



May 13, 2023

**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**  
**NSE - WDM**

**Scrip Code : 504973**

Dear Sir / Madam,

**Sub: Presentation to Analyst / Investor**

This is further to our letter dated May 10, 2023 on the analyst / investor call scheduled on May 15, 2023.

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

We request you to kindly take the information on record.

Thanking you,

Yours faithfully,  
for **Cholamandalam Financial Holdings Limited**

**E Krithika**  
**Company Secretary**

**Encl: As above**

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

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





**Chola**

*Financial Holdings*

**CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED**

**CORPORATE PRESENTATION – Q4-FY23**

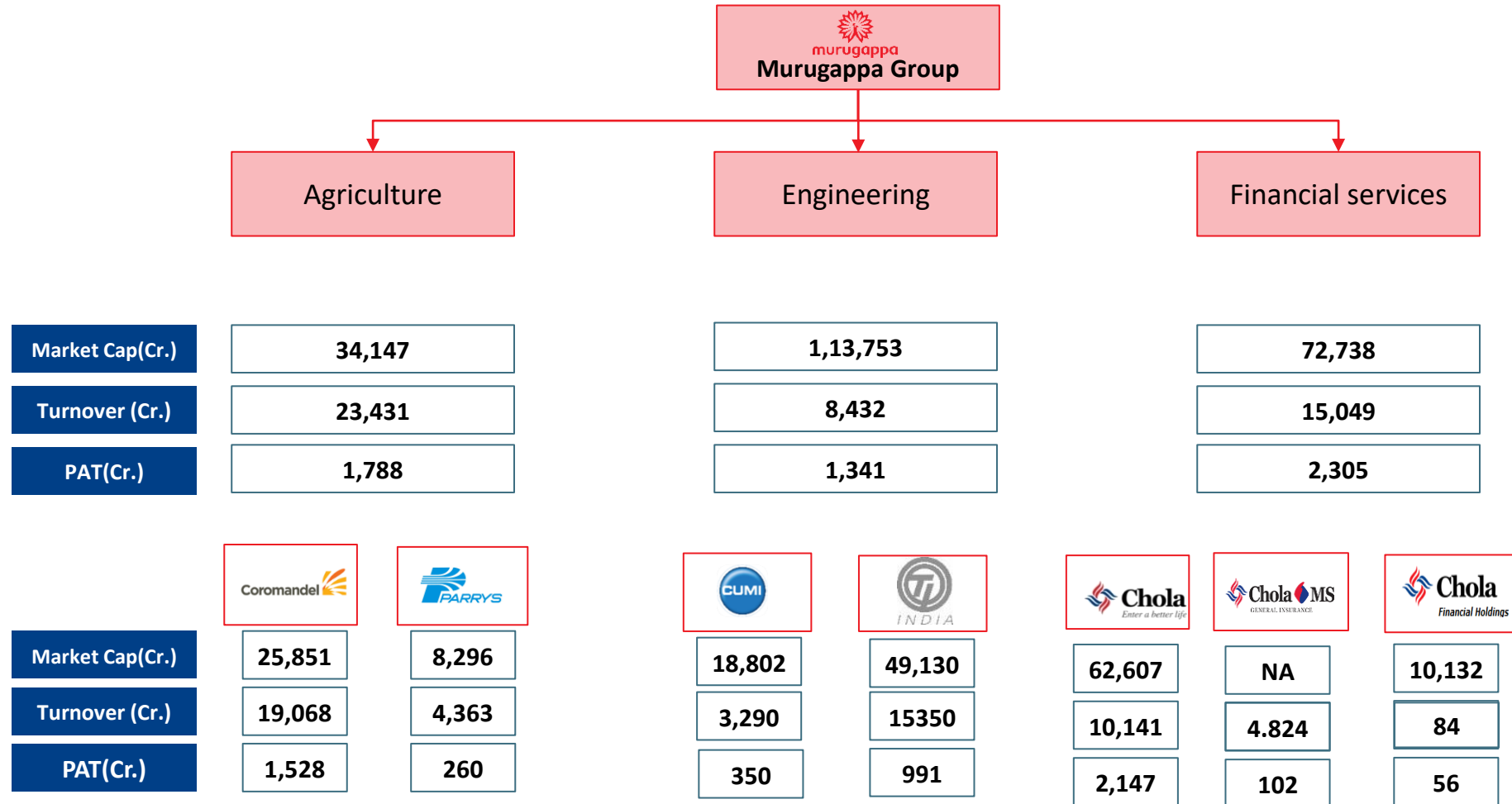


**murugappa**

# Murugappa Group in a Nutshell



# Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings. Financial Performance are of FY 21-22. Market data as on 31<sup>st</sup> Mar 2023. Source: BSE

# SPIRIT OF MURUGAPPA



**The five lights**  
The values, principles and beliefs that have always guided us and continue to show the way forward.

**Integrity**  
We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

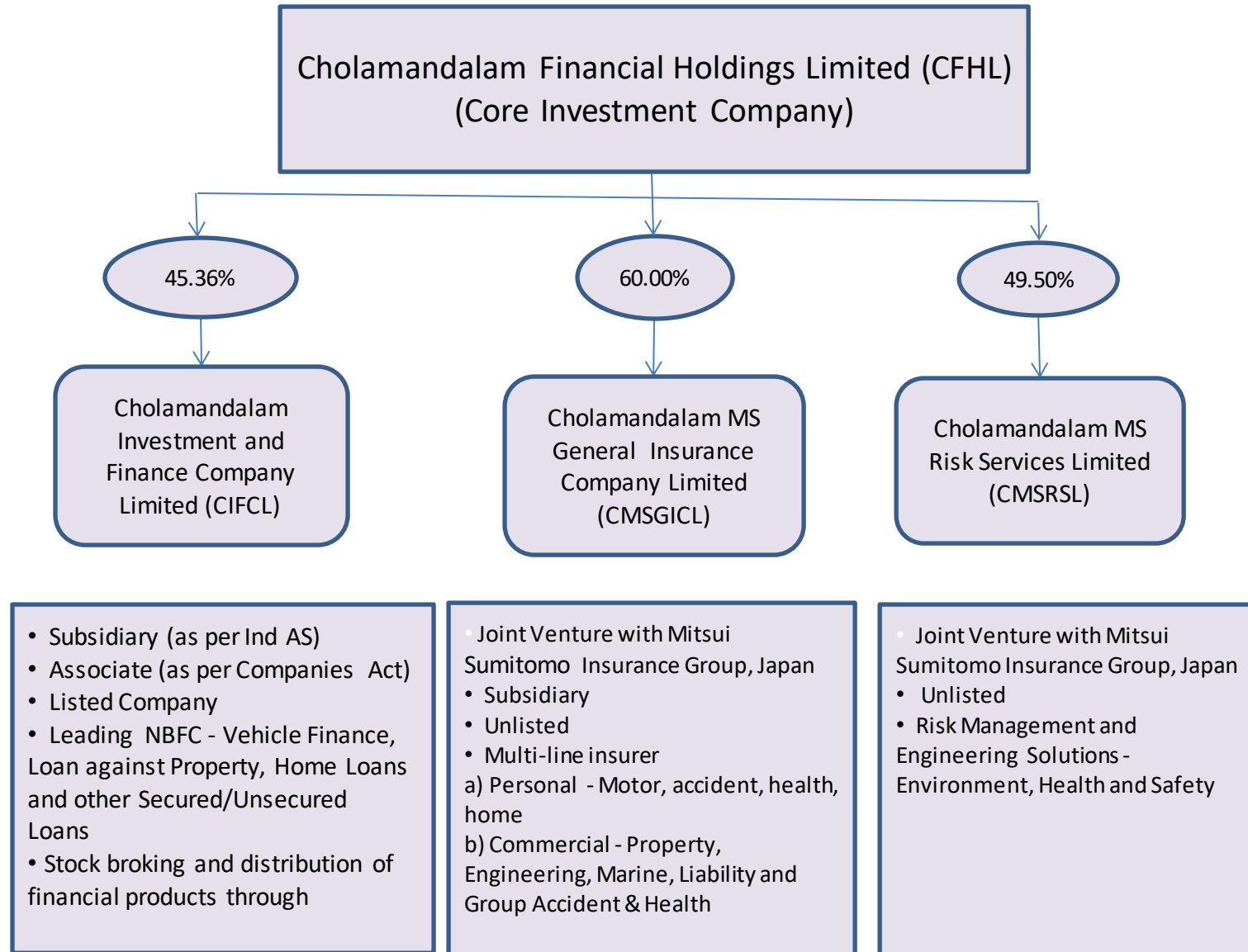
**Passion**  
We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

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

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

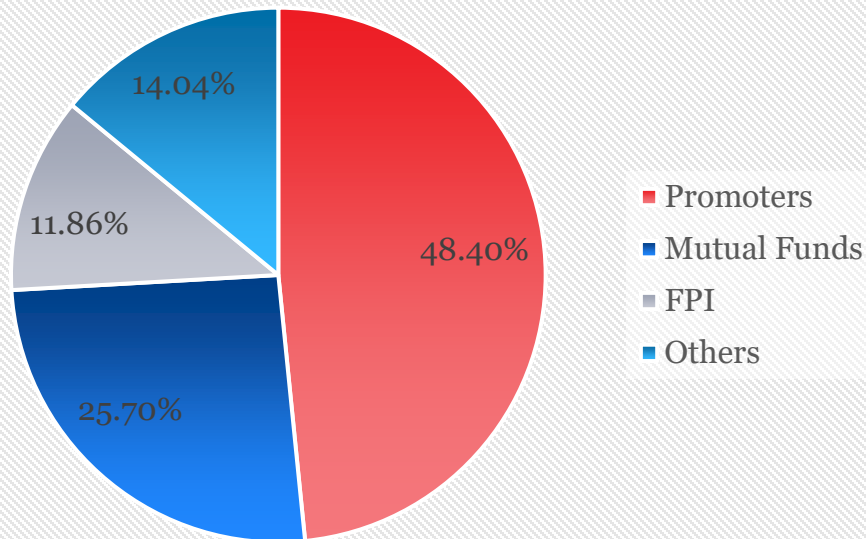
**Responsibility**  
We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that benefits our size and also reflects our humility.

***"The fundamental principle of economic activity is that no man you transact with will lose, then you shall not."***



## Shareholding pattern

### Shareholding Pattern as of March 31, 2023



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

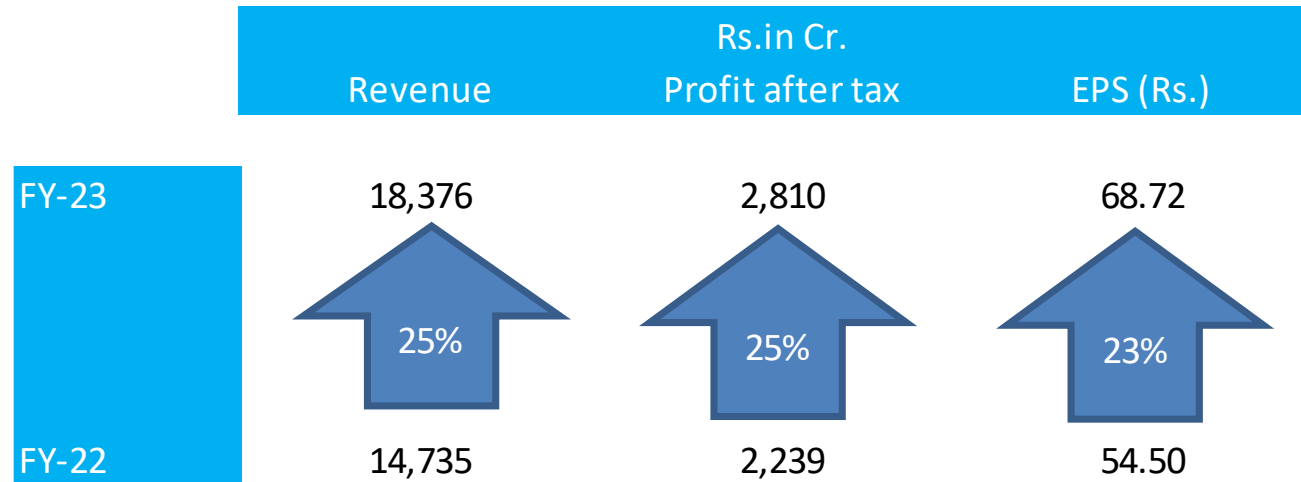
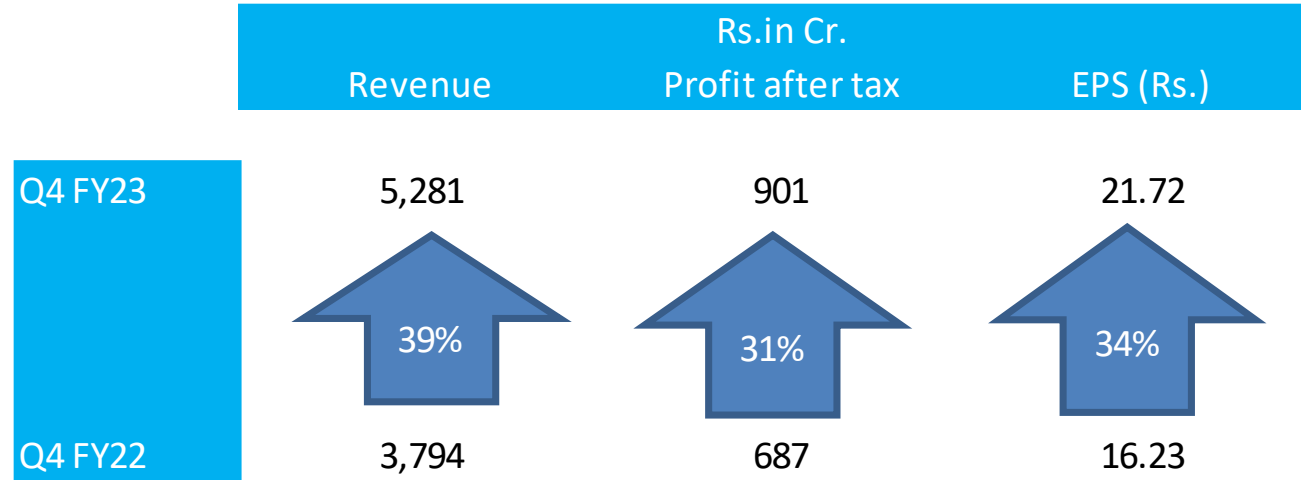
#### **Top Domestic Institutional Holdings**

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

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

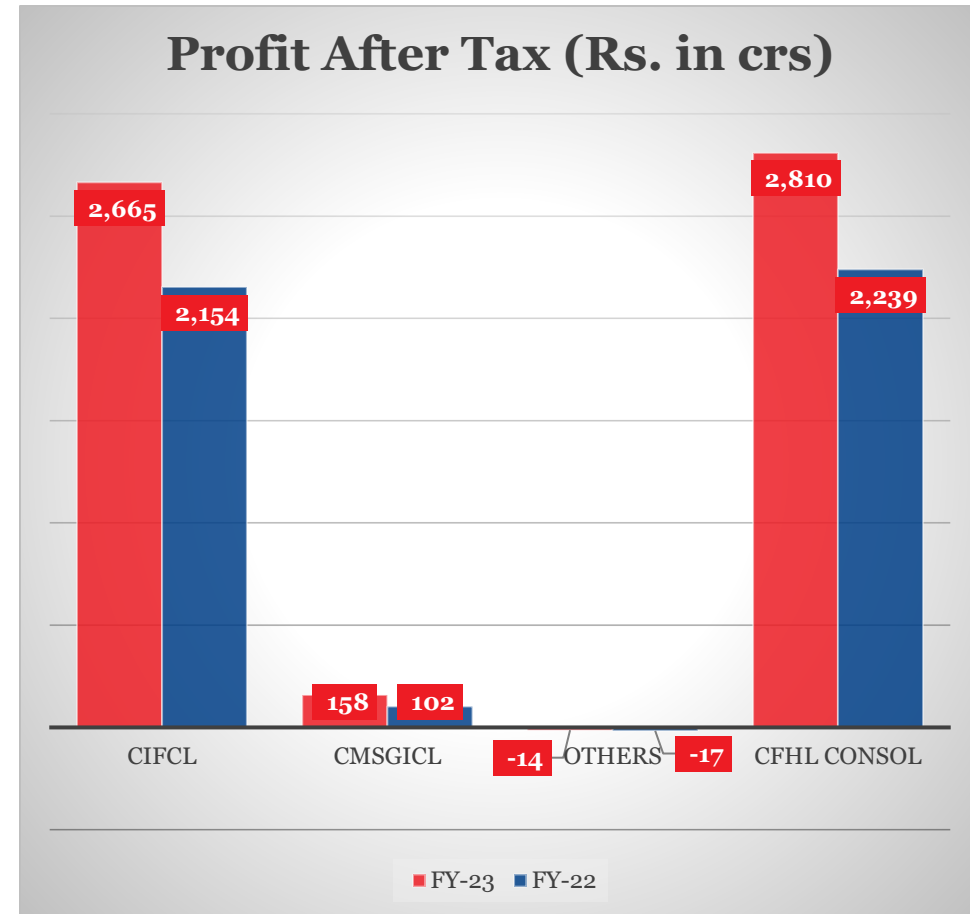
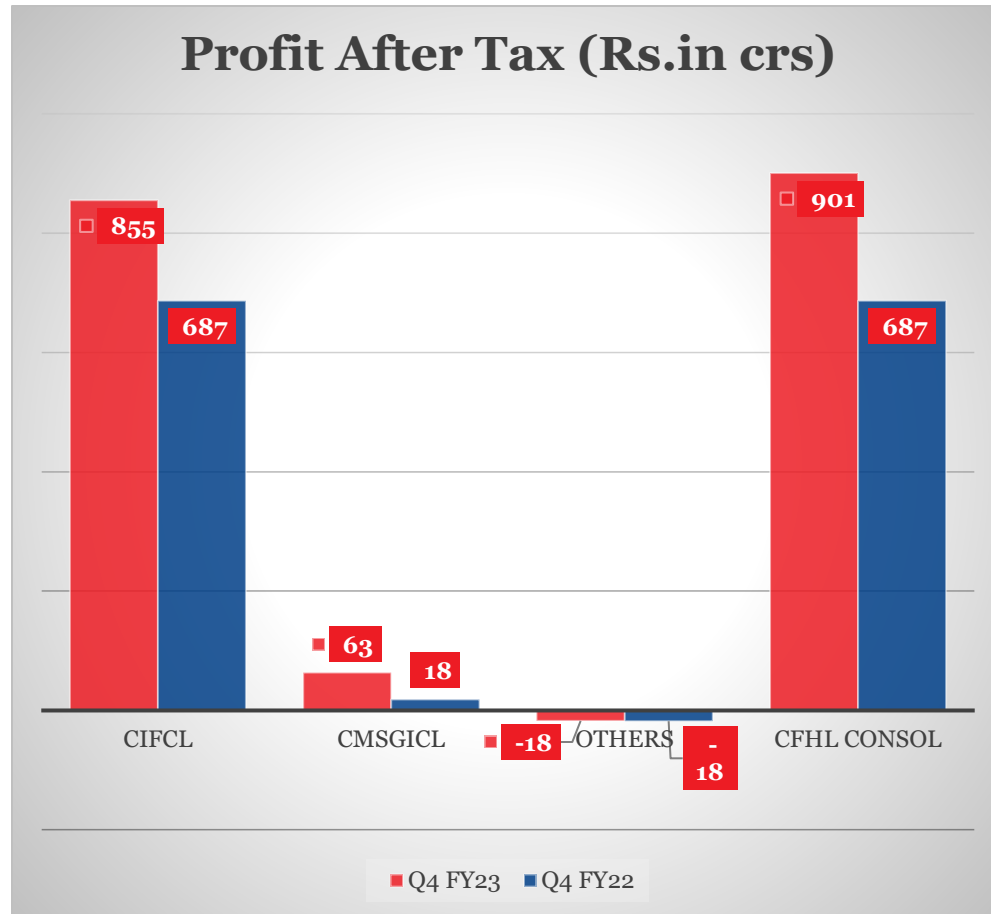
First Sentier Investors ICVC - Stewart Investors I  
Toyota Tusho Corporation

# Performance Highlights - Consolidated





# Performance Highlights – Consolidated



# Financial Performance & Metrics

CFHL - Standalone		
Particulars (Rs. in Cr)	FY-23	FY-22
Income	84	84
Expenses	10	13
Profit Before Tax	74	71
Tax Expense	16	15
Profit After Tax	58	56

CFHL - Standalone	As of	As of
Balance Sheet (Rs. in Cr)	31-Mar-2023	31-Mar-2022
Networth	1,236	1,187
Other Liabilities	52	103
Total Equity and Liabilities	1,288	1,290
Investments and Bank deposits	1,288	1,290
Other Assets	1	0
Total Assets	1,288	1,290

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

CIFCL	FY-23	FY-22
Disbursements (Rs. in Cr)	66,532	35,490
	As of	As of
	31-Mar-2023	31-Mar-2022
AUM (Rs. in Cr)	1,12,782	82,904
No.of Branches	1,191	1,145

CMSGICL	FY-23	FY-22
GWP (Rs. in Cr)	4,602	3,738
	As of	As of
	31-Mar-2023	31-Mar-2022
Investment Portfolio (Rs. in Cr)	14,271	11,356
Market presence (Branch+CIE +VO)*	604	638

CMSRSL	FY-23	FY-22
Revenue (Rs. in Cr)	65	60
PAT (Rs. in Cr)	7	5
	As of	As of
	31-Mar-2023	31-Mar-2022
Networth (Rs. in Cr)	37	31

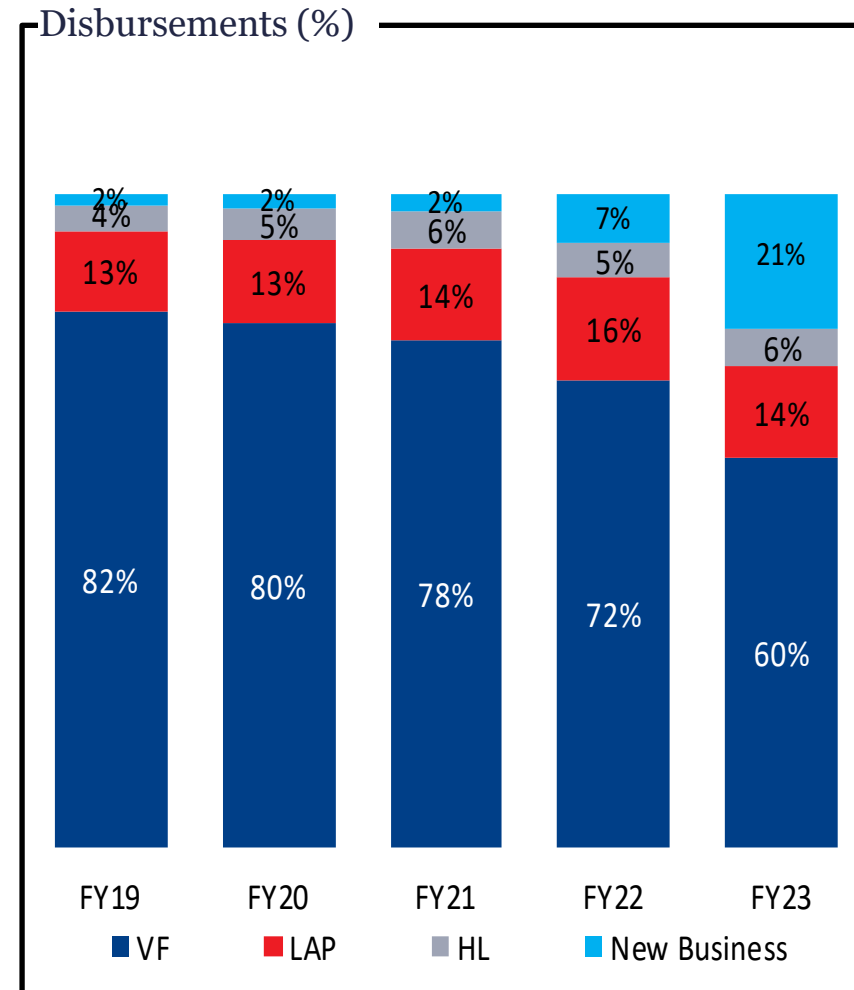
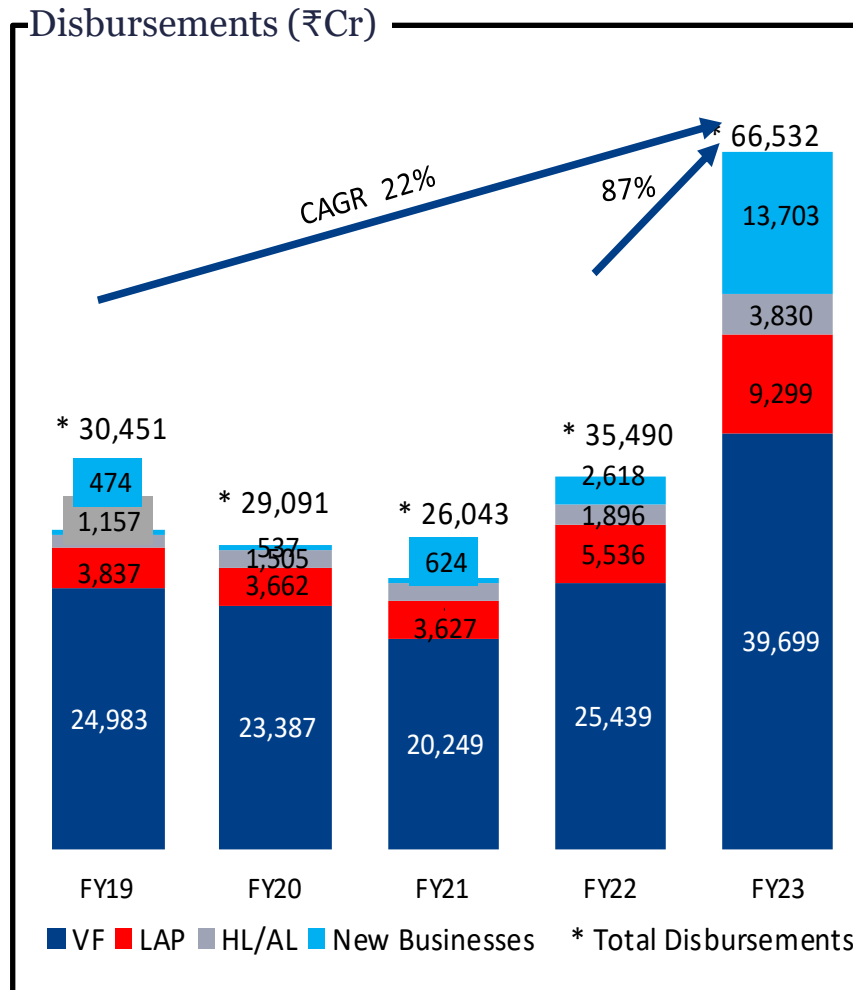
## Regulatory Ratios of CFHL

Rs Crs

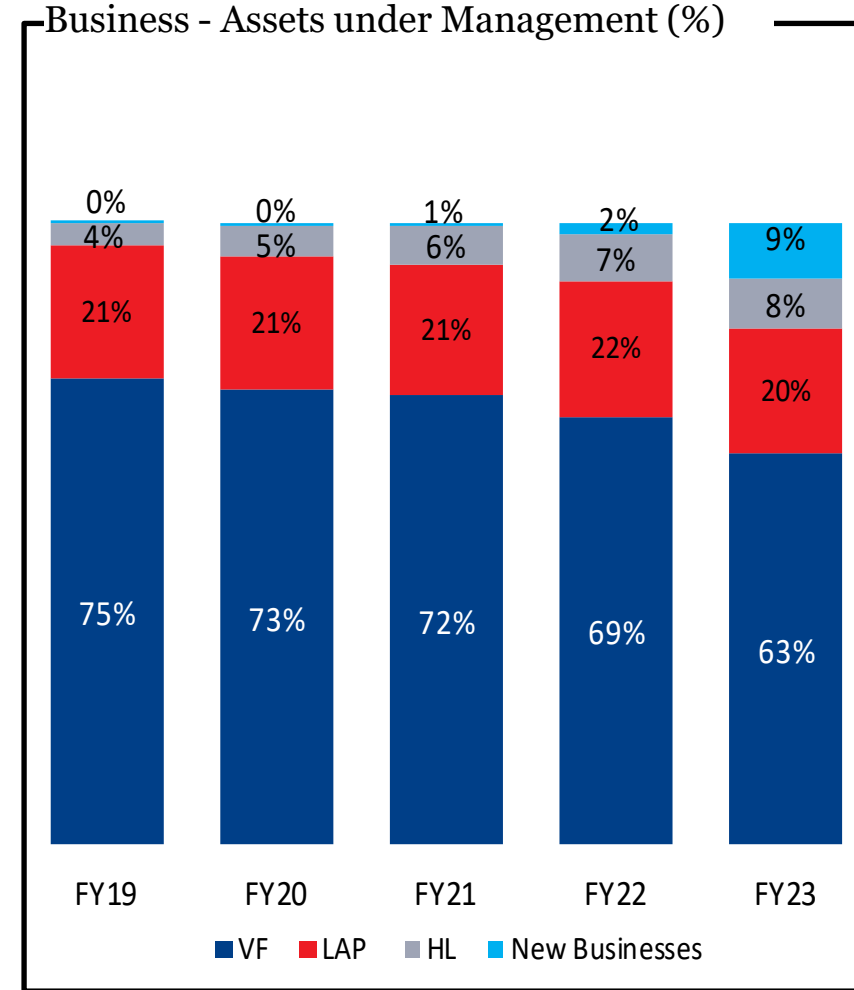
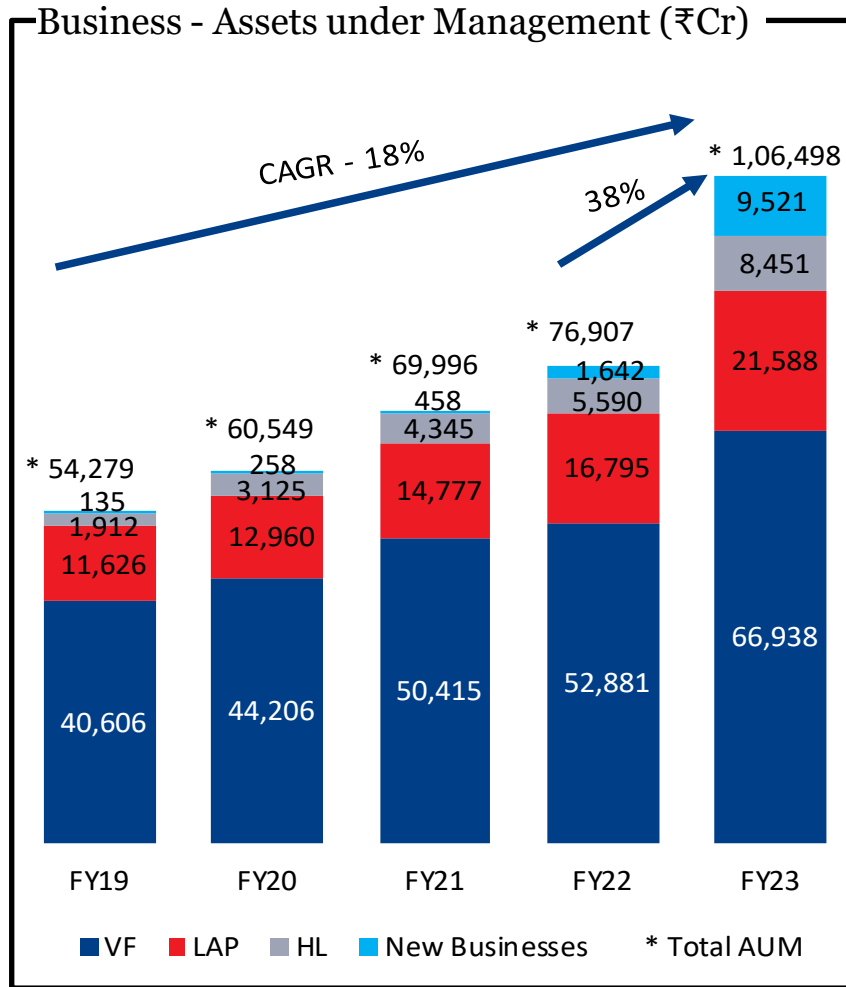
Particulars	As of March 31, 2023	As of March 31, 2022
Owned Funds (A)	1,226.02	1,187.17
Adjusted Networth (B)	14,387.29	12,072.90
Risk Weighed Assets ( C)	1,280.89	1,280.57
Outside Liabilities (D)	52.39	103.73
Net assets (E)	1,280.23	1,279.89
Investment in equity shares of group companies (F)	1,280.12	1,279.84
Capital Ratio (B / C)	1123.23%	942.78%
Regulatory minimum	30.00%	30.00%
Leverage Ratio (D / B)	0.004	0.01
Regulatory maximum	2.50	2.50
Investment in group companies (F / E)	99.991%	99.996%
Regulatory minimum	90.000%	90.000%

# Cholamandalam Investment and Finance Company Limited

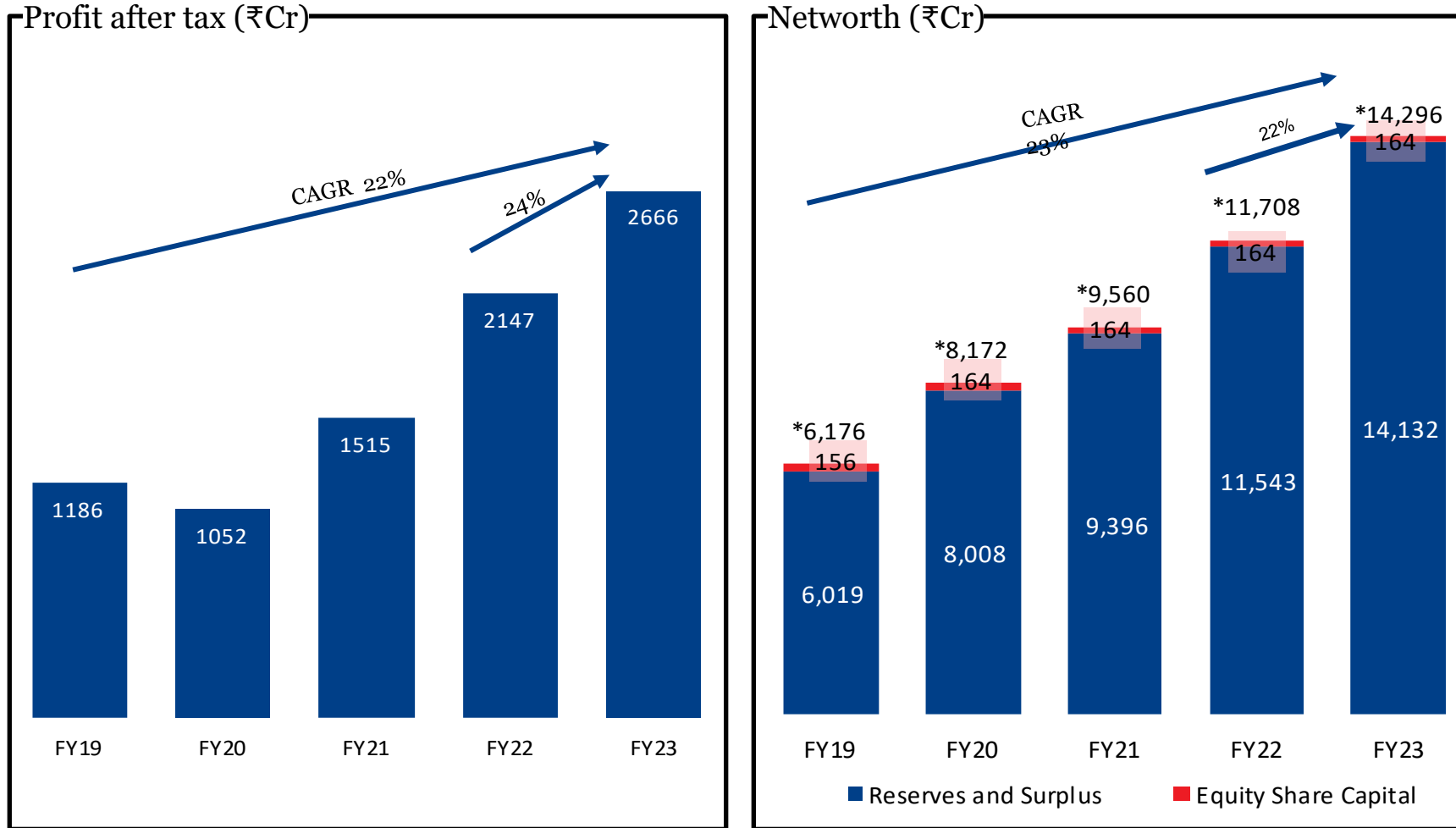
# Disbursements



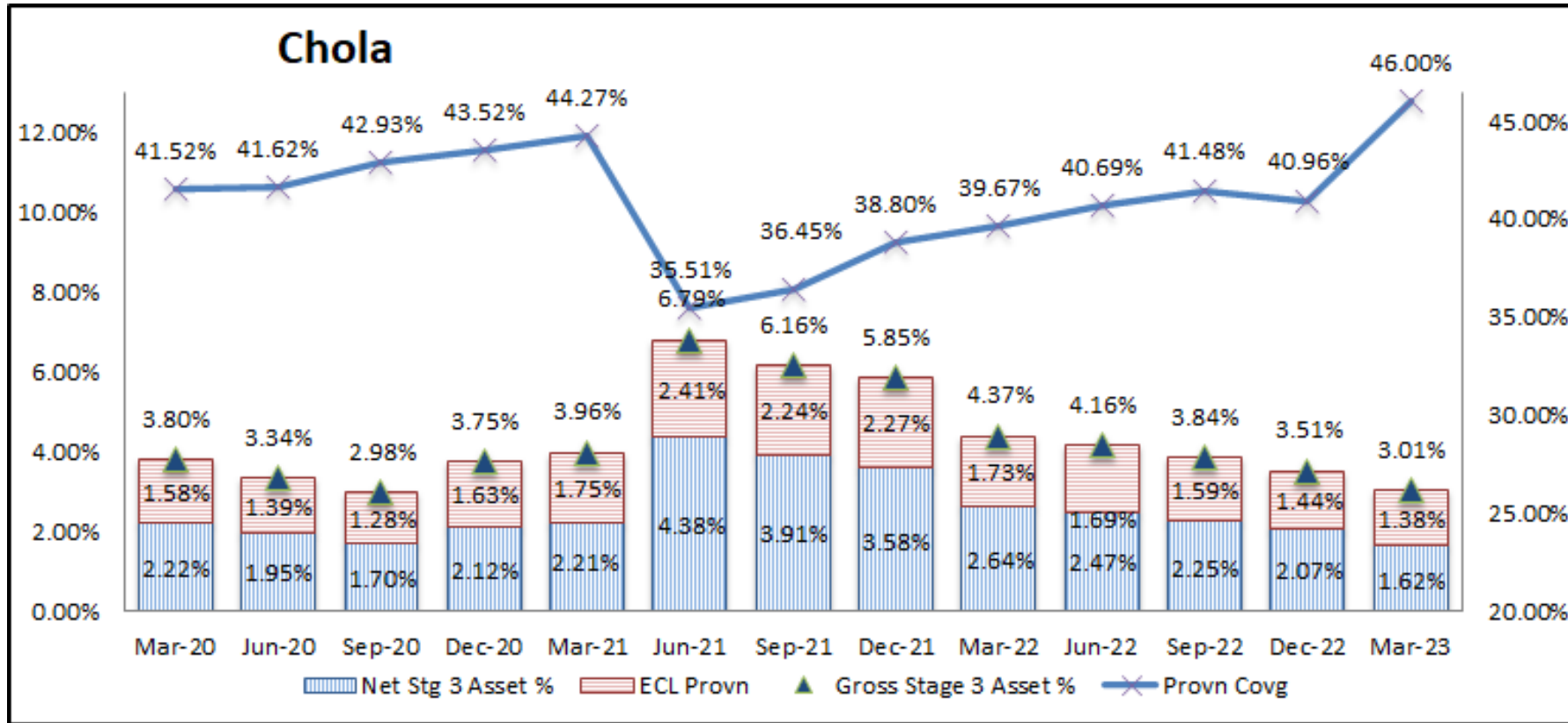
# Assets Under Management



# Profitability and Net worth



# Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of Mar23 is at 4.63% and 3.11% respectively.



# Vehicle Finance



## Vehicle Finance: Q4FY23 & FY23 Performance

### Disbursements

- Disbursements grew by 39% in Q4FY23 to Rs.12,190 Cr as compared to Rs.8,785 Cr in Q4FY22 and by 56% to Rs.39,699 Cr in FY23 as compared to Rs.25,439 Cr in FY22.

### Assets under management

- AUM have grown by 27% YoY.

### Loss and provisions

- Loan losses at 0.4% in Q4FY23 as compared to 0.04% and dropped to 1.2% in FY23 from 1.4% in FY22.

### Profit before tax

- PBT grew by 7% in Q4FY23 to Rs.734 Cr as compared to at Rs.685 Cr in Q4FY22 and by 11% in FY23 to Rs.2,272 Cr in FY23 as compared to Rs.2,054 Cr in FY22.

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

### Sector Outlook

- The Light commercial vehicle segment had a growth of 13% in Q4 FY'23 & 35% in FY'23. The segment is expected to have stable growth due to increase in private consumption, replacement demand and expected growth in agriculture and allied sectors.
- The Small commercial vehicle segment had a de-growth of 12% in Q4 FY'23 but has grown at 14% in FY'23. Growth in this segment is dependent on freight demand for essential goods and last mile transportation needs.
- The Heavy commercial vehicle segment had a growth of 24% in Q4 FY'23 & 50% in FY'23. The segment is in an upswing with improved economic environment, pick-up in mining, infrastructure development, construction activities and healthy fleet demand.

### Chola's Position

- Increased demand for Light commercial vehicle will help us in increased share of volumes, however we will be cautious in this segment considering uneven (deficit/excess) rainfall in most parts of the country.
- Increased demand for Small commercial vehicles will help us improve our disbursements combined with our vigilant approach to financing. We are cautious in this segment due to increase in vehicle prices and lower EMI affordability (Operator viability).
- Our exposure in this segment is 7% at a portfolio level. We will continue to keep a close watch on this segment and are trading cautiously in this segment due to inflationary concerns and higher fuel prices

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

### Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 11% in Q4 FY'23 & an all-time high sale with 27% growth in FY'23 by strong underlying demand, easing of semiconductor supply and improvement in sale of utility vehicles due to shift in customer preferences. Steady demand is expected in FY'24 with double digit growth.
- The Two-wheeler industry had a growth of 7% in Q4 FY'23 & 17% growth in FY'23 with improved demand sentiments over the previous year but yet to surpass pre-covid levels of growth. This segment is expected to grow by 9 to 10% in FY'24 with expectation of improved rural demand.
- Used vehicle business has contributed to 30% of our disbursement volumes and this segment is expected to grow even further with increase in prices of new vehicles.

### Chola's Position

- Our focus continues to be on retail customers especially in smaller towns and rural areas. We will continue our focus this segment in line with market trends.
- The company intends to maintain its focus on two-wheeler financing with a clear eye for credit underwriting there by maintaining portfolio quality.
- We are one of the key financiers in this segment and will continue to maintain a cautious approach with razor-sharp focus on collections.

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

### Sector Outlook

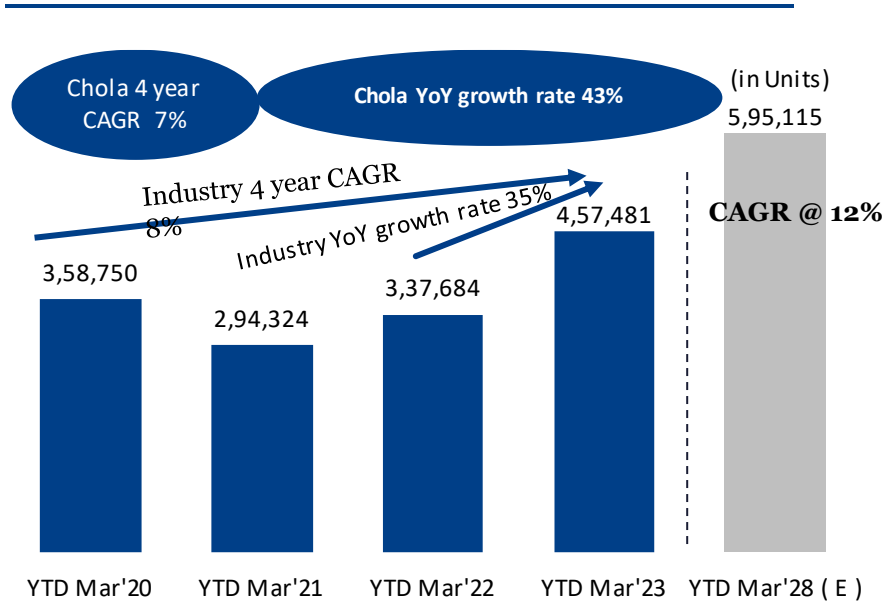
- The Construction Equipment segment had a growth of 21% in Q4 FY'23 & 26% in FY'23 supported by improvement in the overall macroeconomic environment, a strong revival in construction activities and thrust on completion of infrastructure projects. Healthy volume pickup with the run up to elections augur well for this segment in FY'24.
- The Tractor industry had a growth of 19% in Q4 FY'23 & 12% growth in FY'23 supported by strong demand during the festive season, favourable monsoon and stable farm cash flows. However, we expect moderation in demand in FY'24 with single digit growth considering the all-time high volumes in FY'23.

### Chola's Position

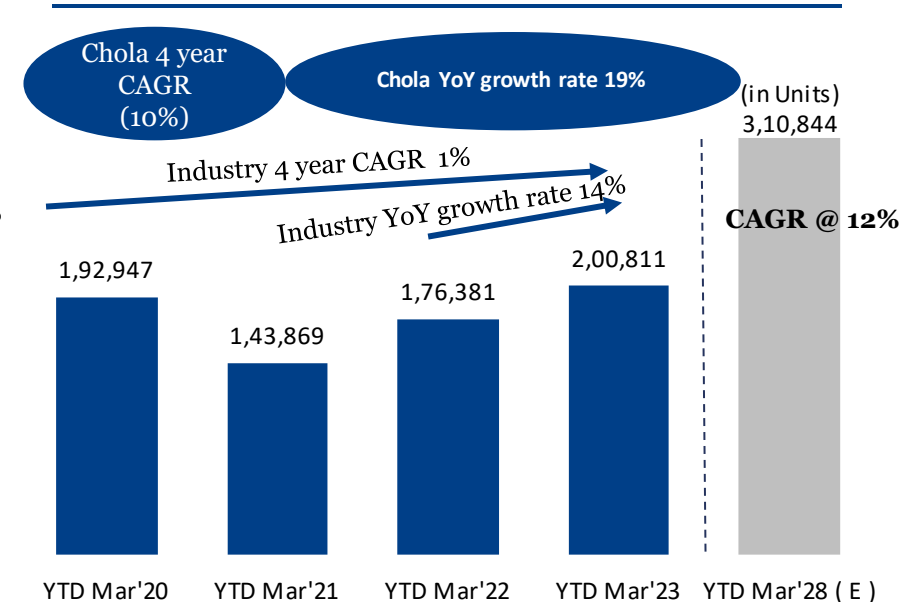
- Our exposure in this segment is around 7% at a portfolio level and our focus will be on building a quality book.
- We will approach this segment with a close watch on portfolio considering various external factors like uneven rainfall, crop loss and irregular farm cash flows.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



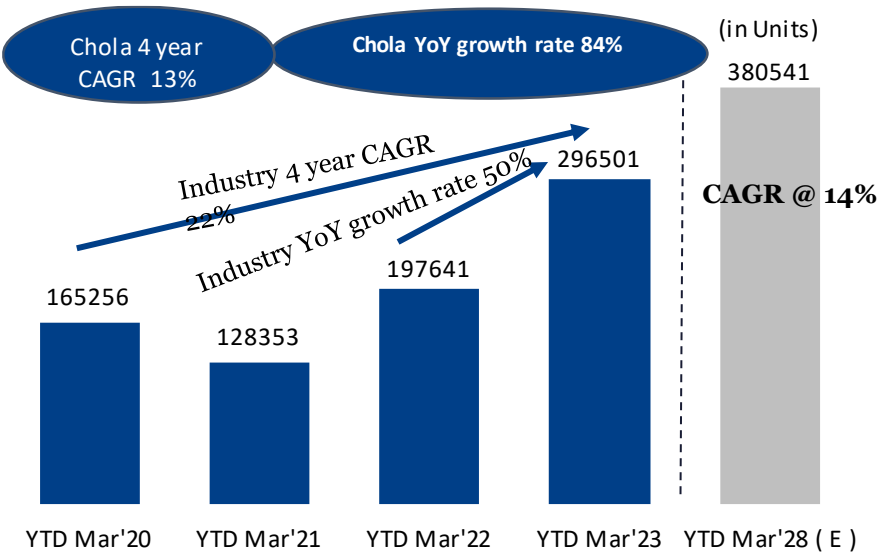
## Trend in Domestic SCV Sales



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

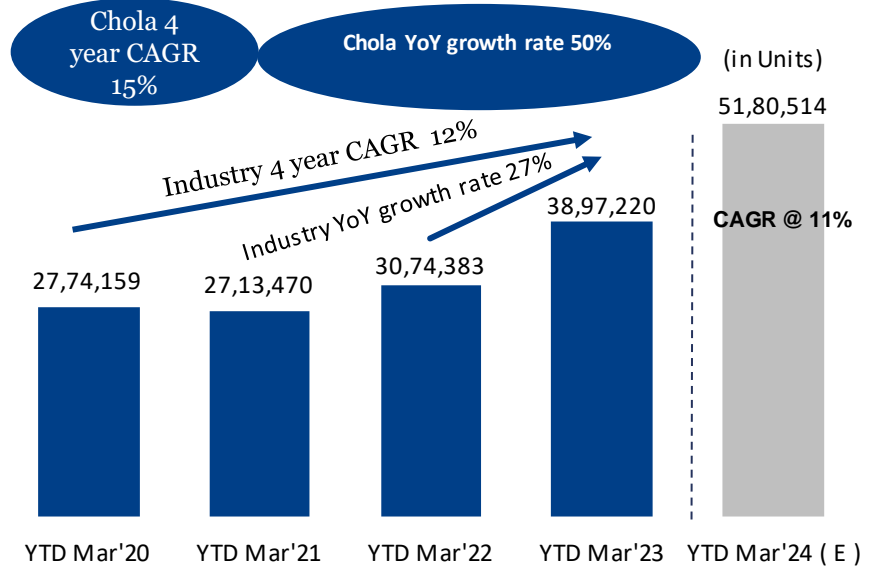
# Auto Industry Outlook

## Trend in Domestic HCV Sales



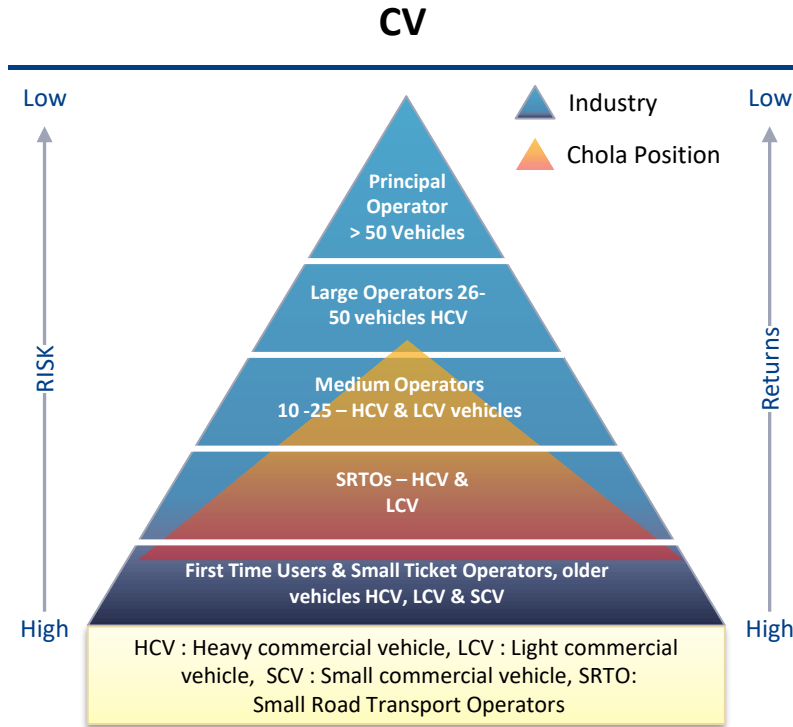
- Improved industrial activity, steady agricultural output and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

## Trend in Domestic Car & MUV Sales

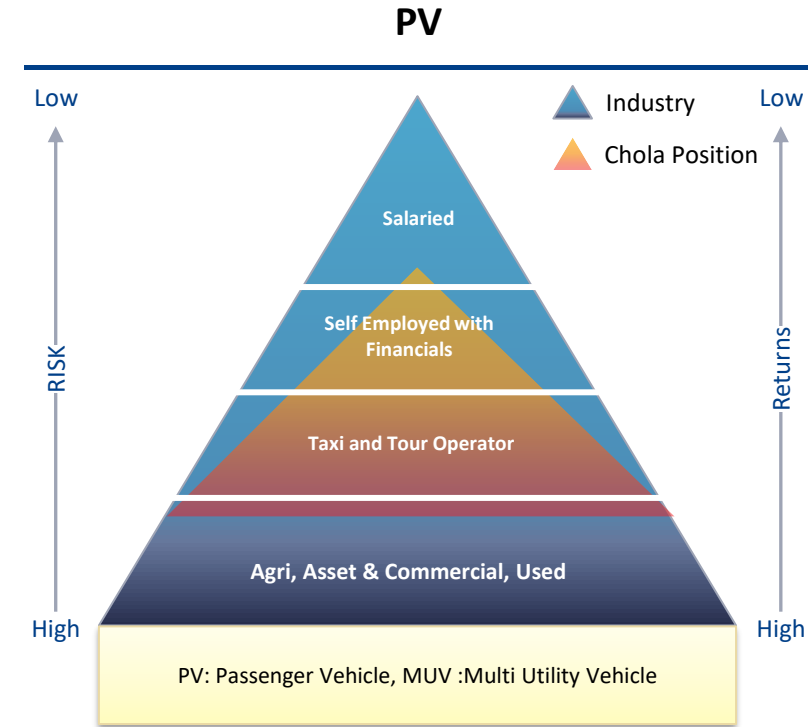


- Higher disposable income and introduction of newer models to aid long term demand.
- Increase in rural demand and growing penetration in tier III, tier IV towns will back stable growth.

# Vehicle Finance—Business Model & Positioning



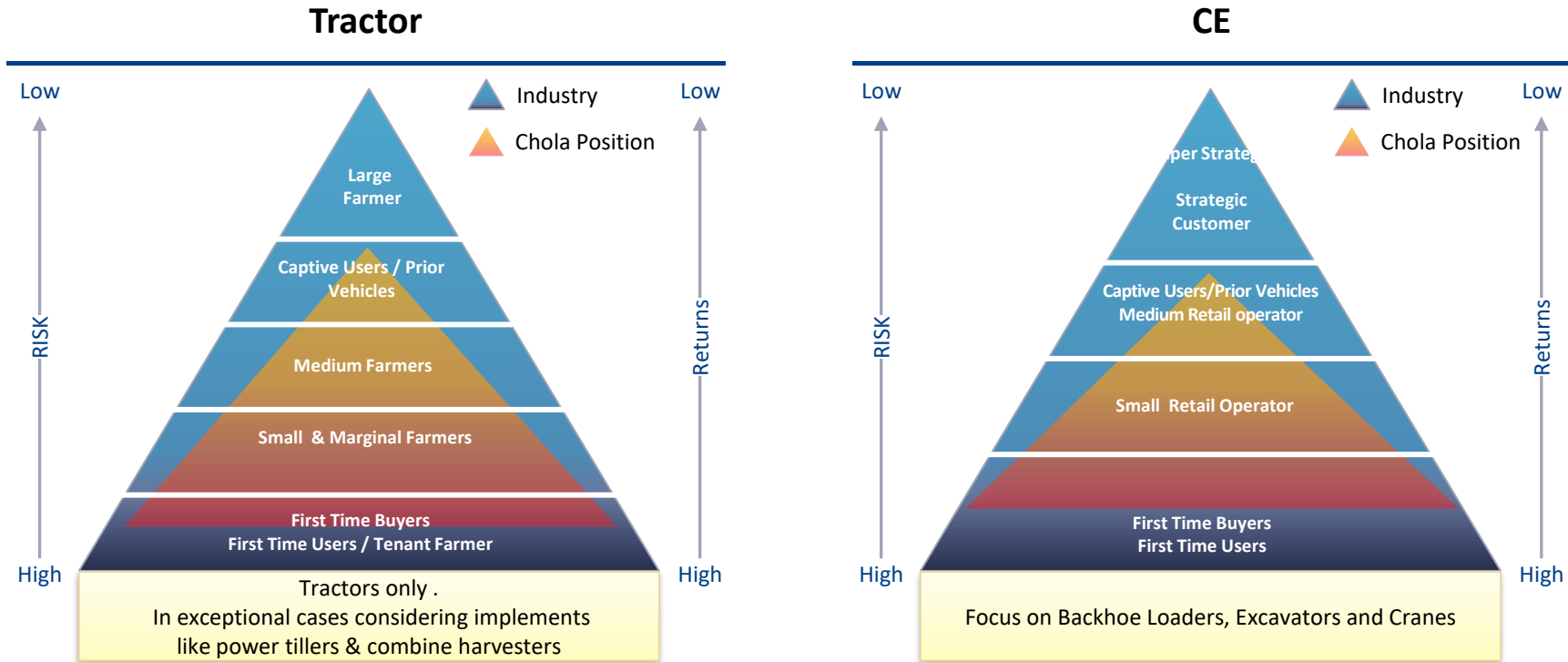
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh



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



# Vehicle Finance—Business Model & Positioning

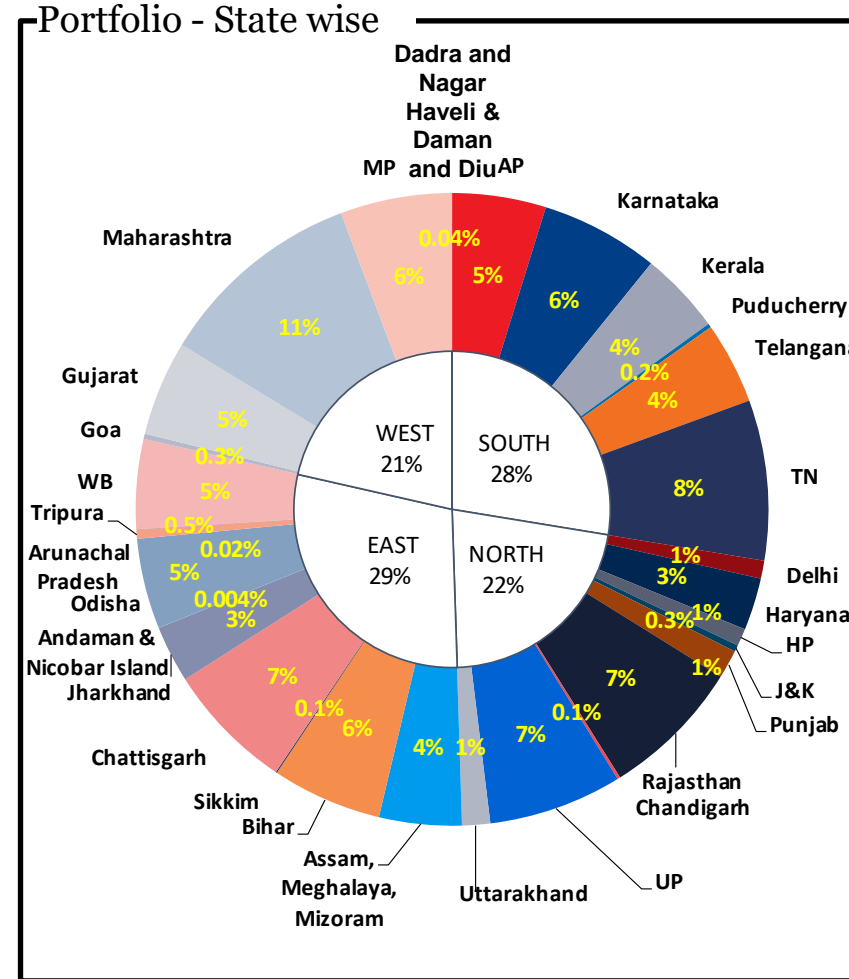
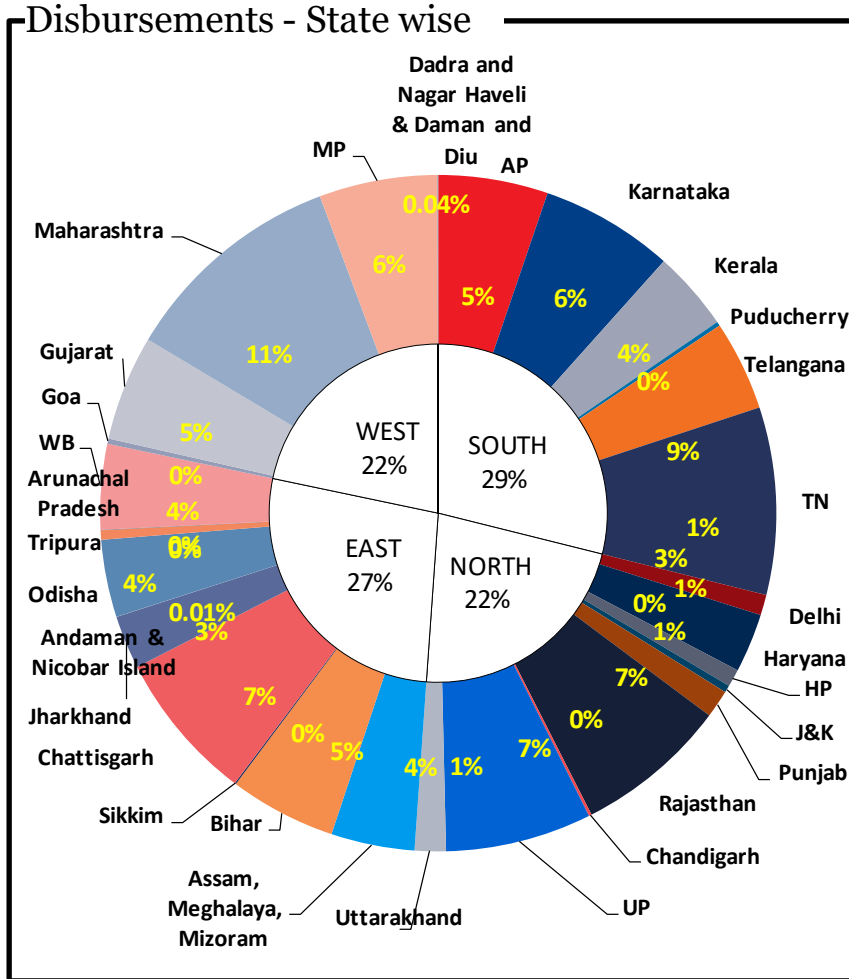


- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

# Vehicle Finance - Disbursement/Portfolio Mix – Q4FY23

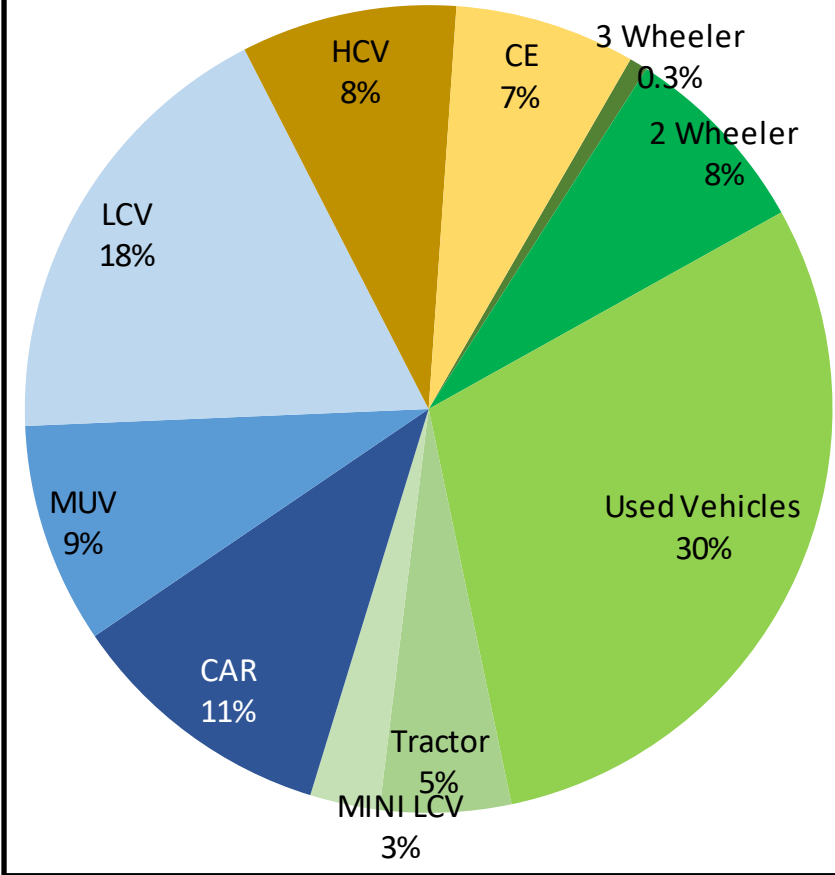
Well diversified across geography



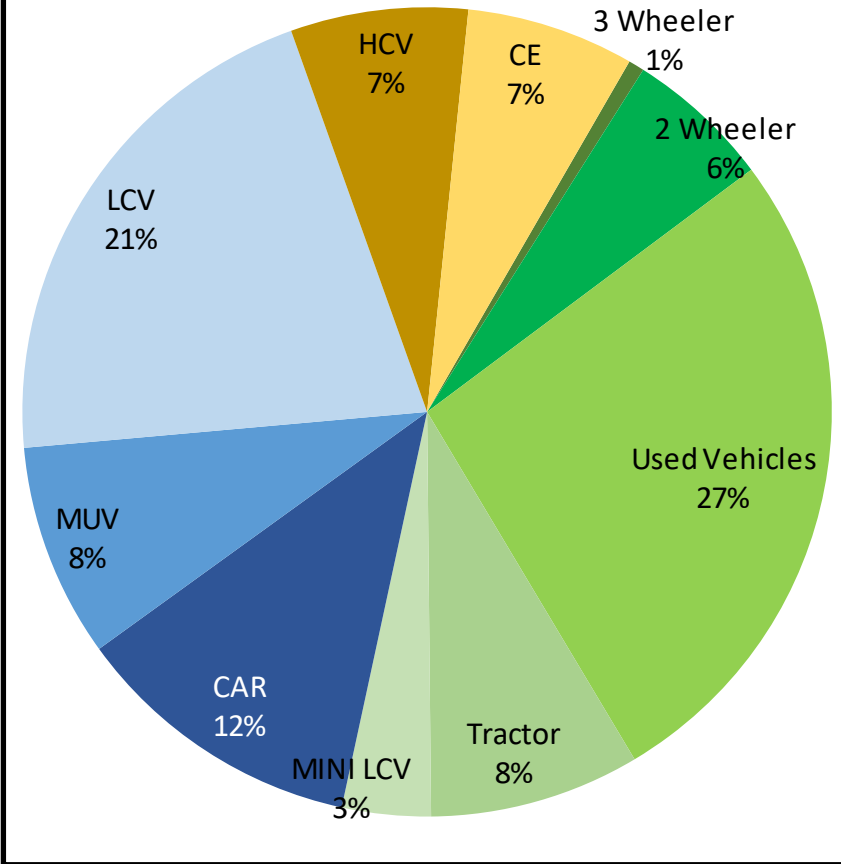
# Vehicle Finance - Disbursement/Portfolio Mix – Q4 FY23

Well diversified product segments

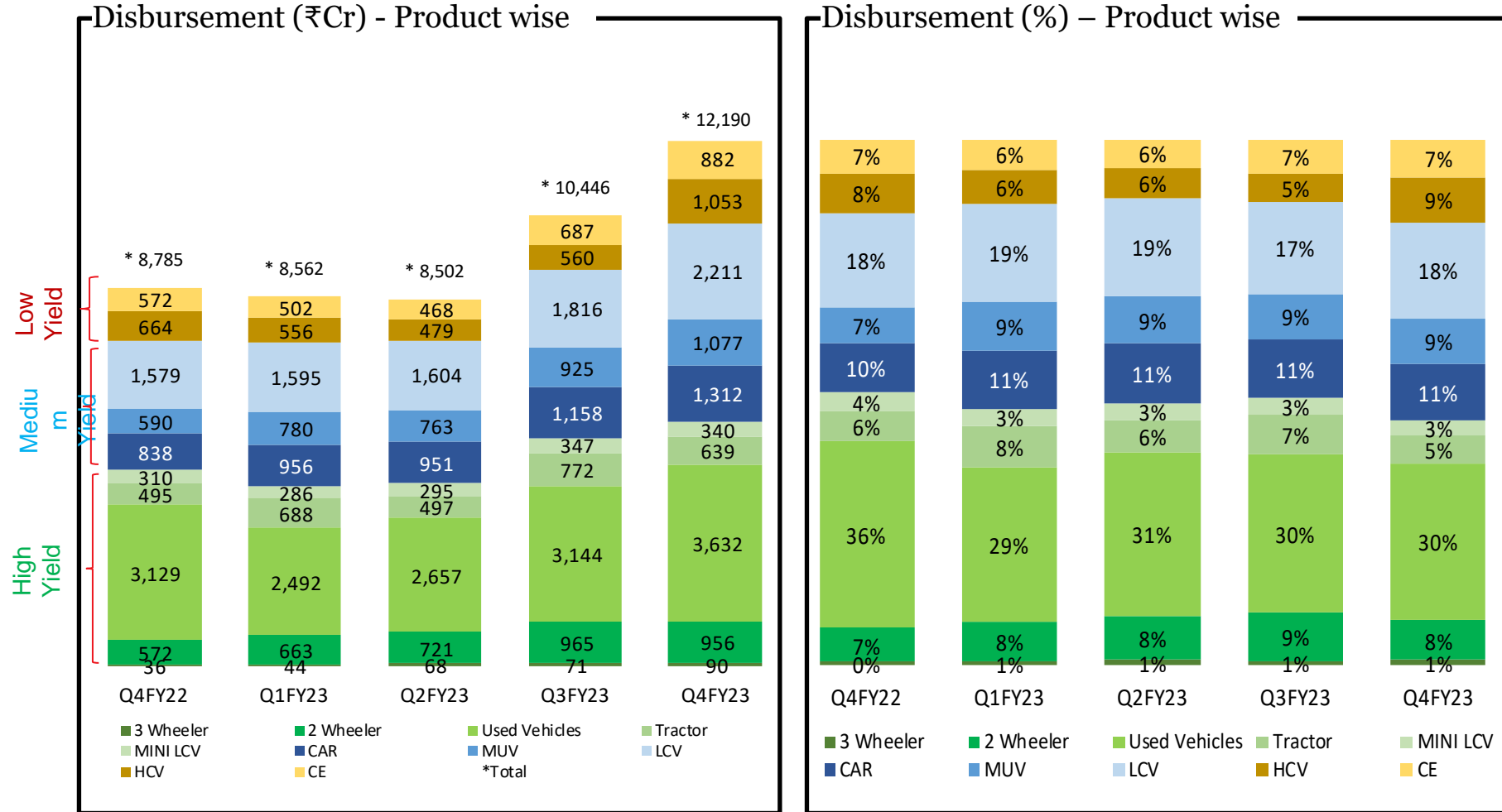
Disbursements (%) - Product wise



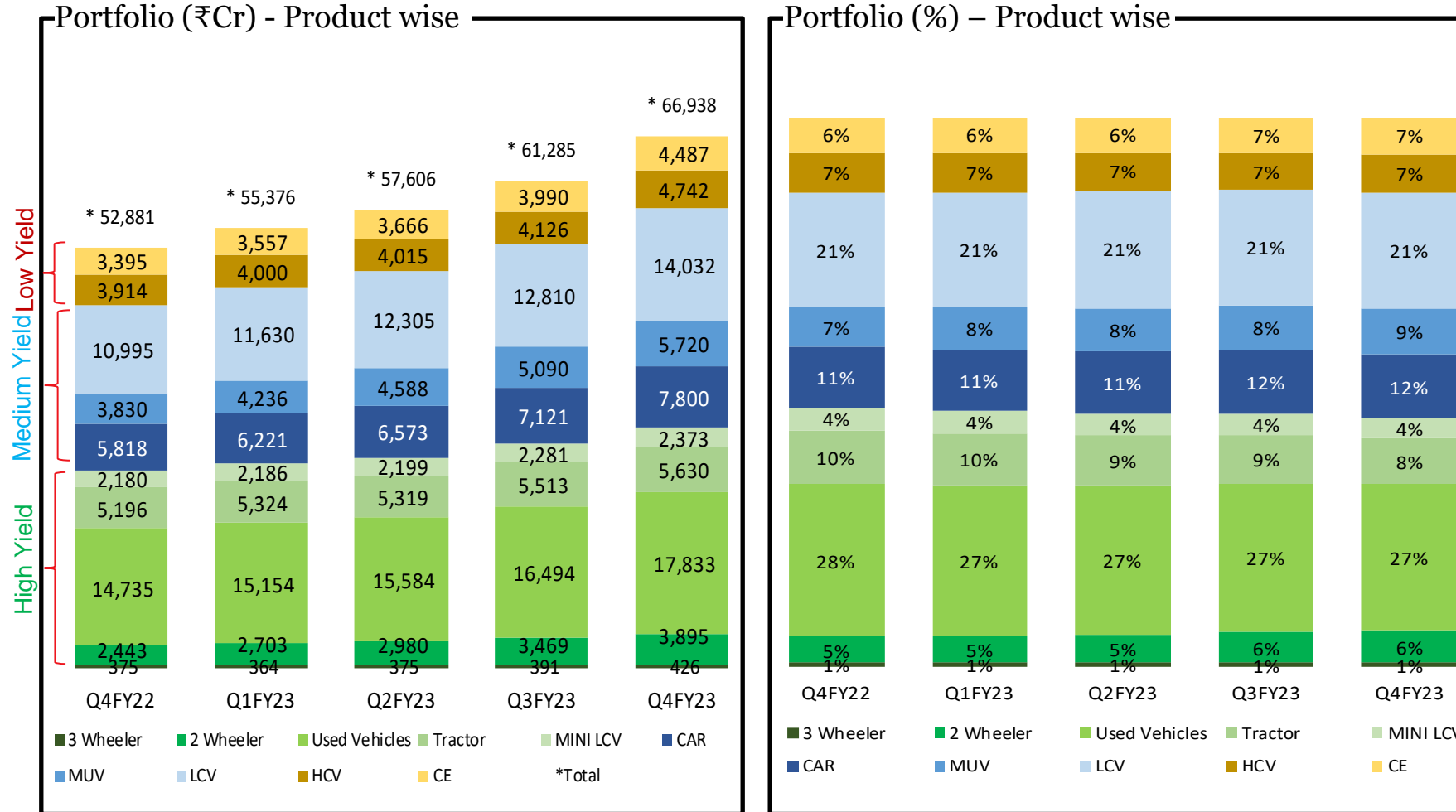
Portfolio (%) - Product wise



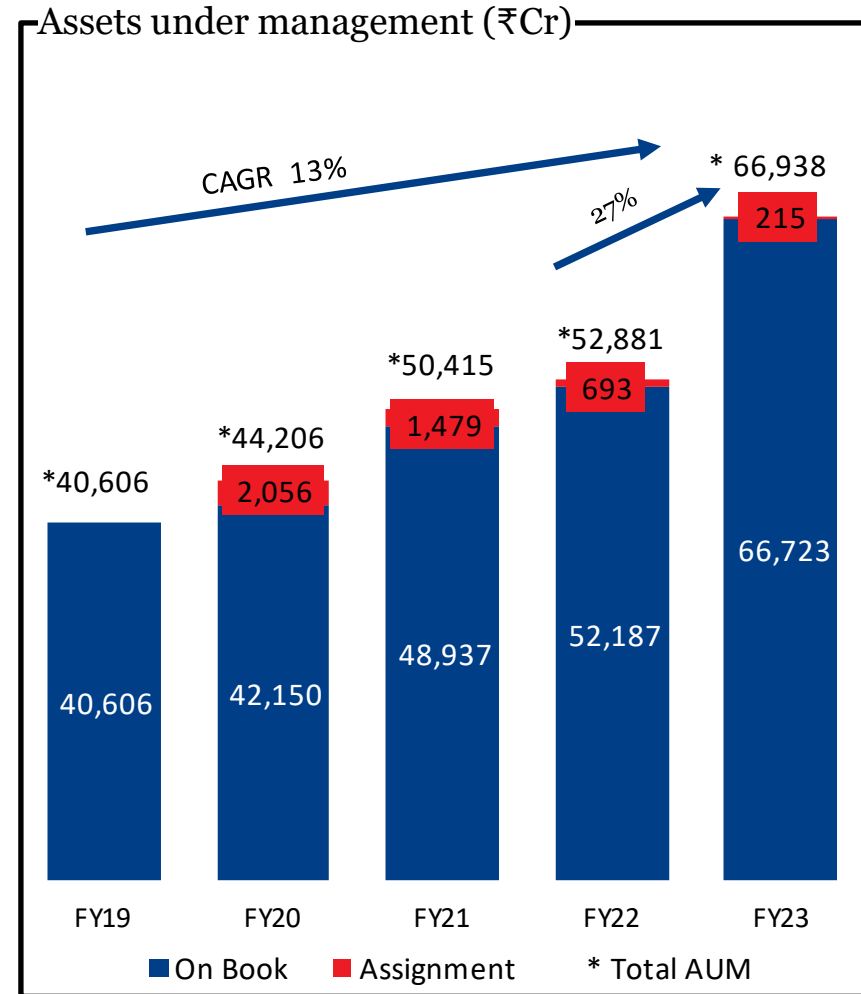
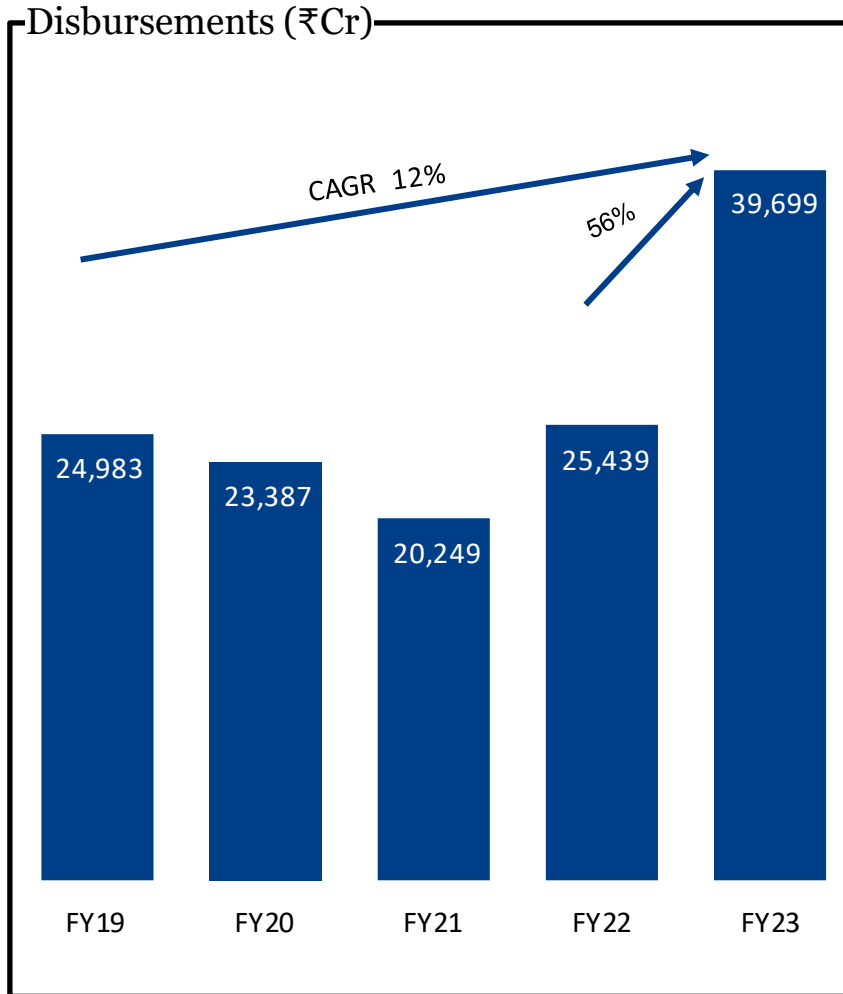
# Vehicle Finance - Disbursement Mix – Quarter-wise



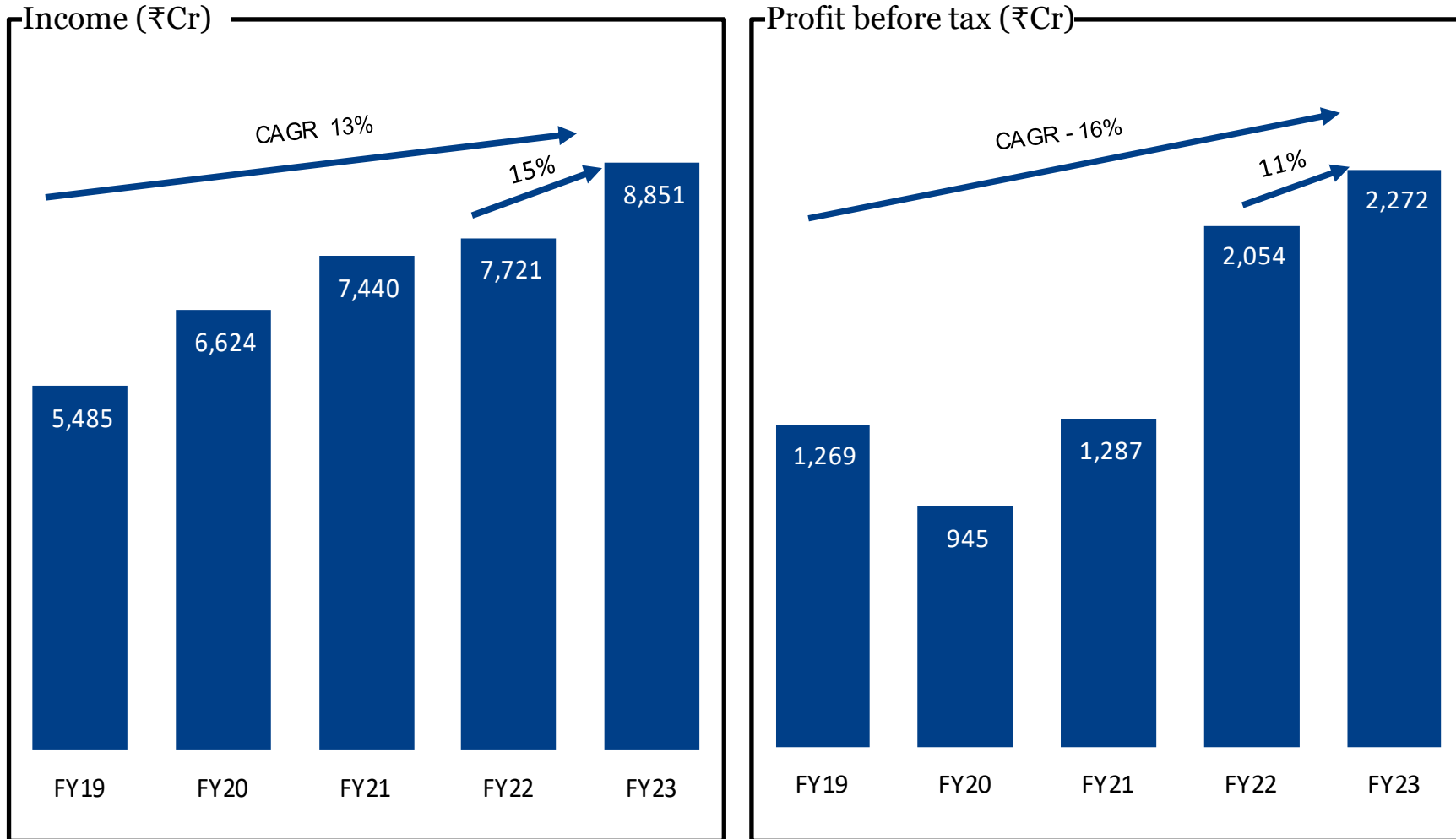
# Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management



# Vehicle Finance - Income and Profit before tax



# Loan Against Property





## Loan Against Property – Q4FY23 & FY23 Performance

### Disbursements

- Disbursements grew by 48% in Q4FY23 to Rs.2,762 Cr as compared to Rs.1,870 Cr in Q4FY22 and by 68% to Rs.9,299 Cr in FY23 as compared to Rs.5,536 Cr in FY22.

### Asset under management

- AUM grew by 29% YoY.

### Loss and provisions

- Loan losses at 0.5% in Q4FY23 as compared to -0.6% and dropped to 0.1% in FY23 from 0.7% in FY22.

### Profit before tax

- PBT grew by 13% in Q4FY23 to Rs.195 Cr as compared to at Rs.173 Cr in Q4FY22 and by 62% in FY23 to Rs.759 Cr in FY23 as compared to Rs.469 Cr in FY22.

# Loan Against Property: Industry outlook

## Sector Outlook

- CRISIL expects MSME LAP segment to grow at 6-8% in FY23, driven by improving economic conditions and the mild impact of the third pandemic wave, assisting in normalization of business activities followed by 9-11% growth in fiscal 2024.\*
- At an aggregate level (GNPA and restructuring), CRISIL Research expects stressed assets in the NBFC's MSME segment to be in range of 7-9% in fiscal 2023.
- India Ratings and Research (Ind-Ra) opines that there would be some pressure on net interest margins due to an 80-100bp rise in funding costs in FY23. Some NBFCs would be able to pass on the increase to borrowers in small-ticket LAP, microfinance loans, etc owing to the dynamics of segment and competitive landscape. However, NBFCs in extremely competitive segments such as big-ticket LAP and housing loans may have to absorb some part of the rise in funding cost, thus affecting their margins. \*\*

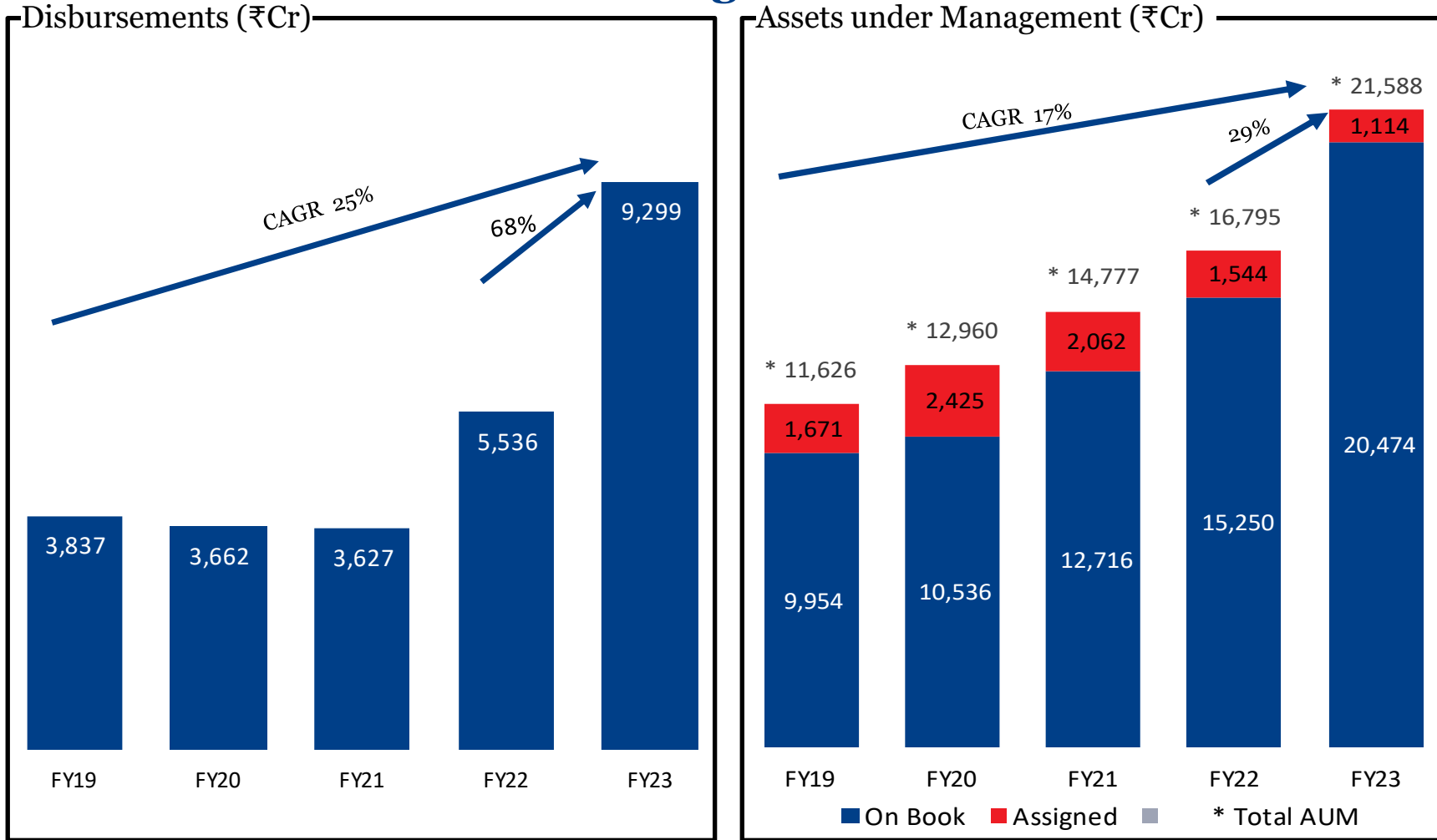
Source: \* CRISIL – NBFC Research Report – Nov 2022;

\*\*India Ratings- <https://www.indiaratings.co.in/pressrelease/60463>

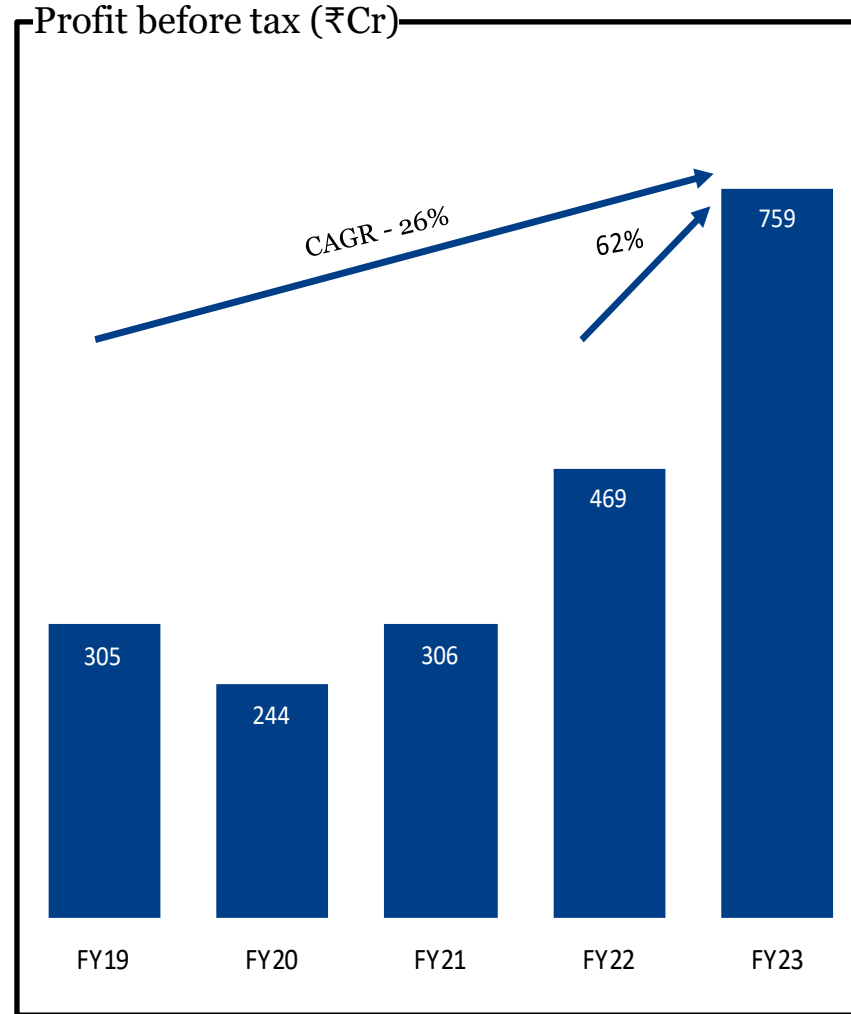
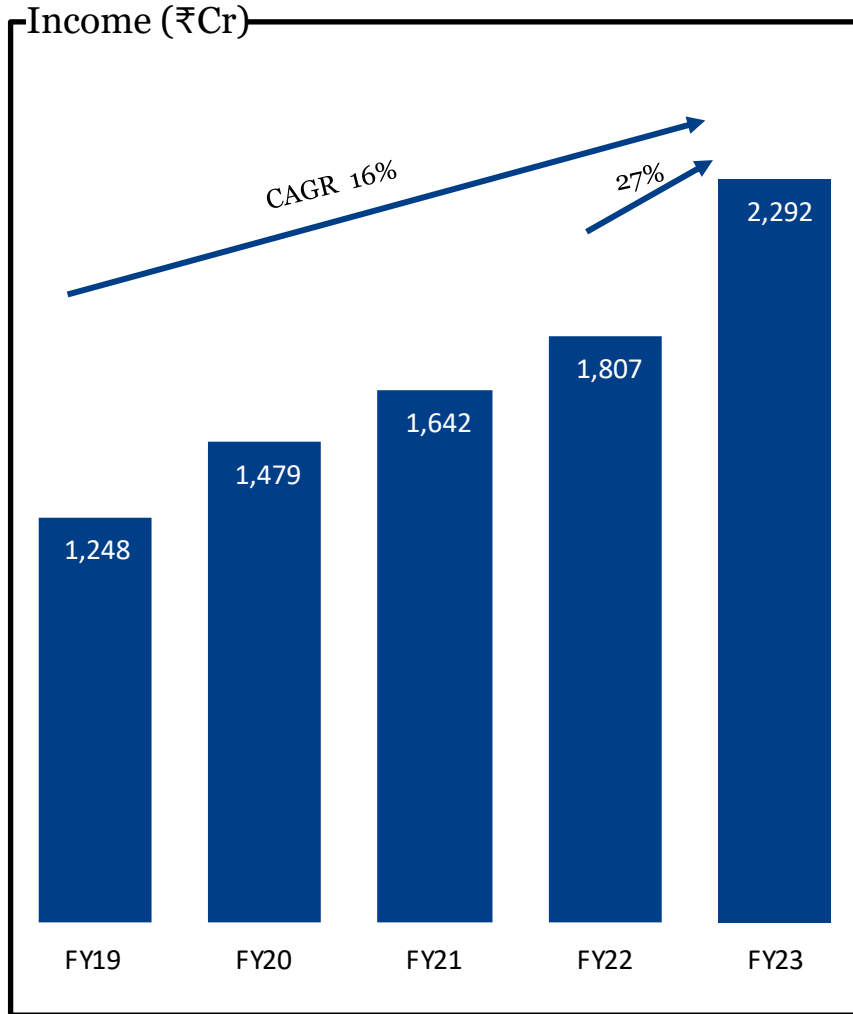
## Chola's Position

- Chola's LAP team is currently focusing on increasing its market share backed by consistent disbursement growth and collections performance. Our focus continues to be on retail customers especially in smaller towns and rural areas.
- Chola LAP team has strengthened collection & legal process, The asset quality of the LAP has shown steady improvement and stage 3 book has come down with consistent improvement in collection efficiency.
- Chola's LAP business has lent loans to customers with floating rate of interest, staggered portfolio rate hike has helped business to mitigate impact in margin. Chola's LAP business is further focusing on increasing contribution of product with high yield to maintain margins.

# Loan Against Property - Disbursements and Asset Under Management



# Loan Against Property – Income and Profit before tax



# Home Loans



## Home Loans – Q4FY23 & FY23 Performance

### Disbursements

- Disbursements grew by 156% in Q4FY23 to Rs.1,405 Cr as compared to Rs.549 Cr in Q4FY22 and by 102% to Rs.3,830 Cr in FY23 as compared to Rs.1,896 Cr in FY22

### Asset under management

- AUM have grown by 51% YoY.

### Loss and provisions

- Loan losses dropped to -0.3% in Q4FY23 from 0.05% of Q4FY22 and to 0.3% in FY23 from 0.9% of FY22.

### Profit before tax

- PBT grew by 37% to Rs.98 Cr in Q4FY23 as compared to Rs.71 Cr in Q4FY22 and by 45% to Rs.321 Cr in FY23 as compared to Rs.222 Cr in FY22.

Note: Home Loans includes Affordable LAP

# Home Loans - Industry outlook

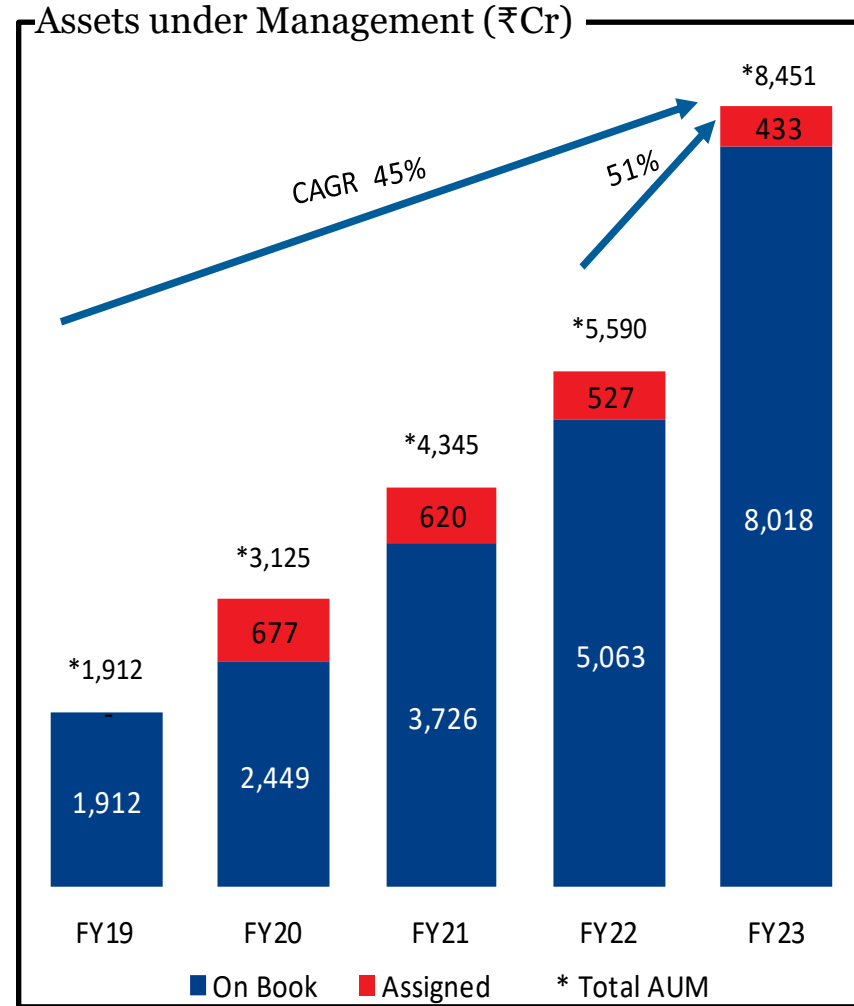
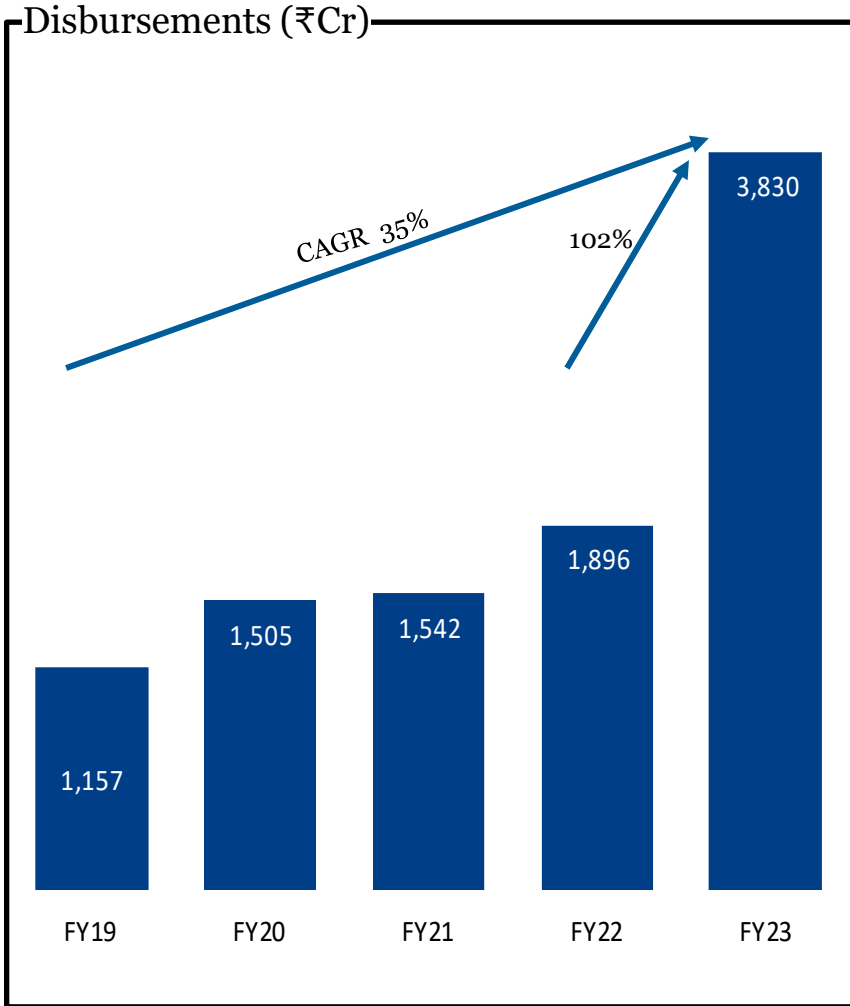
## Sector Outlook

- Demand remained robust in Q4FY23 and Affordable HFC growth is expected to be between 18 - 22% in FY24.
- GNPA's are expected to further improve 30 bps in FY24 to 2.2 – 2.5% while GNPA's in Affordable Housing are expected to improve to 2.8% - 3.0% supported by book growth and controlled fresh slippages
- The impact of rising interest rates on funding costs is expected to further increase the pressure on the net interest margins (NIMs). However, it is expected to be somewhat offset by the upward revision in yields.

## Chola's Position

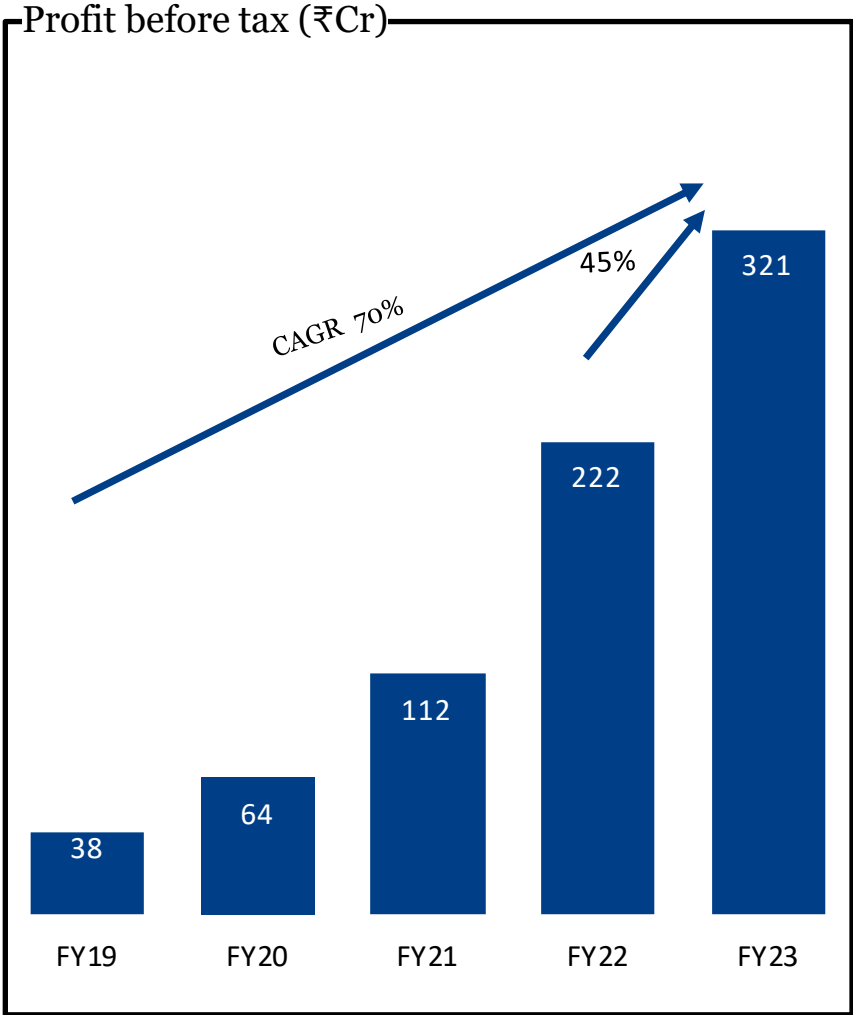
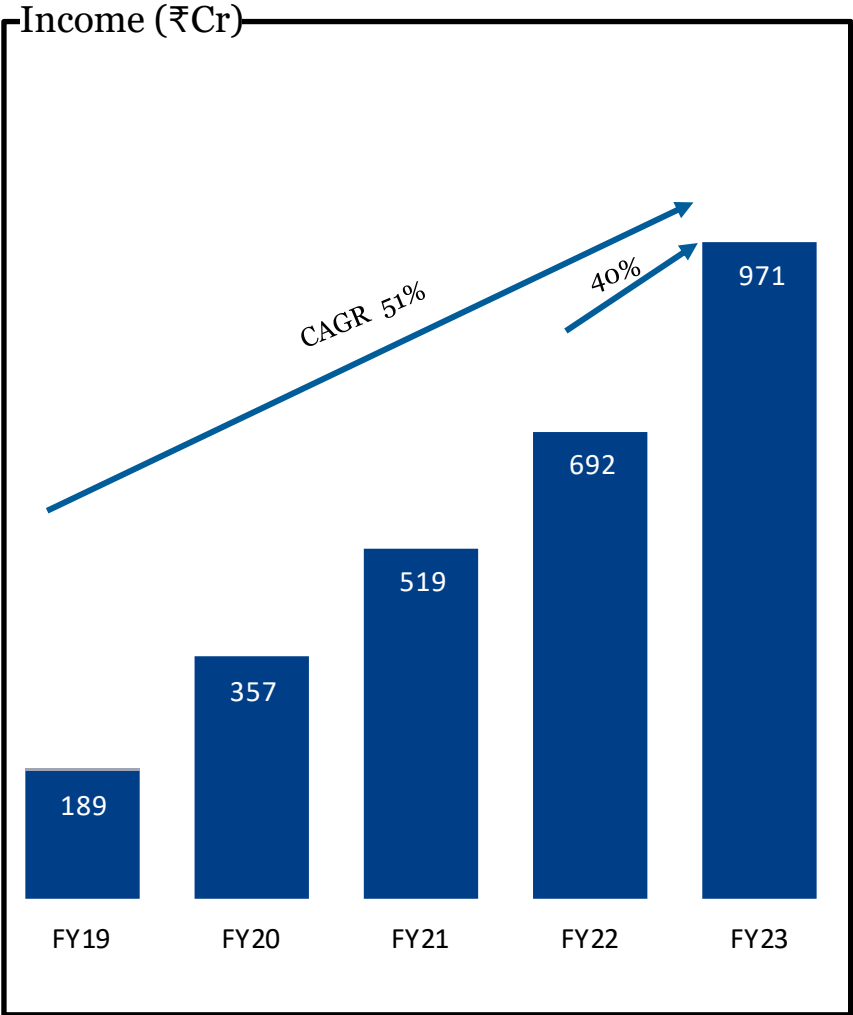
- Chola continues to expand its geographical footprint in the North, East & West Zones while continuing to deepen its footprint in the South.
- Chola is focusing on improving asset quality through analytics driven underwriting, improved touchpoints for collections and appropriate legal recovery processes
- Chola is focusing on process improvements to improve efficiencies across all functions to continue to protect margins.

# Home Loans - Disbursements and Asset Under Management





# Home Loans - Income and Profit before tax

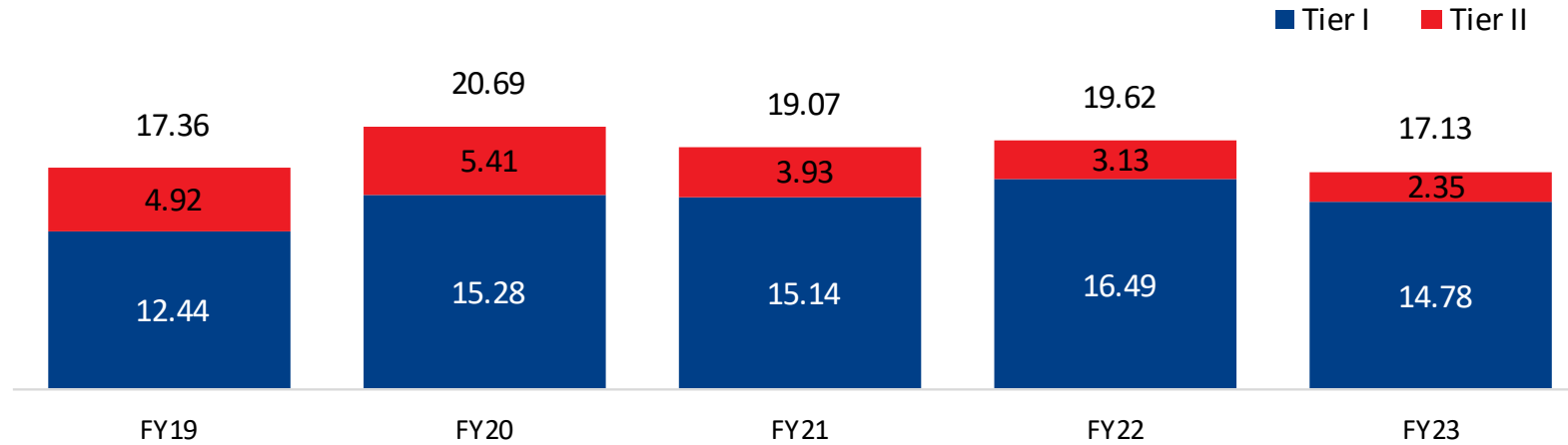


# Funding Profile



# CAR and Credit Rating

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



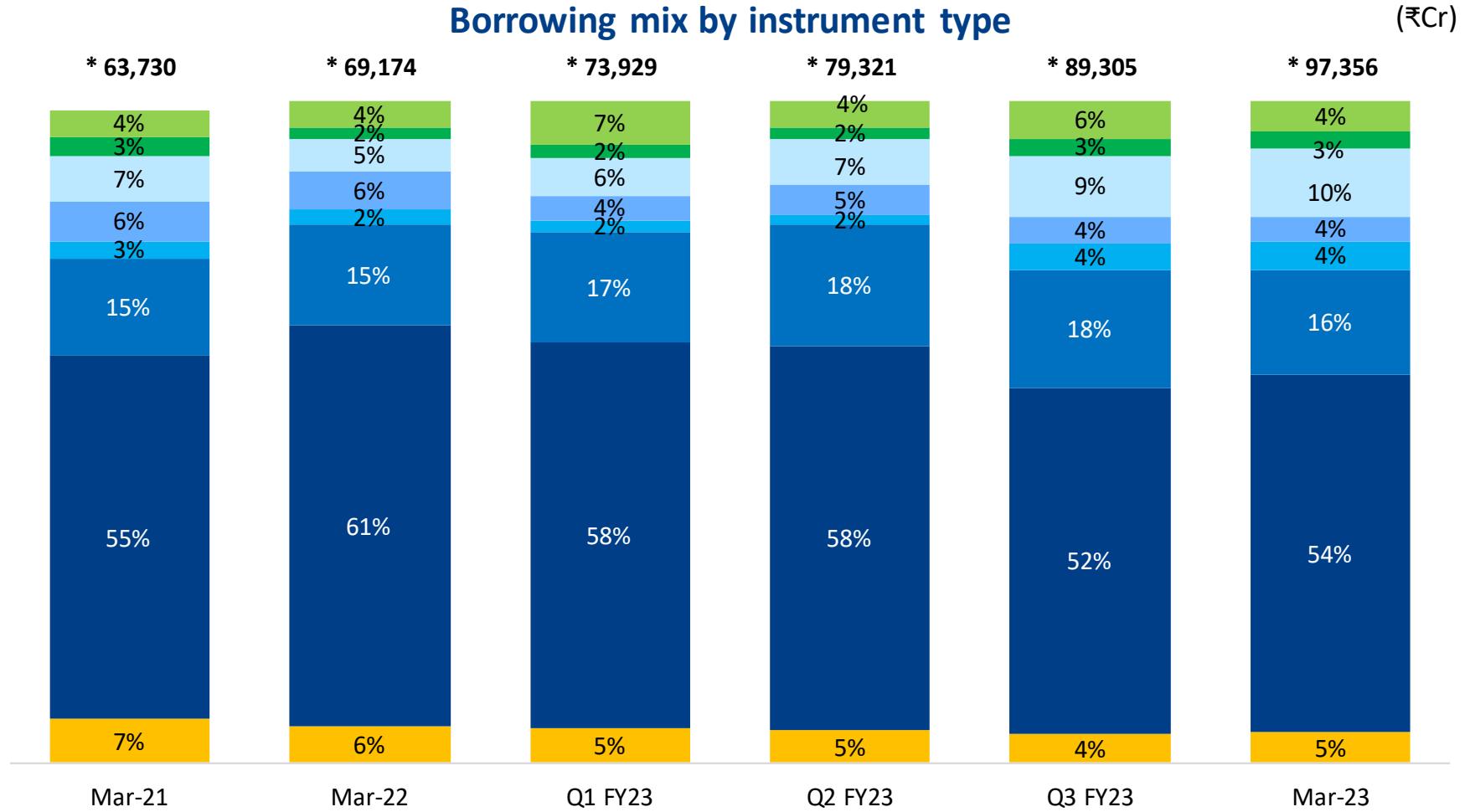
Minimum CAR Stipulated by RBI is 15% & for Tier I is 10%

## Credit Rating

Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	CARE A1+ <sup>^</sup>	[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	-

<sup>^</sup> CP Rating  
\* NCD Rating

# Diversified Borrowings Profile (I/II)

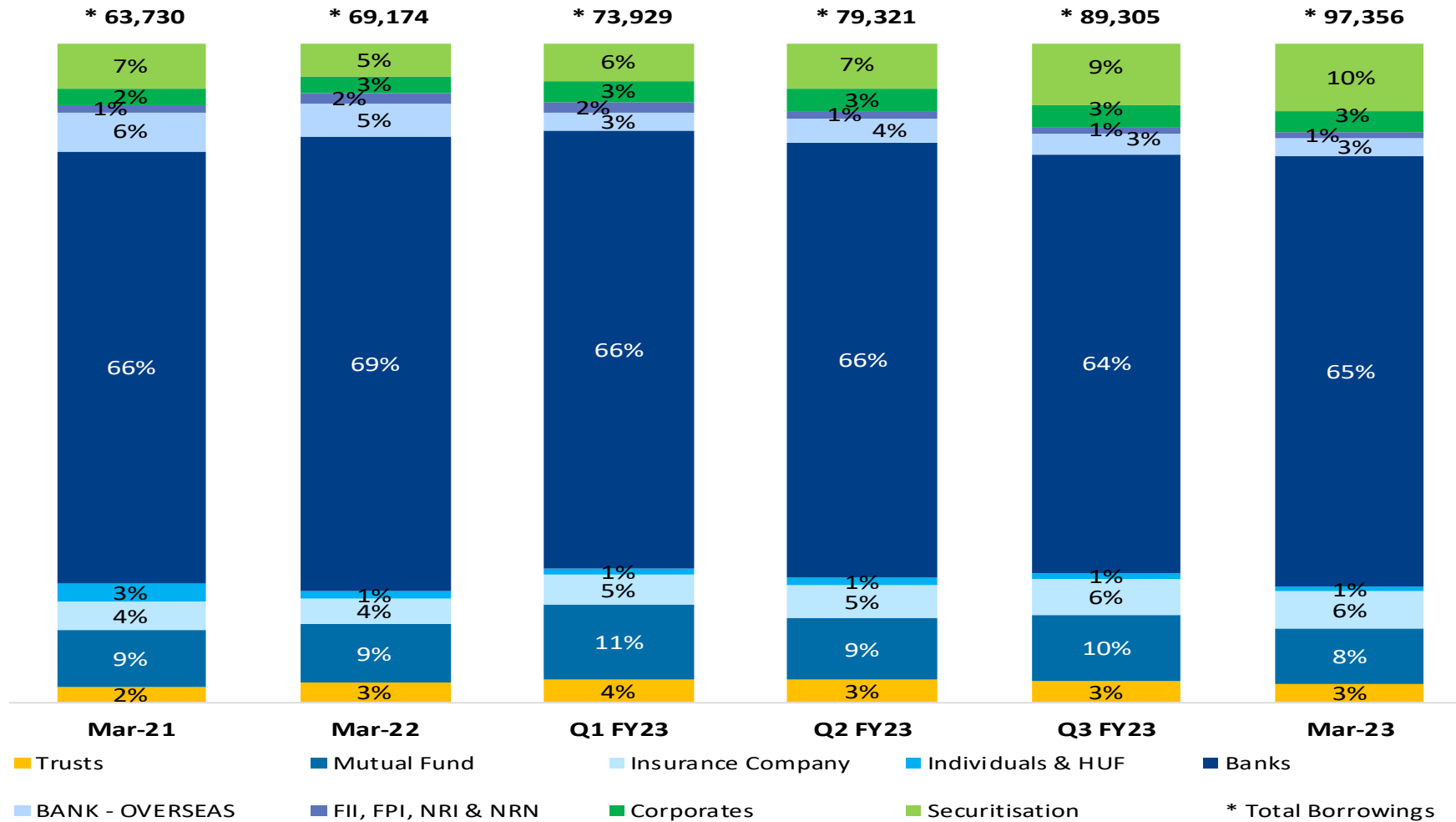


■ Tier II Capital 
 ■ Bank Term loans 
 ■ Debentures 
 ■ FII 
 ■ FCNR 
 ■ Securitisation 
 ■ CC / WCDL 
 ■ Commercial Papers / ICD 
 \* Total Borrowings

# Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



# ALM Statement as of 31<sup>st</sup> Mar 2023 (As per IND AS)

(₹Cr)

ALM snapshot as on 31st Mar 2023									
Particulars	1 m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash & Bank Balances	1,964.63	1,000.00	5.96	375.76	163.61	-	850.00	682.28	5,042.24
Advances	6,993.54	4,324.67	2,954.46	9,759.78	15,891.59	43,309.95	13,273.41	15,111.35	1,11,618.75
Trade Receivable & Others	113.29	127.77	12.45	35.25	55.05	911.65	515.02	1,963.28	3,733.76
<b>Total Inflows (A)</b>	<b>9,071.46</b>	<b>5,452.44</b>	<b>2,972.87</b>	<b>10,170.80</b>	<b>16,110.25</b>	<b>44,221.60</b>	<b>14,638.43</b>	<b>17,756.92</b>	<b>1,20,394.76</b>
<b>Cumulative Total Inflows (B)</b>	<b>9,071.46</b>	<b>14,523.89</b>	<b>17,496.77</b>	<b>27,667.56</b>	<b>43,777.81</b>	<b>87,999.41</b>	<b>1,02,637.84</b>	<b>1,20,394.76</b>	
Borrowin Repayment-Bank & Others	3,388.08	1,553.51	2,391.88	7,378.37	10,759.78	36,704.54	12,252.77	497.33	74,926.26
Borrowin Repayment- Market	2,002.70	3,622.72	24.93	2,097.70	3,446.75	9,535.82	2,747.97	2,741.29	26,219.88
Capital Reserves and Surplus	-	-	-	-	-	-	-	14,564.88	14,564.88
Other Outflows	3,089.71	242.83	53.97	557.24	325.84	195.88	141.79	76.49	4,683.74
<b>Total Outflows (C)</b>	<b>8,480.49</b>	<b>5,419.06</b>	<b>2,470.78</b>	<b>10,033.32</b>	<b>14,532.36</b>	<b>46,436.23</b>	<b>15,142.53</b>	<b>17,879.99</b>	<b>1,20,394.76</b>
<b>Cumulative Total Outflows (D)</b>	<b>8,480.49</b>	<b>13,899.55</b>	<b>16,370.33</b>	<b>26,403.65</b>	<b>40,936.01</b>	<b>87,372.25</b>	<b>1,02,514.77</b>	<b>1,20,394.76</b>	
E. GAP (A - C)	590.96	33.38	502.09	137.48	1,577.89	(2,214.64)	(504.10)	(123.07)	
<b>F.Cumulative GAP (B - D)</b>	<b>590.96</b>	<b>624.34</b>	<b>1,126.44</b>	<b>1,263.91</b>	<b>2,841.80</b>	<b>627.16</b>	<b>123.07</b>	<b>(0.00)</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>6.97%</b>	<b>4.49%</b>	<b>6.88%</b>	<b>4.79%</b>	<b>6.94%</b>	<b>0.72%</b>	<b>0.12%</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*

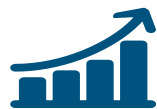
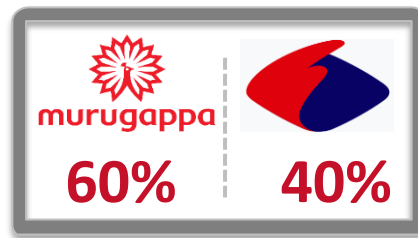
# Chola MS General Insurance: Brief Overview

## Murugappa Group

- Murugappa Group - India's leading business conglomerate
- Founded in 1900, Headquartered in Chennai, the INR 547 Billion Murugappa Group is one of India's leading business conglomerates
- Diversified presence in 3 sectors - Agriculture, Engineering, Financial Services
  - 29 businesses
  - Market leaders in served segments
  - Renowned Brands
  - 50000+ employees

## Mitsui Sumitomo Insurance, Japan

- Mitsui Sumitomo Insurance - part of MS&AD – one of the largest insurance group in the world.
- MS&AD is the 8th largest insurance group in the World with size of USD 46 billion
- No. 1 insurer in ASEAN region
- Operates in 48 countries; 39962 employees
- Leader in venture investments amongst global insurers / reinsurers



**6200**

FY'23 GWP (INR Cr)



**28%**

Growth over  
FY'22



**2.01**

Solvency (Mar'23)



**336 Lacs**

# of Live Customers



**121 Lacs**

Policies sold in  
FY'23

*Financial data as per standalone IGAAP*



## Key Financial Parameters (Rs. Crs)

Particulars – In Rs. Cr	FY'21	FY'22	FY'23	Q4 FY'22	Q4 FY'23
Gross Written Premium\$	4400	4854	6200	1393	1776
Growth	-0.2%	10.3%	27.6%	9.5%	27.9%
NWP	3357	3572	4610	1052	1322
NEP	3202	3437	4019	871	1082
U/W Results	-287	-433	-601	-118	-125
Investment income (Net)	662	539	865	142	234
PBT	375*	106*	264	24**	108^
PAT	282	77	199	15	82
Networth	1885	1962	2160	1962	2160
Investment portfolio	11061	12534	14715	12534	14715
Solvency Ratio (x)	2.08	1.95	2.01#	1.95	2.01
Earnings per Share (Rs.)	9.43	2.58	6.65	0.52	2.76
Book value per Share (Rs.)	63.07	65.65	72.30	65.65	72.30
RONW (%) – Not Annualized	14.95%	3.93%	9.20%	0.79%	3.81%
Investment Corpus to Networth (x)	5.9	6.4	6.8	6.4	6.8
CoR % (on NWP)	107.30%	111.00%	109.3%	105.6%	104.2%

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

\*\* PBT negatively impacted by Covid Claims & DAC and positively impacted by lockdown benefit in motor TP claims

^Q4 FY'23 includes : Rs 43 Crs of inflation linked Motor TP provisioning; Rs 15 Crs of sourcing cost on growth in Long Term premium; Rs 63 Crs of sourcing cost on growth in annual premium

# Relief secured by ITAT decision reduces disallowance in Solvency workings arising from income tax related contested contingent liabilities

\$ GWP Includes RI inward as well

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

Particulars	Months	Fire	Other Comml Lines	Motor	Health	PA	Crop	Others	Total
Industry	Q1 FY'23	12.8%	28.1%	27.5%	19.6%	-5.5%	135.0%	42.4%	22.7%
	Q2 FY'23	8.5%	26.4%	12.6%	11.3%	9.4%	-9.5%	28.1%	9.0%
	Q3 FY'23	9.7%	5.6%	12.7%	24.2%	22.9%	77.5%	18.3%	18.5%
	Q4 FY'23	12.3%	12.9%	13.1%	31.1%	-14.8%	9.5%	11.8%	16.5%
	FY'23	11.1%	18.1%	15.4%	21.2%	1.6%	11.9%	24.3%	16.3%
Private sector	Q1 FY'23	17.7%	36.8%	36.4%	27.6%	37.5%	129.8%	73.0%	33.8%
	Q2 FY'23	13.6%	34.1%	16.8%	17.8%	7.7%	-2.3%	42.6%	12.9%
	Q3 FY'23	14.9%	12.8%	15.0%	35.4%	24.6%	64.4%	26.8%	22.3%
	Q4 FY'23	14.2%	3.0%	12.7%	23.8%	-8.6%	36.2%	27.3%	16.5%
	FY'23	15.4%	21.5%	18.3%	25.4%	12.1%	21.2%	39.9%	20.2%
Public sector	Q1 FY'23	5.6%	15.3%	10.0%	15.4%	-41.9%	-578.7%	14.0%	10.2%
	Q2 FY'23	0.5%	16.5%	3.5%	7.4%	11.7%	-74.2%	12.0%	2.9%
	Q3 FY'23	2.0%	-4.8%	7.5%	18.9%	17.9%	301.1%	4.8%	13.1%
	Q4 FY'23	9.3%	26.5%	14.2%	37.6%	-26.3%	-118.9%	-8.1%	16.3%
	FY'23	4.4%	13.4%	8.9%	18.6%	-14.3%	-64.6%	5.5%	10.5%
Chola MS	Q1 FY'23	49.6%	24.4%	37.9%	52.9%	71.4%		219.0%	43.3%
	Q2 FY'23	36.5%	37.0%	17.2%	31.0%	9.7%		25.4%	20.6%
	Q3 FY'23	23.4%	23.8%	22.9%	32.1%	13.2%		18.8%	23.1%
	Q4 FY'23	23.8%	1.2%	32.5%	33.8%	-5.9%	1515.4%	-7.0%	27.9%
	FY'23	33.4%	20.9%	26.8%	36.7%	16.7%	1515.4%	28.8%	27.6%

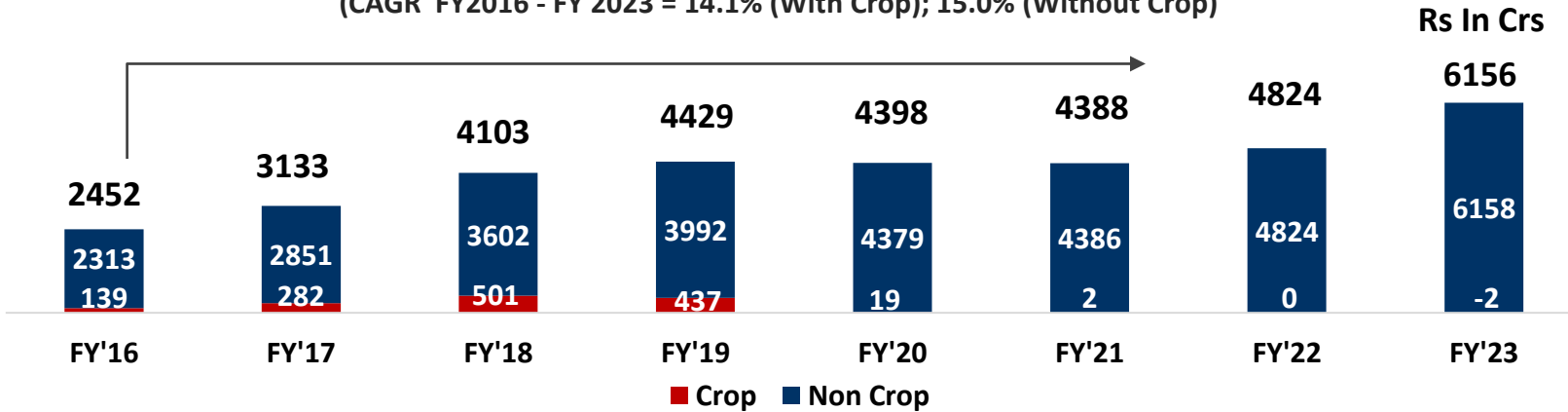
## In Q4, Chola MS

- Overall growth higher than industry & Pvt. Players @ 27.9%
- Motor, Fire & Health lines : Higher than industry & Private Sector players

# Among the Top ranked GI Players supported by strong growth

## Solid GDPI\* growth over years

(CAGR FY2016 - FY 2023 = 14.1% (With Crop); 15.0% (Without Crop))



FY'2022-23

Growing Market Share

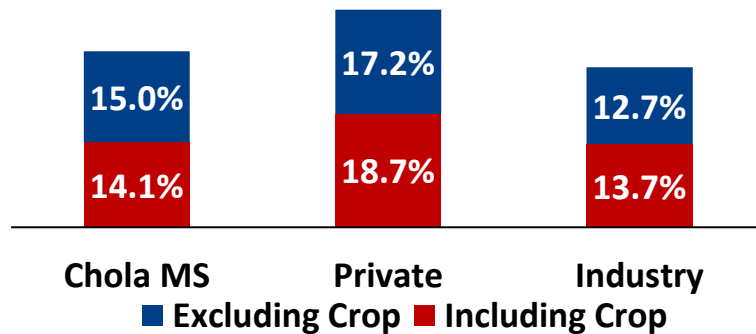
5.3%  
Market share in Motor Insurance

4.9%  
Market share in PA

33.4%  
Growth in Fire Insurance

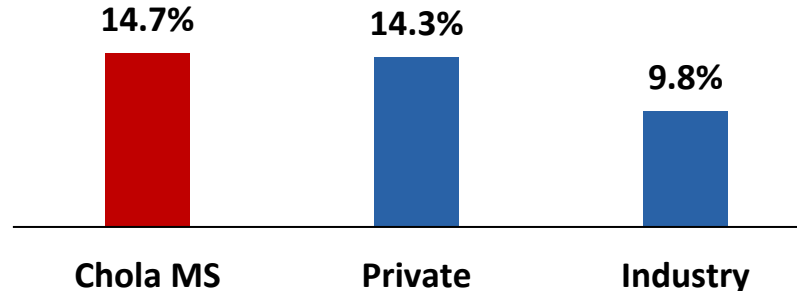
## Growth vis-à-vis peers / industry

GWP CAGR (FY 2016 - FY 2023)



## Amongst the fastest growing Motor GWP

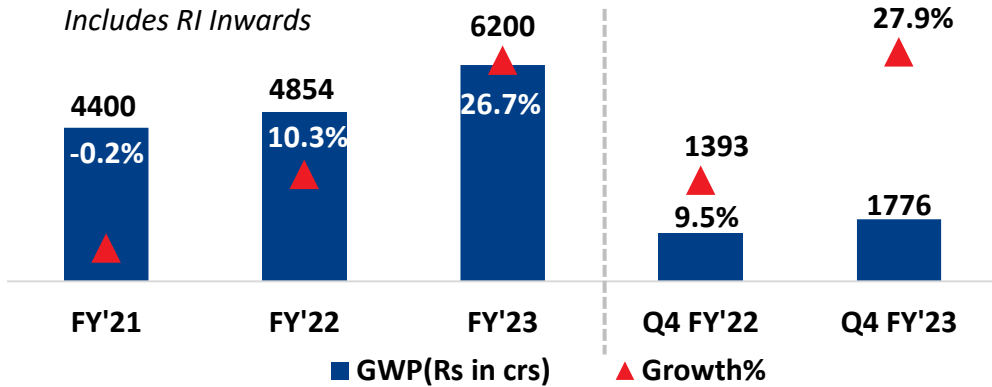
Motor GWP CAGR (FY 2016 - FY 2023)



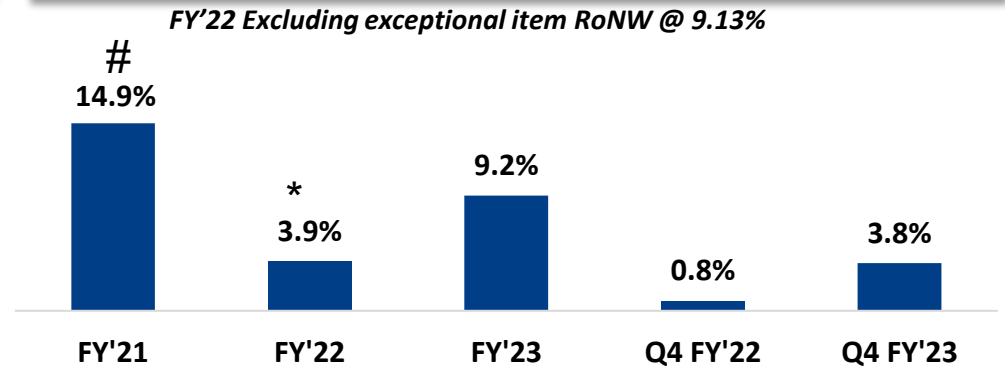
\*GDPI – Premium from Direct Business Written

# Key Financial Indicators

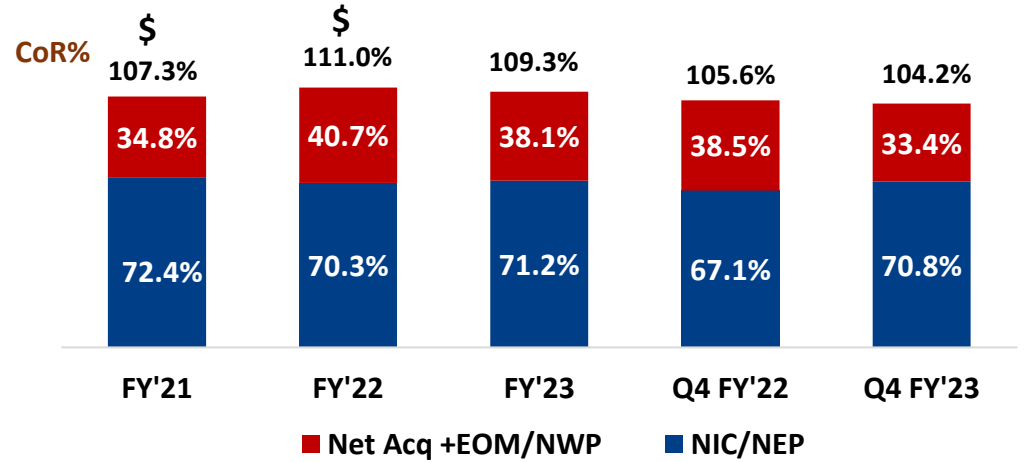
## GWP (INR Cr) and Growth (%)



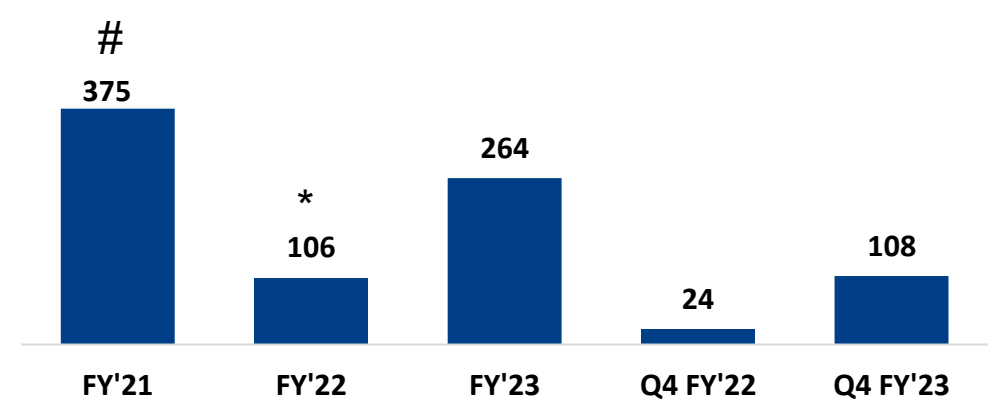
## Return on Net Worth(%)



## Break up of CoR(%)



## Profit Before Tax (Rs. Crs)



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

\$ CoR-impact by Covid Claims FY '21 – 4.50%; FY'22 – 5.90%  
Q4 CoR reduces to 104.2% (Q1 – 114.9%; Q2 – 112.4%; Q3 – 107.7%)

## Constantly improving operating metrics

Particulars		2020-21	2021-22	2022-23
Number of Customers (Live Customer)	No in Lacs	165	254	336
Number of policies issued	No in Lacs	63	99	121
Market Presence(Branch + CIE + VO)	No's	593	638	604
Bank Branches	No's	37000+	34000+	39000+
Motor OD Claims Settlement	%	94%	93%	94%
Compromised TP settlement	No's	6516	10365	8408
Network Garages	No's	10000+	12600+	14500+
Network Hospitals	No's	9500+	10000+	11000+
Complaints Disposal Ratio%	%	100%	100%	100%

## Claims Ratio (%)

Line of Business	FY'21	FY'22	FY'23	Q4 FY'22	Q4 FY'23
Motor OD	57.0%	69.8%	71.7%	82.8%	72.0%
Motor TP	79.7%	63.4%*	77.0%#	66.6%	78.4%#
Motor Total	74.3%	65.1%	75.6%	70.8%	76.6%
Health, Travel & PA	77.2%	117.1%	66.6%	78.9%	68.3%
Health, Travel & PA (w/o Covid)	46.9%	73.2%	66.6%	77.7%	68.3%
Fire	33.8%	33.5%	39.0%	-1.7%	20.4%
Marine	73.5%	61.9%	62.6%	30.0%	22.9%
Engineering	64.6%	28.5%	34.7%	18.0%	27.7%
<b>Total</b>	<b>72.4%</b>	<b>70.3%</b>	<b>71.2%</b>	<b>67.1%</b>	<b>70.8%</b>
<b>Total (w/o Covid)</b>	<b>67.7%</b>	<b>64.5%</b>	<b>71.2%</b>	<b>66.9%</b>	<b>70.8%</b>

\* Includes lockdown benefit

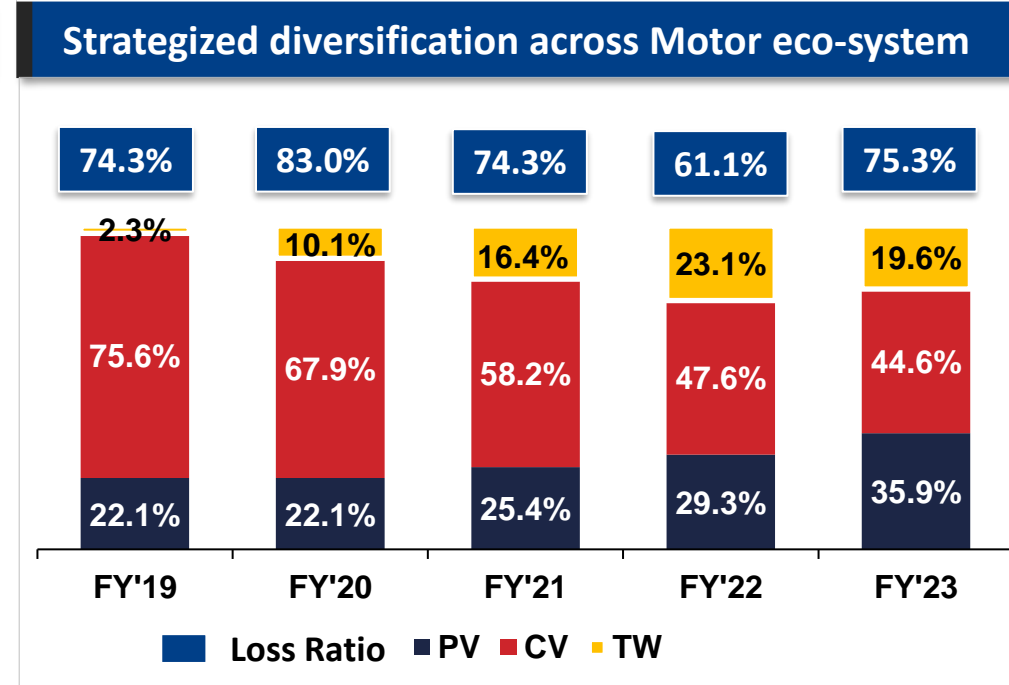
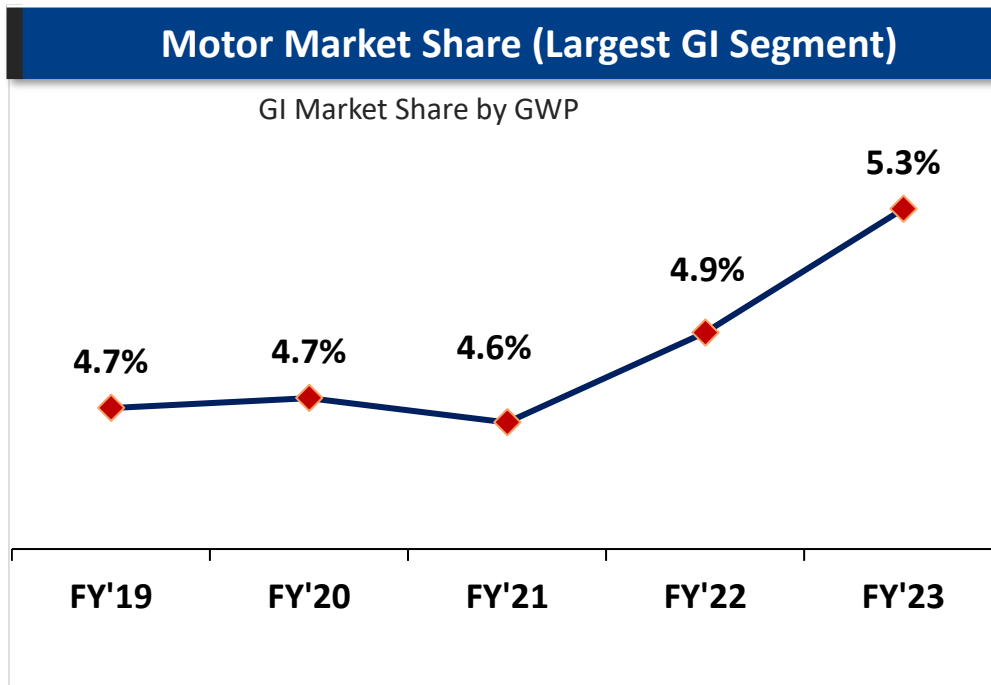
# includes inflation linked provisioning of Rs. 43 Crs in Q4 (FY23 @ Rs. 179 Crs)

## Investment Book Overview (Rs. Crs)

Catogery	Mar-21	Mar-22	Mar-23
Govt Securities	7663	8290	9579
PSU / Corporate Bonds	2254	2834	4484
Equity	76	151	321
Others	1041	1229	299
<b>Grand Total (@ cost)</b>	<b>11034</b>	<b>12504</b>	<b>14683</b>
Yield with profit on sale	7.59%	6.81%	6.54%
Yield without profit on sale	6.30%	6.18%	6.37%
Investment book / NW	5.9	6.4	6.8
Investment book / GWP annualized	2.5	2.6	2.4

- No Net exposure to stressed assets as at Mar 2023; Recoveries from ILFS / Reliance Capital will be recognized on cash basis
- Exposure to Securities rated less than AA : NIL
- MTM deficit as at Mar 2023: Debt @ Rs. 355.19 Crs; Unrealised Gains in Equity @ 32.03 Crs.
- Over 90% of Investments in Infra are in PSU/Infra Bonds of Private Sector Banks
- Incremental deployment of fresh and maturing Investments @ 7.50% yield in Q4 (Q1 – 7.25%; Q2 - 7.60%;Q3 – 7.66%)

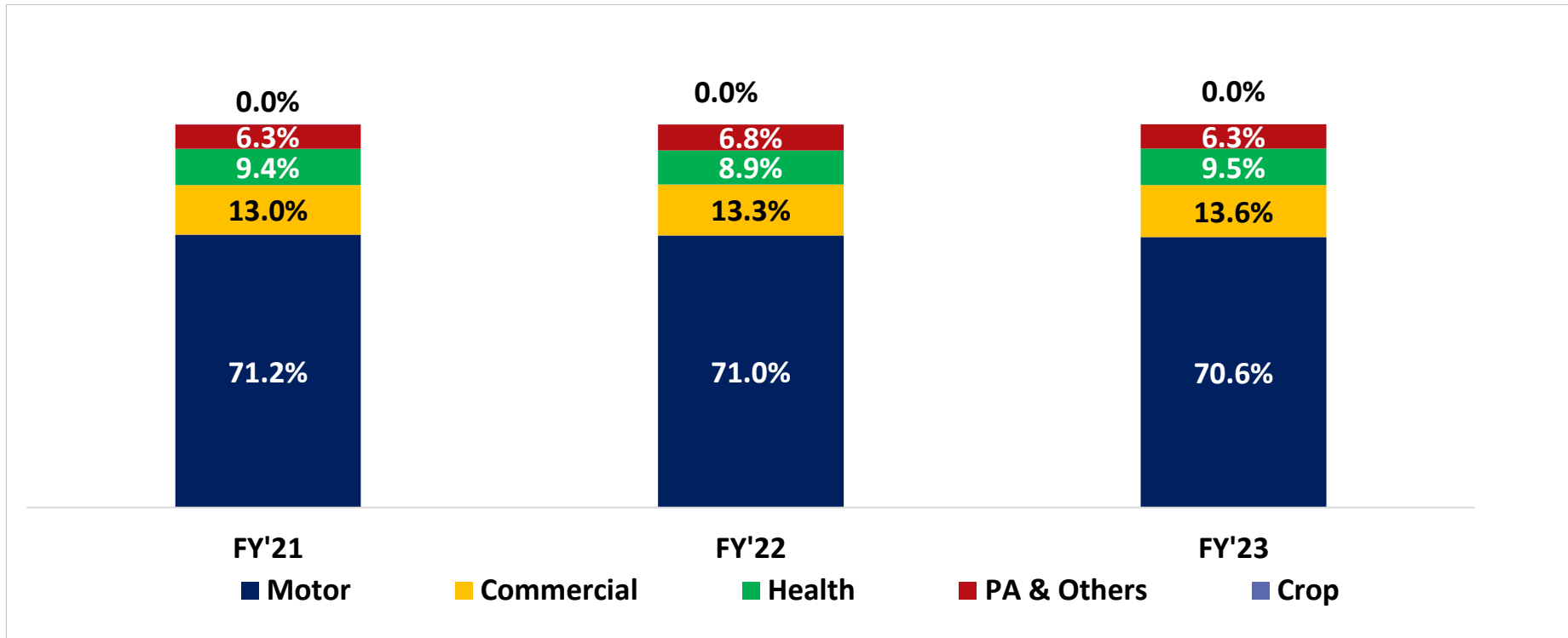
# Dominance in Motor, Diversification Underway



- ~8% Market share in new TWs
- PV share improved to ~36% due to new tieup
- CV composition in FY23 @ 45% – should go back to sub 50% levels



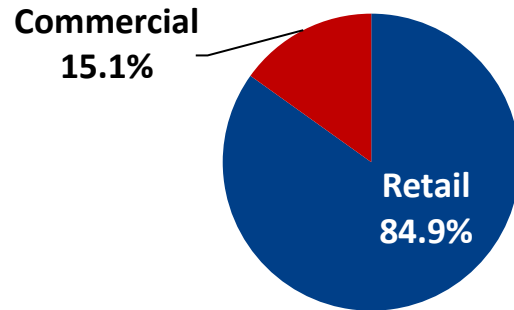
## Dominance in Motor, Gaining Prominence in Other Segment



- Focus on Commercial business (including SME business) has helped raise the share of top line to 14%
- Health mix improved to ~10% while PA & others @ ~6%

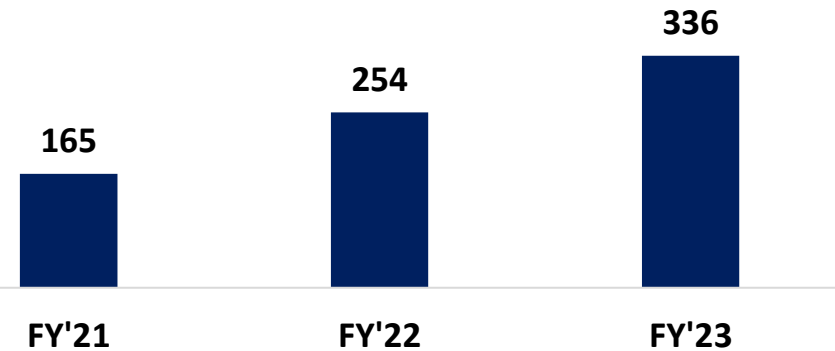
# Retail Focused Diversified Operations

## Retail dominated business mix



## Granular book aided by increasing dispersed customer base

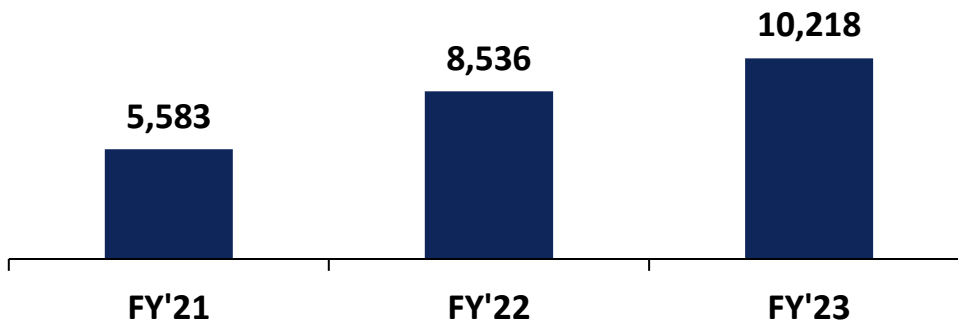
Customers (#) in Lacs



## Significant growth in retail oriented policies

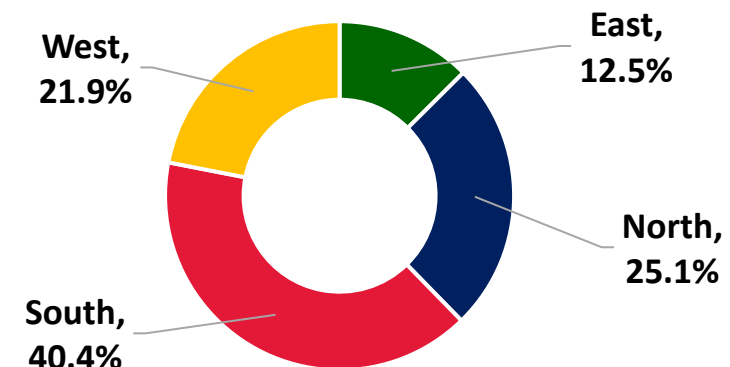
# of Retail Policies (Motor, Retail Health, PA and travel) (000's)

CAGR (2016-23) = 34.0%

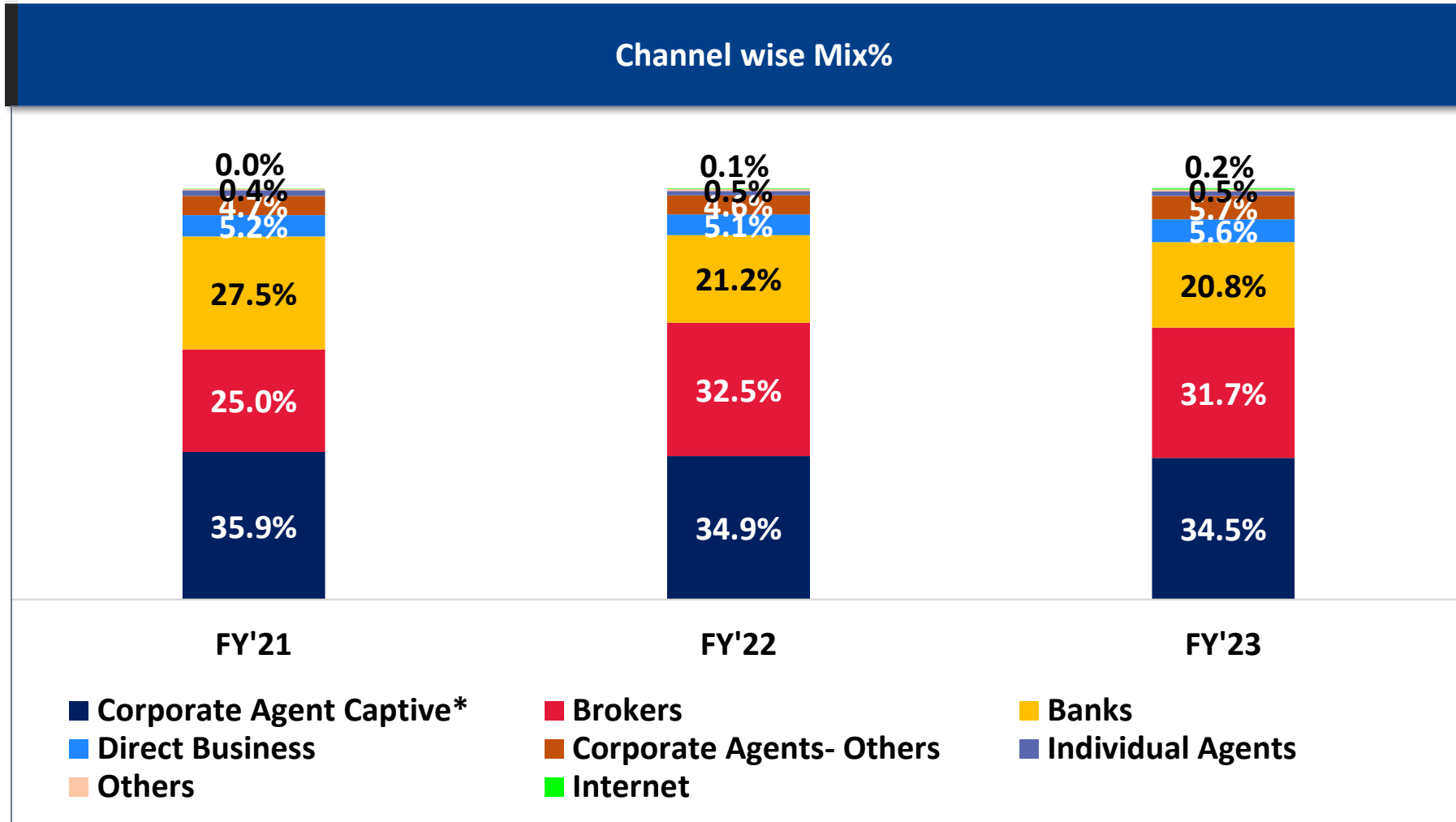


## Geographic Presence – Mix %

Mix %



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

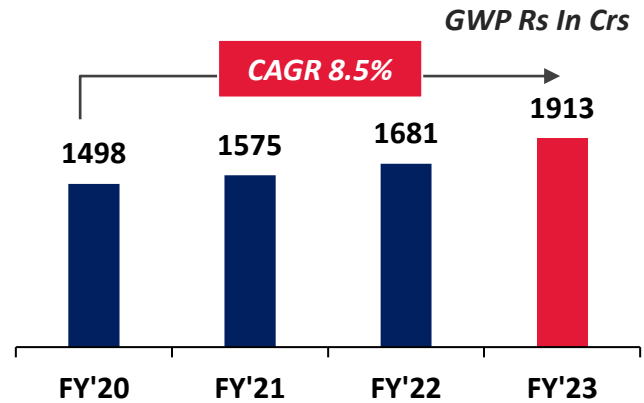


\*Chola Finance + Coromandel+ CIE

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

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

31.1% of FY'23 GWP

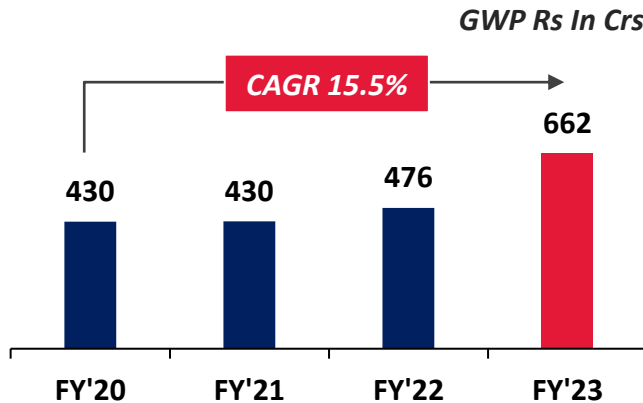


Chola Finance synergies (1000+ branches) to drive CV business

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

## PSU Banks + New Bank Tie ups

10.7% of FY'23 GWP

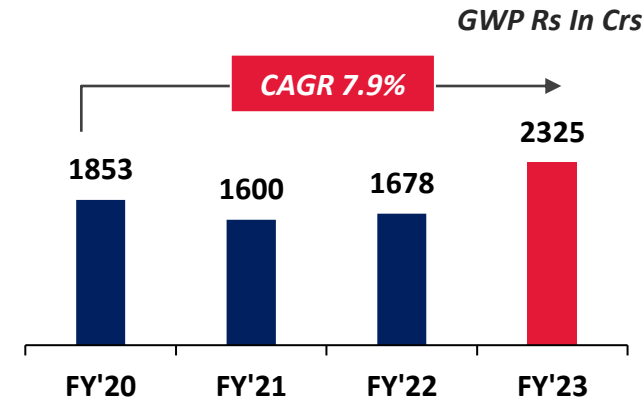


Tied up with 4 PSU Banks

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

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

37.8% of FY'23 GWP



IndusInd Bank: 15 years' of Relationship

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

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



## User Experience



### Products & Services

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



### Scalable Platforms

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



## Productivity



### Service Improvement

- **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 **90%+ overall**
- **Tune-in** app for retail customers
- **AI based** motor damage assessment capabilities
- DIY **Endorsement** portal launched

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

**Distribution build**

**ZING AGENT PRO**

100%

Digital Onboarding of Agents

**Sales fulfilment**

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

100%

Policy issuance digitally

2 min

Instant policy issuance

**Underwriting**

**Tailor** **UW OCR**

75%

STP issuance for Health

100%

Digitization of PPMC records

**Claims**

AI based Motor Claim Adjudication

**Provider Portal**

90+%

Accuracy of AI based Motor damage assessment model

**Renewals**

Voice Bot for renewals

**NRLMS**

100%

Automated fulfilment of renewals via bot

**Ops and servicing**

**Joshu** Self Service Chatbot for customers

RPA for Claims, Finance, Operations

24 x 7

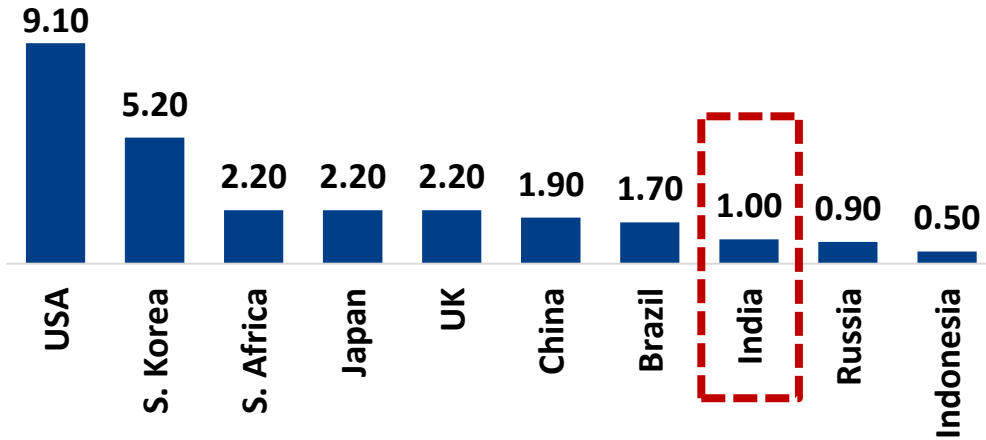
Query resolution using chatbot

100K+

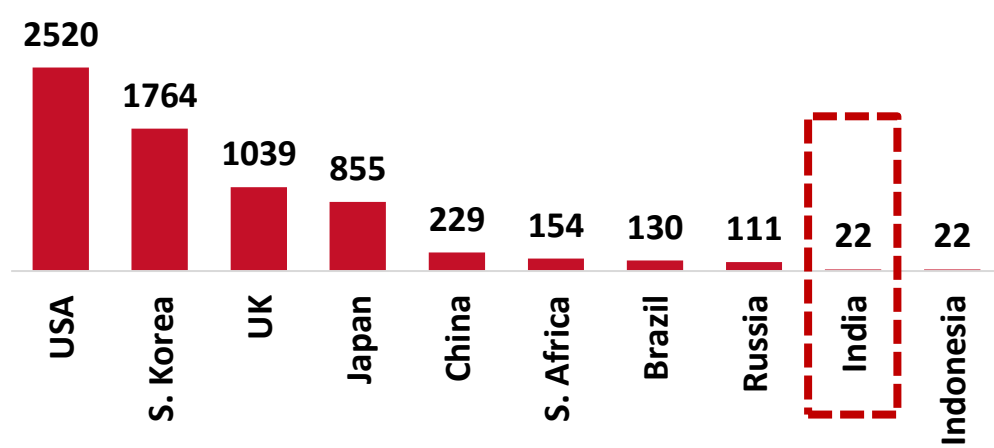
Successful monthly RPA transactions

# Indian General Insurance: - Large addressable market

Significantly underpenetrated Premium as a % GDP (CY21) (US\$)



Non-Life Insurance Density (Premium per capital) (CY21) (US\$)



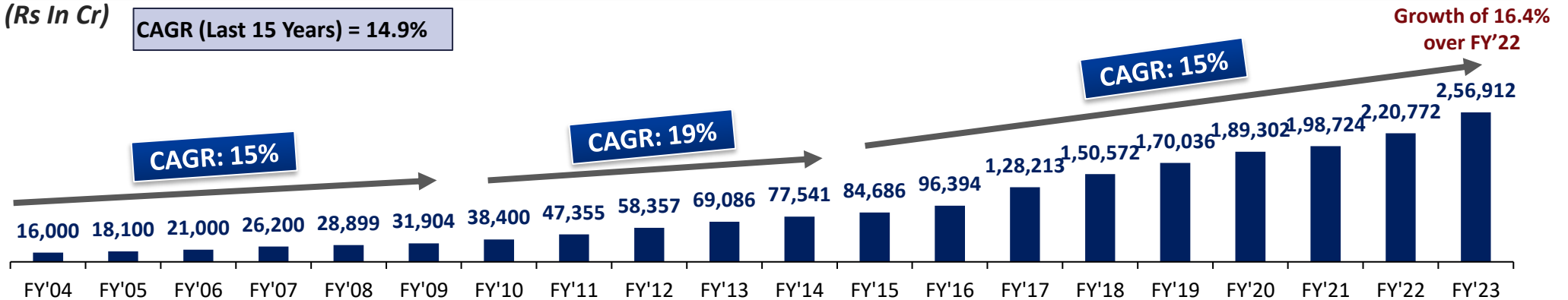
- India is the 4th largest non-life insurance market in Asia and 14th largest globally
- Operates under a “cash before cover” model
- Density & Penetration low in India compared to other countries
- Increase in penetration can happen with growth of personal lines, product enrichment, catering to rural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

# Industry has Witnessed Strong Growth Over the last 15 Years

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

(Rs In Cr)

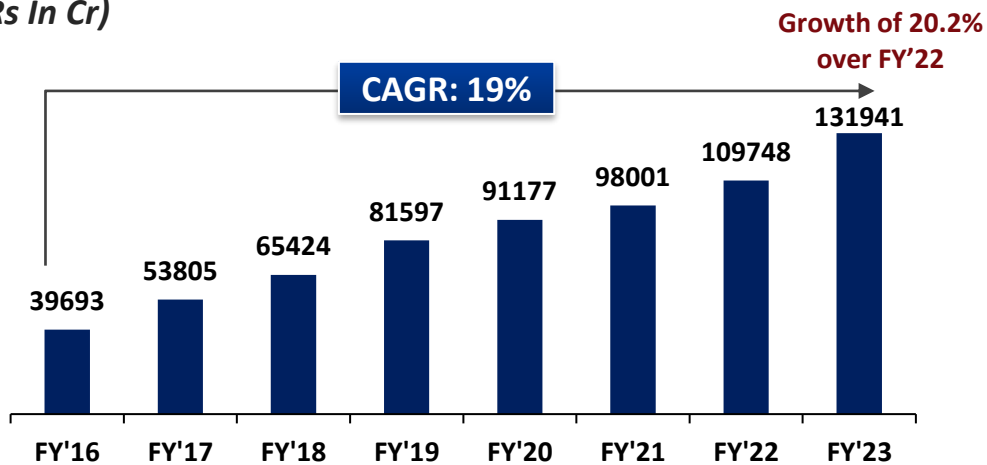
CAGR (Last 15 Years) = 14.9%



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

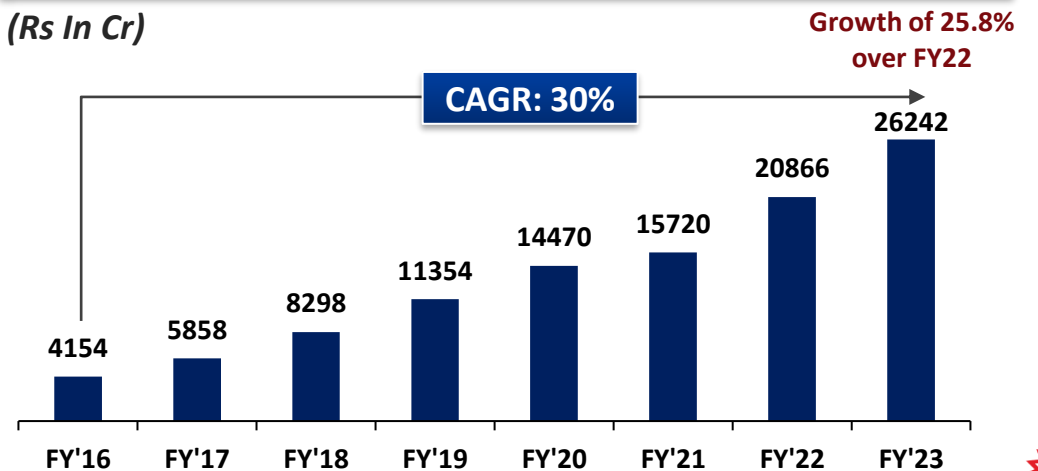
Private GI Players have grown at a faster pace

(Rs In Cr)



Robust growth for SAHI Players driven by Retail

(Rs In Cr)

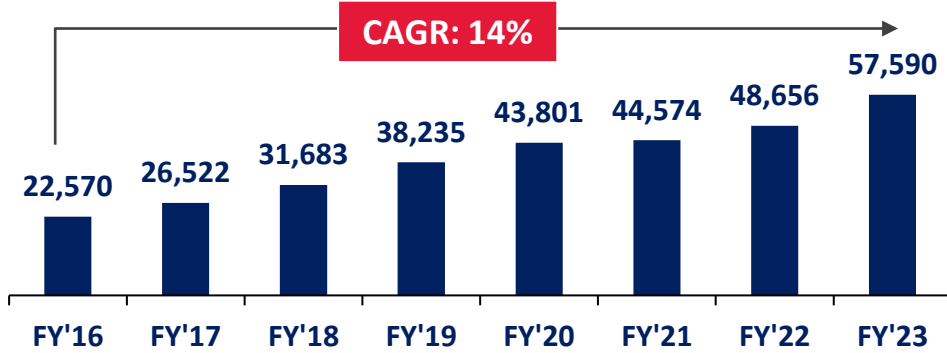




# Motor & Retail Health are the Largest GI Segment and Continue to Grow at Steady Pace

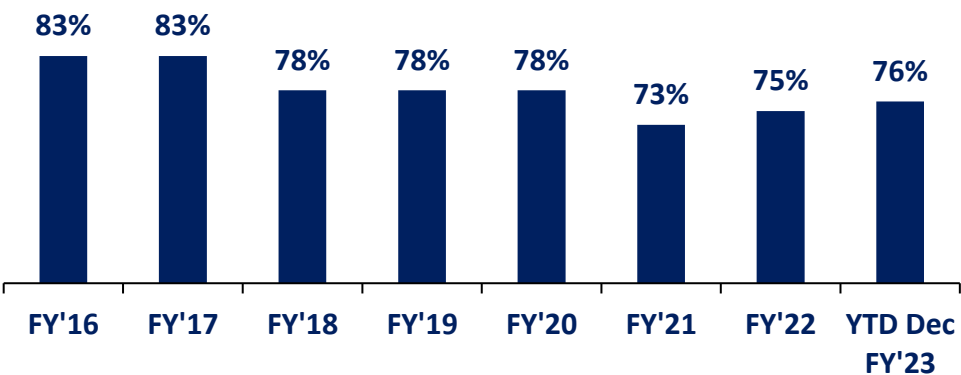
**Motor accounts for 43.6% share of the overall GWP for Private General Insurers (single largest segment)**

(Private Motor Insurance – GWP Rs in Crs)



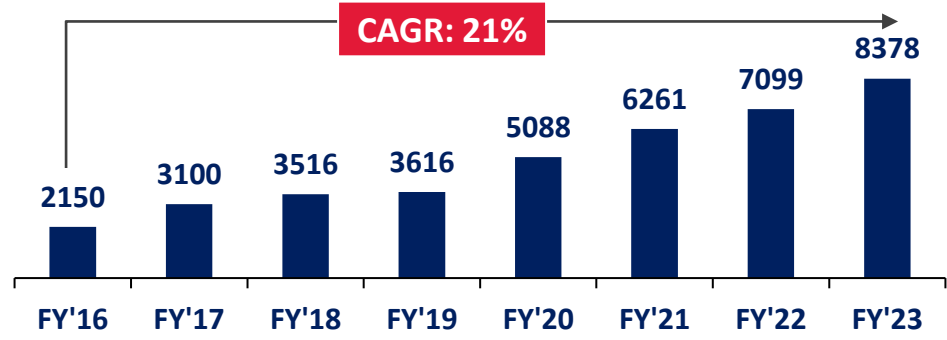
**Motor Claim ratio**

(Private Motor Insurance – Claims Ratio)



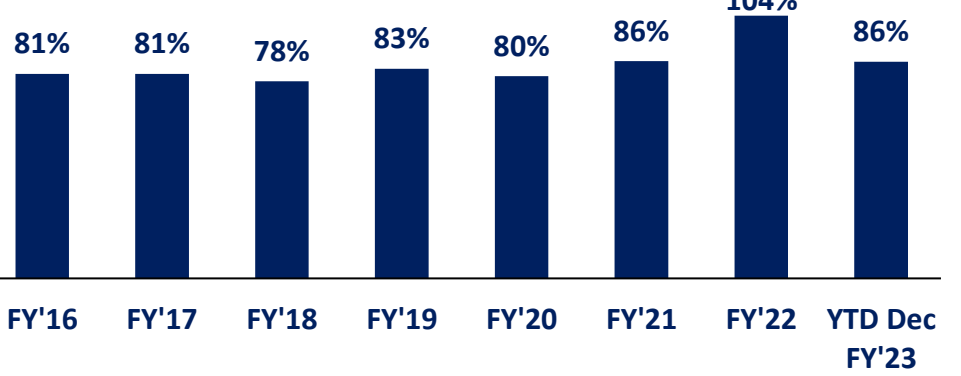
**Retail Health (6.3%\* share of overall GWP) is the fastest growing segment**

(Private Retail Health Insurance – GWP Rs in Crs)



**Health Claim Ratio**










(Private Health Insurance – Claims Ratio)



\* Excluding SAHI Companies

## Favorable Regulations Aiding Growth

Amendment to Acts expected to improve profitability and growth across segments

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

## Contact us

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