

November 8, 2024

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

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

**Symbol : CHOLAHLDNG**

**Scrip Code : 504973**

Dear Sir / Madam,

**Sub: Presentation to Analyst / Investor**

This is further to our letter dated November 4, 2024 on the analyst / investor call scheduled on November 8, 2024.

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

We request you to kindly take the information on record.

Thanking you,

Yours faithfully,  
for **CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**E KRITHIKA**  
**COMPANY SECRETARY**

Encl: As above

**Cholamandalam Financial Holdings Limited**  
**(Formerly known as TI Financial Holdings Limited)**

Dare House, 234, N.S.C Bose Road, Chennai - 600 001, India Tel: 91.44.4217 7770-5  
Fax: 91.44.42110404 Website: [www.cholafhl.com](http://www.cholafhl.com) CIN -L65100TN1949PLC002905



**Chola**

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**CORPORATE PRESENTATION – Q2-FY25**



**murugappa**

# Murugappa Group in a Nutshell



Years of  
Existence



Consolidated  
Turnover  
(FY24)



Group Market  
cap (as on 30<sup>th</sup>  
Sep 2024)



Sectors



Businesses



Listed  
Companies



Geographical  
Presence

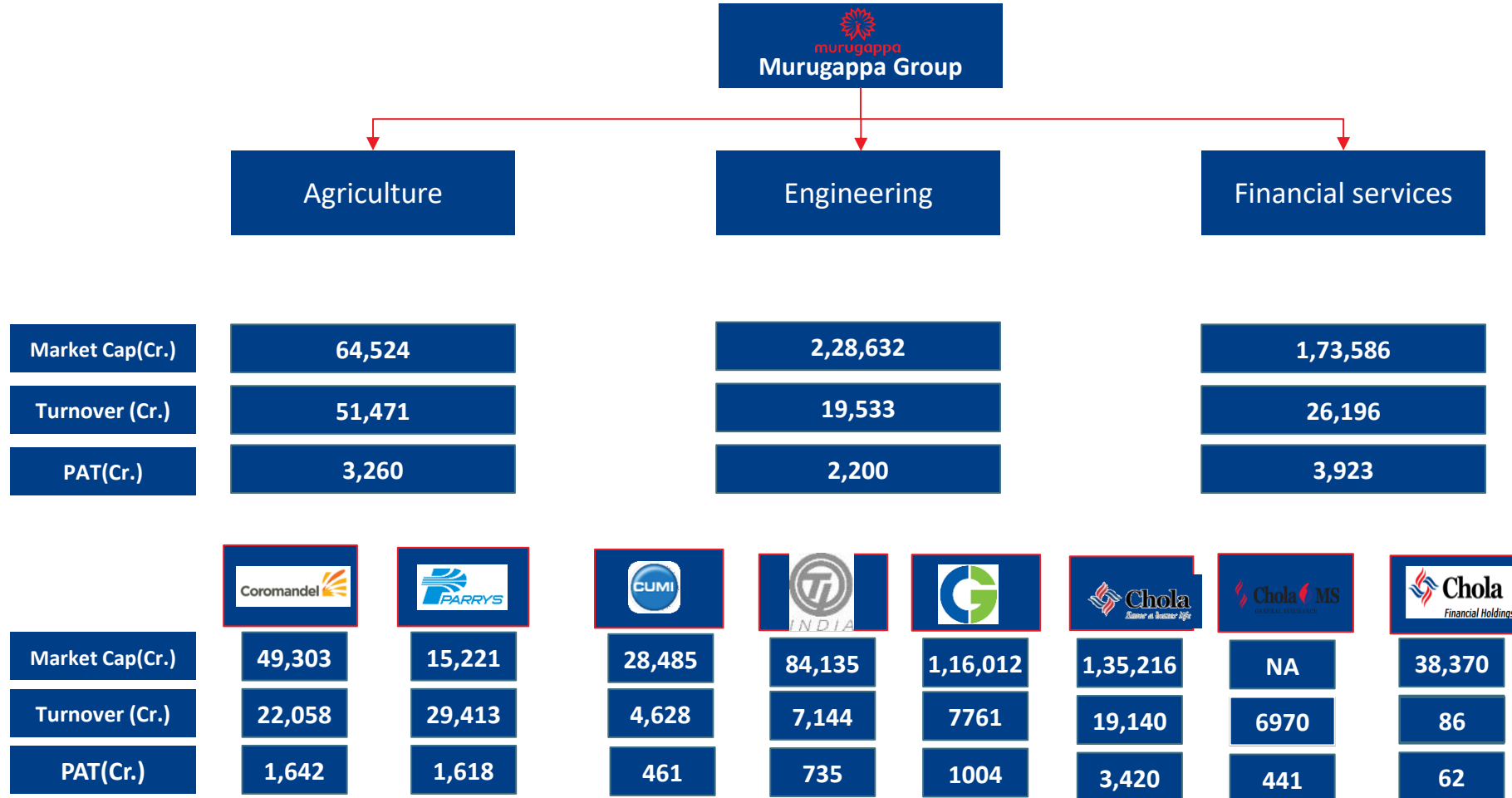


Manufacturing  
Locations



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 30<sup>th</sup> Sep 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 unfailingly 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)

44.37%

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  
(CMSGICL)

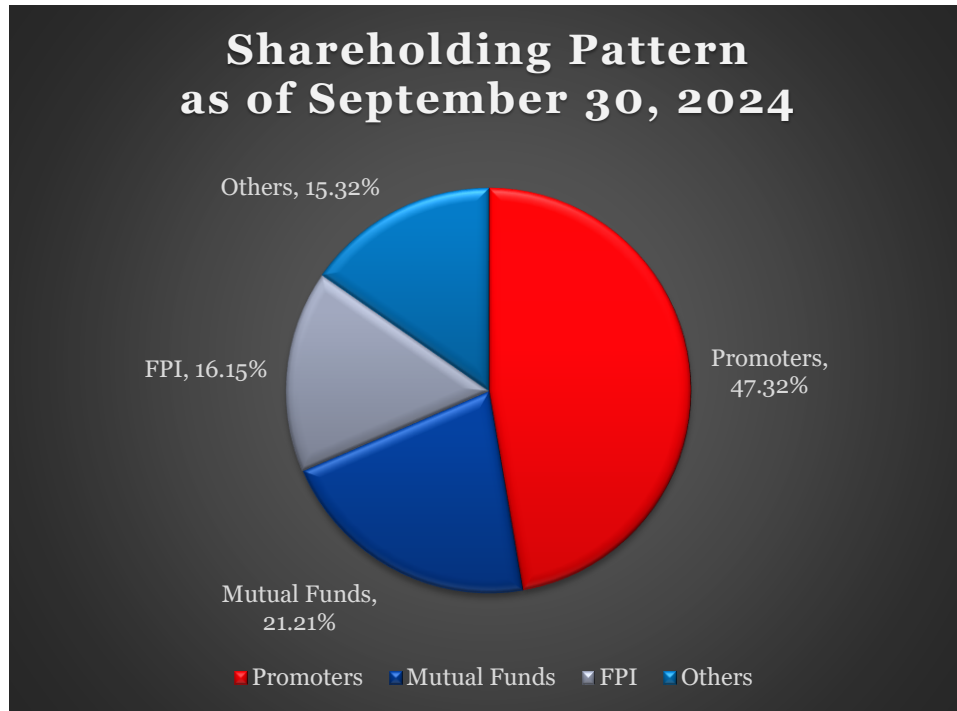
- Joint Venture with Mitsui Sumitomo Insurance Group, Japan
- Subsidiary
- Unlisted
- Multi-line insurer
  - a) Personal - Motor, accident, health, home
  - b) Commercial - Property, Engineering, Marine, Liability and Group Accident & Health

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

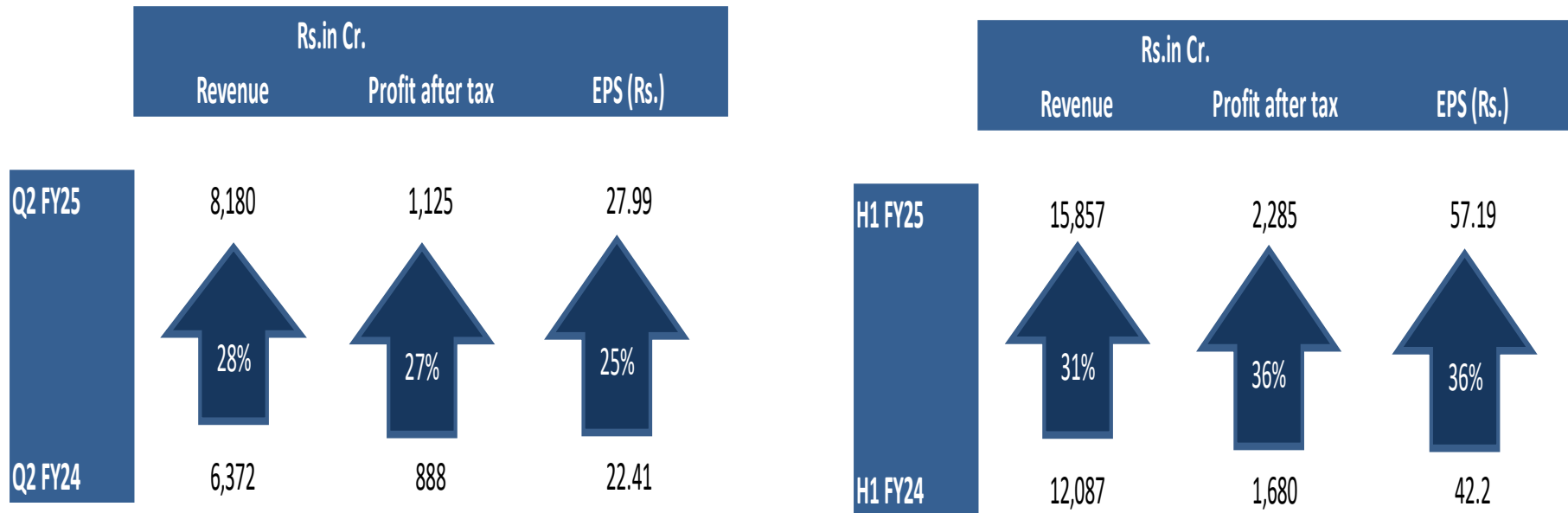


## **Institutional Holders (More than 1%)**

### **Top Domestic Institutional Holdings**

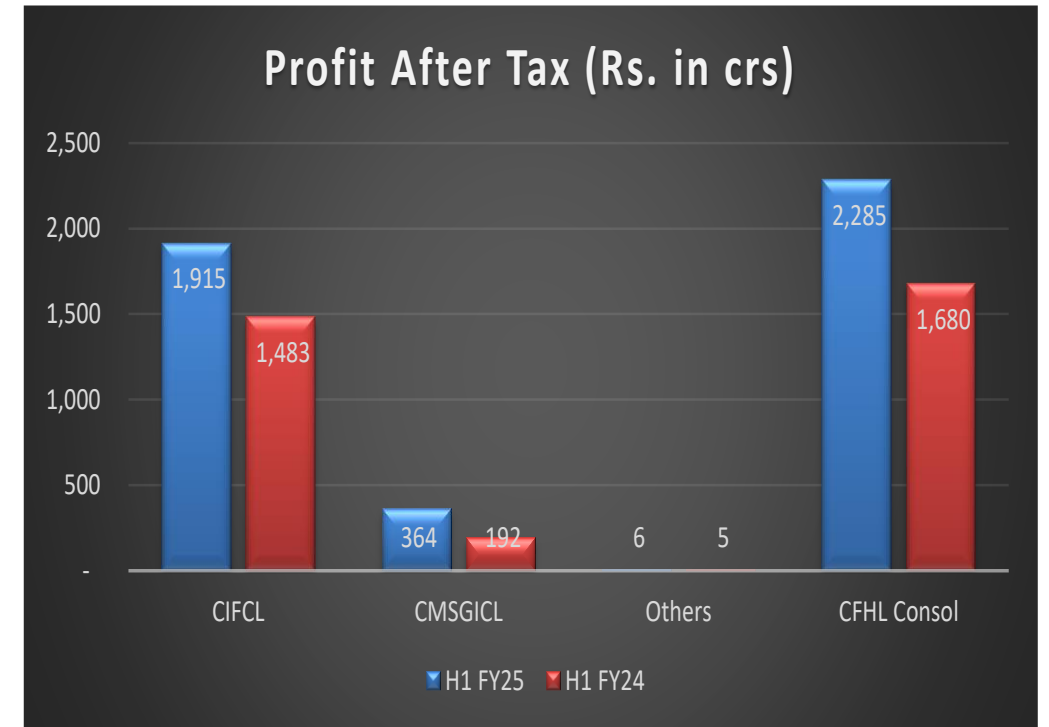
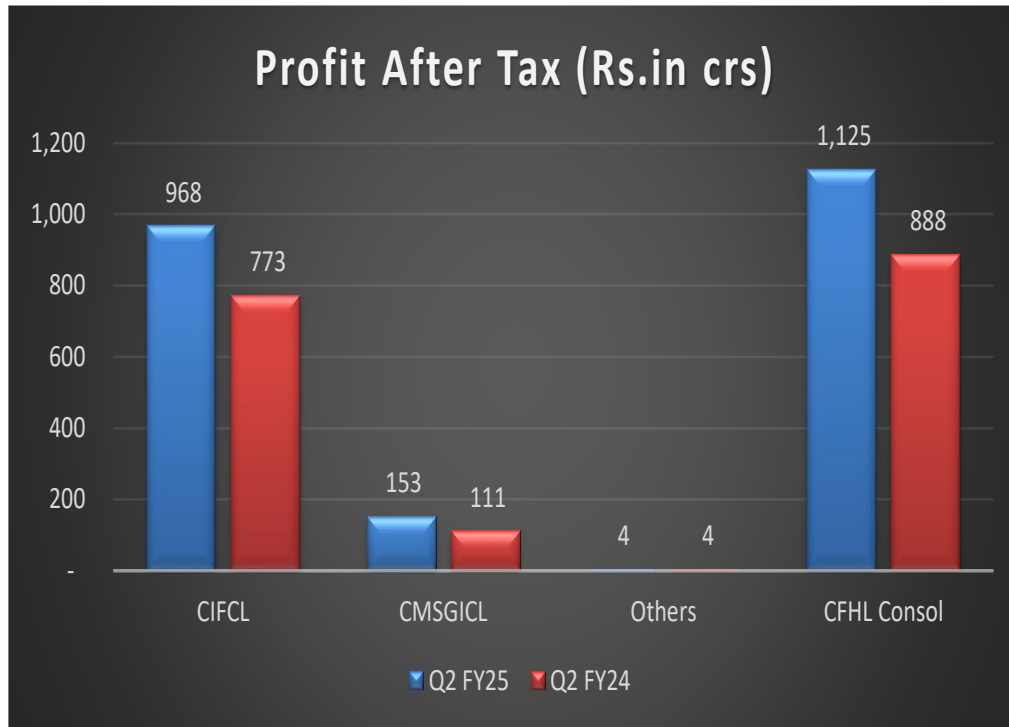
- \* NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA FOC
- \* SBI NIFTY SMALLCAP 250 INDEX FUND
- \* AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL Fund
- \* HDFC LARGE AND MID CAP FUND
- \* ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C
- \* SUNDARAM MUTUAL FUND - SUNDARAM AGGRESSIVE HYBRID
- \* CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO BALANC

## Performance Highlights - Consolidated





## Performance Highlights - Consolidated



# Financial Performance & Metrics

CFHL - Standalone Particulars (Rs. in Cr)	H1 FY25	H1 FY24
Income	31.71	31.62
Expenses	1.46	3.07
Profit Before Tax	30.25	28.55
Tax Expense	5.34	4.59
Profit After Tax	24.91	23.96

CFHL - Standalone Balance Sheet (Rs. in Cr)	As of 30-Sep-2024	As of 31-Mar-2024
Networth	1,302.10	1,287.50
Other Liabilities	2.18	1.65
Total Equity and Liabilities	1,304.28	1,289.15
Investments and Bank deposits	1,279.39	1,279.31
Other Assets	24.89	9.84
Total Assets	1,304.28	1,289.15

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

CIFCL	H1 FY25	H1 FY24
Disbursements (Rs. in Cr)	24,314	21,542
	As of 30-Sep-2024	As of 31-Mar-2024
Asset Under Management (Rs. in Cr)	1,77,426	1,53,718
No. of Branches	1,508	1,387

CMSGICL	H1 FY25	H1 FY24
Gross Written Premium (Rs. in Cr)	4,166	3,715
	As of 30-Sep-2024	As of 31-Mar-2024
Investment Portfolio (Rs. in Cr)	17,332	16,538
Market presence (Branch+CIE +VO)*	677	669

CMSRSL	H1 FY25	H1 FY24
Revenue (Rs. in Cr)	36.95	32.83
Profit After Tax (Rs. in Cr)	1.61	1.09
	As of 30-Sep-2024	As of 31-Mar-2024
Networth (Rs. in Cr)	43.85	42.84

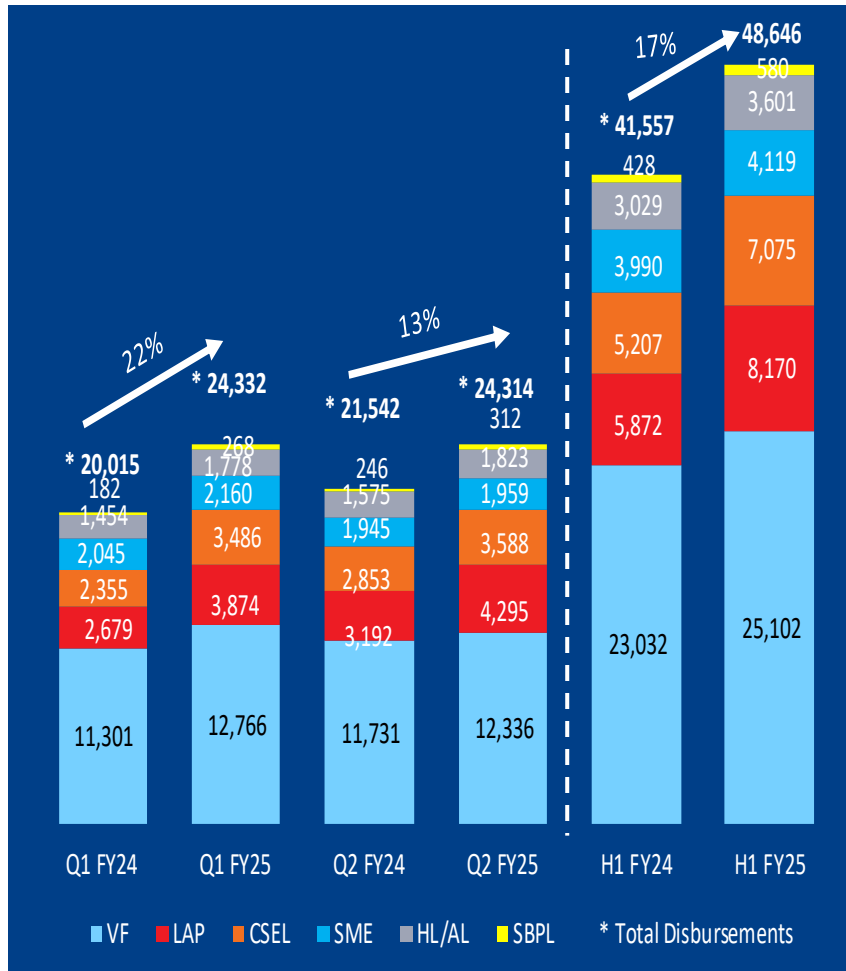
## Regulatory Ratios of CFHL

Particulars	Rs Crs	
	As of September 30, 2024	As of March 31, 2024
Owned Funds (A)	1,296.87	1,277.09
Adjusted Networth (B)	26,118.96	22,575.32
Risk Weighed Assets ( C)	1,280.37	1,280.25
Outside Liabilities (D)	2.17	1.65
Net assets (E)	1,279.58	1,279.56
Investment in equity shares of group companies (F)	1,279.39	1,279.31
Capital Ratio (B / C)	2039.96%	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)	99.985%	99.980%
Regulatory minimum	90.000%	90.000%

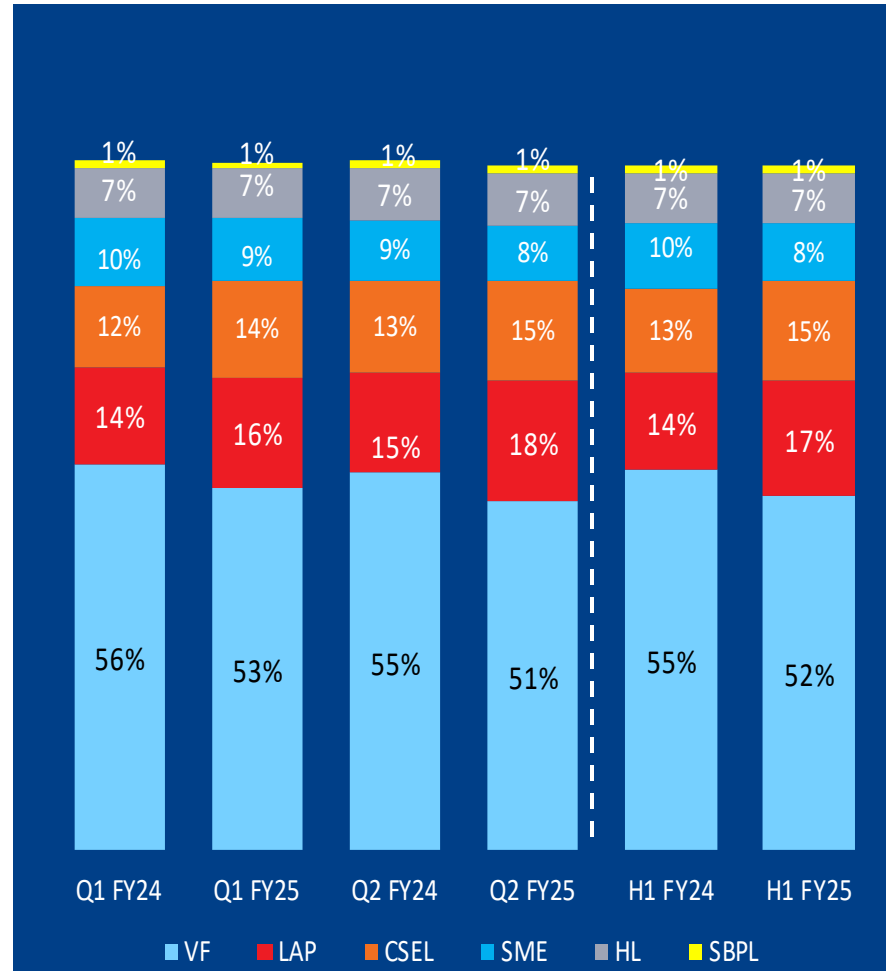
# Cholamandalam Investment and Finance Company Limited

# Disbursements

Disbursements (₹Cr)

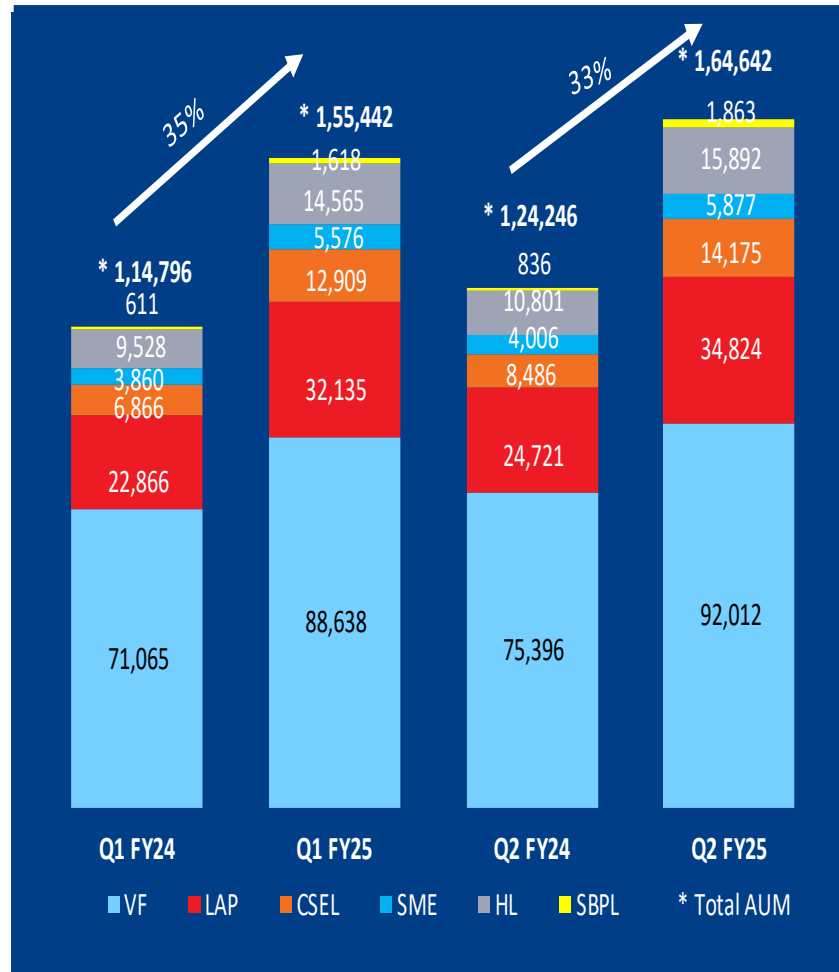


Disbursements (%)

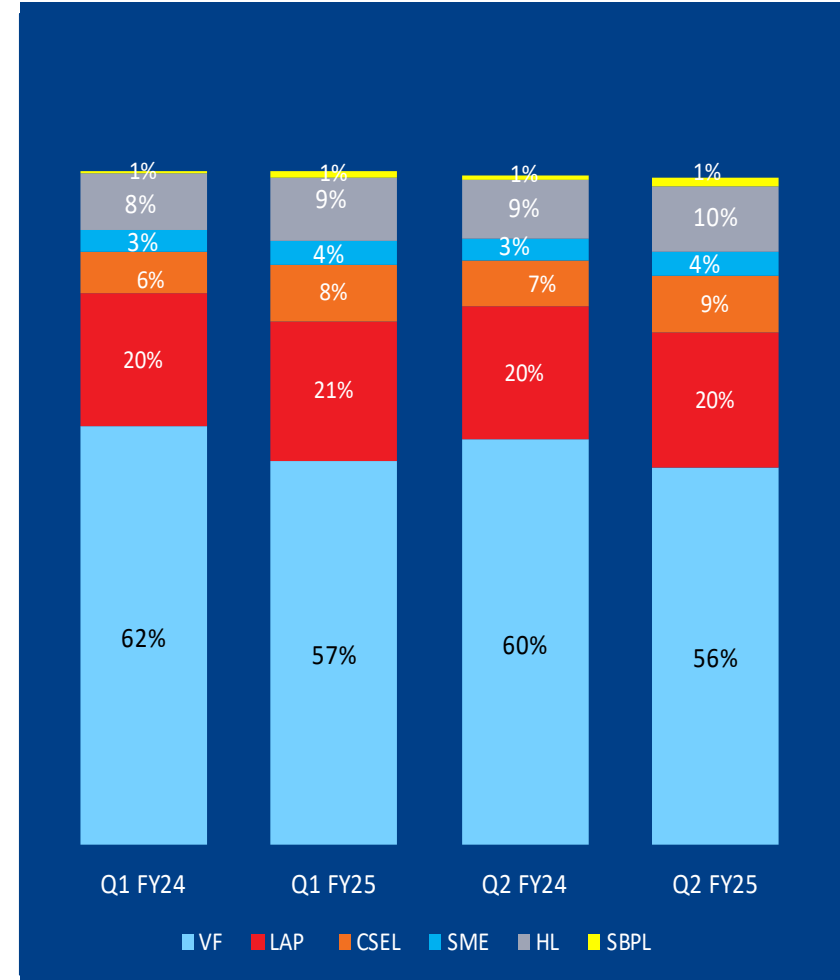


# Assets Under Management

Business - Assets under Management (₹Cr)

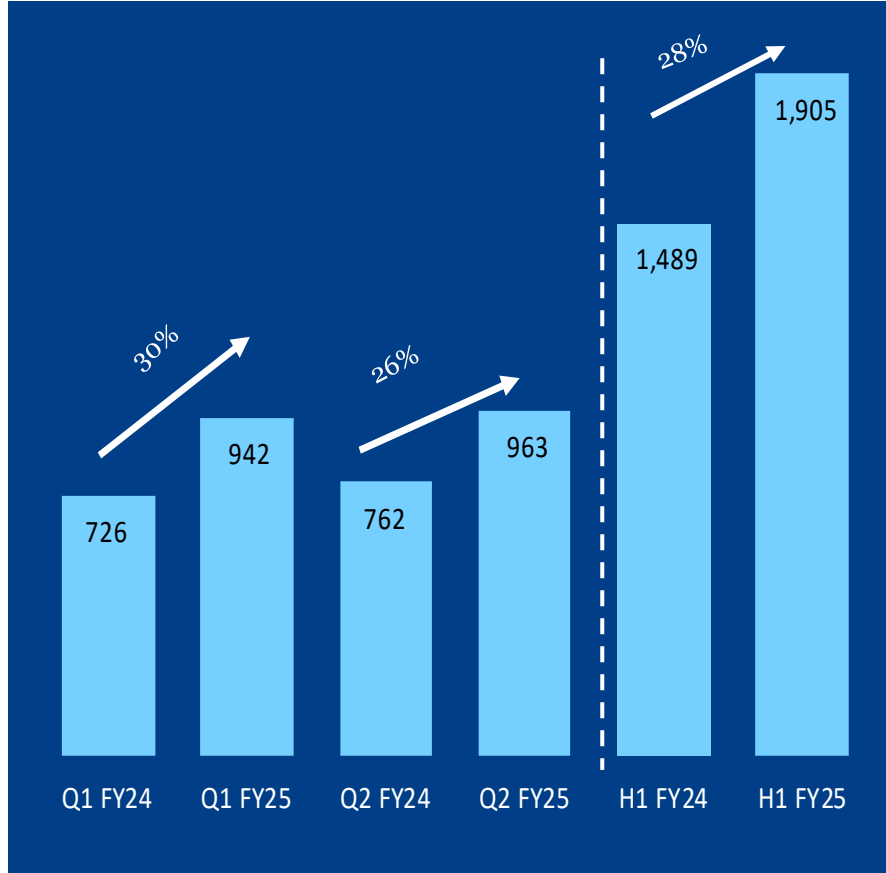


Business - Assets under Management (%)

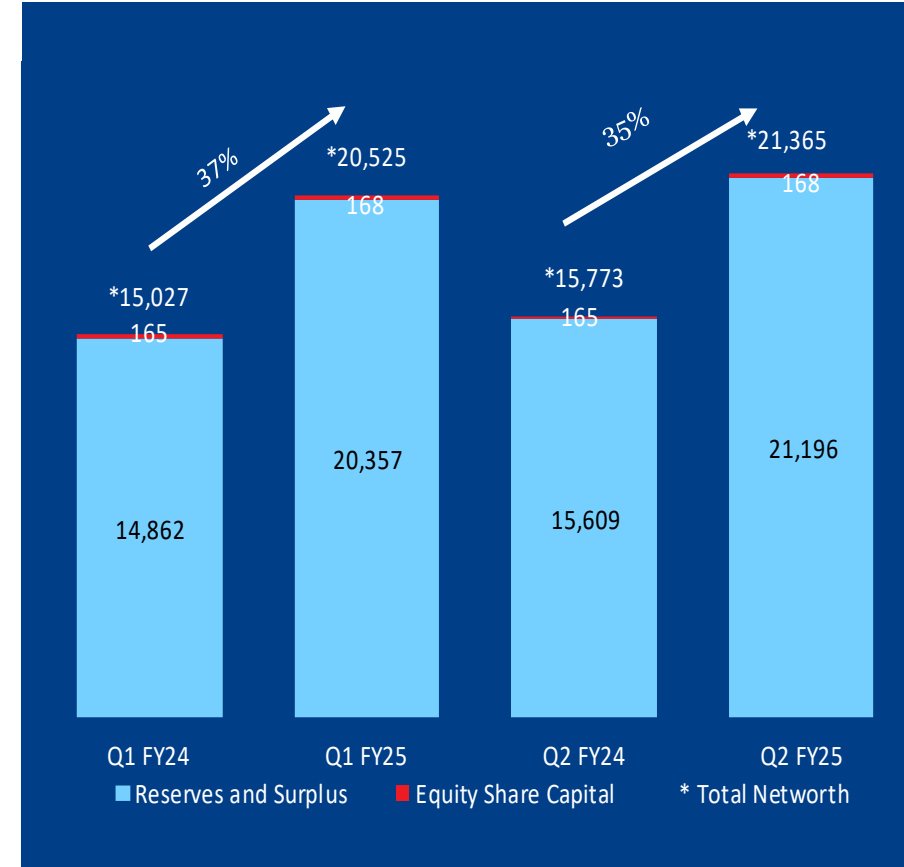


# Profitability and Net worth

Profit after tax (₹Cr)



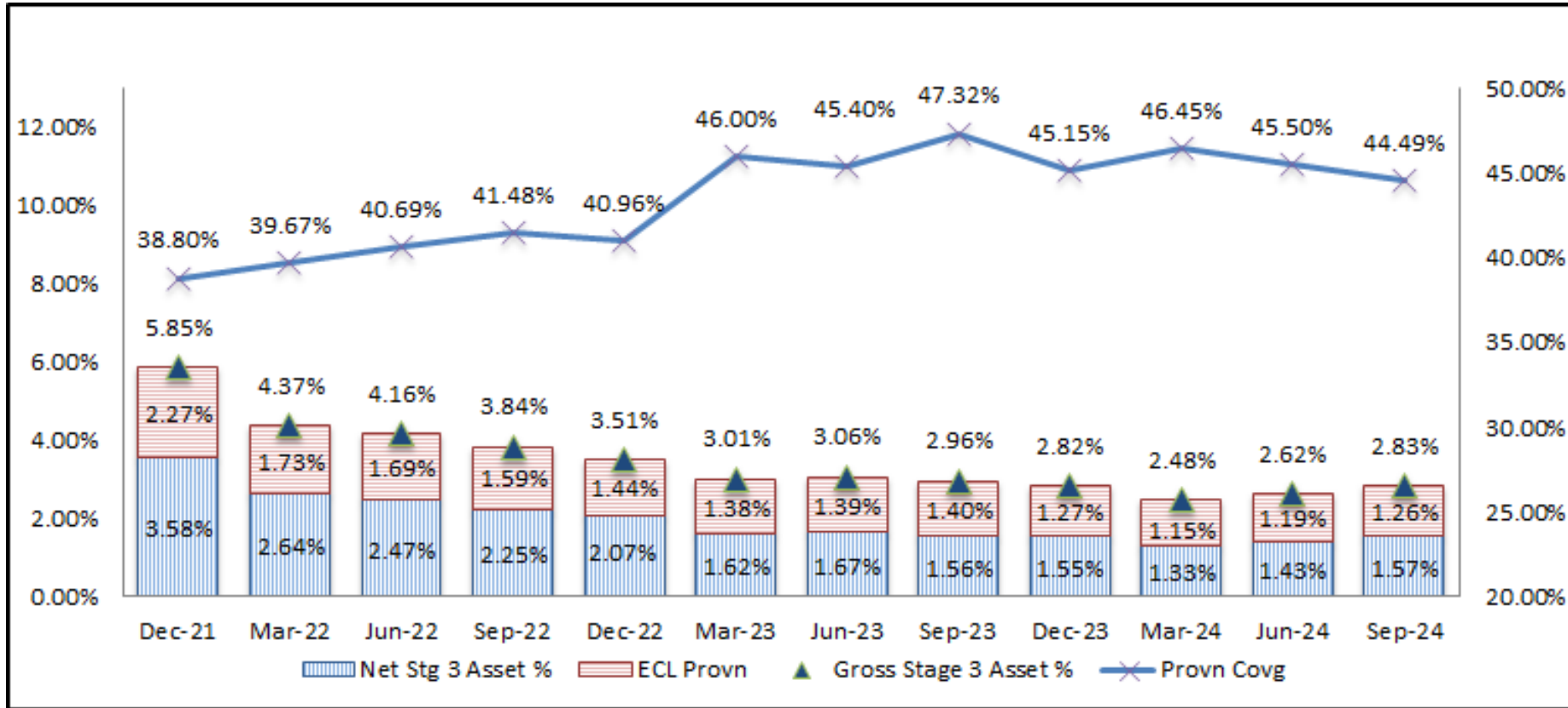
Net worth (₹Cr)



Note on Net worth

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 Sep24 is at 3.78% and 2.48%, respectively.



# Vehicle Finance



## Vehicle Finance: Q2FY25 & H1FY25 Performance

### Disbursements

- Disbursements grew by 5% in Q2FY25 to Rs. 12,336 Cr as compared to Q2FY24 and by 9% in H1FY25 to Rs.25,102 as compared to H1FY24.

### Assets under management

- AUM has grown by 22% YoY.

### Loss and provisions

- Loan losses at 1.8% in Q2FY25 from 1.7% in Q2FY24 and at 1.9% in H1FY25 from 1.6% in H1FY24.

### Profit before tax

- PBT grew by 26% in Q2FY25 to Rs.631 Cr as compared to Q2FY24 and by 25% in H1FY25 to Rs.1,251 Cr as compared to H1FY24.

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

### Sector Outlook

- The Heavy commercial vehicle segment had a de-growth of 15% in Q2 FY25 & 6% in H1 FY25. The growth in this segment will be dependent on push in infra spending by the government and normal monsoons.
- The Light commercial vehicle segment had a de-growth of 7% in Q2 FY25 & 1% in H1 FY25 due to a high base effect of previous year and growth is expected to be subdued in the coming quarters.
- The Small commercial vehicle segment had a de-growth of 14% in Q2 FY25 & 8% in H1 FY25. The current trends will continue going forward this year.

### Chola's Position

- We will keep a close watch on this segment in line with industry movement and our exposure is at a minimal.
- We will continue our focus in this segment in line with rural demand and uptick in industry volume.
- Our financing in this segment will be based on a cautious approach considering viability and cash flows of end users.

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

### Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a de-growth of 2% in Q2 FY25 & flat growth in H1 FY25. The segment has been witnessing consecutive growth trends over the last two years and a marginal slowdown in sales numbers is expected.
- The Two-wheeler industry had a growth of 13% in Q2 FY25 & 16% in H1 FY25. This segment is expected to maintain growth trends supported by festive demand and rural cash flows.
- The Used vehicle industry is poised to grow due to the increase in price of new vehicles over the years and increase in organised financing options.

### Chola's Position

- Our focus in this segment will be in line with customer demand and retail volumes in rural areas.
- Our focus in the two wheeler segment will be driven by portfolio quality and profitability.
- We will be a key financier in this segment with clear focus on collections.

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

### Sector Outlook

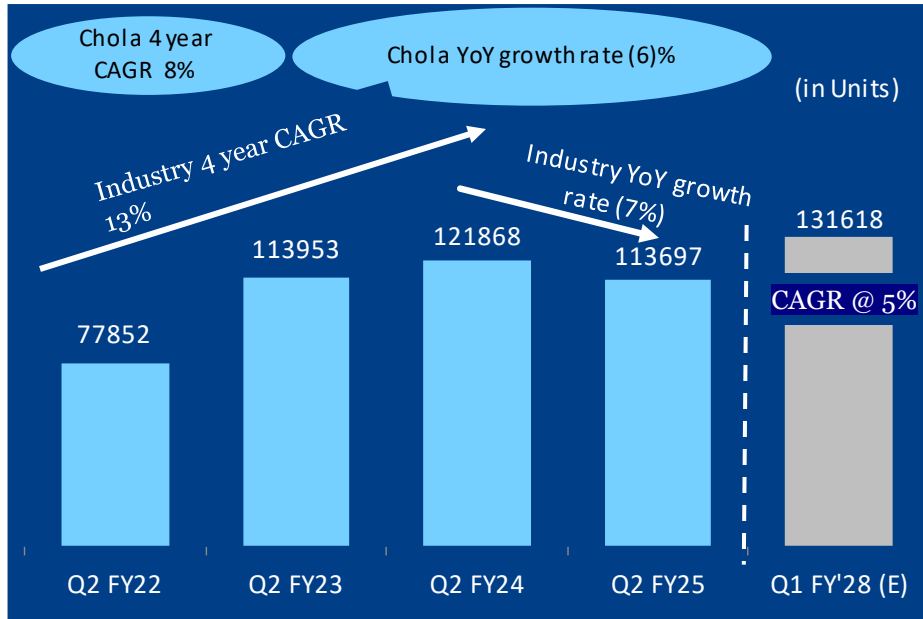
- The Construction Equipment segment witnessed flat growth in Q2 FY25 & 2% growth in H1 FY25. Volumes in this segment is directly impacted by government spends in infra, roads, construction and improvement in mining activities.
- The Tractor industry had a marginal growth of 1% in both Q2 & H1 FY25. The growth in second half is directly attributed to normal monsoon and kharif output.

### Chola's Position

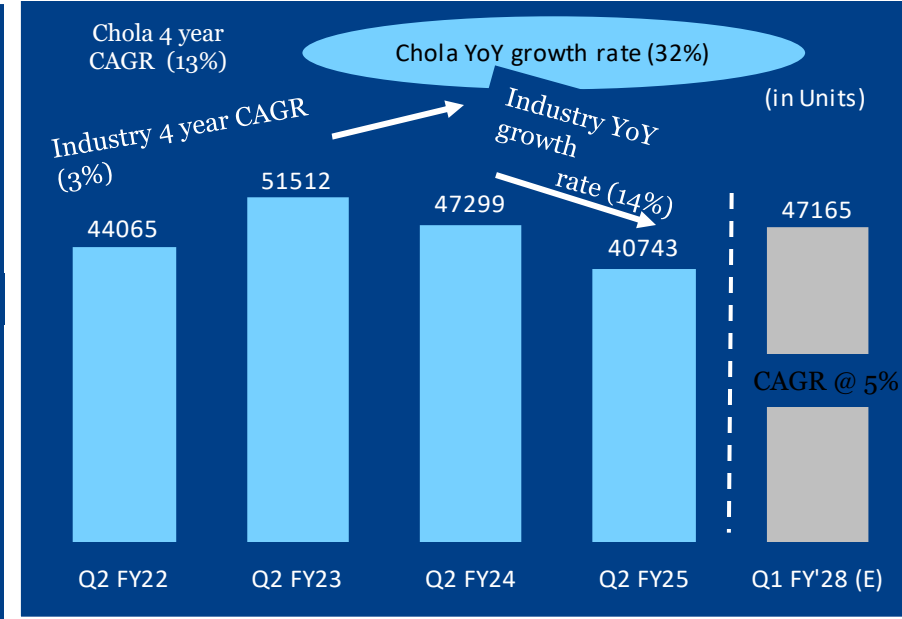
- Our exposure in this segment is around 6% at a portfolio level and we will continue to build a quality book.
- We will keep a close watch on this segment and our financing will be based on kharif yields and rural cash flows.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



## Trend in Domestic SCV Sales

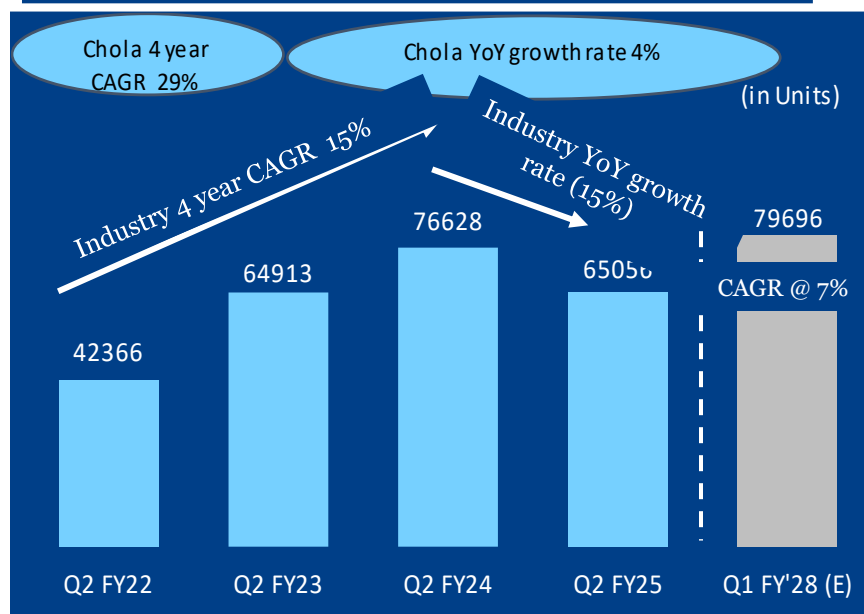


- Replacement demand, last-mile transport requirements and positive macroeconomic environment.
- Stronger demand from consumption driven sectors and E-commerce based companies.
- Demand for Pickups to increase in the long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales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

Source: FY22 to FY28 numbers are from SIAM & ICRA

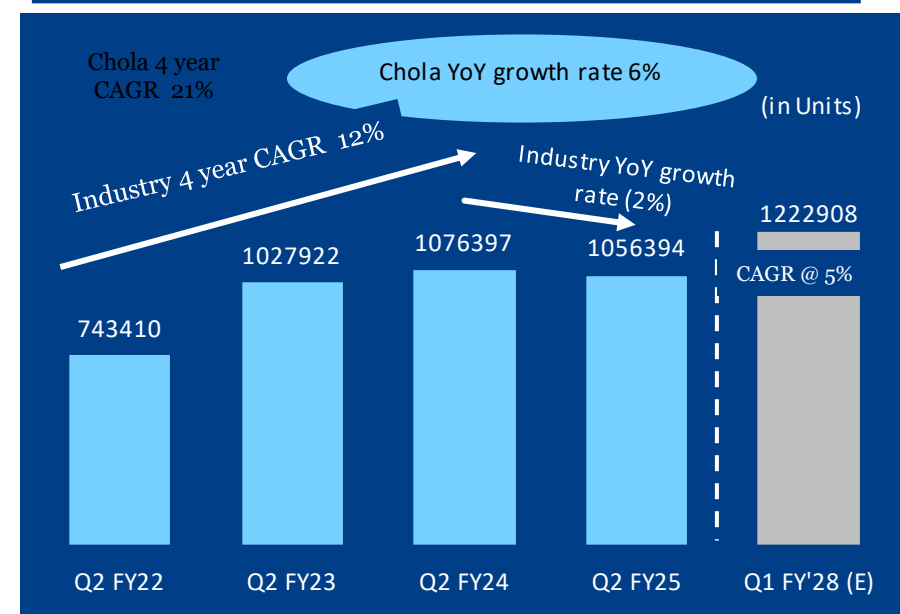
# Auto Industry Outlook

## 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.

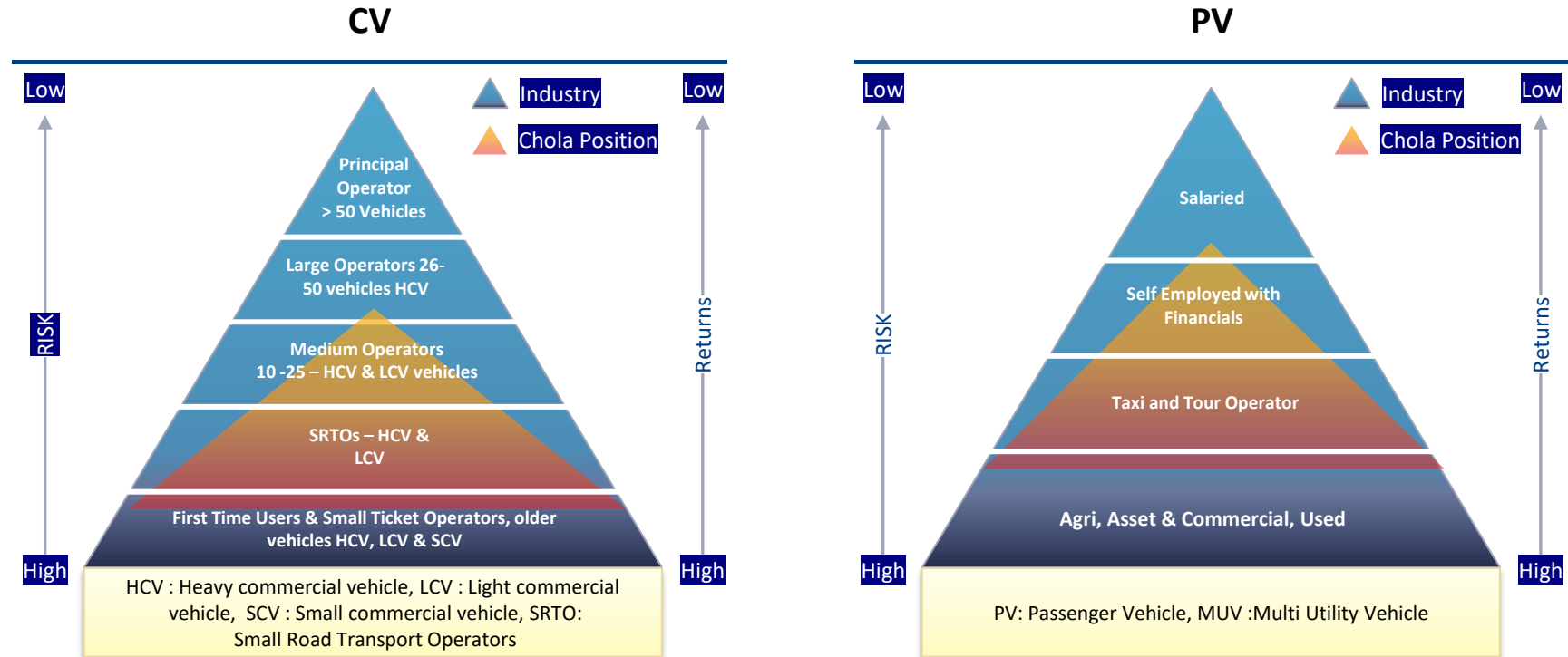
## Trend in Domestic Car & MUV Sales



- 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.

Source: FY22 to FY28 numbers are from SIAM & ICRA

# Vehicle Finance—Business Model & Positioning

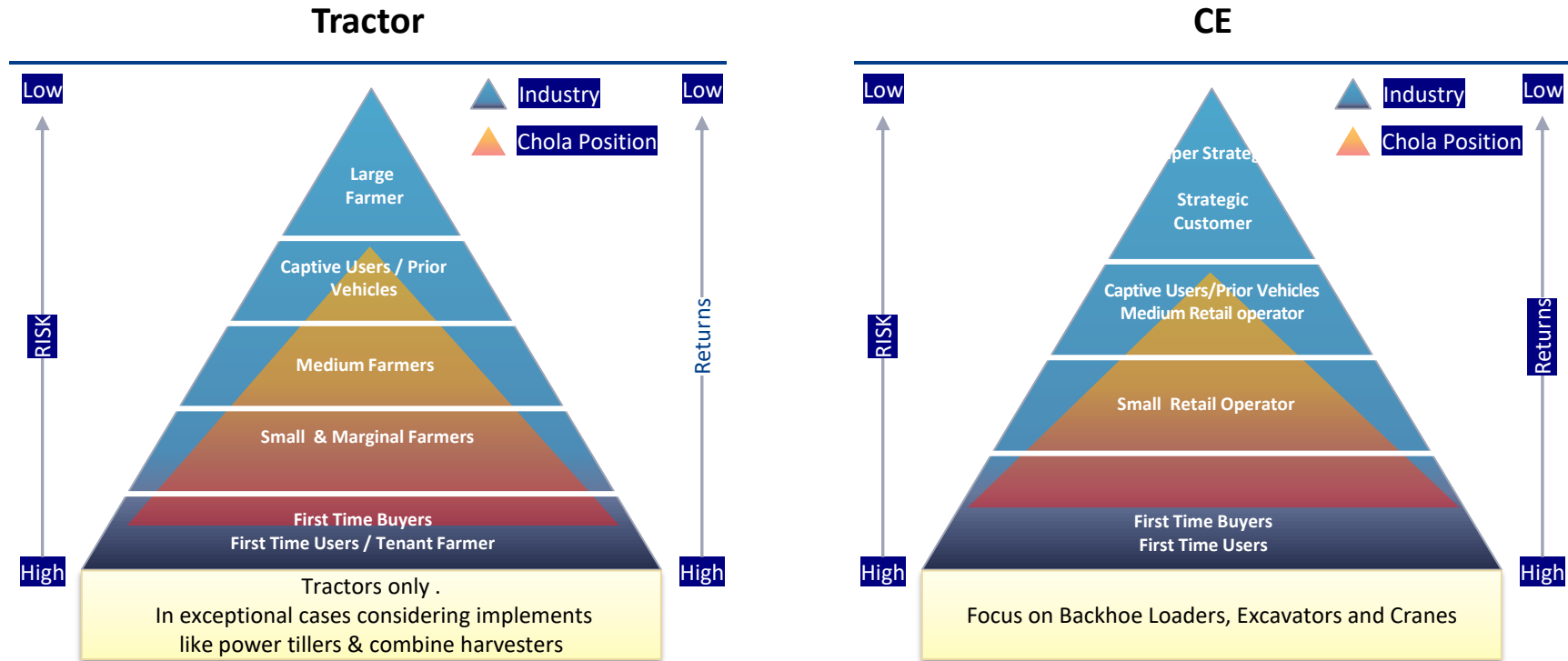


- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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



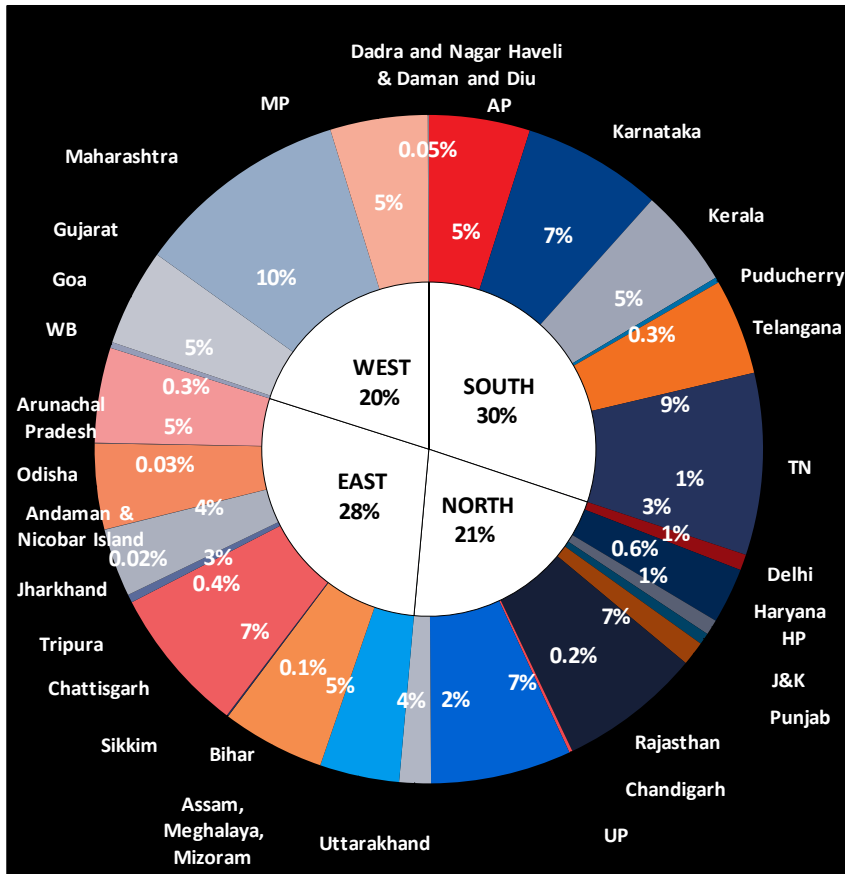
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

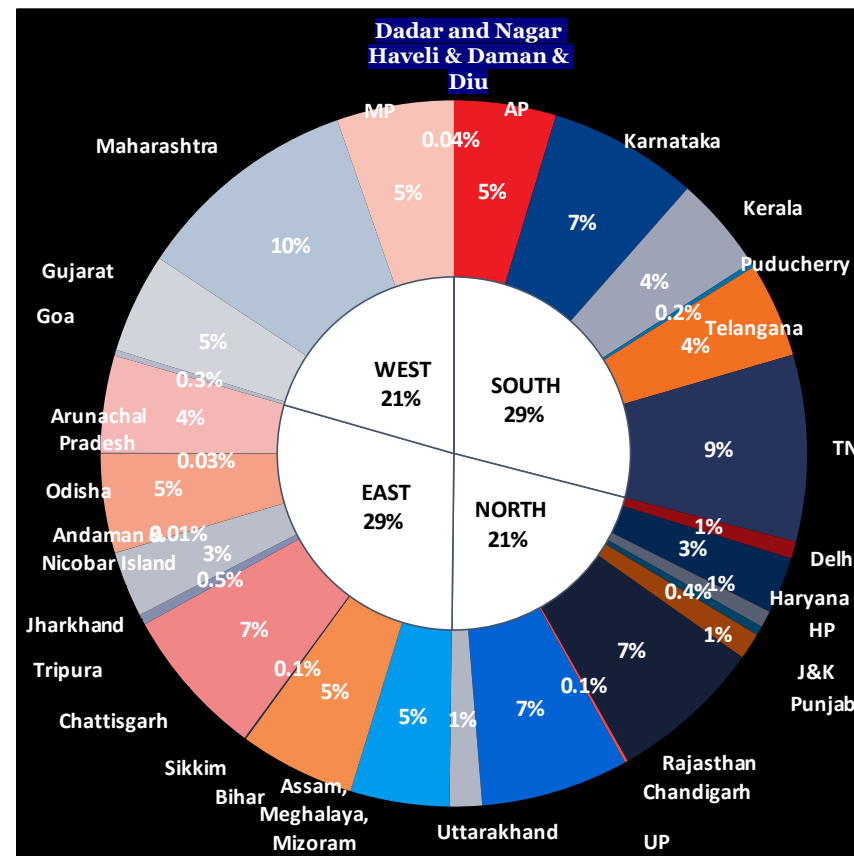
# Vehicle Finance - Disbursement/Portfolio Mix – Q2FY25

Well diversified across geography

Disbursements - State wise



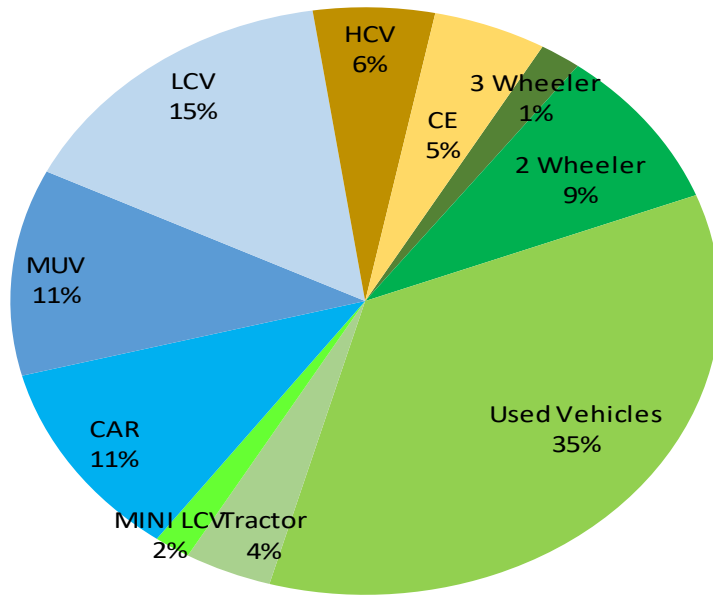
Portfolio - State wise



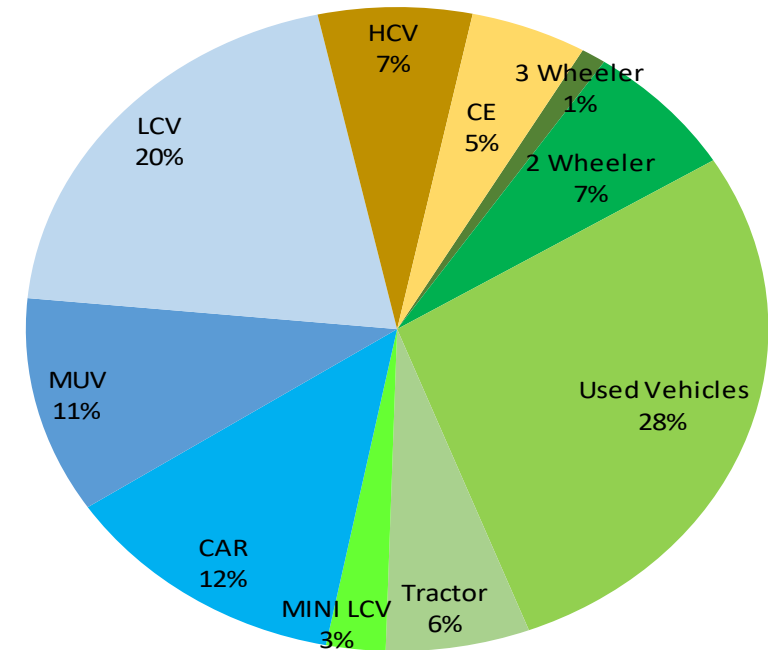
# Vehicle Finance - Disbursement/Portfolio Mix – Q2FY25

Well diversified product segments

Disbursements (%) - Product wise



Portfolio (%) - Product wise

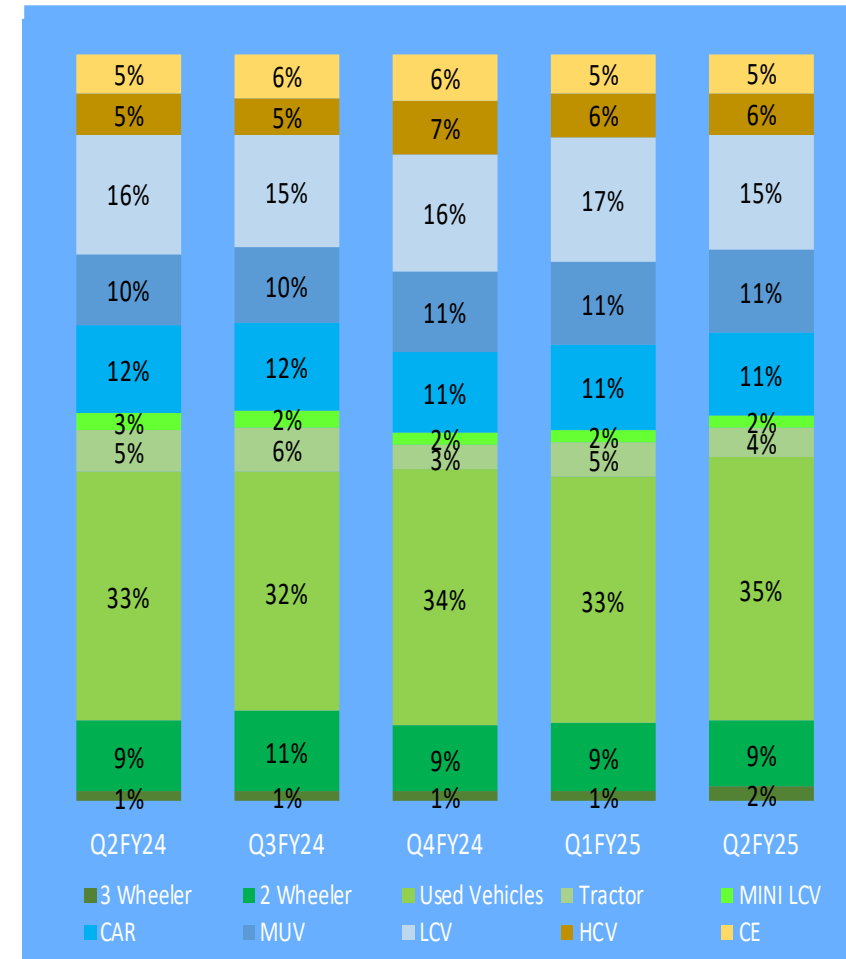


# Vehicle Finance - Disbursement Mix – Quarter-wise

Disbursement (₹Cr) - Product wise

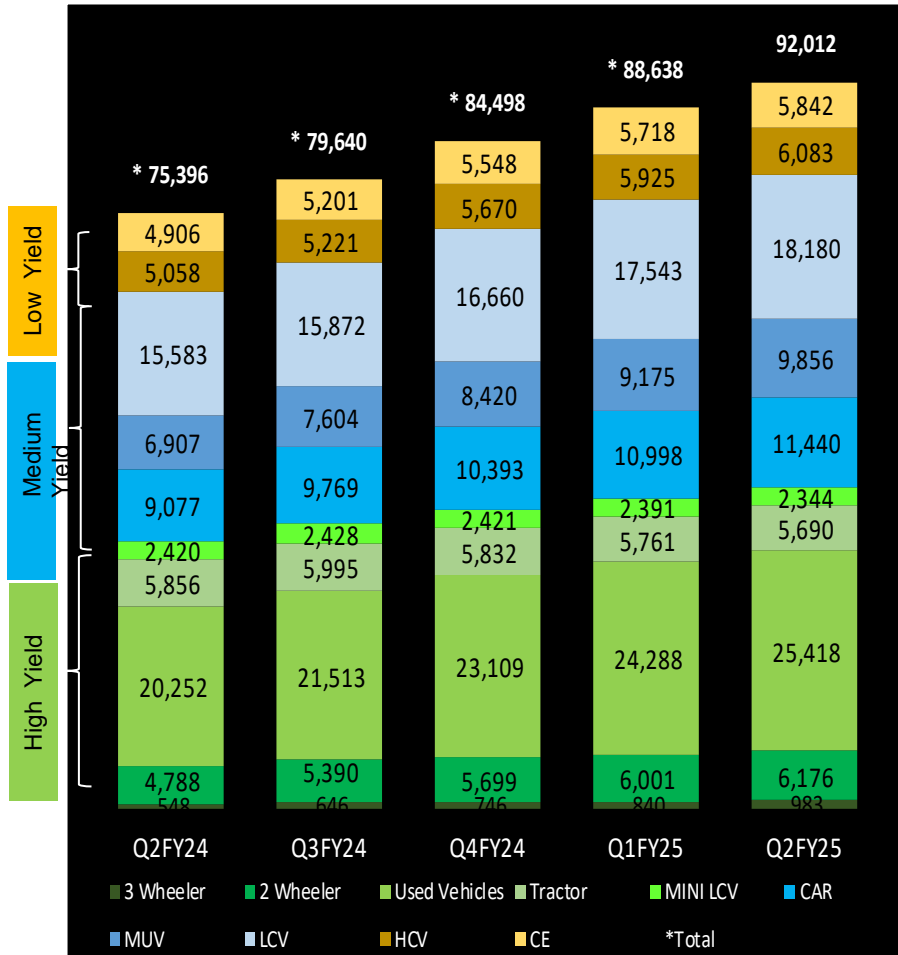


Disbursement (%) – Product wise

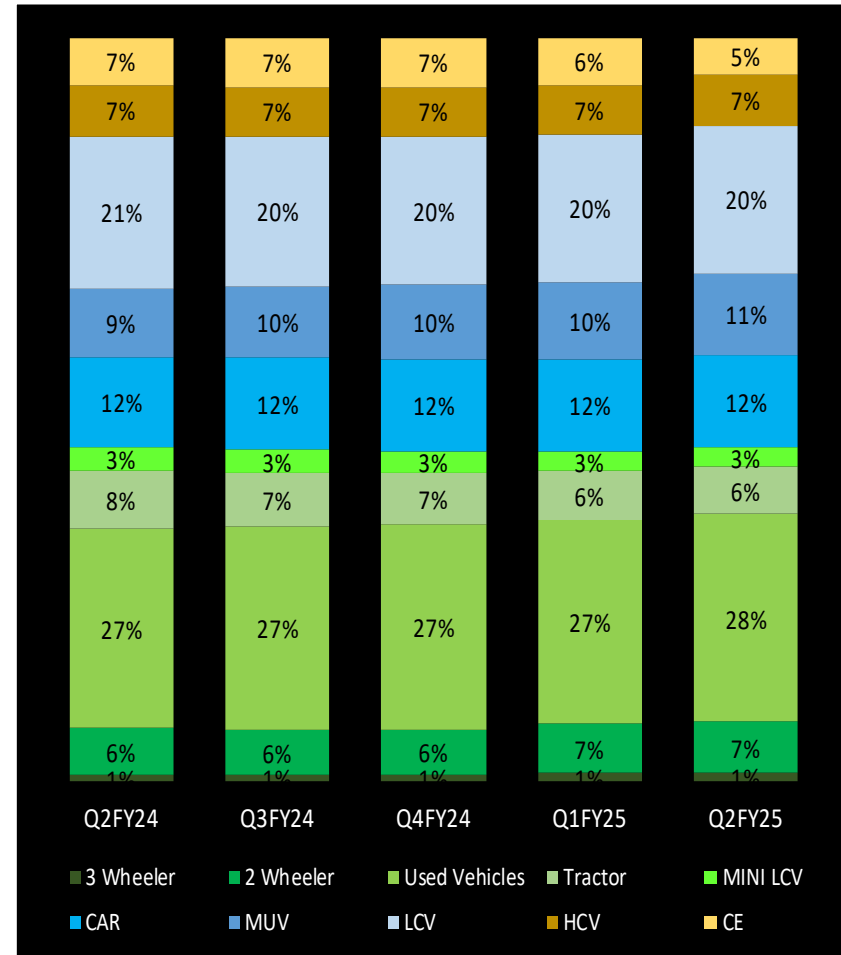


# Vehicle Finance - Portfolio Mix – Quarter-wise

Portfolio (₹Cr) - Product wise

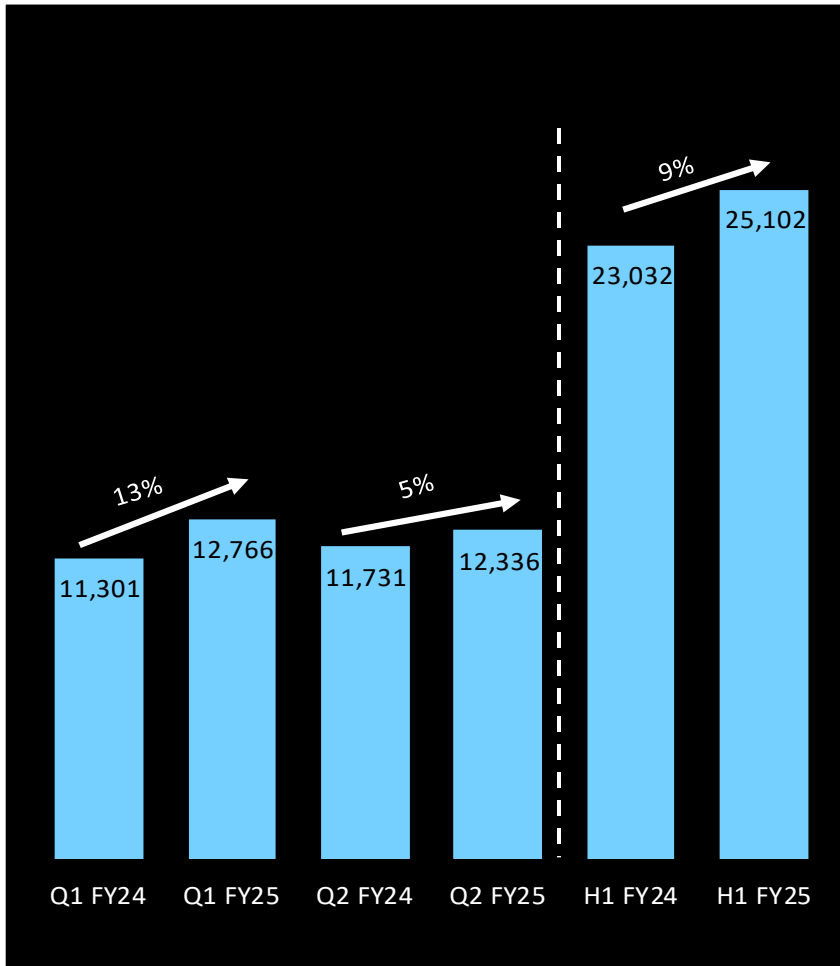


Portfolio (%) – Product wise

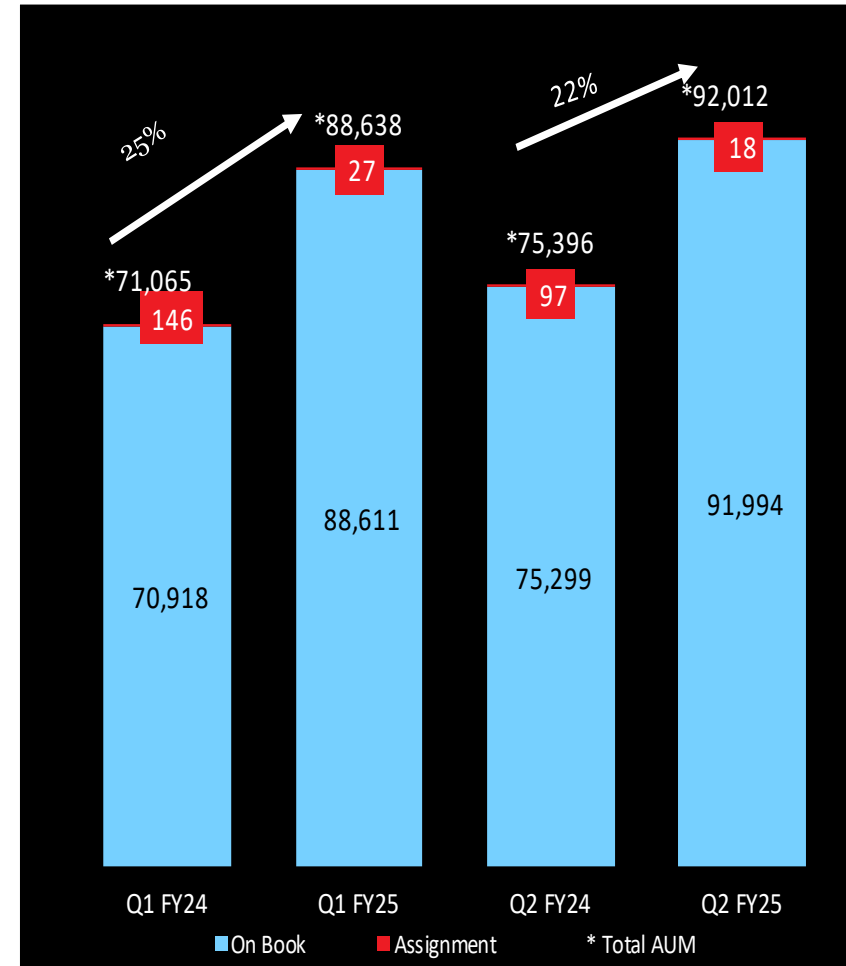


# Vehicle Finance - Disbursements and Asset Under Management

Disbursements (₹Cr)

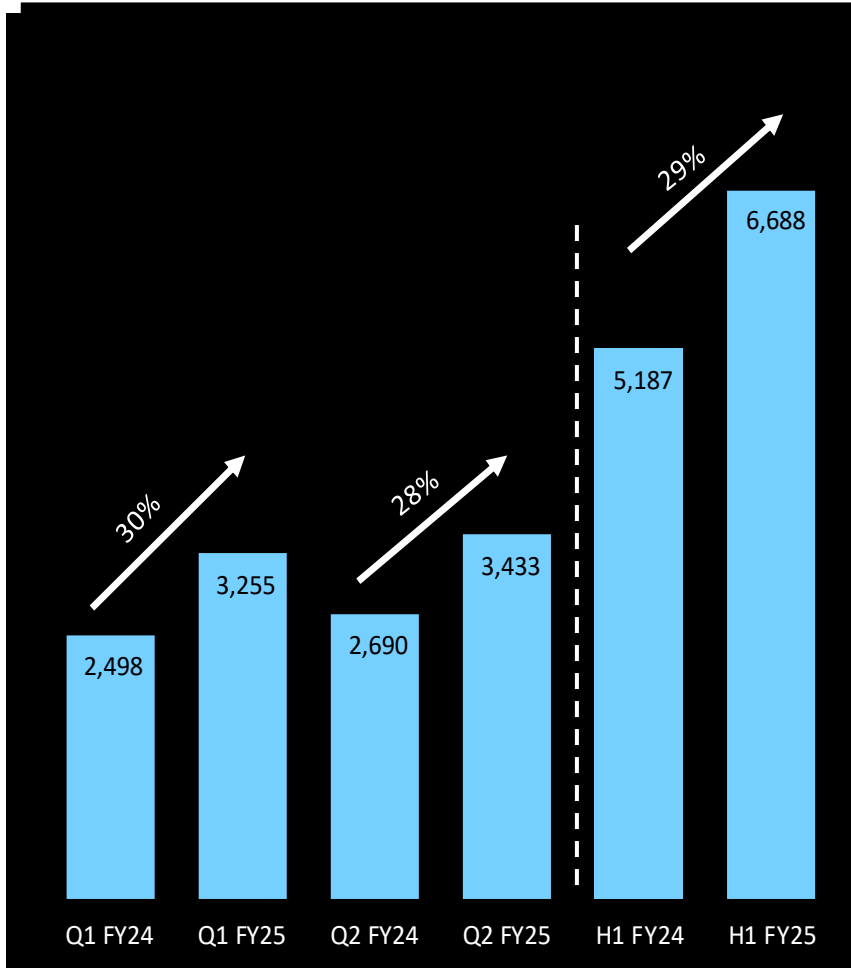


Assets under management (₹Cr)

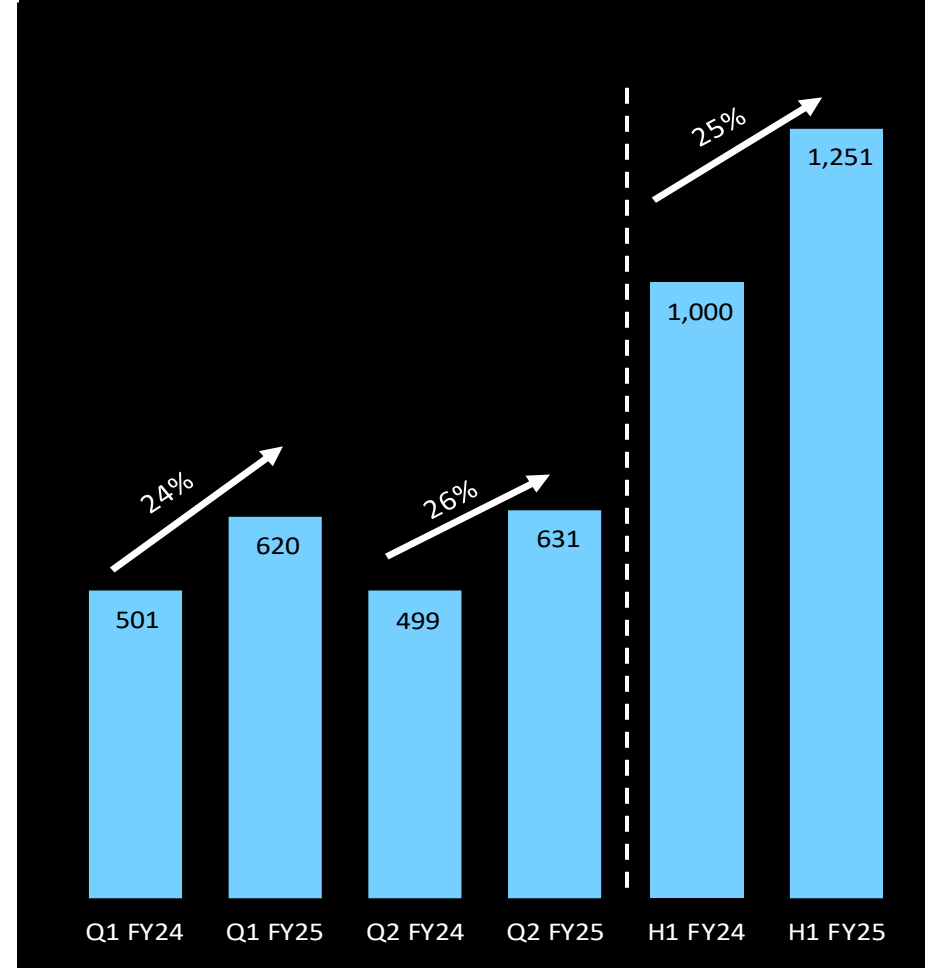


# Vehicle Finance - Income and Profit before tax

Income (₹Cr)



Profit before tax (₹Cr)



# Loan Against Property





## Loan Against Property – Q2FY25 & H1FY25 Performance

### Disbursements

- Disbursements grew by 35% in Q2FY25 to Rs. 4,295 Cr as compared to Q2FY24 and by 39% in H1FY25 to Rs.8,170 as compared to H1FY24.

### Asset under management

- AUM has grown by 41% YoY.

### Loss and provisions

- Loan losses at 0.1% in Q2FY25 and H1FY25 from -0.1% in Q2FY24 and H1FY24.

### Profit before tax

- PBT by 26% in Q2FY25 to Rs. 295 Cr as compared to Q2FY24 and by 28% in H1FY25 to Rs.587 as compared to H1FY24.

# Loan Against Property: Industry outlook

## Sector Outlook

- Care rating expects NBFC overall credit to grow at 17% for FY25 due to funding constraints. While LAP segment is poised to grow at 22-24% in the same year as per CRISIL MI&A Research.
- ICRA Research forecasts that Small ticket LAP (<15 lacs ticket size) loans by NBFCs are poised to expand at a healthy 20-25% over the next 5 years, on back of a large unmet credit demand in the country.
- CRISIL Market Intelligence & Analytics Report on NBFC sector expects asset quality of MSME segment to remain range bound in near term, given the stress in asset quality during the previous years

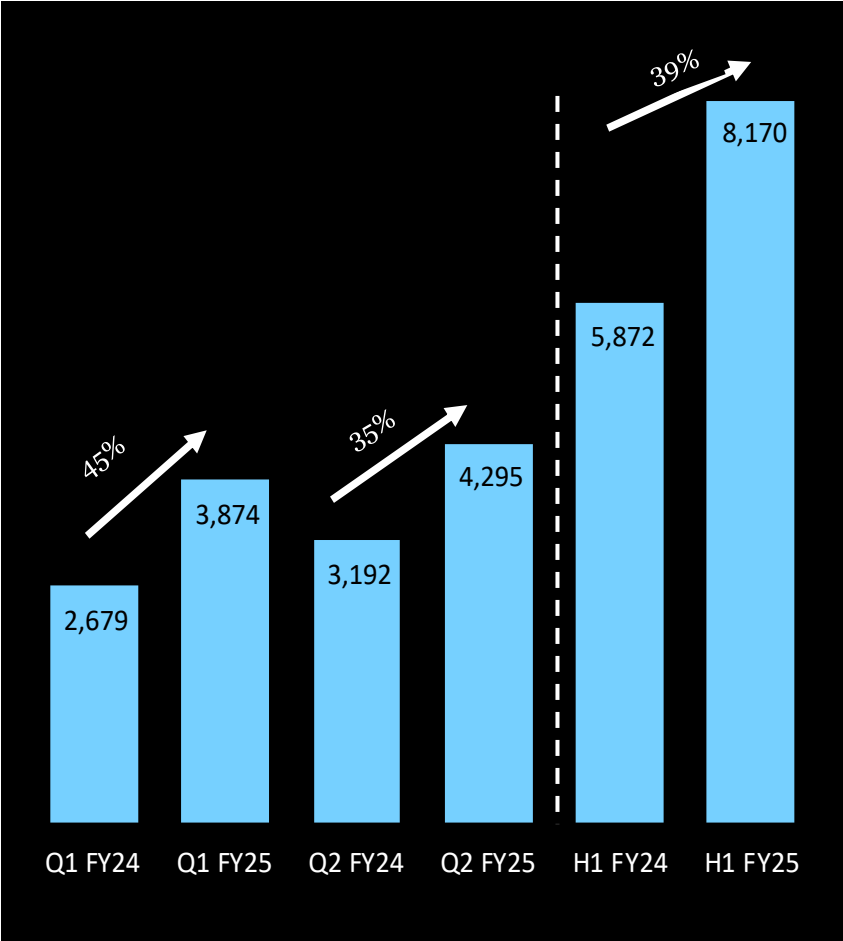
## Chola's Position

- We continue to focus on retail customers especially in smaller towns and rural areas. The key focus is to increase market share backed by consistent disbursement growth and collections.
- We are capitalizing on Chola's pan India geographical presence by going wide in Tier III and Tier IV markets to improve margins, while continuing to hold significant presence in Tier I and Tier II markets.
- Our asset quality has shown steady improvement due to our strengthened collection & legal process. The stage 3 book has shown a consistent improvement.

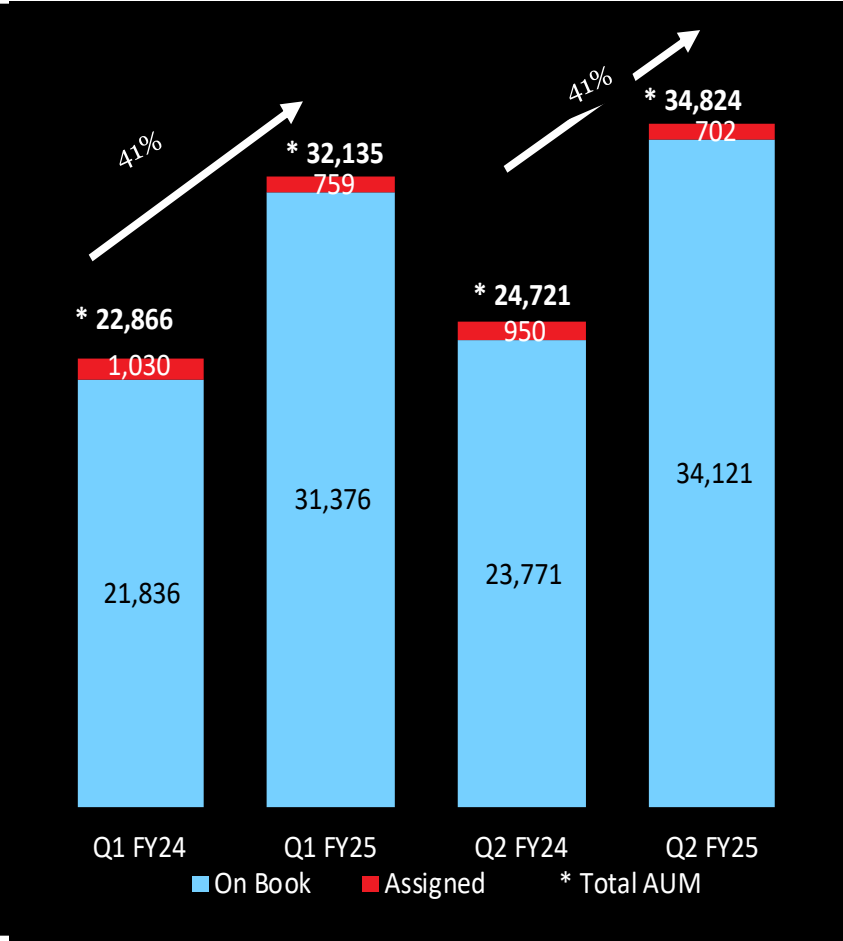
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[https://www.careratings.com/uploads/newsfiles/1723195327\\_NBFC-Navigating%20growth%20amidst%20regulatory%20changes.pdf](https://www.careratings.com/uploads/newsfiles/1723195327_NBFC-Navigating%20growth%20amidst%20regulatory%20changes.pdf)  
<https://www.northernarc.com/assets/uploads/pdf/Industry-Report.pdf>

# Loan Against Property - Disbursements and Asset Under Management

Disbursements (₹Cr)

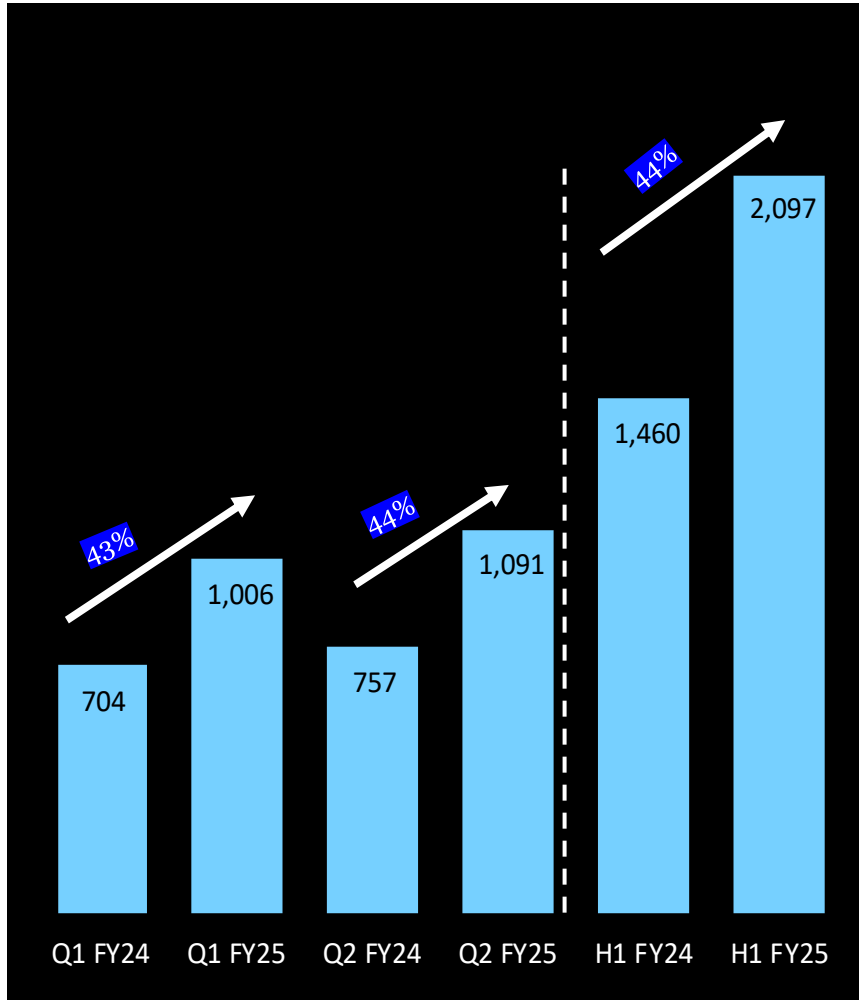


Assets under Management (₹Cr)

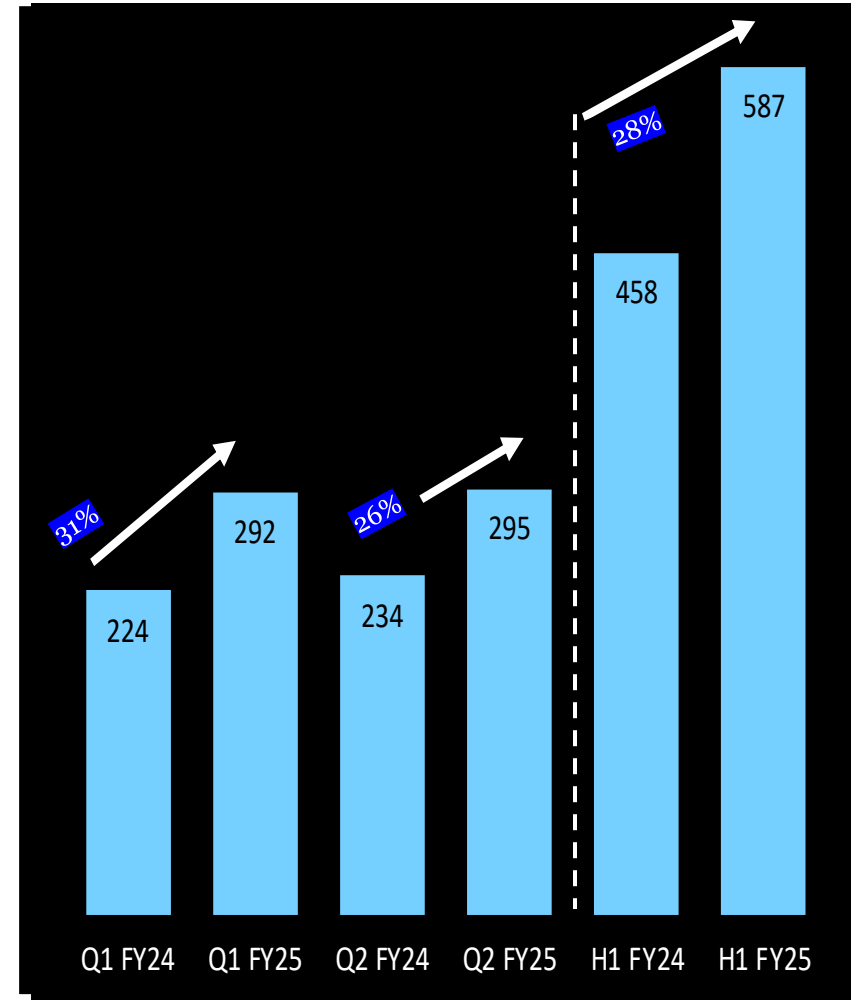


# Loan Against Property – Income and Profit before tax

Income (₹Cr)



Profit before tax (₹Cr)



# Home Loans



## Home Loans – Q1FY25 & H1FY25 Performance

<b>Disbursements</b>	<ul style="list-style-type: none"><li>Disbursements grew by 16% in Q2FY25 to Rs. 1,823 Cr as compared to Q2FY24 and by 19% in H1FY25 to Rs.3,601 Cr as compared to H1FY25.</li></ul>
<b>Asset under management</b>	<ul style="list-style-type: none"><li>AUM have grown by 47% YoY.</li></ul>
<b>Loss and provisions</b>	<ul style="list-style-type: none"><li>Loan losses maintained at 0.4% in Q2FY25 as compared to Q2FY24 and at 0.3% in H1FY25 as compared to 0.2% in H1FY24.</li></ul>
<b>Profit before tax</b>	<ul style="list-style-type: none"><li>PBT grew by 79% in Q2FY25 to Rs. 171 Cr as compared to Q2FY24 and by 83% in H1FY25 to Rs.334 Cr as compared to H1FY25.</li></ul>

Note: Home Loans includes Affordable LAP

# Home Loans - Industry outlook

## Sector Outlook

- The underpenetrated market and the government's thrust on "Housing for all" are likely to support growth going forward. On-book portfolio of AHFCs are expected to grow by 22-24% in FY2025.
- GNPA's of AHFCs improved marginally in FY2024; marginal uptick is expected as portfolio seasons. Good collection efficiency is likely to keep delinquencies range-bound.
- Overall cost of funds is expected to remain high due to the impact of the elevated systemic rates. As entities continue to expand their network, the operating ratios will remain elevated but shall stabilize at the current levels.

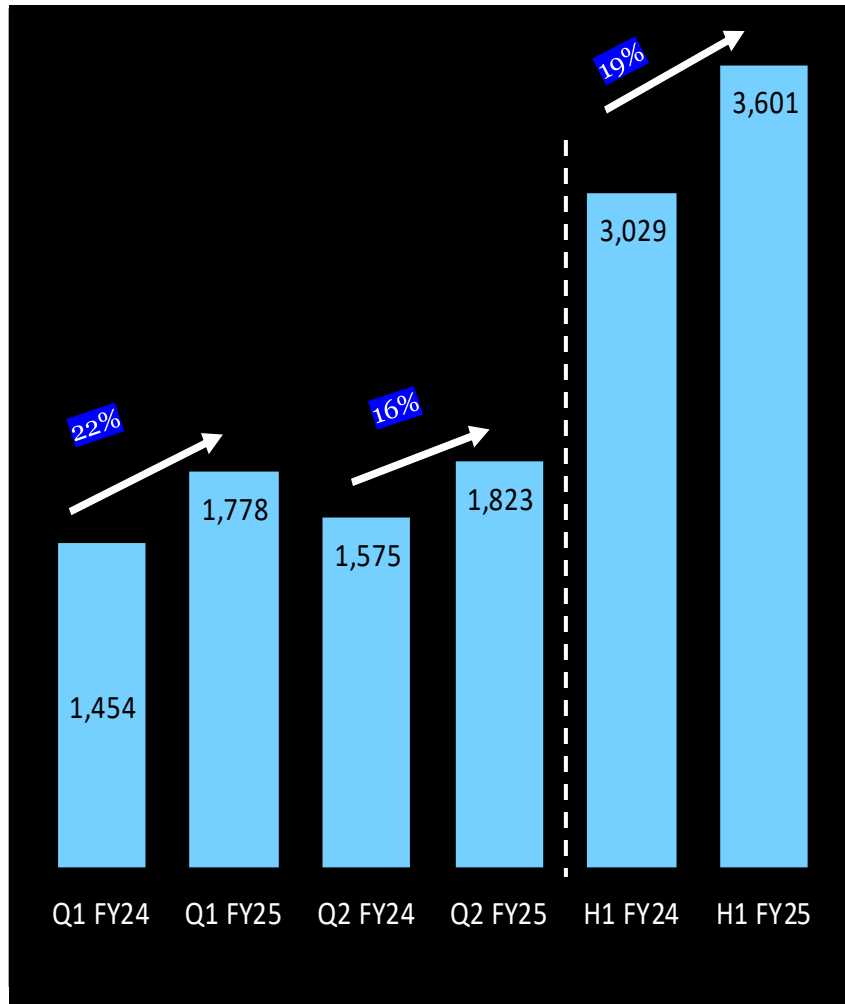
## Chola's Position

- 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 deep tier expansion with focus on low-cost branch operating model, 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.

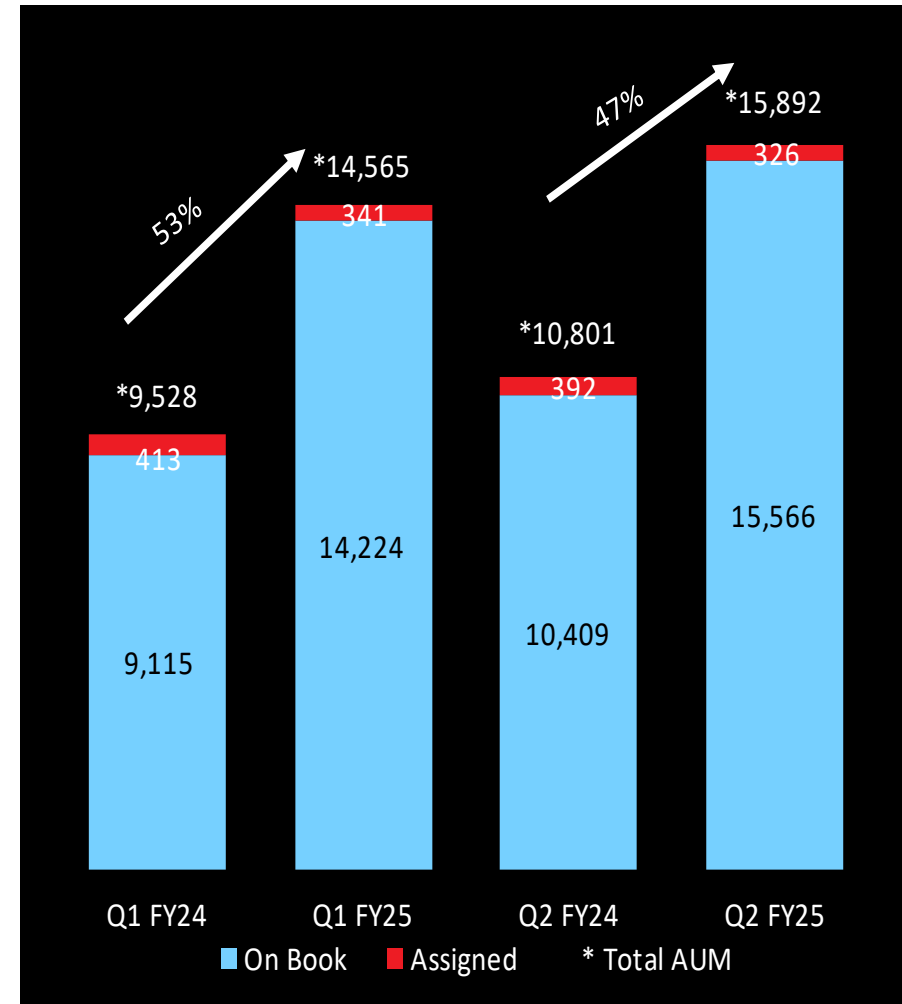
Source: ICRA research report

# Home Loans - Disbursements and Asset Under Management

Disbursements (₹Cr)



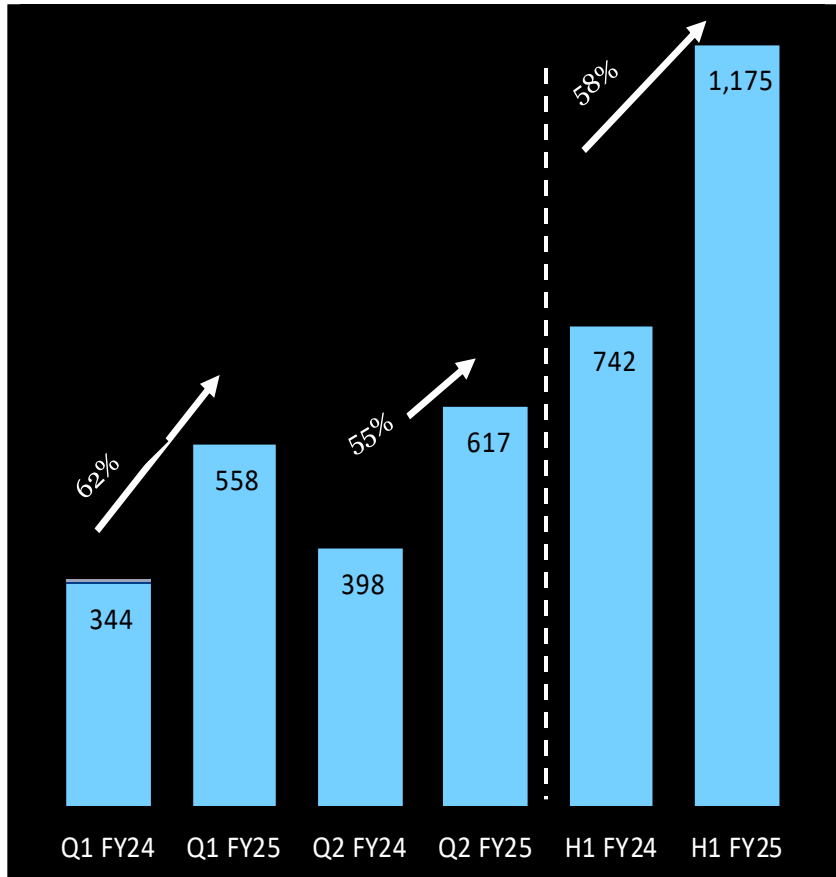
Assets under Management (₹Cr)



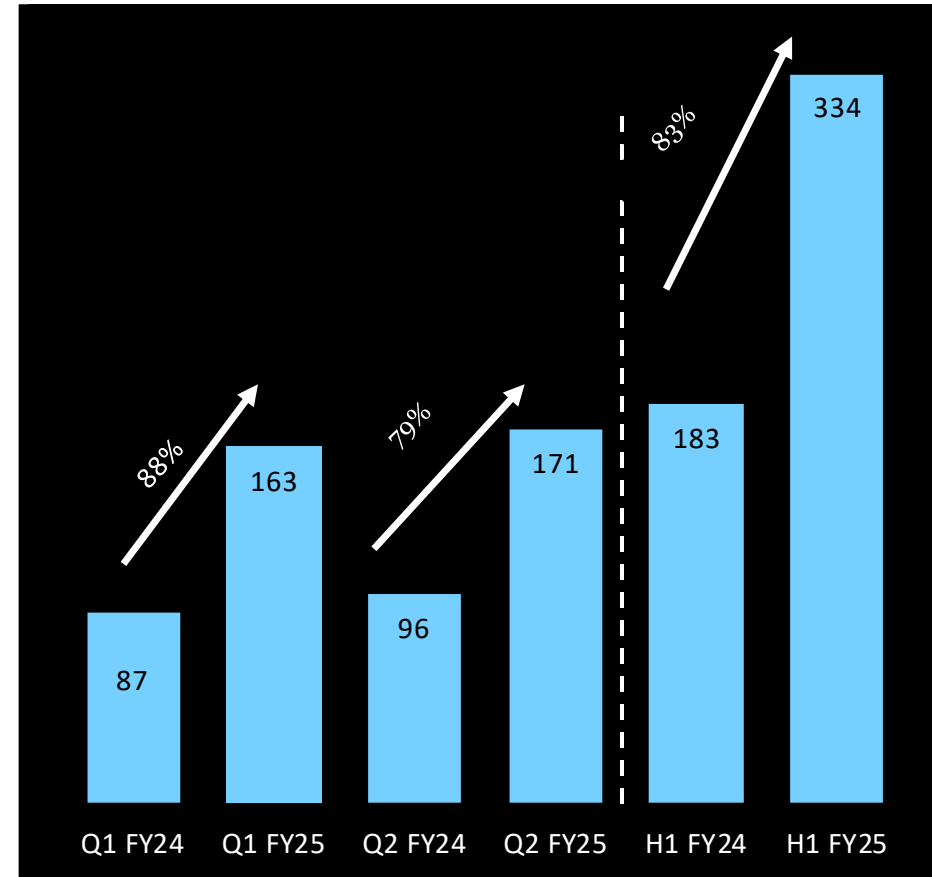


# Home Loans - Income and Profit before tax

Income (₹Cr)



Profit before tax (₹Cr)

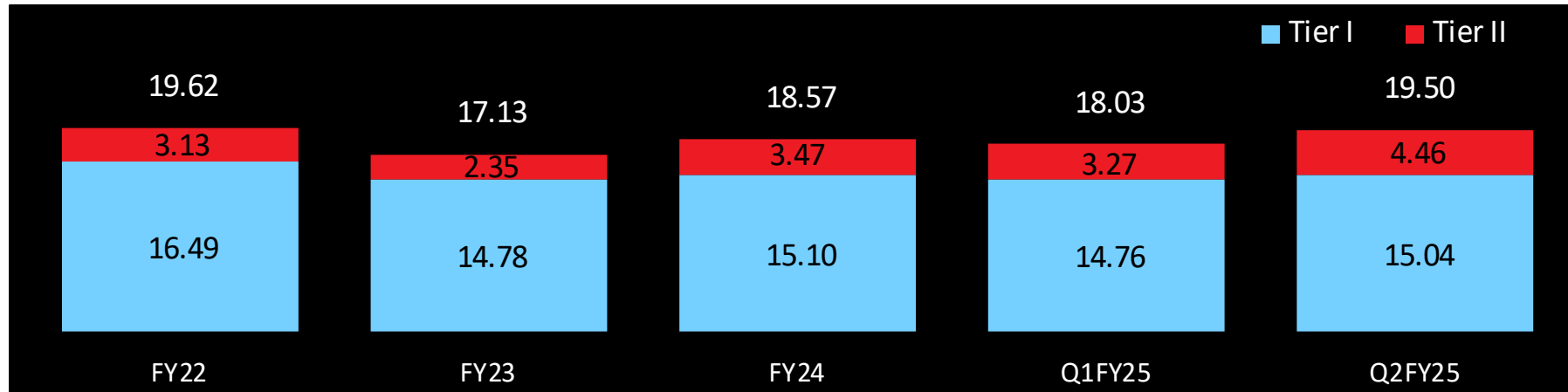


# Funding Profile



# CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



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

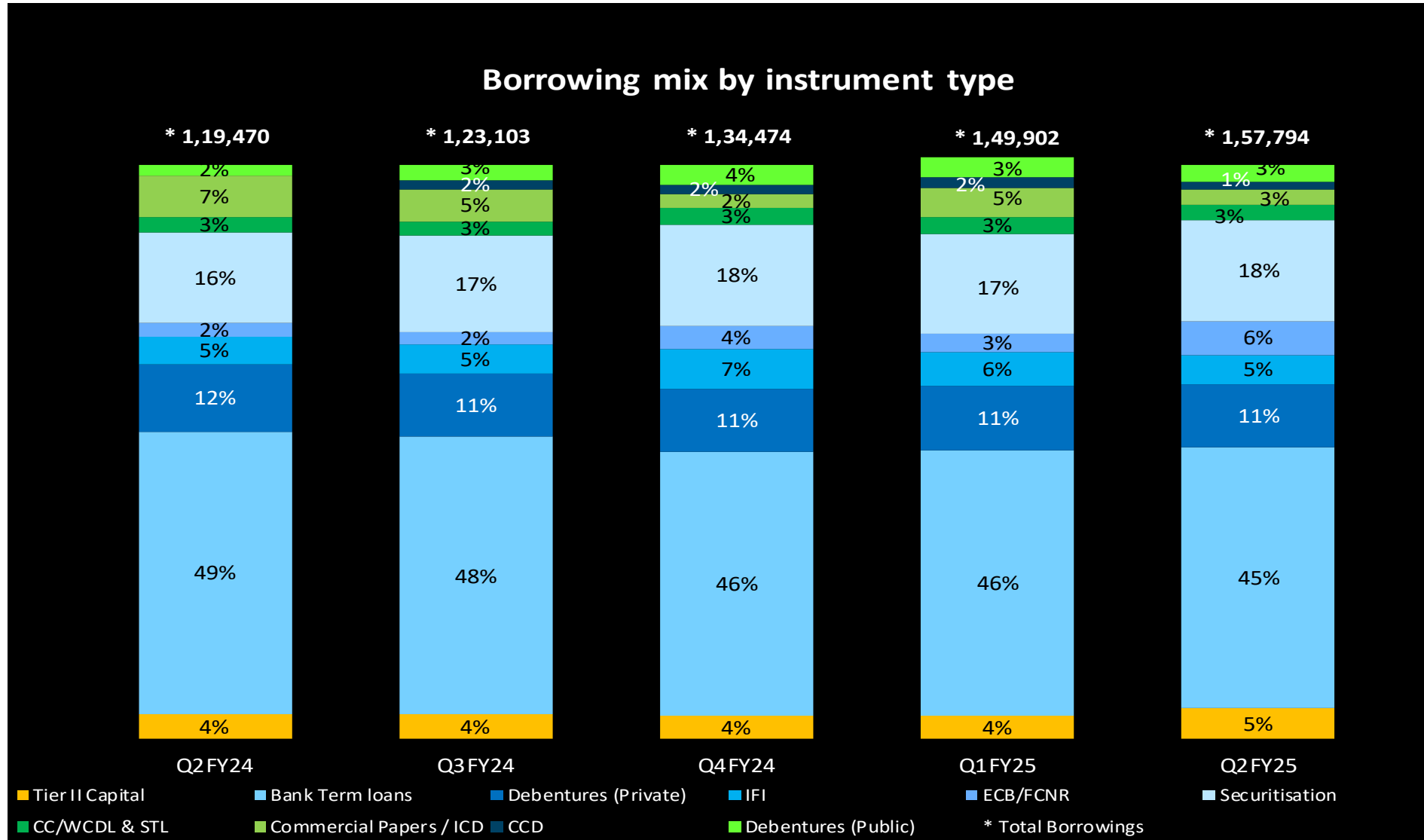
**Tier 2 includes 1.40% of CCD which is compulsorily convertible into equity in Sep 2026.**

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+/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	-

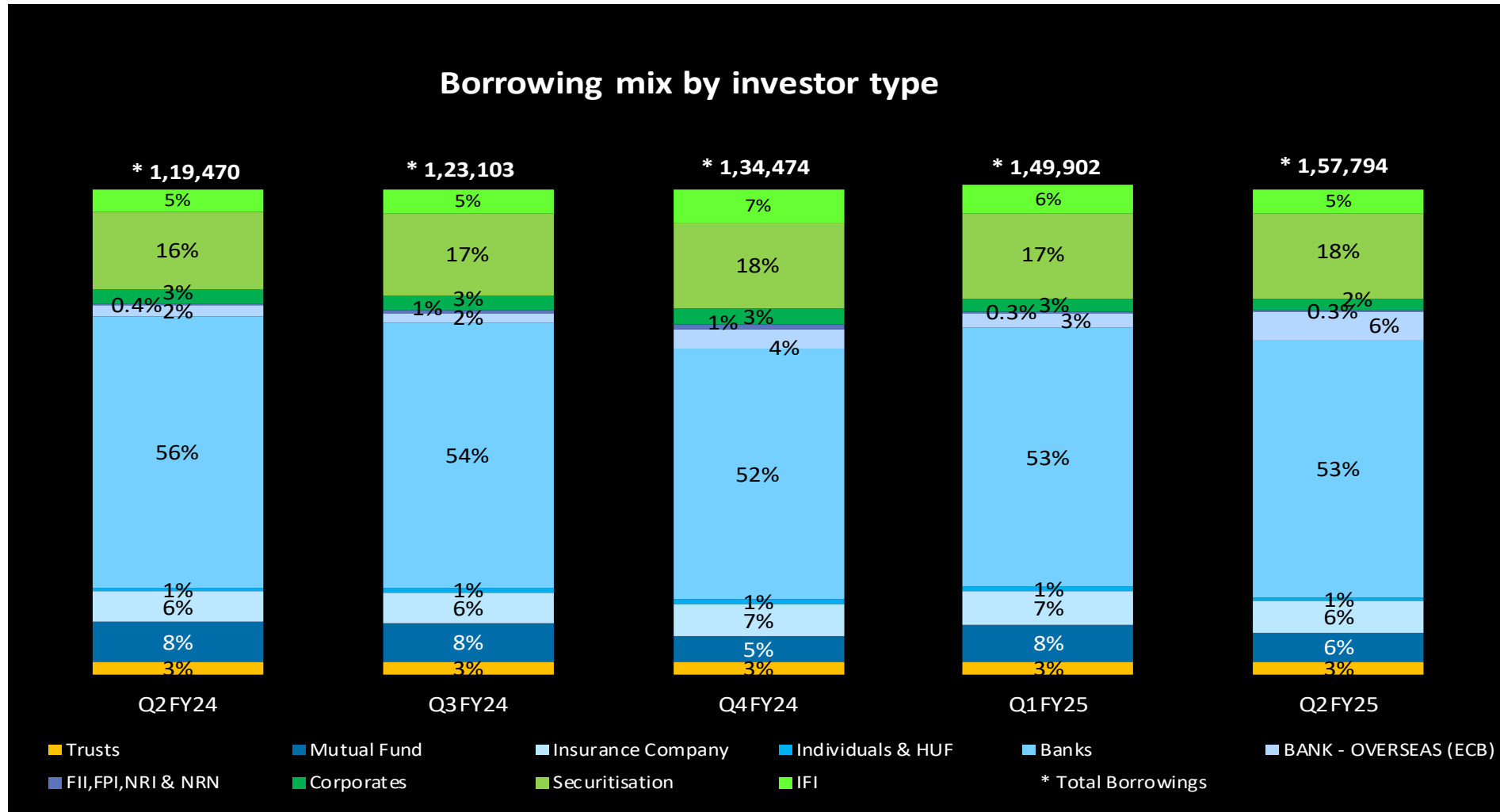
**Note : ICRA has reaffirmed the Ratings and Outlook upgraded to AA+ (Positive) from AA+ (Stable)**

# Diversified Borrowings Profile (I/II)



CCD – Compulsory Convertible Debtentures

# Diversified Borrowings Profile (I/II)



# ALM Statement as of 30<sup>th</sup> Sep 2024 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Sep 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	3,703.32	1,220.19	2,261.80	199.92	877.53	3,110.86	949.22	1,541.10	13,863.92
Advances	6,903.52	4,313.03	4,139.97	14,940.85	24,753.60	65,340.60	24,394.16	21,056.06	1,65,841.79
Trade Receivable & Others	89.68	303.51	1.43	4.00	45.58	70.09	469.13	3,162.21	4,145.63
<b>Total Inflows (A)</b>	<b>10,696.52</b>	<b>5,836.73</b>	<b>6,403.20</b>	<b>15,144.77</b>	<b>25,676.71</b>	<b>68,521.55</b>	<b>25,812.51</b>	<b>25,759.36</b>	<b>1,83,851.34</b>
<b>Cumulative Total Inflows (B)</b>	<b>10,696.52</b>	<b>16,533.25</b>	<b>22,936.44</b>	<b>38,081.21</b>	<b>63,757.92</b>	<b>1,32,279.47</b>	<b>1,58,091.98</b>	<b>1,83,851.34</b>	
Borrowin Repayment-Bank & Others	4,321.17	5,040.68	4,595.40	10,311.16	18,752.30	63,551.73	14,063.96	116.42	1,20,752.82
Borrowin Repayment- Market	1,994.36	304.90	1,594.99	3,874.91	2,038.70	11,497.61	9,049.23	6,540.80	36,895.49
Capital Reserves and Surplus	-	-	-	-	-	-	-	21,510.55	21,510.55
Other Outflows	3,100.69	213.52	43.73	106.58	255.87	391.40	155.66	425.01	4,692.47
<b>Total Outflows (C)</b>	<b>9,416.22</b>	<b>5,559.10</b>	<b>6,234.12</b>	<b>14,292.65</b>	<b>21,046.87</b>	<b>75,440.74</b>	<b>23,268.86</b>	<b>28,592.78</b>	<b>1,83,851.34</b>
<b>Cumulative Total Outflows (D)</b>	<b>9,416.22</b>	<b>14,975.32</b>	<b>21,209.44</b>	<b>35,502.09</b>	<b>56,548.97</b>	<b>1,31,989.70</b>	<b>1,55,258.56</b>	<b>1,83,851.34</b>	
E. GAP (A - C)	1,280.30	277.63	169.07	852.12	4,629.84	(6,919.19)	2,543.66	(2,833.42)	
<b>F.Cumulative GAP (B - D)</b>	<b>1,280.30</b>	<b>1,557.93</b>	<b>1,727.00</b>	<b>2,579.12</b>	<b>7,208.95</b>	<b>289.76</b>	<b>2,833.42</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>13.60%</b>	<b>10.40%</b>	<b>8.14%</b>	<b>7.26%</b>	<b>12.75%</b>	<b>0.22%</b>	<b>1.82%</b>	<b>0.00%</b>	

# Cholamandalam MS General Insurance Company Limited

*Financial data in this section is as per IGAAP*

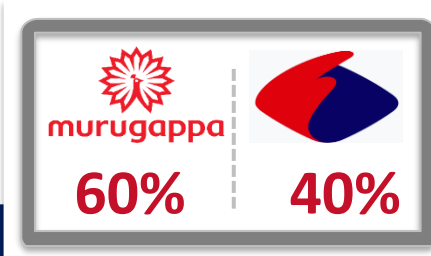
# Chola MS General Insurance: Brief Overview

## Murugappa Group

- Murugappa Group - India's leading business conglomerate
- Founded in 1900, Headquartered in Chennai, the INR 779 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



4136<sup>\$</sup>

H1 FY'25 GWP (INR Cr)



11.5%

Growth over H1 FY'24



2.06

Solvency (Sep'24)



423 Lacs

# of Live Customers



61 Lacs

Policies sold in H1 FY'25

Financial data as per standalone IGAAP



## Key Financial Parameters (Rs. Crs)

Particulars – In Rs. Cr	FY'23	FY'24	Q2 FY'24	Q2 FY'25	H1 FY'24	H1 FY'25
Gross Written Premium\$	6200	7598	2006	2191	3708	4136
NEP	4019	5079	1274	1413	2447	2732
U/W Results	-599	-659	-139	-188	-310	-315
Investment income (Net)	887	1116	278	342	542	658
PBT	264	444	132	171	220	350
PAT	199	331	98	127	164	261
Net worth (Ex fair value change surplus)	2160	2492	2324	2753	2324	2753
Solvency Ratio (x)	2.01	1.79	1.89	2.06	1.89	2.06
Earnings per Share (Rs.)– Not Annualized	6.65	11.09	3.29	4.26	5.48	8.73
Book value per Share (Rs.)	72.3	83.4	77.8	92.1	77.8	92.1
Return on Average Networkth (%) – Not Annualized	9.7%	14.3%	4.3%	4.7%	7.3%	10.0%
EOM on GWP %	NA	32.6%	29.7%	32.2%	31.6%	32.7%
CoR % (on NWP)	109.3%	109.9%	108.3%	110.6%	110.5%	109.8%

Impact of NATCAT events on overall claims ratio is 1.2% for Q2 FY25 & 0.7% for H1 FY25 (1.4% for Q2 FY24 & 1.3% for H1 FY24)

\$ GWP Includes RI inward as well

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

LOB Wise - Monthly Growth trends									
Particulars	Months	Fire	Other Comm Lines	Motor	Health	PA	Crop	Others	Total
Industry	Q1 FY'25	6.4%	8.9%	12.0%	13.6%	19.8%	19.0%	30.0%	12.4%
	Q2 FY'25	-9.3%	18.7%	6.3%	-7.3%	20.0%	4.9%	8.6%	1.7%
	H1 FY'25	0.5%	13.3%	8.9%	2.6%	19.9%	6.6%	19.2%	6.7%
Private sector	Q1 FY'25	11.8%	14.7%	15.1%	20.0%	14.2%	18.9%	32.5%	16.4%
	Q2 FY'25	-8.3%	16.7%	6.2%	-2.7%	-1.2%	3.1%	11.9%	2.8%
	H1 FY'25	4.3%	15.5%	10.3%	7.4%	6.6%	5.2%	21.7%	8.9%
Public sector	Q1 FY'25	-3.9%	-1.7%	4.3%	8.9%	29.8%	NM	26.2%	6.5%
	Q2 FY'25	-15.0%	19.8%	6.1%	-9.6%	37.7%	20.4%	-2.3%	-0.4%
	H1 FY'25	-8.2%	8.4%	5.2%	-0.4%	34.6%	20.5%	12.6%	3.0%
SAHI	Q1 FY'25				25.6%	3.8%		15.0%	24.9%
	Q2 FY'25				24.7%	19.0%		17.9%	24.5%
	H1 FY'25				25.1%	11.7%		16.2%	24.7%
Chola MS	Q1 FY'25	11.2%	14.7%	3.2%	59.7%	7.9%		-16.8%	14.2%
	Q2 FY'25	-4.4%	15.6%	10.6%	16.0%	-5.7%	11.6%	-7.2%	9.2%
	H1 FY'25	4.2%	15.1%	7.0%	36.3%	1.1%	32.3%	-12.3%	11.5%

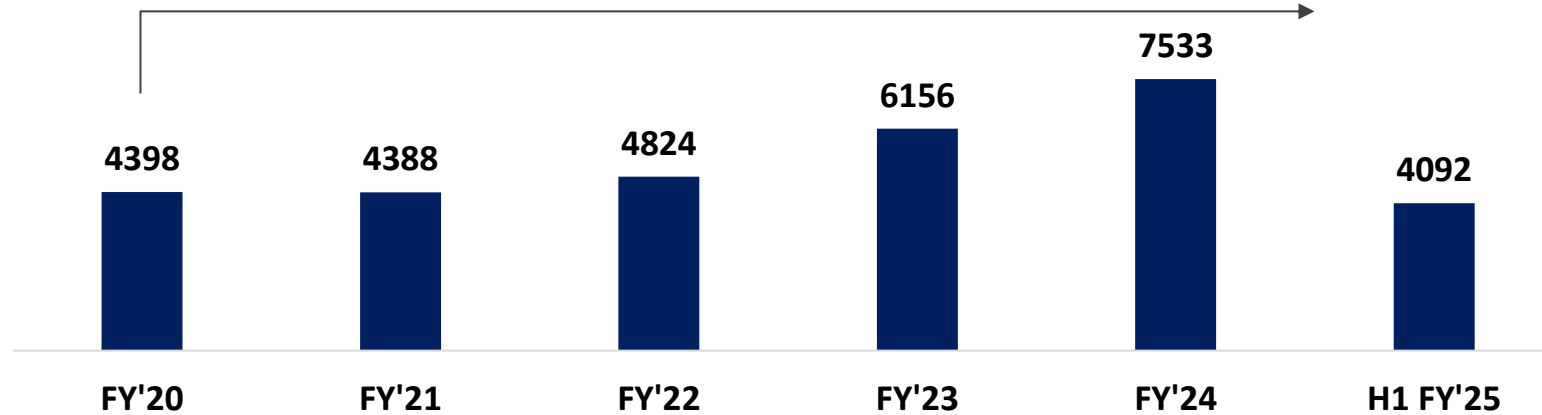
In H1, Chola MS

- Overall growth higher than industry @ 11.5%
- Fire and Health LOB higher than industry growth

# Among the Top ranked GI Players supported by strong growth

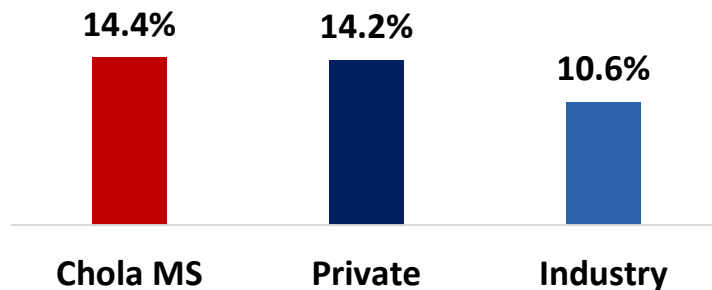
**GDPI\* growth over years – Faster growth in Last 2 Years** Rs In Crs

(CAGR FY2020 - FY 2024 = 14.4%)



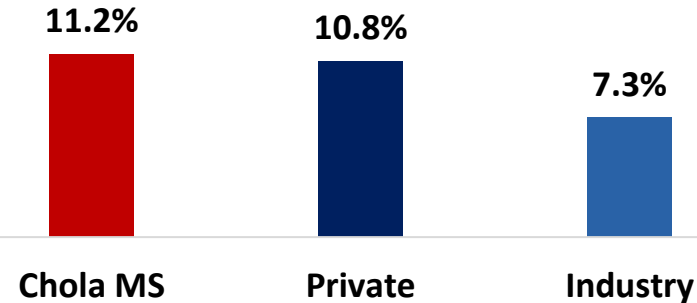
**Growth vis-à-vis peers / industry**

GWP CAGR (FY 2020 - FY 2024)



**Amongst the fastest growing Motor GWP**

Motor GWP CAGR (FY 2020 - FY 2024)



H1 FY'2025

Growing Market Share

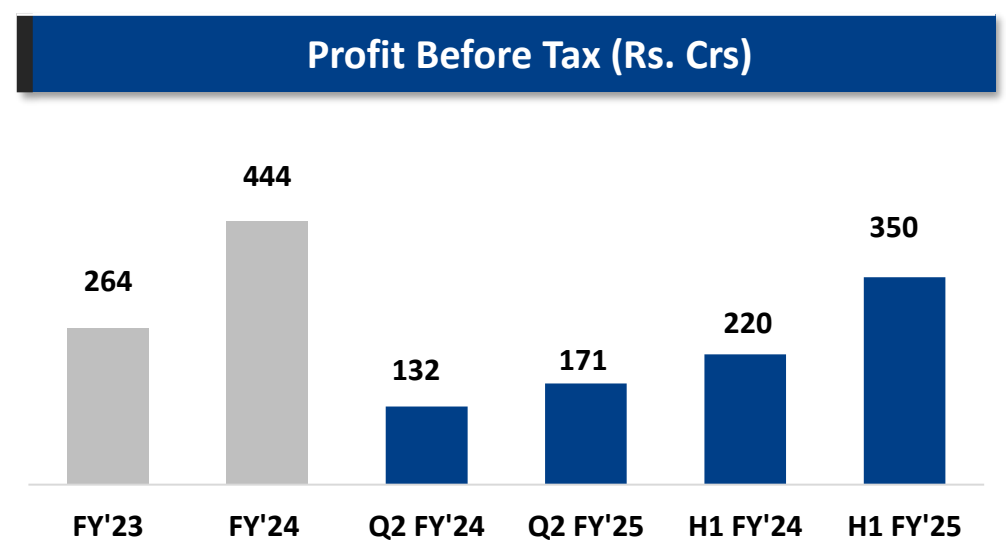
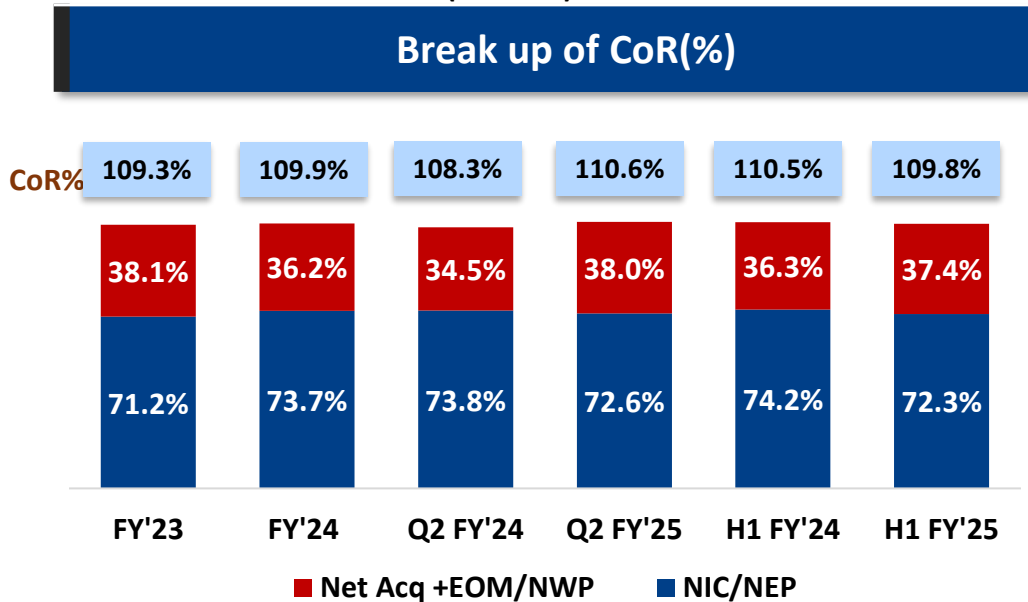
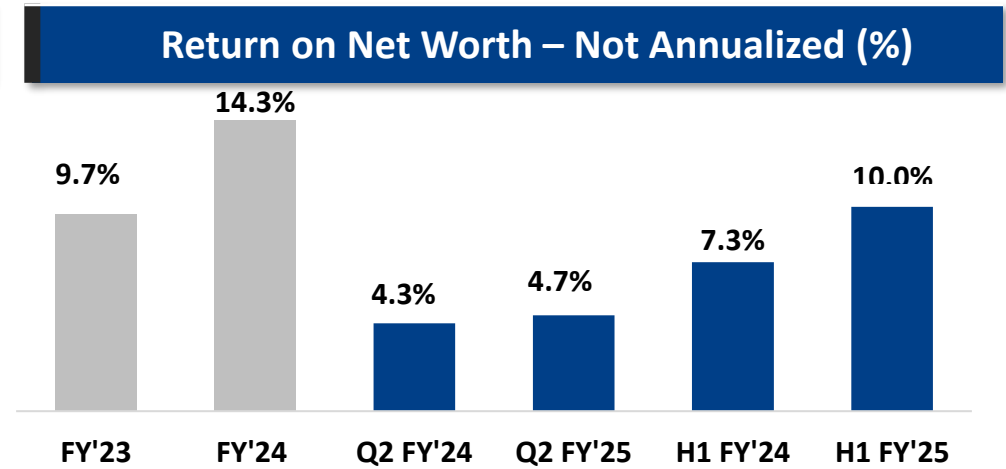
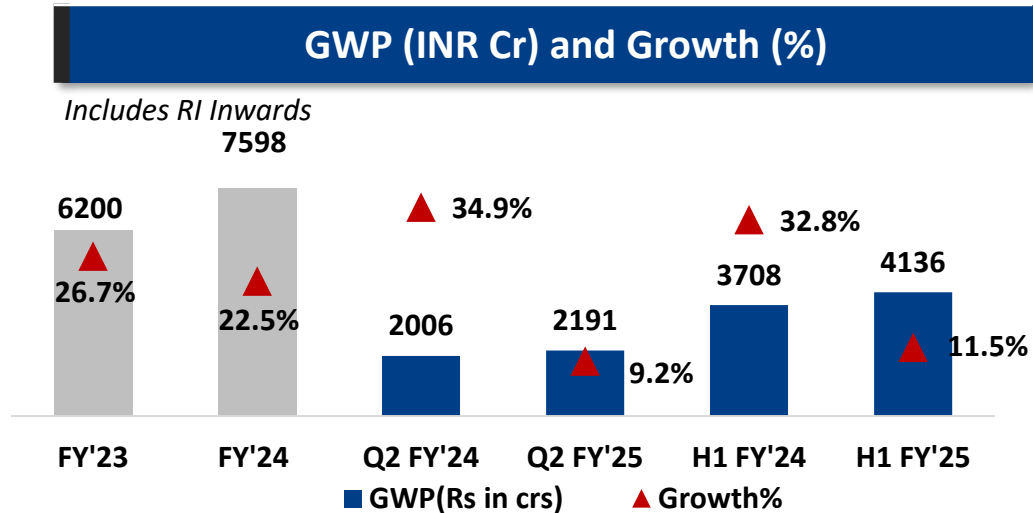
5.4%  
Market share in Motor Insurance

4.0%  
Market share in PA

2.8%  
Market share in Fire

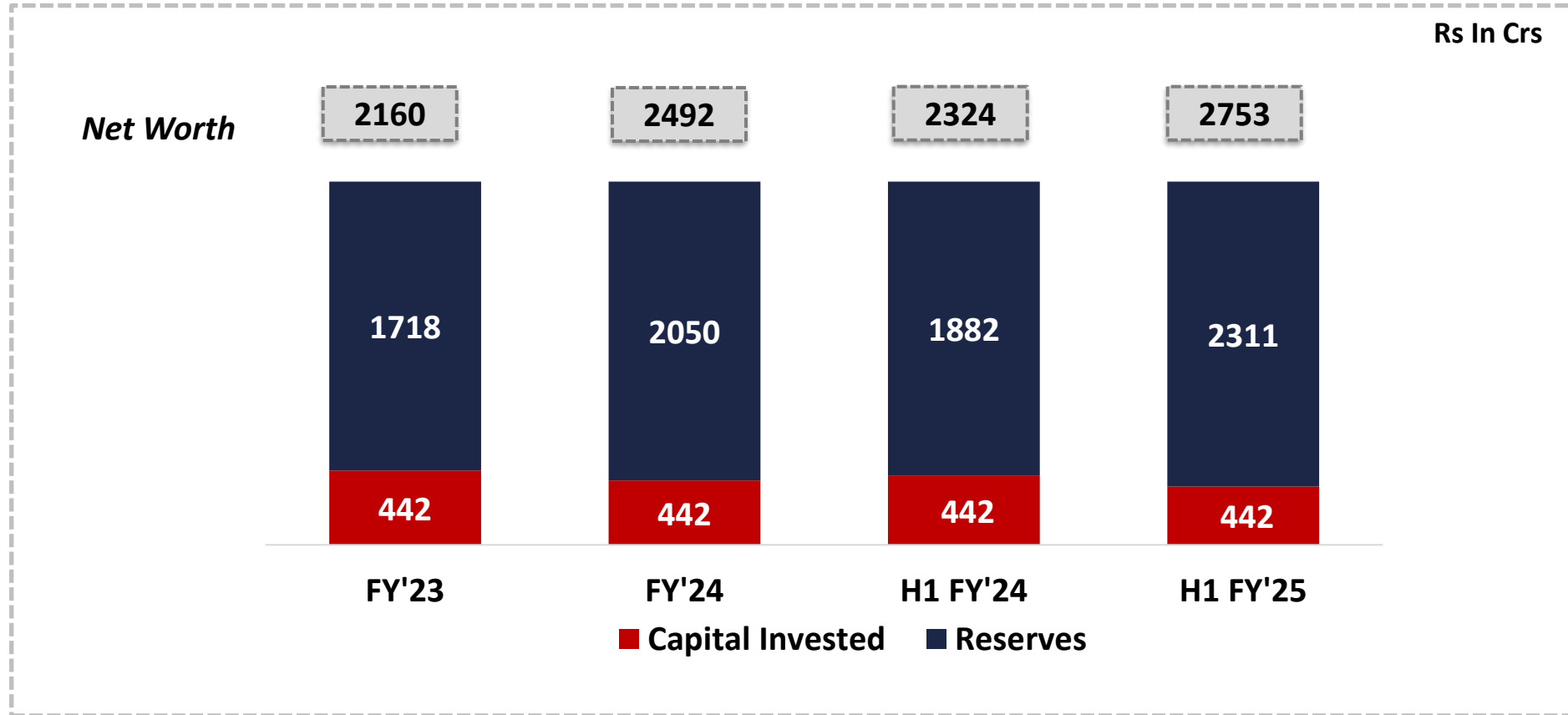
\*GDPI – Premium from Direct Business Written

# Key Financial Indicators



Impact of NATCAT events on overall claims ratio is 1.2% for Q2 FY25 & 0.7% for H1 FY25 (1.4% for Q2 FY24 & 1.3% for H1 FY24)

# Capital efficiency - No Capital Infusion Since FY'15



- Accumulated profits @ 83.9% of Net worth (Rs. 2753 Crs) as on Sep'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	H1 FY'25
Number of Customers (Live Customer)	No in Lacs	254	336	462	423
Number of policies issued	No in Lacs	99	121	137	61
Market Presence(Branch + CIE + VO)	No's	638	604	669	677
Bank Branches	No's	34000+	34000+	38000+	38000+
Motor OD Claims Settlement (TTM)	%	93%	94%	96%	89%
Health Claims Settlement (TTM)	%	97%	94%	95%	88%
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	Q2 FY'24	Q2 FY'25	H1 FY'24	H1 FY'25
Motor OD	71.7%	72.8%	72.7%	74.7%	73.8%	74.9%
Motor TP	77.0%	76.0%	76.9%	72.3%	77.0%	72.3%
Motor Total	75.6%	75.1%	75.7%	73.0%	76.1%	73.1%
Health, Travel & PA	66.6%	66.7%	66.5%	69.4%	65.4%	69.6%
Crop\$	NA	104.2%	103.1%	100.2%	103.1%	81.5%
Fire	39.0%	78.5%	61.3%	84.8%	82.9%	99.5%
Marine	62.6%	76.3%	100.0%	70.7%	80.0%	61.9%
Engineering	34.7%	54.3%	-1.9%	119.8%	2.5%	104.9%
<b>Total</b>	<b>71.2%</b>	<b>73.7%</b>	<b>73.8%</b>	<b>72.6%</b>	<b>74.2%</b>	<b>72.3%</b>

Impact of NATCAT events (Rs. In Crs)	Q2 FY24		Q2 FY25		H1 FY24		H1 FY25	
	NIC	LR	NIC	LR	NIC	LR	NIC	LR
Motor	2.33	0.8%	5.07	1.6%	2.49	0.4%	5.08	0.8%
Fire	15.14	38.7%	12.26	36.7%	29.54	38.3%	15.1	24.3%
<b>Total</b>	<b>17.47</b>		<b>17.33</b>		<b>32.03</b>		<b>20.18</b>	

Impact of NATCAT events on overall claims ratio is 1.2% for Q2 FY25 & 0.7% for H1 FY25 (1.4% for Q2 FY24 & 1.3% for H1 FY24)

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

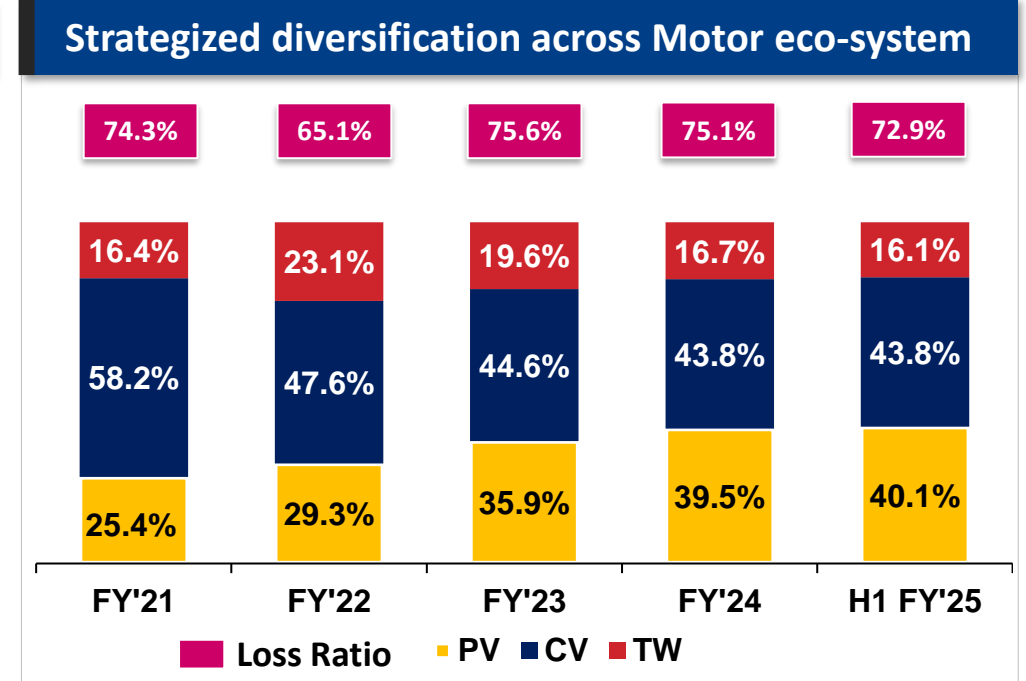
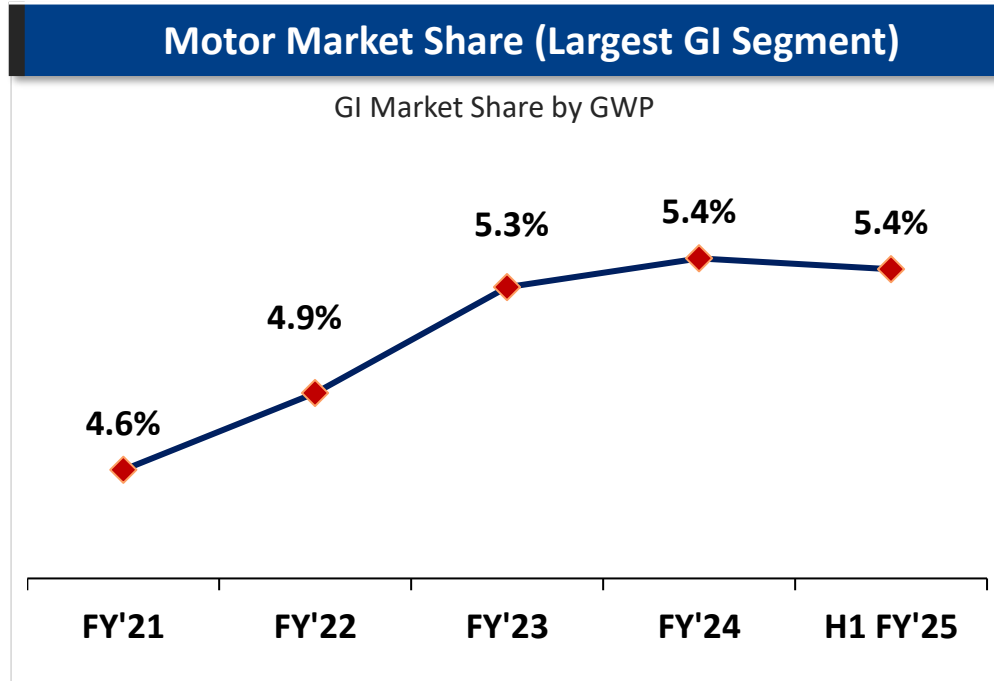
## Investment Book Overview (Rs In Crs)

Category	Mar-23	Mar-24	Jun-24	Sep-24
Govt Securities	9579	10121	10318	9040
PSU / Corporate Bonds	4483	5475	5334	6858
Equity	321	583	706	764
Others	300	322	261	510
<b>Grand Total</b>	<b>14683</b>	<b>16501</b>	<b>16620</b>	<b>17171</b>
Yield with profit on sale	6.5%	7.1%	6.9%	7.2%
Yield without profit on sale	6.4%	6.6%	6.8%	6.7%
Investment book / Net worth (x)	6.8	6.9	6.9	6.2
Investment book / GWP annualized (x)	2.4	2.2	2.2	2.3
Duration of the Portfolio (Years)	3.80	3.70	3.69	3.59

- No Net exposure to stressed assets as at Sep 2024; Exposure to Securities rated less than AA : NIL
- MTM Surplus as at Sep 2024: Debt @ Rs. 12.2 Crs; Unrealised Gains in Equity @ 475.7 Crs.
- Over 90% of Investments in Infra are in PSU/Infra Bonds of Private Sector Banks
- Exposure to AIFs at Rs. 99.2Crs
- Incremental deployment of fresh and maturing Investments @ 7.46% yield in Q2 (Q2 of FY 2023-24 – 7.61%)

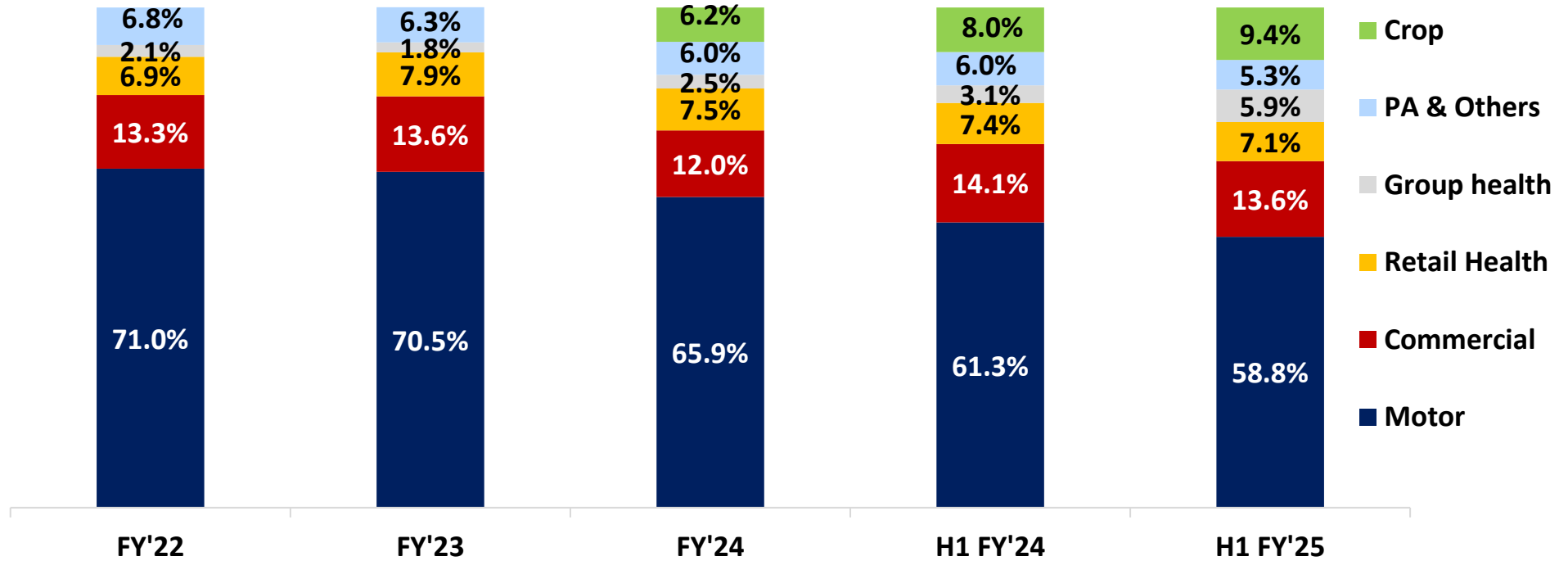


# Dominance in Motor, Diversification Underway



- Amongst the Top 3 ranked Pvt players in 6 states
- Mix of private cars going up steadily
- Advance Premium on Long Term Business at Sep 30<sup>th</sup> 2024 @ Rs. 1364 Crs (Sep 30<sup>th</sup> 2023 – Rs. 1414 Crs)
- No revision in base premium for Motor TP since FY23

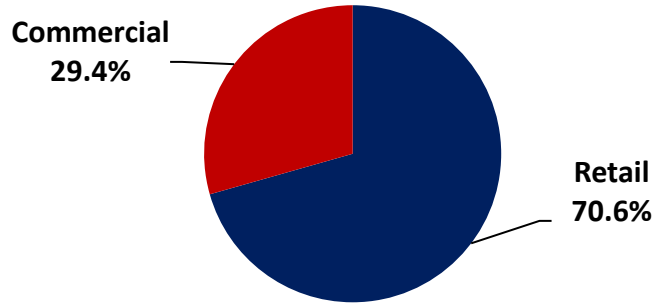
## Dominance in Motor, Gaining Prominence in Other Segment



- Motor mix down to ~59% as at September 2024
- Commercial lines (including SME business) mix @ ~13.6%
- Health mix ~12.9% with uptick in group health; PA business stable at ~5.3%
- Crop accounts for ~9.4% of the portfolio

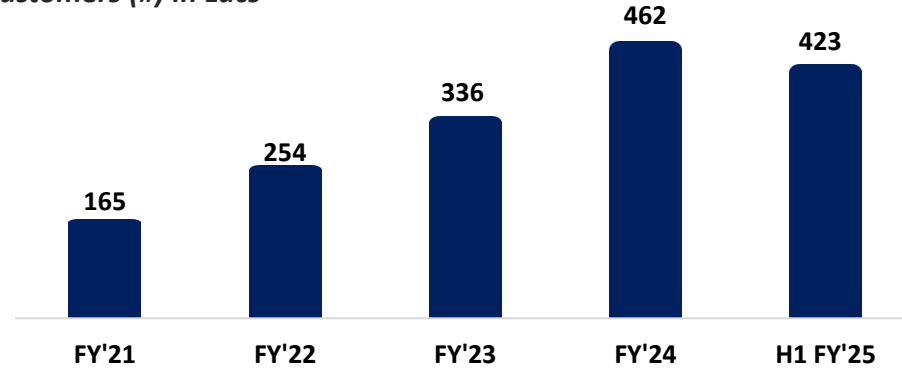
# Retail Focused Diversified Operations

## Retail dominated business mix



## Granular book aided by increasing dispersed customer base

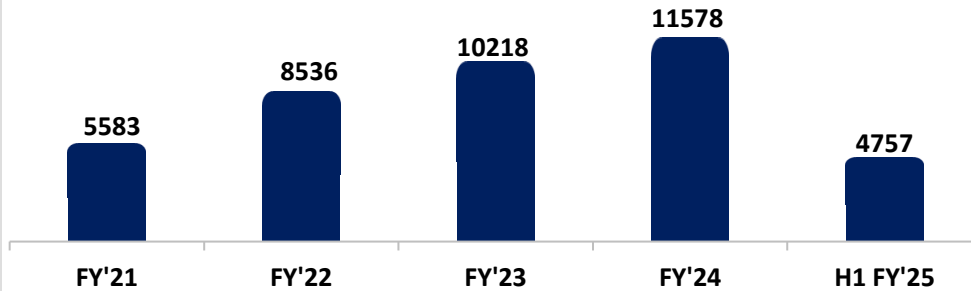
Customers (#) in Lacs



## Significant growth in retail oriented policies

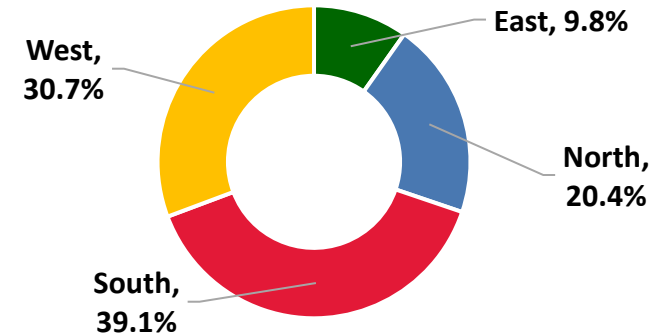
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2016-24) = 31.2%

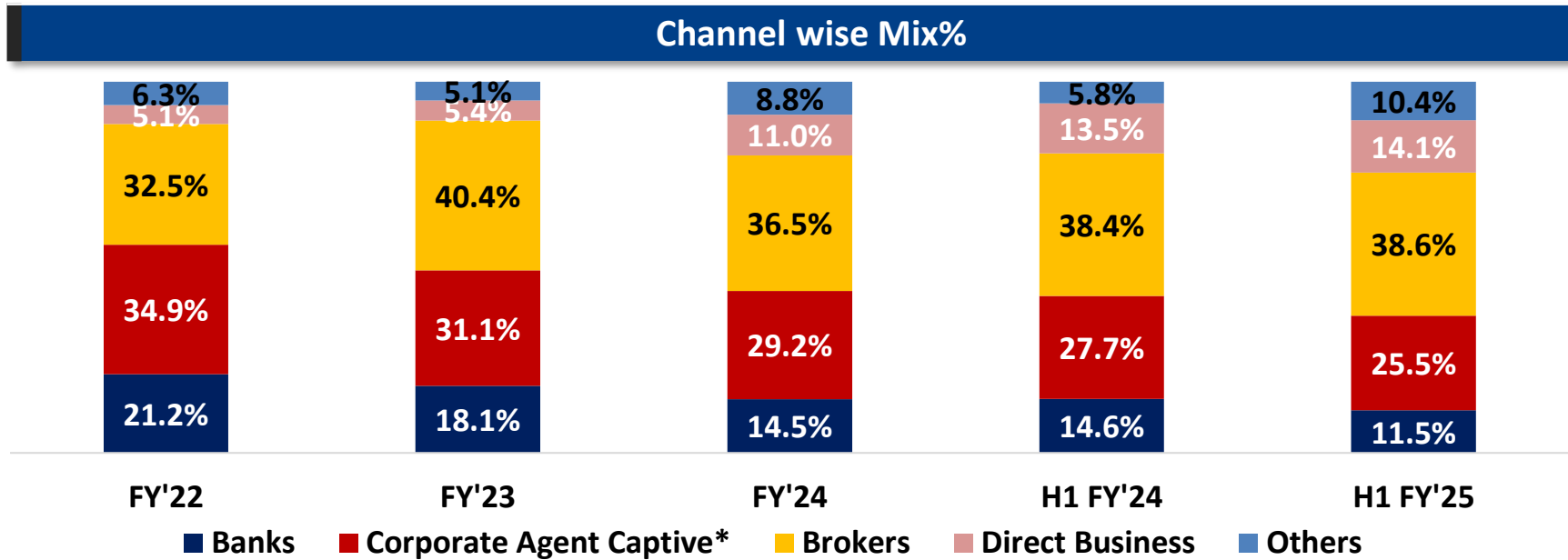


## Geographic Presence – Mix %

Mix %



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



\*Chola Finance + Coromandel+ CIE

Bancassurance	Agency	OEMs	Rural focus	Digital ecosystem
<ul style="list-style-type: none"> <li>▪ Servicing biggest Bank Network - 30k+ branches Pan India</li> <li>▪ Tied up with 4 PSU Banks, 4 Pvt. Banks, 3 Small Finance Banks, 6 RRB's &amp; 1 Cooperative Bank &amp; 30+ NBFCs, 5 HFC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Servicing 60k+ agents / POSPs Pan India</li> <li>▪ Servicing Partners from 200 Chola MS Offices, 300 Digitally Enabled Offices &amp; 177 Virtual Offices</li> <li>▪ <b>Geographic Strategy:</b> Proliferated well into tier 2,3,4 &amp; 5 towns in India</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tied up with all Major Private Cars, Two Wheeler and Commercial Vehicle OEMs in India</li> <li>▪ Servicing 12000+ dealer network Pan India</li> <li>▪ 15+ large OEM partnerships</li> <li>▪ Entry into Honda OEM program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chola MS is Ranked NO: 2 among Insurers in Common Service Centre (CSC) platform with overall wallet share @ ~18%</li> <li>▪ Currently managing one cluster in Maharashtra under Crop Insurance</li> <li>▪ Business from 1100+ Gram panchayats in allocated territories</li> </ul>	<ul style="list-style-type: none"> <li>▪ 10+ partners across Insurance brokers, Insuretech companies etc...</li> </ul>

# 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.

3Lakh+

Policies Issued  
till date in BaNCS

71K+

Claims Processed  
till date 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

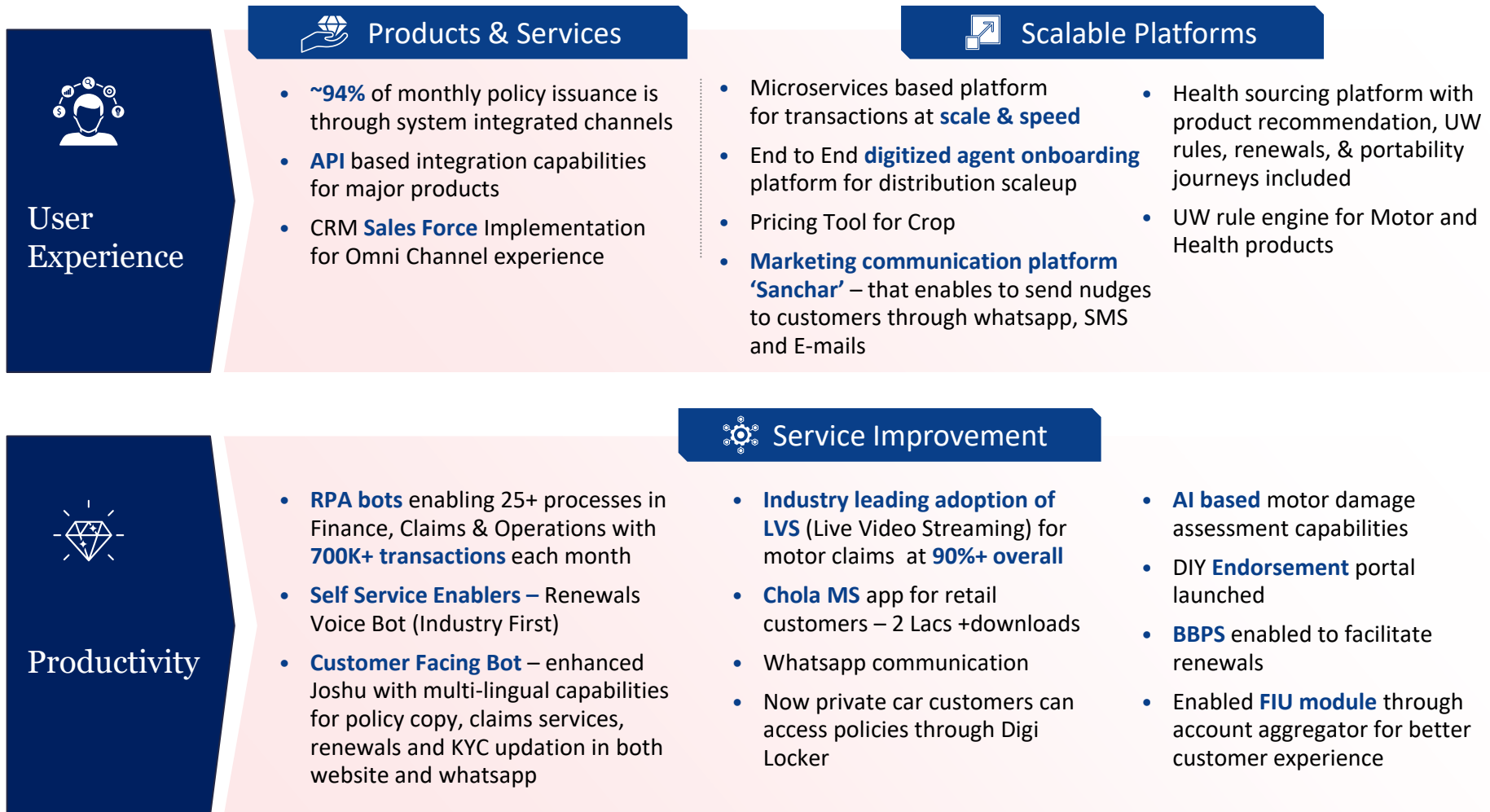


Cloud native architecture for better performance and access to scalability options



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



# 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



Phoenix



LIVESTOCK



100%

Policy issuance digitally

2 min

Instant policy issuance

## Underwriting

Taylor

UW OCR

Tele UW



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

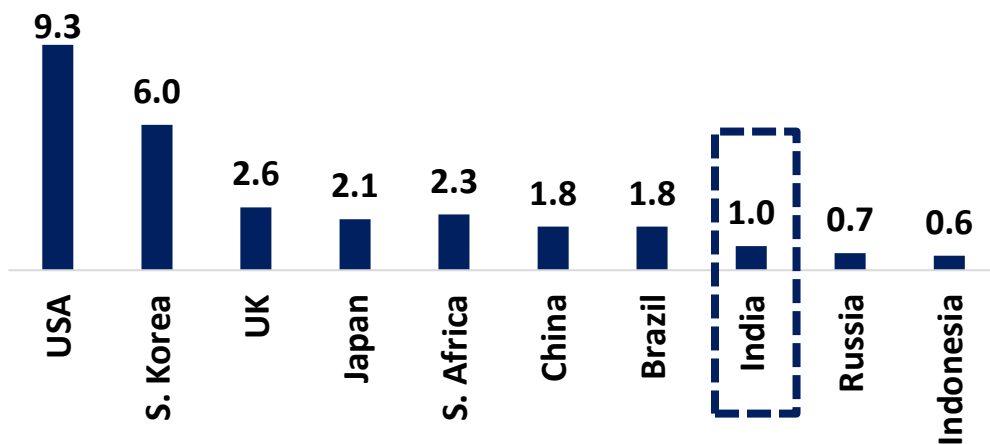
Query resolution using chatbot

700K+

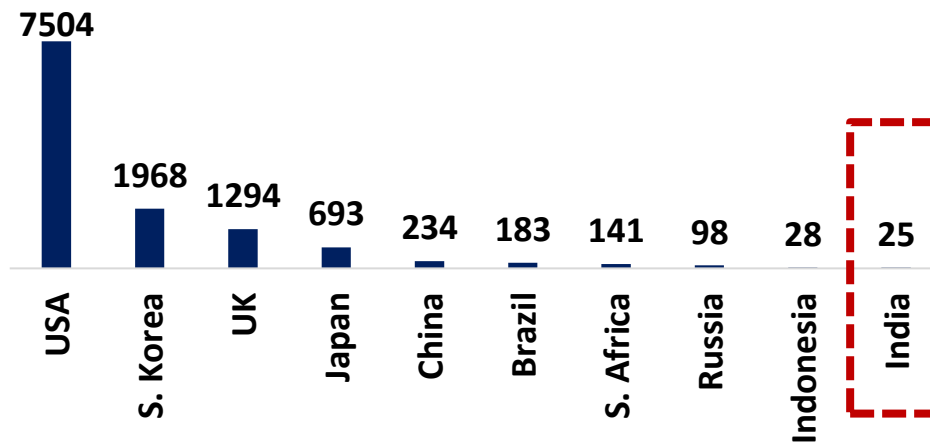
Successful monthly RPA transactions

# Indian General Insurance: - Large addressable market

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



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



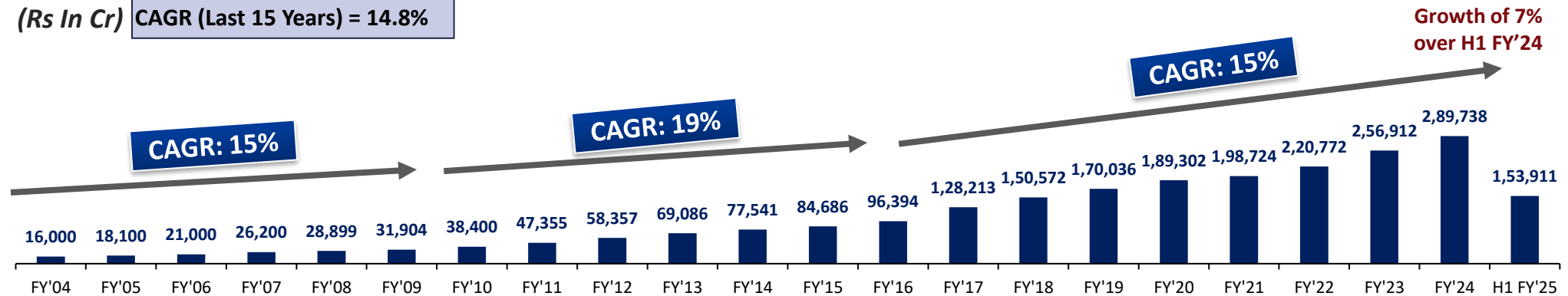
- India is the 4th largest non-life insurance market in Asia and 15th largest globally in 2023
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering 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

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

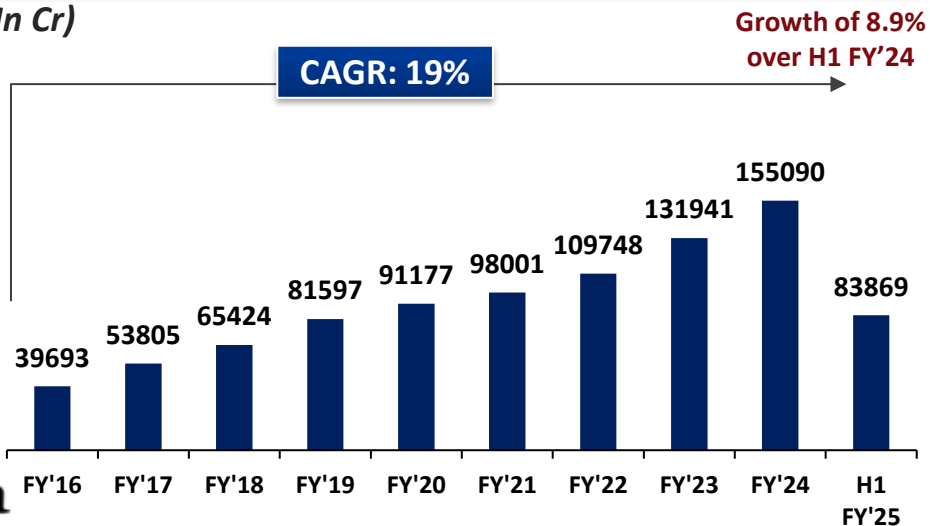
(Rs In Cr) CAGR (Last 15 Years) = 14.8%



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

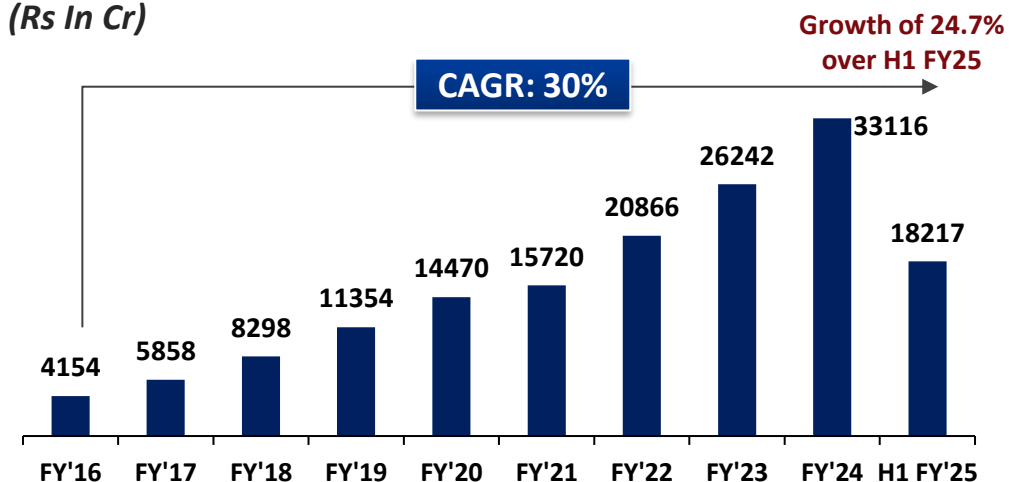
Private GI Players have grown at a faster pace

(Rs In Cr)



Robust growth for SAHI Players driven by Retail

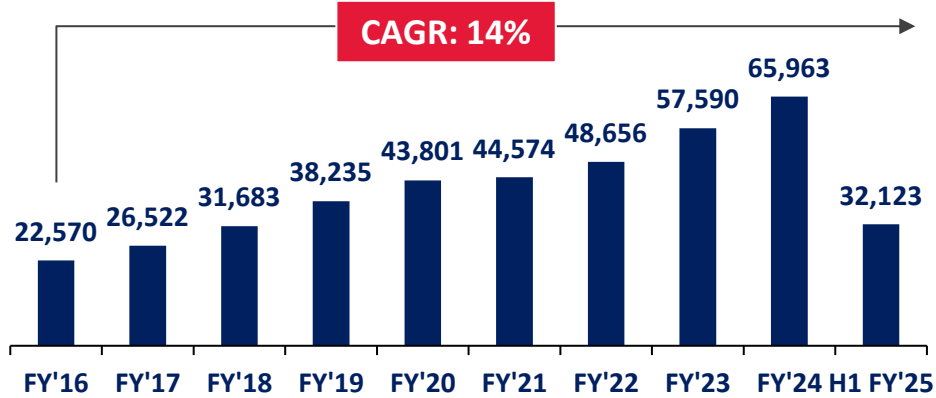
(Rs In Cr)



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

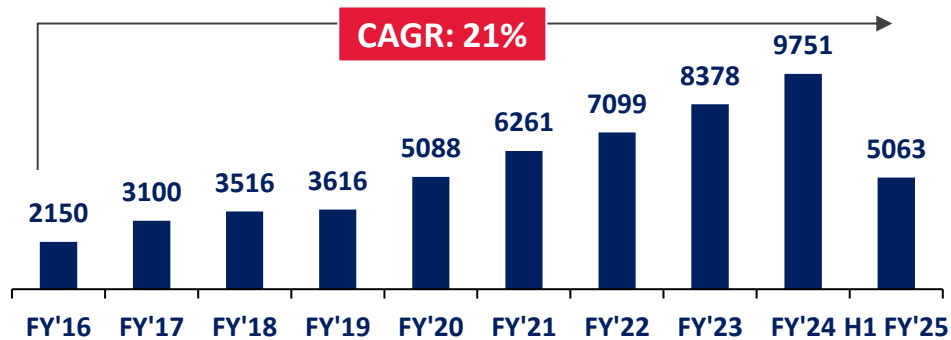
**Motor accounts for 38.3% share of the overall GWP for Private General Insurers (single largest segment)**

(Private Motor Insurance – GWP Rs in Crs)



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

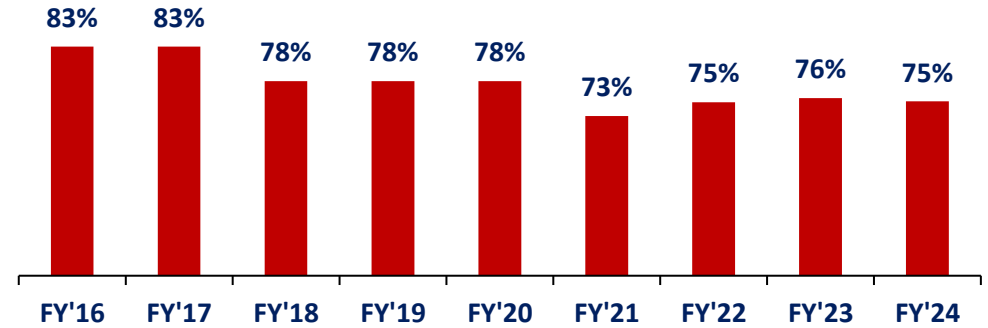
(Private Retail Health Insurance – GWP Rs in Crs)



\* Excluding SAHI & PSU Companies

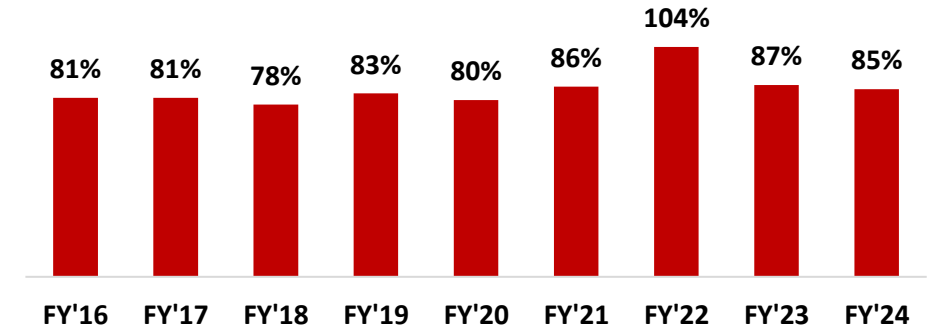
**Motor Claim ratio**

(Private Motor Insurance – Claims Ratio)



**Health Claim Ratio**

(Private Health Insurance – Claims Ratio)



# Favorable Regulations Aiding Growth

Amendment to Acts expected to improve profitability and growth across segments

## Growth Oriented

### Product Regulations



- ▶ 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

### Single Limit for Expense of Management



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

### Regulatory Amendments



- ▶ Bima Vistar – combo product
- ▶ Health Products pricing – Annual revisions enabled

## Requiring Tweaks

### Rural / Social / TP Obligations



- ▶ Insurance penetration at Gram Panchayat level

### Distribution



- ▶ Sub-limits to be reviewed as they remain at historic levels
- ▶ Regulatory Arbitrage to be removed

### TP Premium Pricing



- ▶ Rising medical inflation and wage levels impact claims severity
- ▶ Inadequate price increase over the last 3 to 4 years

### Long term products



- ▶ Premium recognition under 1/n method to impact reported growth%
- ▶ Arbitrage in favour of life sector with respect to credit linked long term products

## Impending

### Courts' recognition of amended MV Act



- ▶ Claim initiation time cut to 6 months, shortening the long tail of claims
- ▶ Courts' to recognize and implement for relief to sector

### Amendments to Insurance Act



- ▶ composite licenses
- ▶ Distribute other financial products

### Regulatory Amendments



- ▶ Industry managed data repository – corporatization of IIB
- ▶ Bima Sugam – Common digital platform
- ▶ Health Claims Exchange

## Contact us

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