

February 12, 2022

**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 of even date on the analyst / investor call scheduled on February 14, 2022.

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 being 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**



# Chola

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**CORPORATE PRESENTATION – Q3-FY22**



**murugappa**

## Murugappa Group in a Nutshell



Years of  
Existence



Consolidated  
Turnover  
(FY21)



Group Market  
cap (as on 31<sup>st</sup>  
Dec 2021)



Sectors



Businesses



Listed  
Companies



Geographical  
Presence

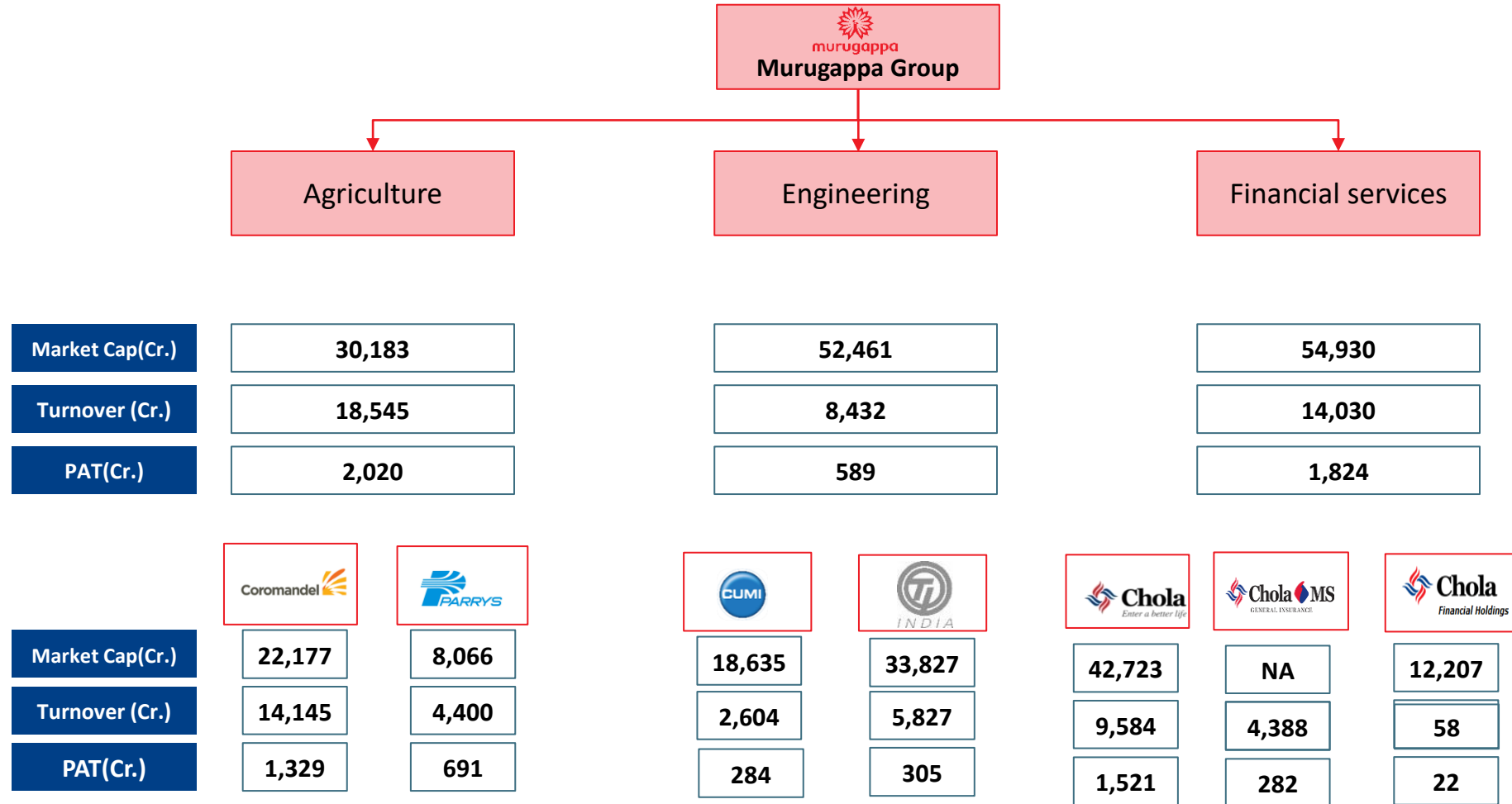


Manufacturing  
Locations



Work force

# Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.  
 Financial Performance are of FY 20-21.  
 Market data as on 31<sup>st</sup> Dec 2021. 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)

45.42%

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
- Stock broking and distribution of financial products through Subsidiary Companies

60.00%

Cholamandalam MS  
General Insurance  
Company Limited  
(MSGICL)

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

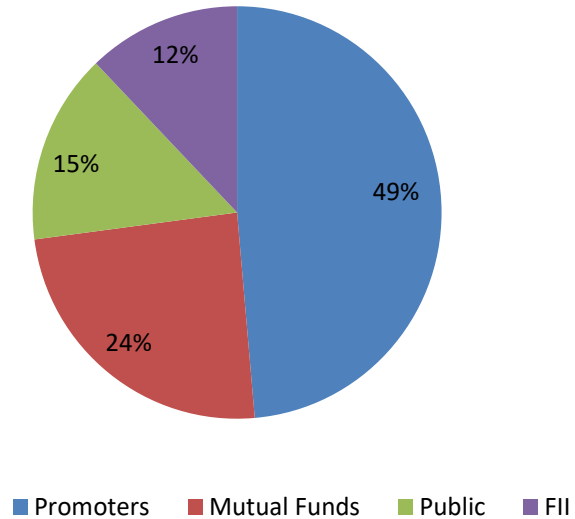
49.50%

Cholamandalam MS  
Risk Services Limited  
(CMSRSL)

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

## Shareholding pattern

Shareholding Pattern  
as of December 31, 2021



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

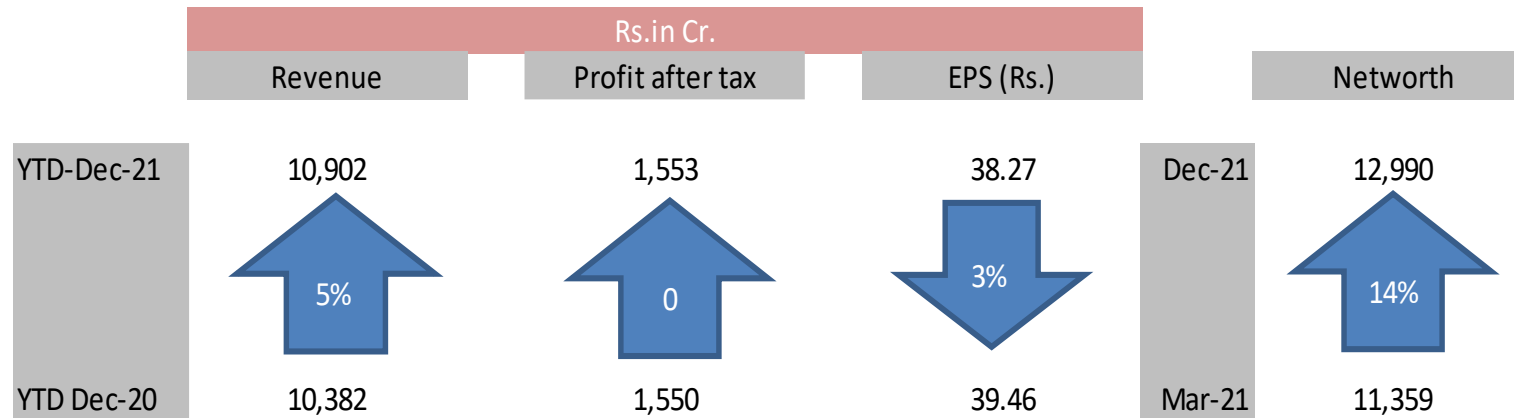
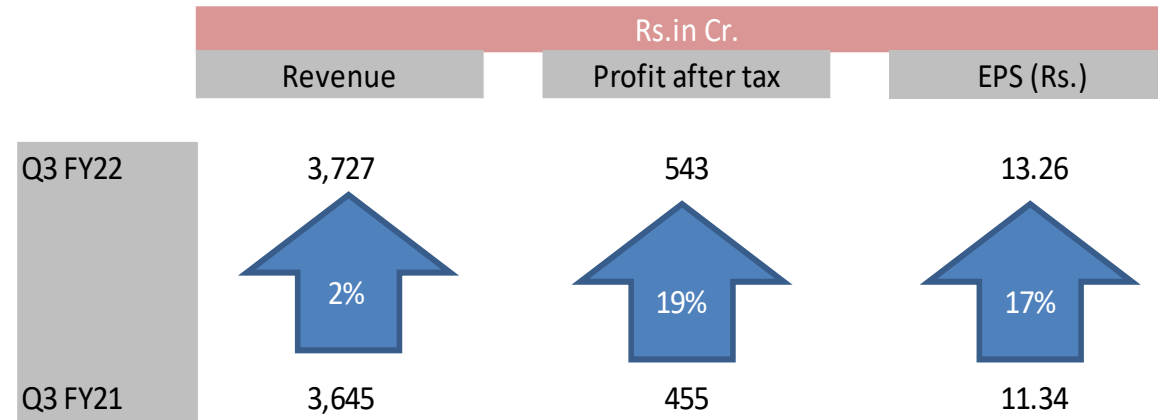
#### **Top Domestic Institutional Holdings**

- \* ICICI Mutul Fund
- \* Aditya Birla Mutul Fund
- \* HDFC Mutul Fund
- \* Nippon India Mutual Fund
- \* Franklin India Mutul Fund

#### **Top Foreign Institutional Holdings**

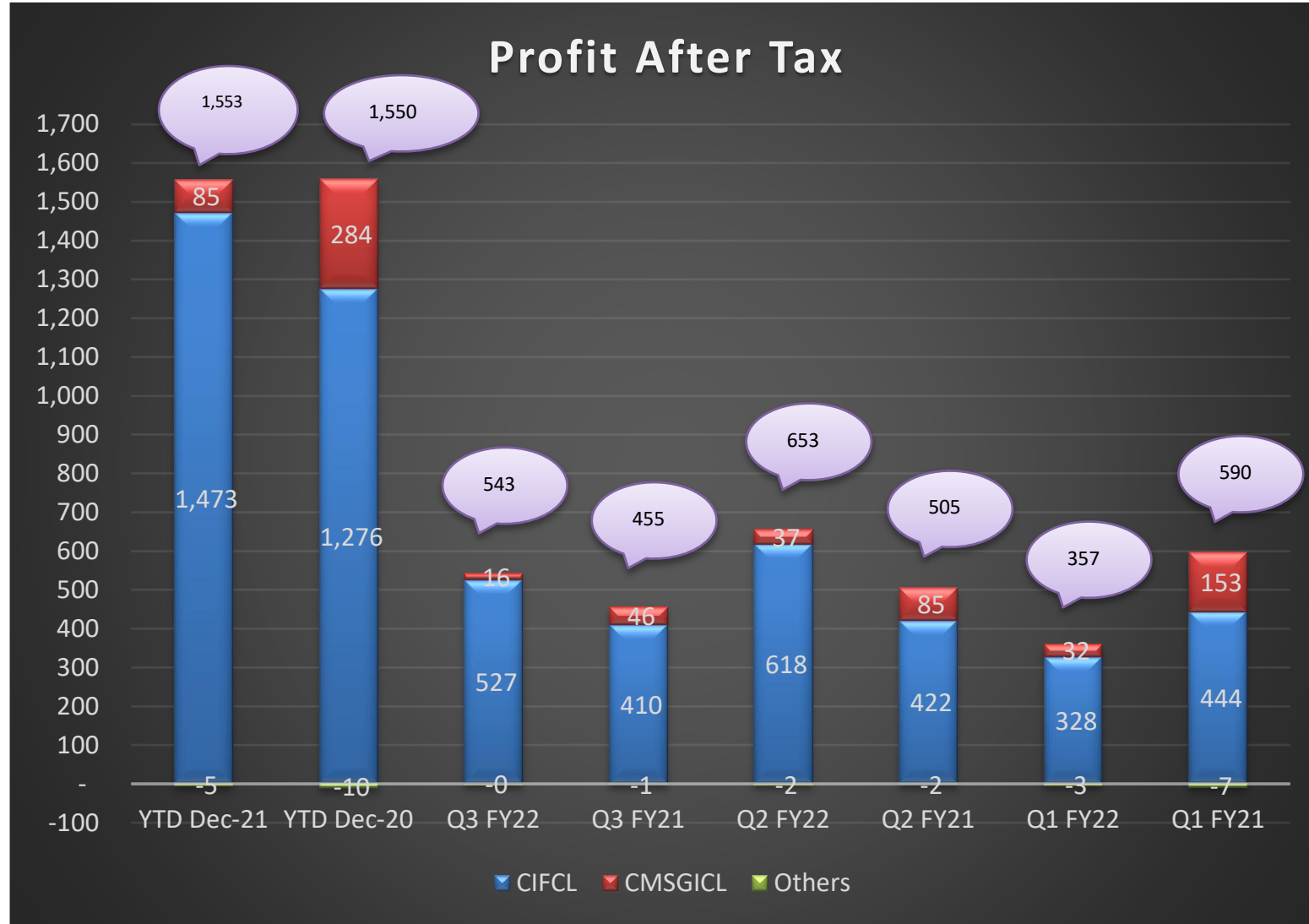
RBC Emerging Markets Small-cap Equity Fund  
Toyota Tusho Corporation

# Performance Highlights - Consolidated





# Performance Highlights - Consolidated



## Financial Performance & Metrics

CFHL - Standalone Particulars (Rs. in Cr)	YTD Dec-21	YTD Dec-20
Income	33	7
Expenses	9	18
Profit Before Tax	24	(10)
Tax Expense	4	-
Profit After Tax	19	(10)

CFHL - Standalone Balance Sheet (Rs. in Cr)	As of 31-Dec-2021	As of 31-Mar-2021
Networth	1,151	1,141
Other Liabilities	162	162
Total Equity and Liabilities	1,313	1,303
Investments and Bank deposits	1,310	1,303
Other Assets	2	0
Total Assets	1,313	1,303

CIFCL Disbursements (Rs. in Cr)	YTD Dec-21	YTD Dec-20
	22,772	17,972
	As of 31-Dec-2021	As of 31-Dec-2020
AUM (Rs. in Cr)	79,161	75,813
No. of Branches	1,142	1,135

CMSGICL GWP (Rs. in Cr)	YTD Dec-21	YTD Dec-20
	3,738	3,331
	As of 31-Dec-2021	As of 31-Mar-2021
Investment Portfolio (Rs. in Cr)	10,664	10,262
No of physical touch points including SMO	632	607

CMSRSL Revenue (Rs. in Cr)	YTD Dec-21	YTD Dec-20
	41	28
PAT (Rs. in Cr)	4	0
	As of 31-Dec-2021	As of 31-Mar-2021
Networth (Rs. in Cr)	30	26

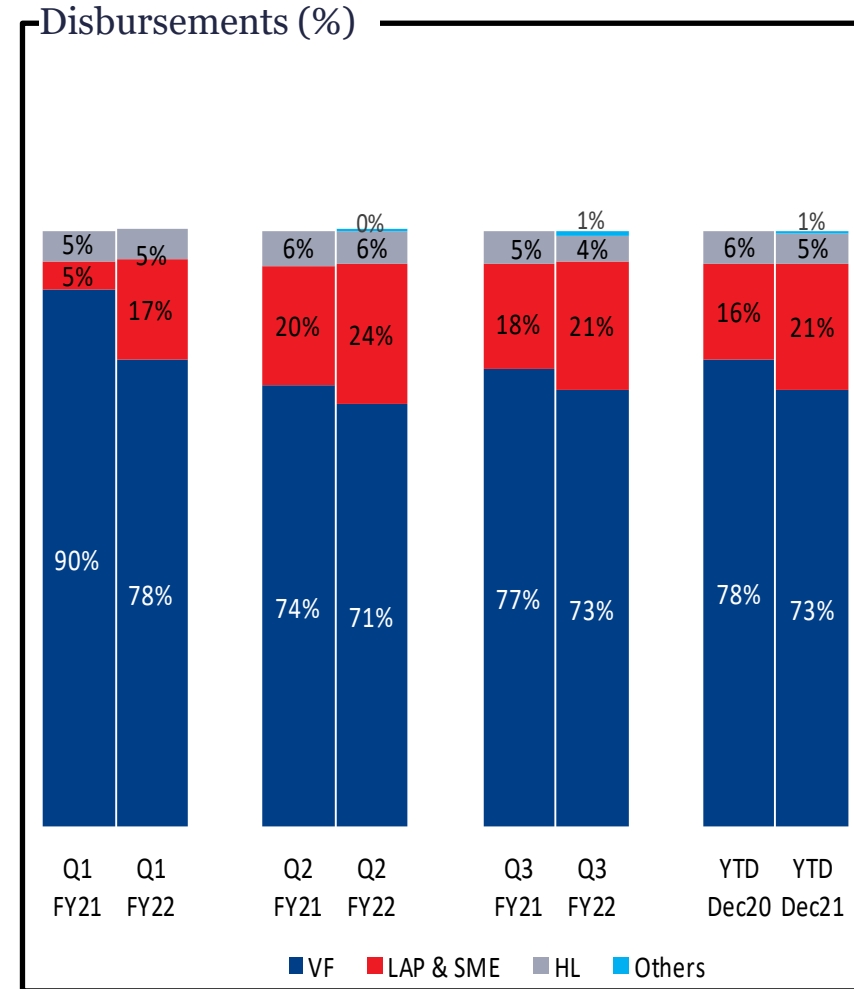
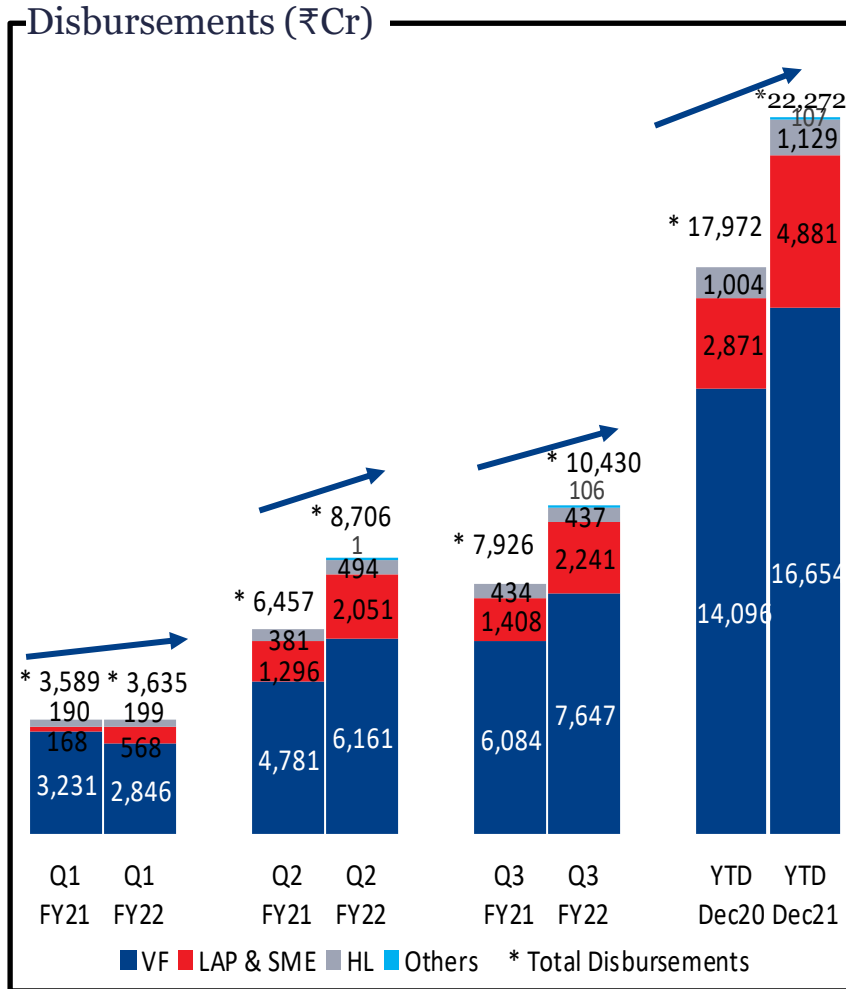
## Regulatory Ratios of CFHL

Rs Crs

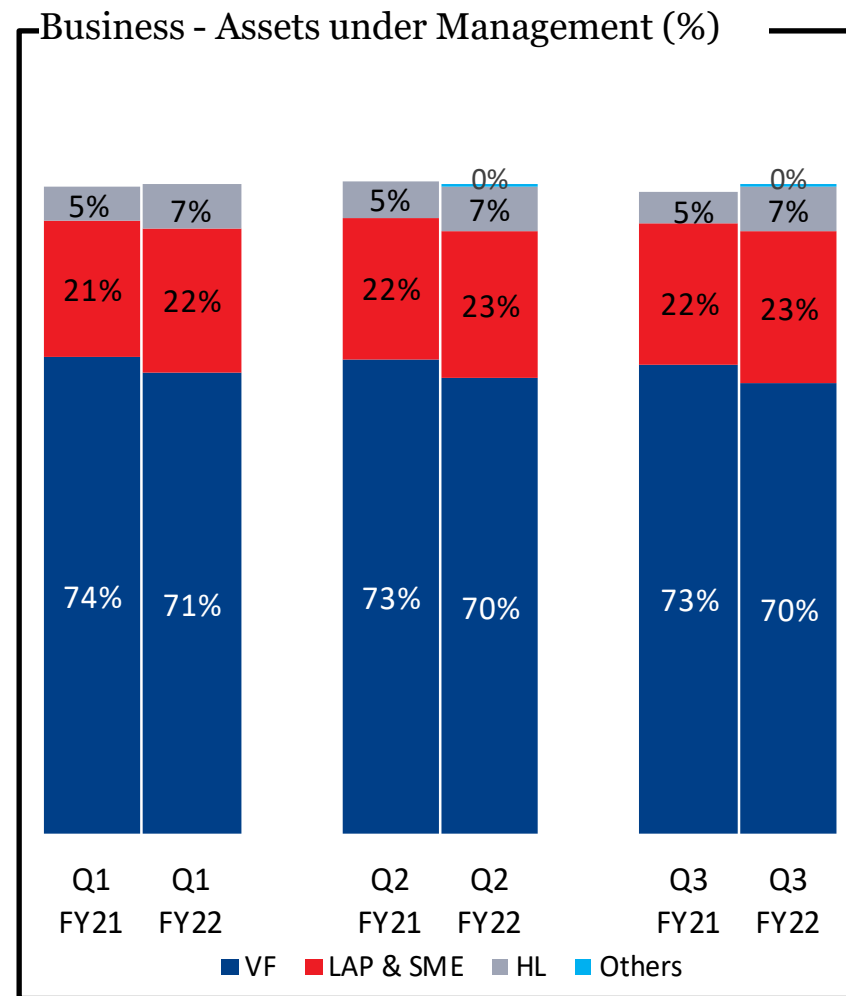
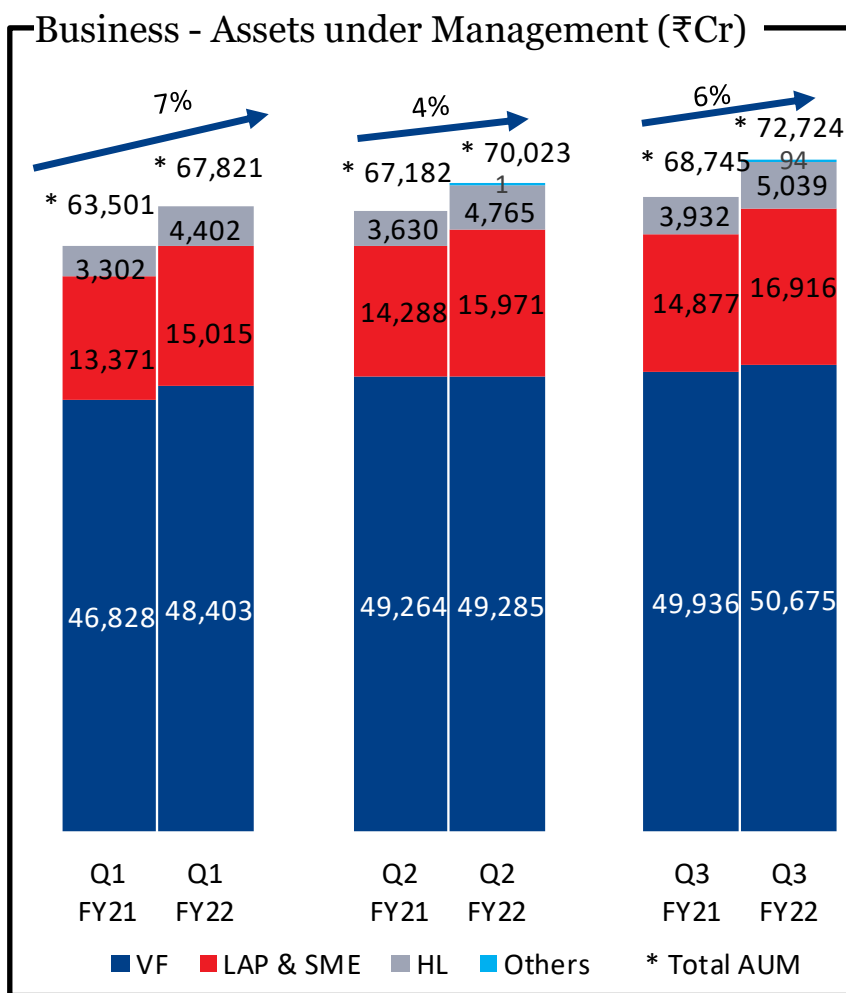
Particulars	As of December 31, 2021	As of March 31, 2021
Owned Funds (A)	1,150.81	1,140.74
Adjusted Networth (B)	10,979.71	7,983.39
Risk Weighed Assets ( C)	1,282.95	1,290.11
Outside Liabilities (D)	161.76	162.19
Net assets (E)	1,282.18	1,279.35
Investment in equity shares of group companies (F)	1,280.09	1,279.22
Capital Ratio (B / C)	855.82%	618.81%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.01	0.02
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.837%	99.990%
Regulatory minimum	90.00%	90.00%

# Cholamandalam Investment and Finance Company Limited

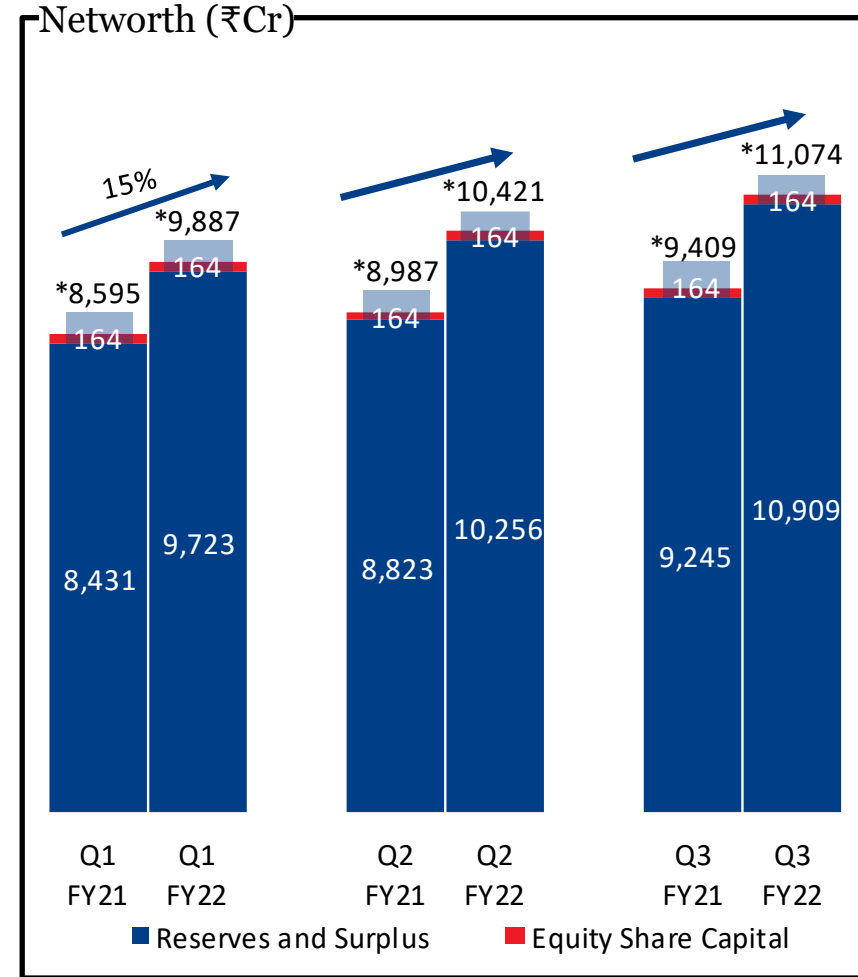
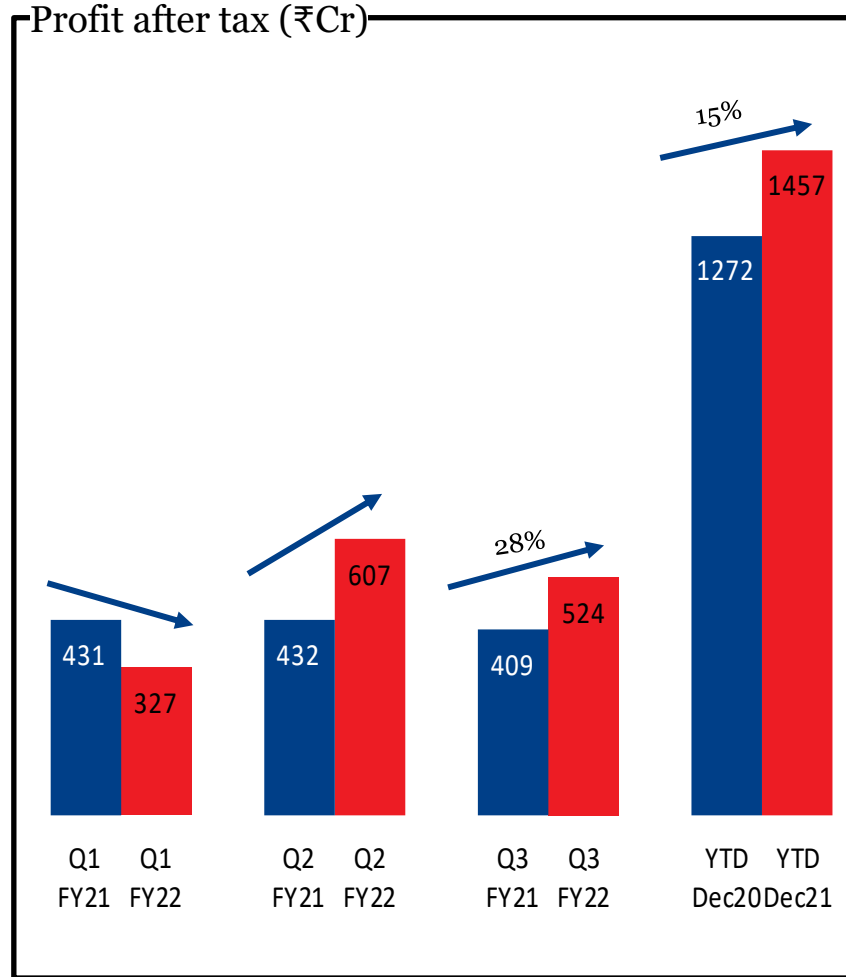
# Disbursements



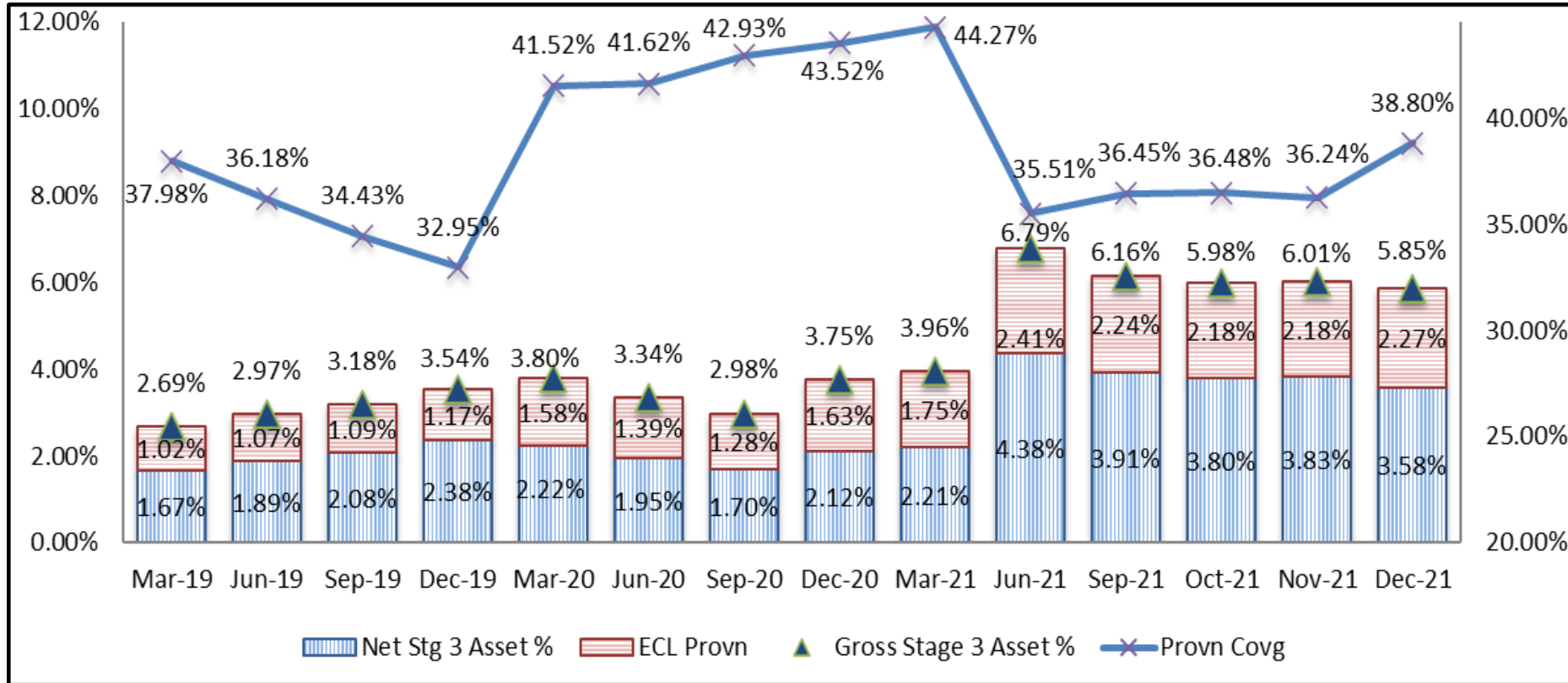
# Assets Under Management



# Profitability and Net worth



## Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of December'21 is at 8.53% and 5.76% respectively



# Vehicle Finance



## Vehicle Finance: Q3FY22 Performance

### Disbursements

- Disbursements grown by 26% in Q3 FY 22 as compared to Q3 FY 21.

### Assets under management

- AUM have grown by 1% YoY

### Loss and provisions

- Loan losses improved to 1.4% from 3.0% in Q3 of FY 21

### Profit before tax

- PBT grew by 68% in Q3 FY 22 as compared to Q3 FY 21

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

## Sector Outlook

- The Tractor industry had a de-growth of 13% in Q3 FY'22 & a marginal growth of 1% as of YTD Dec'21. The sales momentum in tractors is expected to drop in the upcoming quarter of FY'22 considering a high base in Q4 last year.
- The Light commercial vehicle segment had a de-growth of 6% in Q3 FY'22 & a growth of 15% as of YTD Dec'21. This segment is showing healthy recovery trends supported by demand from agriculture / allied sectors, increasing last-mile transport requirements, and gradual recovery in the macroeconomic environment.
- The Small commercial vehicle segment had a de-growth of 4% in Q3 FY'22 & a growth of 21% as of YTD Dec'21. The impact on account of the pandemic is minimal in this segment due to its nature of deployment in last mile connectivity and faster recovery in sales is expected in the coming quarters.

## Chola's Position

- More than 80% of our branches are present in the rural areas, towns and semi urban areas which gives us a clear advantage to capitalize on the rural demand along with a clear watch on portfolio performance given the current market environment.
- Any uptick in demand for Light commercial vehicle will help us garner increased market share due to our presence in rural areas with a balanced collection approach.
- Any improvement in demand for Small commercial vehicles will help us improve market share coupled with a cautious approach to funding based on vehicle viability and earning capacity.

# Sector outlook – Vehicle Finance business (1/2)

## Sector Outlook

- The Heavy commercial vehicle segment had a growth of 25% in Q3 FY'22 & 87% growth as of YTD Dec'21 on account of a very low base last year. The gradual recovery in macroeconomic environment and improved freight availability will support growth in this segment.
- The Passenger vehicle (Car & MUV) segment had a de-growth of 15% in Q3 FY'22 & a growth of 21% as of YTD Dec'21. However, the semiconductor shortage and resultant lower production remain as bottlenecks for higher growth in the coming quarter.
- The Construction Equipment segment had a de-growth of 28% in Q3 FY'22 & 3% de-growth as of YTD Dec'21. This segment will see offshoots of recovery from improving economic environment, pickup in construction / mining activities and increased infrastructure spends by the government.

## Chola's Position

- Our exposure in this segment is around 8% at a portfolio level. We are closely monitoring this segment for further improvement in market conditions and fleet owner sentiments.
- Our focus is predominantly on retail customers mainly in smaller towns and rural market. Our exposure to tour operators is negligible. We will continue to focus on this segment in line with market recovery.
- Our exposure in this segment is around 6% at a portfolio level. We are keeping a close watch on this segment for improvement in market conditions.

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

## Sector Outlook

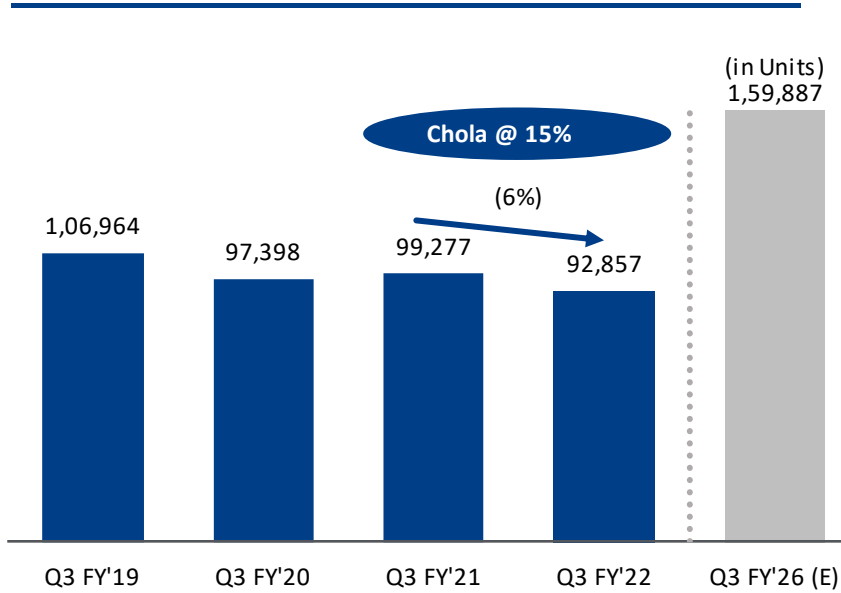
- The Two-wheeler industry had a de-growth of 25% in Q3 FY'22 & 6% de-growth as of YTD Dec'21. The semiconductor issue had an impact on inventory levels in Q2 coupled with postponement of purchases due to the threat of third wave of COVID-19. Pent up demand is expected during the coming quarters subject to correction in inventory levels.
- Used vehicle business is likely to be least impacted this year. Factors favouring this segment are lower market prices of used vehicles and extended time gap in regularization of the new vehicle supply chain on account of the semiconductor shortage.

## Chola's Position

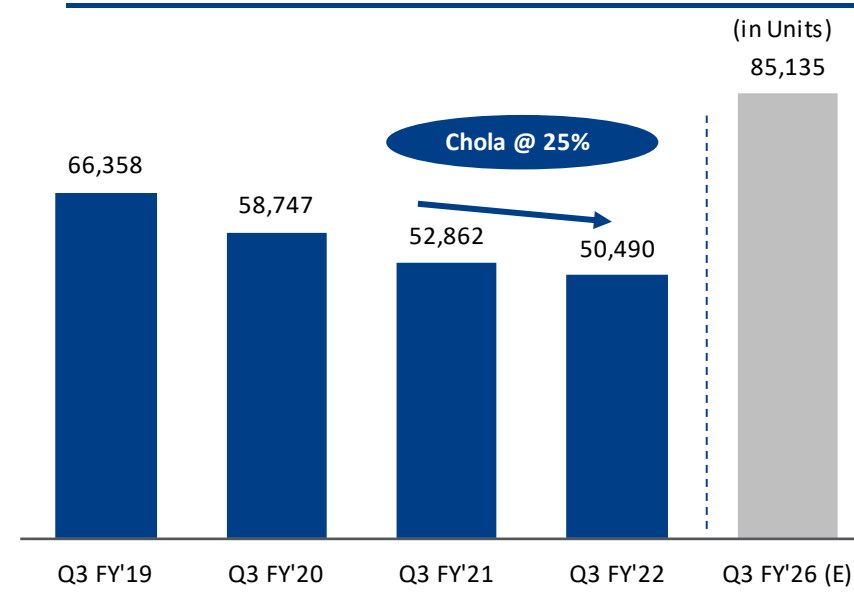
- The company intends to maintain its focus on two-wheeler funding with a clear eye for credit underwriting to maintain portfolio performance. We have created a robust collection mechanism to overcome any pressure in this segment.
- We are one of the key players in the used vehicle financing business. We will continue to maintain a vigilant approach in this segment with a razor-sharp focus on collections.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



## Trend in Domestic SCV Sales

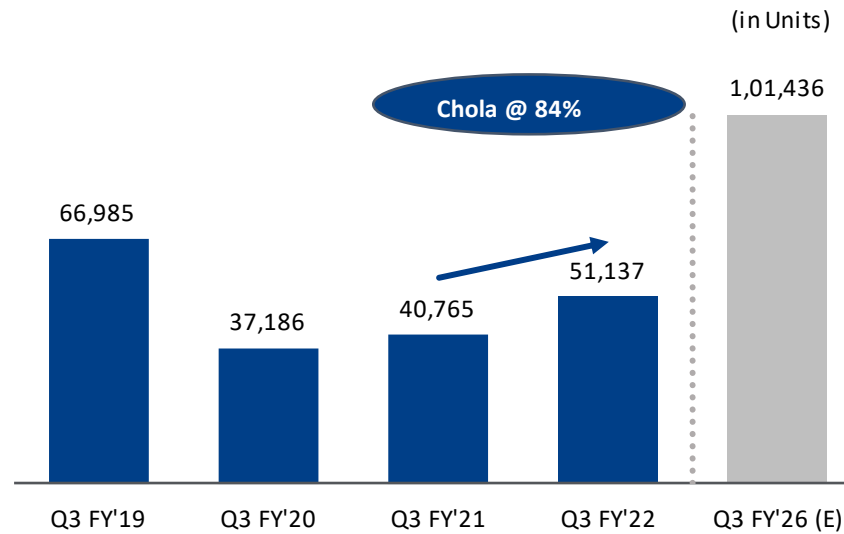


- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies along with replacement demand will aid growth.
- Demand for Pickups will increase in long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales to be supported by growing urban population, demand from schools/ corporates and increased inter-city travel due to higher vaccination coverage and reduced impact of COVID-19.

Source: FY19 to FY26 numbers are from SIAM & CRISIL

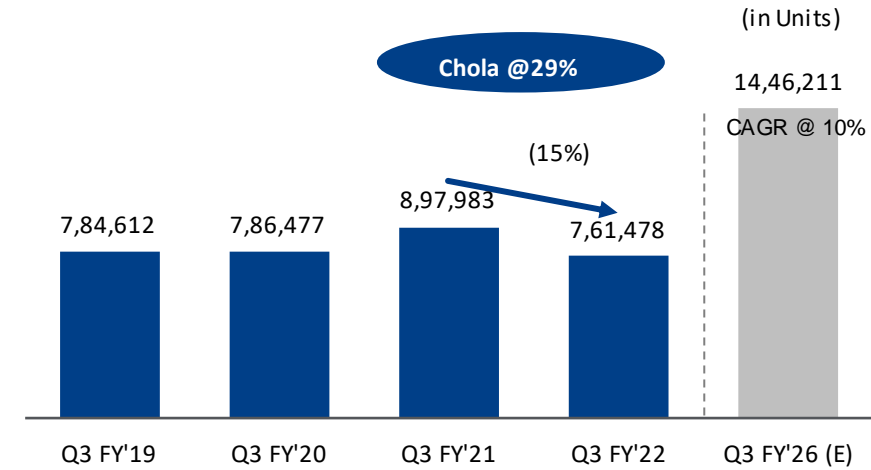
# Auto Industry Outlook

## Trend in Domestic HCV Sales



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

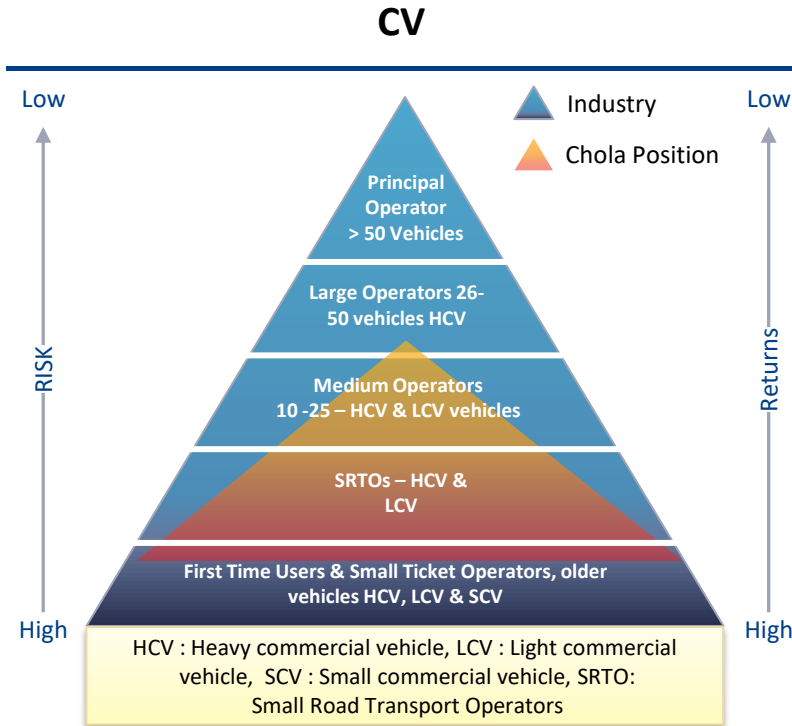
## Trend in Domestic Car & MUV Sales



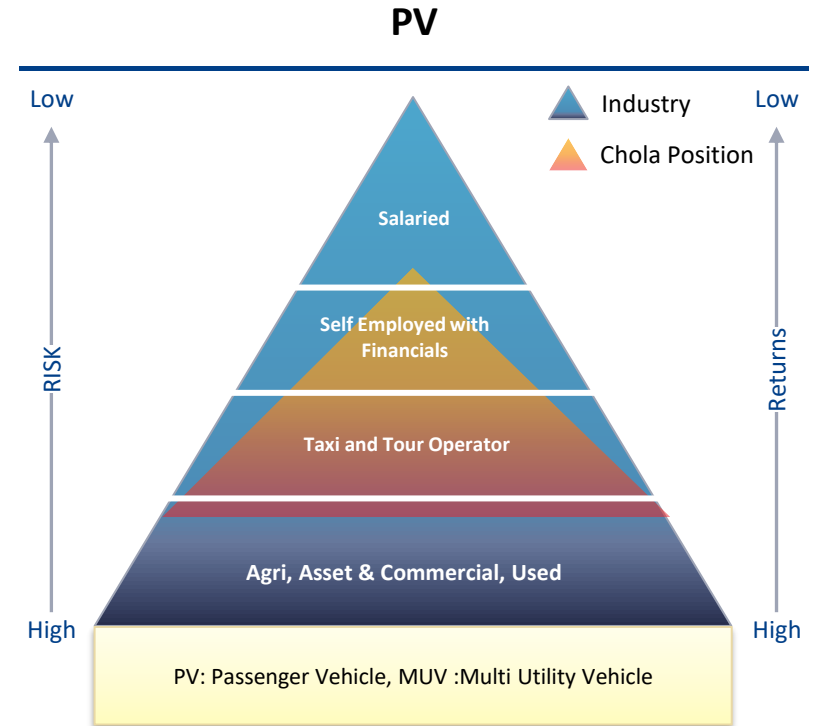
- Higher Income, lower penetration and lower cost of capital to boost long term demand
- Improved vehicle penetration from 23 vehicles per 1000 to upto 28 vehicles per 1000 population over the next 5 years.

Source: FY19 to FY26 numbers are from SIAM & CRISIL

# Vehicle Finance—Business Model & Positioning



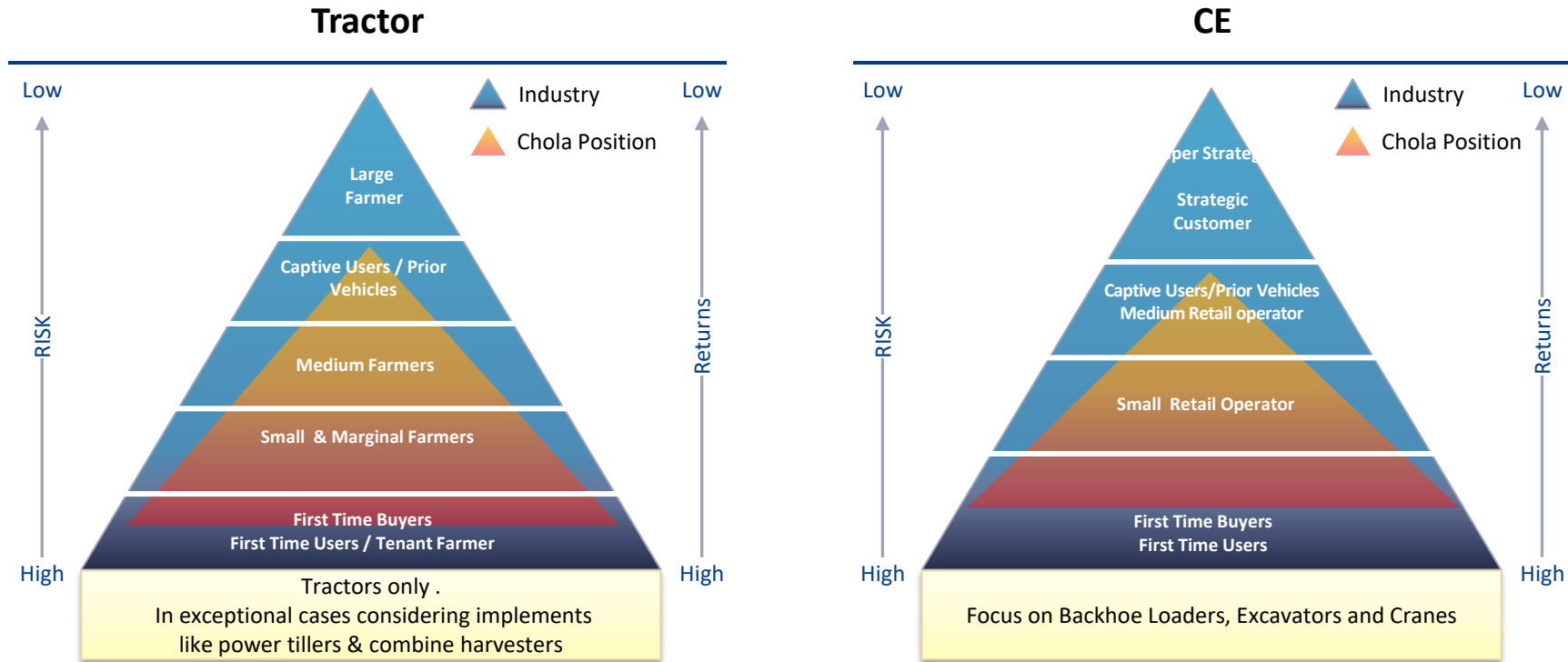
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh



- ~ 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



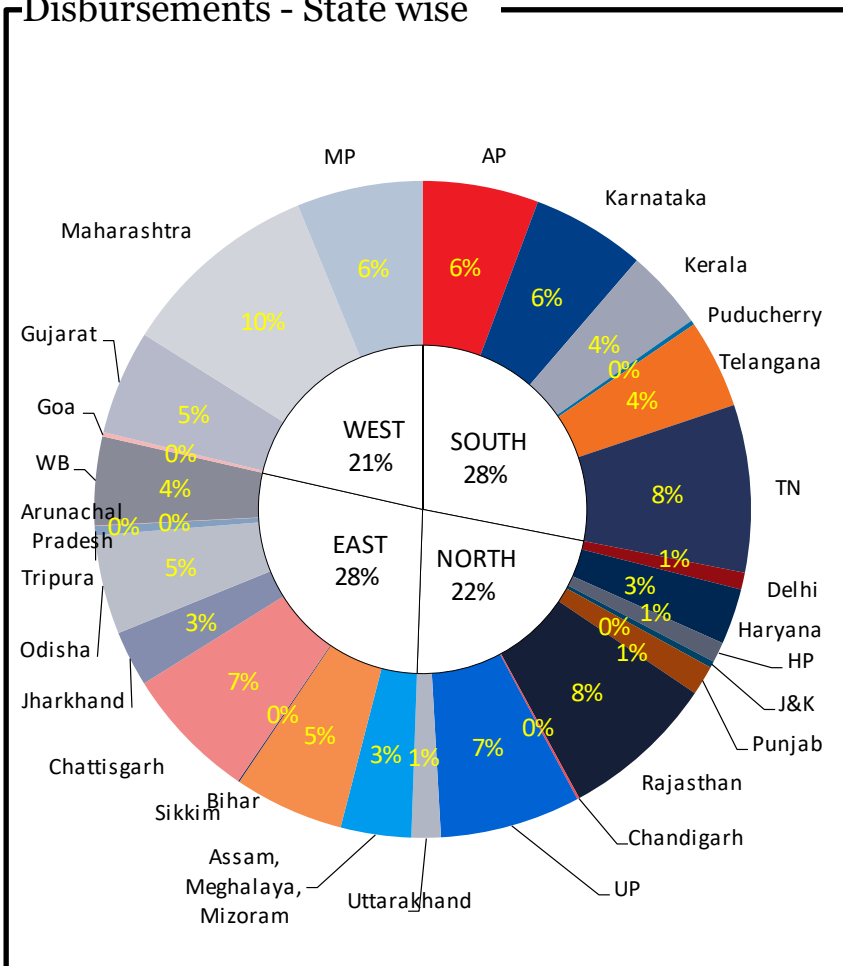
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

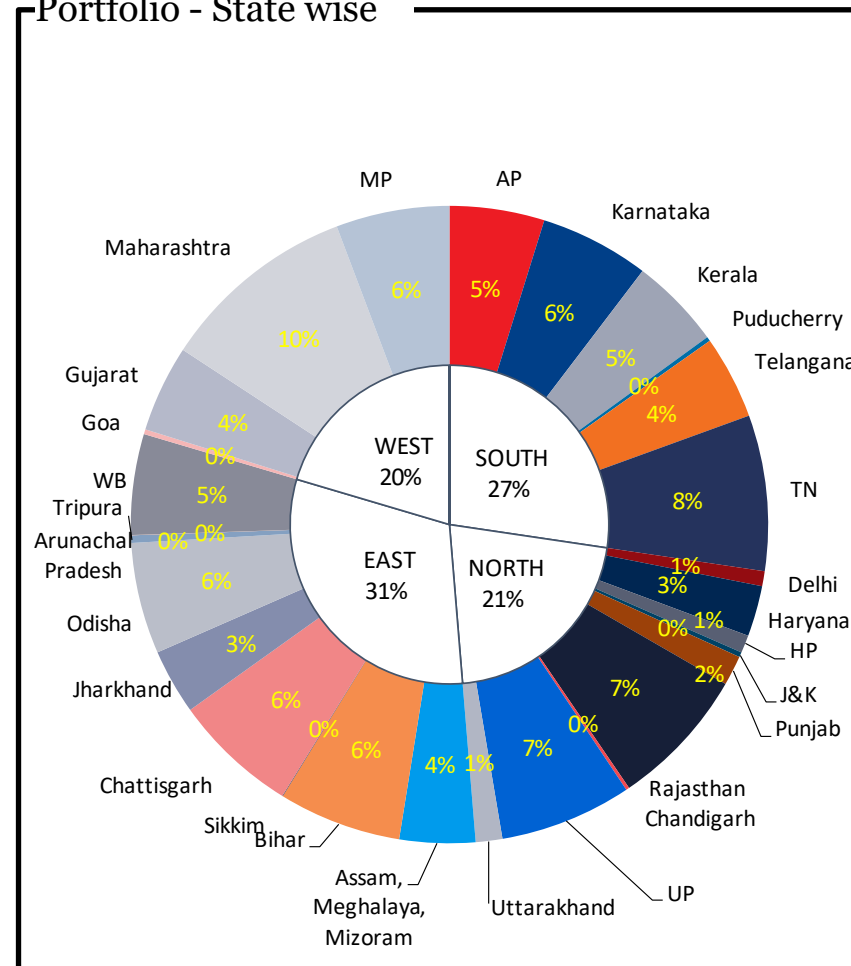
# Vehicle Finance - Disbursement/Portfolio Mix – Q3FY22

Well diversified across geography

Disbursements - State wise



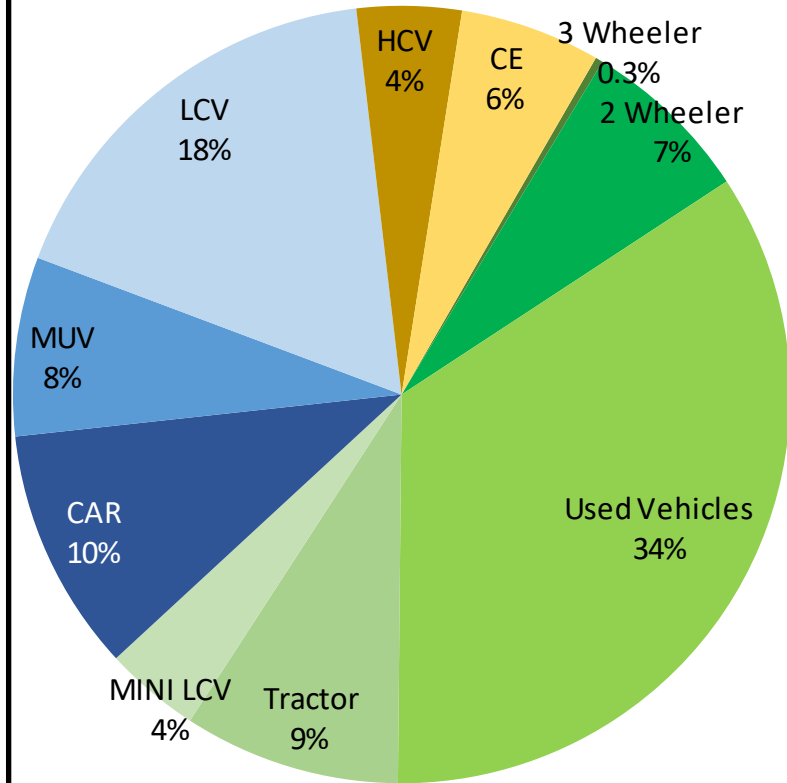
Portfolio - State wise



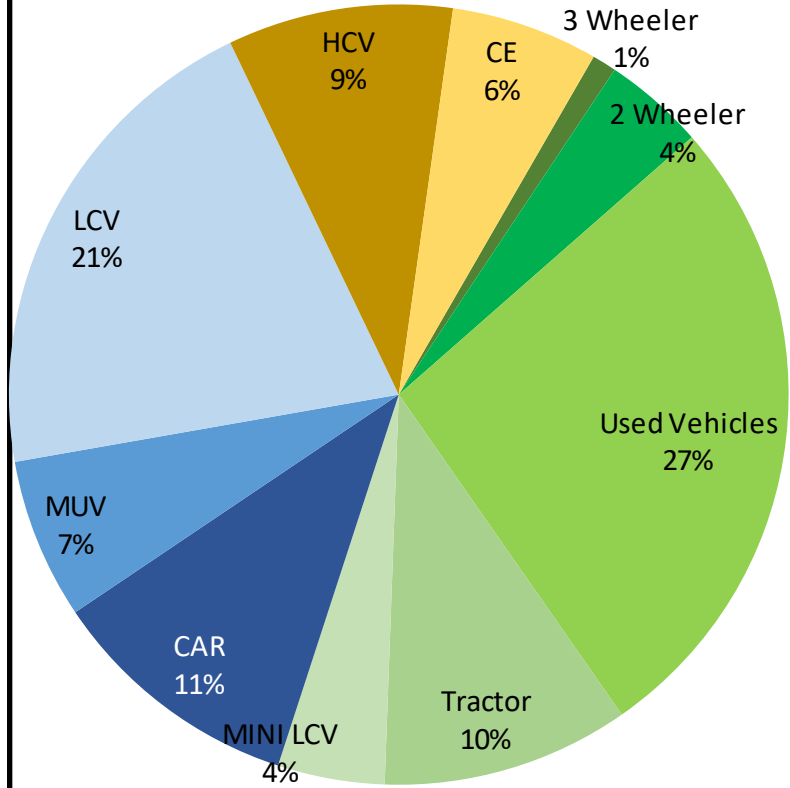
# Vehicle Finance - Disbursement/Portfolio Mix – Q3FY22

Well diversified product segments

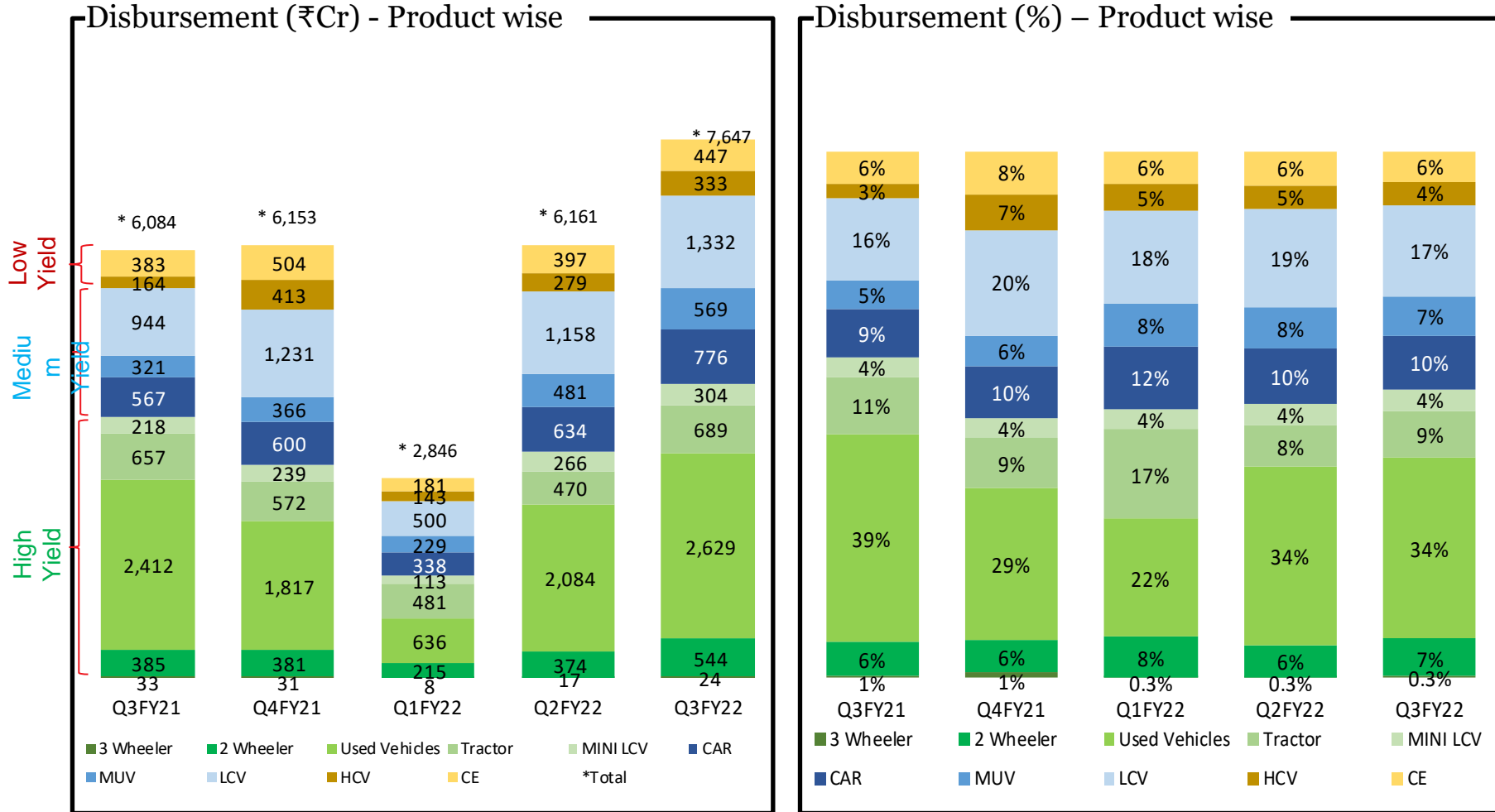
Disbursements (₹Cr) - Product wise



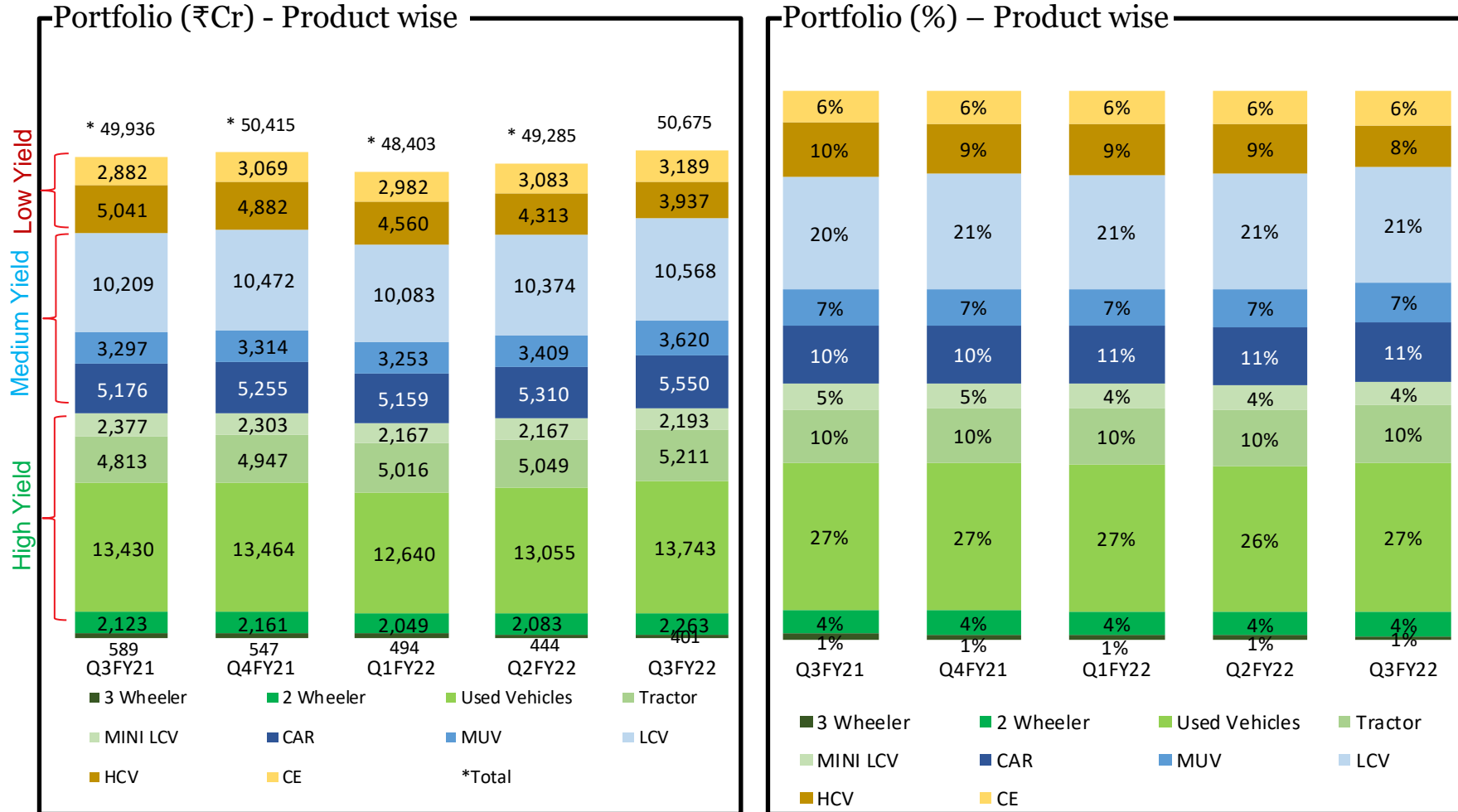
Portfolio (₹Cr) - Product wise



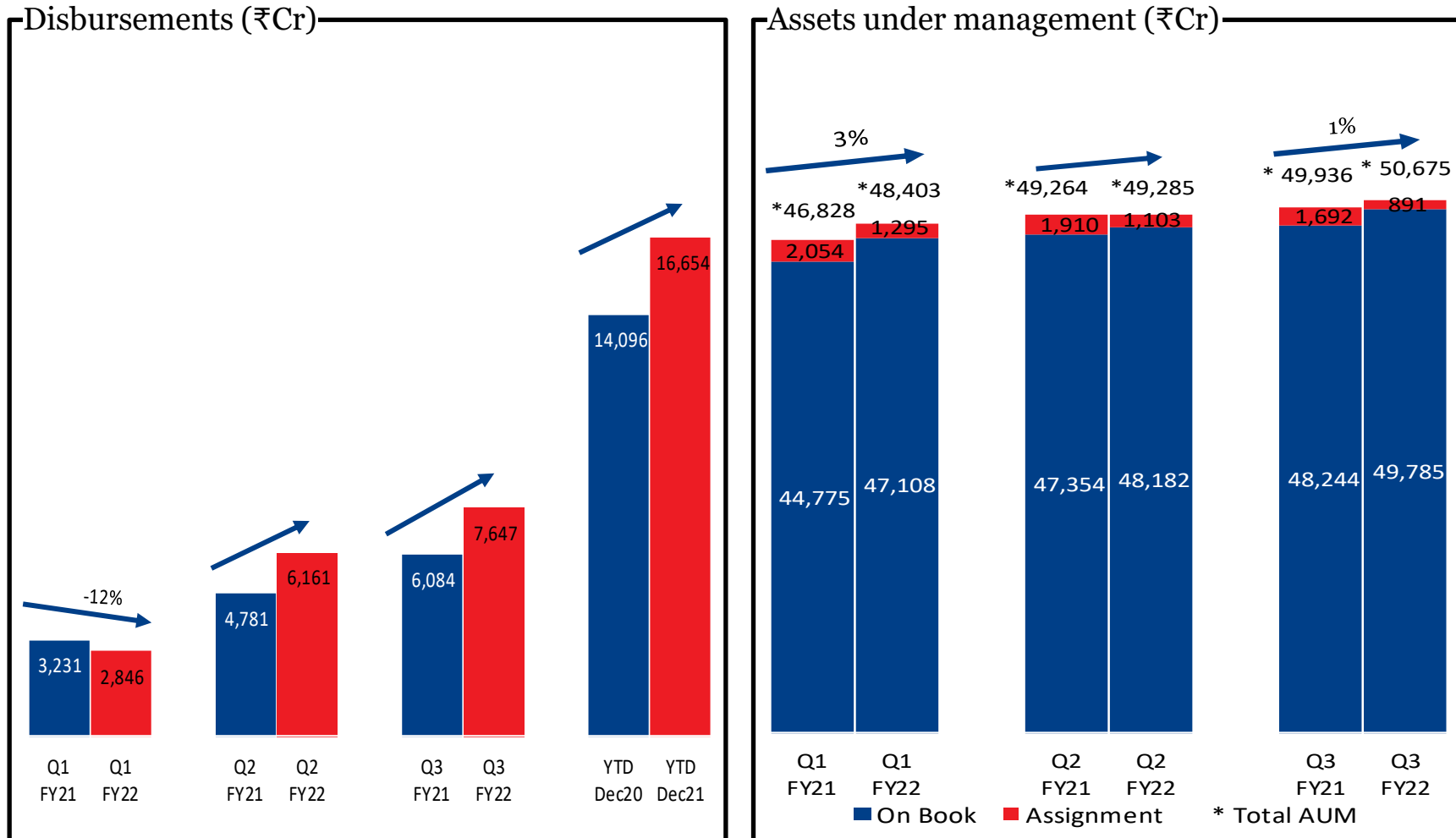
# Vehicle Finance - Disbursement Mix – Quarter-wise



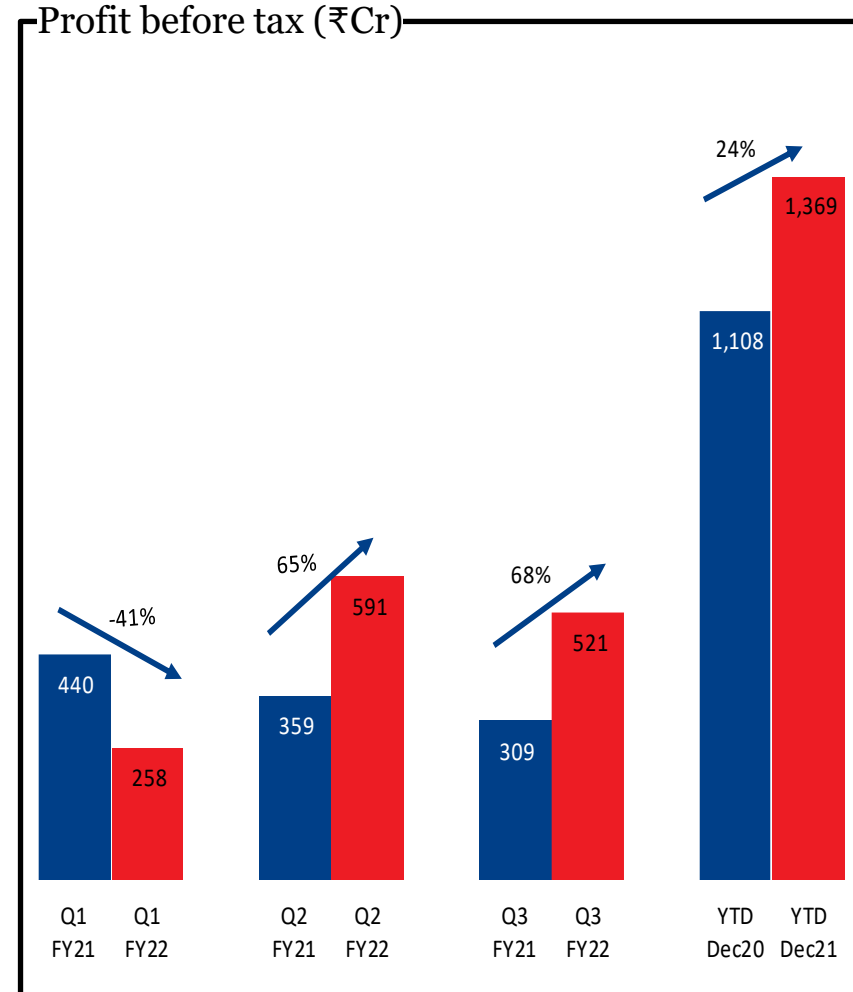
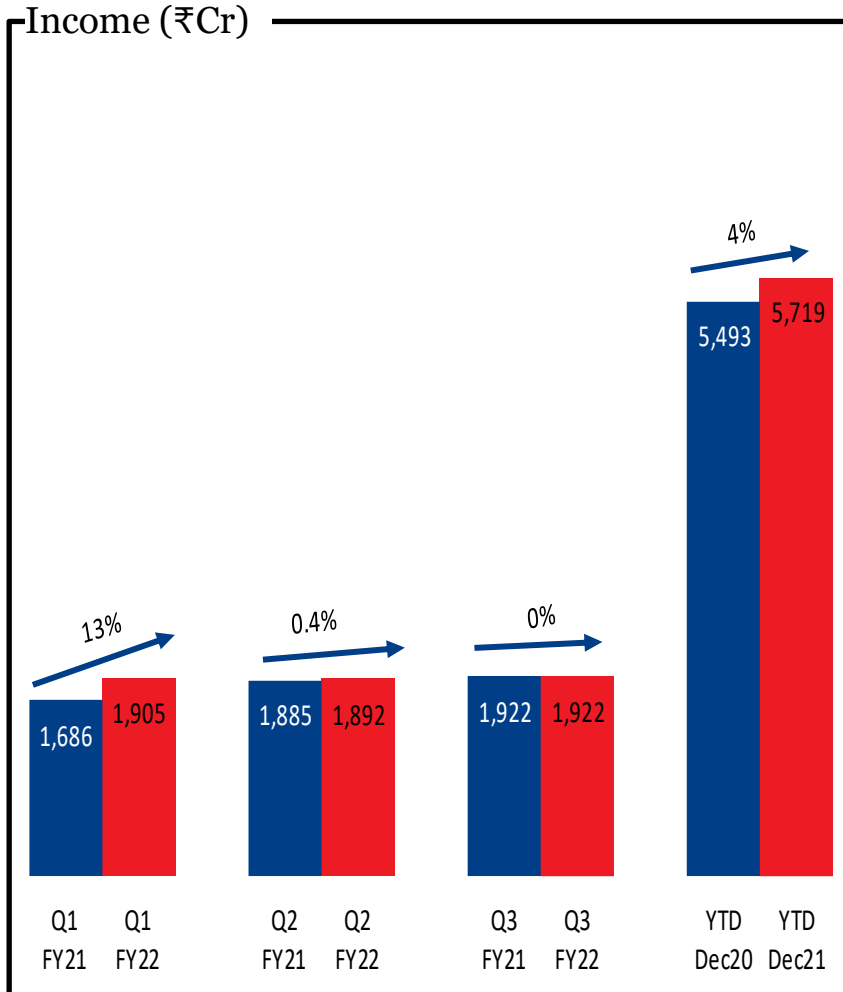
# Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management



# Vehicle Finance - Income and Profit before tax



# Loan Against Property





## Loan Against Property – Q3 FY22 Performance

### Disbursements

- Disbursements grown by 39% in Q3 FY 22 as compared to Q3 FY 21.

### Asset under management

- AUM have grown by 12% YoY.

### Loss and provisions

- Loan losses increased to 1.4% from 1.2% in Q3 of FY 21 which is due to additional overlay provisions created for 1.4% during the quarter. Normal NCL is a reversal in Q3 of FY 22.

### Profit before tax

- PBT grew by 20% in Q3 FY 22 as compared to Q3 FY 21

# Loan Against Property: Industry outlook

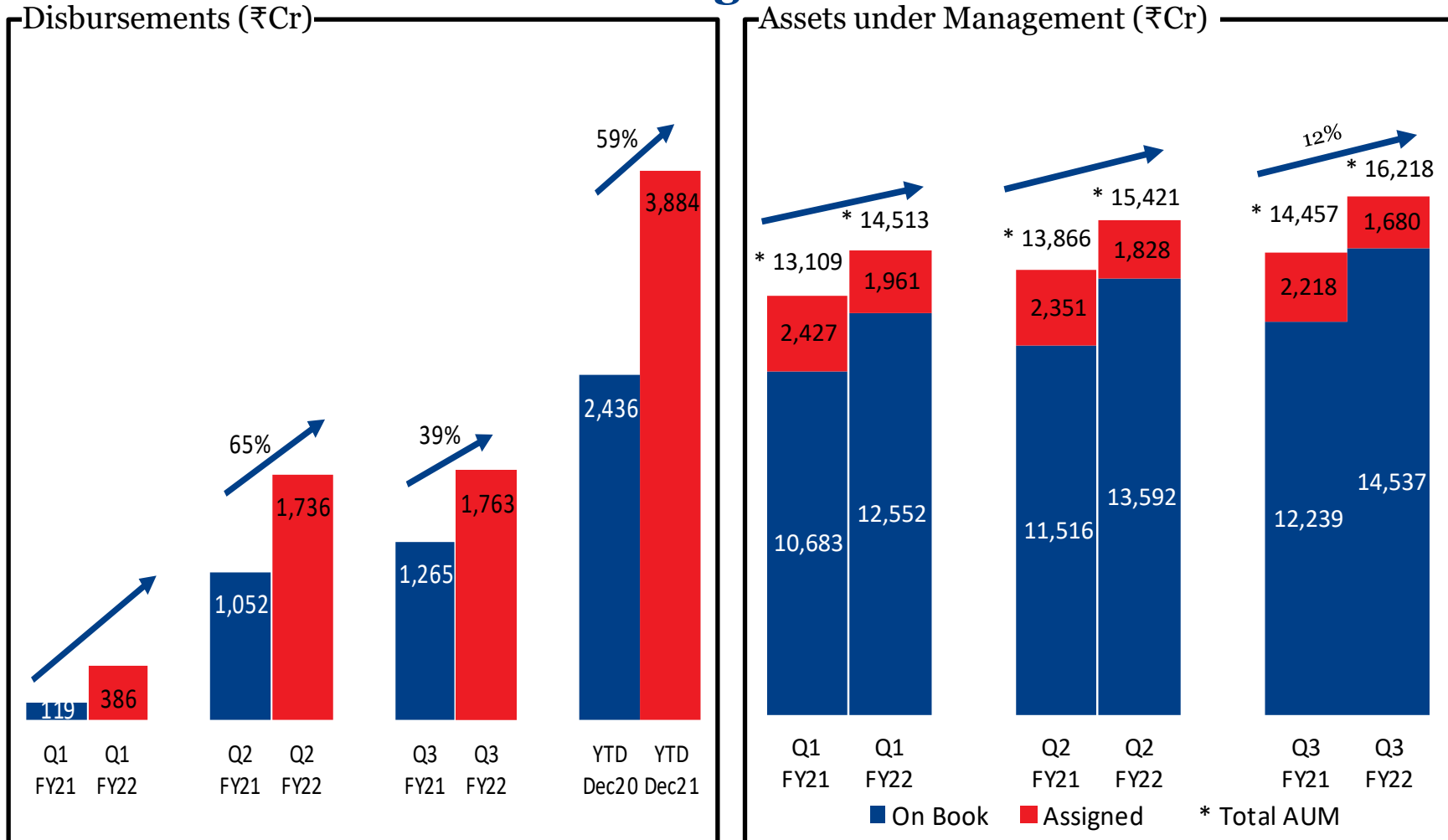
## Sector Outlook

- MSME sector witnessed high impact of the first and second wave of the pandemic in fiscal 2021 and in Q1 fiscal 2022 respectively. However, with revival in economic activity and strong export and domestic support, MSME demand is expected to see an uptick resulting into higher disbursements
- LAP portfolio at NBFCs is expected to grow by 5-7% in fiscal 2022 and 7-9% in fiscal 2023
- Despite likely improvement in Q2 fiscal 22, overall stress in non-banks' MSME portfolio continues to remain monitorable
- With improving collections, the asset quality concerns are expected to moderate in the second half of fiscal 2022; however, the impact of Q1 fiscal 2022 is expected to weigh on overall asset quality.

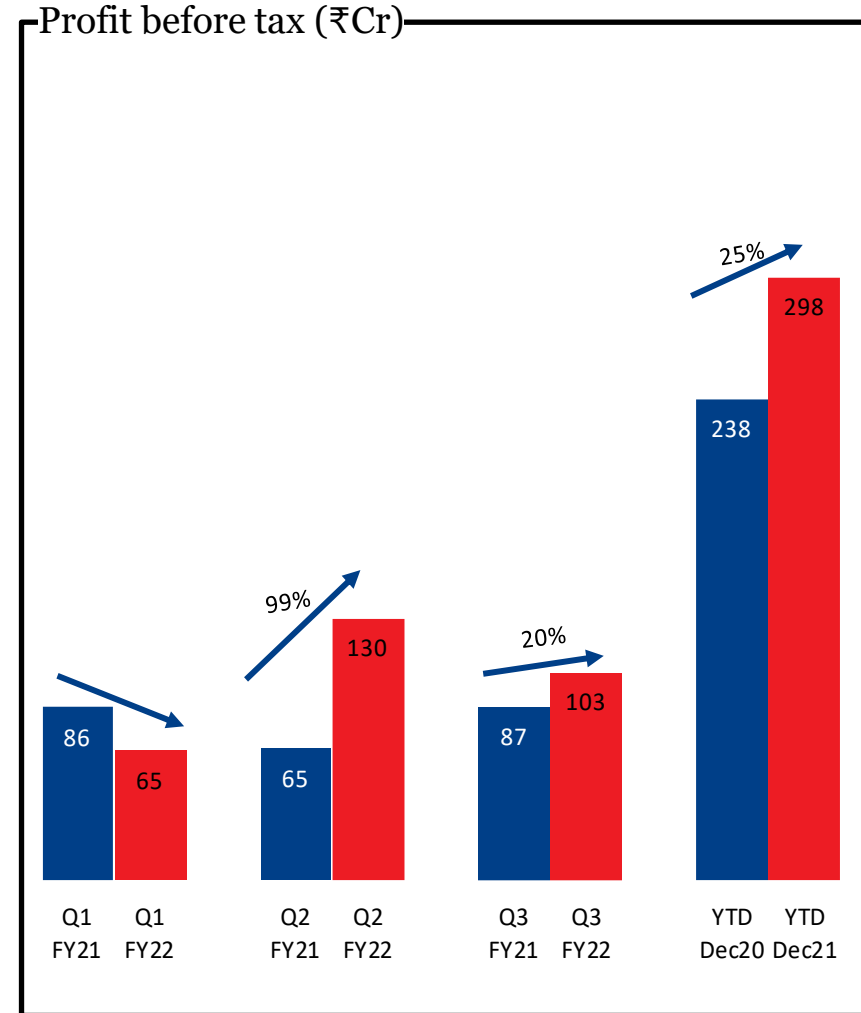
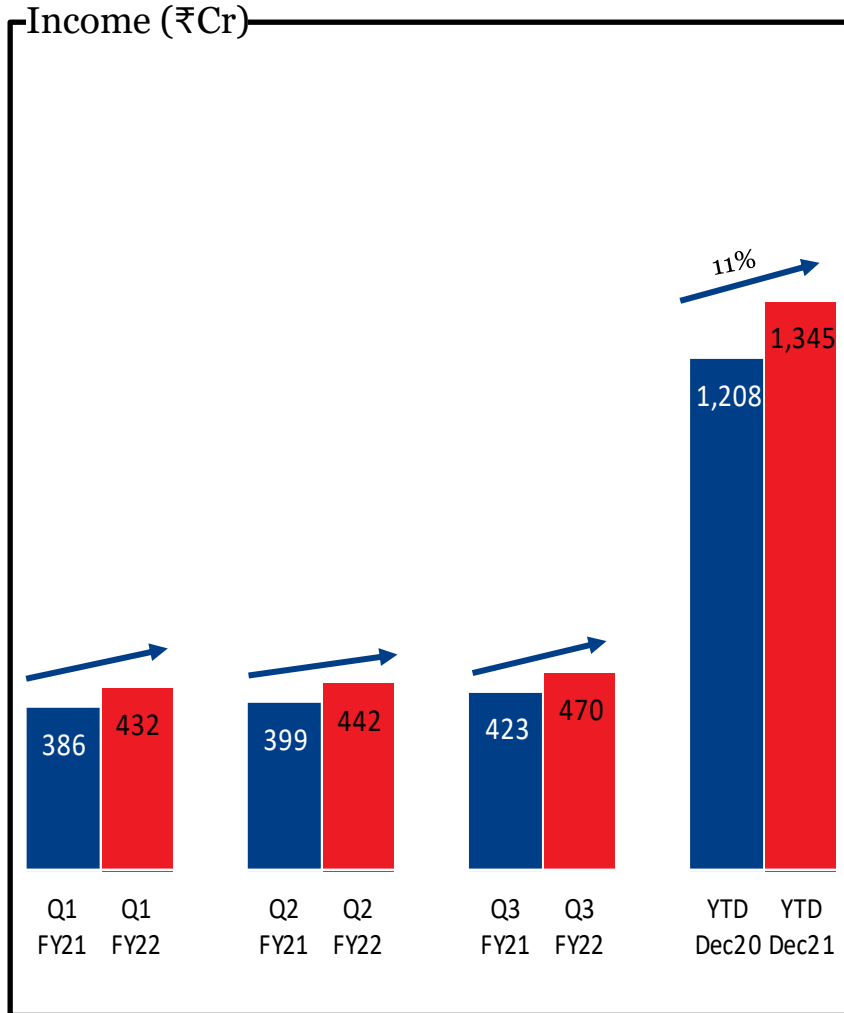
## Chola's Position

- On back of improved economic activities, Business has witnessed increased demand for LAP loans and is expected to continue the same in upcoming quarters
- Inline with growth expected in fiscal year 2023, branch expansion is planned majorly in tier 3 and tier 4 cities
- Collections remain a priority for the business with activities like strengthening collections team and digitizing collections channels. In addition, Chola has provided adequate provisions
- Portfolio LTV at origination stands low at 52% which provides adequate security cover.

# Loan Against Property - Disbursements and Asset Under Management



# Loan Against Property – Income and Profit before tax



# Home Loans



## Home Loans – Q3 FY22 Performance

### Disbursements

- Disbursements grown by 1% in Q3 FY 22 as compared to Q3 FY 21

### Asset under management

- AUM have grown by 28% YoY.

### Loss and provisions

- Loan losses at 1.2% in Q3 FY 22 as compared to 2.8% in Q3FY 21.

### Profit before tax

- PBT grew by 154% in Q3 FY 22 as compared to Q3 FY 21.

# Home Loans - Industry outlook

## Sector Outlook

### Immediate term:

- Despite the Covid wave 3 Affordable housing demand is expected to remain intact as economic disruptions are expected to be minimal
- As cash flows of micro and small businesses improve fresh collections are expected to remain stable; Rollbacks/resolution may take longer since it is difficult for affordable housing borrowers to pay multiple EMIs at the same time

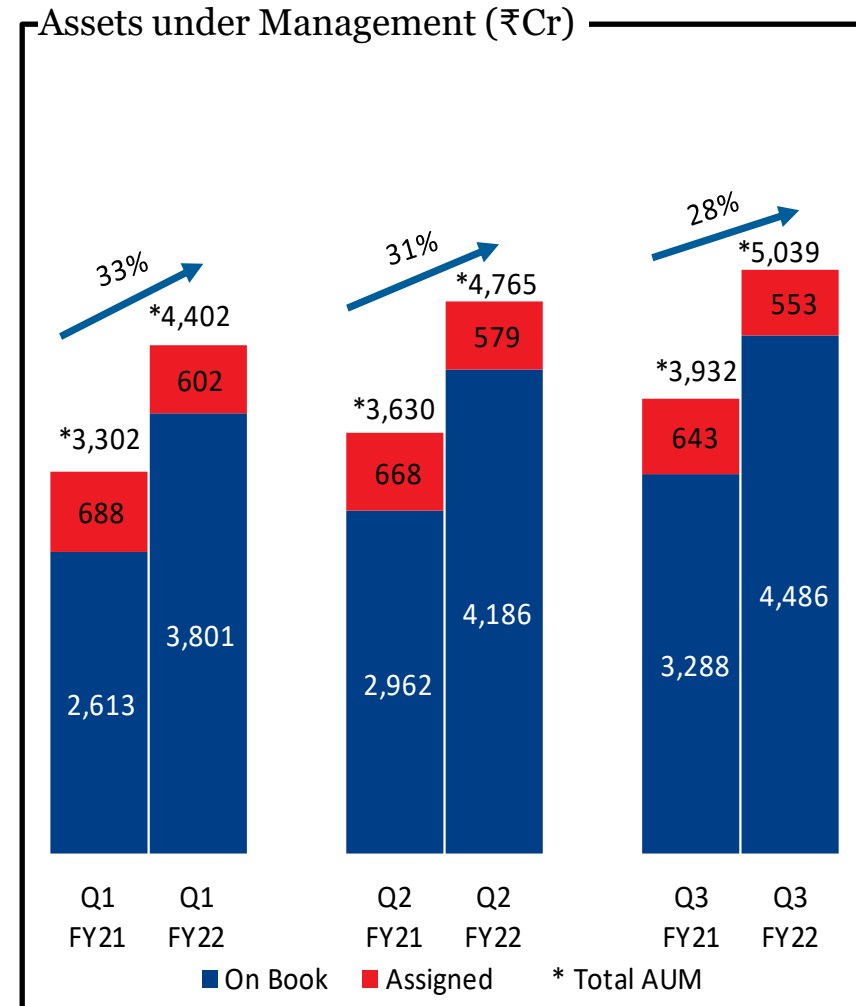
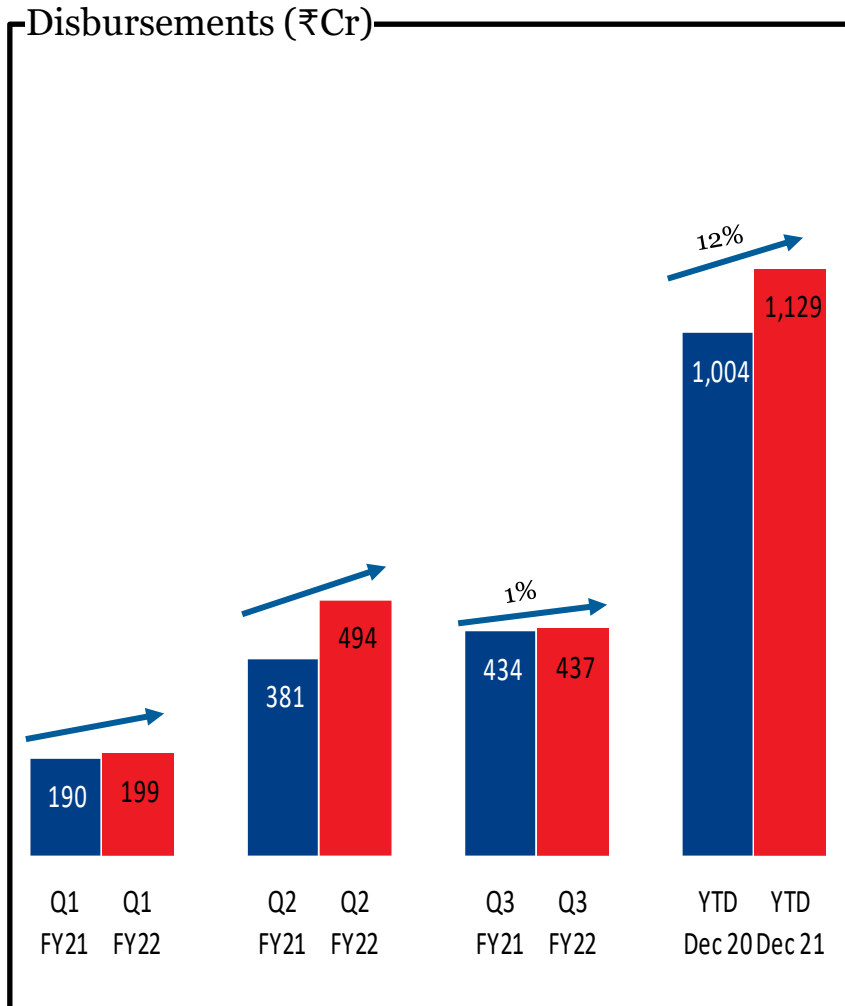
### Medium term

- Affordable housing credit is estimated to grow ~7-9%
- Retail segment demand is likely to continue to be for ready property and self-construction
- Analysts expect Stage 3 levels to remain 20 – 30 bps higher than FY21 in FY22

## Chola's Position

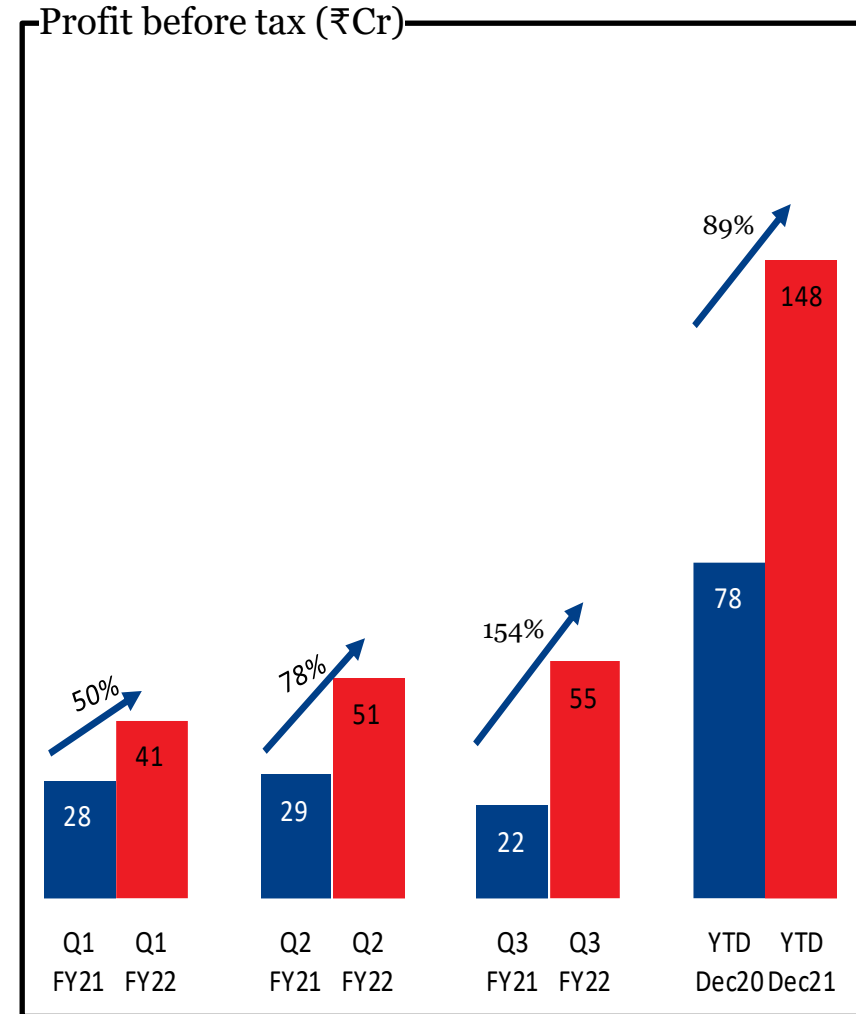
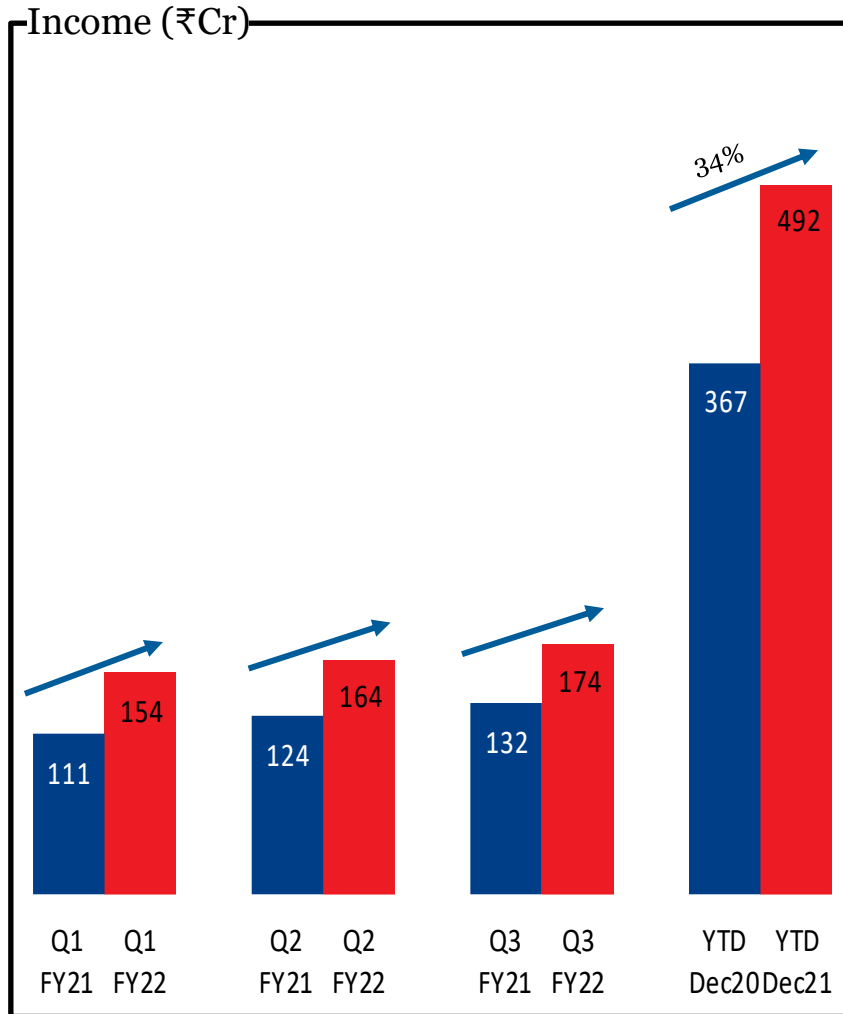
- Chola does not have material under construction exposure to developer supplied houses
- Chola's LTV at a portfolio level is ~56% at origination – indicates adequate security cover
- ~89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities
- Average ticket size of ~14 lacs – predominantly in tier 2,3,4 cities indicate quality and marketability of portfolio assets
- End use driven funding remains the focus
- Chola is actively pursuing resolution of NPAs through SARFAESI as applicable.

# Home Loans - Disbursements and Asset Under Management





# Home Loans - Income and Profit before tax

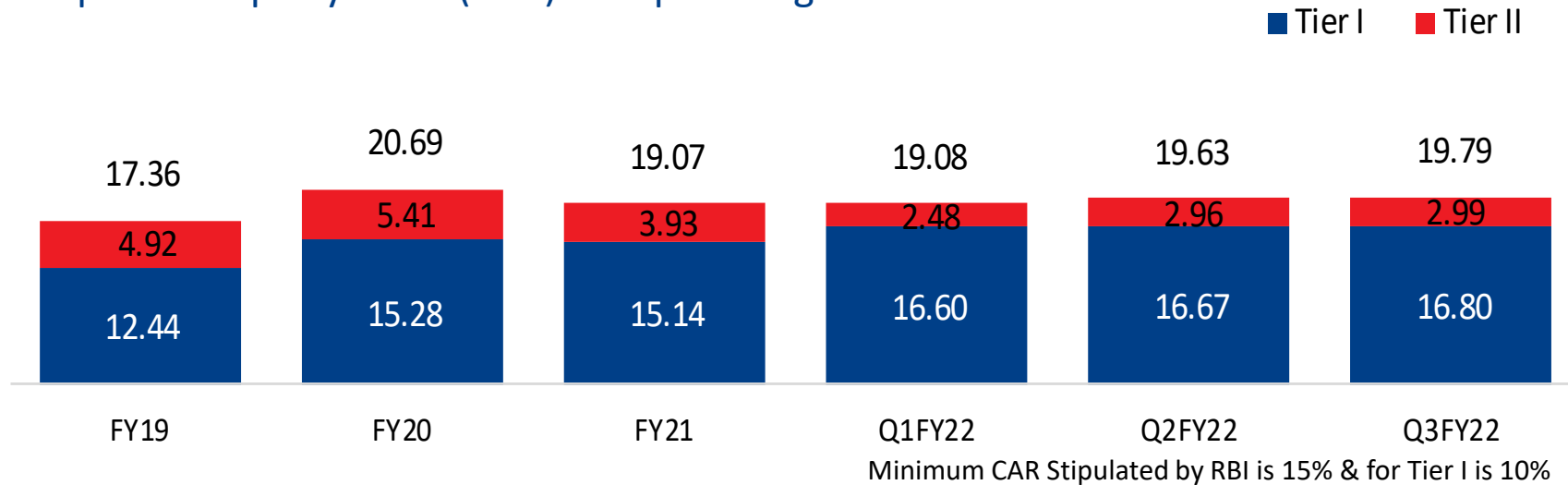


# Funding Profile



# CAR and Credit Rating

## Capital Adequacy Ratio (CAR) – As per RBI guideline



## Credit Rating

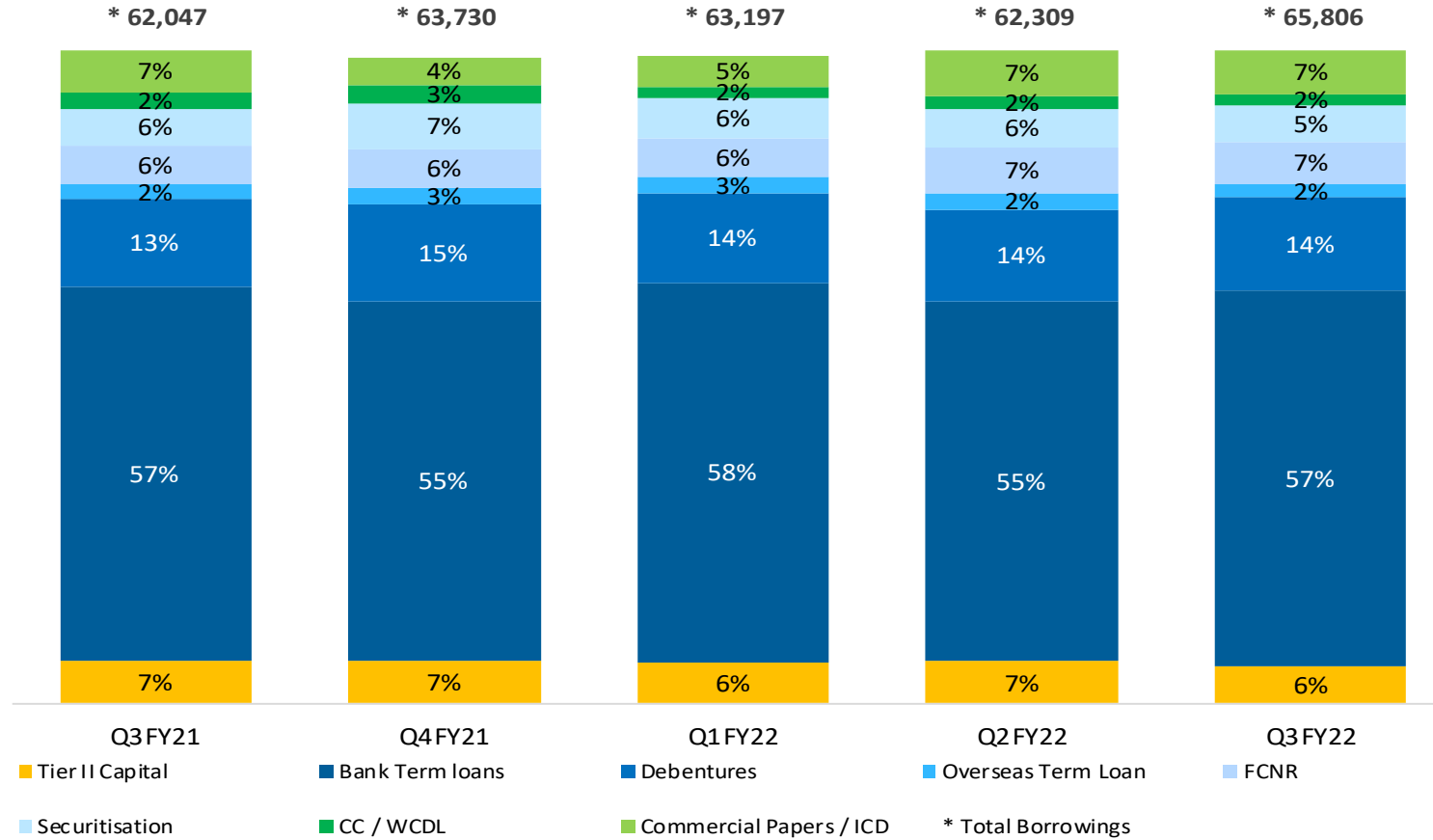
Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	CARE A1+^	[ICRA] A1+	[CRISIL] A1+
LT NCD/CC	IND AA + (ind) stable*	-	[ICRA] AA+	-
Tier II SD	IND AA + (ind) stable	CARE AA+	[ICRA] AA+/Stable	[CRISIL] AA+/Stable
Tier I PDI	IND AA (ind)	CARE AA	[ICRA] AA/Stable	-

^ CP Rating  
\* NCD Rating

# Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type

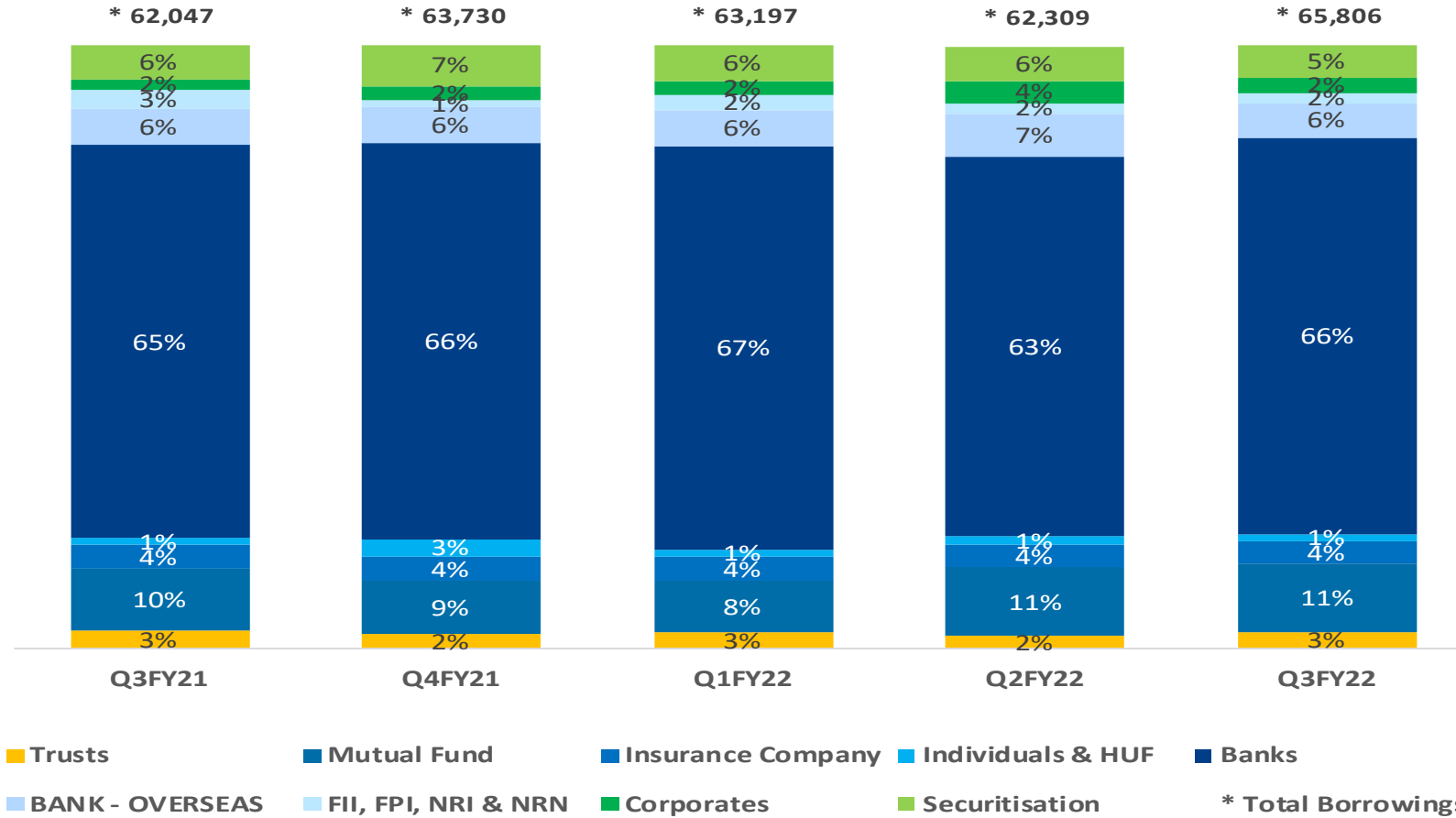
(₹Cr)



# Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



# ALM Statement as of 31st Dec 2021 (As per IND AS)

(₹Cr)

ALM snapshot as on 31st Dec 2021									
Particulars	1 m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash & Bank Balances	2,440.64	175.00	1,137.59	1,012.45	53.60	232.71	194.28	1,071.22	6,317.49
Advances	2,177.95	2,002.60	1,614.29	7,529.74	11,723.85	30,006.77	9,724.80	6,197.81	70,977.81
Trade Receivable & Others	103.66	139.75	16.60	30.95	61.70	245.08	318.90	1,434.82	2,351.45
<b>Total Inflows (A)</b>	<b>4,722.24</b>	<b>2,317.35</b>	<b>2,768.48</b>	<b>8,573.15</b>	<b>11,839.14</b>	<b>30,484.56</b>	<b>10,237.97</b>	<b>8,703.85</b>	<b>79,646.75</b>
<b>Cumulative Total Inflows (B)</b>	<b>4,722.24</b>	<b>7,039.59</b>	<b>9,808.08</b>	<b>18,381.22</b>	<b>30,220.37</b>	<b>60,704.93</b>	<b>70,942.90</b>	<b>79,646.75</b>	
Borrowin Repayment-Bank & Others	1,402.56	769.21	1,509.65	4,182.77	8,594.34	22,605.66	8,257.89	640.23	47,962.31
Borrowin Repayment- Market	1,155.22	194.14	776.11	2,058.36	2,979.95	7,311.98	762.27	2,480.13	17,718.15
Capital Reserves and Surplus	-	-	-	-	-	-	-	11,199.10	11,199.10
Other Outflows	1,968.40	50.28	124.83	88.53	194.90	181.75	39.83	118.66	2,767.18
<b>Total Outflows (C)</b>	<b>4,526.19</b>	<b>1,013.62</b>	<b>2,410.59</b>	<b>6,329.66</b>	<b>11,769.19</b>	<b>30,099.39</b>	<b>9,059.99</b>	<b>14,438.12</b>	<b>79,646.75</b>
<b>Cumulative Total Outflows (D)</b>	<b>4,526.19</b>	<b>5,539.81</b>	<b>7,950.41</b>	<b>14,280.06</b>	<b>26,049.25</b>	<b>56,148.64</b>	<b>65,208.63</b>	<b>79,646.75</b>	
<b>E. GAP (A - C)</b>	<b>196.06</b>	<b>1,303.73</b>	<b>357.89</b>	<b>2,243.49</b>	<b>69.96</b>	<b>385.17</b>	<b>1,177.98</b>	<b>(5,734.27)</b>	
<b>F.Cumulative GAP (B - D)</b>	<b>196.06</b>	<b>1,499.78</b>	<b>1,857.67</b>	<b>4,101.16</b>	<b>4,171.12</b>	<b>4,556.28</b>	<b>5,734.27</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>4.33%</b>	<b>27.07%</b>	<b>23.37%</b>	<b>28.72%</b>	<b>16.01%</b>	<b>8.11%</b>	<b>8.79%</b>	<b>0.00%</b>	

Note: Behavioural ALM.

Advances and maturities include the securitization inflows and outflows respectively

# Cholamandalam MS General Insurance Company Limited

*Financial data in this section is as per IGAAP*

## Profit and Loss (Rs. Crs)

Particulars – In Rs. Cr	FY'21	Q3 FY'21	Q3 FY'22	YTD Dec FY21	YTD Dec FY'22
Gross Written Premium	4388	1167	1320	3118	3442
Growth	-0.2%	7.7%	13.1%	-4.7%	10.4%
*PBT	375	47	24	314	82
PAT	282	36	18	237	62
Networth	1885	1840	1946	1840	1946
Investment portfolio	11061	10493	12042	10493	12042
Solvency Ratio (x)	2.1	2.0	1.9	2.0	1.9
Earnings per Share (Rs.)	9.4	1.2	0.6	7.9	2.1
Book value per Share (Rs.)	63.1	61.6	65.1	61.6	65.1
Return on Networth (%)	14.9%	1.9%	0.9%	12.9%	3.2%
Investment Corpus to Networth	5.9	5.7	6.2	5.7	6.2
# CoR%	107.3%	116.2%	105.9%	107.1%	113.0%
# CoR% (Ex Covid Claims)	102.8%	106.7%	105.0%	103.1%	102.5%
*Impact of Covid Claims	144	75	7	97	270
*Impact of IRDAI order on DAC (opening balance)	0	0	92	0	226

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



# LOB Wise - Quarterly Growth Trends

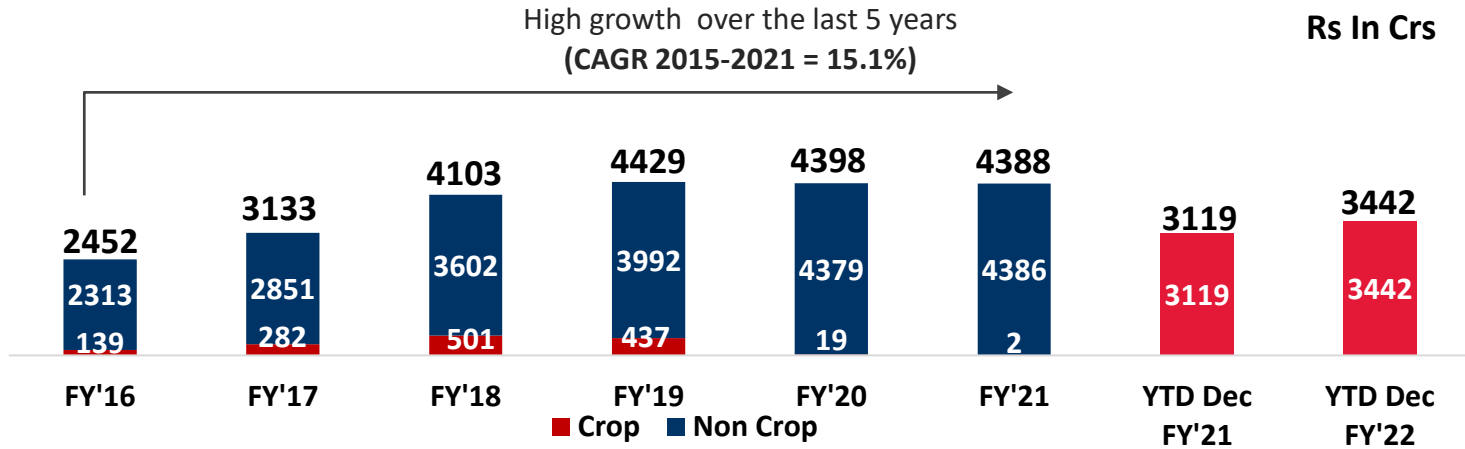
LOB Wise - Monthly Growth Trends									
Particulars	Months	Fire	Other Comml Lines	Motor	Health	PA	Crop	Others	Total
Industry	Q1 FY'22	4.1%	30.2%	3.1%	24.9%	42.4%	-56.1%	4.8%	11.1%
	Q2 FY'22	14.0%	20.4%	6.3%	27.5%	56.4%	-9.9%	6.7%	10.7%
	Q3 FY'22	8.8%	28.8%	1.8%	26.1%	2.2%	-45.0%	14.0%	5.8%
	YTD Dec FY'22	8.0%	26.6%	3.6%	26.2%	32.8%	-22.5%	8.3%	9.2%
Private sector	Q1 FY'22	9.0%	38.4%	10.4%	21.8%	28.6%	-49.1%	16.1%	12.1%
	Q2 FY'22	17.0%	23.7%	12.3%	28.3%	38.5%	1.8%	24.0%	13.7%
	Q3 FY'22	12.5%	39.2%	6.3%	14.1%	14.1%	-37.3%	16.8%	5.0%
	YTD Dec FY'22	12.1%	34.0%	9.3%	21.9%	26.6%	-12.7%	18.9%	10.2%
Public sector	Q1 FY'22	-2.4%	19.6%	-8.8%	26.7%	56.8%	-102.5%	-3.1%	9.9%
	Q2 FY'22	9.6%	16.4%	-4.7%	27.1%	90.8%	-55.7%	-6.0%	6.4%
	Q3 FY'22	3.8%	16.3%	-7.5%	32.8%	-21.3%	-82.1%	10.4%	7.1%
	YTD Dec FY'22	2.3%	17.5%	-6.9%	28.7%	42.8%	-64.3%	-0.8%	7.8%
SAHI	Q1 FY'22				55.0%	76.9%			55.5%
	Q2 FY'22				28.0%	38.7%			28.4%
	Q3 FY'22				30.8%	17.4%			30.6%
	YTD Dec FY'22				36.1%	36.2%			36.3%
Chola MS	Q1 FY'22	9.1%	29.9%	4.6%	-10.8%	11.2%		40.9%	4.7%
	Q2 FY'22	15.6%	18.0%	16.4%	-18.7%	5.6%		101.4%	12.0%
	Q3 FY'22	23.1%	11.6%	12.4%	16.9%	-8.2%		147.2%	13.1%
	YTD Dec FY'22	15.4%	19.9%	11.7%	-6.3%	1.0%		107.0%	10.4%

In Q3, Chola MS

- Overall growth higher than industry at 13.1%
- Motor : Higher than industry & Pvt Sector @12.4%
- Fire : Higher than industry & pvt sector players
- Health volumes turns from negative to growth @ 16.9%

# Among the Top ranked GI Players supported by strong growth

## Solid GWP growth over the last 10 years



YTD Dec FY'22

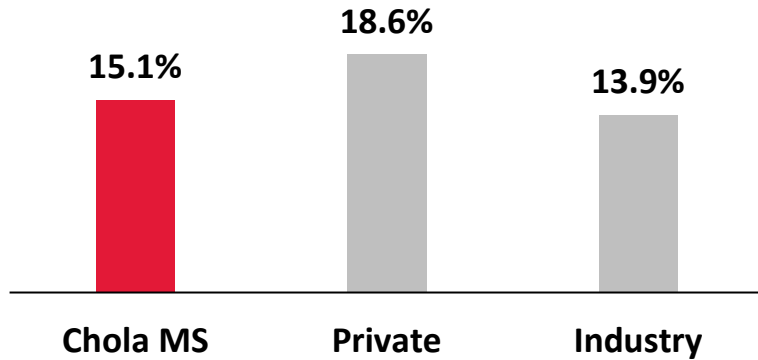
**8<sup>th</sup> Largest Private Insurer by GWP**

**4.9% Market share in Motor Insurance**

**4.2% Market share in PA**

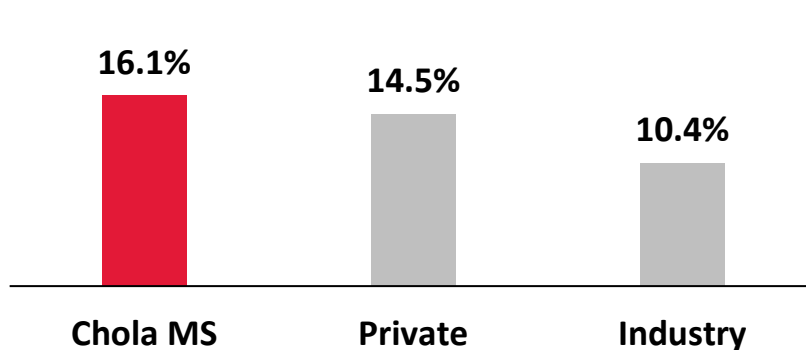
## Growth vis-à-vis peers / industry

GWP CAGR (FY15-FY 21)



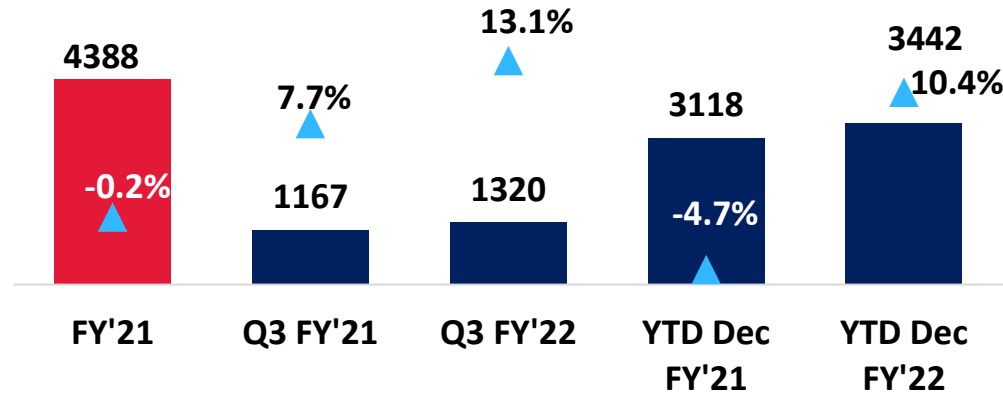
## Amongst the fastest growing Motor GWP

Motor GWP CAGR (FY15-FY 21)

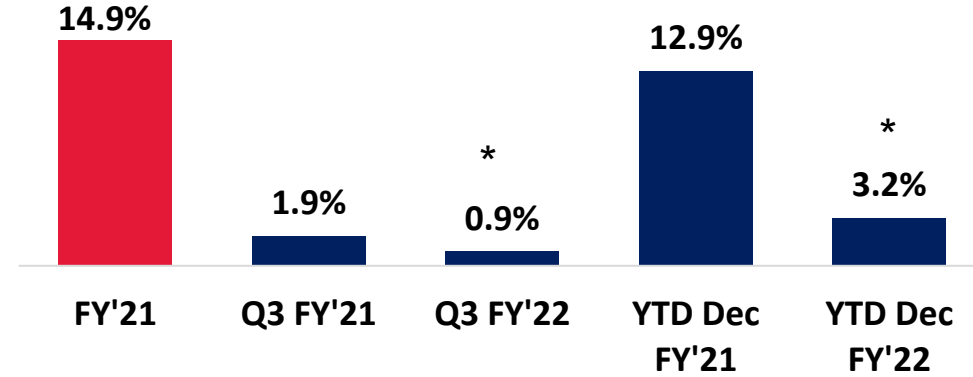


# Key Financial Indicators

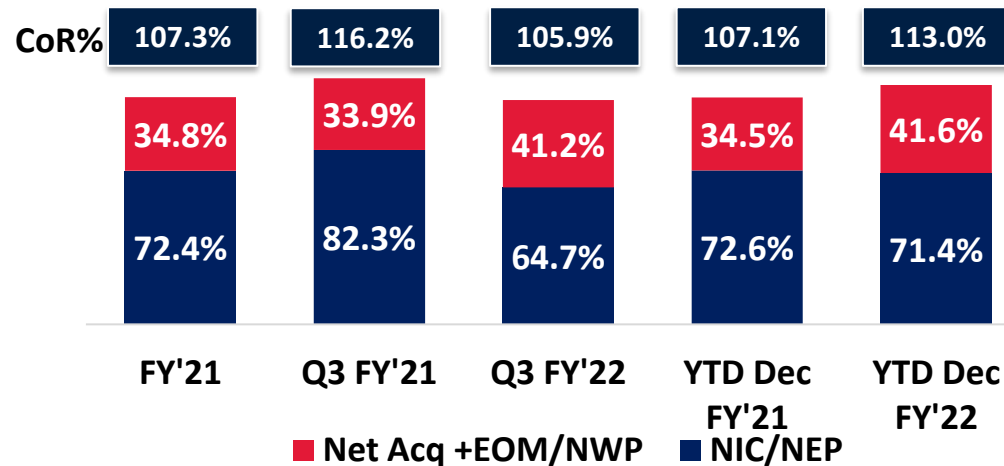
## GWP (INR Cr) and Growth (%)



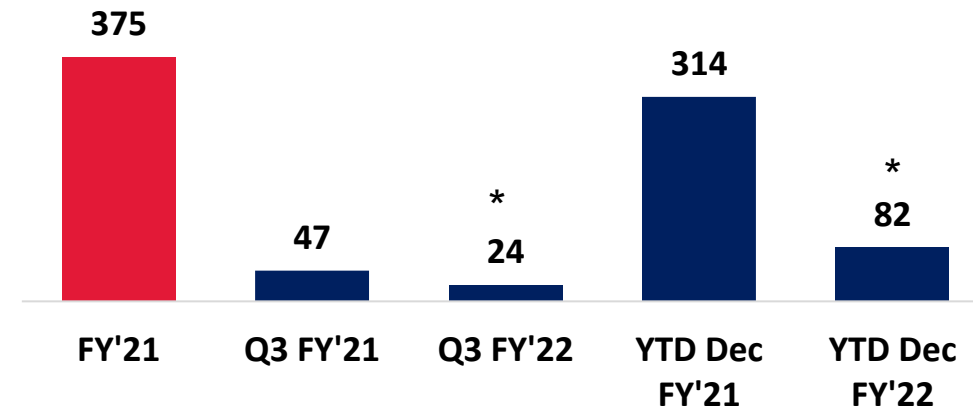
## Return on Net Worth(%)



## Break up of CoR(%)



## Profit Before Tax (Rs. Crs)



\* Refer slide no 4 for comments

## Constantly improving operating metrics

Particulars		2018-19	2019-20	2020-21	YTD Dec FY'21	YTD Dec FY'22
Number of Customers (Live Customer)	No in Lacs	100	141	165	166	245
Number of policies issued	No in Lacs	29	45	63	44	70
Market Presence(Branch + CIE + VO)	No's	559	645	593	606	632
PSB Branches*	No's	19000+	41000+	37000+	35000+	35000+
Motor OD Claims Settlement	%	95%	94%	94%	91%	88%
Compromised TP settlement	No's	10955	9958	6516	4779	7506
Covid Claims settlement	%	NA	NA	75%	76%	85%
Network Garages	No's	6000+	8600+	10000+	10000+	12000+
Network Hospitals	No's	8000+	9000+	9500+	9000+	9500+
Complaints Disposal Ratio%	%	100%	100%	100%	100%	100%

\* Reduction arising from merger of bank branches

## Loss Ratio (%)

Line of Business	FY2021	Q3 2021	Q3 2022	YTD Dec FY'21	YTD Dec FY'22
Motor OD	57.01%	60.91%	69.14%	49.84%	65.22%
Motor TP	79.72%	83.16%	64.13%	82.80%	62.33%
Health, Travel & PA	77.22%	117.78%	71.23%	71.24%	128.77%
Fire	33.82%	39.13%	45.43%	42.33%	45.26%
Marine	73.52%	83.92%	53.69%	74.88%	72.72%
Engineering	64.61%	114.28%	26.87%	78.39%	31.65%
<b>Total</b>	<b>72.44%</b>	<b>82.34%</b>	<b>64.69%</b>	<b>72.59%</b>	<b>71.39%</b>
Health, Travel & PA (Ex Covid)	47.4%	58.4%	65.0%	44.4%	56.1%

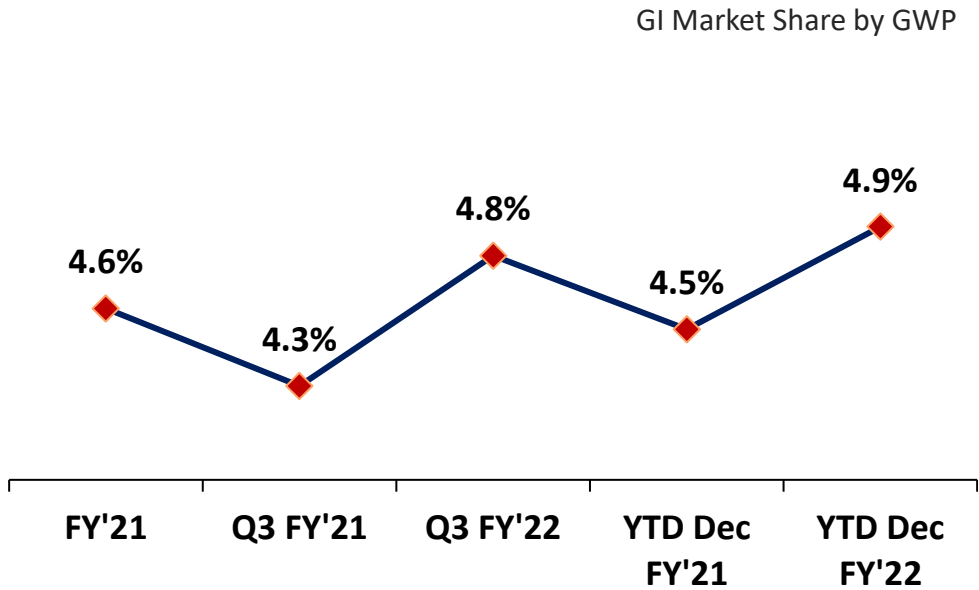
## Investment Book Overview (Rs. Crs)

Category	Mar-20	Mar-21	Dec-20	Dec-21	Mar-20	Mar-21	Dec-20	Dec-21
C Govt Sec	2623	4155	4053	4371	28.1%	37.7%	38.7%	36.4%
S Govt Sec	3693	3508	3516	3233	39.6%	31.8%	33.6%	26.9%
Housing sector	620	955	893	1029	6.6%	8.7%	8.5%	8.6%
Infra sector	688	771	722	1502	7.4%	7.0%	6.9%	12.5%
Approved - Other Corp Bonds	787	396	431	175	8.4%	3.6%	4.1%	1.5%
Other Inv - Other Corp Bonds	410	132	142	37	4.4%	1.2%	1.4%	0.3%
Equity	113	76	84	151	1.2%	0.7%	0.8%	1.3%
AIF	13	12	13	10	0.1%	0.1%	0.1%	0.1%
Mutual Funds	135	141	9	42	1.5%	1.3%	0.1%	0.4%
Investment Property	29	31	29	106	0.3%	0.3%	0.3%	0.9%
Bank Deposits	225	857	581	1356	2.4%	7.8%	4.2%	11.3%
<b>Grand Total</b>	<b>9335</b>	<b>11034</b>	<b>10472</b>	<b>12012</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Yield					9.05%	7.59%	7.51%	6.78%
Investment book / NW					5.7	5.9	5.6	6.2
Investment book / GWP					2.1	2.5	3.3	3.5

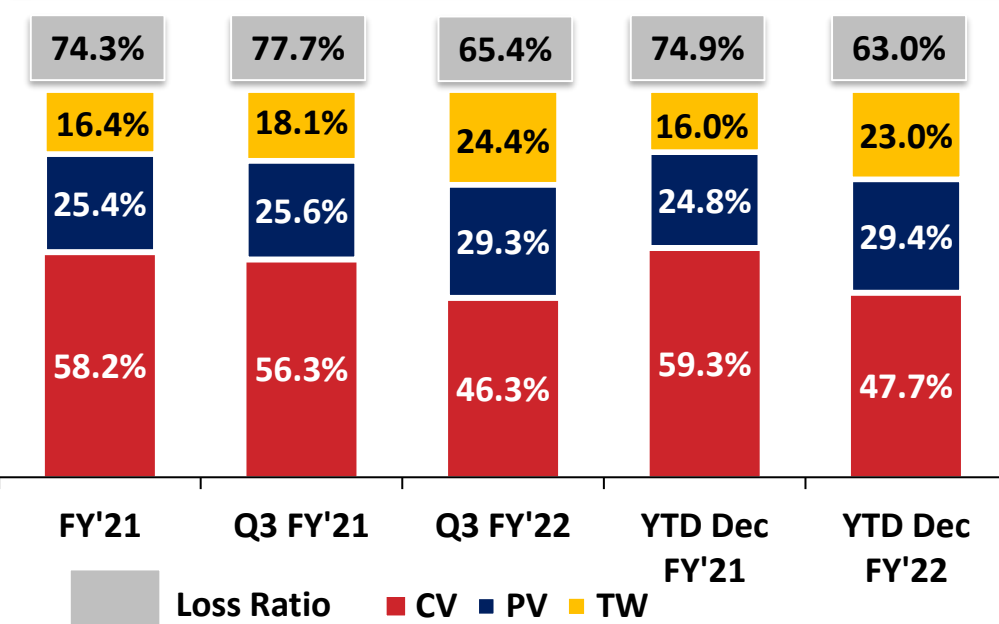
- Exposure to securities rated less than AA: 0.31% of portfolio
- Unrealized gain as at Dec 2021: Debt @ Rs. 42.2 Crs; Equity @ Rs. 26.2 Crs

# Dominance in Motor, Diversification Underway

## Motor Market Share (Largest GI Segment)



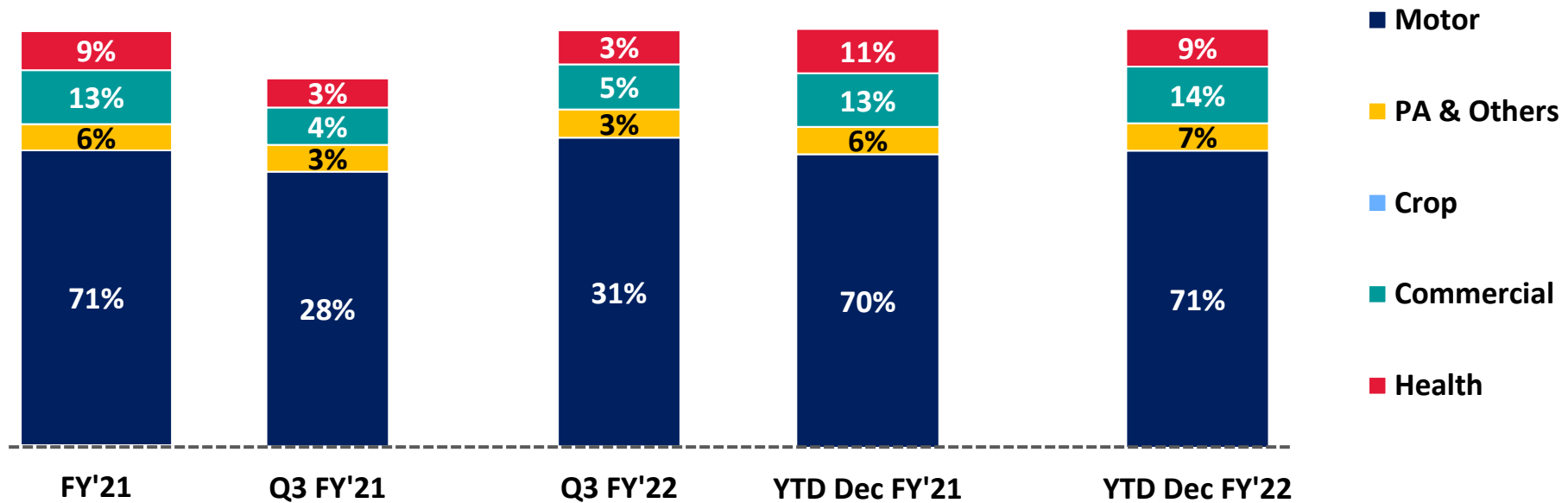
## Strategized diversification across Motor eco-system



- ~12% Market share in new TWs; TW share increased from almost NIL to 23% by YTD Dec FY22
- ~9% Market share in new Tractors
- PV share improved to almost 30% due to new tieup in Nissan and improved share from Maruti
- Reduced CV share is due to impact on financier channel and TW/PV growth
- No price increase in TP would impact LR going forward

## Dominance in Motor, Gaining Prominence in Other Segment

LOB Wise Mix%

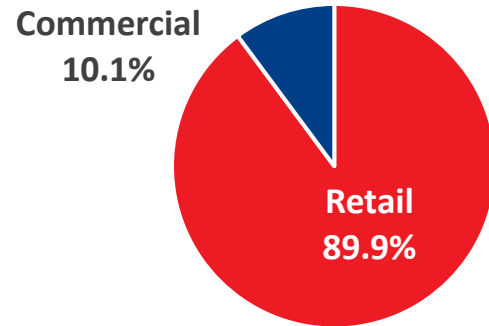


- In FY19, Crop Insurance premium accounted for ~10% of the topline which was discontinued in FY20
- Focus on Commercial business (including SME business) has helped raise the share of top line to 14%
- Health growth impacted by Covid product which had very high loss ratio in both FYs and PA and health growth impact due to financier channel degrowth



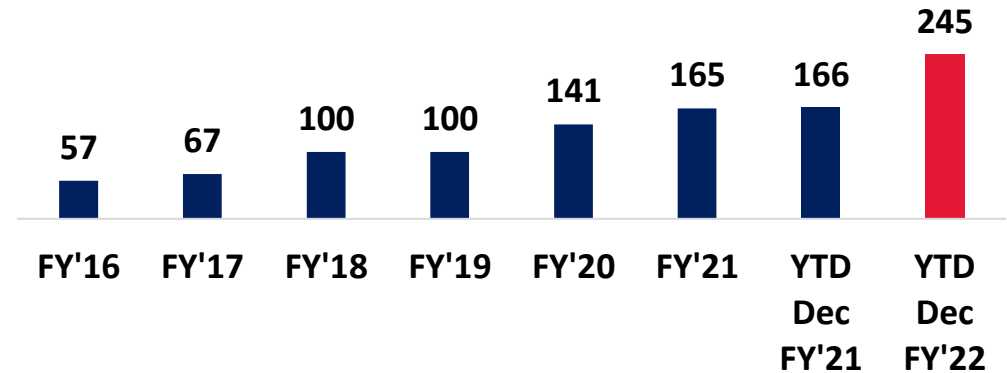
# Retail Focused Diversified Operations

## Retail dominated business mix



## Granular book aided by increasing dispersed customer base

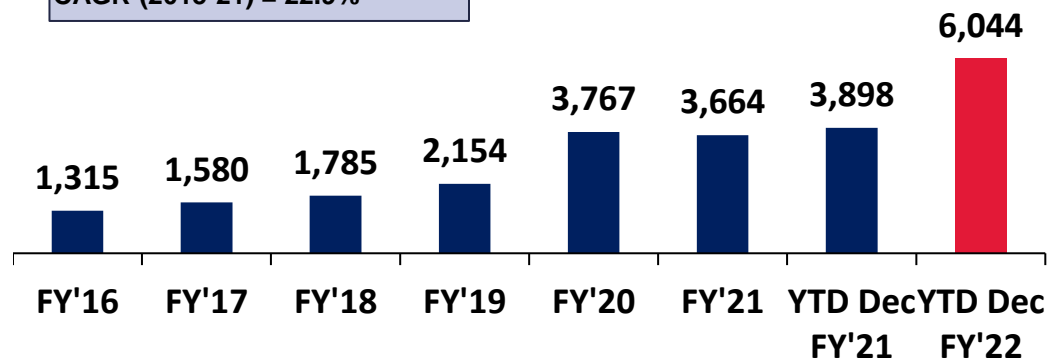
Customers (#) in Lacs



## Significant growth in retail oriented policies

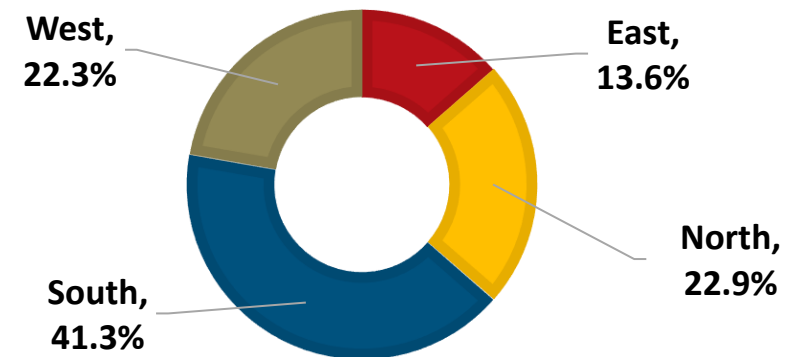
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2015-21) = 22.9%



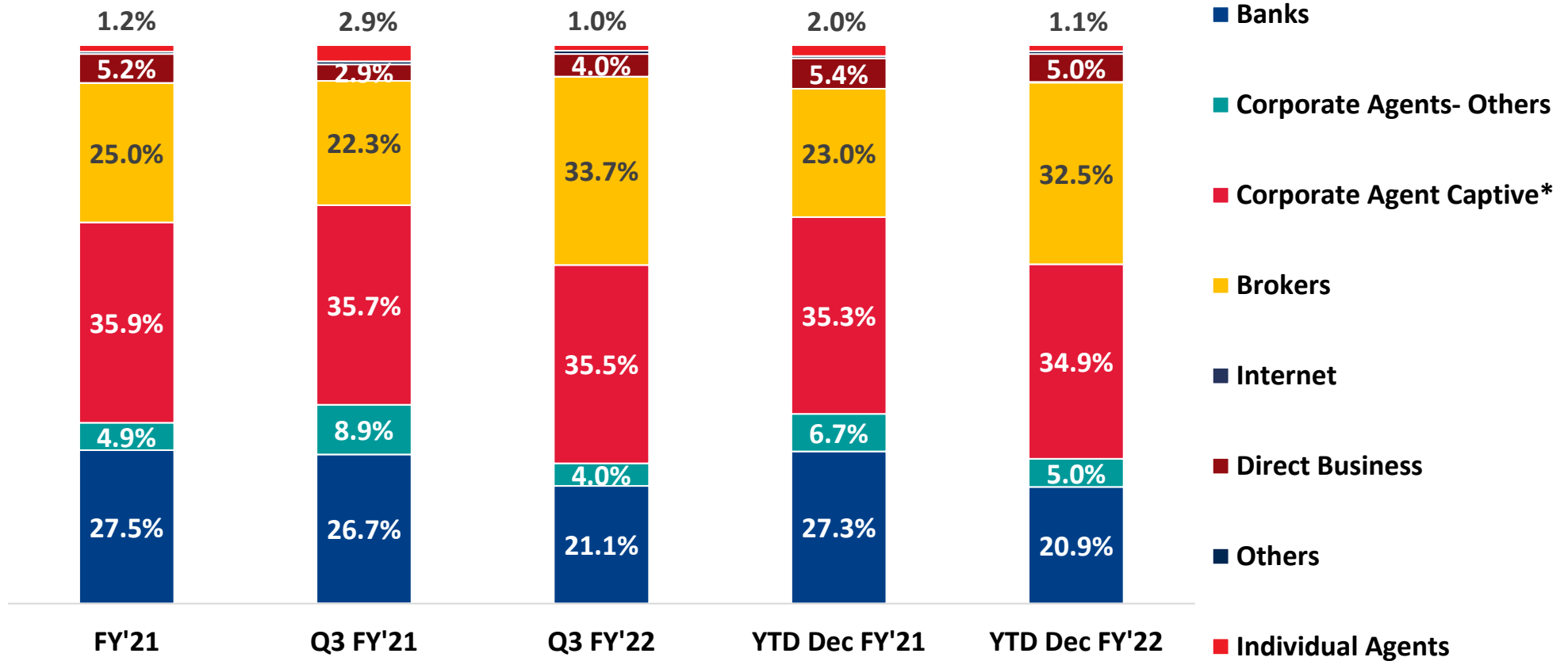
## Geographic Presence – Mix %

Mix %



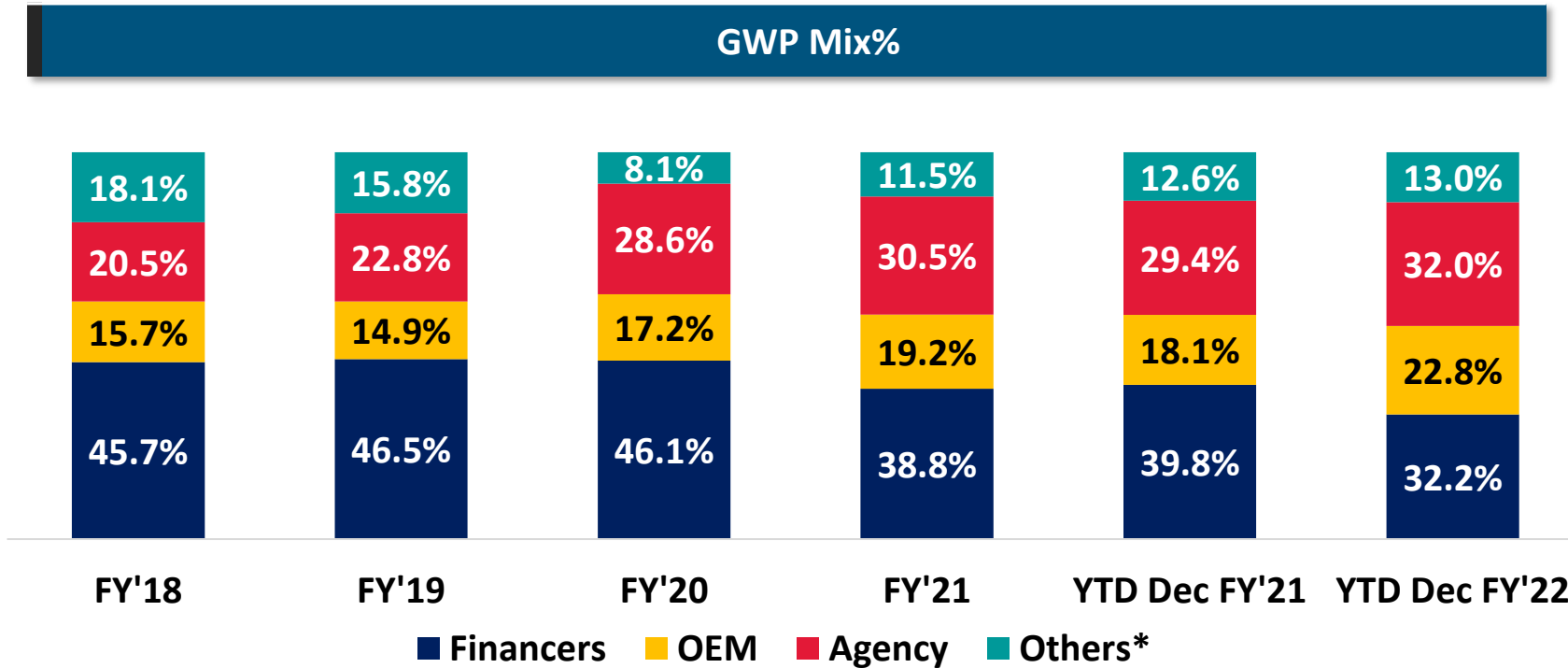
## Multi-channel model ensures lesser concentration / & diversified revenue Stream

Channel wise Mix%



\*Chola Finance + Coromandel+ CIE

## Volumes Sustained Despite Stress in Financier Partners



- Due to economic slowdown, volumes from financiers are under stress
- Volumes from OEM's and Agency (incl. CIE) channel stepped up through focused efforts to compensate loss of volumes from financier channels

*\* Others includes crop (upto FY19), large commercial business and digital partners*

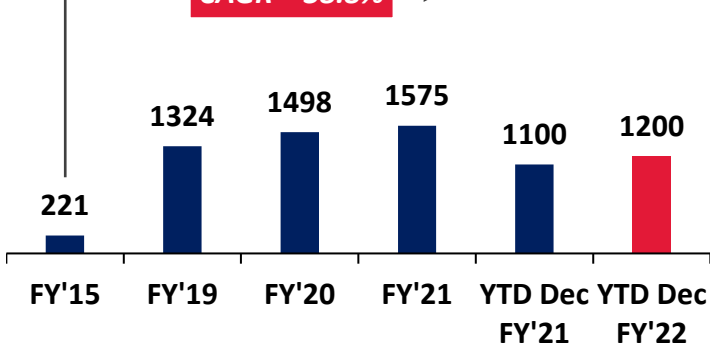
# Balanced Revenue Mix: Stable in-house + Growth Channels

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

34.9% of  
YTD Dec FY22 GWP

**CAGR = 38.8%**

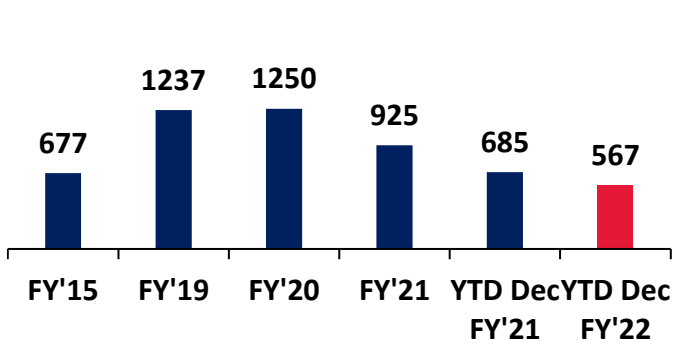
GWP Rs In Crs



**Long Lasting Channel**  
(IBL + Toyota)

16.5% of  
YTD Dec FY22 GWP

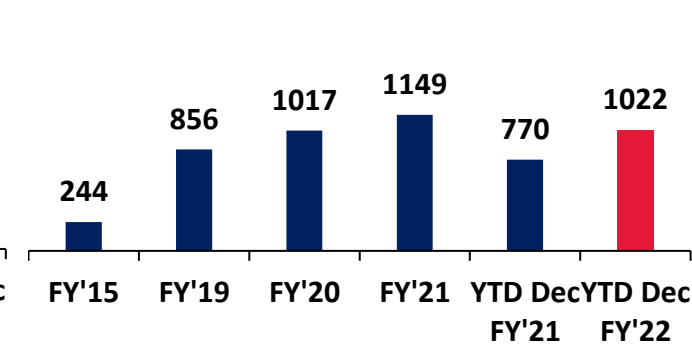
GWP Rs In Crs



**Other Tied Channels**  
(PSU Banca, NBFC, OEM)

29.74% of  
YTD Dec FY22 GWP

GWP Rs In Crs



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

MGC Store synergies (650+ stores) drive small ticket size insurance

472 'CIEs' to generate substantial business (4x since FY15)

IndusInd Bank: 12 years' of relationship. Partnership renewed till 2023

Healthy CAGR in Toyota Channel @ 28.6%

Access to 35k PSU Bank branches Pan India

Entry into Maruti / RE OEM dealerships and access to NBFCs / SFBs (Equitas, AUF, Indostar, HLFS)

Channels acquired in the last 18 months contribute 10% of topline

# Tech Enablers across the value chain



## Channels (Products & Services)

- ~93% of monthly policy issuance is through system integrated channels
- API based integration capabilities for major products



## Platforms (Scale, User Experience)







- Introduced **Phoenix** as new 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 (Productivity, Ease of use)




- **RPA bots** enabling 25+ processes in finance, Claims & Operations with **100K+ transactions** each month
- **Self Service Enablers** – Joshu, Renewals Voice Bot (Industry First)
- **Industry leading adoption of LVS** (Live Video Streaming) for motor claims at **85%+ overall**
- **AI based** proctoring solution for new hires
- **AI based** motor damage assessment capabilities
- Simplified Customer Claims workflow

# Glimpse of new Tech & Digital Capabilities across the value chain (1/2)

	Distribution Build	Sales Fulfilment	Underwriting
Assets	 <p>End to End Digital Onboarding of agents (Prospecting, lead, COP, Onboarding, Training etc.)</p>	 <p>Health Policy Issuance</p>  <p>Motor Issuance</p>  <p>SME Commercial Policy Issuance</p>  <p>API</p>  <p>Cattle Policy Issuance</p>	<p><b>Tailor</b></p> <p>Health Rules Engine (UW &amp; Fraud)</p> <p><b>Tele UW</b></p> <p><b>UW OCR</b></p> <p>Health Pre Policy Medical Digitization</p> <p>Tele UW capabilities</p>
Tech Levers	Mobile App, OCR, Workflow, Bank Verification, Learning Content, Cloud	Mobile App, Seamless Journey, Product Recommendation Engine, Cross Sell and Up Sell capabilities, STP & NSTP Workflows, Payment Integration, Instant Policy Issuance	Parameterized Rules Engine, Fraud Analytics Model, AI driven advanced OCR for digitization, Tele Consulting and associated Workflows
Benefits	<p><b>100%</b></p> <p>Digital Onboarding of Agents</p>	<p><b>100%</b></p> <p>Policy Issuance Digitally</p> <p><b>2 Min</b></p> <p>Instant Policy Issuance</p>	<p><b>~75%</b></p> <p>STP issuance for Health (including Tele UW &amp; Rule Engine decisions)</p> <p><b>100%</b></p> <p>Digitization of Pre Policy medical check records for UW decision improvement</p>

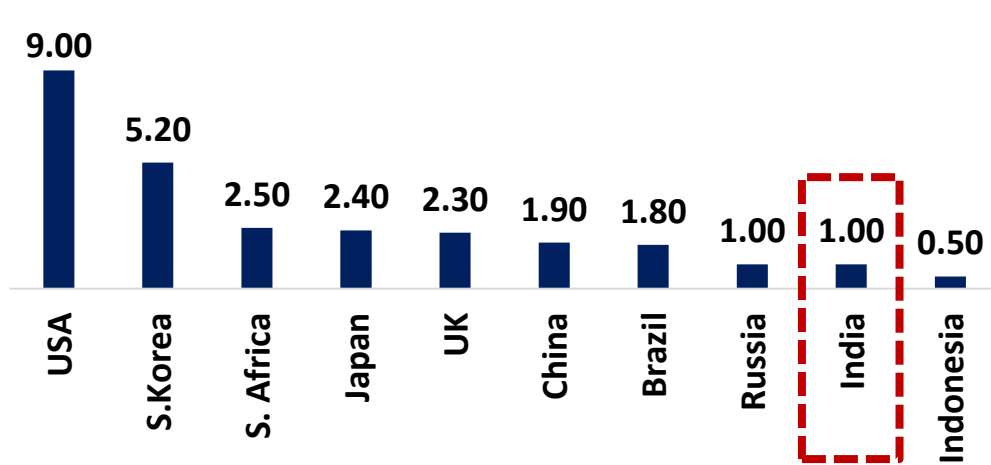
# Glimpse of new Tech & Digital Capabilities across the value chain

(2/2)

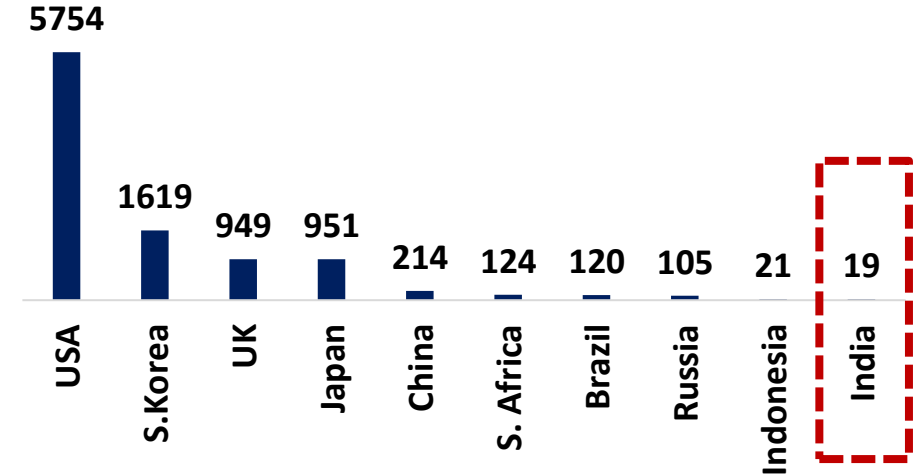
	Claims	Renewals	Operations & Servicing
Assets	 Health Claim Workflow <b>Claims OCR</b> Health Claim Digitization  <b>Provider Portal</b> AI based Motor Claim Adjudication	 Voice Bot for renewals <b>NRLMS</b> Renewal Lead Management & Lead Propensity Scoring	RPA for Claims, Finance, Operations AI based proctoring for new hires <b>Joshu</b> Self Service Chatbot for customers
Tech Levers	Analytical Models for Risk scoring & fraud indicators, Provider-payer integration workflows, AI based OCR for Health Claims, AI based Motor damage assessment model for cars and SUVs	Voice bot driven renewals, 2 Click renewals, Advanced lead propensity driven lead scoring model	RPA Bots to automate manual repetitive processes, AI based proctoring for new hires, AI powered chatbot for customer service
Benefits	<b>82%+</b> Accuracy of AI based Motor damage assessment model Improved digitization of Health Claims for Analytics Reduced TAT for Health Claims discharge	<b>100%</b> Automated fulfilment of renewals via bot Improved persistency with lead prioritization & propensity scoring	<b>24x7</b> Query resolution using chatbot <b>100K+</b> Successful monthly RPA transactions Monthly Self Service Sessions via Chatbot

# Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY20) (US\$)



Non-Life Insurance Density (Premium per capital) (CY20) (US\$)

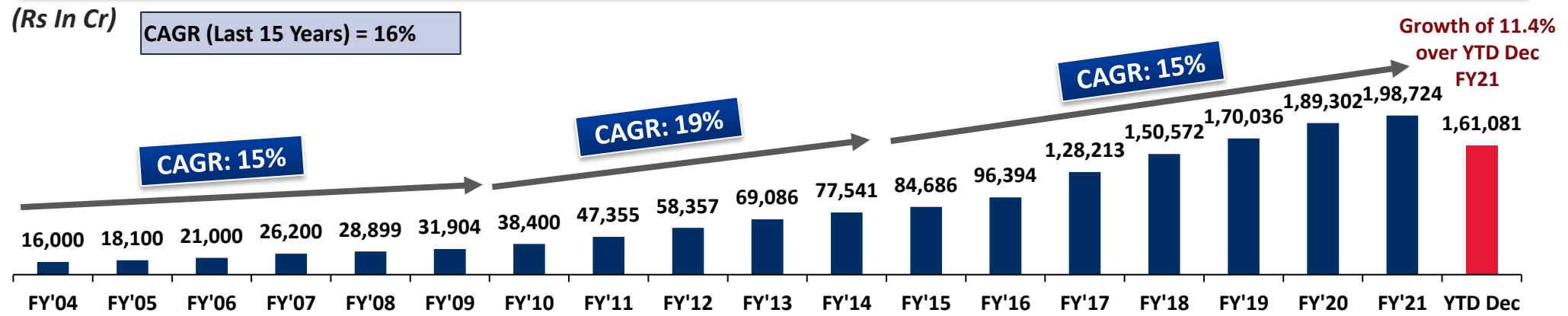


- India is the 4th largest non-life insurance market in Asia and 14th largest globally
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering to rural masses, innovative selling and bright long term outlook for growth
- Every 0.25% increase in penetration can increase industry GWP by Rs.350 Bn



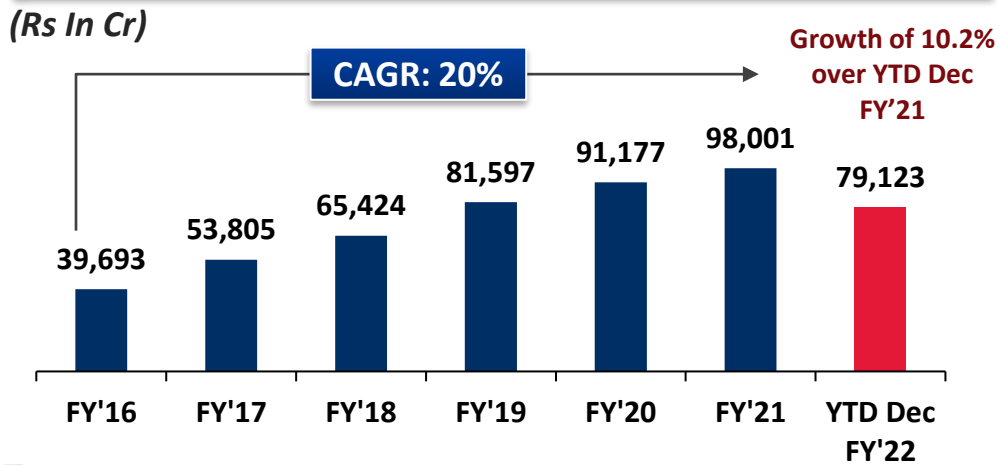
# Industry has Witnessed Strong Growth Over the last 15 Years

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

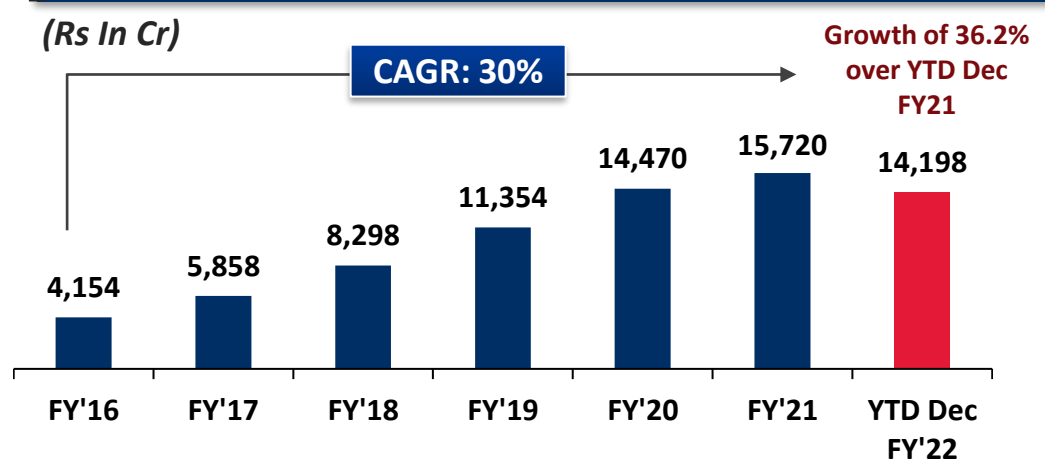


Source: IRDA; data includes public general insurers, private general insurers, standalone health insurers (SAHI) and specialized general insurers

## Private GI Players have grown at a faster pace

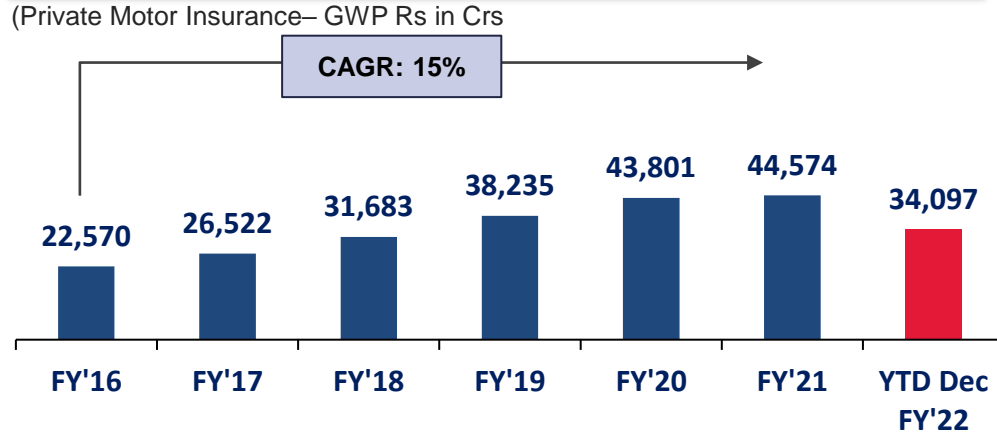


## Robust growth for SAHI Players driven by Retail

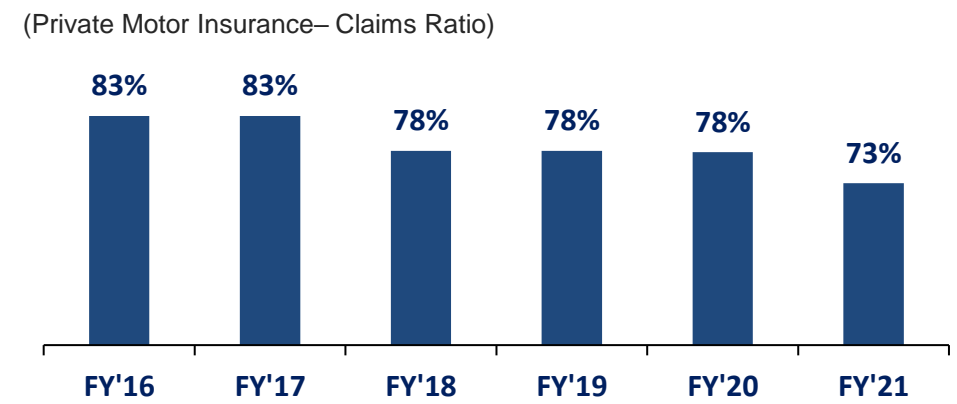


# Motor & Retail Health are the Largest GI Segment and Continue to Grow at Steady Pace

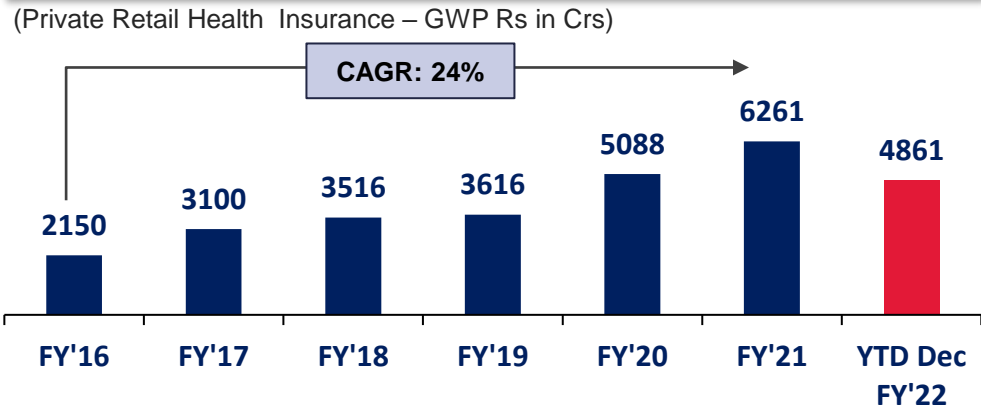
**Motor accounts for 37.8% share of the overall GWP for Private General Insurers (single largest segment)**



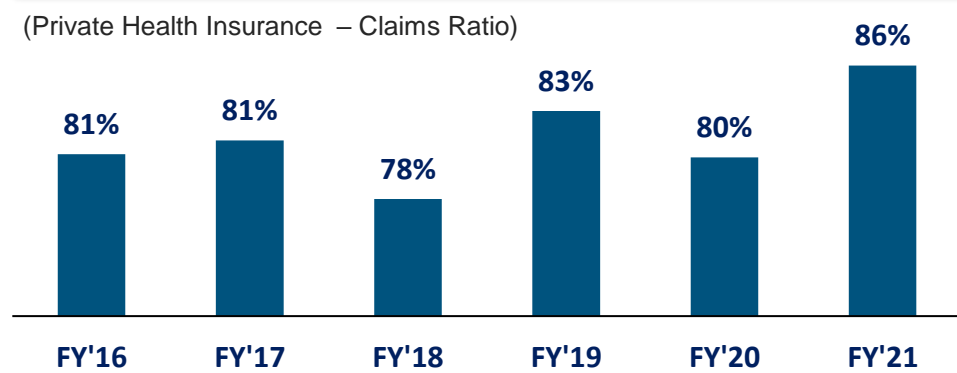
**Claims ratio is expected to stay flat**



**Retail Health (7.8%\* share of overall GWP) is the fastest growing segment**



**Health Ratios in FY21 impacted by Covid claims**



\* Excluding SAHI Companies

## Industry Landscape – GWP Growth for Private GI Players (5 Yr CAGR)

Insurers	YTD Dec FY'22 GWP (Rs in Crs)	Growth over YTD Dec FY'21	Market Share	Last 5 years GWP CAGR	Motor Mix %	Heath + PA Mix%	Crop Mix%	Fire Mix%
ICICI-Lombard	13311	2.8%	9.8%	11.6%	43.7%	21.3%	4.9%	16.5%
Bajaj Allianz	10420	6.4%	7.6%	16.6%	33.3%	25.1%	16.6%	13.8%
HDFC ERGO	9547	9.2%	7.0%	26.1%	26.9%	34.0%	19.8%	11.1%
Reliance	7203	14.3%	5.3%	22.1%	36.7%	11.6%	35.2%	11.2%
Tata-AIG	6952	15.3%	5.1%	24.4%	51.0%	15.3%	0.1%	18.4%
IFFCO-Tokio	6314	-1.9%	4.6%	17.9%	42.6%	20.8%	12.4%	12.1%
SBI General	5972	13.1%	4.4%	32.3%	28.7%	27.1%	24.0%	15.9%
<b>Chola MS</b>	<b>3442</b>	<b>10.4%</b>	<b>2.5%</b>	<b>12.3%</b>	<b>71.0%</b>	<b>14.3%</b>	<b>0.0%</b>	<b>10.5%</b>
Go Digit	3170	91.8%	2.3%	NA	63.2%	17.3%	0.0%	6.7%
Future Generali	2906	5.5%	2.1%	19.8%	38.7%	14.3%	22.7%	12.5%
Universal Sompo	2517	15.4%	1.8%	10.6%	35.0%	19.0%	36.1%	6.9%
Royal Sundaram	2065	1.7%	1.5%	27.6%	68.7%	15.2%	0.0%	11.6%
Shriram	1269	-18.6%	0.9%	4.5%	92.9%	2.0%	0.0%	3.2%
Magma HDI	1159	36.0%	0.9%	28.7%	77.7%	7.0%	0.0%	10.9%
Liberty Videocon	1071	2.4%	0.8%	26.0%	65.7%	16.0%	0.0%	7.3%
Acko	698	151.9%	0.5%	NA	51.8%	41.1%	0.0%	0.0%
Kotak Mahindra	501	30.9%	0.4%	171.0%	51.8%	37.9%	0.0%	7.4%
Raheja QBE	272	50.8%	0.2%	56.8%	73.3%	1.4%	0.0%	4.3%
Edelweiss	267	73.6%	0.2%	NA	51.8%	39.8%	0.0%	5.4%
Coco By Navi	66	-8.9%	0.0%	NA	50.0%	32.5%	0.0%	14.2%
Average of top 10 Insurers				20.4%	43.6%	20.1%	13.6%	12.9%

# Favorable Regulations Aiding Growth

Amendment to Acts expected to improve profitability and growth across segments

## Working well

### Mandatory Long term Third Party Insurance



- ▶ 3 years for Cars, 5 years for 2W
- ▶ Expands premium coverage, client stickiness
- ▶ Increases float income

### Compulsory Personal Accident



- ▶ Introduction of enhanced compulsory PA cover
- ▶ Increase in annual premium

### IIB Rates in Property



- ▶ Burn cost based pricing mechanism
- ▶ Better premium realization and improved LR's (other than standard products)

## Requiring Tweaks

### Crop Insurance



- ▶ PMFBY financially supports farmers
- ▶ Minimal premium up-to 2% by farmers & balance by State & Central Govt.

### Introduction of MISP guidelines



- ▶ Motor dealers as insurance intermediaries
- ▶ Shifting of bargaining power to OEM / Dealer

## Yet to Take Off

### Amendments to the Motor Vehicle Act



- ▶ Claim initiation time cut to 6 months, shortening the long tail of claims
- ▶ ~10x increase in penalties for non-compliance of traffic rules

### TP Premium Pricing



- ▶ 15% CAGR in Motor TP premium rates over the last 7 years
- ▶ No increase after June 19

### Expense Capping



- ▶ Capping of commissions across all lines including health and commercial lines

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