

November 11, 2025

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,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

Symbol : CHOLAHLDNG

Scrip Code : 504973

Dear Sir / Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

This is further to our letter dated November 3, 2025 on the schedule of Analyst/ Investor meet. Pursuant to Regulation 30 of the SEBI Listing Regulations, 2015, we wish to inform you that the transcript of the call held with analysts and investors on Friday, November 7, 2025 is enclosed and made available on Company's website at <https://www.cholafhl.com/investors/investor-meet>.

We request you to take the above on record.

Thanking you,

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

E KRITHIKA
COMPANY SECRETARY

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 CIN -L65100TN1949PLC002905



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“Cholamandalam Financial Holdings Limited
Q2 FY26 Earnings Conference Call”

November 07, 2025



MANAGEMENT: **MR. SRIDHARAN RANGARAJAN – NON-EXECUTIVE
DIRECTOR – CHOLAMANDALAM FINANCIAL
HOLDINGS LIMITED**
**MR. N. GANESH – MANAGER AND CHIEF FINANCIAL
OFFICER – CHOLAMANDALAM FINANCIAL HOLDINGS
LIMITED**
**MR. V. SURYANARAYANAN – MANAGING DIRECTOR –
CHOLAMANDALAM MS GENERAL INSURANCE**
**MR. VENUGOPALAN – CHIEF FINANCIAL OFFICER –
CHOLAMANDALAM MS GENERAL INSURANCE**

MODERATOR: **MR. MAYANK MISTRY – JM FINANCIALS**

Moderator: Ladies and gentlemen, good day, and welcome to the Cholamandalam Financial Holdings Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mayank Mistry. Thank you, and over to you, sir.

Mayank Mistry: Thank you, Bhoomika, and good afternoon, everyone. On behalf of JM Financial, I welcome all the participants on the call and thank the management of Cholamandalam Financial Holdings Limited for giving us the opportunity to host this call. For today's call, we have with us Mr. Sridharan Rangarajan, Non-Executive Director, Cholamandalam Financial Holdings; Mr. N. Ganesh, Manager and CFO, Cholamandalam Financial Holdings; Mr. V. Suryanarayanan, Managing Director, Cholamandalam MS General Insurance; and Mr. Venugopalan, CFO, Cholamandalam MS General Insurance.

I now hand over the call to the management for the opening remarks, post which we can open the floor for Q&A. Thank you, and over to you sir.

V. Suryanarayanan: Good evening. This is Suryanarayanan from Chola MS General Insurance. Good evening to each one of you for joining the earnings call. I'll now proceed with the overview of the performance of Chola MS for the quarter and half year ended September '25.

To begin with on the top line, in line with the 1/n method of accounting and reporting of GDPI with respect to long-term non-motor business, Chola MS recorded a gross direct premium of INR1,835 crores for quarter 2 and INR3,647 crores for half year. With the base effect of 1/n reporting coming to an end in September '25, the growth in business will be visible from Q3 onwards.

Chola MS suffered a loss of crop insurance business consequent to the retender, which impacted the quarter's GDPI by about INR323 crores and INR383 crores for the half year. The premium received in advance on long-term non-motor products was INR100 crores for the quarter and INR202 crores for the half year.

This, together with the reinsurance inward business, the gross written premium for the quarter was INR2,221 crores and INR4,217 crores for the half year. In motor, the principal line of business, the market share stood at about 5.3%. Within motor, the company had a composition of 52% in cars 37% in commercial vehicles and 12% in 2-wheelers.

The company secured about 23% of its total motor premium from new vehicles. The expense of management for Chola MS for the half year stood at 30.5%, which measured without 1/n works

out to 29.1% and is lower than the glide path plan approved by the Board and presented to the regulator.

The AUM for the corresponding half year of the previous year was 32.7%. So we have seen a 2.2% reduction from the corresponding period. The claims ratio for Q2 and H1 at 81.9% and 81.5% are higher than the levels in the corresponding periods of the previous year. The motor OD claims ratio has been higher and also reflects the competitive intensity in the industry.

Chola MS continues to be prudent and conservative in its provisioning for motor third-party losses with the level of provisioning a good 10% higher than many of its peers. Recognizing the rising severity in quote awards in third-party claims and the continued absence of increase in motor third-party premium for the last 4 years, Chola MS, as mentioned in the earlier call as well, stepped up its motor third-party reserving in the year.

This has rendered the overall company claims ratio higher than the corresponding period by 2.31% for Q2 and over 3% for the half year. Consequently, the combined ratio for the half year was at 115.3% which without the 1/n effect stands reduced to about 112.1%. This 112.1% includes the 3% arising from the motor period third-party provisioning.

The investment corpus as at the half year was over INR18,380 crores, and the company had mark-to-market gains in both the debt and equity portfolios amounting to about INR500 crores. The PBT for the half year was INR266 crores with the return on equity not annualized at 6.2%. Solvency at 2.112x is comfortable. We will now be happy to take any questions that you may have.

Moderator: Thank you very much. The first question comes from the line of Ravi Purohit from Securities Investment Management Private Limited. Please go ahead.

Ravi Purohit: Sir, if you could kind of give us some sense of how the market has been lately. I think because of the GST cut, there has been a significant uptick in the auto sector. So how does that kind of translate from our point of view, given that the first half has been pretty tepid for us in terms of growth of the overall premium. Of course, you mentioned that because we lost some agri business. But in the second half, how does that look at the ground level?.

V. Suryanarayanan: Yes. Thanks, Ravi. So let me take it in 2 parts. The first half indeed was tepid arising from 2 reasons. One was the crop loss that I talked about. And second was the 1/n effect of INR200 crores not getting reported the way it used to be in previous periods. That at least will now come to a level comparison as we get into quarter 3 and in October.

The crop, we have digested a good portion of the deficit that we had written last year. So there will be some more about at best another INR150 crores, which will get impact the growth in H2. The 1/n impact will not be there in H2 of this year. So therefore, the drop from here on is not going to be that steep.

Second is the effect of GST, definitely, as we have seen automobile sales has been quite strong in the month of October. And we did put out our numbers, the industry numbers are out there. The private sector in the month of October had a degrowth of 1.5% overall.

Chola MS had a growth of 5.4% in the month of October, which means that our YTD, year-to-date degrowth that we had reported at the half year is now getting reduced as at YTD October. So it is things are looking up. And we only wait to see if the momentum in the auto sales sustains in the month of November, December. Of course, Q4, January to March, definitely, there will be a strong push. So we only wait to see if the sales sustain, I'm sure we will have a good business growth.

Ravi Purohit:

I think we started doing our calls on a quarterly basis a few years back, right? Earlier, we used to do maybe once in a year, and then we started doing the quarterly calls. And at that point of time, I think we had kind of mentioned about getting our combined ratio closer to, let's say, 105% or so?

It's been persistently higher. If you could kind of share some insights into how should we see our combined ratio over the next 1 or 2 years and things that are in our control, right? It has been a competitive market, but there are companies whose combined ratios are lower than ours. Is there anything that you could kind of share on the steps that we are taking to kind of bring this down?

V. Suryanarayanan:

Yes. So we will not talk about the competition's combined ratio or what is shaping it. So I think that's outside the ambit and scope of this particular call. We would rather stick to what we are trying to do and what is shaping our combined ratio at this point in time.

In my opening remarks, I did talk about the motor third-party reserving that we are adopting at this point in time. And I did mention in the call that our reserving level that what we are doing is at least 10% higher than many of our peers. And in our book, that translates into an effect of at least 3% on the CoR. If without 1/n, if I'm talking of 112, so that means that the correct CoR on a comparative basis, this comes down to about 109.

Now going to your question on how much we can improve from this level of 109. It needs to be noted that we have been conservative in accounting our RI commission on long term policies since the introduction of 1/n. While prior to 1/n introduction, cessions and RI commissions were accounted on full premium basis, after 1/n, both are getting accounted on 1/n basis which means lesser RI commission.

For instance, when 1/n came in, our cessions reduced, and therefore, our reinsurance commission also got deferred. Now actually, as we go along and when this 1/n premium starts coming into the P&L segment, our reinsurance commissions will also start going up, and we should see a bounce back into the overall profitability.

But one area of concern I should admit, has been the way the motor OD loss ratios have been moving up both for the industry and particularly for Chola MS. We are seized of the problem and have taken several corrective measures. One of the measures which will certainly reduce the loss ratio is also arising from the GST change.

Chola MS has got a larger proportion of motor business from commercial vehicles. I did mention that we have about 37%. Now the GST change that is coming in, in terms of the GST on parts prices, coming down from 12% to 5% will also give us some advantage as we go along as the severity of the claims will now go down.

So that will be a small positive, which will come in, which will also help. And of course, the other corrective measures that we have put in place and it should bring the loss ratios to a lower level.

Ravi Purohit:

Okay. And sir, just one observation. In our presentation, we give this breakup of investment book, right? And historically, we had moved a significant portion of our investment book into AAA rated and government security bonds, right?

Lately, in the last 2 quarters, I've seen PSU/corporate bonds going up significantly and government securities coming off. So just wanted to kind of get your thought -- I'm assuming these are still all AAA rated. But if you could just kind of share some -- is there a change in how we are kind of allocating our investment book?

Venugopalan Srinivasan

Our investment book earlier used to be very heavily loaded towards the government securities as you rightly talked about. But we have strengthened our investment management team and other risk management aspects relating to Investments. I think you know very well that interest rate yield for government securities and corporate bonds are comparatively higher for corporate bonds. We moved into a level of more towards the corporate bond in order to increase the yield on the investment book.

That's the thing. But what we are doing very clearly is not to reduce our rating profile on those corporate bonds. We are only looking at those profiles which are high in terms of the rating and as well provide higher yield compared to Govt securities. So, we are not diluting anything on the security aspects on those corporate investment book. That's the philosophy on which we moved. And altogether, we are slightly above 40% on government securities portfolio even now. The threshold is minimum 30% government securities as per investment regulation and we are at 40% around currently.

Ravi Purohit:

Okay. And last question, sir. I think in the last few calls also I had asked you generally what is our long-term goal for -- from return on equity point of view. And I think FY '25, we did cross 18% and prior year was about 15-odd percent, right? This year looks like it is below the first

half at least. But would you kind of still stick to what you had mentioned earlier that we should remain in the 16% to 18% ROE band in the near future?

V. Suryanarayanan: Yes, that is the direction with which the management team is certainly working for, and we certainly expect to get closer to those levels.

Moderator: The next question comes from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Sir, this INR570-odd crores of reinsurance accepted business what you did in first half. Can you just give the color of that business? Is it predominantly sitting in crop given we lost it on direct. We started doing it on reinsurance or it's more towards commercial lines? Just wanted to understand the color of that business. And how profitability of that segment has played out in 1H, given we did a little more than usually what we do in the past?

V. Suryanarayanan: Yes, the volume is a little higher than what we used to do in the past. And it is actually the volume is spread across lines of businesses. We do have in property; we do have some in crop. We do have some in motor, and we do also have a good portion arising from the group health business. So it is across multiple lines of business. And I wish to say that the economic combined ratio of this business is better than the combined ratio on the core business. So it only operates to bring down the overall combined ratio.

Sanketh Godha: Okay. Understood, sir. But sir, if the float in that business is a little lower and even if the combined is closer to 100 then from ROE point of view, it might be still depleting compared to the leverage benefit what we get from the direct business, especially from TP. If I can ask on ROE basis, still it is ROE equity.

V. Suryanarayanan: I would broadly tend to think that it is ROE neutral. I would tend to think that the problems and the difficulties now is more in the motor line of business than anywhere else. Of course, you have attended other companies' calls as well, and you know the kind of combined ratio levels that are getting operated in the industry.

And the problem is further accentuated because of our own stance and prudence with respect to the TP reserving. But then the effect is still there when it comes to the combined ratio and naturally the ROE.

Sanketh Godha: Will it continue this reinsurance strategy going to or it's more tactical for the current year? Or if I can ask whether EOM played a role for you to go a little aggressive on reinsurance acceptance?

V. Suryanarayanan: It is like it's an overall package, Sanketh, and I know this is a question that you have been asking of other companies as well in different ways and people have proceeded to answer it in their own fashion. So it is a tactical move and also from EOM perspective also the fact that we did lose the crop business, so did others, which is where that has come about.

But the thing that we are seeing it positive is apart from the effect that it helps us on the EOM, we have also used this opportunity to really cut down on our commission even in our core business and which is what should help the company going forward.

Sanketh Godha: Understood, sir. Understood. And the second thing I wanted to check with you, if given that we are very strong players in benefits, long-term health and PA, given these numbers have declined for the last 3, 4 consecutive quarters even if I do this math on any basis, have we seen still a decline or the decline is predominantly because of 1/n the thing I wanted to understand is that if the reporting would have been on n, the health and PA segment would have grown or declined for us?

V. Suryanarayanan: There will still be a marginal decline, but we have to continue to the growth in this segment which is economically a viable business. And still our benefit mix, if you were to look at on the overall health business, it would still be at around close to around 40% and it has come off from the level of 46%, 47% that used to be in earlier years. It's come to 40% now, but it is still there.

Sanketh Godha: Okay. And given now I'm assuming the EOM is under control, whether this piece will do -- again, asking on 1/n basis will be better going ahead or it is a conscious decision because commercials are not working in your favor, so that's why you chose to slow it down?

V. Suryanarayanan: Yes, because see, this is the last year of the glide path and one had to move down to confirm to the glide path commitment. So that is also a tactical call in that respect. But as I started off in the opening remarks on full premium basis, you would notice that our cost is now lower than glide path and accordingly, the EOM is at about 29 percentage something, which also now even lower than from a glide path perspective, there is some leeway for us to take business, good profitable business and which is what we will proceed to do in H2.

Sanketh Godha: Understood. Understood, sir. Sir, another question was on motor, which you touched upon that loss ratios are a little elevated because of the competitive intensity. Now, given GST cut has happened, your IDV which will come down, claims will remain where they are.

So is it fair to say that Central Kariba the loss ratios will deteriorate, maybe new product mix might improve the loss ratio. But in general, directionally, maybe you will benefit from the float or investment book. But on combined or loss ratios, these numbers will look a little more poorer than what we are reporting for you or for the industry because of the IDV cut?

V. Suryanarayanan: See, the IDV change arising out of GST is more prevalent in the new business. The older vehicles, the changes in IDV hasn't really happened as yet. And I'm taking this position even as at, say, closer to mid-November. That is how it is getting played out in the industry. And I did mention that our total share of new business is somewhere around 24%, 25%. So the 75% of the business is not undergoing a change on the IDV at this point in time. So that is the situation.

Sanketh Godha: Sir, this 83% losses form OD function, which is uncomfortable moments from your perspective also. So if you give any concrete measures what you have taken exactly this number to improve

going ahead and what likelihood this number will improve despite to despite the competition signed this?

V. Suryanarayanan: See, our point is that in H2, if you were to look at, we would certainly want this number to at least come down by about 5 percentage points for H2. And that will coming in from the other changes that we have made. So that is the prediction that we are trying to make for H2 going by the effect of the changes that we have now put in place. And that is what we said.

Sanketh Godha: Understood, sir. But in general, I'm saying that you were always like 71%, 72% loss ratio company, even if I negate the impact of what you call additional reserving what you have done for TP. Now you still look like more 78%, 79% combined loss ratio company. Maybe you got a benefit of expense?

But is it fair to say it's a trade-off that expense comes off at the expense of loss and therefore, you end up at the same combined. So just wanted to understand that the way I need to understand because expense ratio improvement got reflected in higher loss ratio. So that's the reason I'm asking it and both can independently so that everyone combines and improve?

V. Suryanarayanan: They can move independently. And see, this is a stance that we have taken with respect to motor third-party provisioning. Of course, all efficiencies towards securing the actuals at much lower levels is on by way of a higher proportion of compromise settlements, where I should say that the company is doing well even at the half year stage. So again, we will take a closer look at how things shape up and maybe by December and again in March, so we could look at a more pragmatic situation there.

Sanketh Godha: Lastly, on leverage, I'm just asking this may be this could be repetitive for you. Typically, we enjoy the high leverage of 6.1, 6.2 kind of leverage. Now it has fallen from 6, still very healthy compared to the industry standard, but has fallen. So again, is it safe to say that your defocus on long-term plan have let to lower leverage that we did not get so much of advantage in the combined. So net-net that leverage benefit what was there in the ROE did not play out at the expense of year end management -- is it fair to think so?

V. Suryanarayanan: In a way it is true because somewhere mentioned in the presentation deck that there is a very conscious move with respect to the 2-wheeler business that's a view that the Board has taken. And when you do write the new 2-wheelers on a 1 plus 5 basis, so there is a cash accretion that happens. But then the worry is in the context of absence in price increase, is it really worth taking on a risk for 4 and 5 years from now? And what is absolutely certain is the inflation running at whatever level in terms of the compensation level.

So it is a necessary trade-off between whether you want to have an attrition and have investment book and earnings now and then liability really getting deferred into the subsequent years. So that's the call that the Board really took and that's what is driving. It is on Page 55. If you look at it, we'll say growth in OD premium and degrowth in TP premium and primarily conscious reduction of volumes in 2-wheelers. So if you look at it even in the motor book, while we have

a OD market share of 6.3%, we have actually brought down from 5.4% to 4.7% in motor TP. So that is what is impacting the leverage.

And this, I would tend to think is more tactical because it's not that we have lost any channel or anything. So it's more a question of what we and how we choose to source. Of course, there is always talks of an impending PP price increase. We never know when it is going to happen. The sooner it happens, it's better. And then things can certainly pivot back.

Sanketh Godha: Understood. So but likelihood -- maybe that's my last question actually, the likelihood of TP price hike. Will you see the light in the current year or you are hopeful at least part of the next fiscal, we'll see a price hike?

V. Suryanarayanan: I would tend to think that industry will be very happy even if it comes in from April 1. But then the necessity, the preliminary steps will have to be taken now to make it effective from April.

Moderator: Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments.

V. Suryanarayanan: Yes. Thanks to everyone for joining the conference call. The management is committed to taking the company forward, both in terms of growth and profitability. Thank you.

Moderator: On behalf of JM Financial, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.