- Over 90% of Investments in Infra are in PSU/Infra Bonds of Private Sector Banks
- Incremental deployment of fresh and maturing Investments @ 7.61% yield in Q2 (Q2 of FY 2022-23 – 7.60%)

# Dominance in Motor, Diversification Underway



- PV mix improved to ~42% due to new tieup and volume growth from financer channels
- CV composition in H1 FY24 @ 41.7%
- TW Mix down to 16.8% arising from lower sales in Two Wheelers / Portfolio Corrections
- No revision in base premium for Motor TP for FY2024

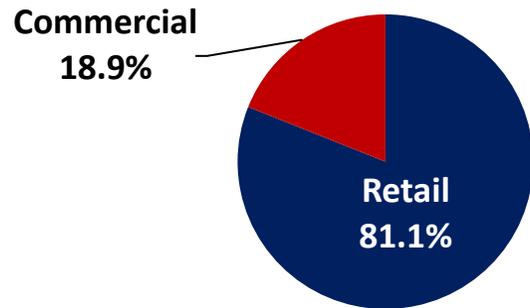
## Dominance in Motor, Gaining Prominence in Other Segment



- Focus on Commercial business (including SME business) mix continues @ 14%
- Health mix improved to ~11% while PA & others @ ~6%
- Crop accounts for ~8% of the portfolio and helps diversify

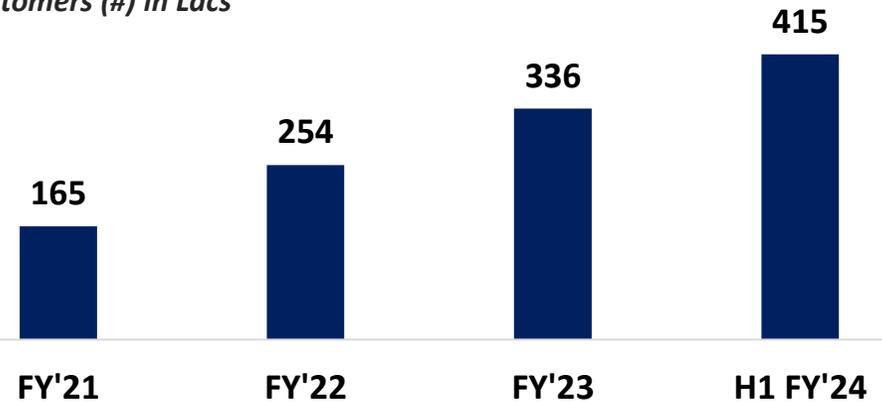
# Retail Focused Diversified Operations

## Retail dominated business mix



## Granular book aided by increasing dispersed customer base

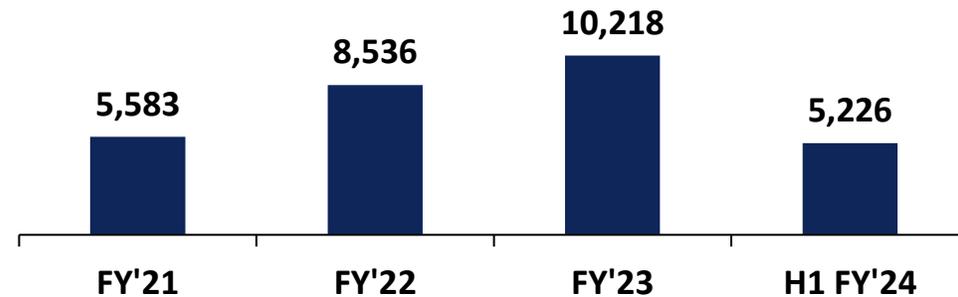
Customers (#) in Lacs



## Significant growth in retail oriented policies

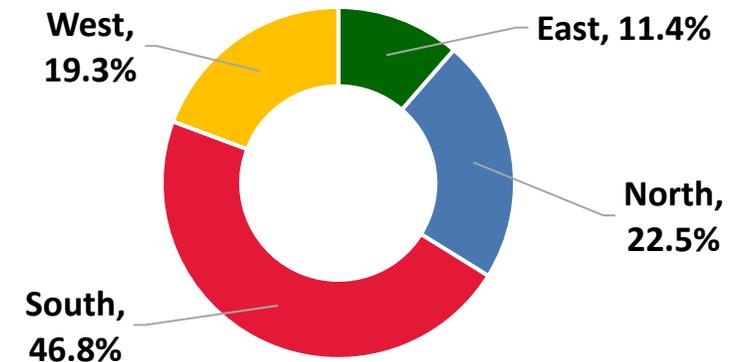
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2016-23) = 34.0%

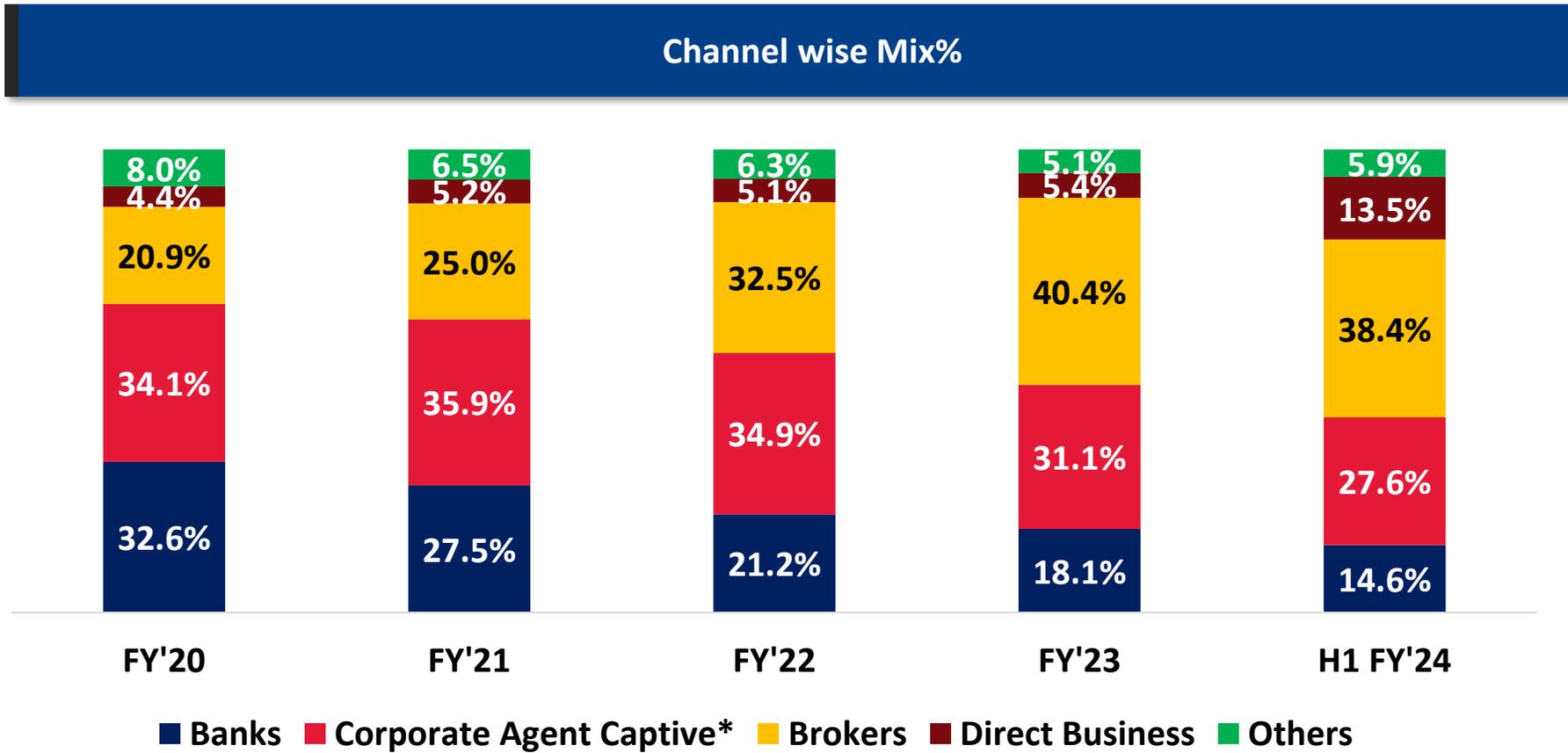


## Geographic Presence – Mix %

Mix %



## Multi-Channel Model Ensures Less Concentration & Diversified Revenue Stream



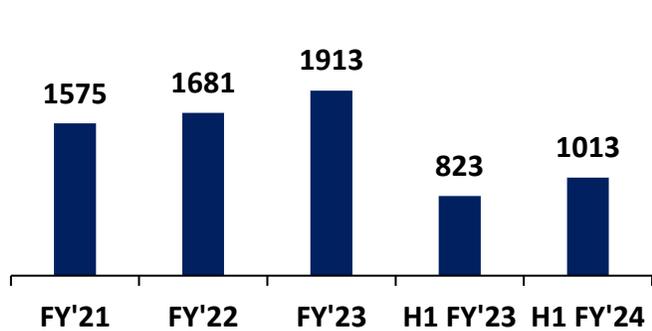
\*Chola Finance + Coromandel+ CIE

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

## Captive Channel (CIE + Chola Finance + Coromandel)

27.6% of H1 FY'24 GWP

GWP Rs In Crs



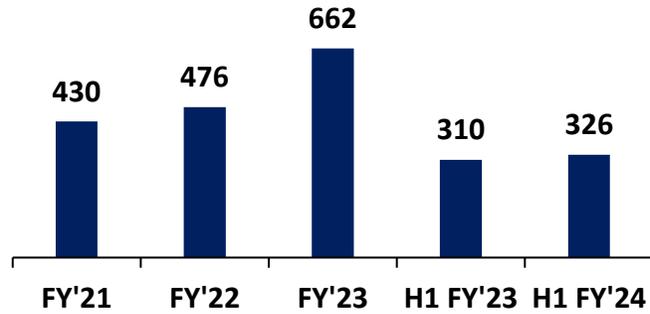
Chola Finance synergies (1000+ branches) to drive motor business

315 'CIEs' to generate business across lines

## PSU Banks + New Bank Tie ups

8.9% of H1 FY'24 GWP

GWP Rs In Crs



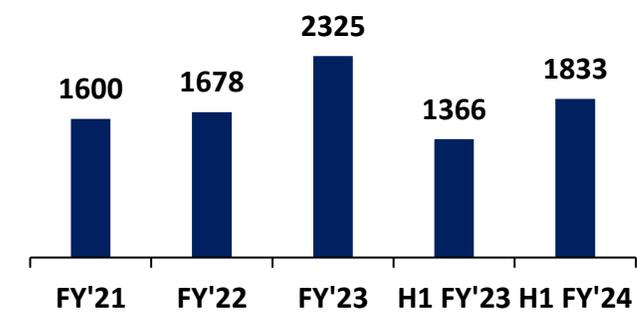
Tied up with 4 PSU Banks

Tied up with TamilNad Mercantile Bank & South India Bank in FY23

## Other Tied Channels (IBL, NBFC, OEM)

49.9% of H1 FY'24 GWP

GWP Rs In Crs



IndusInd Bank: 15 years' of Relationship

Channels acquired in the last 24 months contribute ~17% of topline

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



## Products & Services

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

## Scalable Platforms

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



## Service Improvement

- **RPA bots** enabling 25+ processes in Finance, Claims & Operations with **700K+ transactions** each month
- **Self Service Enablers** – Joshu, Renewals Voice Bot (Industry First)
- **Industry leading adoption of LVS** (Live Video Streaming) for motor claims at **90%+ overall**
- **Tune-in** app for retail customers
- **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**




---

**100%**

Digital Onboarding of Agents

**Sales fulfilment**




---

**100%**      **2 min**

Policy issuance digitally      Instant policy issuance

**Underwriting**

**Taylor**      **UW OCR**

**Tele UW**

---

**75%**      **100%**

STP issuance for Health      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**

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**100%**

Automated fulfilment of renewals via bot

**Ops and servicing**

**Joshu** Self Service Chatbot for customers

RPA for Claims, Finance, Operations

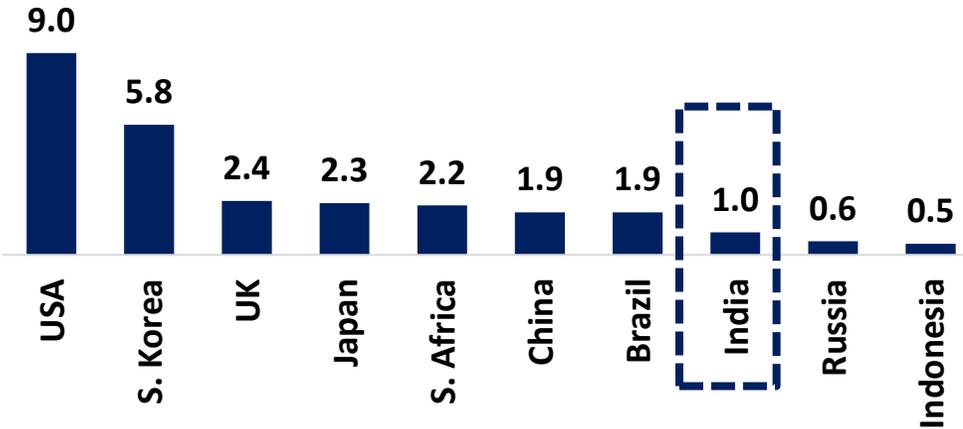
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**24 x 7**      **700K+**

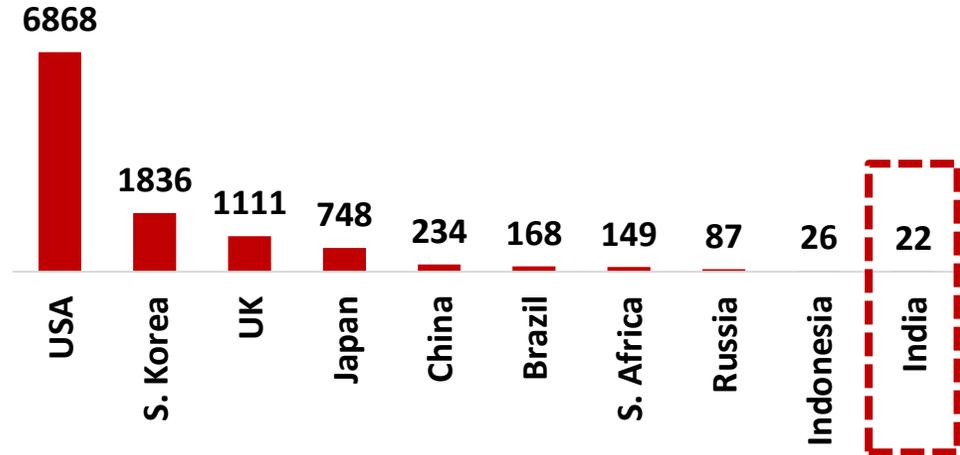
Query resolution using chatbot      Successful monthly RPA transactions

# Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY22) (US\$)



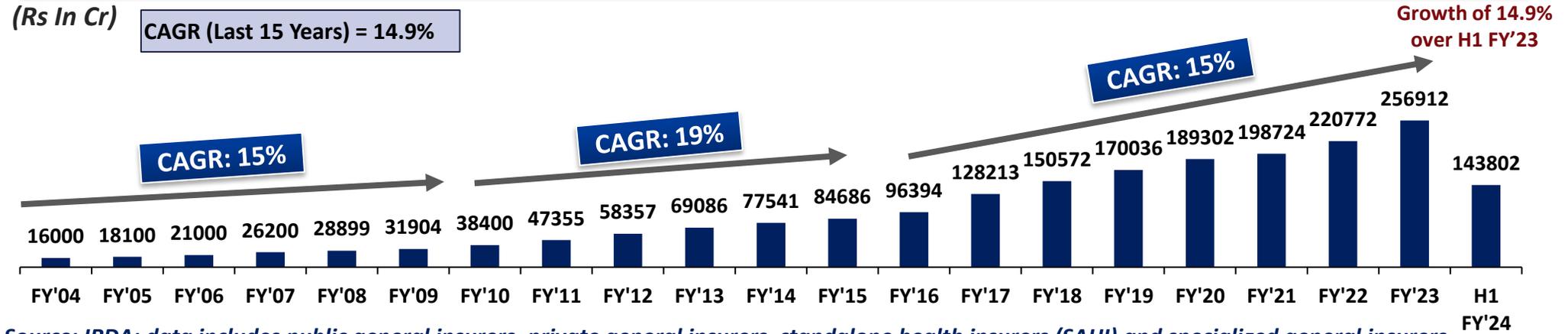
Non-Life Insurance Density (Premium per capita) (CY22) (US\$)



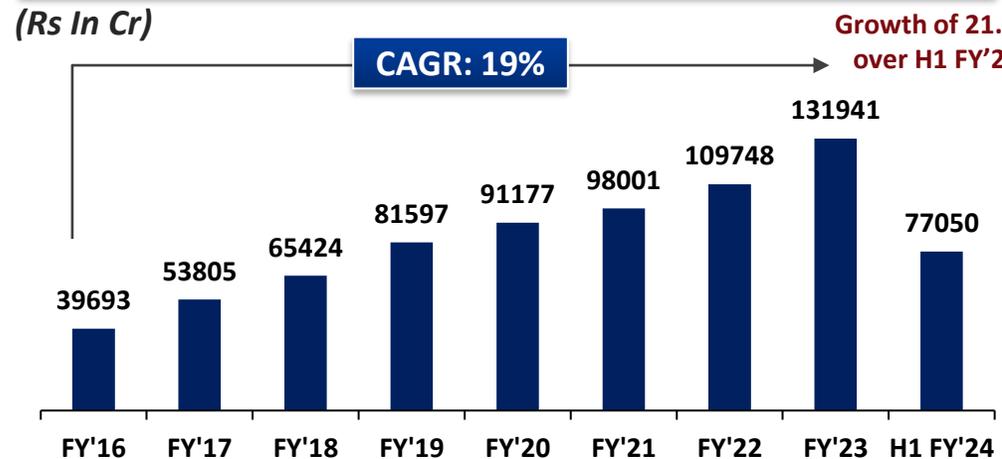
- India is the 4th largest non-life insurance market in Asia and 14th largest globally
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering to rural masses, innovative selling and bright long term outlook for growth
- Every 0.25% increase in penetration can increase industry GWP by Rs. 700 Bn

# Industry has Witnessed Strong Growth Over the last 15 Years

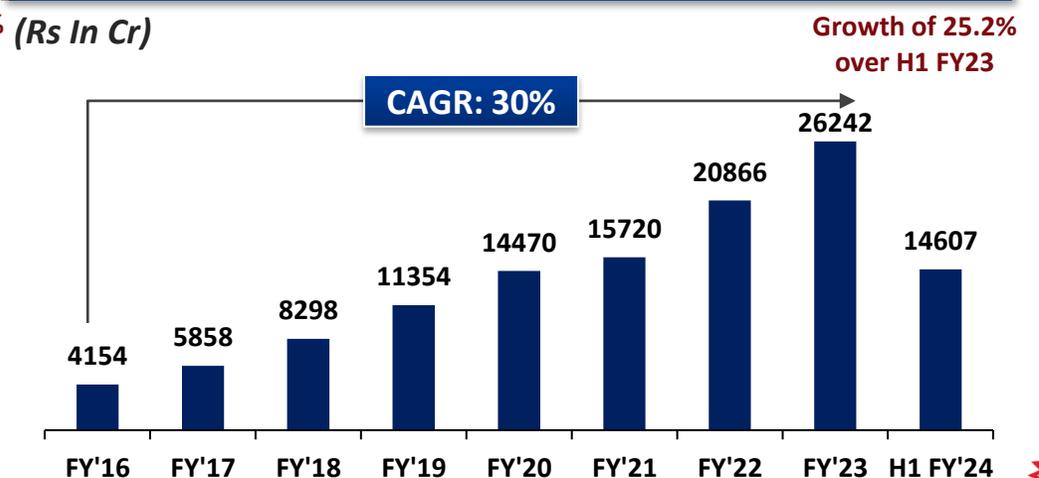
General Insurance Gross Premium has grown >10x over the last 15 years



Private GI Players have grown at a faster pace



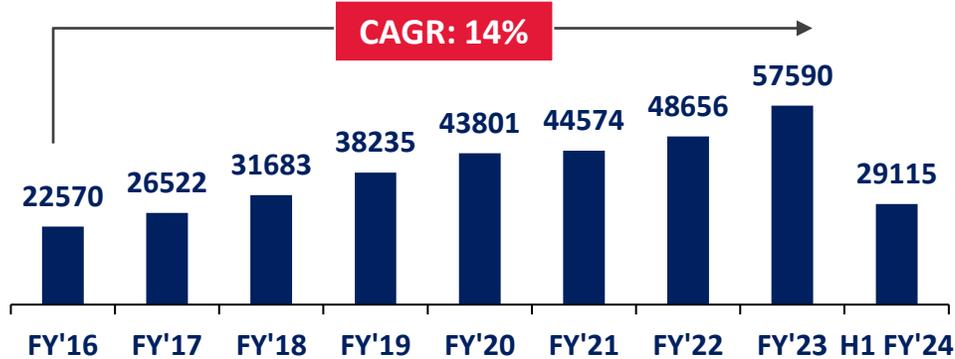
Robust growth for SAHI Players driven by Retail



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

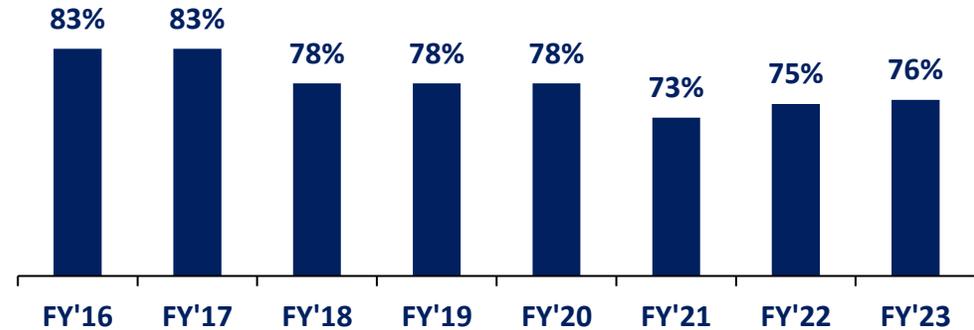
**Motor accounts for 37.8% share of the overall GWP for Private General Insurers (single largest segment)**

(Private Motor Insurance – GWP Rs in Crs)



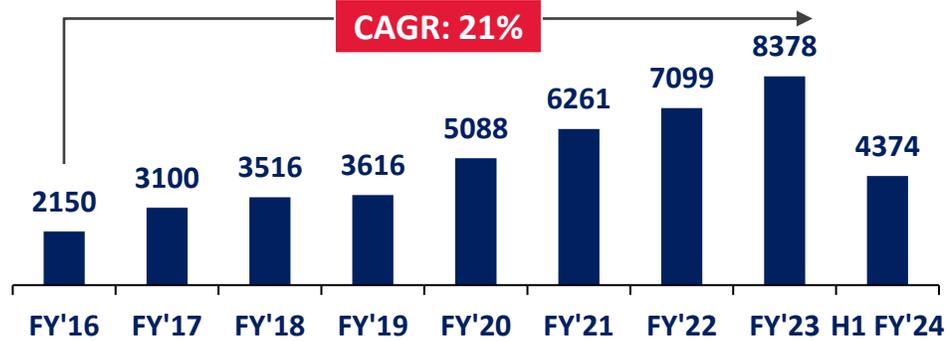
**Motor Claim ratio**

(Private Motor Insurance – Claims Ratio)



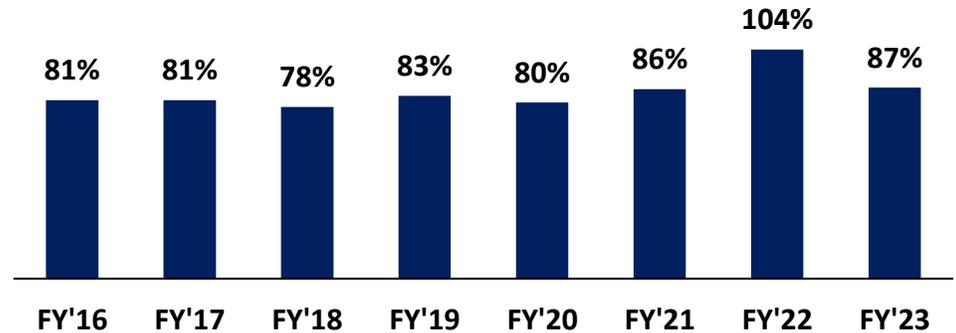
**Retail Health (3.6%\* share of overall GWP) is the fastest growing segment**

(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><b>Mandatory Long term Third Party Insurance</b></p>  <ul style="list-style-type: none"> <li>▶ 3 years for Cars, 5 years for 2W</li> <li>▶ Long term products for tractors, construction equipment, SME, dwellings in pipeline</li> </ul>	<p><b>Crop Insurance</b></p>  <ul style="list-style-type: none"> <li>▶ PMFBY financially supports farmers</li> <li>▶ Minimal premium up-to 2% by farmers &amp; balance by State &amp; Central Govt.</li> </ul>	<p><b>Courts' recognition of amended MV Act</b></p>  <ul style="list-style-type: none"> <li>▶ Claim initiation time cut to 6 months, shortening the long tail of claims</li> <li>▶ Courts' to recognize and implement for relief to sector</li> </ul>
<p><b>Single Limit for Expense of Management</b></p>  <ul style="list-style-type: none"> <li>▶ Fungible EOM limits across LOBs</li> <li>▶ Fungible EOM limits across intermediaries</li> </ul>	<p><b>Distribution</b></p>  <ul style="list-style-type: none"> <li>▶ Sub-limits to be reviewed as they remain at historic levels</li> <li>▶ Regulatory Arbitrage to be removed</li> </ul>	<p><b>Amendments to Insurance Act</b></p>  <ul style="list-style-type: none"> <li>▶ composite licenses</li> <li>▶ Distribute other financial products</li> </ul>
<p><b>Regulatory Amendments</b></p>  <ul style="list-style-type: none"> <li>▶ Use &amp; File across product lines</li> <li>▶ Innovation – Sandbox / PAYD / PHYD</li> <li>▶ Tier 2 limits revised</li> <li>▶ IIB burn cost rates ceasing to be the reference rates</li> </ul>	<p><b>TP Premium Pricing</b></p>  <ul style="list-style-type: none"> <li>▶ Rising medical inflation and wage levels impact claims severity</li> <li>▶ Inadequate price increase over the last 3 to 4 years</li> </ul>	<p><b>Regulatory Amendments</b></p>  <ul style="list-style-type: none"> <li>▶ Industry managed data repository – corporatization of IIB</li> <li>▶ Bima Sugam – Common digital platform</li> <li>▶ Health Claims Exchange</li> </ul>

## Contact us

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