



# Edelweiss Financial Services Limited

*Earnings update – Quarter ended Jun 23*

# Contents



<b>1</b>	<b>Overview for quarter ended Jun 23</b>	<b><u>3</u></b>
<b>2</b>	<b>Performance highlights</b>	<b><u>6</u></b>
<b>3</b>	<b>Update on key priorities</b>	<b><u>11</u></b>
<b>4</b>	<b>Business performance</b>	<b><u>21</u></b>
<b>5</b>	<b>Governance &amp; corporate responsibility</b>	<b><u>56</u></b>

*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**  
Ideas create, values protect

# Edelweiss at a glance – Quarter ended Jun 23



## Net Worth

\$759 Mn

## Ex-Insurance PAT

\$13 Mn

## BVPS

\$1

(FV \$0.1)

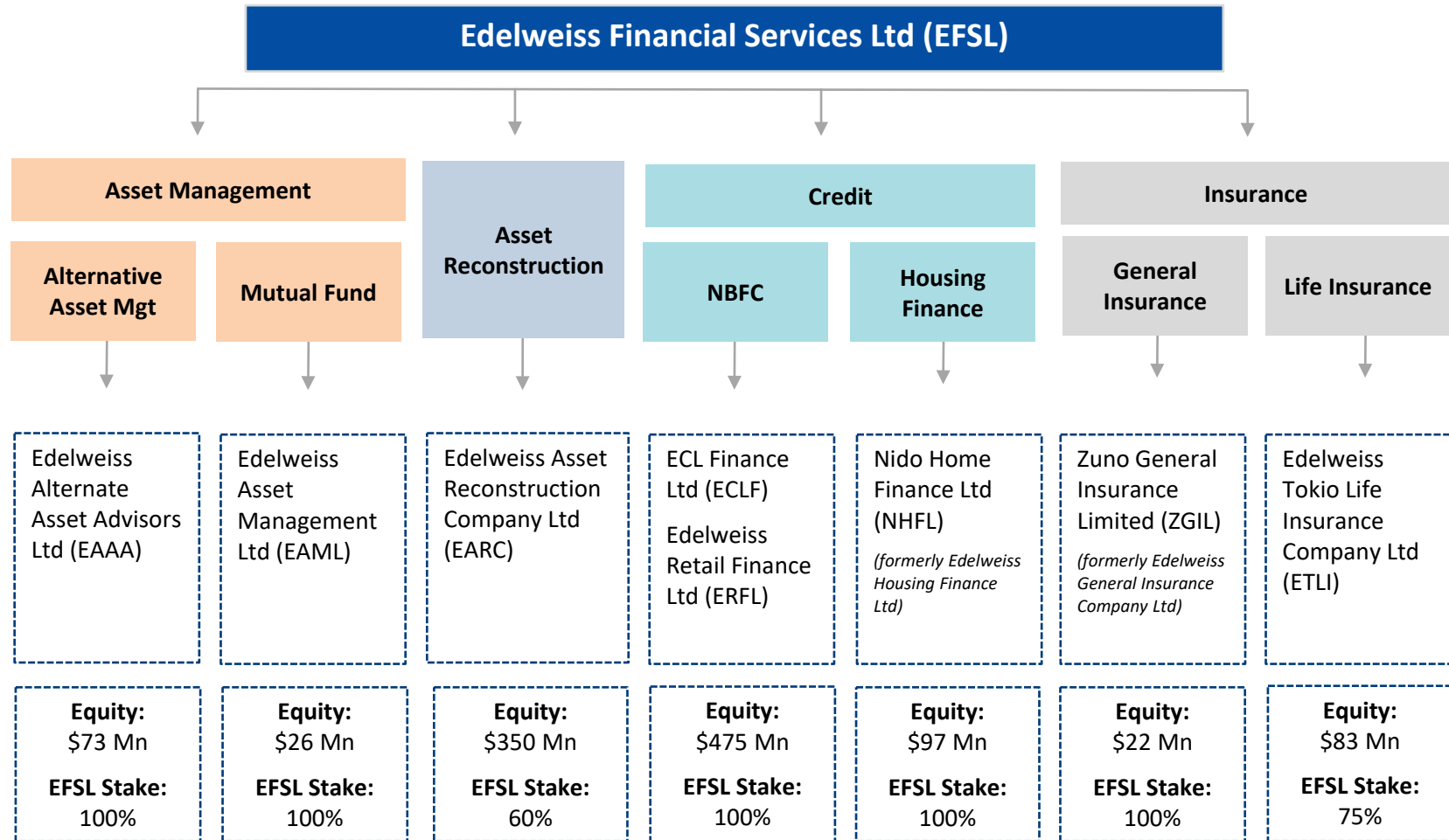
## Net Debt

\$1,875 Mn

## 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

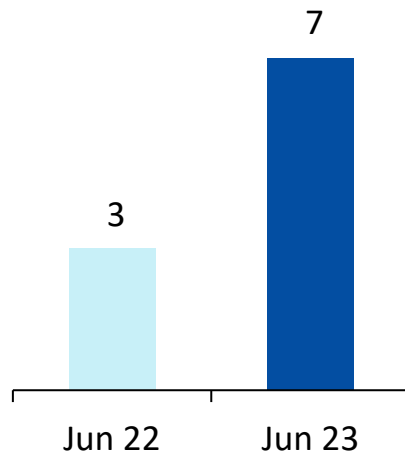
Slide 17 - 20

# 1 Healthy profitability across businesses



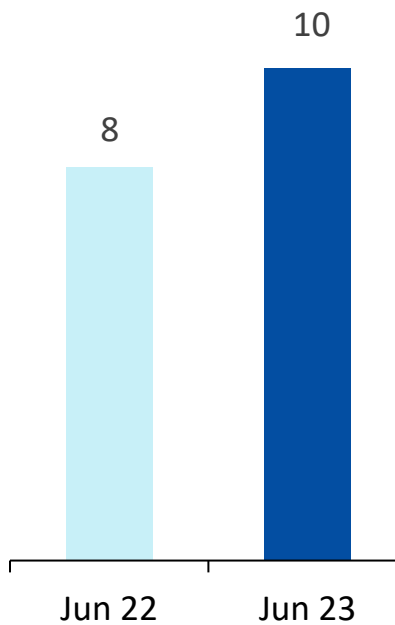
*PAT for the quarter in \$ Mn*

## Asset Management



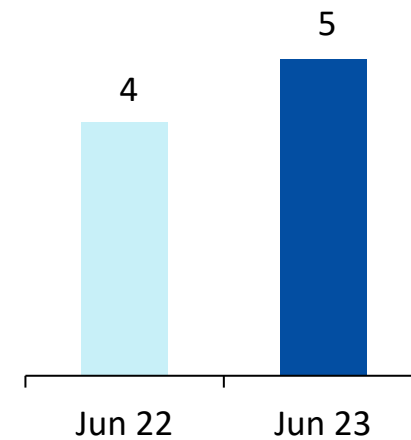
↑ **138% YoY**

## Asset Reconstruction



↑ **23% YoY**

## Credit



↑ **6% YoY**

# 1 Earnings distribution across businesses

\$ Mn

Business	Quarter Ended	
	Jun 23	Jun 22
Alternatives Asset Management	6	3
Mutual Fund	1	0
Asset Reconstruction	10	8
NBFC	4	4
Housing Finance	0	0
General Insurance	(5)	(5)
Life Insurance	(3)	(7)
BMU & Corporate	(4)	1
<b>EFSL Consolidated PAT (Pre MI)</b>	<b>9</b>	<b>4</b>
<i>(Less) Minority shareholders' PAT</i>	3	1
<b>EFSL Consolidated PAT (Post MI)</b>	<b>6</b>	<b>3</b>
<b>EFSL Ex-Insurance PAT (Post MI)</b>	<b>13</b>	<b>13</b>





# 1 Update on operating performance

## Alternative Asset Management

- Fee-Paying AUM grew 23% YoY to \$2,998 Mn; deployed ~\$183 Mn in the quarter
- Launched first of its kind Pre-REIT offering for Indian Investors – Rental Yield Plus

## Mutual Fund

- AUM grew 25% YoY to \$13,408 Mn; AUM market share at 2.43%
- Equity AUM grew by 35% YoY to \$3,096 Mn

## Asset Reconstruction

- Recoveries of \$259 Mn 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

---

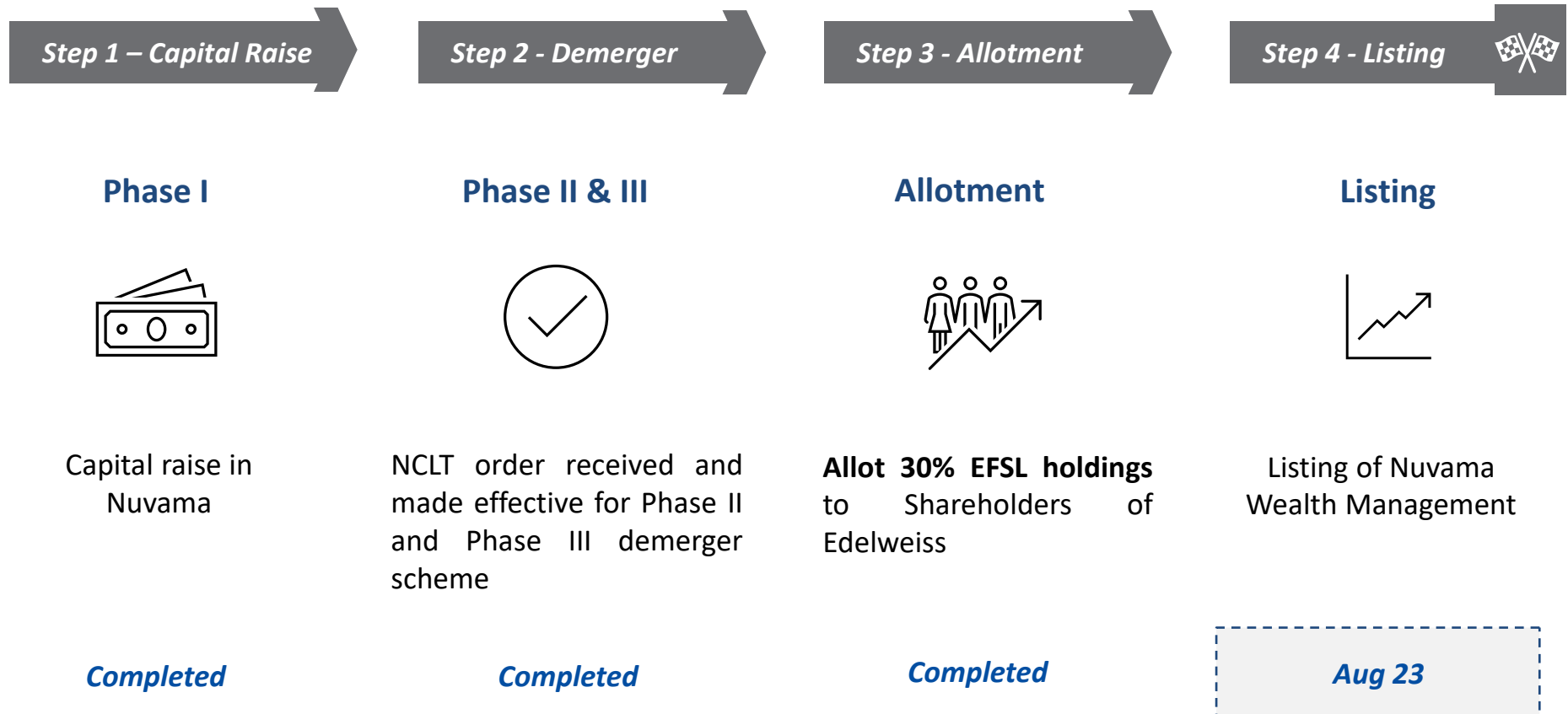


**A** Demerger and Listing of Nuvama Wealth Management

**B** Scaling Asset Management and Insurance businesses

**C** Reducing Wholesale loan assets

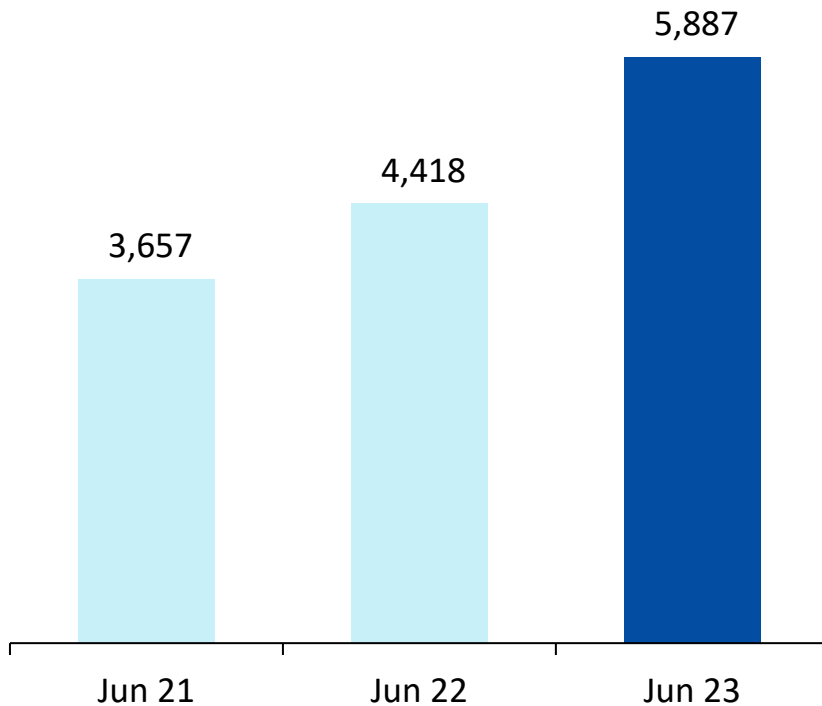
# A Demerger and Listing of Nuvama Wealth Management



## B Asset Management businesses showing robust AUM growth

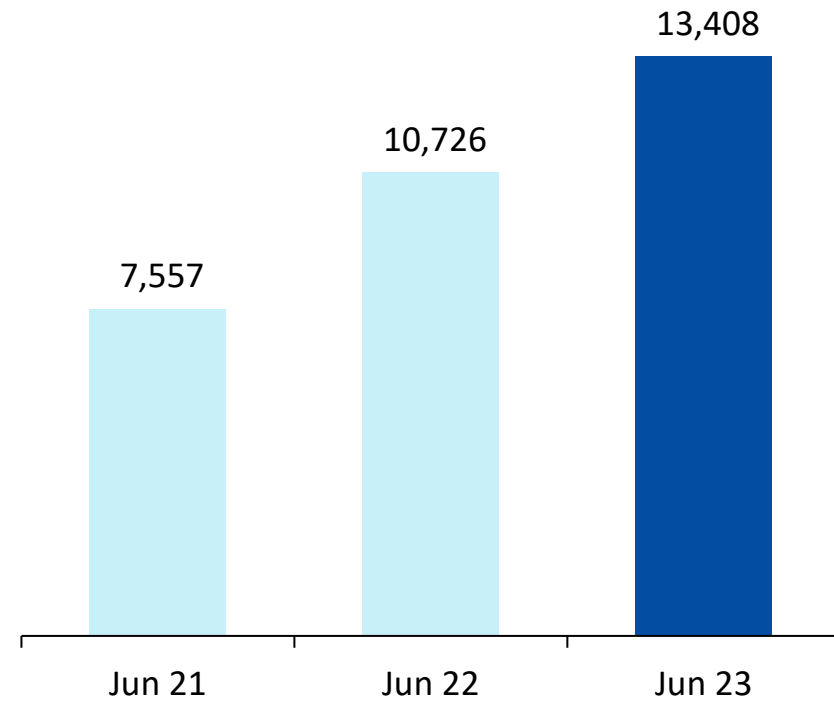


Alts – Assets Under Management (\$ Mn)



*AUM growth of 33% YoY*

MF – Assets Under Management (\$ Mn)

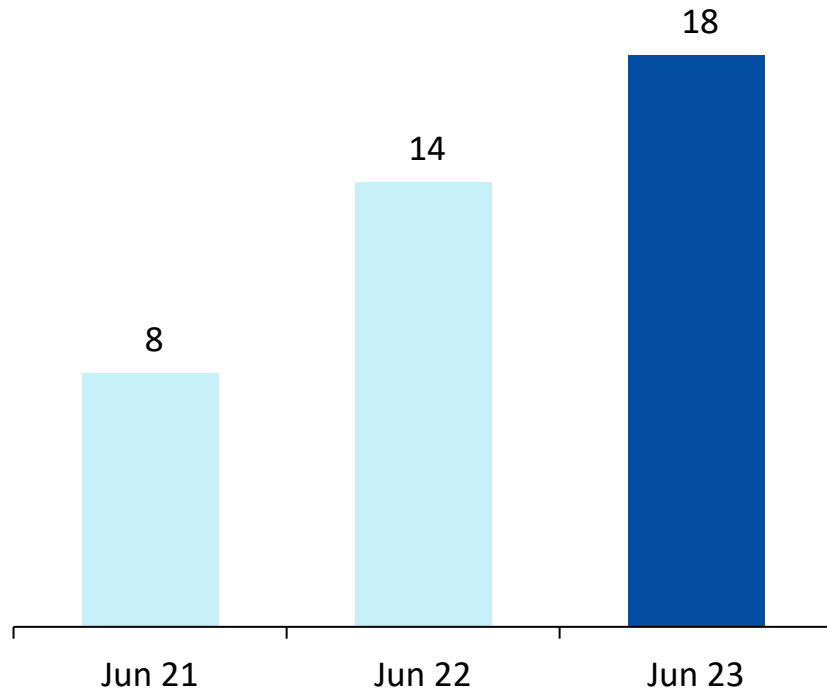


*AUM growth of 25% YoY*

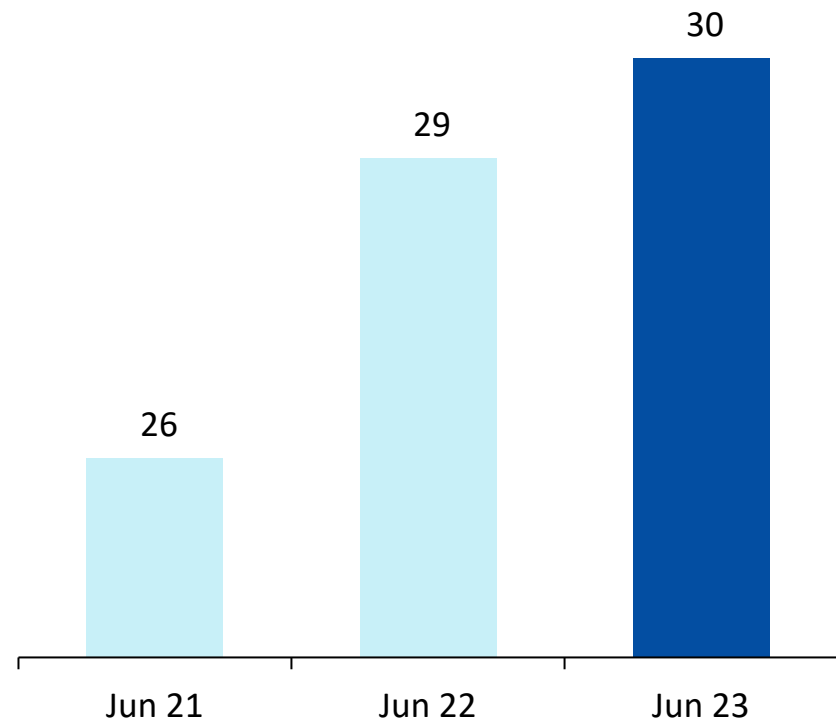
## B Consistent premium growth in Insurance businesses



GI – Gross Premium for the quarter (\$ Mn)

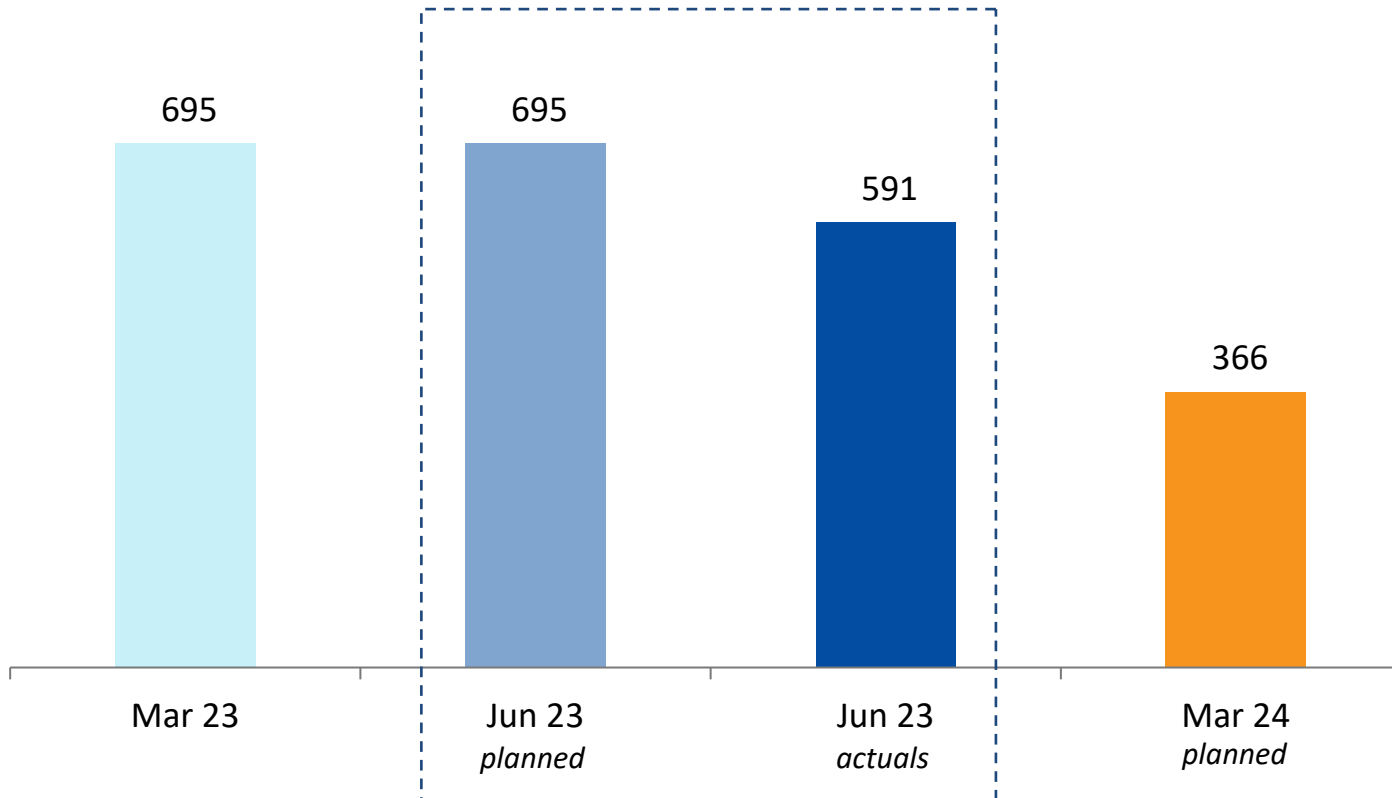


LI – Gross Premium for the quarter (\$ Mn)



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

ECLF wholesale loan assets (\$ Mn)

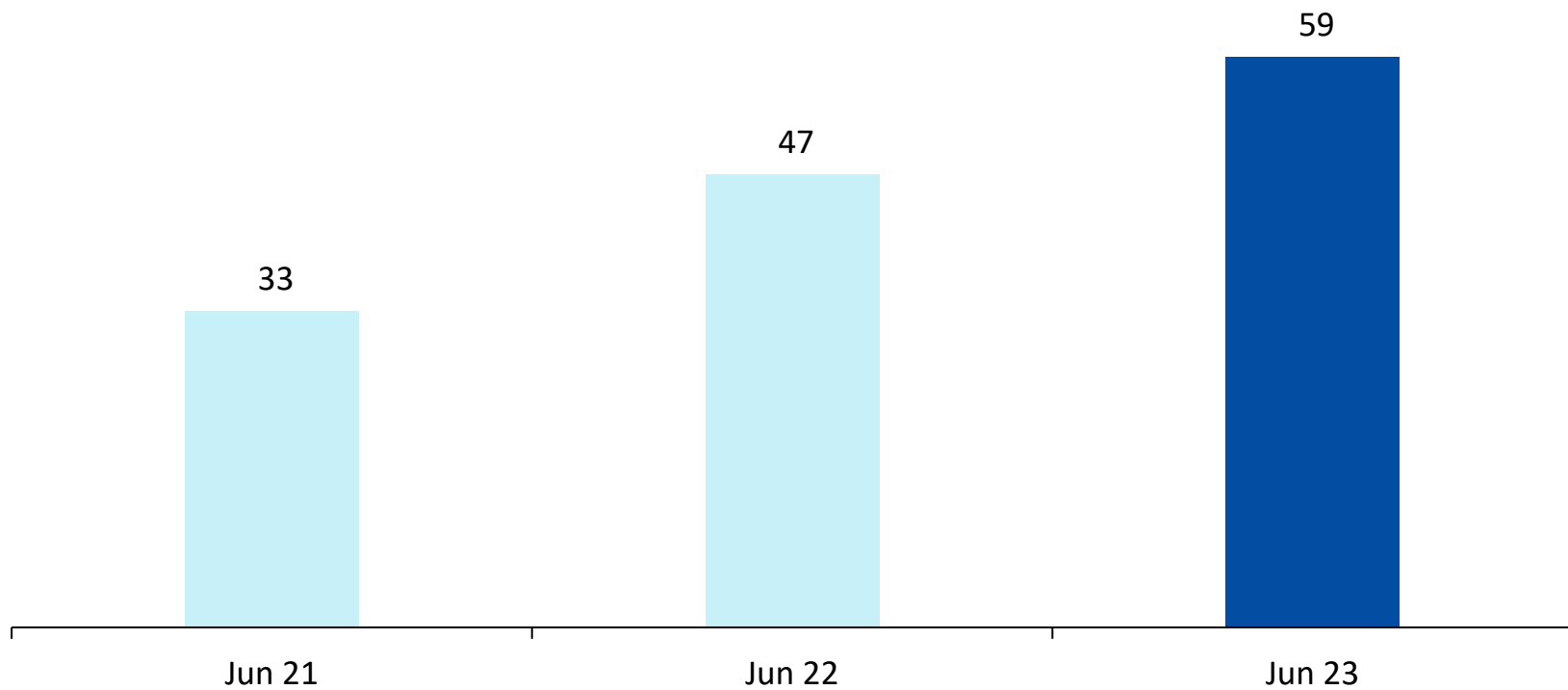


*Expect momentum to continue with planned reduction*

### 3 Customer Reach grows 26% YoY



Customer Reach (# in lakhs)





## 4 Well capitalised businesses

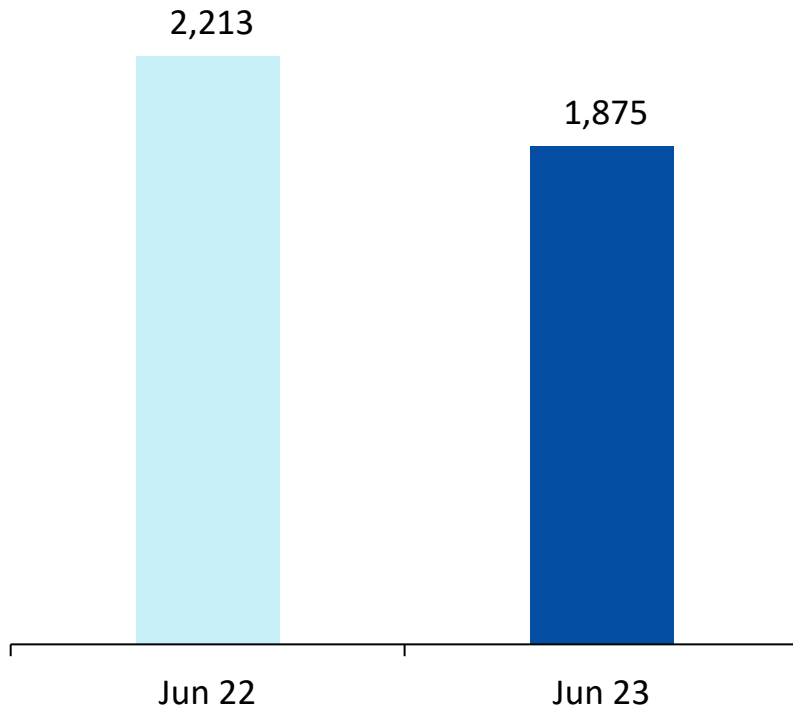


Businesses	Metric	Value
NBFC	Capital Adequacy	39.8%
Housing Finance	Capital Adequacy	33.7%
Asset Reconstruction	Capital Adequacy	51.6%
Life Insurance	Solvency Ratio	216%
General Insurance	Solvency Ratio	167%

## 4 Reduced \$338 Mn of Debt YoY



Net Debt (\$ Mn)



\$ Mn	
Business	Jun 23
NBFC	809
Housing Finance	202
Alternatives	32
Asset Reconstruction	284
BMU & Corporate	804
Gross Debt	2,131
(Less) Liquidity	256
Net Debt	1,875

## 4 Cash flow plan



\$ Mn	
Jul 23 to Jun 24	
Opening Available Liquidity	256
Expected inflows (less) expected outflows	73
Fresh borrowings	427
Disbursements	(488)
Closing Available Liquidity	268



## 4 Assets in each tenor range adequately cover liabilities

	\$ Mn		
	Assets	Liabilities	Excess / (Gap)
Up to 1 year	1,314	1,146	195
1-3 years	1,475	1,158	317
3 years+	1,194	1,024	171



# Business Performance

*Asset Management*



**Edelweiss**  
Ideas create, values protect

# Asset Management businesses at a glance



Quarter ended Jun 23

**Equity**

---

\$98 Mn

**AUM**

---

\$19,295 Mn

**Profit After Tax**

---

\$7 Mn

**Fee Income**

---

\$16 Mn

# Alternative Asset Mgt: Business performance snapshot



## Key Metrics for the quarter



**Equity (\$ Mn)**

73



**AUM (\$ Mn)**

5,887



**Fee Paying AUM  
(\$ Mn)**

2,998



**Deployments  
(\$ Mn)**

183



**Realisation  
(\$ Mn)**

213

## Business Update

- AUM grew 33% YoY to \$5,887 Mn
  - Raised AUM of \$244 Mn in the quarter
- Fee Paying AUM grew 23% YoY to \$2,998 Mn
- 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



*\$ Mn*

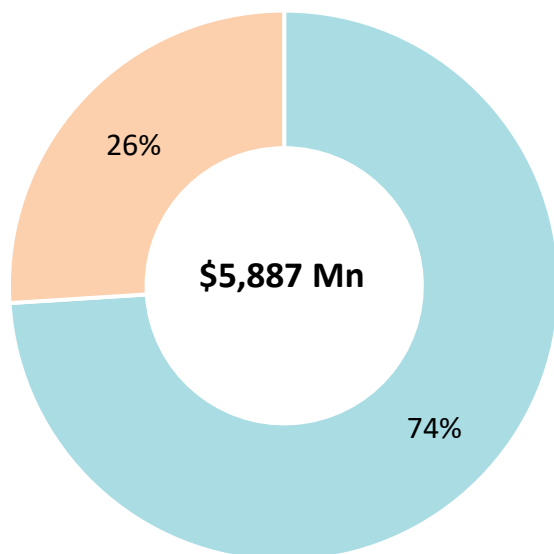
	Jun 23	Jun 22
AUM	5,887	4,418
Fee Paying AUM	2,998	2,438
Equity	73	29
Net Revenue	15	8
Opex	9	5
Profit After Tax	6	3



# Alternative assets overview

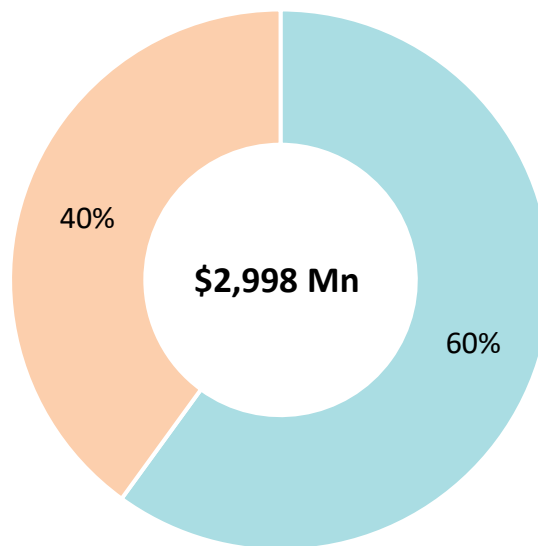


## AUM – Strategy wise



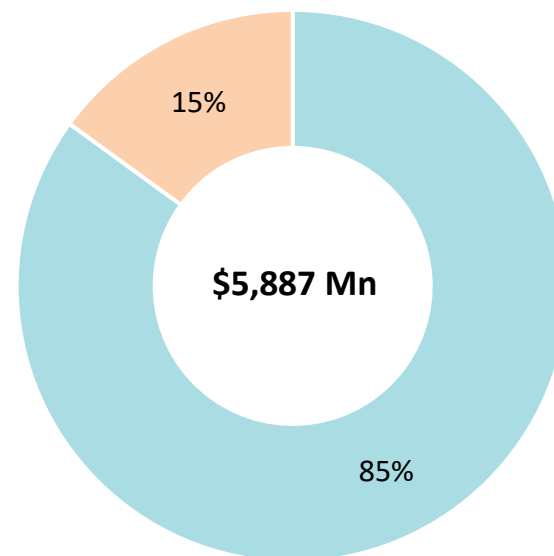
■ Credit ■ Real Assets

## 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 (\$ Mn)**

26



**AUM (\$ Mn)**

13,408



**Net New Money  
(\$ Mn)**

(85)



**# Retail Folios**

11.8 lakhs

## Business Update

- Equity AUM grew by 35% YoY to \$3,096 Mn
  - Net equity inflows of \$49 Mn during the quarter
- AUM grew by 25% YoY to \$13,408 Mn
  - 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

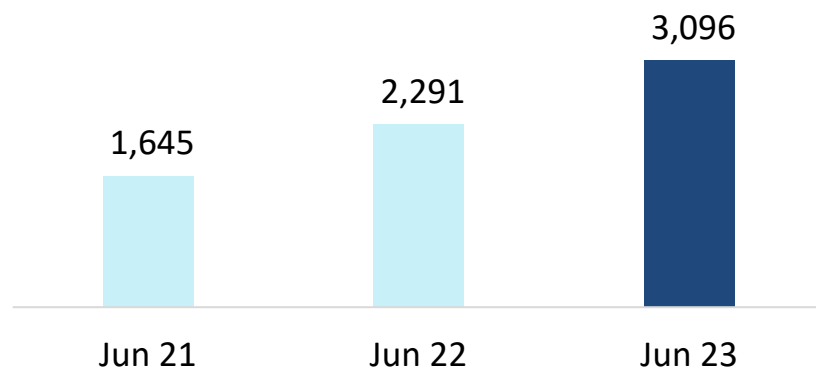


	\$ Mn	
	Jun 23	Jun 22
AUM	13,408	10,726
Net New Money	(85)	723
Equity	26	23
Net Revenue	6	4
Opex	5	4
Profit After Tax	1	1

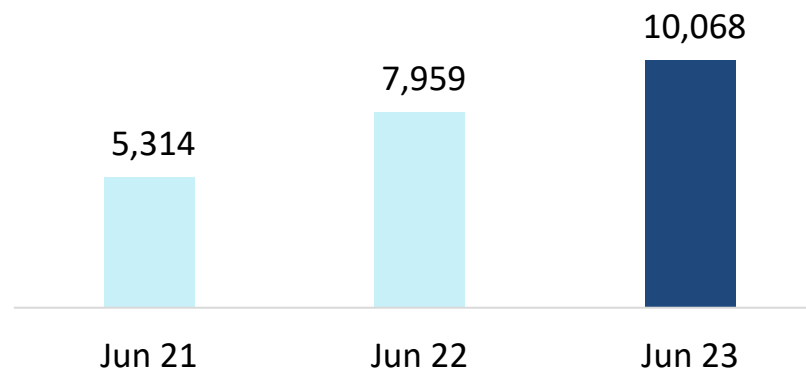
# Consistent growth in AUM and customer base



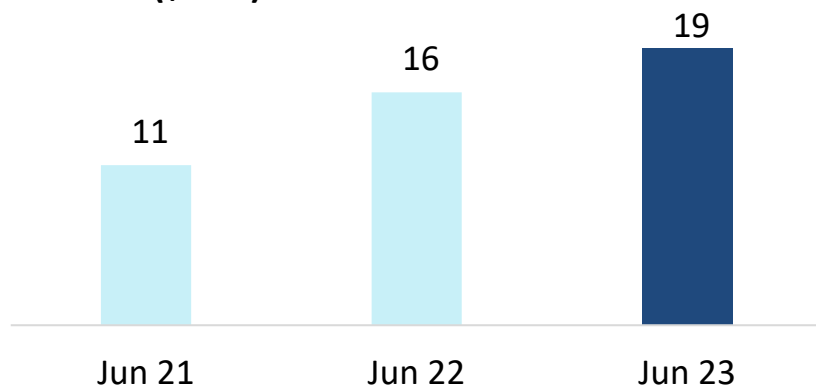
## MF Equity AUM (\$ Mn)



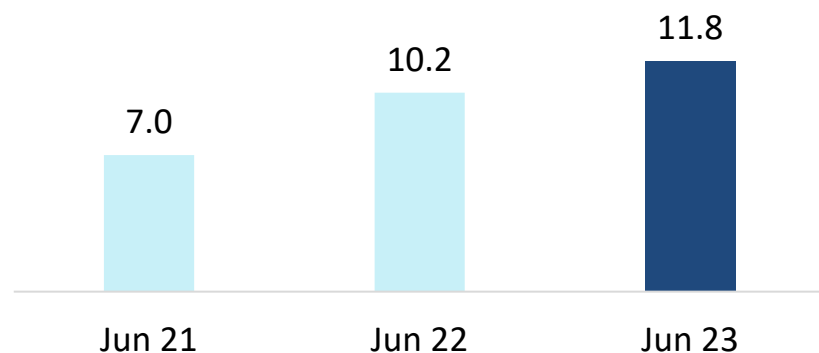
## MF Debt AUM (\$ Mn)



## SIP Book (\$ Mn)



## 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



**Equity (\$ Mn)**

350



**AUM (\$ Mn)**

4,772



**Capital employed  
(\$ Mn)**

578



**Recoveries (\$ Mn)**

259



**Net D/E**

0.7x



**Capital Adequacy**

51.6%

## Business Update

- Recoveries of \$259 Mn for the quarter, of which 12% was from retail portfolio
- Deployed \$54 Mn 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

# Asset Reconstruction: Financial performance snapshot



\$ Mn

	Jun 23	Jun 22
AUM	4,772	4,741
Capital Employed	578	629
<i>Wholesale assets</i>	491	548
<i>Retail assets</i>	88	80
Equity	350	310
Gross Revenue	29	28
Opex	3	3
Profit After Tax	10	8
Edelweiss' share in PAT	6	5



# Business Performance

*Credit*



**Edelweiss**  
Ideas create, values protect



# Credit businesses at a glance



Quarter ended Jun 23

**Equity**

\$573 Mn

**AUM**

\$1,396 Mn

**Profit After Tax**

\$5 Mn

# NBFC: Business performance snapshot



## Key Metrics for the quarter



**Equity (\$ Mn)**

475



**AUM (\$ Mn)**

908



**Capital Adequacy**

39.8%



**Net D/E**

1.5x



**Liquidity  
(\$ Mn)**

169

## 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



\$ Mn

	Jun 23	Jun 22
AUM	908	1,392
Credit Assets	843	1,324
Gross Loan Book	430	729
Gross Revenue	45	44
Net Revenue	14	10
Opex	9	8
Credit Cost	(0)	(3)
Profit After Tax	4	4
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 (\$ Mn)**

97

**AUM (\$ Mn)**

488

**Capital Adequacy**

33.7%

**Net D/E**

1.9x

**Liquidity (\$ Mn)**

23

## 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



\$ Mn

	Jun 23	Jun 22
AUM	488	529
Credit Assets	391	414
Gross Loan Book	363	387
Gross Revenue	13	13
Net Revenue	4	4
Opex	4	3
Credit Cost	(0)	0
Profit After Tax	0	0
GNPA	1.93%	2.12%
NNPA	1.47%	1.68%
Total Provision Cover	68%	68%



# Business Performance

*Insurance*



**Edelweiss**  
Ideas create, values protect

# Insurance businesses at a glance



Quarter ended Jun 23

**Gross Premium**

\$49 Mn

**Policies Issued**

# 77,600

**Customer Reach**

~50 lakhs

# General Insurance: Business performance snapshot



## Key Metrics for the quarter



**Equity (\$ Mn)**

22



**GWP (\$ Mn)**

18



**#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 \$18 Mn
- Inked new partnership with Dvara KGFS; activated partnerships with Maruti and Ola.



# General Insurance: Financial performance snapshot









\$ Mn

	Jun 23	Jun 22
Net Premium Income	11	8
Investment Income & Other Income	5	1
<b>Total Income</b>	<b>16</b>	<b>9</b>
Policy benefits & insurance policy liability	10	8
Other expenses	11	6
<b>Profit After Tax</b>	<b>(5)</b>	<b>(5)</b>

# Life Insurance: Business performance snapshot

## Key Metrics for the quarter

	<b>Equity (\$ Mn)</b>	83
	<b>Individual APE (\$ Mn)</b>	8
	<b>#Policies Issued</b>	8,914
	<b>AUM (\$ Mn)</b>	843
	<b>Solvency Ratio</b>	216%
	<b>13m Persistency</b>	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



\$ Mn

	Jun 23	Jun 22
Net Premium Income	29	28
Investment Income & Other Income	40	(13)
<b>Total Income</b>	<b>69</b>	<b>15</b>
Policy benefits & insurance policy liability	54	5
Other expenses	18	17
<b>Profit After Tax</b>	<b>(3)</b>	<b>(7)</b>
Edelweiss' share in PAT	(2)	(4)



## Governance & Corporate Responsibility



**Edelweiss**  
Ideas create, values protect

# 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



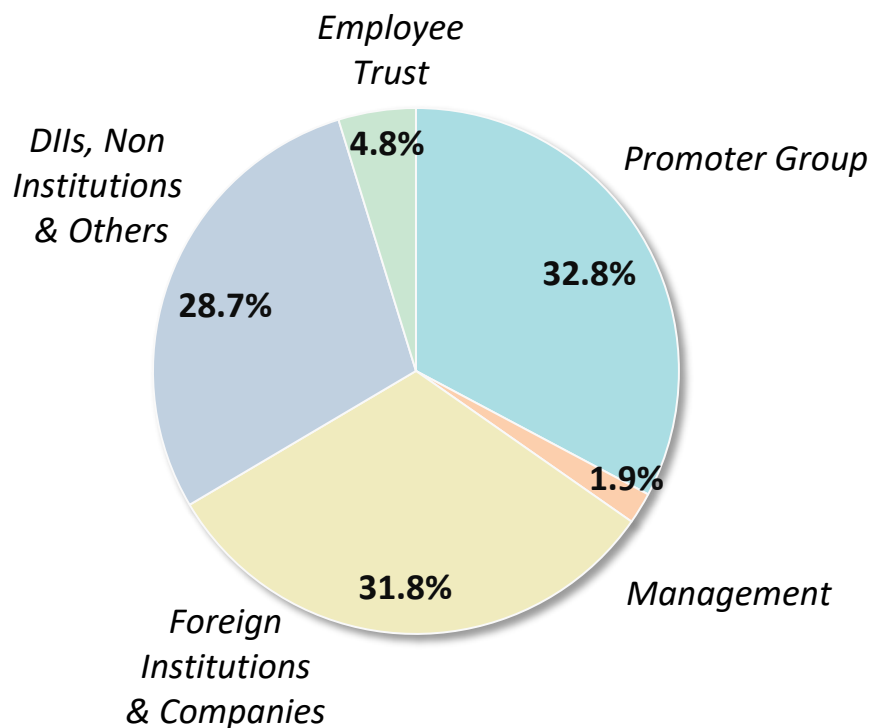
**Mr. Shiva Kumar**  
*Independent Director*

- 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 **~\$105 Mn** 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



**\$1 Mn**

Committed  
(inclusive of ~\$0.34 Mn  
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

**\$0.28 Mn** committed up to Q1

**9 NGOs** supported

### Women Empowerment

**2.37 lakh** women supported

**15,800** grassroots leaders

**6,400** Survivors Rehabilitated

**\$0.34 Mn** committed up to Q1

**11 NGOs** supported

- **GROW Fund:** *\$12 Mn 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



## DISCLAIMER :

This presentation and the discussion may contain certain words or phrases that are forward - looking statements, which are tentative, based on current expectations of the management of Edelweiss Financial Services Ltd. or any of its subsidiaries and associate companies ("Edelweiss"). Actual results may vary from the forward-looking statements contained in this presentations due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as the ability to implement its strategy. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market data and other information from sources believed to be reliable or are its internal estimates unless otherwise stated, although its accuracy or completeness can not be guaranteed. Some part of the presentation relating to business wise financial performance, ex-insurance numbers, balance sheet, asset books of Edelweiss and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding and readability. Numbers have been re-casted wherever required. Prior period figures have been regrouped/reclassified wherever necessary. FY18 onwards, numbers are as per IndAS. All information in this presentation has been prepared solely by the company and has not been independently verified by anyone else.

This presentation is for information purposes only and does not constitute an offer or recommendation to buy or sell any securities of Edelweiss. This presentation also does not constitute an offer or recommendation to buy or sell any financial products offered by Edelweiss. Any action taken by you on the basis of the information contained herein is your responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such action taken by you. Edelweiss and/or its directors and/or its employees may have interests or positions, financial or otherwise, in the securities mentioned in this presentation.

Edelweiss Financial Services Limited Corporate Identity Number: L99999MH1995PLC094641

For more information, please visit [www.edelweisssfin.com](http://www.edelweisssfin.com)

Currency conversion: Conversion rate of 1 USD equal to 82.0428 INR has been used. Values in the INR version of the Investor Presentation have been converted to dollar for convenience. Due to rounding off, numbers presented in this presentation may not add up to the totals provided and/or correlate with the growth and contribution percentages provided. Data provided in the INR version of the Investor Presentation shall prevail in case of disparity



Slide 4:	Net worth includes MI, investment in CCD by CDPQ of \$80 Mn, 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 \$80 Mn
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.
Slide 30,34,36:	Net D/E is calculated as Net Debt (excluding LAS book & Available Bank Lines) / Equity.
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