

EW/Sec/2023-24/107

August 4, 2023

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: EDELWEISS
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Dear Sir/Madam,

Sub: Earnings Update

Please find enclosed herewith the Earnings Update (in INR) of the Company for the first quarter ended June 30, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above



Edelweiss Financial Services Limited

Earnings update – Quarter ended Jun 23



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Please refer to the following business updates filed for more details on our insurance businesses –

- *General Insurance*
- *Life Insurance*



Overview

Quarter ended Jun 23

Edelweiss at a glance – Quarter ended Jun 23



Net Worth

INR 6,230 Cr

Ex-Insurance PAT

INR 110 Cr

BVPS

INR 46

(FV ₹1)

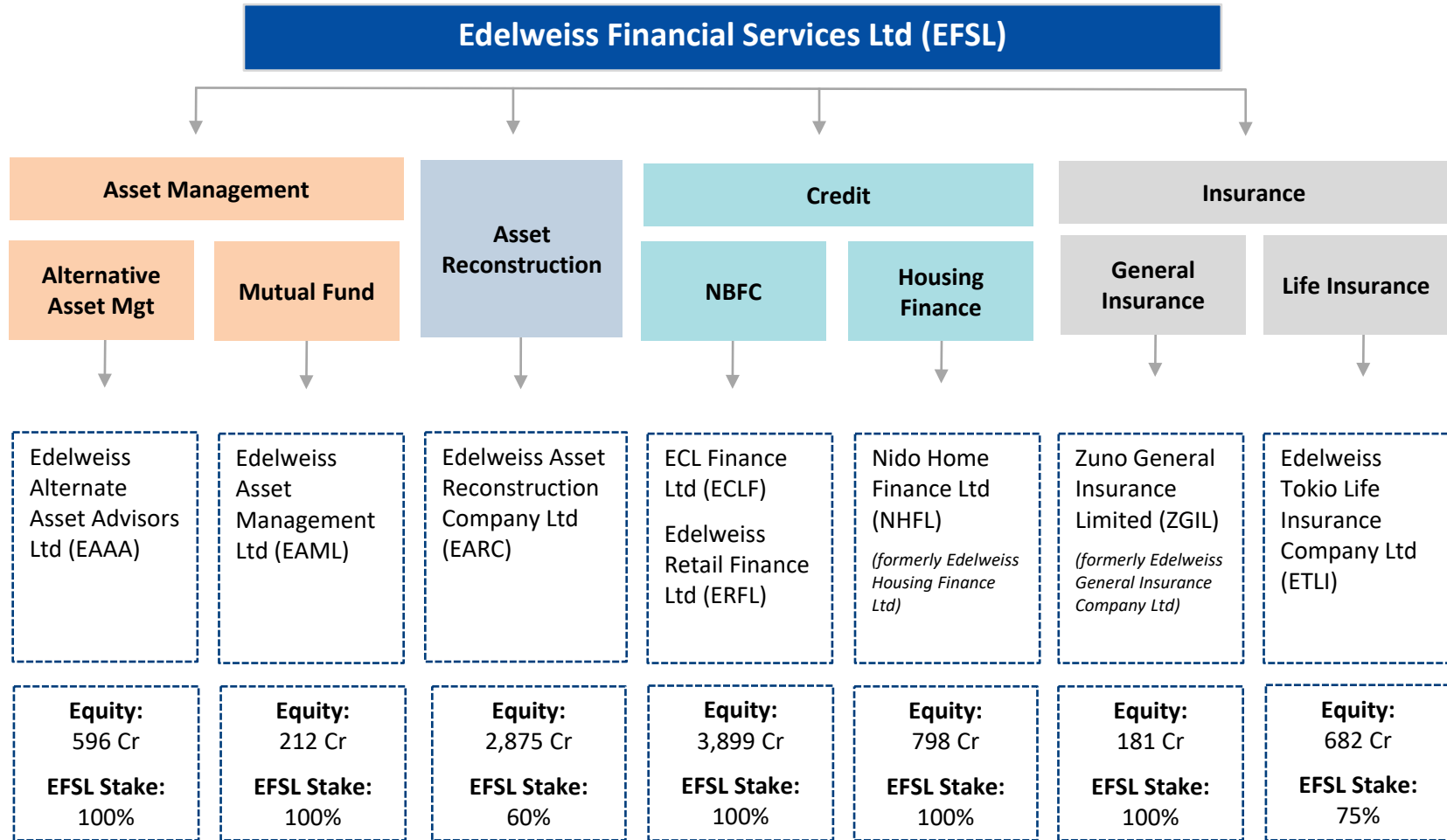
Net Debt

INR 15,380 Cr

Liquidity as a % of Debt

12%

Diversified with high-quality and well-capitalised businesses



Performance highlights – quarter ended Jun 23



1 Healthy profitability and upward trend on operating metrics across businesses

Slide [7 - 10](#)

2 Update on key priorities

Slide [11-15](#)

Nuvama demerger and share allotment completed; listing on track in Aug 23

Scaling Asset Management and Insurance businesses: Alts AUM 33% and GI GWP 28% YoY

Wholesale reduction ahead of plan with 43% YoY reduction in the quarter

3 Customer reach grows 26% YoY to ~6 million; Customer Assets up 21% YoY to nearly 2 trillion

Slide [16](#)

4 Robust balance sheet with well capitalised businesses

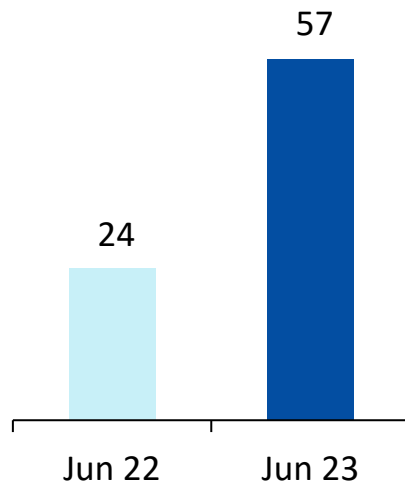
Slide [17 - 20](#)

1 Healthy profitability across businesses



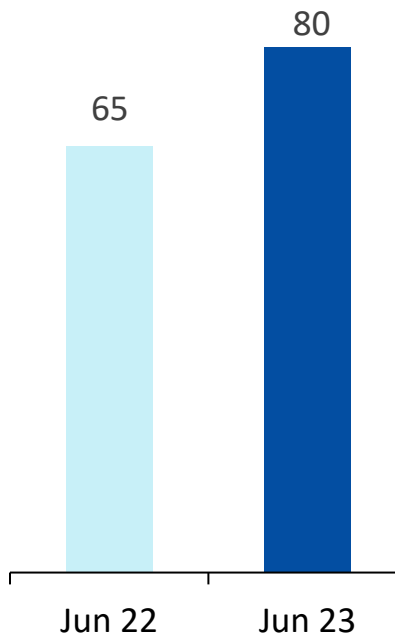
PAT for the quarter in INR Cr

Asset Management



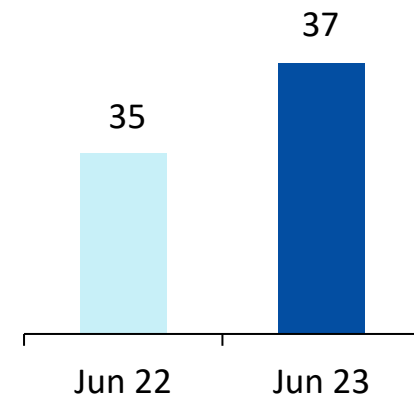
138% YoY

Asset Reconstruction



23% YoY

Credit



6% YoY

1 Earnings distribution across businesses



INR Cr

Business	Quarter Ended	
	Jun 23	Jun 22
Alternatives Asset Management	46	21
Mutual Fund	11	3
Asset Reconstruction	80	65
NBFC	34	32
Housing Finance	3	3
General Insurance	(39)	(40)
Life Insurance	(27)	(55)
BMU & Corporate	(30)	6
EFSL Consolidated PAT (Pre MI)	78	35
<i>(Less) Minority shareholders' PAT</i>	<i>27</i>	<i>9</i>
EFSL Consolidated PAT (Post MI)	51	26
EFSL Ex-Insurance PAT (Post MI)	110	103

*Jun 22 PAT includes EFSL share in Nuvama Wealth Management which has ceased to be an associate of EFSL as on Jun 23.



1 Update on operating performance

Alternative Asset Management

- Fee-Paying AUM grew 23% YoY to INR 24,600 Cr; deployed ~INR 1,500 Cr in the quarter
- Launched first of its kind Pre-REIT offering for Indian Investors – Rental Yield Plus

Mutual Fund

- AUM grew 25% YoY to INR 110,000 Cr; AUM market share at 2.43%
- Equity AUM grew by 35% YoY to INR 25,400 Cr

Asset Reconstruction

- Recoveries of INR 2,121 Cr for the quarter, of which 12% was from retail portfolio
- Share of retail assets in total capital employed increased to 15%; up by 9% YoY

NBFC

- Wholesale reduction of 43% YoY; expect momentum to continue
- Maintained credit quality with GNPA at 2.80% and total provision cover of 278%

Housing Finance

- GNPA at 1.93%; improved from 2.12% YoY. Collection efficiency for the quarter at 98%
- Disbursals ongoing with Standard Chartered Bank and State Bank of India under co-lending

1 Update on operating performance



General Insurance

- Gross direct premium income growth of 31% for the quarter; against industry growth of 18%
- Inked new partnership with Dvara KGFS; activated partnerships with Maruti and Ola.

Life Insurance

- AUM recorded a robust growth of 27% YoY
- Significant YoY improvement in 13m persistency to 76% from 72%

2 Update on key priorities

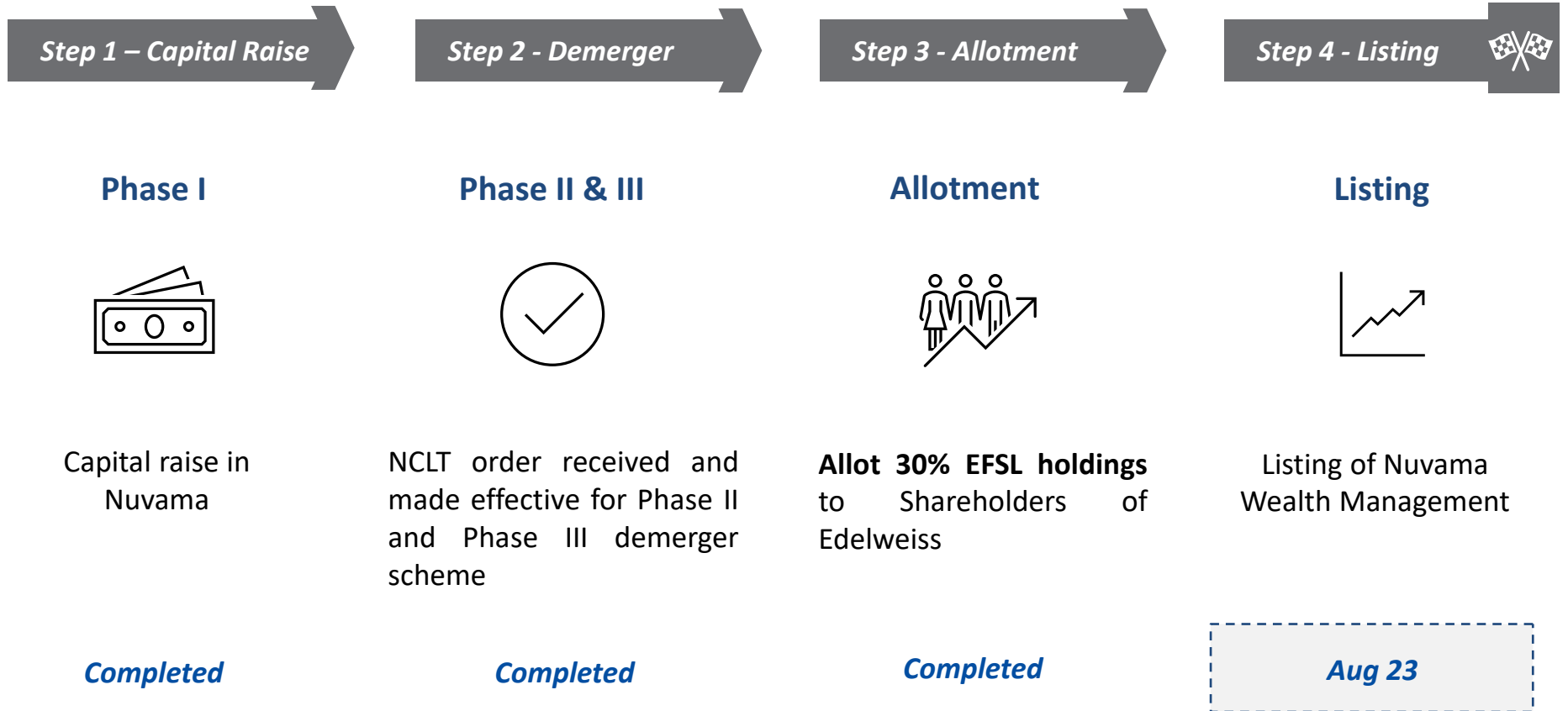


A Demerger and Listing of Nuvama Wealth Management

B Scaling Asset Management and Insurance businesses

C Reducing Wholesale loan assets

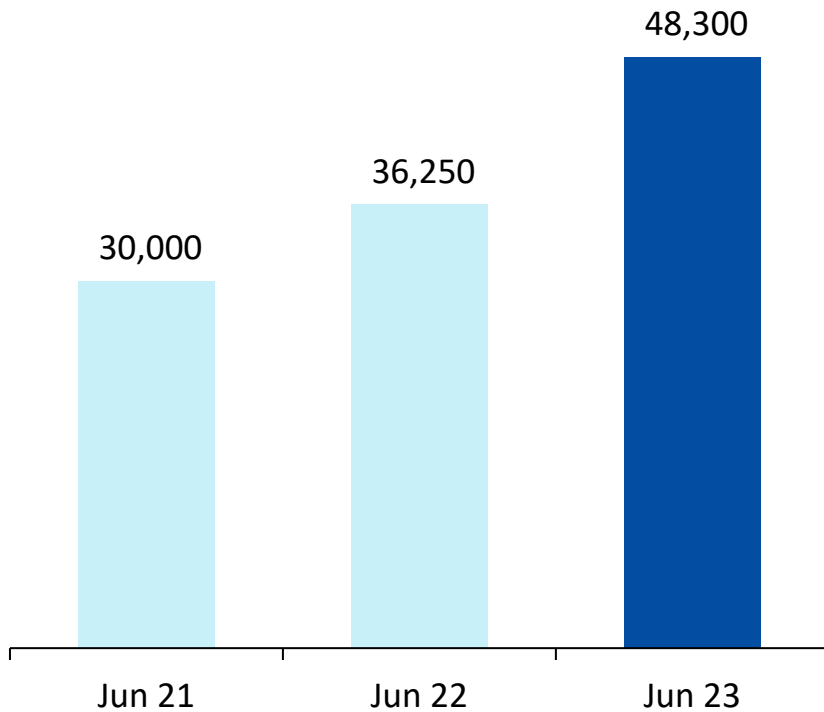
A Demerger and Listing of Nuvama Wealth Management



B Asset Management businesses showing robust AUM growth

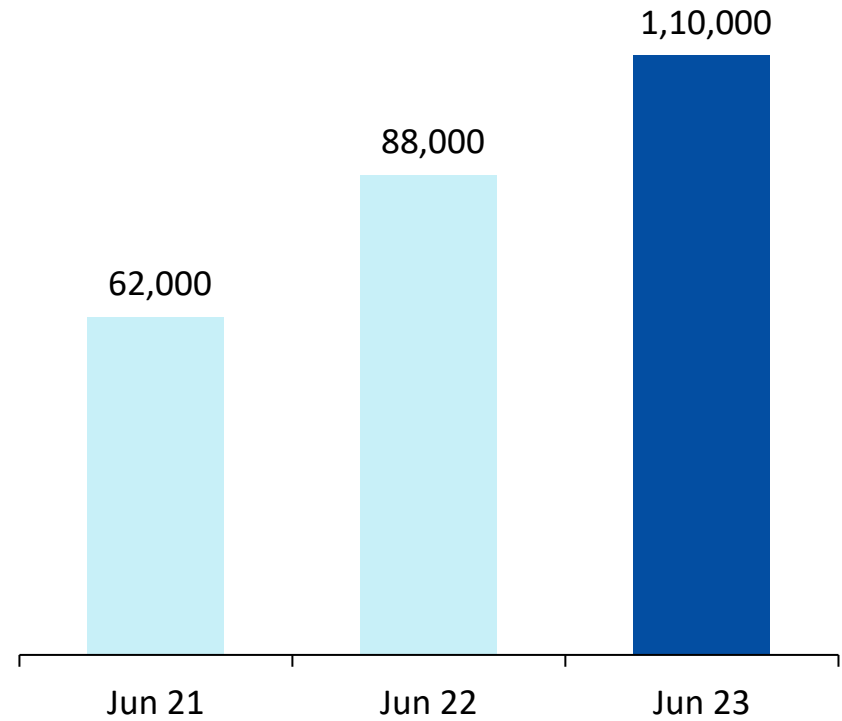


Alts – Assets Under Management (INR Cr)



AUM growth of 33% YoY

MF – Assets Under Management (INR Cr)

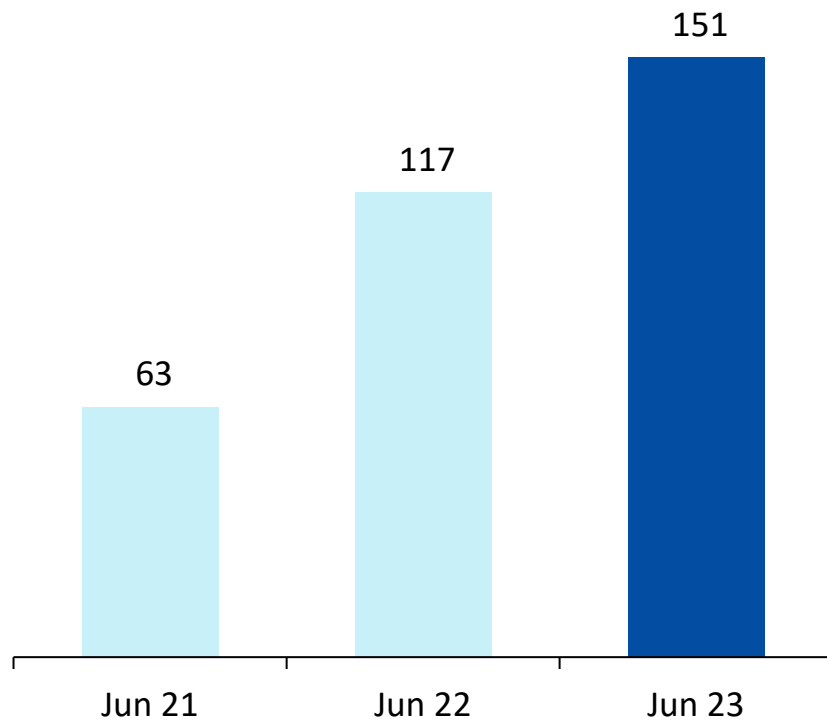


AUM growth of 25% YoY

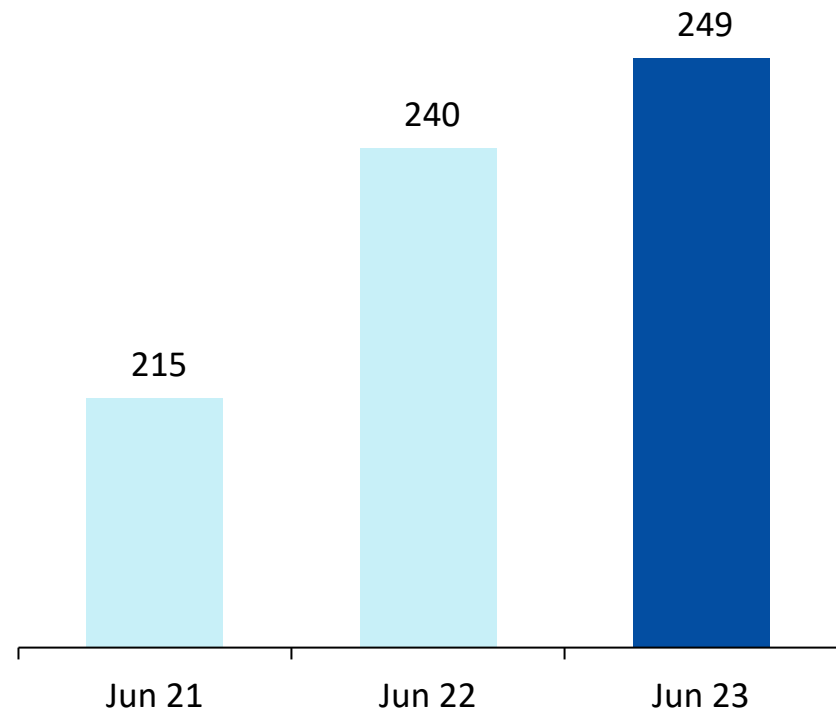
B Consistent premium growth in Insurance businesses



GI – Gross Premium for the quarter (INR Cr)



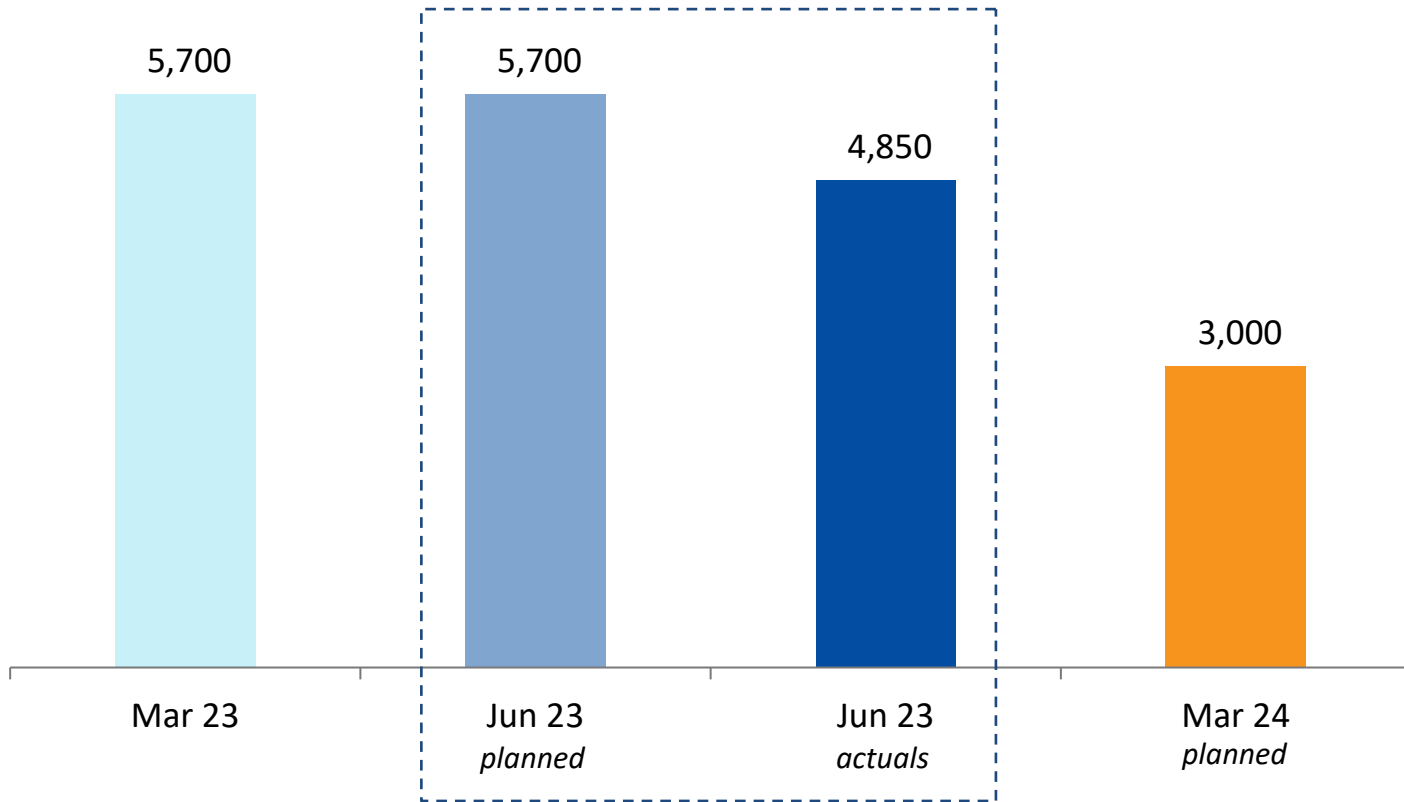
LI – Gross Premium for the quarter (INR Cr)



C Wholesale reduction ahead of plan; reduction of 43% YoY



ECLF wholesale loan assets (INR Cr)

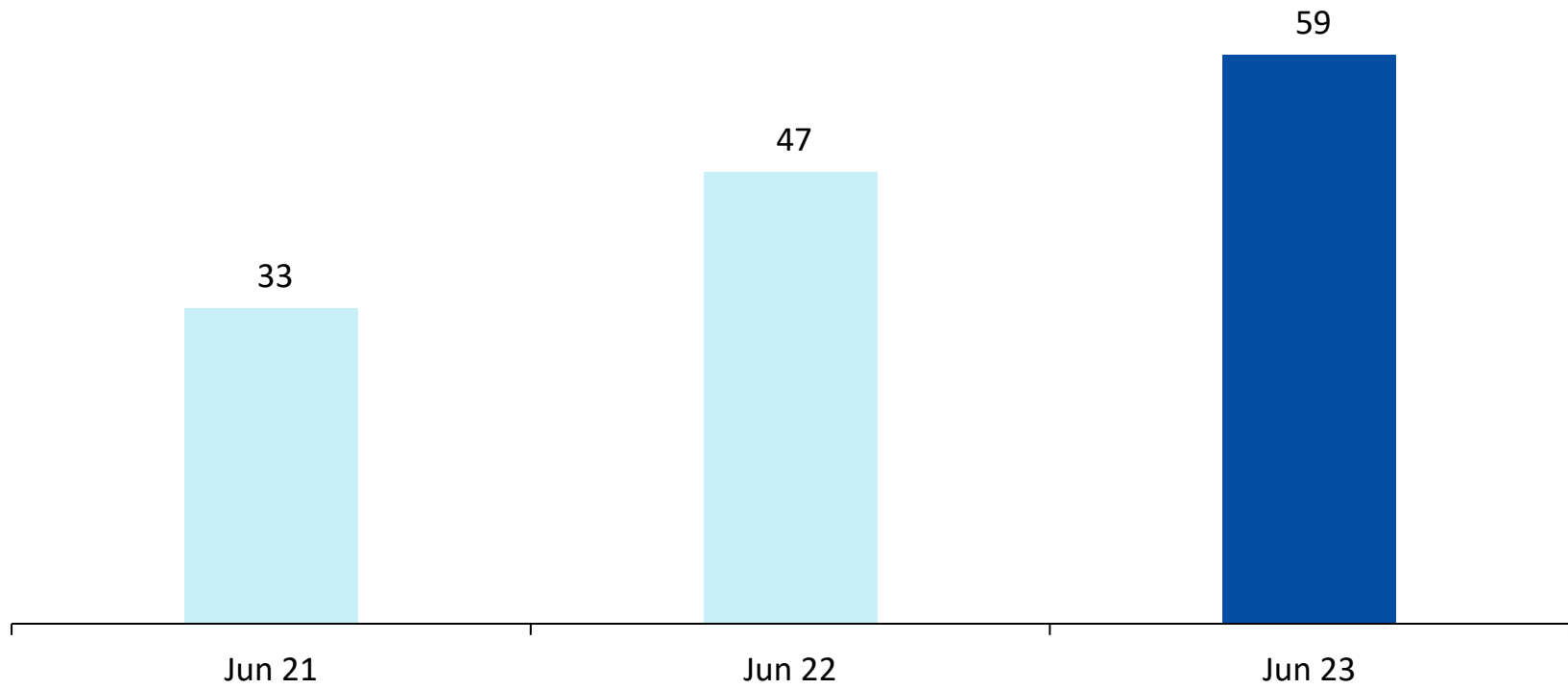


Expect momentum to continue with planned reduction

3 Customer Reach grows 26% YoY



Customer Reach (# in lakhs)



4 Well capitalised businesses

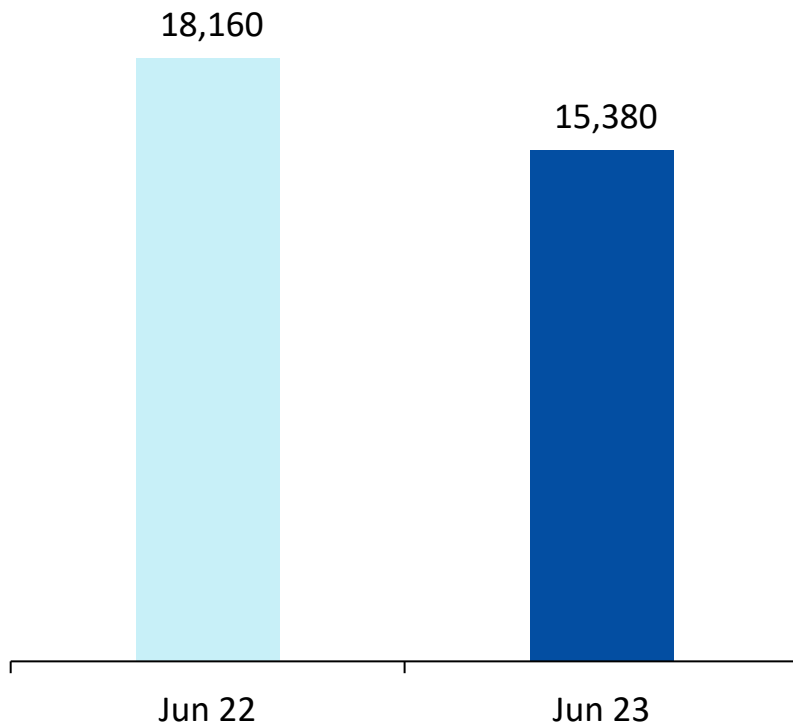


Businesses	Metric	Value
NBFC	Capital Adequacy	39.8%
Housing Finance	Capital Adequacy	33.7%
Asset Reconstruction	Capital Adequacy	51.6%
Life Insurance	Solvency Ratio	216%
General Insurance	Solvency Ratio	167%

4 Reduced ~INR 2,800 Cr of Debt YoY



Net Debt (INR Cr)



Business	INR Cr Jun 23
NBFC	6,640
Housing Finance	1,655
Alternatives	260
Asset Reconstruction	2,330
BMU & Corporate	6,595
Gross Debt	17,480
<i>(Less) Liquidity</i>	<i>2,100</i>
Net Debt	15,380

4 Cash flow plan



INR Cr

Jul 23 to Jun 24	
Opening Available Liquidity	2,100
Expected inflows (less) expected outflows	600
Fresh borrowings	3,500
Disbursements	(4,000)
Closing Available Liquidity	2,200

4 Assets in each tenor range adequately cover liabilities



INR Cr

	Assets	Liabilities	Excess / (Gap)
Up to 1 year	11,000	9,400	1,600
1-3 years	12,100	9,500	2,600
3 years+	9,800	8,400	1,400



Business Performance

Asset Management



Edelweiss
Ideas create, values protect

Asset Management businesses at a glance



Quarter ended Jun 23

Equity

INR 807 Cr

AUM

INR 158,300 Cr

Profit After Tax






INR 57 Cr

Fee Income

INR 129 Cr

Alternative Asset Mgt: Business performance snapshot



Key Metrics for the quarter		
	Equity (INR Cr)	596
	AUM (INR Cr)	48,300
	Fee Paying AUM (INR Cr)	24,600
	Deployments (INR Cr)	1,500
	Realisation (INR Cr)	1,750

Business Update

- AUM grew 33% YoY to INR 48,300 Cr
 - Raised AUM of INR 2,000 Cr in the quarter
- Fee Paying AUM grew 23% YoY to INR 24,600 Cr
- Steady annuity fees income; 85% of AUM has tenor > 3 years
- Launched Rental Yield Plus –
 - First of its kind Pre-REIT offering for Indian Investors
 - Fund to Invest in pre-leased commercial buildings

Alternative Asset Mgt: Financial performance snapshot



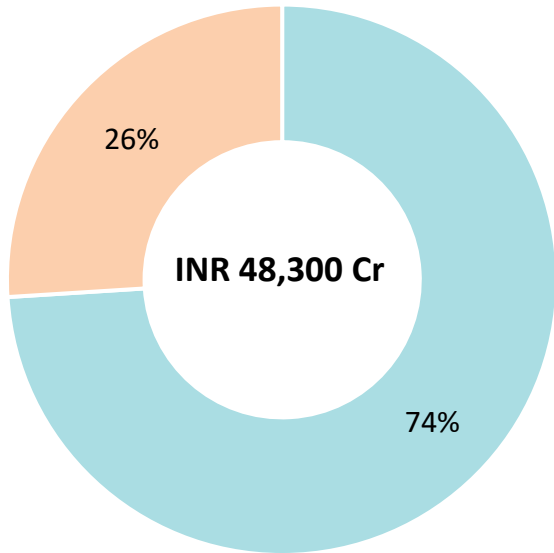
INR Cr

	Jun 23	Jun 22
AUM	48,300	36,250
Fee Paying AUM	24,600	20,000
Equity	596	240
Net Revenue	126	67
Opex	71	42
Profit After Tax	46	21

Alternative assets overview

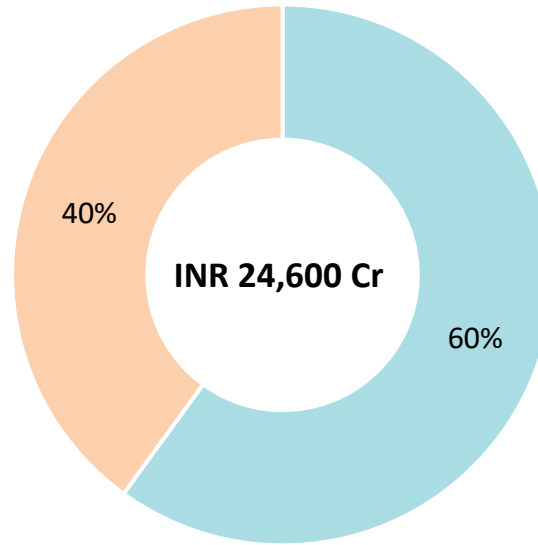


AUM – Strategy wise



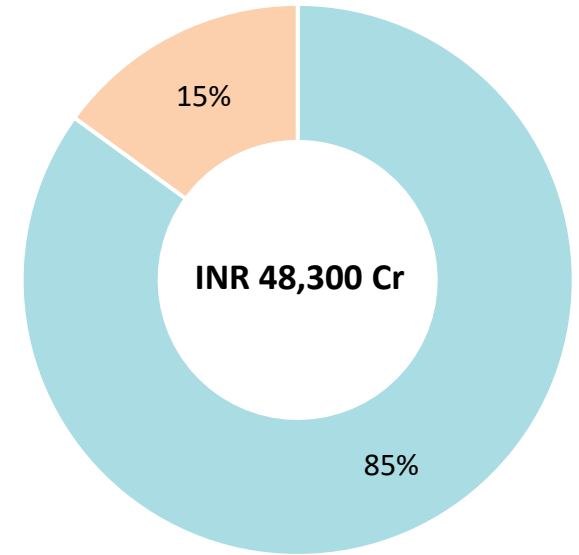
■ Credit ■ Real Assets

Fee Paying AUM – Strategy wise



■ Credit ■ Real Assets

AUM – Tenure wise



■ Asset Over 3 year duration
■ Asset less than 3 year duration

Mutual Fund: Business performance snapshot



Key Metrics for the quarter



Equity (INR Cr)

212



AUM (INR Cr)

1,10,000



**Net New Money
(INR Cr)**

(700)



Retail Folios

11.8 lakhs

Business Update

- Equity AUM grew by 35% YoY to INR 25,400 Cr
 - Net equity inflows of INR 400 Cr during the quarter
- AUM grew by 25% YoY to INR 1,10,000 Cr
 - Market share of 2.43% as on Jun 23.
- Retail folios grew by 16% YoY to 11.8 lakhs
 - Industry folio growth of 11% YoY

Mutual Fund: Financial performance snapshot



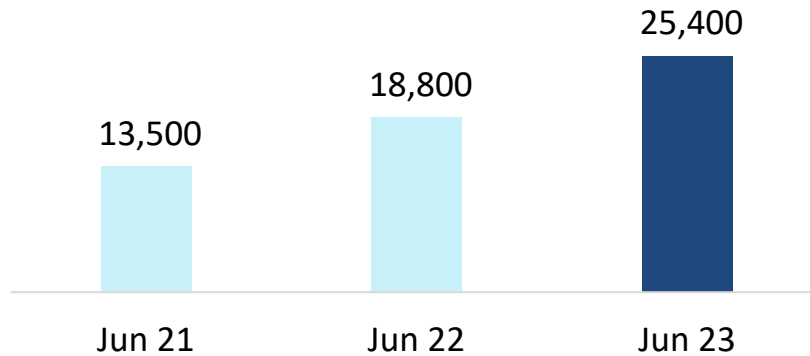
INR Cr

	Jun 23	Jun 22
AUM	1,10,000	88,000
Net New Money	(700)	5,930
Equity	212	186
Net Revenue	52	34
Opex	41	31
Profit After Tax	11	3

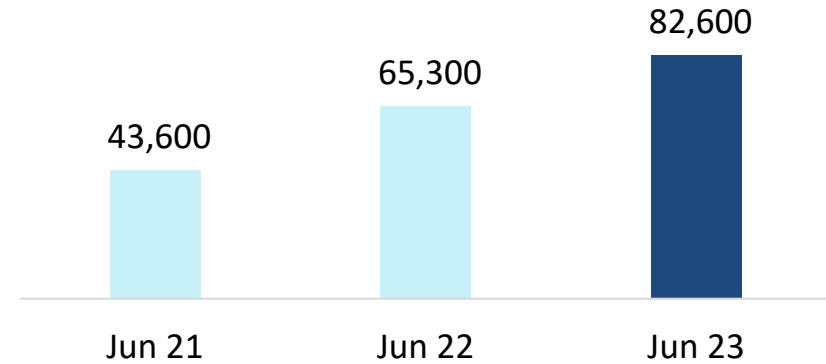
Consistent growth in AUM and customer base



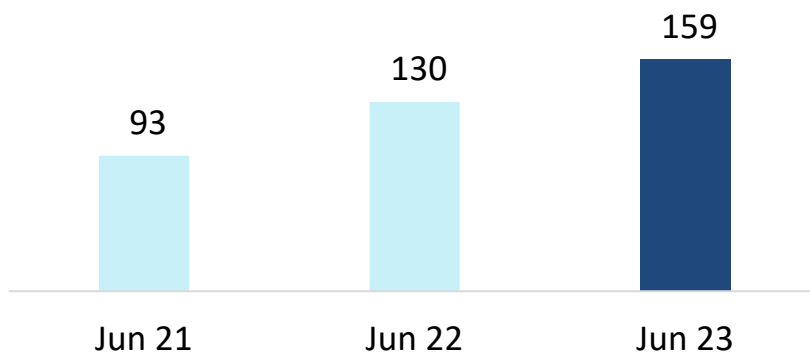
MF Equity AUM (INR Cr)



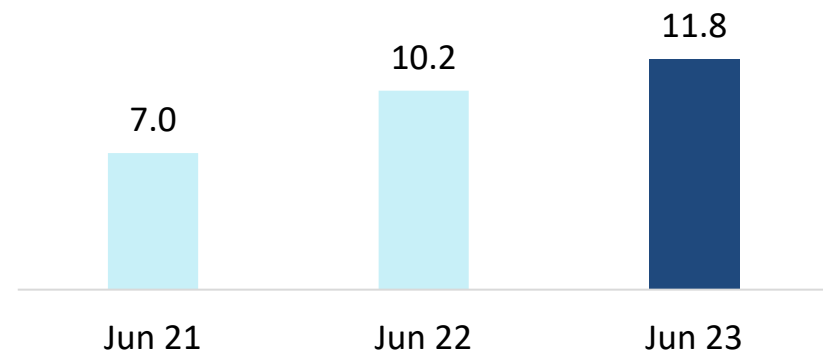
MF Debt AUM (INR Cr)



SIP Book (INR Cr)



Active Folios (# in Lakhs)



Growing SIP book adds to the predictability of flows & annuity nature of the business









Business Performance

Asset Reconstruction



Edelweiss
Ideas create, values protect

Asset Reconstruction: Business performance snapshot

Key Metrics for the quarter		Business Update
 Equity (INR Cr)	2,875	<ul style="list-style-type: none"> Recoveries of INR 2,121 Cr for the quarter, of which 12% was from retail portfolio Deployed INR 440 Cr in the quarter Capital employed in retail assets increased by 9% YoY; share in total capital employed increasing to 15% Well matched ALM across all durations
 AUM (INR Cr)	39,150	
 Capital employed (INR Cr)	4,744	
 Recoveries (INR Cr)	2,121	
 Net D/E	0.7x	
 Capital Adequacy	51.6%	

Asset Reconstruction: Financial performance snapshot



INR Cr

	Jun 23	Jun 22
AUM	39,150	38,900
Capital Employed	4,744	5,160
<i>Wholesale assets</i>	4,026	4,500
<i>Retail assets</i>	718	660
Equity	2,875	2,541
Gross Revenue	236	230
Opex	24	26
Profit After Tax	80	65
Edelweiss' share in PAT	48	39



Business Performance

Credit

Credit businesses at a glance



Quarter ended Jun 23

Equity

INR 4,697 Cr

AUM

INR 11,454 Cr


Profit After Tax

INR 37 Cr


NBFC: Business performance snapshot



Key Metrics for the quarter

 **Equity (INR Cr)** 3,899

 **AUM (INR Cr)** 7,453

 **Capital Adequacy** 39.8%

 **Net D/E** 1.5x

 **Liquidity (INR Cr)** 1,390

Business Update

- Maintained credit quality with stable asset quality ratios
 - GNPA at 2.80%
 - Total provision cover of 278%
- Wholesale book reduced 43% YoY; expect momentum to continue
- Steady disbursal on-going under co-lending partnership with Central Bank of India and IDFC First bank

NBFC: Financial performance snapshot






INR Cr

	Jun 23	Jun 22
AUM	7,453	11,419
Credit Assets	6,918	10,859
Gross Loan Book	3,525	5,978
Gross Revenue	372	357
Net Revenue	116	82
Opex	70	63
Credit Cost	(0)	(22)
Profit After Tax	34	32
GNPA	2.80%	2.76%
NNPA	1.77%	1.93%
Total Provision Cover	278%	237%

Housing Finance: Business performance snapshot



Key Metrics for the quarter

 Equity (INR Cr)	798
 AUM (INR Cr)	4,001
 Capital Adequacy	33.7%
 Net D/E	1.9x
 Liquidity (INR Cr)	190

Business Update

- Portfolio continues to strengthen
 - GNPA at 1.93%; improved from 2.12% YoY
 - Collection efficiency for the quarter at 98%
- Disbursals ongoing with Standard Chartered Bank and State Bank of India under co-lending
- Edelweiss Housing Finance is now **Nido Home Finance**



Housing Finance: Financial performance snapshot



INR Cr

	Jun 23	Jun 22
AUM	4,001	4,343
Credit Assets	3,207	3,398
Gross Loan Book	2,981	3,176
Gross Revenue	110	108
Net Revenue	35	33
Opex	31	26
Credit Cost	(1)	2
Profit After Tax	3	3
GNPA	1.93%	2.12%
NNPA	1.47%	1.68%
Total Provision Cover	68%	68%



Business Performance

Insurance

Insurance businesses at a glance



Quarter ended Jun 23

Gross Premium

INR 400 Cr

Policies Issued

77,600





Customer Reach

~50 lakhs

General Insurance: Business performance snapshot



Key Metrics for the quarter

 Equity (INR Cr)	181
 GWP (INR Cr)	151
 #Policies Issued	68,700
 Solvency Ratio	167%

Business Update

- Gross direct premium income (GDPI) growth of 31% for the quarter
- Superior growth seen in the retail health segment at 81% YoY in the quarter; against industry average of 18%
- Gross written premium (GWP) for the quarter grew by 28% YoY to INR 151 Cr
- Inked new partnership with Dvara KGFS; activated partnerships with Maruti and Ola.

General Insurance: Financial performance snapshot









INR Cr

	Jun 23	Jun 22
Net Premium Income	93	68
Investment Income & Other Income	38	8
Total Income	131	76
Policy benefits & insurance policy liability	79	64
Other expenses	91	52
Profit After Tax	(39)	(40)

Life Insurance: Business performance snapshot

Key Metrics for the quarter

	Equity (INR Cr)	682
	Individual APE (INR Cr)	64
	#Policies Issued	8,914
	AUM (INR Cr)	6,918
	Solvency Ratio	216%
	13m Persistency	76%

Business Update

- AUM recorded a robust growth of 27% YoY
- Traditional Par and Non-Par products constitute > 80% of product mix
- Launched new term product – Zindagi Protect
- Significant YoY improvement in 13m persistency to 76% from 72%
- Ranked among the Top 50 in 2023 - India's Best Companies To Work for across industries

Life Insurance: Financial performance snapshot



INR Cr

	Jun 23	Jun 22
Net Premium Income	240	231
Investment Income & Other Income	326	(106)
Total Income	566	125
Policy benefits & insurance policy liability	447	37
Other expenses	146	143
Profit After Tax	(27)	(55)
Edelweiss' share in PAT	(20)	(36)



Governance & Corporate Responsibility

8 Member Board with 4 Independent Directors



Mr. Ashok Kini
Independent Director

- Former Managing Director (National Banking Group) State Bank of India
- Served as an advisor to the Thorat Committee on Financial Inclusion at RBI
- 35 years of banking experience



Dr. Ashima Goyal
Independent Director

- Professor at Indira Gandhi Institute of Development Research
- Specialist in open economy macroeconomics, international finance, institutional and development economics
- Served as a Part-time member of Economic Advisory Council to the Prime Minister
- Serves as Member of Monetary Policy Committee, RBI



Mr. Biswamohan Mahapatra
Independent Director

- Non – Executive Chairman for NPCI
- Former RBI Executive Director, chaired various committees of RBI
- Handled varied areas of banking regulations, policy and supervision



Mr. Shiva Kumar
Independent Director

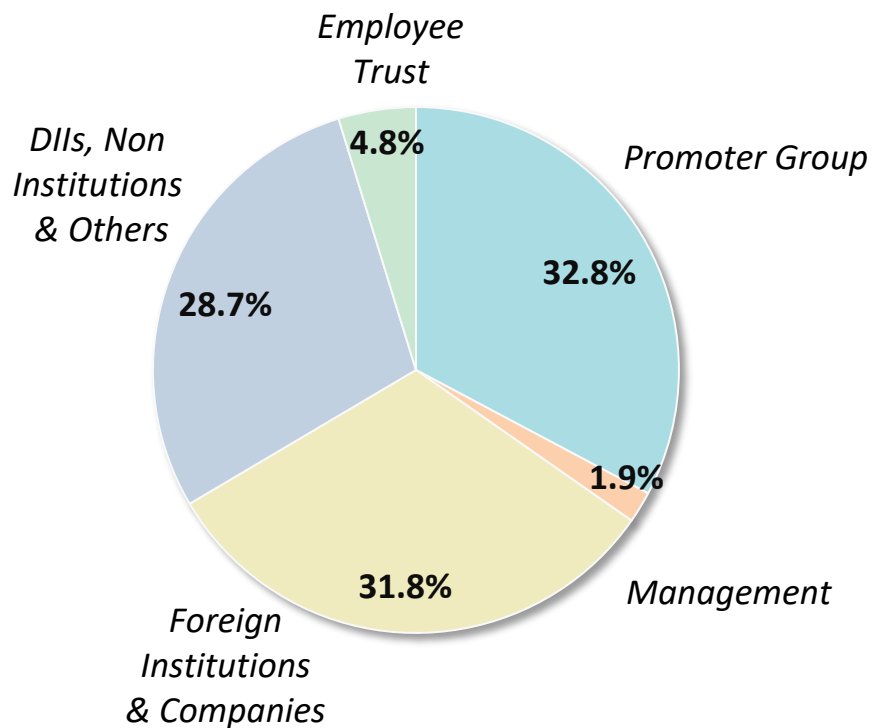
- Served as Deputy Managing Director at State Bank of India
- Former Managing Director of State Bank of Bikaner & Jaipur (now merged with the State Bank of India)
- Served as representative of Associate Banks on the Managing Committee of Indian Banks' Association.
- Received the 'Business Leadership Award' from the Institute of Public Enterprises

Significant institutional ownership



Above 1%

Shareholding Pattern as on Jun 30, 2023



Key Shareholders		Percent
1	Pabrai Investment Funds	9.2%
2	TIAA CREF funds	4.2%
3	BIH SA	3.9%
4	Baron Asset Management	3.8%
5	LIC	2.6%
6	Vanguard Group	2.3%
7	Flowering Tree Investment Management	1.7%
8	Blackrock	1.0%
9	Barclays	1.0%

~40% owned by Edelweiss management and employees

Our contribution to building a more sustainable tomorrow



Under the leadership of EdelGive Foundation, we have...



Over **~INR 863 Cr** mobilized through commitments



Partnered with over **168** high caliber NGOs



Assisted over **60%** of EdelGive's NGO partners to grow at a CAGR ranging **17% to 177%**



Ensured long term association with average tenure of **5-years**



Catalysed over a **6-fold increase** in beneficiaries count for EdelGive supported NGOs



Enabled an **increase of over 65%** in the annual budgets of EdelGive NGO partners



Provided early-stage funding to NGOs; catalysing **~10 to 30 times** growth in annual budgets



Spearheaded over 150 Capacity building projects

Our investment in communities



EdelGive Foundation's commitment to investing in communities



90 Districts
across **12** States



INR 5.08 Cr
Committed

(inclusive of ~INR 2.8 Cr
Edelweiss CSR contribution)



28

NGO Partners



15

Co-funded Grants



32

Active Grants

Quality Education

20 lakh children impacted

31,000 schools reached

72,200 teachers trained

8 NGOs supported

Sustainable Livelihoods

1.83 lakh Individuals trained

1,563 watershed structures
repaired/built

INR 2.28 Cr committed up to Q1

9 NGOs supported

Women Empowerment

2.37 lakh women supported

15,800 grassroots leaders

6,400 Survivors Rehabilitated

INR 2.80 Cr committed up to Q1

11 NGOs supported

- **GROW Fund:** *INR 100 Cr fund for sustainability and financial resilience of grassroots NGOs.*
 - Conducted a website advisory master class for 100 NGOs to aid on SEO optimizations and website optimisation
 - Conducted organisational development check in with selected 25 NGOs to facilitate the reflection basis on developmental journey
- **The HUB** – online learning platform which hosts courses on soft skills for NGOs
 - Launched 5 courses on fundraising, human resources and self development
 - Conducted first interaction and feedback sharing session for 100 NGOs

Trusted partner: EdelGive funding partners & networks



Foundations, Corporates and HNIs partner with Edelgive Platform for their philanthropic allocation

Safe Harbour



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For more information, please visit www.edelweissfin.com

Safe Harbour



Slide 4:	Net worth includes MI, investment in CCD by CDPQ of INR 656 Cr, Ex-Insurance PAT is post MI
Slide 4,18,19:	Available Liquidity is calculated as on balance sheet date and includes high quality liquid assets and LAS book; Excludes Nuvama
Slide 4,18:	Debt includes accrued interest, liabilities on market linked debentures and excludes CBLO, CDPQ CCD and securitisation liabilities; Excludes Nuvama
Slide 5,33,34:	NBFC equity includes investment in CCD by CDPQ of INR 656 Cr
Slide 5,6,7,8,9,13,18,22,23,24,25:	EAAA numbers represent business performance numbers of Edelweiss Alternative Asset Advisors Ltd, Edelweiss Alternative Asset Advisors Pte. Ltd, Sekura India Management Ltd and Edelweiss Real Assets Managers Ltd
Slide 6,16,39:	Customer reach includes individuals covered under Group Insurance policies for LI and customer serviced since inception for GI
Slide 7:	PATs are pre-MI
Slide 7,33:	Credit numbers are for ECLF, ERFL and EHFL entities
Slide 13,15,26 to 28	AUM, net new money, clients, retail folios, MF Equity AUM are rounded off to nearest 100; MF AUM includes strategies under Alternatives categories
Slide 15:	ECLF Wholesale Loan Assets includes gross loan book and SR Investments
Slide 6,16:	Customer Assets and Customer Reach are rounded off
Slide 17, 34:	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 20:	Numbers are based on management estimates and 3 years+ liabilities exclude Equity; Assets and Liabilities do not include insurance business. Numbers rounded to nearest 100
Slide 30,34,36:	Net D/E is calculated as Net Debt (excluding LAS book & Available Bank Lines) / Equity. Numbers rounded off to nearest 10
Slide 33 to 37:	AUM includes gross loan book, SR investments and assigned book.
Slide 35,37:	Credit Assets includes gross loan book and SR investments
Slide 10,40:	Source for industry data - GI Council segment wise report
Slide 47:	AUM includes Shareholders and all Policyholders fund. AUM is calculated in accordance with IGAAP
Slide 47:	13th Month Persistency is on premium basis for Individual (Regular Premium+ Limited Payment Premium). Persistency figures corresponds to policies issued in Jun 2021 to May 2022.
Slide 54:	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information