

May 19, 2021

**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 May 18, 2021 on the analyst / investor call scheduled on May 20, 2021.

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**



# Chola

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED  
(CFHL)**

**CORPORATE PRESENTATION – FY21**



**murugappa**

# Murugappa Group in a Nutshell



Years of Existence



Consolidated Turnover (FY20)



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



Sectors



Businesses



Listed Companies



Geographical Presence

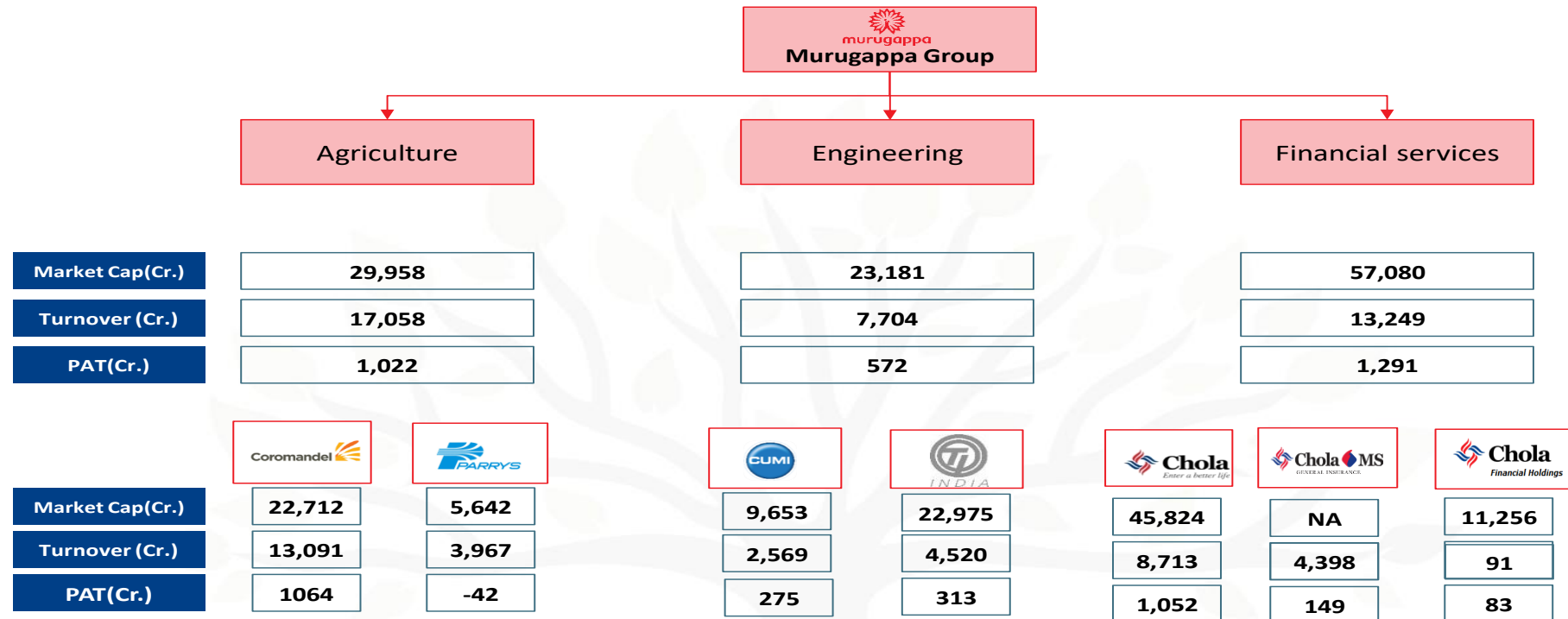


Manufacturing Locations



Work force

## Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.  
 Financial Performance are of FY 19-20.  
 Market data as on 31<sup>st</sup> March 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.

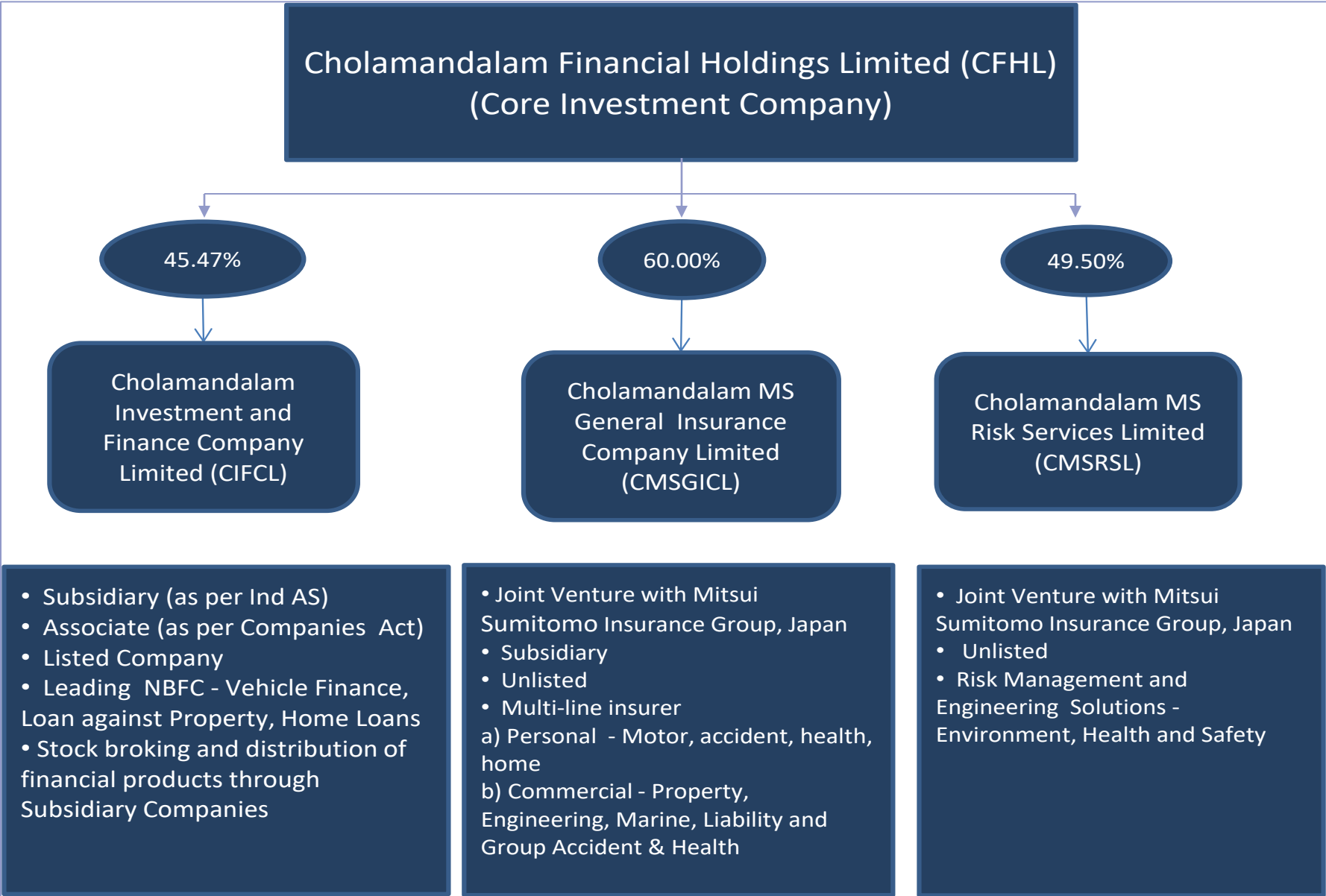
**Passion**  
We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

**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.

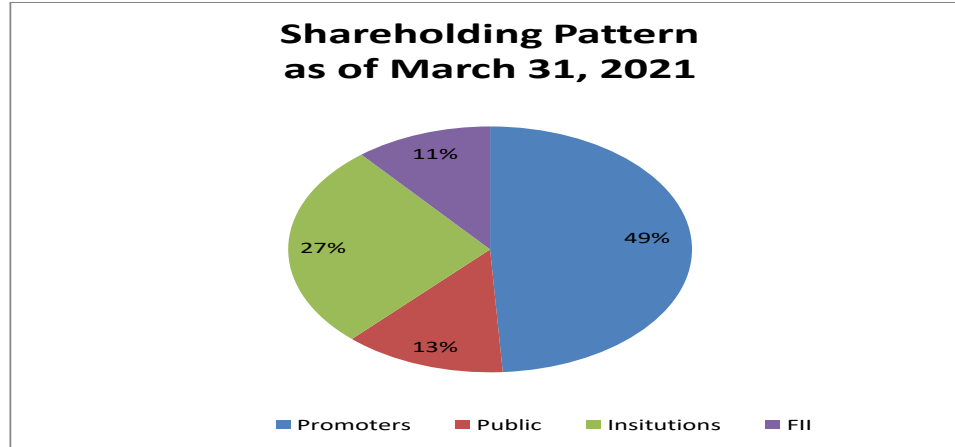
**Respect**  
We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

**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.”



# Shareholding pattern & Share price movement



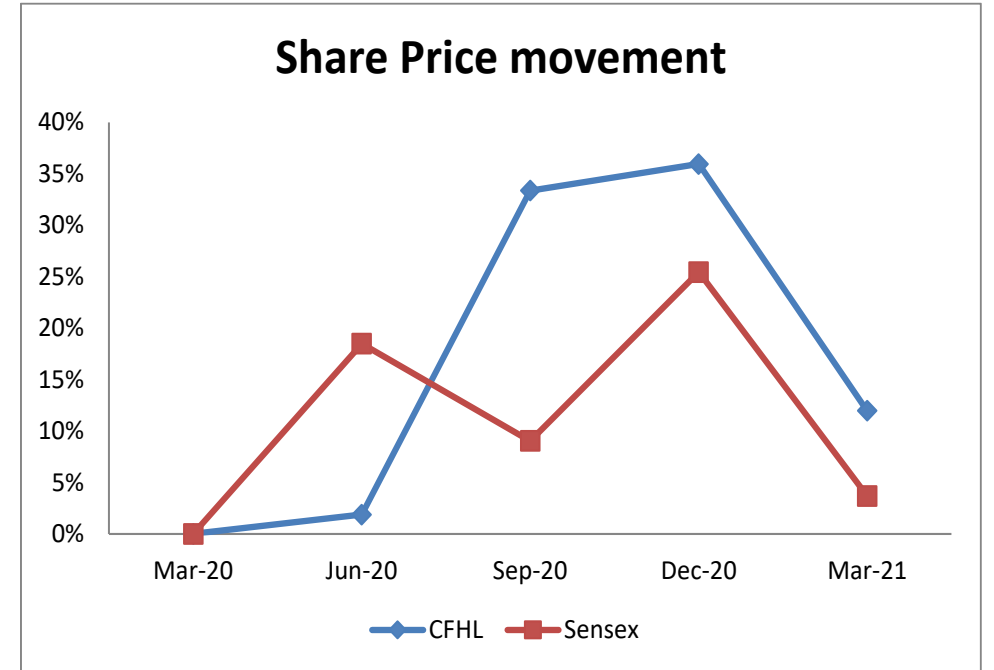
## Institutional Holders (More than 1%)

### Top Domestic Institutional Holdings

- \* Nippon India Mutul Fund
- \* ICICI Mutul Fund
- \* HDFC Mutul Fund
- \* Franklin India Mutul Fund
- \* Aditya Birla Mutul Fund
- \* Life Insurance Corporation of India
- \* UTI Mutul Fund

### Top Foreign Institutional Holdings

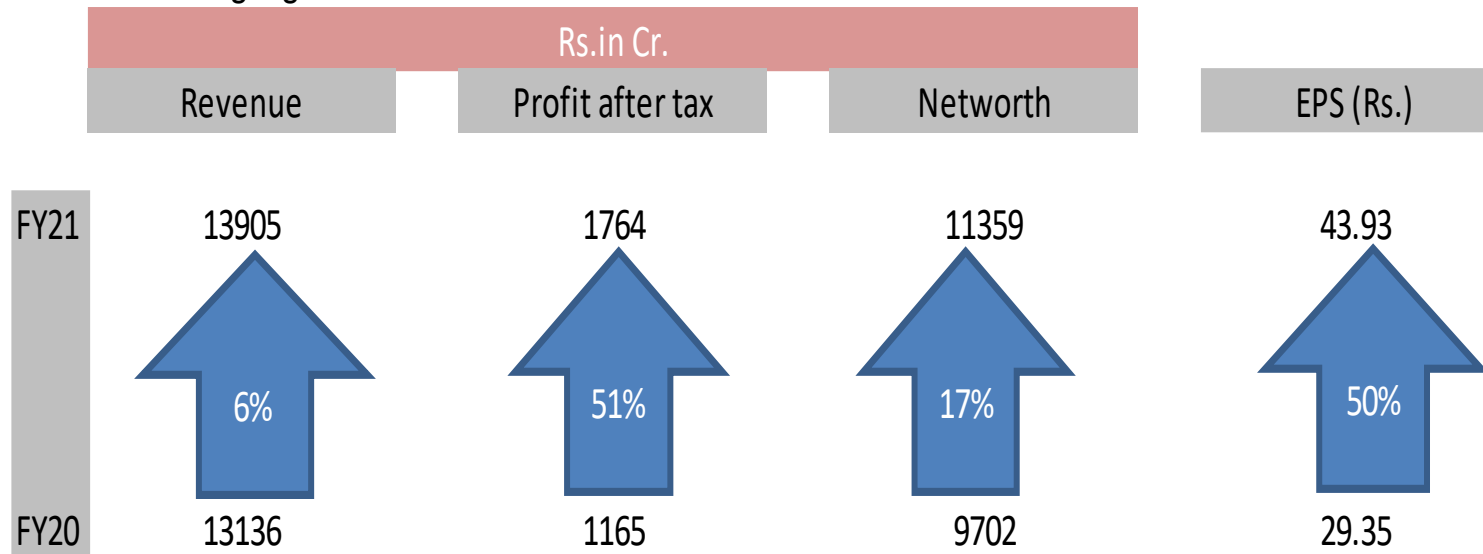
Toyota Tusho Corporation



	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
CFHL (Rs. / Share)	290.05	295.45	394.00	535.65	599.70
BSE Sensex	29,468.49	34,915.80	38,067.93	47,751.33	49,509.15

# Performance Highlights - Consolidated

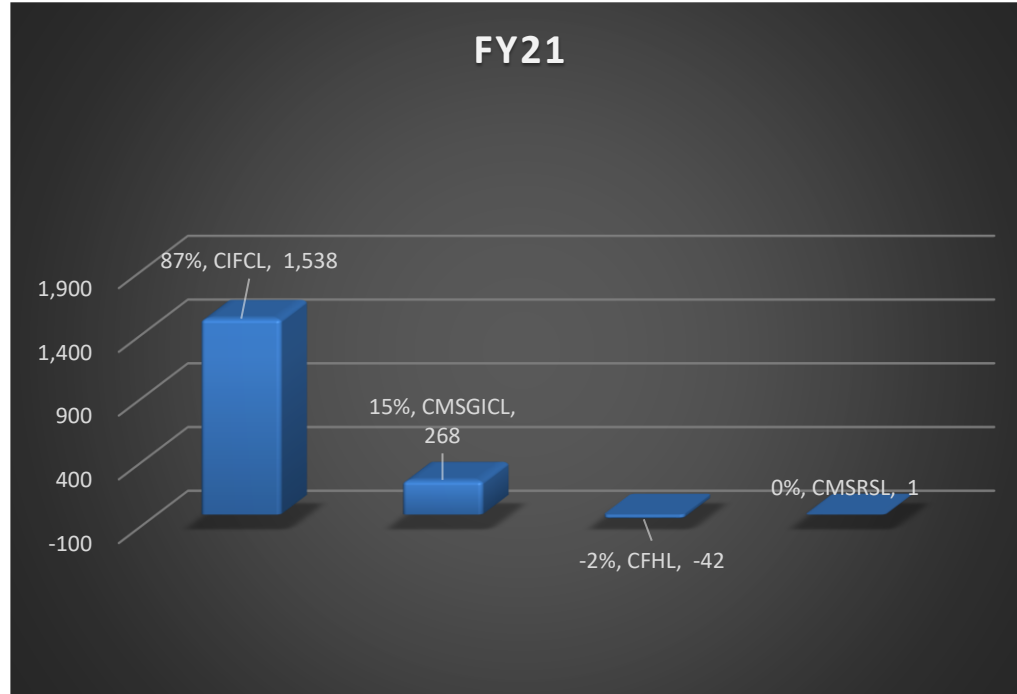
## Performance Highlights - Consolidated





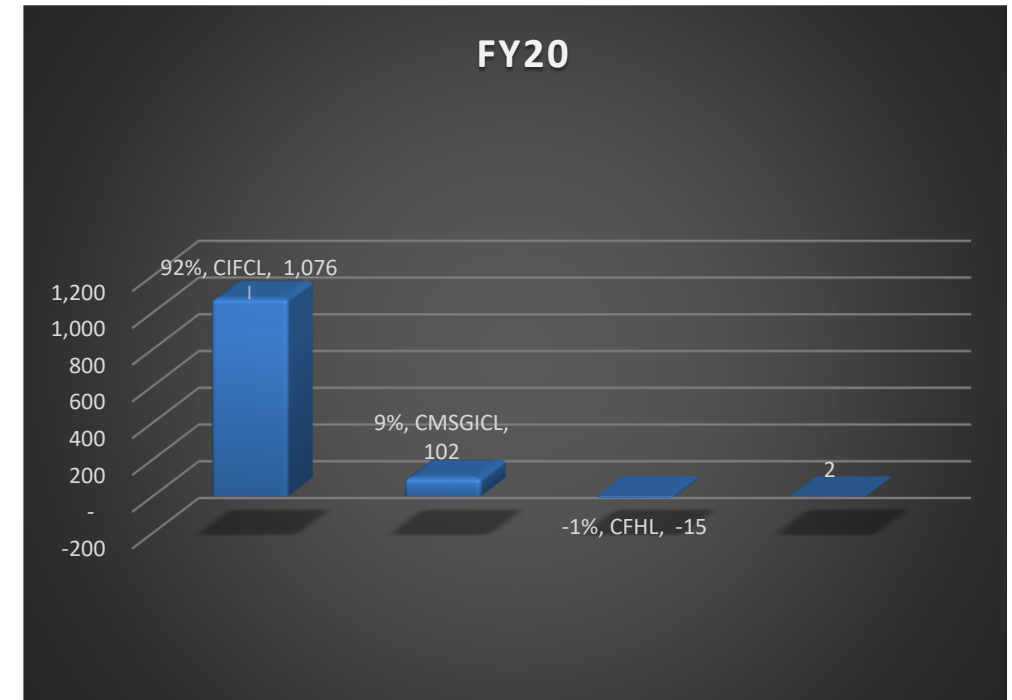
# Performance Highlights - Consolidated

## Profit after tax



Rs.in Cr.

CIFCL	CMSGICL	CFHL	CMSRSL	CFHL Consol
1538	268	-42	1	1764



Rs.in Cr.

CIFCL	CMSGICL	CFHL	CMSRSL	CFHL Consol
1076	102	-15	2	1165

## Financial Performance & Metrics

CFHL - Standalone Particulars (Rs. in Cr)	FY21	FY20
Income	58	91
Expenses	24	4
Profit Before Tax	34	87
Tax Expense	12	4
Profit After Tax	22	83

CFHL - Standalone Balance Sheet (Rs. in Cr)	As at March 31, 2021	As at March 31, 2020
Networth	1,141	1,118
Other Liabilities	162	204
<b>Total Equity and Liabilities</b>	<b>1,303</b>	<b>1,322</b>
Investments and Bank deposits	1,303	1,322
Other Assets	0	0
<b>Total Assets</b>	<b>1,303</b>	<b>1,322</b>

CIFCL	FY21	FY20
Disbursements (Rs. in Cr)	26,043	29,091
AUM (Rs. in Cr)	76,529	66,943
No. of Branches	1,137	1,091

CMSGICL	FY21	FY20
GWP (Rs. in Cr)	4,705	4,824
Investment Portfolio (Rs. in Cr)	10,262	9,027
No of physical touch points including SMO	572	607

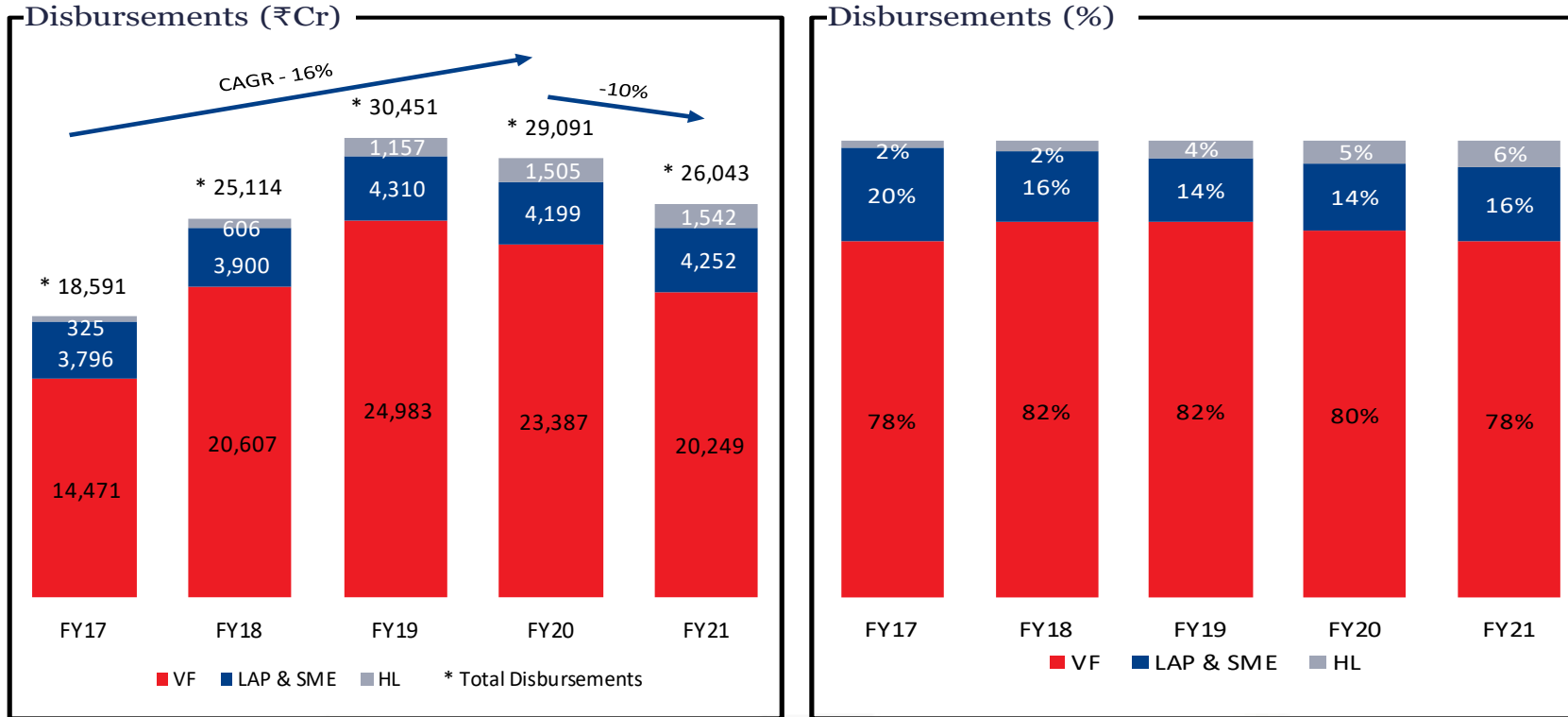
CMSRSL	FY21	FY20
Revenue (Rs. in Cr)	44	49
PAT (Rs. in Cr)	2	4
Networth (Rs. in Cr)	26	24

## Regulatory Ratios of CFHL

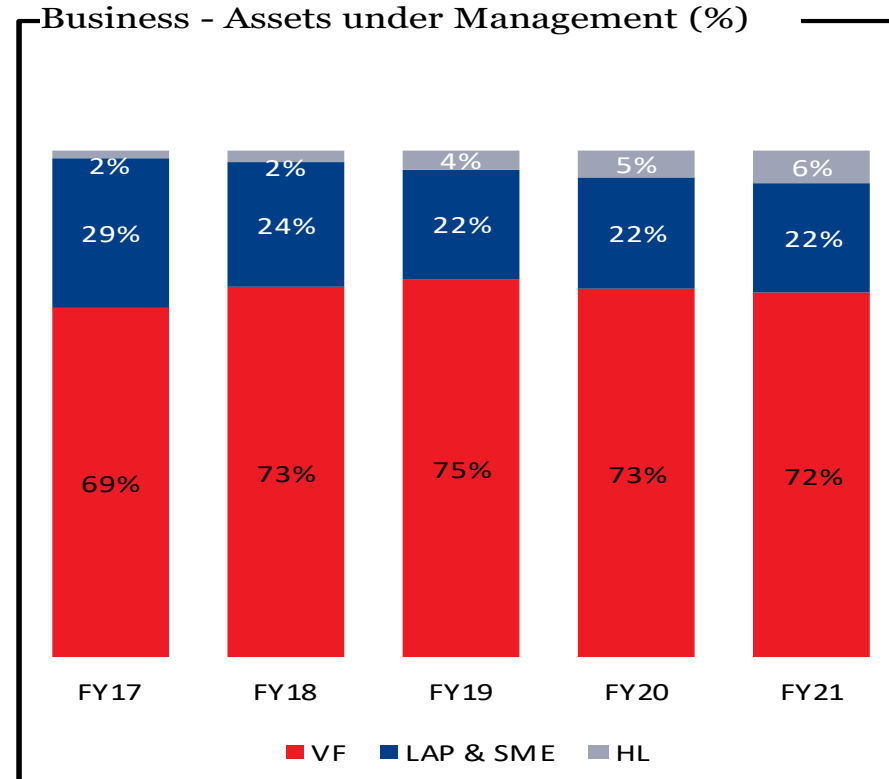
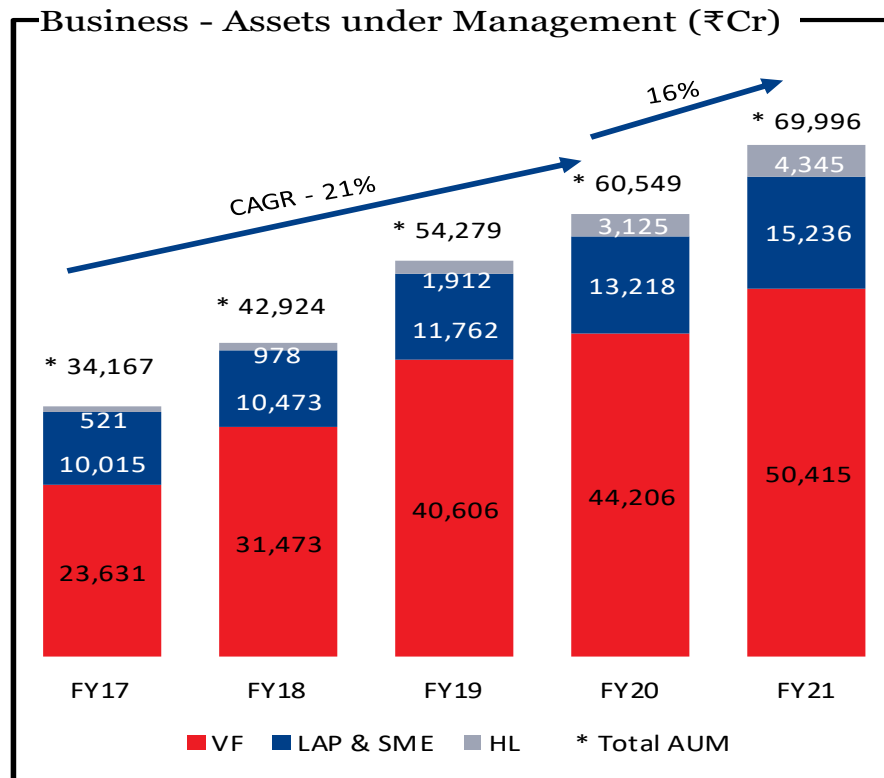
Particulars	Rs Crs	
	As of March 31, 2021	As of March 31, 2020
Owned Funds (A)	1,140.74	1,117.07
Adjusted Networth (B)	7,983.39	6,168.66
Risk Weighed Assets ( C)	1,290.11	1,289.14
Outside Liabilities (D)	162.19	203.81
Net assets (E)	1,279.35	1,278.41
Investment in equity shares of group companies (F)	1,279.22	1,278.35
Capital Ratio (B / C)	618.81%	478.51%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.02	0.03
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.990%	99.995%
Regulatory minimum	90.00%	90.00%

Cholamandalam Investment and Finance Company Limited  
(CIFCL)

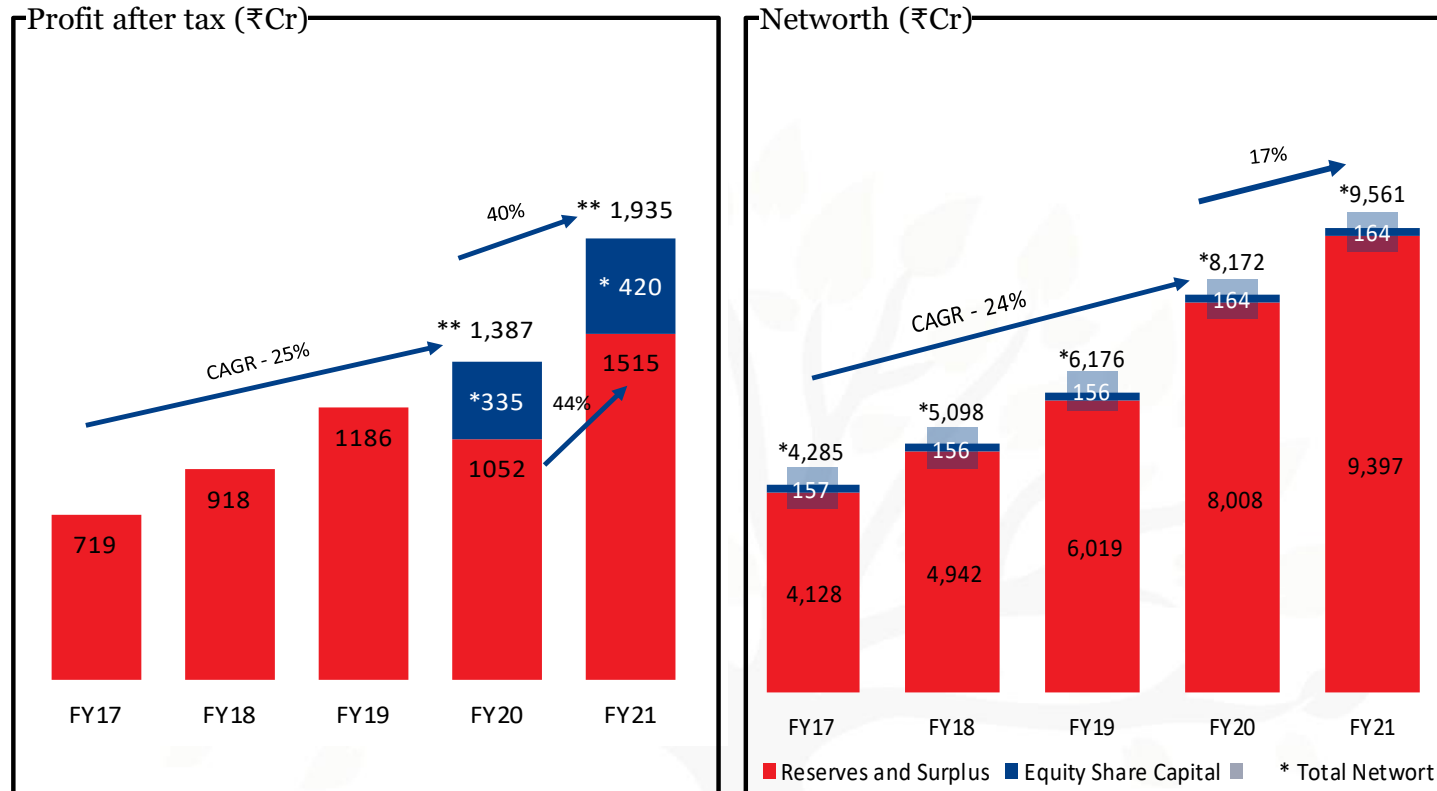
## Disbursements



## Assets Under Management



## Profitability and Net worth



\* One time provision for COVID 19 + Macro provision \*\* PAT adjusted before COVID & Macro provision

# Vehicle Finance





## Vehicle Finance: FY21 Performance

### Disbursements

- Disbursements has declined by 13% in FY21 as compared to FY20.

### Assets under management

- Assets have grown by 14% as compared to FY20.

### Loss and provisions

- Loan losses is at 1.4% towards model provisions and additional 0.9% has been created towards management overlay

### Profit before tax

- PBT has grown 36% and 29% before and after considering COVID provision respectively as compared to FY20.

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

### Sector Outlook

- The Tractor industry witnessed a growth of 27% Y-o-Y due to healthy cash flows in the back of normal monsoon in FY'2021. The sales momentum in the tractor is expected to continue in FY'2022 unless there is a higher impact of the pandemic in rural areas.
- The Light commercial vehicle segment recovered in Q4 FY'2021 with a 49% Q-o-Q growth, however demand is bound to be lower than expected in Q1 FY'2022 on account of the pandemic leading to lower private consumption and reduced freight demand. The likely bounce back is expected in Q2 FY'2022.
- The Small commercial vehicle segment recovered in Q4 FY'2021 with a 28% Q-o-Q growth. The impact on account of the pandemic will be minimal in this segment due to its nature of deployment in last mile connectivity.
- The Heavy commercial vehicle segment recovered in Q4 FY'2021 with a 48% Q-o-Q growth. The segment will benefit from any pickup in economic activity and infra spends by the government in the backdrop of the pandemic which is expected to last upto early parts of Q2 FY'2022.

### 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 pandemic.
- 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 maintain market share coupled with a cautious approach to funding based on vehicle viability and earning capacity due to restricted vehicle movement on account of lockdowns.
- Our exposure in this segment is around 10% at a portfolio level. We are closely monitoring this segment for further improvement in market conditions and fleet owner sentiments.

### Sector Outlook

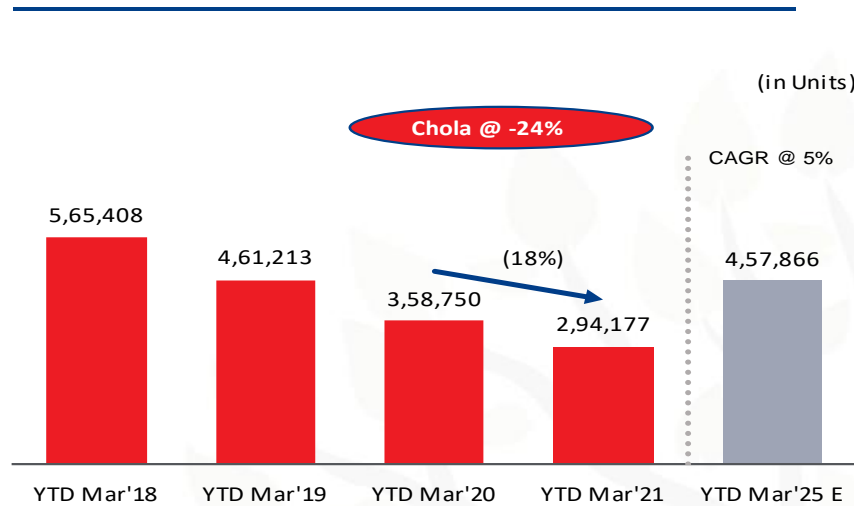
- The Passenger vehicle (Car & MUV) segment was poised for an impressive growth of 22% to 25% in FY'2022, after a 2% de-growth in FY'2021. However, the second wave of the pandemic is casting a spell of subdued demand in the first two quarters of FY'2022 considering reduced discretionary spends by individuals.
- The Two-wheeler industry expected to post double digit growth in FY'2022 on a severely contracted base with 13% de-growth in FY'2021. The demand in Q1 FY'2022 will be highly impacted due to the lockdown restrictions posed by the various state governments.
- Used vehicle business is likely to be least impacted in FY'2022 except for Q1 due to lockdown restrictions. Factors favouring this segment are lower market prices of used vehicles and extended time gap in regularization of the new vehicles supply chain on account of the pandemic.

### Chola's Position

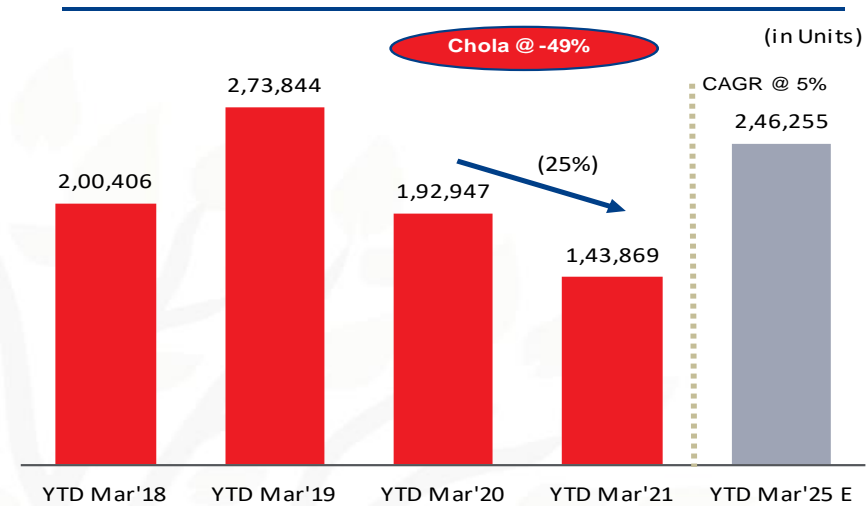
- Our focus is predominantly on retail customers mainly in smaller towns and rural market. Our exposure to tour operators is minimal. We will continue to focus on this segment as and when the market recovers.
- The company intends to maintain its focus on two-wheeler funding with a clear eye for credit underwriting to maintain portfolio performance. We have created a robust collection mechanism to overcome any pressure due to the second wave of COVID 19.
- We are one of the largest players in the used vehicle financing business with a disbursement mix of almost 27% in this space. 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**

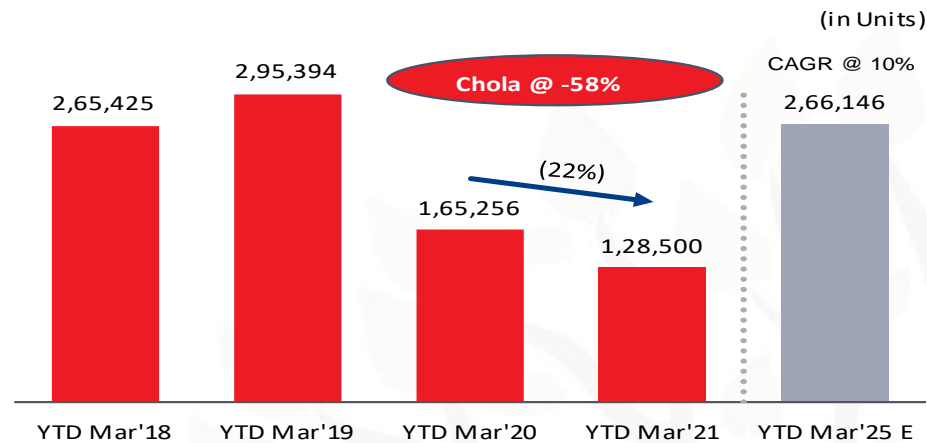


- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies will aid growth in the long term post COVID recovery.
- Demand for Pickups will increase in long term due to higher flexibility in usage over sub one tonne vehicles.

Source: FY 18 to FY 21 numbers are from SIAM

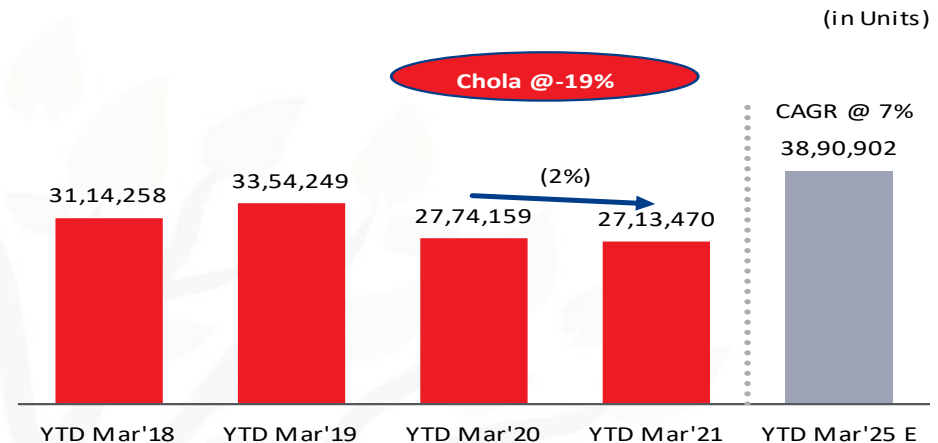
## Auto Industry Outlook

### Trend in Domestic HCV Sales



- Improved industrial activity, steady agricultural output, and the government's focus on infrastructure will aid growth in the long-term considering a lower base currently.
- Bus sales to be aided by the growth in urban population and demand from schools post the pandemic.
- Pick up in construction and mining activities over the long term would drive demand.
- Improvement in road infrastructure will lead to increased demand for higher tonnage vehicles.

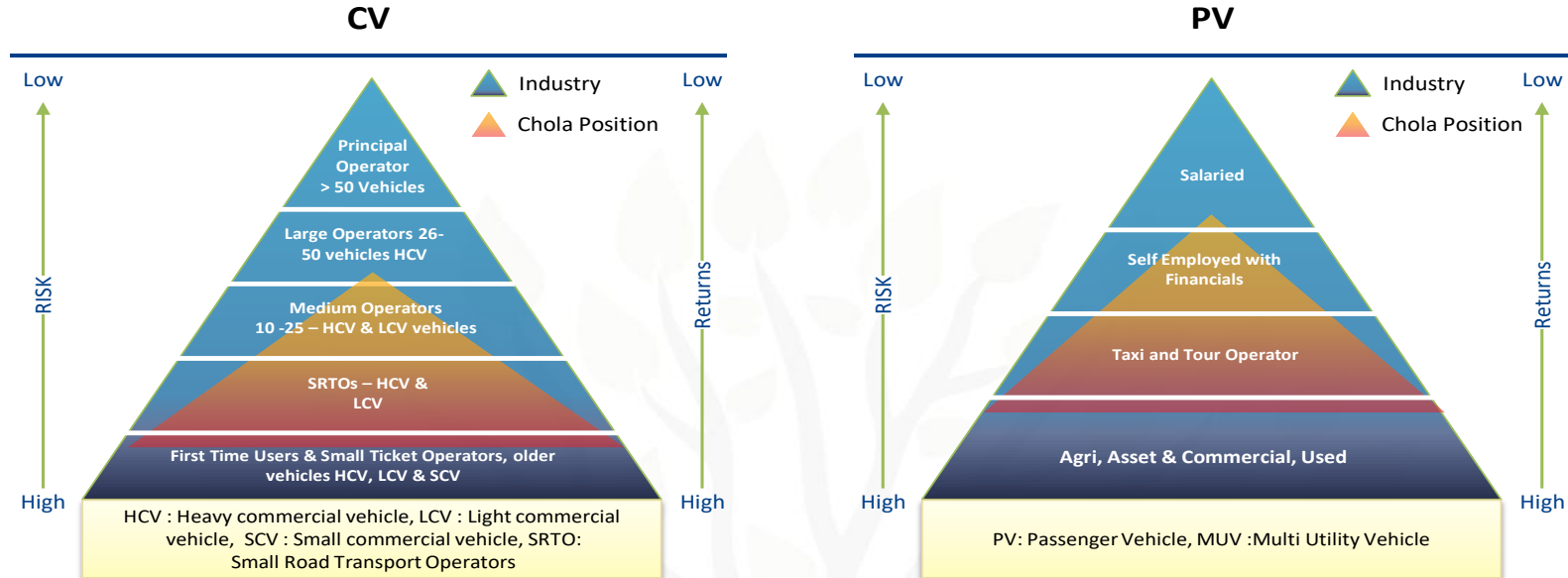
### Trend in Domestic Car & MUV Sales



- 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.
- Government support in higher farm incomes will bolster rural demand for passenger vehicles in the coming years.

Source: FY 18 to FY 21 numbers are from SIAM

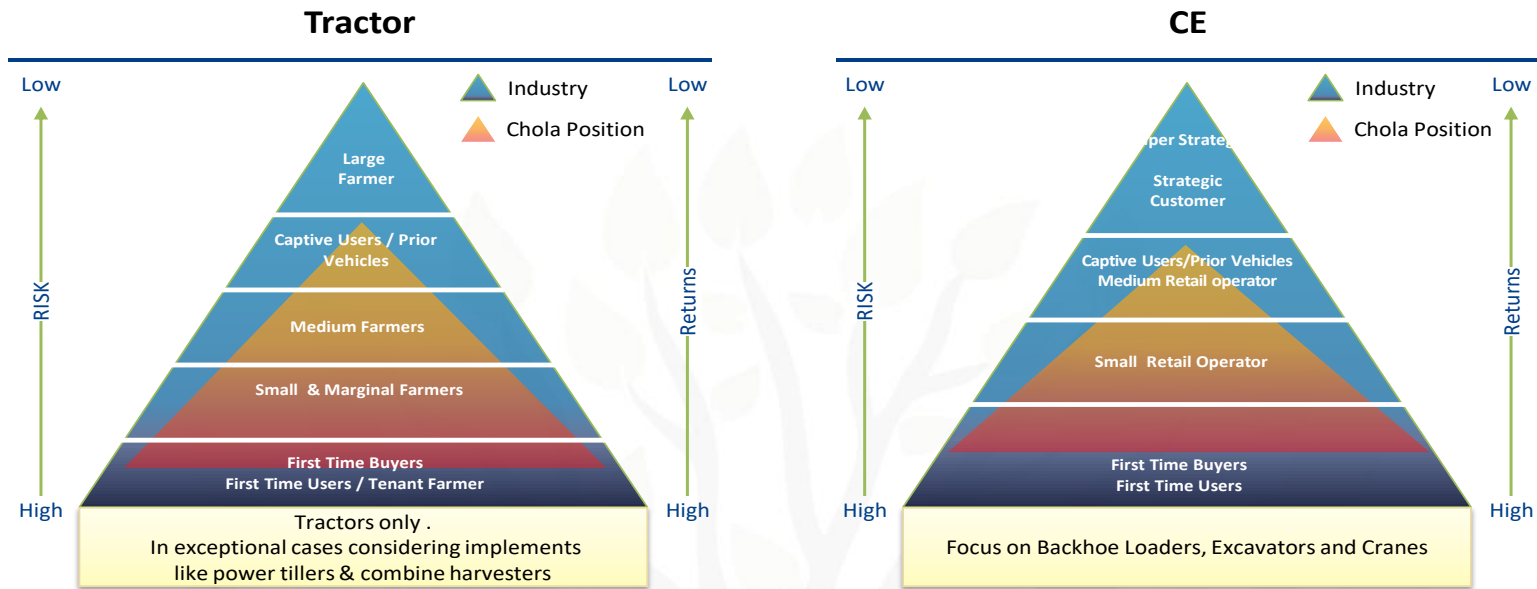
## Vehicle Finance—Business Model & Positioning



- ~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



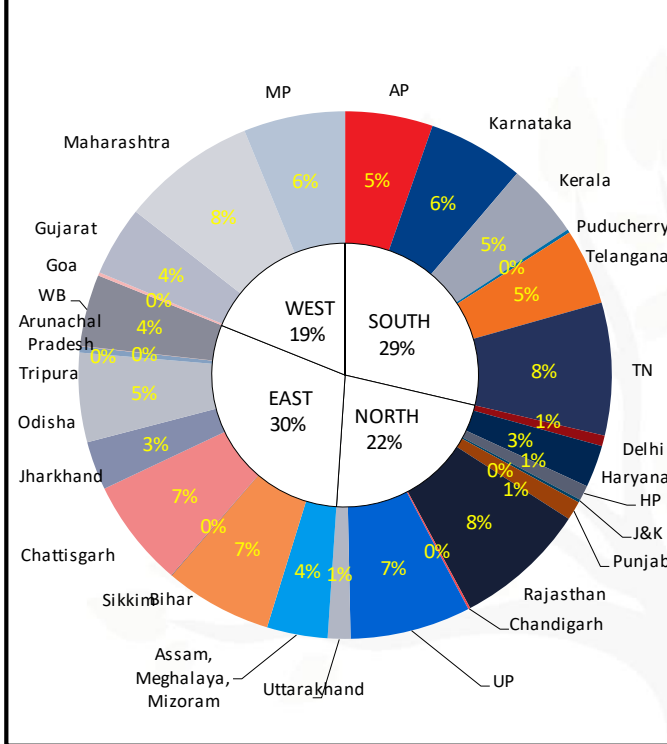
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

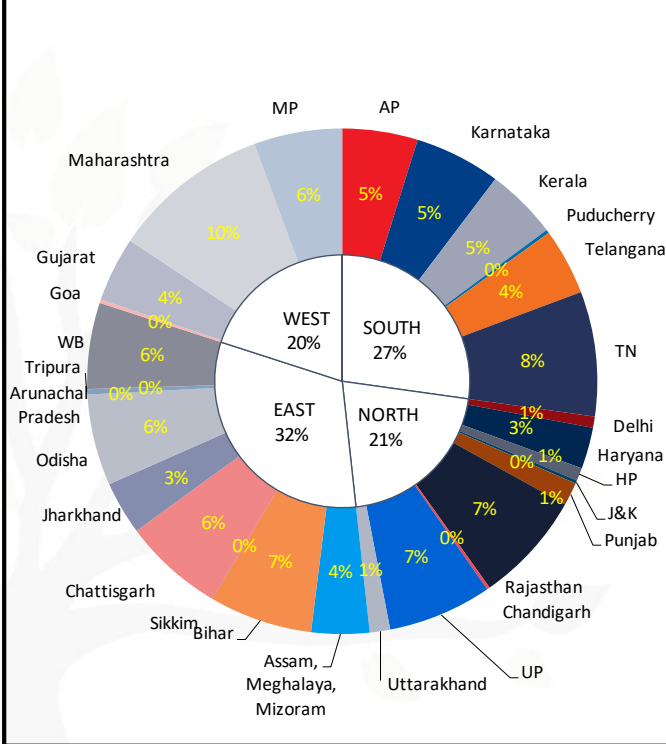
## Vehicle Finance - Disbursement/Portfolio Mix – FY21

Well diversified across geography

Disbursements - State wise



Portfolio - State wise

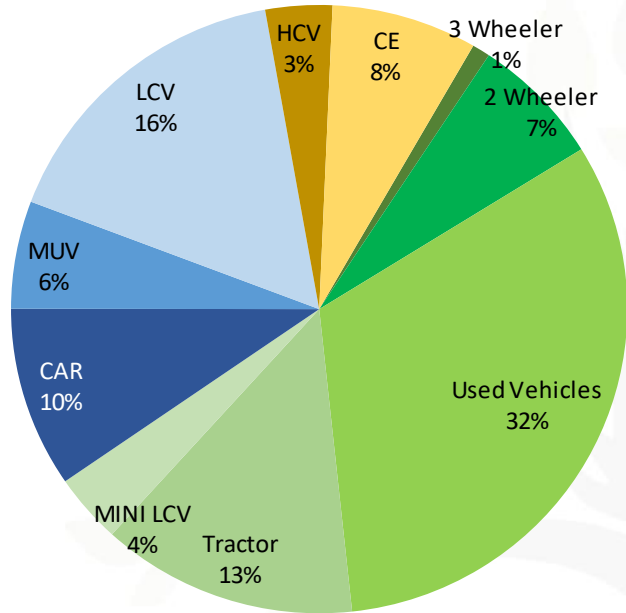




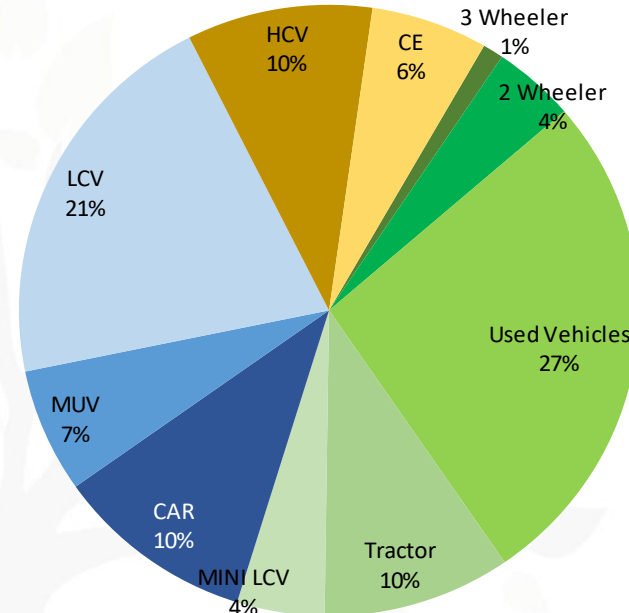
## Vehicle Finance - Disbursement/Portfolio Mix – FY21

Well diversified product segments

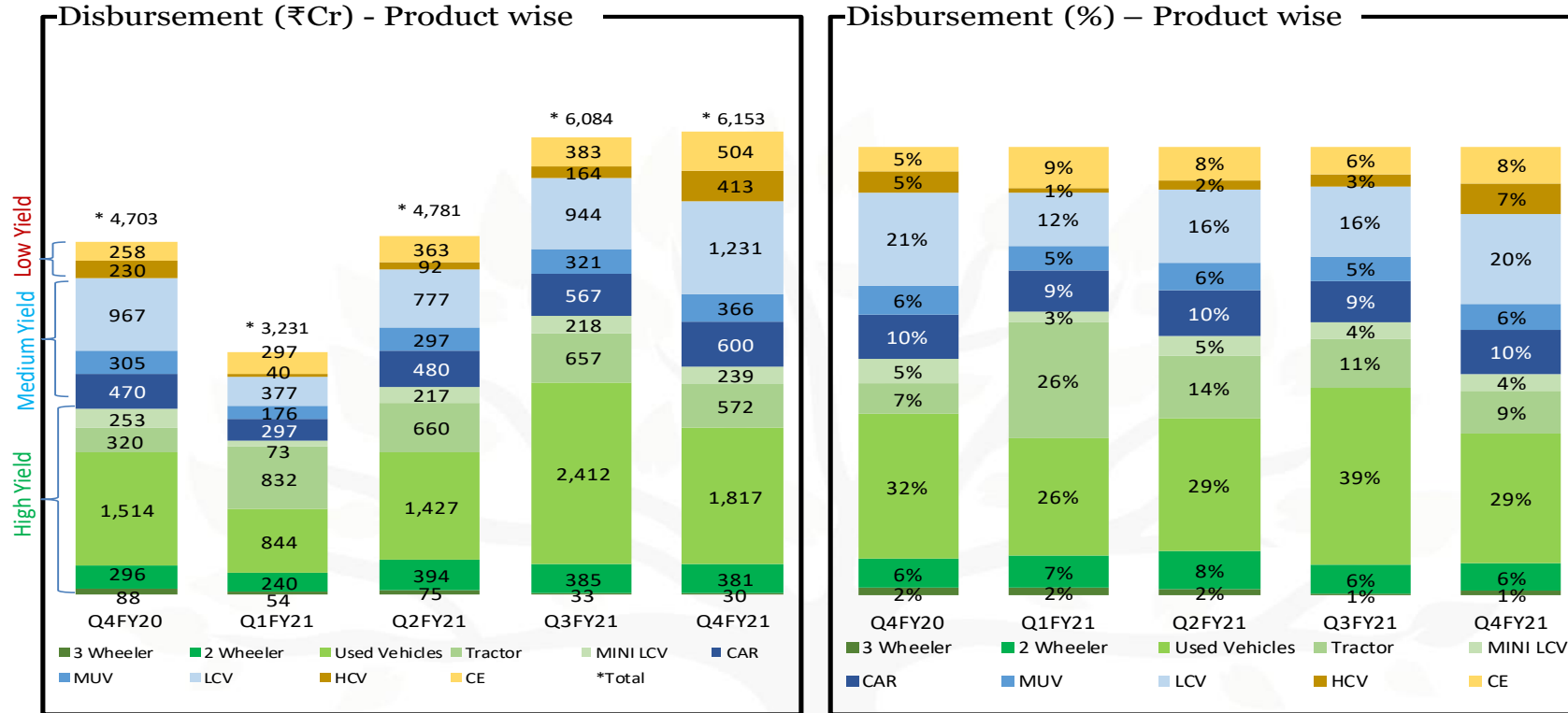
Disbursements (₹Cr) - Product wise



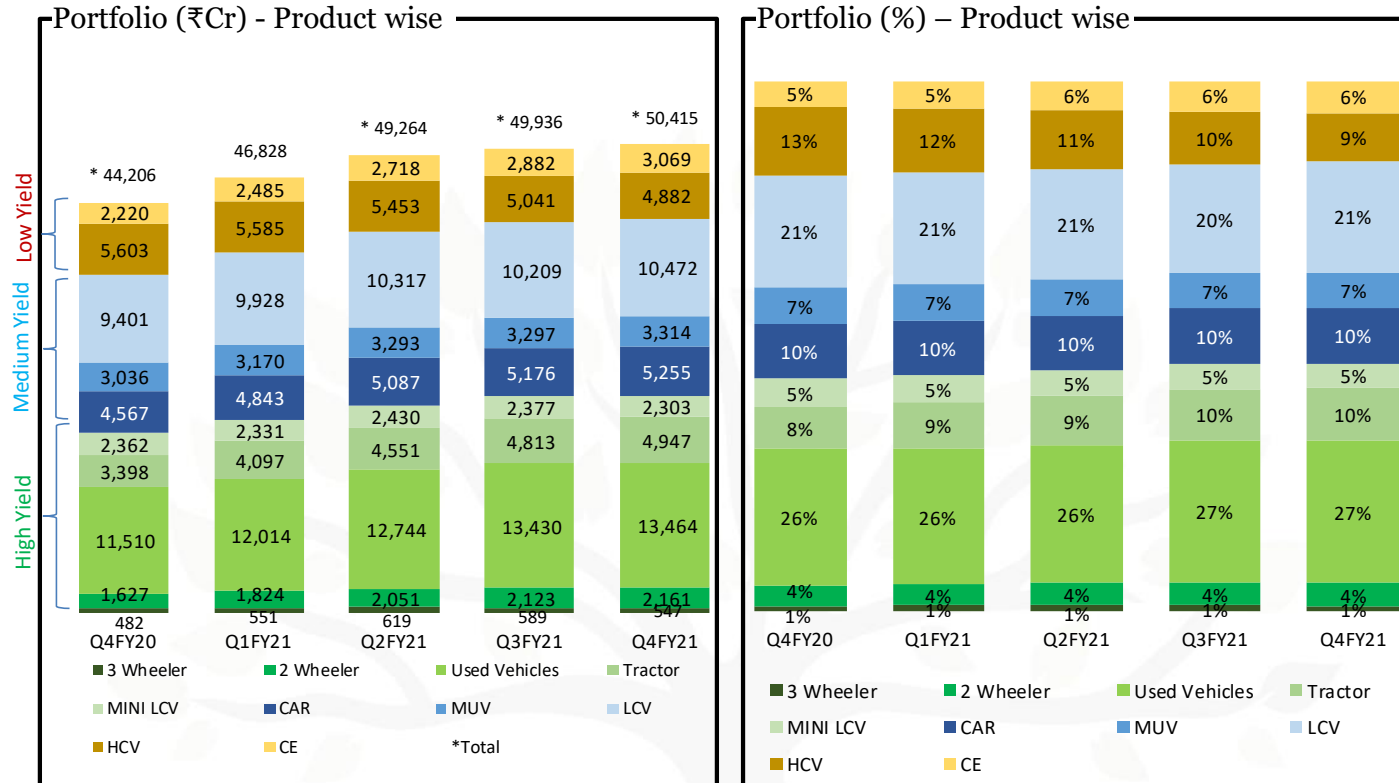
Portfolio (₹Cr) - Product wise



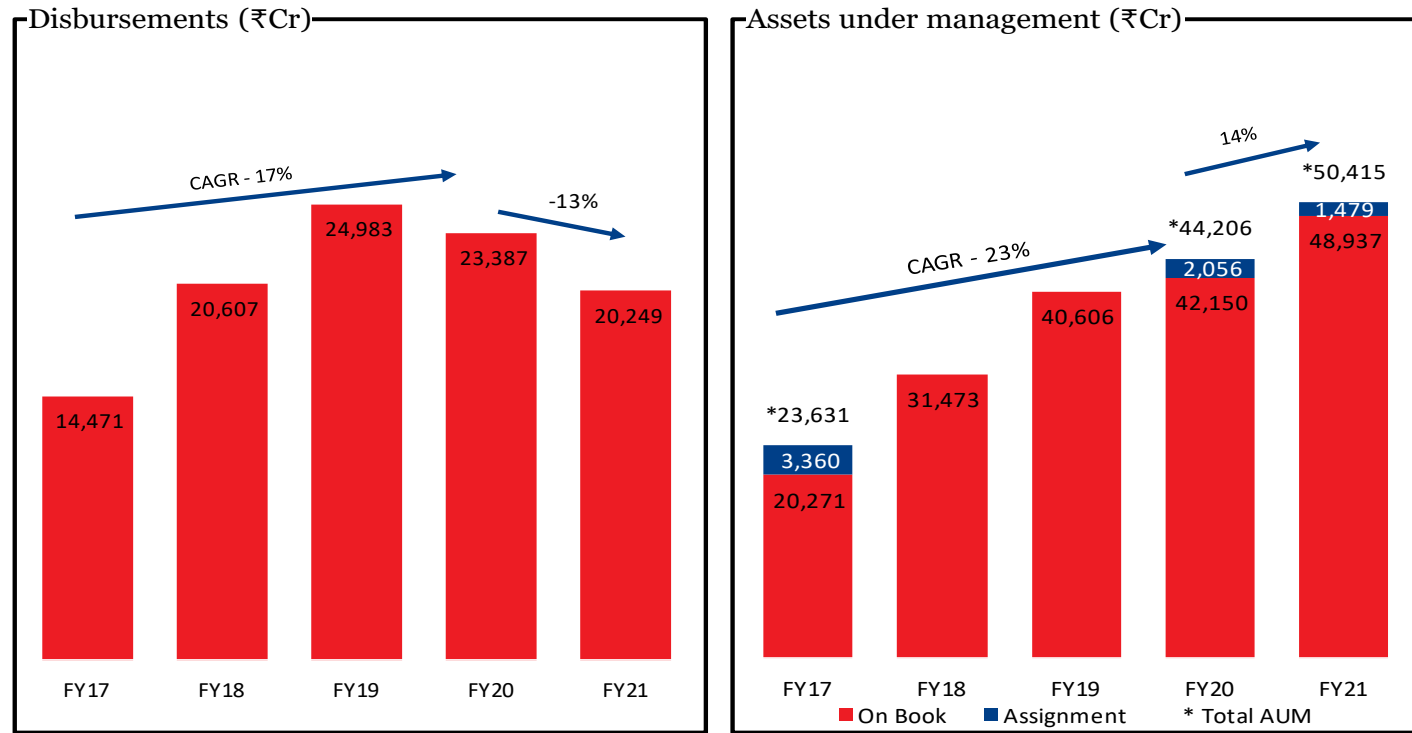
## Vehicle Finance - Disbursement Mix – Quarter-wise



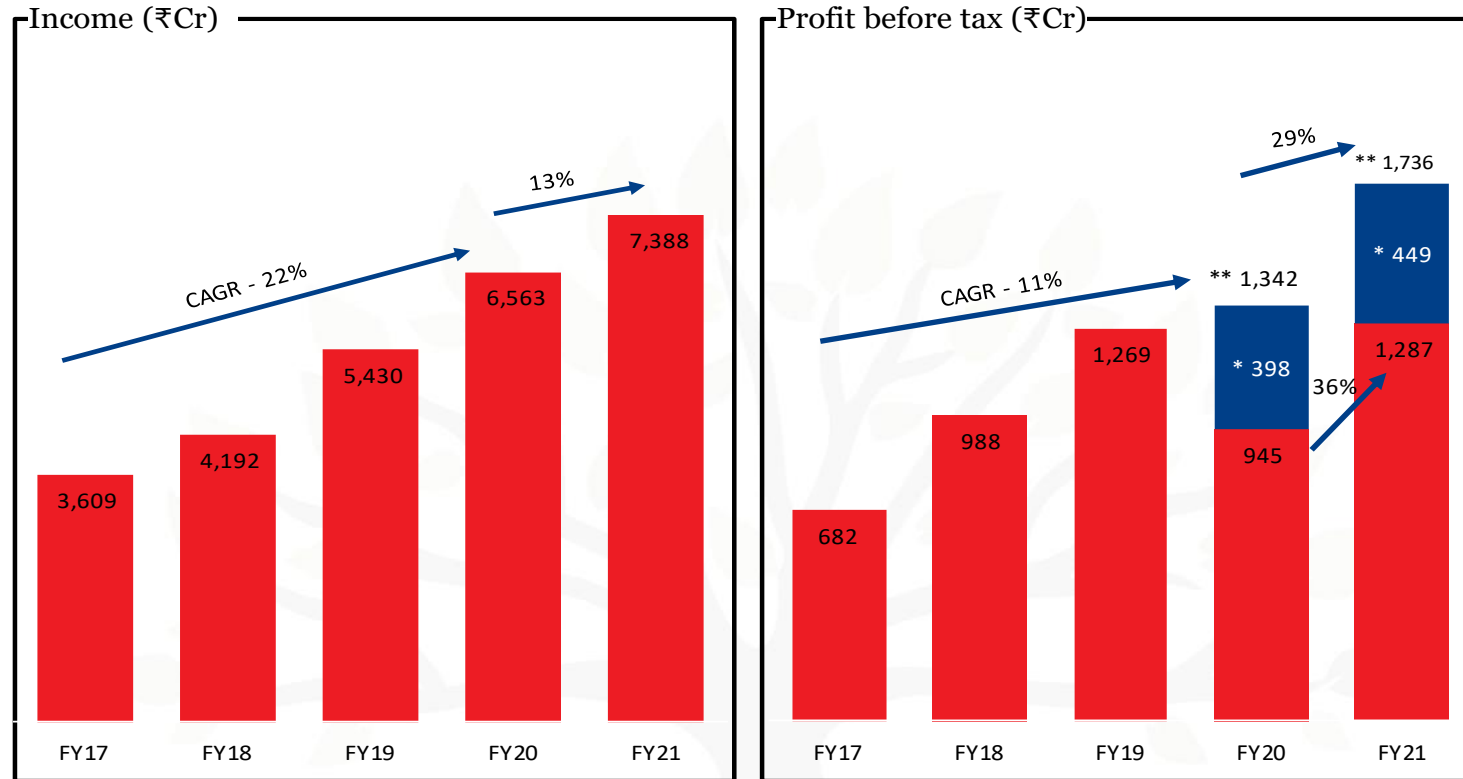
## Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management



## Vehicle Finance - Income and Profit before tax



\* One time provision for COVID 19 + Macro provision \*\* PBT adjusted before COVID & Macro provision

# Loan Against Property



## Loan Against Property – FY21 Performance

### Disbursements

- Disbursements has declined by 1% in FY21 as compared to FY20.

### Asset under management

- The business has grown the assets by 14% in FY21.

### Loss and provisions

- Loan losses is at 0.4% towards model provisions and additional 0.6% has been created towards management overlay

### Profit before tax

- PBT has grown 25% and 18% before and after considering COVID provision respectively as compared to FY20.

## Loan Against Property - Industry outlook

### Sector Outlook

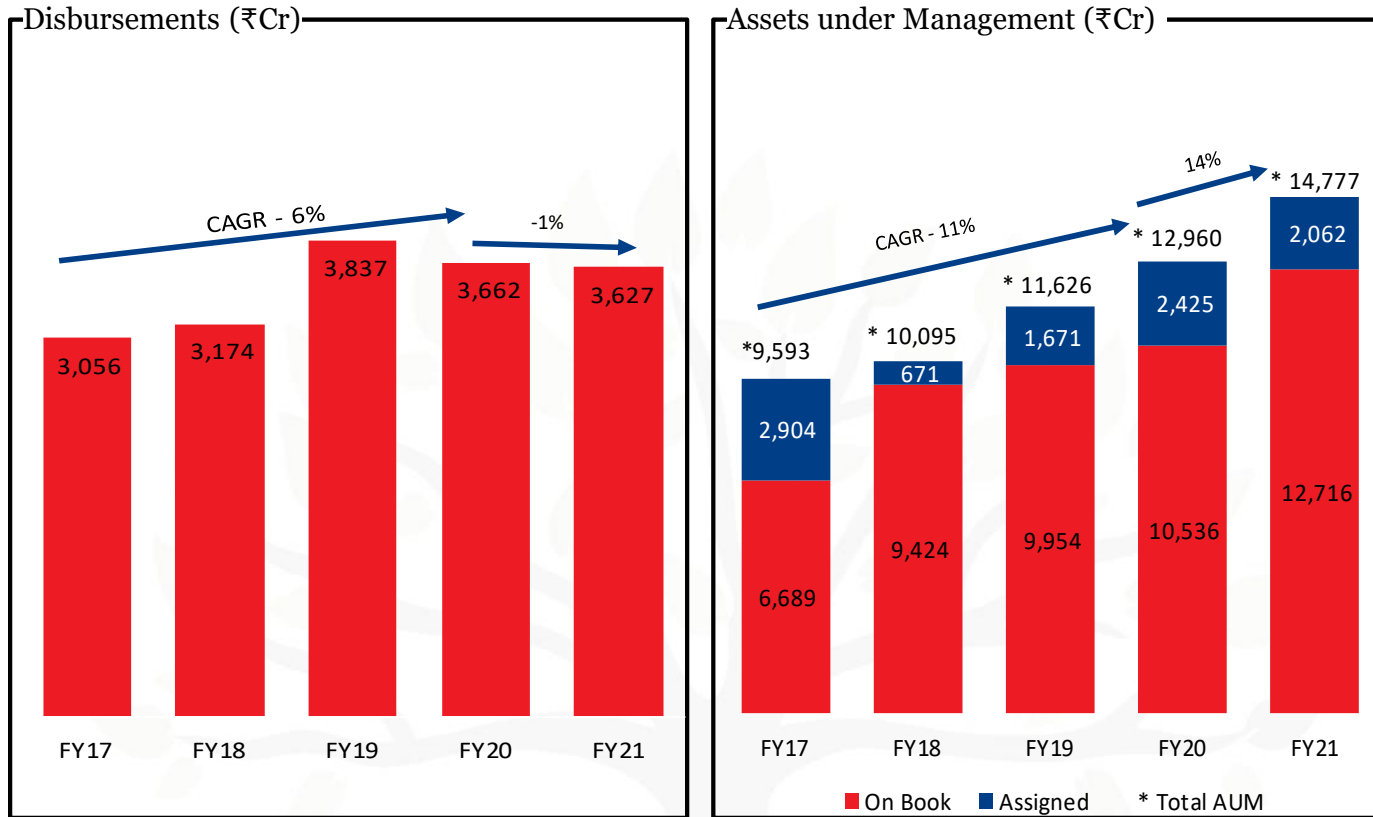
- As per CRISIL “With the pick-up in economic activity, MSMEs have started with their businesses, leading to increasing collection efficiencies. Also, MSMEs are supported by government’s stimulus package – particularly the Rs 3 lakh crore ECLGS - whose validity has been extended till March 31, 2021”
- CRISIL Research expects LAP to grow at 0-1% in FY21. Though the growth is expected to pick up in fiscal 2022, it will still be ~4-5% as players are likely to be risk averse in this segment
- NIMs are expected to increase in FY21 on account of declining interest rates which will not be completely passed to the borrowers in the wake of increasing asset quality concerns (CRISIL)

### Chola’s Position

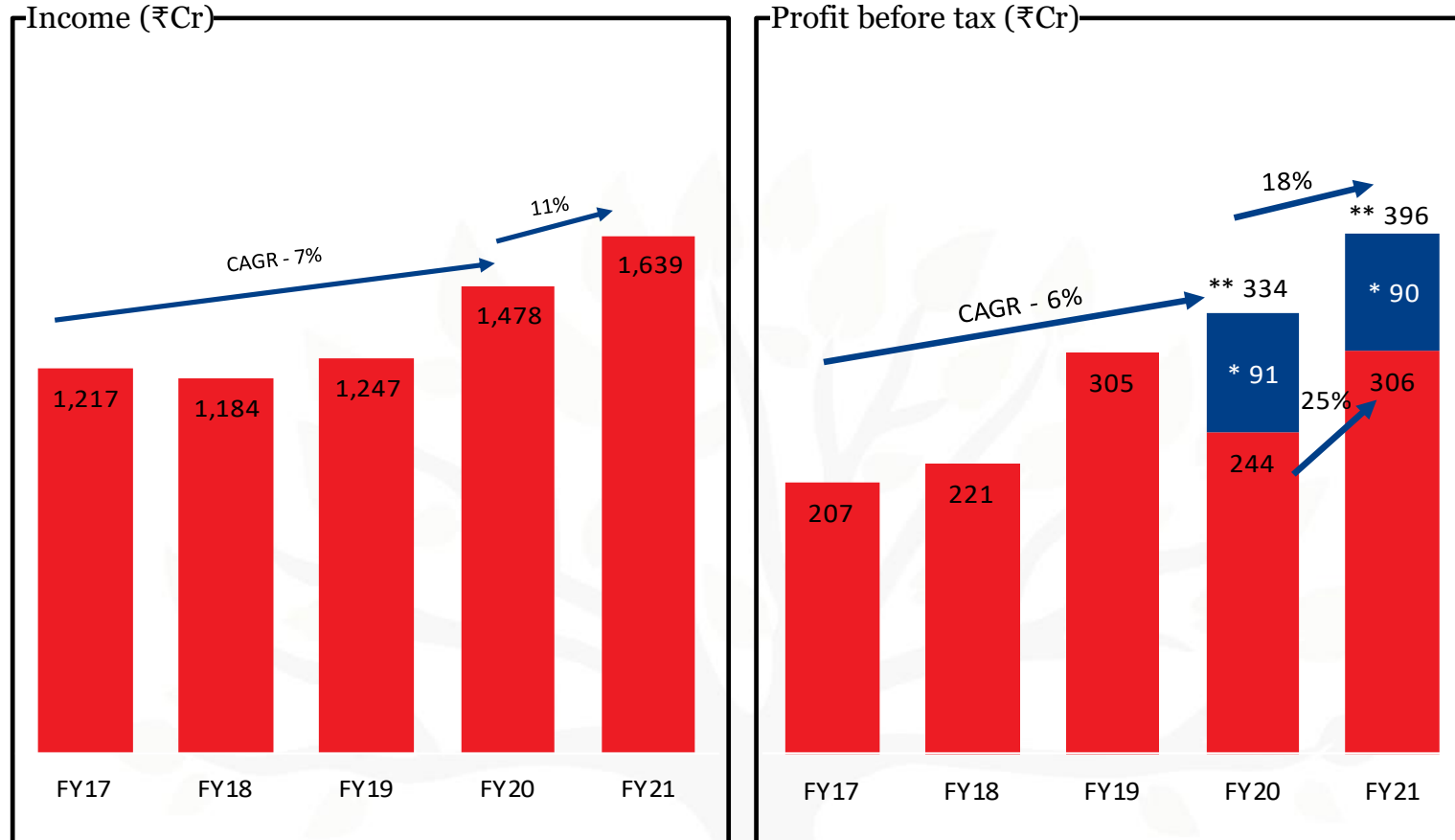
- Collections remain a priority for the business with activities like strengthening collections team and digitizing collections channels. In addition, Chola has provided adequate provisions
- Retail will remain a primary focus in terms of ticket size. A separate product has been created to cater small retail enterprises in rural and small cities
- Portfolio LTV at origination stands low at 52% which provides adequate security cover
- Credit policy changes have been made keeping in mind the cash flow and asset quality risks
- Business will focus on tier 2/3/4 cities in order to diversify the portfolio



## Loan Against Property - Disbursements and Asset Under Management



## Loan Against Property – Income and Profit before tax



\* One time provision for COVID 19 + Macro provision \*\* PBT adjusted before COVID & Macro provision

# Home Loans



## Home Loans - FY21 Performance

### Disbursements

- Disbursements has grown 2% in FY21 as compared to FY20.

### Asset under management

- The business has grown the assets by 39% in FY21.

### Loss and provisions

- Loan losses is at 0.8% towards model provisions and additional 0.7% has been created towards management overlay

### Profit before tax

- PBT has grown 76% and 78% before and after considering COVID provision respectively as compared to FY20.

## Sector Outlook

### Immediate term:

- While there was recovery in demand in Q4 FY21, the 2<sup>nd</sup> wave of Covid may result in subdued demand with customers postponing investment decisions
- Repeated lockdowns in select markets could result in volatile cash flows for small businesses thereby impacting repayments

### Medium term

- Retail segment demand is likely to continue to be for ready property and self-construction
- Stage 3 is expected to remain 50 – 100 bps higher than pre-covid levels in the coming quarter

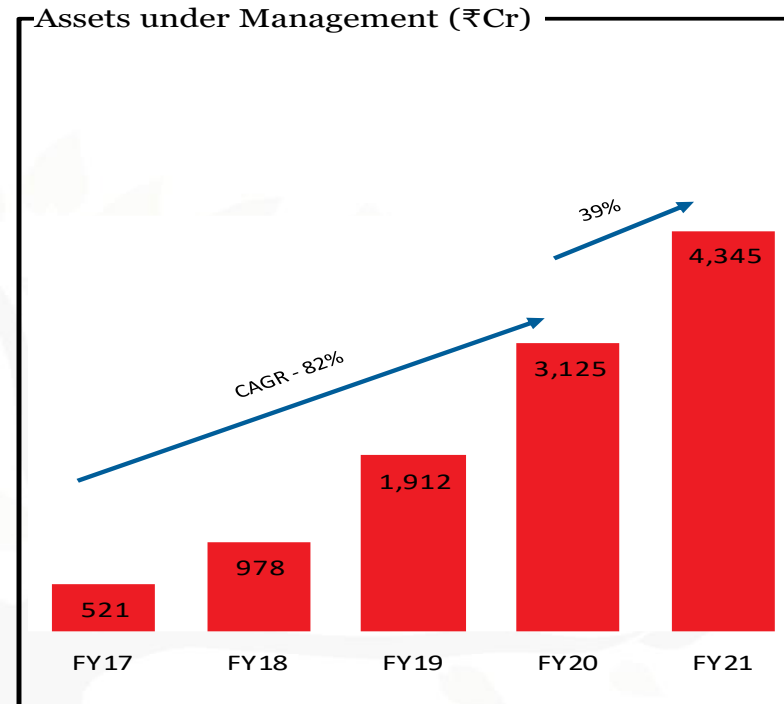
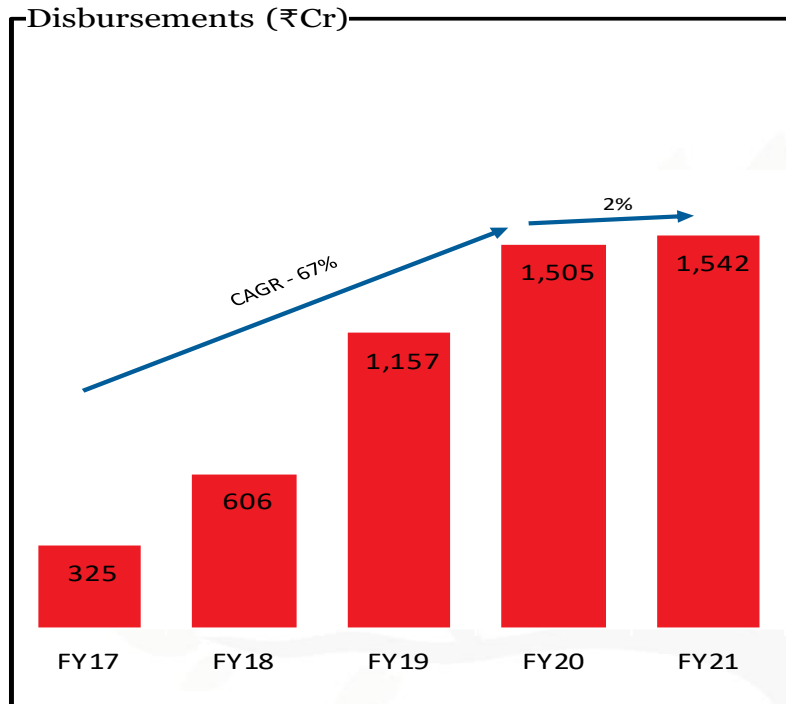
## Chola's Position

- Chola does not have Construction Finance exposure
- Chola does not have material under construction exposure to developer supplied houses
- Chola's LTV at a portfolio level is ~60% at origination – indicates adequate security cover
- ~88% 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
- Chola has fortified its collections teams and is equipped to handle the current situation

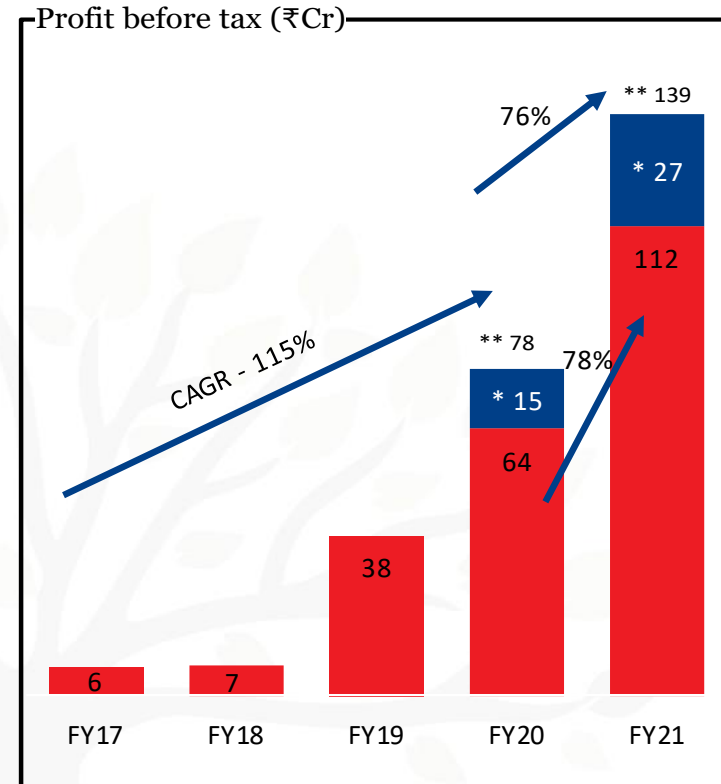
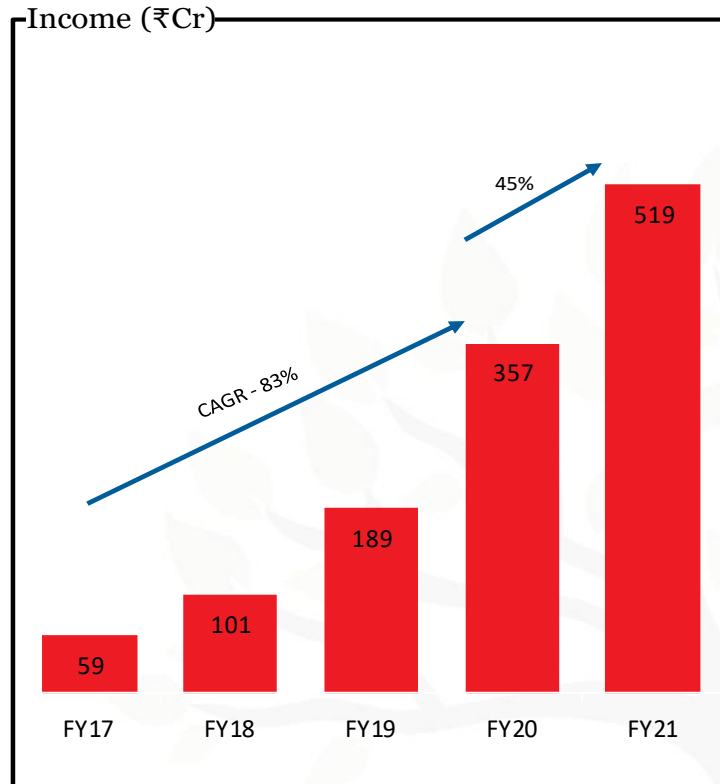
### Chola's immediate future outlook:

- While green shoots were apparent in Q4 FY21, the 2<sup>nd</sup> wave of Covid may result in recovery pushed to Q2 FY22
- The impact of the 2<sup>nd</sup> Covid wave related lockdowns could result in impacted repayments in Q1 FY22. However, Chola does not have significant exposure to highly impacted Tier 1 markets
- Likely stress on AUM due to BT-out due to low interest rate options

## Home Loans - Disbursements and Asset Under Management



## Home Loans - Income and Profit before tax



\* One time provision for COVID 19 + Macro provision \*\* PBT adjusted before COVID & Macro provision

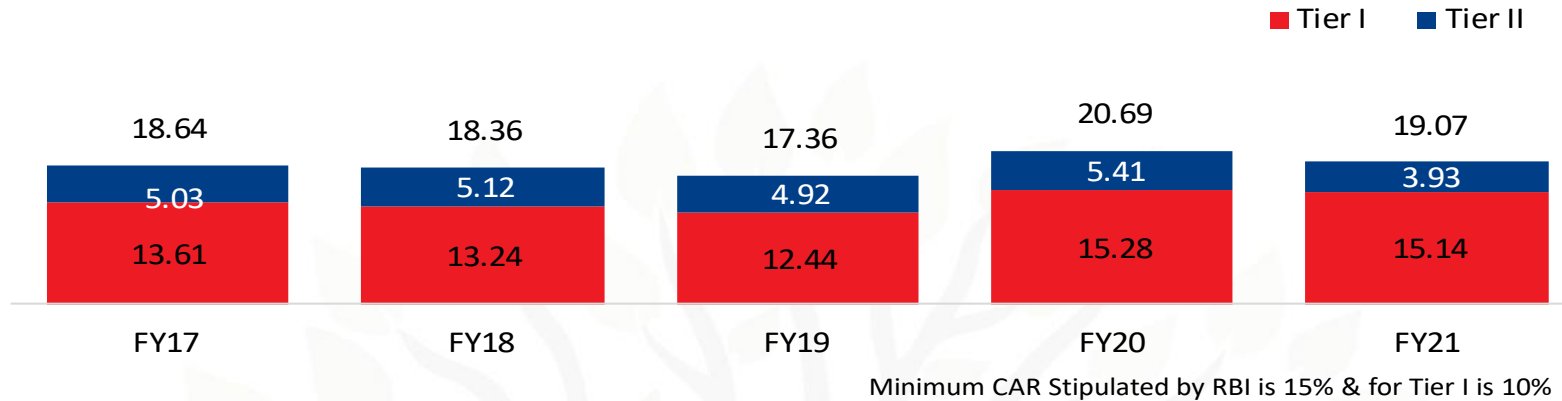
# Funding Profile





## CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



### Credit Rating

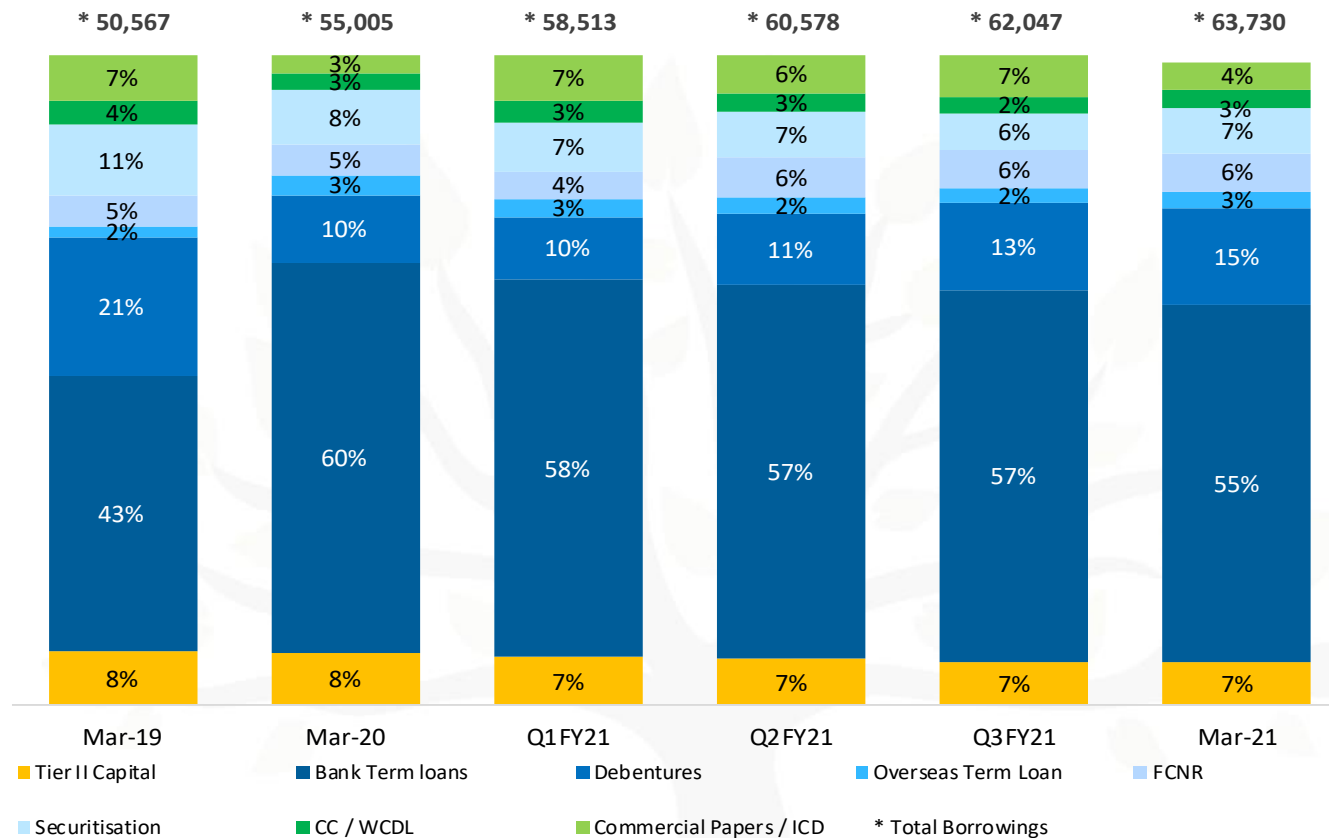
Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	CARE A1+^	[ICRA] A1+	[CRISIL] A1+
LT NCD/CC	IND AA + (ind) stable*	-	[ICRA] AA+	-
Tier II SD	IND AA + (ind) stable	CARE AA+	[ICRA] AA+/Stable	[CRISIL] AA+/Stable
Tier I PDI	IND AA (ind)	CARE AA	[ICRA] AA/Stable	-

^ CP Rating  
 \* NCD Rating

## Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type

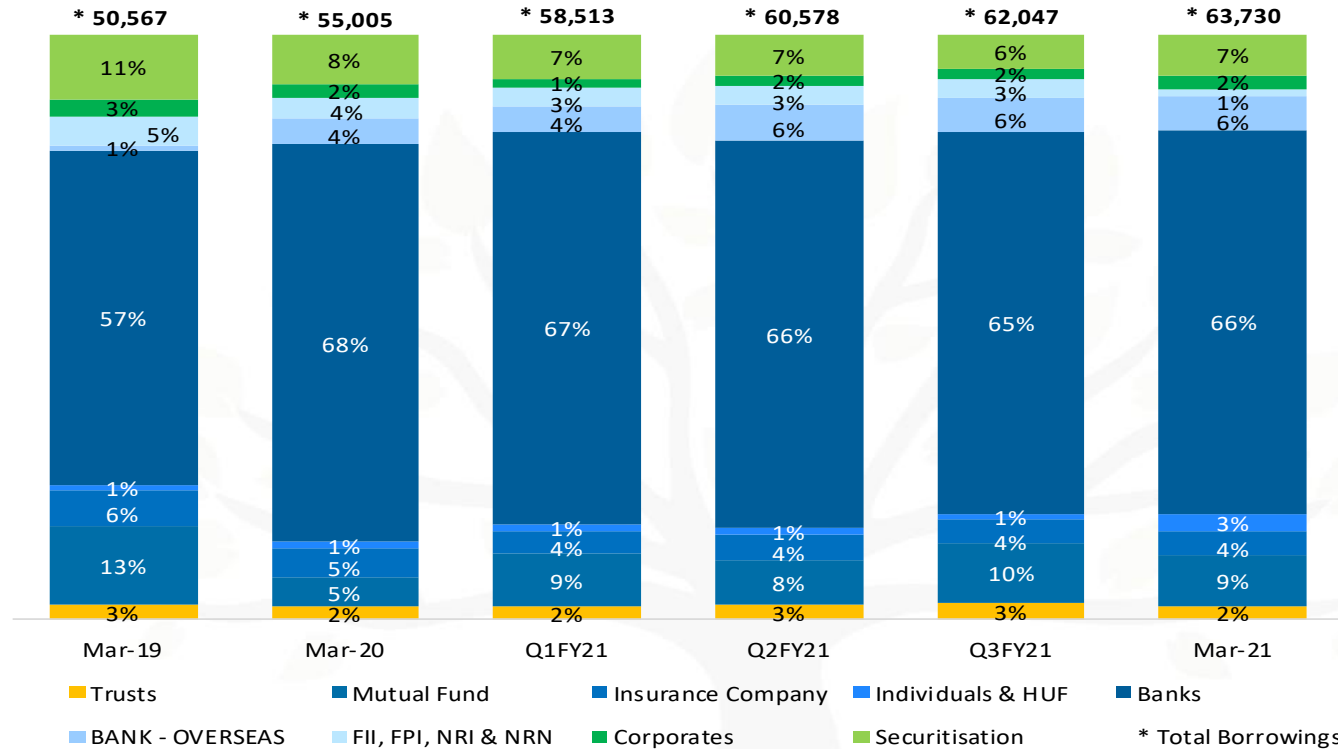
(₹Cr)



## Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



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

(₹Cr)

ALM snapshot as on 31st Mar 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	2,526.13	676.01	1,966.35	1,131.79	23.60	0.07	104.28	0.00	6,428.24
Advances	1,976.90	1,445.31	1,545.82	6,970.55	11,228.30	29,312.05	8,087.75	6,197.91	66,764.60
Trade Receivable & Others	28.24	180.12	8.61	53.76	82.88	227.61	298.04	1,401.57	2,280.84
<b>Total Inflows (A)</b>	<b>4,531.26</b>	<b>2,301.45</b>	<b>3,520.78</b>	<b>8,156.11</b>	<b>11,334.78</b>	<b>29,539.73</b>	<b>8,490.08</b>	<b>7,599.48</b>	<b>75,473.67</b>
<b>Cumulative Total Inflows (B)</b>	<b>4,531.26</b>	<b>6,832.72</b>	<b>10,353.50</b>	<b>18,509.60</b>	<b>29,844.38</b>	<b>59,384.11</b>	<b>67,874.19</b>	<b>75,473.67</b>	
Borrowin Repayment-Bank & Others	1,411.21	907.53	1,844.18	6,787.08	6,003.20	22,819.51	6,503.53	906.03	47,182.26
Borrowin Repayment- Market	1,130.39	1,370.29	1,654.77	1,090.63	1,821.36	5,850.66	1,493.88	2,135.75	16,547.73
Capital Reserves and Surplus	-	-	-	-	-	-	-	9,560.31	9,560.31
Other Outflows	1,506.65	21.35	19.05	235.47	44.87	127.40	5.95	222.63	2,183.37
<b>Total Outflows (C)</b>	<b>4,048.25</b>	<b>2,299.17</b>	<b>3,517.99</b>	<b>8,113.18</b>	<b>7,869.43</b>	<b>28,797.57</b>	<b>8,003.36</b>	<b>12,824.71</b>	<b>75,473.67</b>
<b>Cumulative Total Outflows (D)</b>	<b>4,048.25</b>	<b>6,347.43</b>	<b>9,865.42</b>	<b>17,978.60</b>	<b>25,848.03</b>	<b>54,645.60</b>	<b>62,648.96</b>	<b>75,473.67</b>	
E. GAP (A - C)	483.01	2.28	2.79	42.93	3,465.35	742.16	486.72	(5,225.23)	
<b>F.Cumulative GAP (B - D)</b>	<b>483.01</b>	<b>485.29</b>	<b>488.07</b>	<b>531.00</b>	<b>3,996.35</b>	<b>4,738.51</b>	<b>5,225.23</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>11.93%</b>	<b>7.65%</b>	<b>4.95%</b>	<b>2.95%</b>	<b>15.46%</b>	<b>8.67%</b>	<b>8.34%</b>	<b>0.00%</b>	

Note: Behavioural ALM.

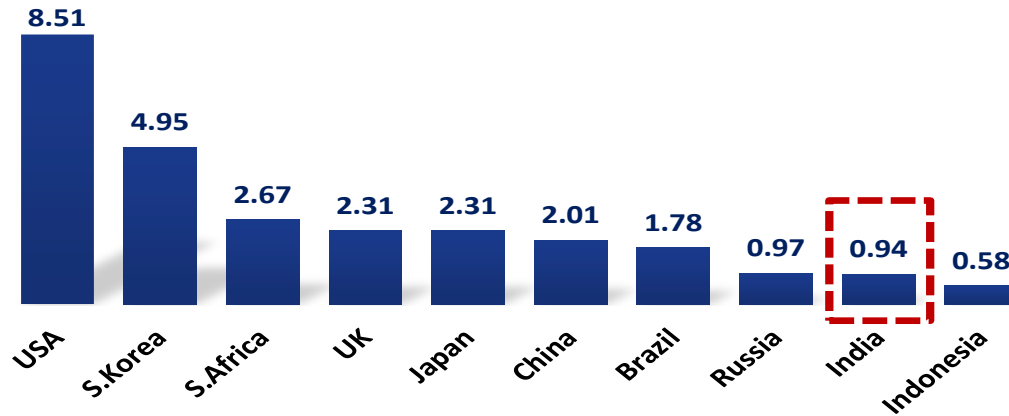
Advances and maturities include the securitization inflows and outflows respectively

Cholamandalam MS General Insurance Company  
Limited  
(CMMSGICL)

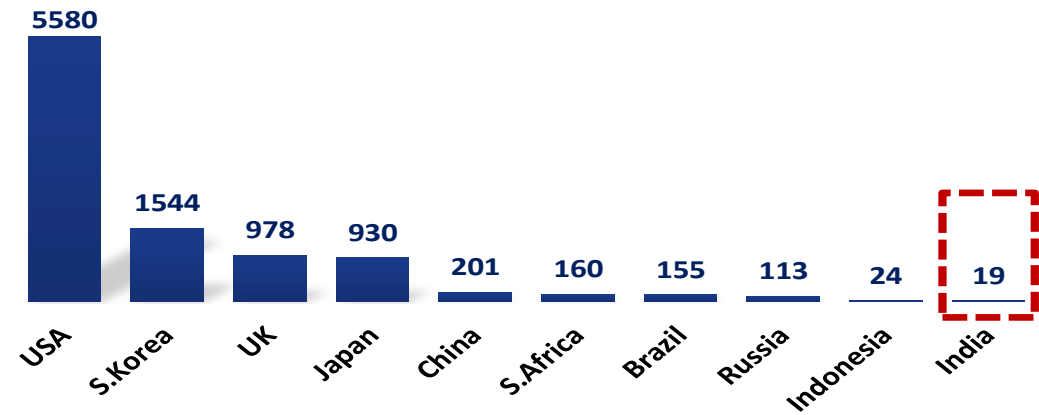
## Overview of the General Insurance Industry in India

## Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY19)  
(US\$)



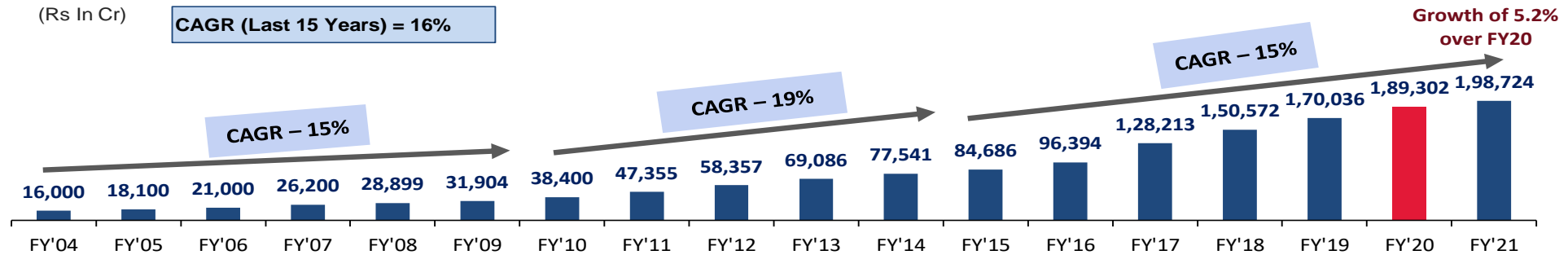
Non-Life Insurance Density (Premium per capital) (CY19)  
(US\$)



- India is the 4th largest non-life insurance market in Asia and 15th 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

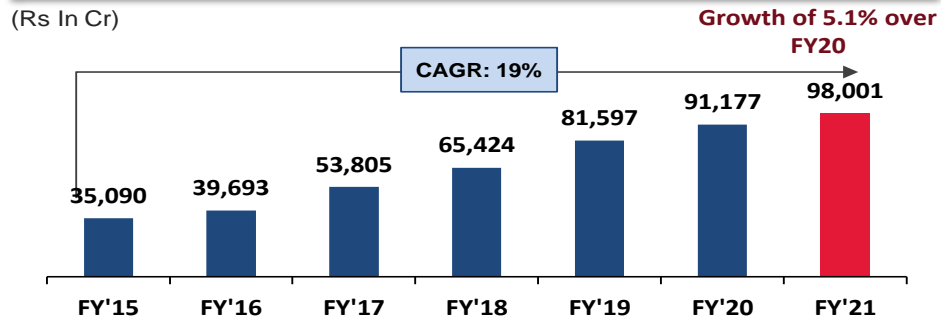
## Industry has Witnessed Strong Growth Over the last 15 Years

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

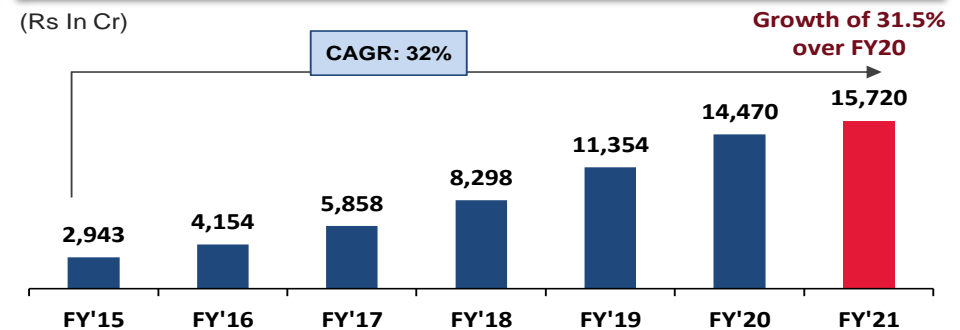


Source: IRDA; data includes public general insurers, private general insurers, standalone health insurers (SAHI) and specialized general insurers

### Private GI Players have grown at a faster pace



### Robust growth for SAHI Players driven by Retail

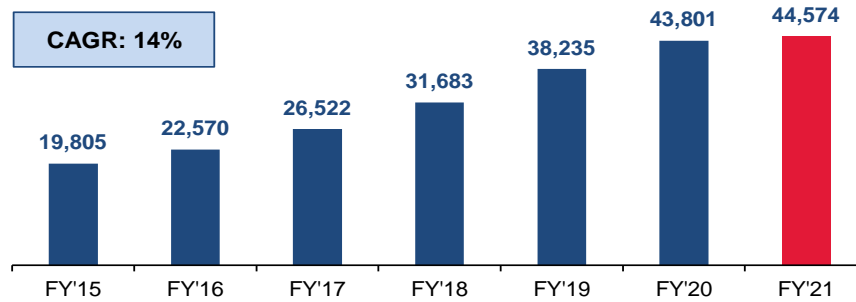




## Motor & Retail Health are the Largest GI Segment and Continue to Grow at Steady Pace

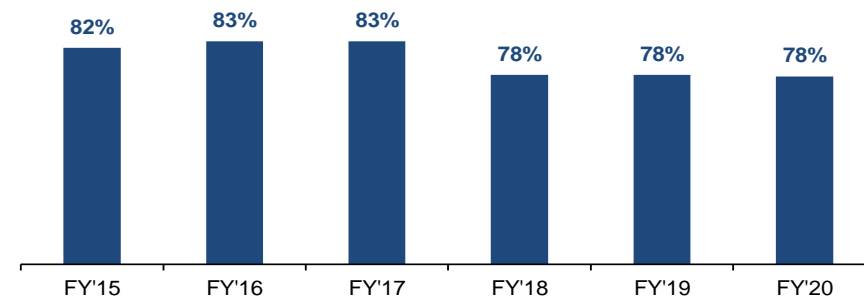
**Motor accounts for 45% share of the overall GWP for Private General Insurers (single largest segment)**

(Private Motor Insurance – GWP Rs in Crs)



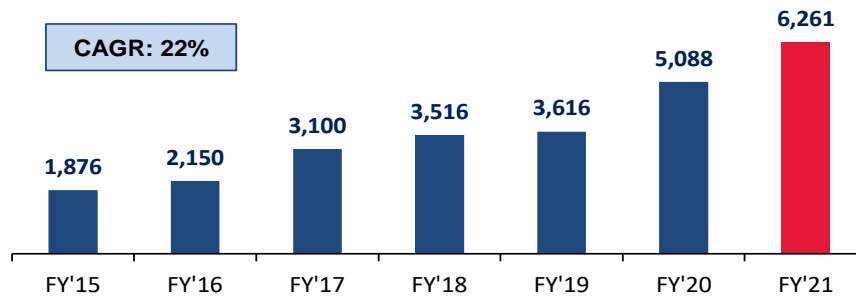
**Claims ratio is expected to stay flat**

(Private Motor Insurance – Claims Ratio)



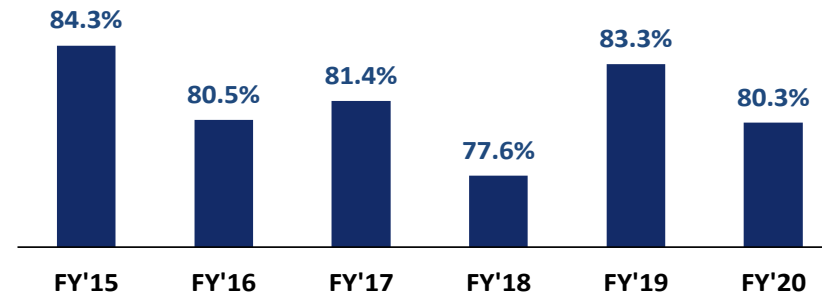
**Retail Health (6.4%\* share of overall GWP) is the fastest growing segment (22% CAGR FY'15-2021)**

(Private Retail Health Insurance – GWP Rs in Crs)



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

(Private Health Insurance – Claims Ratio)



\* Excluding SAHI Companies

## 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

### Requiring Tweaks

#### Crop Insurance



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

#### Introduction of MISIP 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

#pledge2protect™

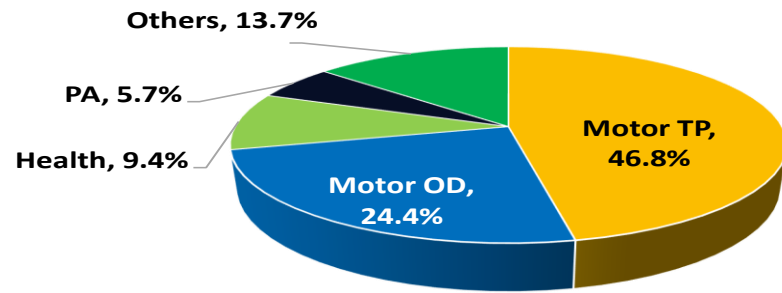


## Overview of the Company

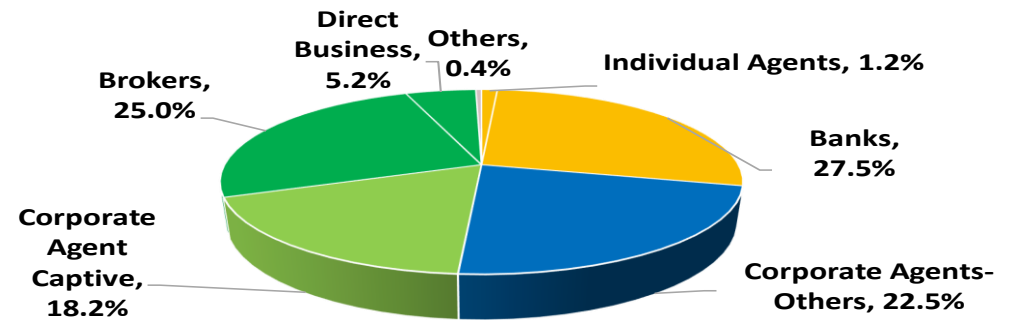
## Diversified Retail Revenue Stream, ensuring lesser dependency

Motor constitutes 71% of the GWP diversified across usage (CV, PV and TW)

Multi-channel model ensures lesser concentration / & diversified revenue stream

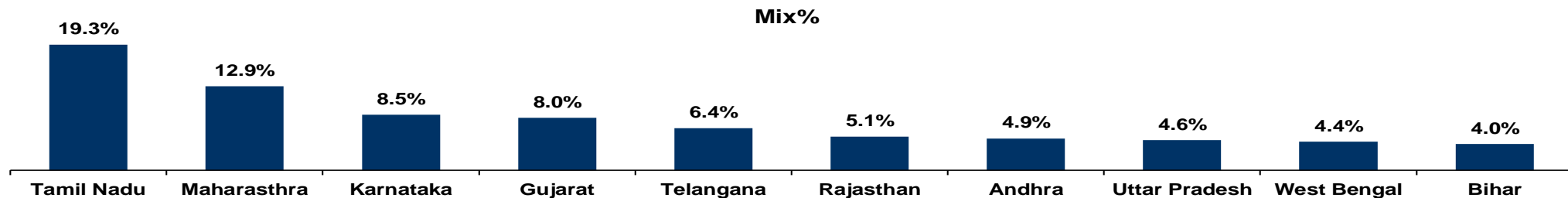


FY'21 GWP by Product



FY'21 GWP by Channel

No state constitutes >25% of the GWP – Ensuring geographic diversification



FY'21 GWP by Region - Top 10 States

## LOB Wise - Quarterly Growth Trends



Particulars	Months	Fire	Other Comml Lines	Motor	HAT	Crop	Others	Total
Industry	Q1 FY'21	37.0%	-4.4%	-23.6%	4.0%	-35.3%	-16.7%	-6.0%
	Q2 FY'21	27.7%	5.8%	-3.5%	15.3%	-8.3%	8.6%	2.8%
	Q3 FY'21	29.9%	11.4%	7.6%	2.7%	-35.9%	-2.5%	1.9%
	Q4 FY'21	21.4%	17.3%	8.6%	4.2%	-22.3%	9.4%	5.2%
	<b>FY'21</b>	<b>28.1%</b>	<b>8.4%</b>	<b>-1.7%</b>	<b>6.7%</b>	<b>-16.8%</b>	<b>1.5%</b>	<b>2.0%</b>
Private sector	Q1 FY'21	37.6%	-3.6%	-23.4%	-11.9%	-19.2%	-18.1%	-9.8%
	Q2 FY'21	34.4%	9.5%	-1.0%	11.3%	2.7%	-9.7%	4.8%
	Q3 FY'21	39.2%	14.5%	13.2%	-3.2%	-8.9%	3.4%	8.1%
	Q4 FY'21	31.7%	18.4%	14.7%	2.1%	2.1%	11.8%	11.8%
	<b>FY'21</b>	<b>34.4%</b>	<b>9.6%</b>	<b>2.4%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>-1.2%</b>	<b>5.1%</b>
Public sector	Q1 FY'21	36.2%	-5.3%	-24.0%	15.0%	-66.2%	-15.7%	-1.4%
	Q2 FY'21	19.0%	1.6%	-7.8%	17.8%	-36.2%	27.6%	-0.1%
	Q3 FY'21	18.9%	7.9%	-2.4%	8.0%	-73.8%	-9.0%	-6.4%
	Q4 FY'21	9.4%	16.2%	-2.1%	5.8%	-55.1%	6.9%	-3.2%
	<b>FY'21</b>	<b>20.2%</b>	<b>7.0%</b>	<b>-8.6%</b>	<b>11.1%</b>	<b>-48.8%</b>	<b>4.1%</b>	<b>-2.0%</b>
Chola MS	Q1 FY'21	19.8%	-12.3%	-29.5%	-6.1%	-100.0%	-49.7%	-21.9%
	Q2 FY'21	39.9%	-8.4%	-7.2%	20.0%	-100.0%	2.4%	0.3%
	Q3 FY'21	21.5%	1.5%	7.1%	7.1%	-100.0%	-19.0%	7.7%
	Q4 FY'21	33.1%	-6.8%	10.8%	8.9%	-87.8%	-7.4%	10.9%
	<b>FY'21</b>	<b>30.8%</b>	<b>-8.5%</b>	<b>-3.7%</b>	<b>8.2%</b>	<b>-91.1%</b>	<b>-15.2%</b>	<b>0.0%</b>

In Q4 FY'21, Chola MS

- Registers growth
- Grow in motor – partly wiping out the deficit of YTD Feb FY'21
- Keeps pace with industry growth in Fire
- Better than GI industry growth in health
- GI Industry growth in Retail Health lower than SAHI players (~32% growth in FY21)

## Current Partnerships (1/2)

<b>Banks</b>	 <b>बैंक ऑफ़ बड़ौदा</b> <b>Bank of Baroda</b>	 <b>यूनियन बैंक</b> <b>Union Bank of India</b>	 <b>IndusInd Bank</b>		
<b>Small Finance Bank/Gramin Banks</b>	 <b>AU SMALL FINANCE BANK</b>	 <b>new india co-operative bank ltd</b> (SCHEDULED BANK)	 <b>બરોડા ગુજરાત ગ્રામીણ બેંક</b> <b>BARODA GUJARAT GRAMIN BANK</b>		
<b>NBFC's</b>	 <b>Chola</b> Enter a better life	 <b>nuthoot</b>	 <b>IK Finance Limited</b>	 <b>APTUS™</b>	 <b>BAF India</b>

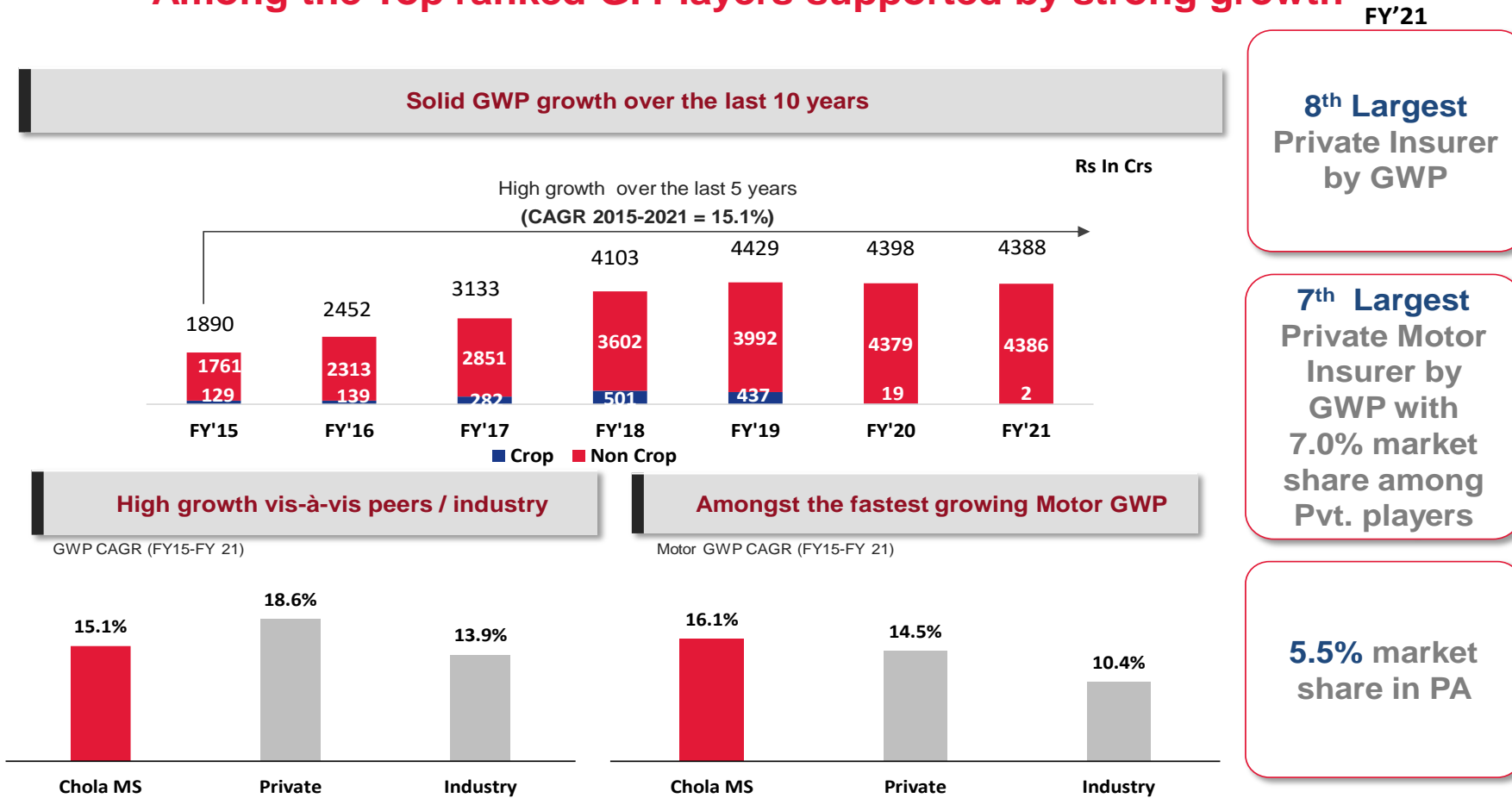
## Current Partnerships (2/2)

OEM Private Cars				
	 HYUNDAI			
OEM Others	 NEVER STOP		 Hero	
		 COMMERCIAL VEHICLES		
Digital		 Insurance compare kitya?		 www.symboinsurance.com
				 A Zurich company

## Key Investment Highlights

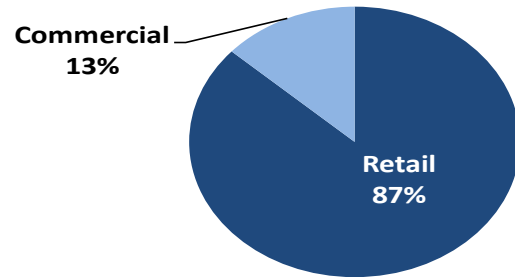


## Among the Top ranked GI Players supported by strong growth



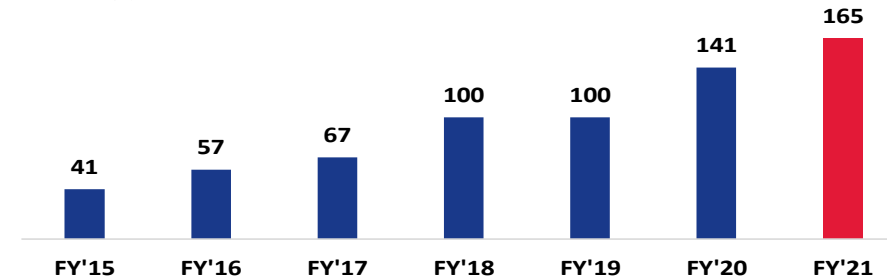
## Retail Focused Diversified Operations

### Retail dominated business mix



### Granular book aided by increasing dispersed customer base

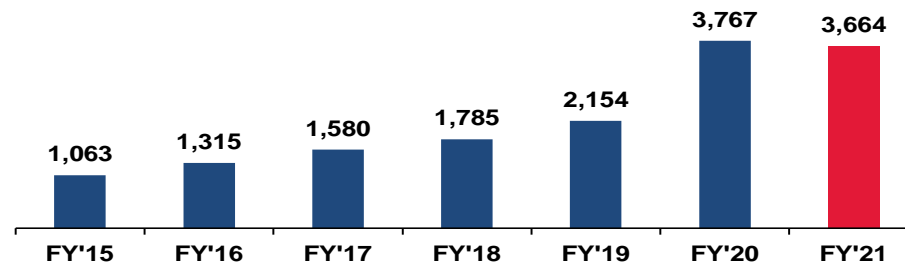
Customers (#) in Lacs



### Significant growth in retail oriented policies

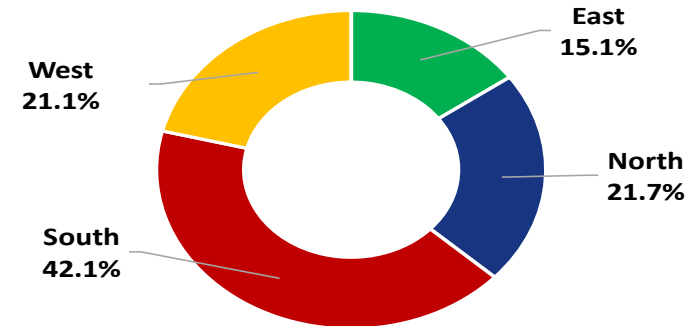
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2015-21) = 22.9%



### Balanced Geographic Presence – Mix %

Mix %

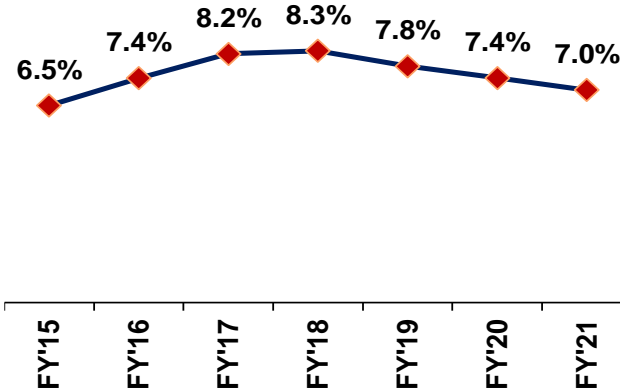


## Dominance in Motor, Diversification Underway

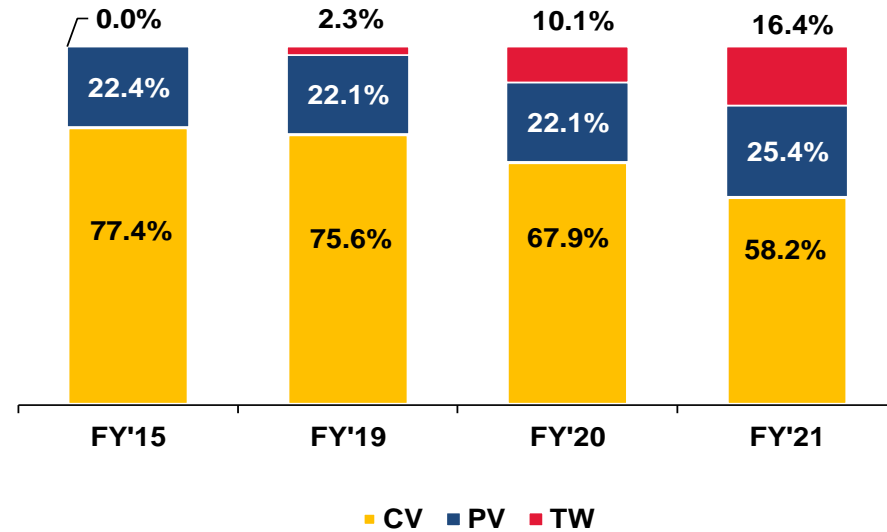
### Motor Market Share (Largest GI Segment)

Private GI Market Share by GWP

**7th**  
Largest Private  
Motor General  
Insurer



### Strategized diversification across Motor eco-system



### Significant OEM Tie-ups:

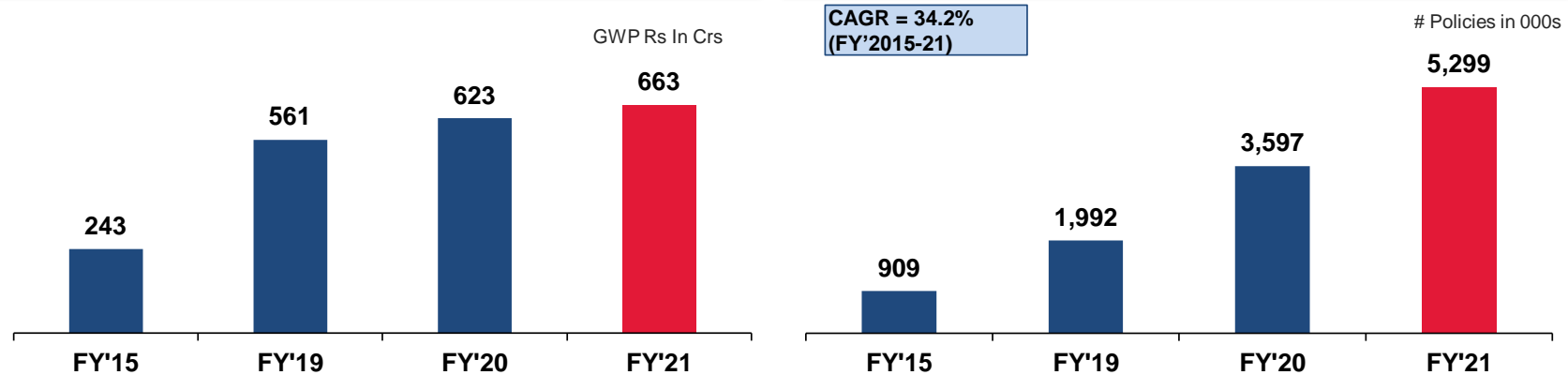


9% Market share in new TWs  
8% Market share in new Tractors

## Dominance in Motor, Gaining Prominence in Other Segment

Health/ PA Segment GWP grew at 18% CAGR (FY2015-21)

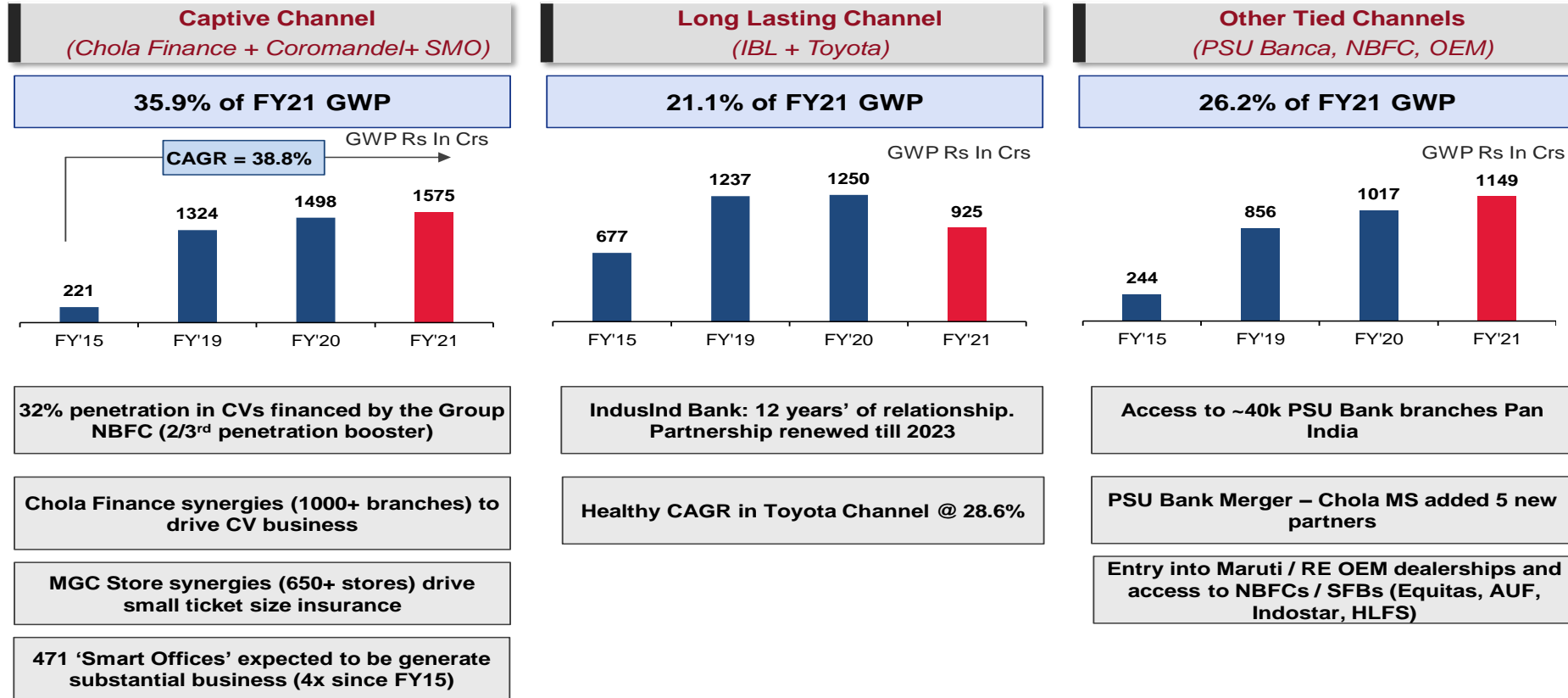
Significant traction in Motor



### Significant network support:

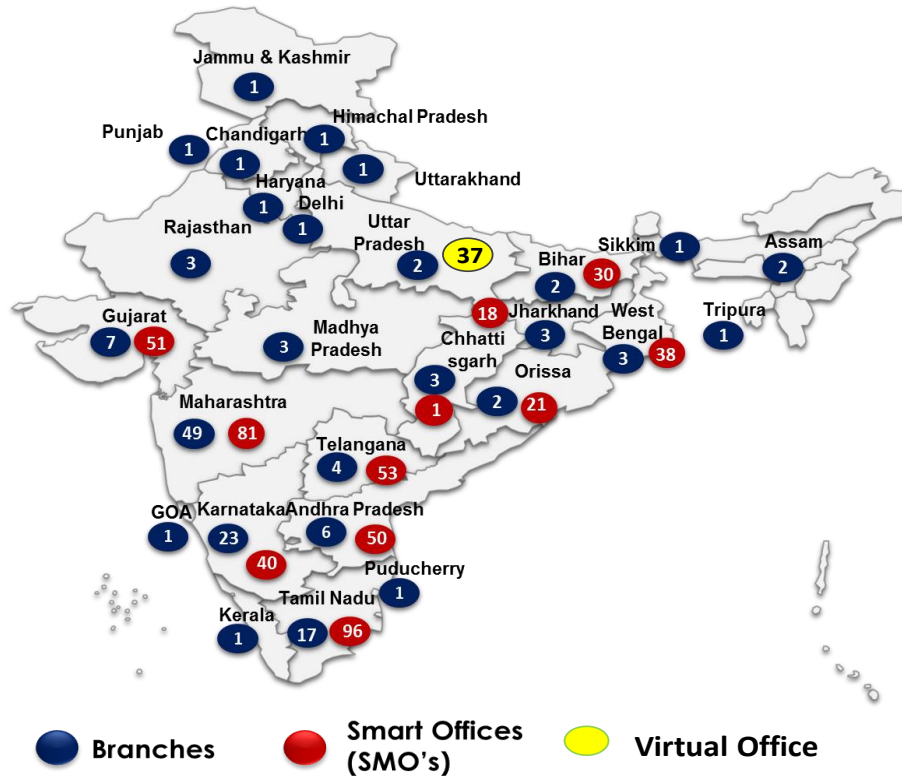
1. 141+ Chola MS branches
2. 11180+ Garages tie-ups
3. 9504+ Network Hospitals (2nd highest in the Industry incld., SAHI's)

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



## Pan India Multi-channel distribution network

Offices as on Mar'21



**141**  
Chola MS branches  
across India

**471**  
Digitally Enabled Offices  
(Chola Insurance Xpress)

**37**  
Virtual Offices

**1000+**  
Access to Chola Finance  
branches

**50k+**  
Network of agents

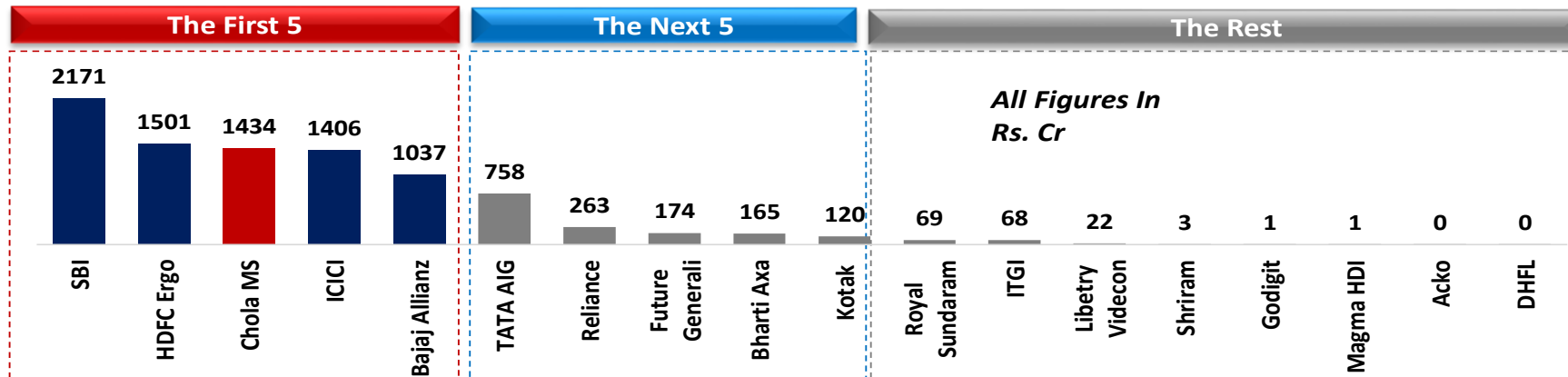
**12+**  
Large OEM partnership

**15+**  
Banca / NBFC tie-ups

**40K**  
Access to 40k+ PSB  
branches

## Strengths in Bancassurance

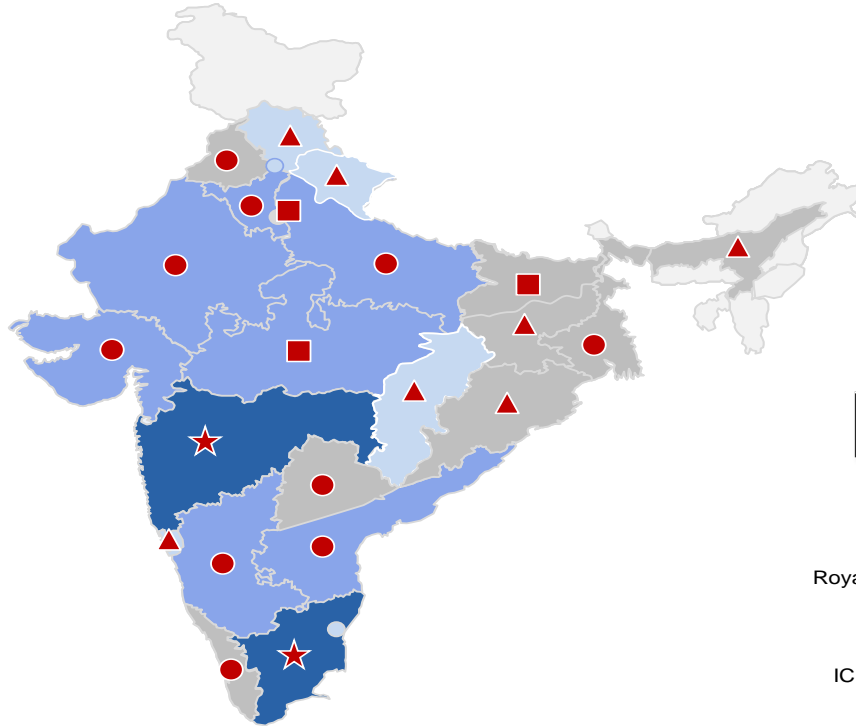
Chola MS - No 1 in GI Bancassurance Space (Non Captive) – FY'20



- Track record of retaining large partnerships.
- Ability to execute and operationalize immediately.
- High Focus to product and process integration.
- Ability to underwrite year wise Premium and Fee Income for the partnership.

Source: IRDA Public Disclosure – FY20

## Superior Claims Management Process



Network Hospitals	▲	■	●	★
Cashless Garages	0-100	100-300	300-1000	>1000

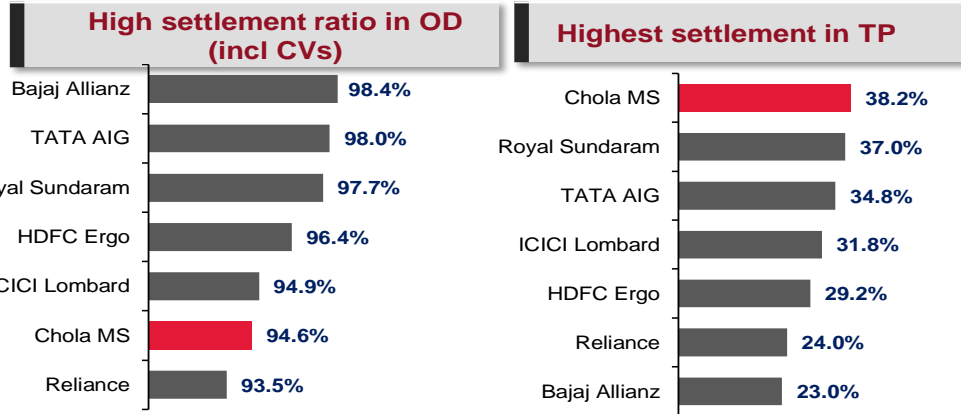
**11,180**  
Network of cashless garages

**9,504**  
Network of cashless hospitals

**94%**  
In-house claims assessment

**80%**  
Industry highest negotiated settlement in TP

**54%**  
Cost savings due to early and out of court settlement





## 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






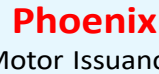

**Service Improvement**  
(Productivity, Ease of use)

- 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>SME Commercial Policy Issuance</p>  <p>Phoenix Motor Issuance</p>  <p>Cattle Policy Issuance</p> <p><b>API</b></p>	<p><b>Tailor</b> Health Rules Engine (UW &amp; Fraud)</p> <p><b>Tele UW</b></p> <p><b>UW OCR</b> Health Pre Policy Medical Digitization</p> <p>Tele UW capabilities</p>
Tech Levers	<p>Mobile App, OCR, Workflow, Bank Verification, Learning Content, Cloud</p>	<p>Mobile App, Seamless Journey, Product Recommendation Engine, Cross Sell and Up Sell capabilities, STP &amp; NSTP Workflows, Payment Integration, Instant Policy Issuance</p>	<p>Parameterized Rules Engine, Fraud Analytics Model, AI driven advanced OCR for digitization, Tele Consulting and associated Workflows</p>
Benefits	<p><b>100%</b> Digital Onboarding of Agents</p>	<p><b>100%</b> Policy Issuance Digitally</p> <p><b>2 Min</b> Instant Policy Issuance</p>	<p><b>~75%</b> STP issuance for Health (including Tele UW &amp; Rule Engine decisions)</p> <p><b>100%</b> 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	<b>TP Claim Risk</b> Health Claim Workflow Motor TP Claim Risk Scoring Model <b>Claims OCR</b> <b>Provider Portal</b> Health Claim Digitization AI based Motor Claim Adjudication 	<b>NRLMS</b> Voice Bot for renewals Renewal Lead Management & Lead Propensity Scoring	<b>TALVIEW</b> 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

## Robust Enterprise-wide Risk Management Framework

	<b>Claims Risk</b>	Active Fraud Control Unit, Fraud Analytics, Centralised verification of all motor claims
	<b>Underwriting</b>	Client wise and location wise monitoring of risk accumulation on monthly basis
	<b>Business sourcing</b>	Focus on diversification across channels, geographies, lines and products
	<b>Operational</b>	Manuals, SOPs, maker-checker, HR-based risk procedures
	<b>Information</b>	Strong infosec policies, disaster recovery and business continuity backups
	<b>Reputation and Regulatory</b>	Strong corporate governance practices, close engagement with IRDAI
	<b>Re-insurance</b>	Diversified reinsurance strategy with high benchmarks
	<b>Strategic risk</b>	Retail strategy aimed at a diversifying customer base

## Constantly improving operating metrics

Particulars		2018-19	2019-20	2020-21
Number of Customers	Rs. Lacs	100	141	165
Number of policies issued	Rs. Lacs	29	45	63
Chola MS Branch	No's	90	135	141
Digital enable office	No's	469	510	471
PSB Branches	No's	19000+	41000+	40000+
Motor OD Claims Settlement	%	95%	94%	94%
Motor TP Claims Settlement	%	38%	33%	23%
Covid Claims settlement	%	NA	NA	75%
Network Garages	No's	6000+	8600+	11000+
Network Hospitals	No's	8000+	9000+	9500+
Complaints Disposal Ratio%	%	100%	100%	100%

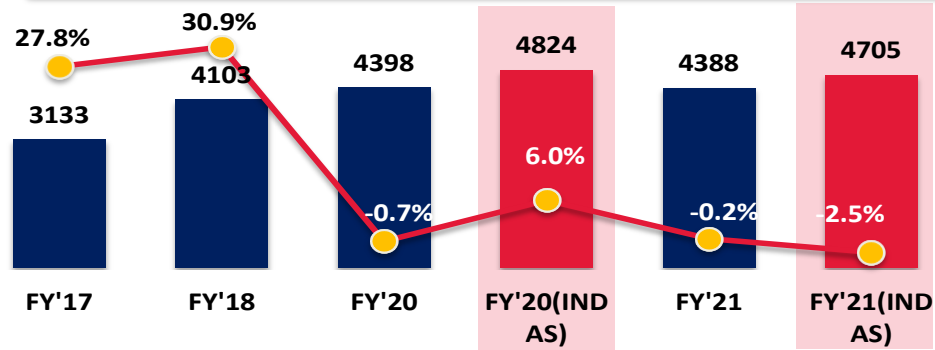
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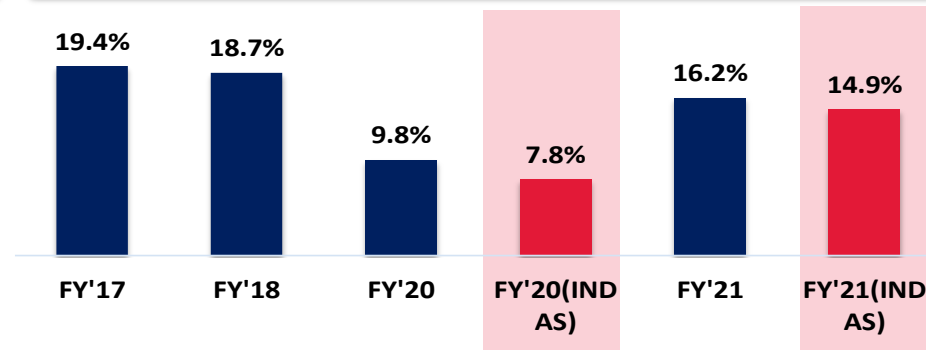
## Financial Summary

## Key Financial Indicators

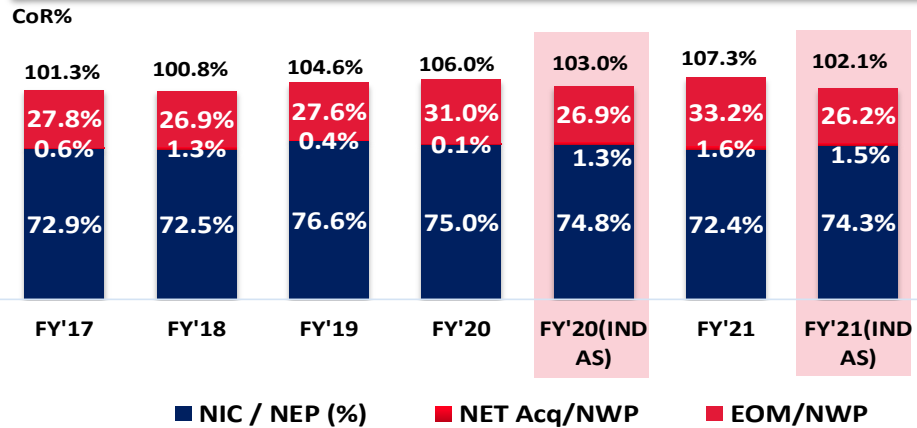
GWP (INR Cr) and Growth (%)



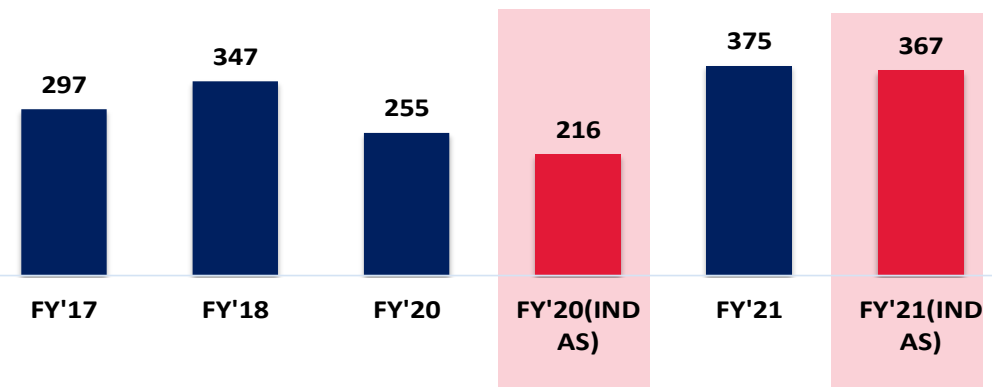
Return on Net Worth(%)



Break up of CoR(%)



Profit Before Tax (Rs. Crs)



■ NIC / NEP (%)   ■ NET Acq/NWP   ■ EOM/NWP

## Top 10 Private companies LR & COR – YTD Dec FY'21

Insurers	NIC/NEP						Acq costs + EOM / NEP	CoR After Strain
	Motor		Health	Fire	PA	Overall		
	OD	TP						
ICICI Lombard	61.7%	65.7%	88.5%	73.9%	24.8%	67.5%	33.8%	101.4%
Bajaj Allianz	49.9%	77.7%	84.3%	66.1%	45.8%	69.8%	26.1%	95.9%
Reliance	58.0%	90.5%	96.7%	60.2%	61.5%	81.0%	36.8%	117.8%
TATA AIG	67.1%	82.3%	64.3%	51.0%	41.6%	69.6%	40.5%	110.0%
ITGI	70.2%	90.0%	94.2%	77.0%	55.1%	84.4%	19.4%	103.8%
HDFC ERGO	70.4%	72.4%	85.3%	75.3%	45.2%	75.7%	26.2%	102.0%
SBI	66.4%	105.0%	80.8%	60.6%	41.5%	77.3%	21.9%	99.2%
<b>Chola MS</b>	<b>49.8%</b>	<b>82.8%</b>	<b>106.4%</b>	<b>42.3%</b>	<b>20.4%</b>	<b>72.6%</b>	<b>34.5%</b>	<b>107.1%</b>
Future	60.3%	67.1%	117.7%	68.9%	35.6%	68.1%	41.3%	109.4%
RSA	71.1%	99.9%	68.1%	62.0%	41.7%	77.6%	28.1%	105.7%
Go Digit	55.6%	77.2%	71.5%	61.9%	40.0%	72.4%	42.9%	115.3%

On LR's,

Chola MS compares favourably despite higher TP mix.

On Acq costs + EOM,

Players with no crop (ICICI, TATA AIG, Chola, Go Digit) have costs in 30-42% band

Players with large crop volumes (Bajaj, ITGI, SBI) report lower costs as there is no sourcing cost in crop.

Reliance and Future is at higher cost in spite of volumes in crop.



## Profit and Loss (Rs. Crs)

Particulars – In Rs. Cr	FY17	FY18	FY19	FY'20	FY'20 IND AS	FY'21	
						I GAAP	IND AS
Gross Written Premium	3133	4103	4429	4398	4824	4388	4705
Net Earned Premium	2248	2824	3050	3437	3437	3202	3202
PBT	297	347	257	260	216	375	367
PAT	208	243	179	149	125	282	276
Networth	1075	1296	1453	1603	1605	1855	1846
Fixed Assets (net)	69	70	69	72	124	73	148
Investment portfolio	4905	6363	7596	9078	9027	11061	10262
Earnings per Share (Rs.)	6.97	8.12	5.99	5	4.18	9.43	9.23
Book value per Share (Rs.)	35.98	43.38	48.64	52.68	53.73	63.97	61.76
Return on Networth (%)	19.36%	18.72%	12.31%	9.76%	7.79%	16.2%	14.94%

## Investment Book Overview (Rs. Crs)

Catogery	Mar-18	Mar-19	Mar-20	Mar-21	Mar-18	Mar-19	Mar-20	Mar-21
C Govt Sec	1303	1623	2623	4155	20.5%	21.3%	28.1%	37.7%
S Govt Sec	805	1436	3693	3508	12.7%	18.9%	39.6%	31.8%
Housing sector	1040	1027	620	955	16.4%	13.5%	6.6%	8.7%
Infra sector	1216	1505	688	771	19.1%	19.8%	7.4%	7.0%
Approved - Other Corp Bonds	1496	1510	787	396	23.6%	19.9%	8.4%	3.6%
Other Inv - Other Corp Bonds	0	189	410	132	0.0%	2.5%	4.4%	1.2%
Equity	128	144	113	76	2.0%	1.9%	1.2%	0.7%
AIF	8	15	13	12	0.1%	0.2%	0.1%	0.1%
Mutual Funds	220	72	135	141	3.5%	0.9%	1.5%	1.3%
Investment Property	29	29	29	31	0.5%	0.4%	0.3%	0.3%
Bank Deposits	107	55	225	857	1.7%	0.7%	2.4%	7.8%
<b>Grand Total</b>	<b>6351</b>	<b>7605</b>	<b>9335</b>	<b>11034</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
All Corp Bonds					59.1%	55.6%	26.8%	20.4%
Reduction in Exposure						3.4%	6.0%	0.5%

## Stage 3 - Provisions & Write off – March 2021 (Rs. in Crs)

Name of the Issuer	Exposure	Int. Acc. But not due	ECL	Write off	Total Impairment	Net Exposure (Post Impairment)	Provision % on Gross exposure
DHFL	156.70	24.13	46.88	96.40	143.28	37.55	79.23%
ILFS	106.97	17.80	21.11	82.69	103.81	20.97	83.19%
IFIN	59.99	5.68	21.83	43.84	65.67	0.00	100%
RELIANCE CAPITAL	53.52	5.83	35.28	10.99	46.28	13.07	77.98%
RELIANCE HOME	20.00	1.77	-	21.77	21.77	-	100%
YES BANK	49.95	1.28	-	51.24	51.24	-	100%
<b>Total</b>	<b>447.14</b>	<b>56.49</b>	<b>125.10</b>	<b>306.93</b>	<b>432.03</b>	<b>71.61</b>	

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