

US \$ version



# Edelweiss Financial Services Limited

*Earnings update – Quarter ended Dec 23*



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# Overview

*Quarter ended Dec 23*

# Edelweiss at a glance – Quarter ended Dec 23



## Net Worth

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\$727 Mn

## Ex-Insurance PAT

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\$22 Mn

## BVPS

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\$0.5

(FV \$0.1)

## Net Debt

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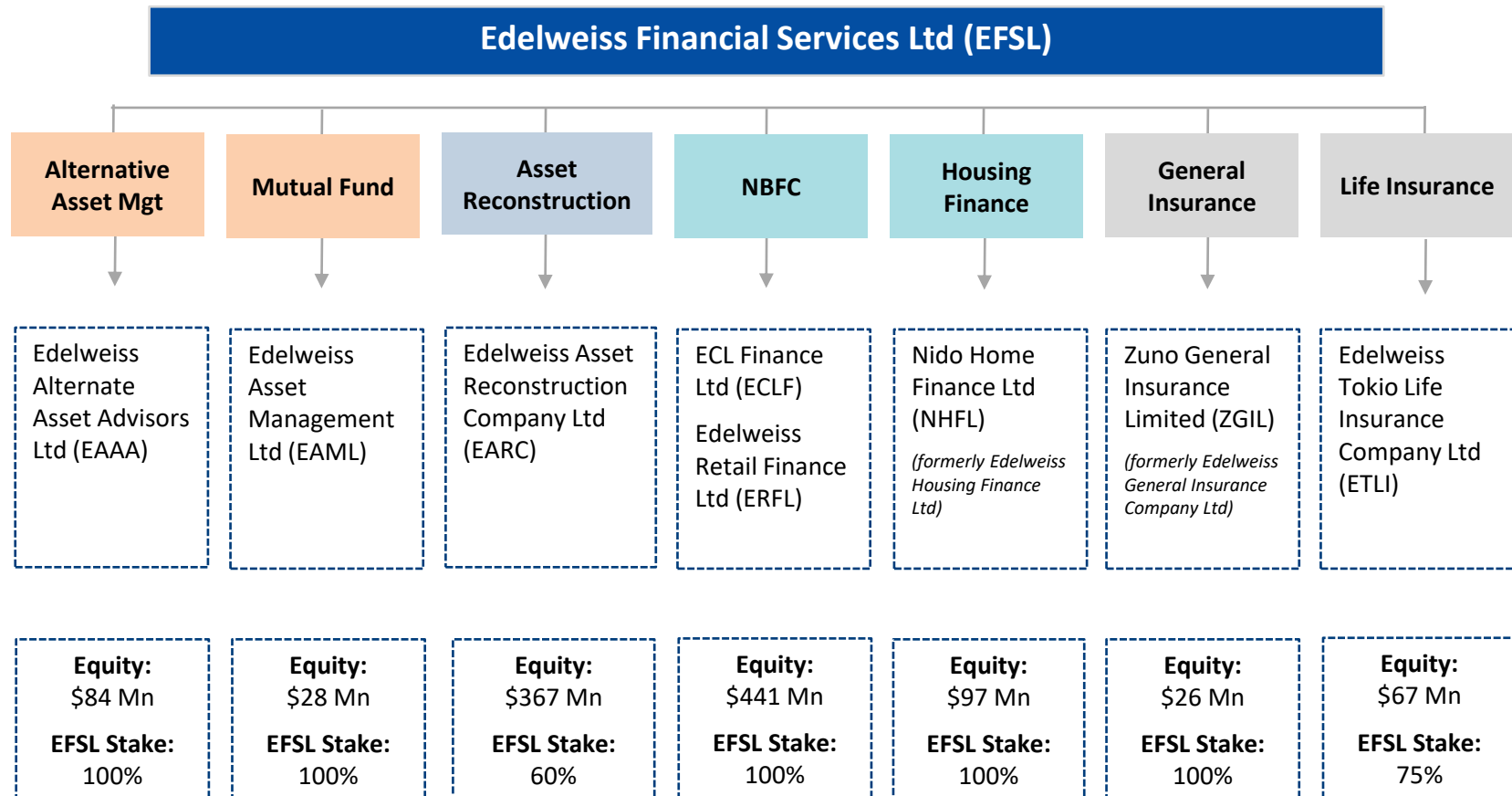
\$1,645 Mn

## Liquidity as a % of Debt

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18%

# Diversified with seven high-quality businesses





## Performance Highlights





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Ideas create, values protect



# Performance highlights – quarter ended Dec 23




## 1 Healthy Profitability with an upward trend in key business metrics

Ex-Insurance PAT grew by 12% YoY

Alternative Asset Management Fee Paying AUM  22% YoY; MF Equity AUM  47% YoY

GI Gross Written Premium  70% YoY; LI Gross Premium  12% YoY

Retail credit disbursements via co-lending  2x YoY; collection efficiency at 97%

## 2 Customer assets grew by 17% YoY to \$26 Bn; reach increased by 33% YoY to 6.7 Mn

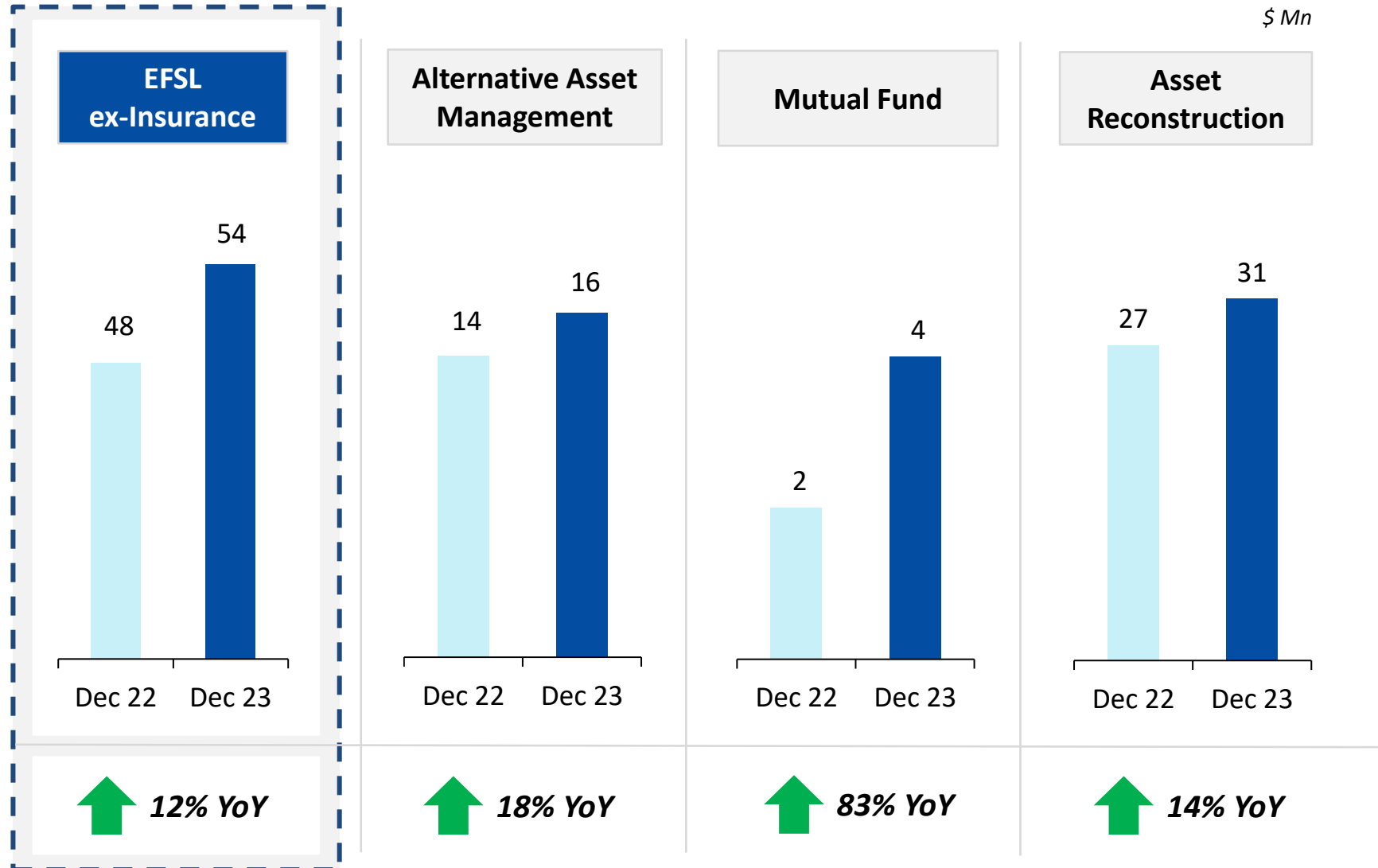
## 3 Robust Balance sheet with well capitalised businesses

Reduced net debt by \$403 Mn YoY

# 1 Healthy growth in profitability across businesses

PAT for nine month ended

\$ Mn



# 1 Earnings distribution across businesses

\$ Mn

Business	Quarter Ended		Nine Month Ended	
	Dec 23	Dec 22	Dec 23	Dec 22
Alternative Asset Management	5	7	16	14
Mutual Fund	1	1	4	2
Asset Reconstruction	11	10	31	27
NBFC	4	4	13	12
Housing Finance	0	0	1	2
General Insurance	(3)	(3)	(11)	(12)
Life Insurance	(6)	(6)	(17)	(19)
Corporate	5	1	2	2
<b>EFSL Consolidated PAT (Pre MI)</b>	<b>18</b>	<b>15</b>	<b>39</b>	<b>28</b>
<i>(Less) Minority shareholders' PAT</i>	3	2	9	5
<b>EFSL Consolidated PAT (Post MI)</b>	<b>15</b>	<b>12</b>	<b>30</b>	<b>23</b>
<b>EFSL Ex-Insurance PAT (Post MI)</b>	<b>22</b>	<b>20</b>	<b>54</b>	<b>48</b>

# 1 Upward trend in key business metrics (1/2)



## Alternative Asset Management



AUM at \$6,268 Mn;  
up 16% YoY



Fee paying AUM at \$3,549 Mn;  
up 22% YoY

## Mutual Fund



AUM at \$14,799 Mn;  
up 23% YoY



Equity AUM at \$4,813 Mn;  
up 47% YoY

## Asset Reconstruction



Acquired debt assets of \$230 Mn,  
of which ~40% were retail



Share of retail assets in capital  
employed stood at 15%

# 1 Upward trend in key business metrics (2/2)



## General Insurance



Gross written premium of \$31 Mn; up 70% YoY



Issued ~1.25 lakh new policies in the quarter; up 12% YoY

## Life Insurance



Gross premium of \$51 Mn; up 12% YoY



Claim settlement ratio at 98%; 13m persistency improved YoY to 77% from 74%

## NBFC



Disbursed \$30 Mn in the quarter, of which ~80% was under co-lending model



Signed co-lending partnership with Godrej Capital

## Housing Finance

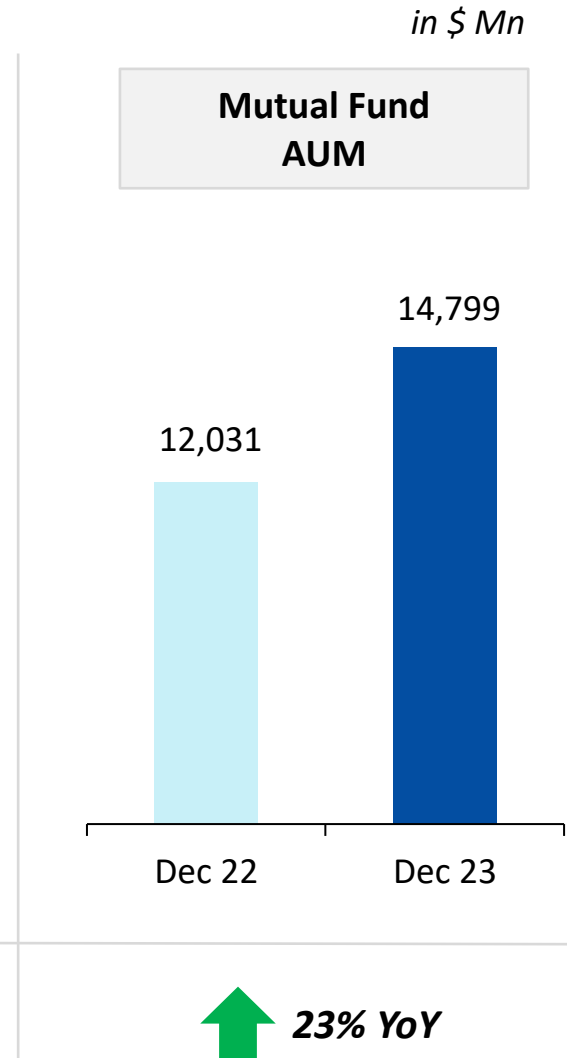
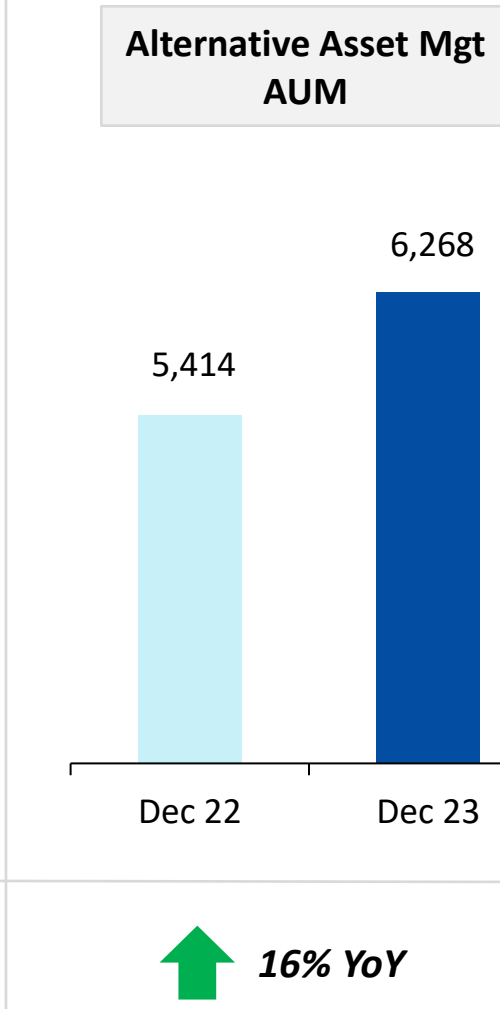
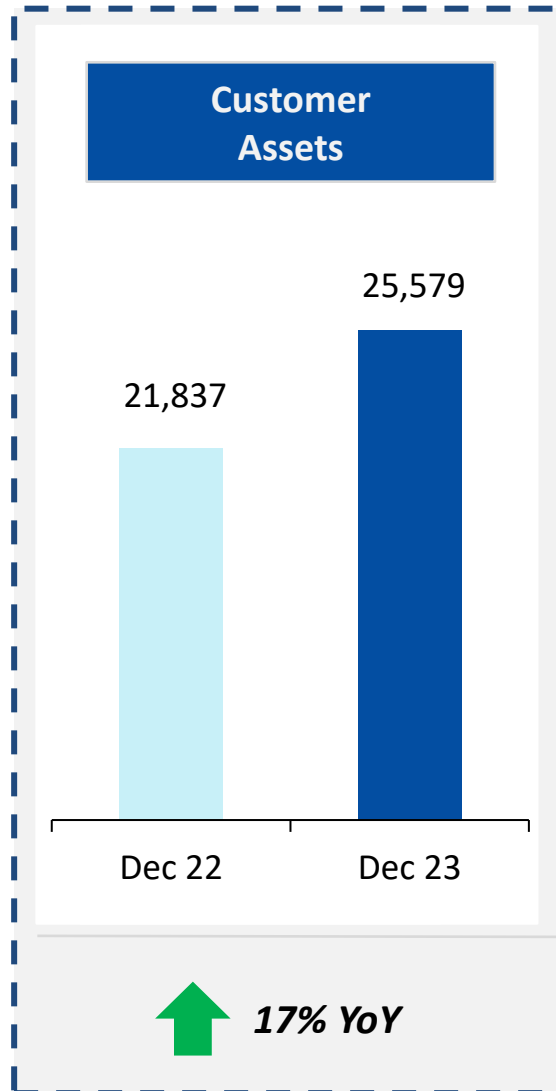


Disbursed \$36 Mn in the quarter, of which 32% was under co-lending model

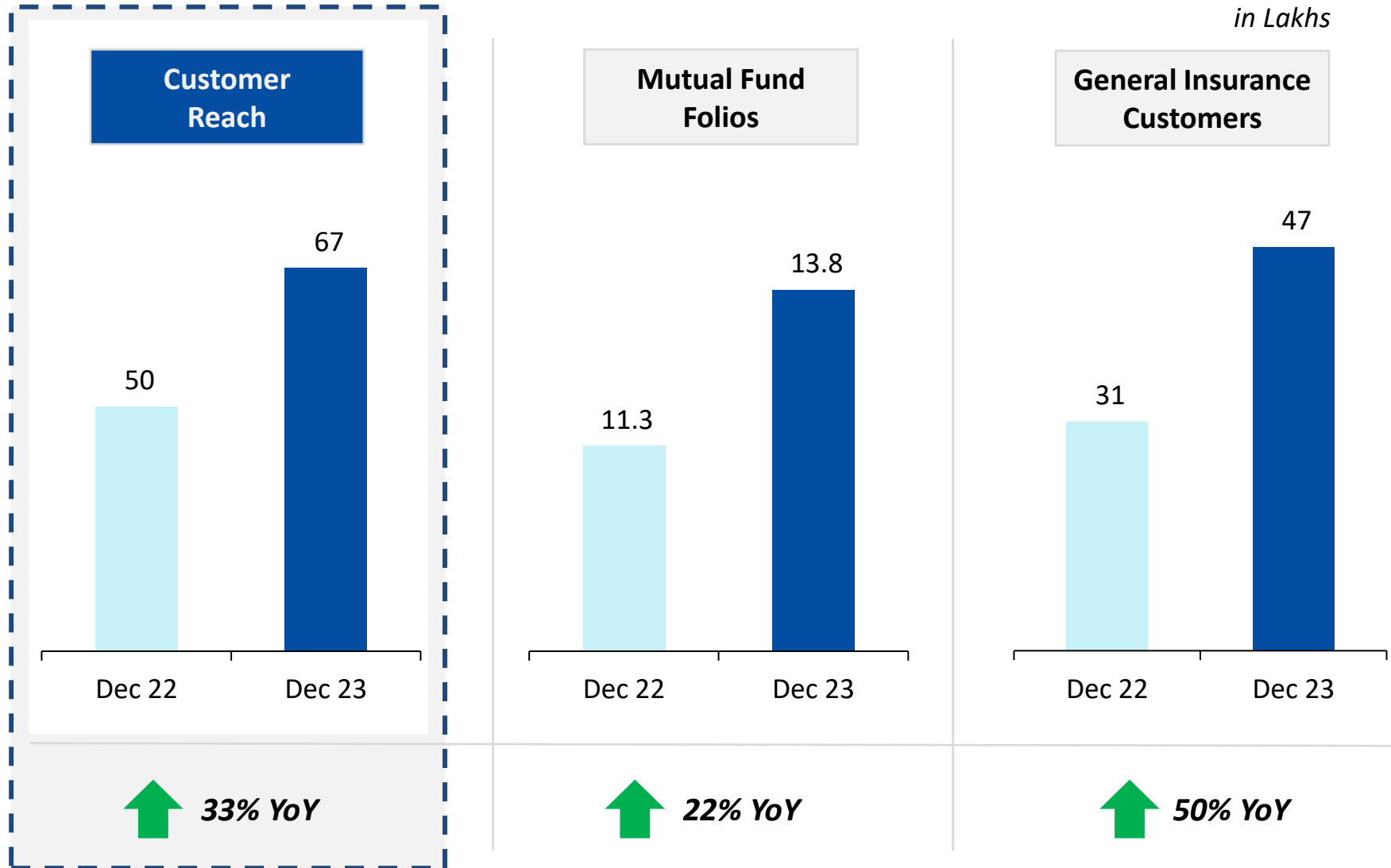


Partnership with Standard Chartered Bank and State Bank of India continues to deepen

## 2 Customer assets grew by 17% YoY



## 2 Coupled with strong scale up in customer reach





## 2 Driven by innovative product launches

### Mutual Fund

- Edelweiss Multi Asset Allocation Fund
- Edelweiss Multi Cap Fund
- Edelweiss Gold ETF
- Edelweiss Silver ETF

### General Insurance

- Zuno Driving Quotient
- Zuno HealthPlus Policy

### Life Insurance

- Edelweiss Tokio Life Zindagi Protect
- Edelweiss Tokio Life Bharat Savings STAR



Edelweiss Tokio Life  
**Zindagi Protect**

Edelweiss Tokio Life  
**Bharat Savings STAR**

### 3 Strong balance sheet with well capitalised businesses

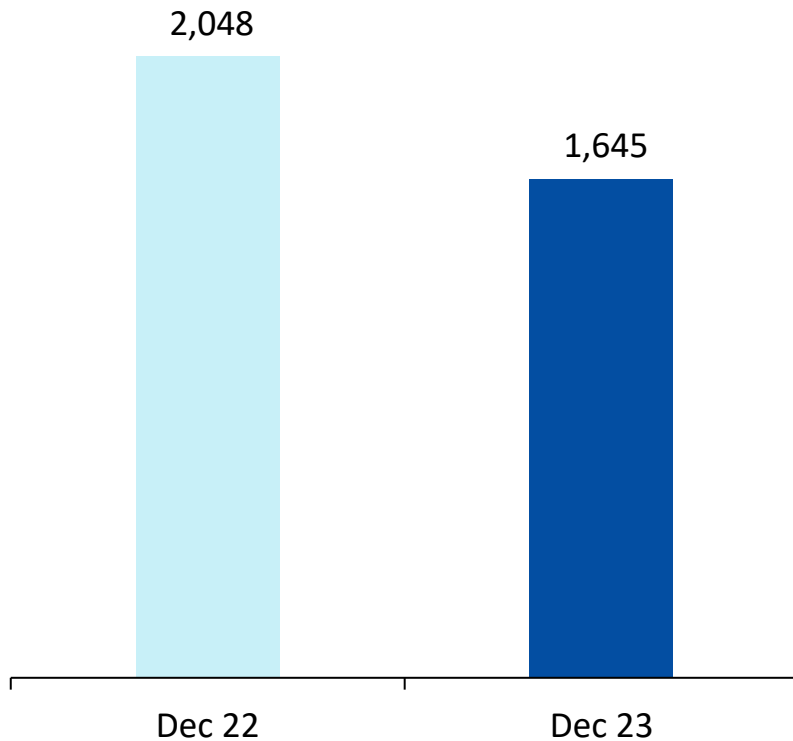


Businesses	Metric	Value
NBFC	Capital Adequacy	39.8%
Housing Finance	Capital Adequacy	34.8%
Asset Reconstruction	Capital Adequacy	56.1%
Life Insurance	Solvency Ratio	187%
General Insurance	Solvency Ratio	176%

### 3 Reduced \$403 Mn of Debt YoY



Net Debt (\$ Mn)



\$ Mn

Business	Dec 23
NBFC	731
Housing Finance	197
Alternative Asset Management	52
Asset Reconstruction	294
Corporate	995
<b>Gross Debt</b>	<b>2,269</b>
<i>(Less) Liquidity</i>	416
<i>(Less) Liquid Investment*</i>	208
<b>Net Debt</b>	<b>1,645</b>

### 3 Cash flow plan



\$ Mn

Jan 24 to Dec 24	
Opening Available Liquidity (A)	409
Inflows	
Expected Inflows	914
Fresh borrowings	253
Total Inflows (B)	1,167
Outflows	
Repayments	794
Disbursements	433
Total Outflows (C)	1,227
Closing Available Liquidity (A+B-C)	349

### 3 Assets in each tenor range adequately cover liabilities



	\$ Mn		
	Assets	Liabilities	Excess / (Gap)
Up to 1 year	1,636	1,444	193
1-3 years	1,203	1,143	60
3 years+	1,287	854	433



# Business Performance



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# Alternative Asset Mgt: Business performance snapshot



## Key Metrics for the quarter

**AUM (\$ Mn)**

6,268

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

3,549

**Deployments  
(\$ Mn)**

211

**Realisation  
(\$ Mn)**

235

## Business Update

- AUM at \$6,268 Mn, up 16% YoY
- Fee Paying AUM at \$3,549 Mn, up 22% YoY
- Infrastructure Yield Plus (IYP) II have raised ~\$963 Mn till date
- Only Indian Alternatives player to feature in “Top PDI Fund Raisers of the Year” for 3 consecutive years
- Award-winning asset manager - *3 excellence accolades received from the Government of India (MoRTH) for highway assets this quarter*

# Alternative Asset Mgt: Financial performance snapshot



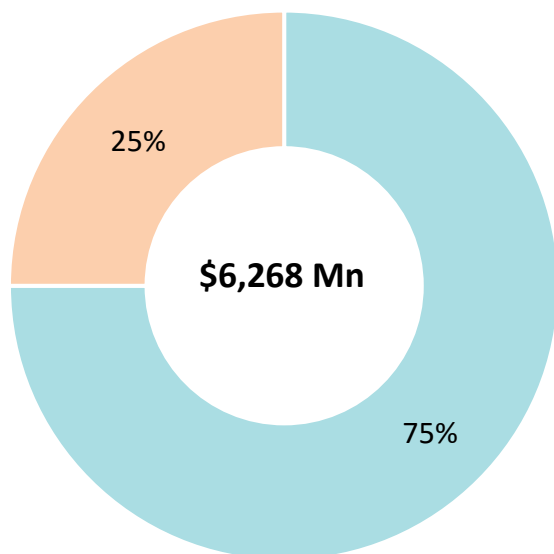
\$ Mn

	Dec 23	Dec 22
AUM	6,268	5,414
Fee Paying AUM	3,549	2,900
Equity	84	41
Net Revenue	16	14
Opex	10	6
Profit After Tax	5	7

# Alternative assets overview

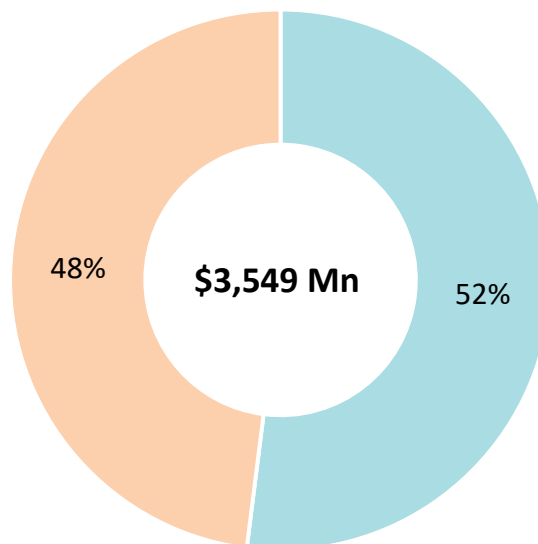


## AUM – Strategy wise



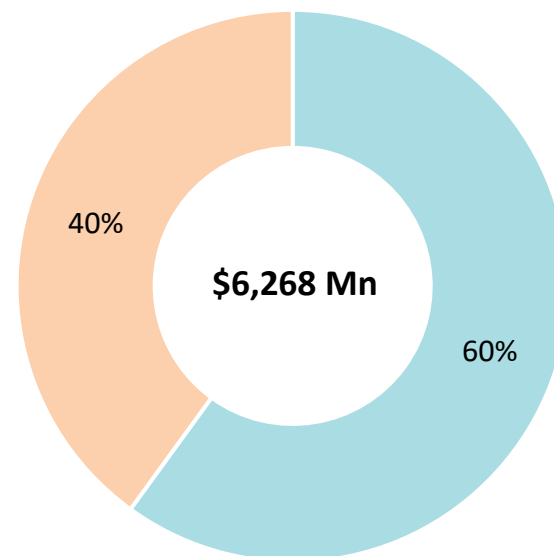
■ Credit   ■ Real Assets

## Fee Paying AUM – Strategy wise



■ Credit   ■ Real Assets

## AUM – Investor type



■ Institutional   ■ Non Institutional

# Mutual Fund: Business performance snapshot



## Key Metrics for the quarter



**AUM (\$ Mn)**

14,799



**Equity AUM (\$ Mn)**

4,813



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

638



**# Retail Folios**

13.8 lakhs

## Business Update

- AUM grew by 23% YoY to \$14,799 Mn; market share of 2.39% as on Dec 23
- Equity AUM at \$4,813 Mn, up 47% YoY
- Net inflows of \$638 Mn during the quarter with a market share of 8.1%
  - Net inflows for trailing 12 months at \$1,624 Mn
- SIP book touched \$24 Mn mark
- Retail folios at 13.8 lakhs, up 22% YoY
- Multi Cap Fund launched, *garnering highest ever collection of ~\$120 Mn during NFO*

# Mutual Fund: Financial performance snapshot



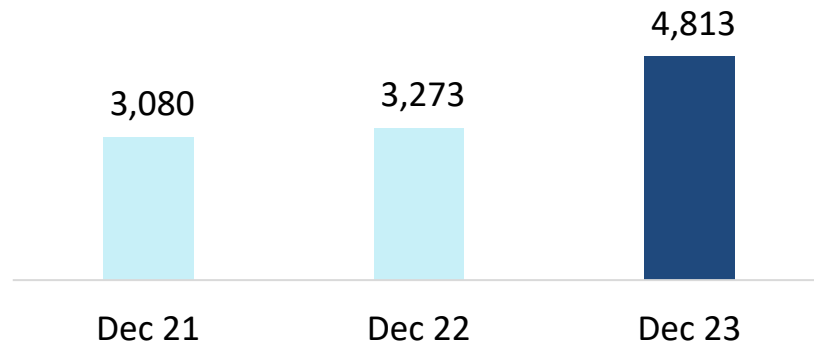
\$ Mn

	Dec 23	Dec 22
AUM	14,799	12,031
Equity AUM	4,813	3,273
Equity	28	24
Net Revenue	6	5
Opex	5	4
Profit After Tax	1	1

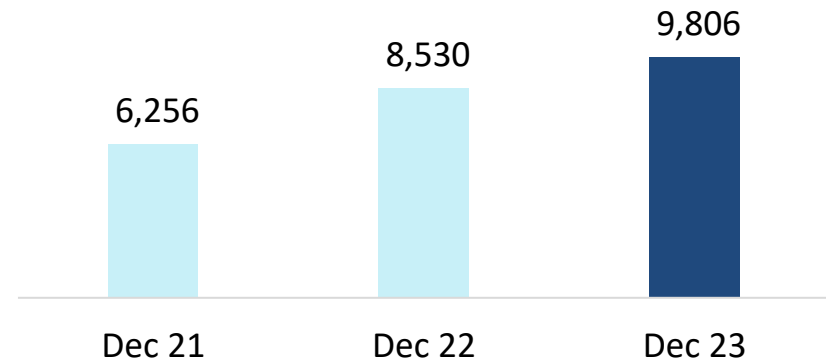
# Consistent growth in AUM and customer base



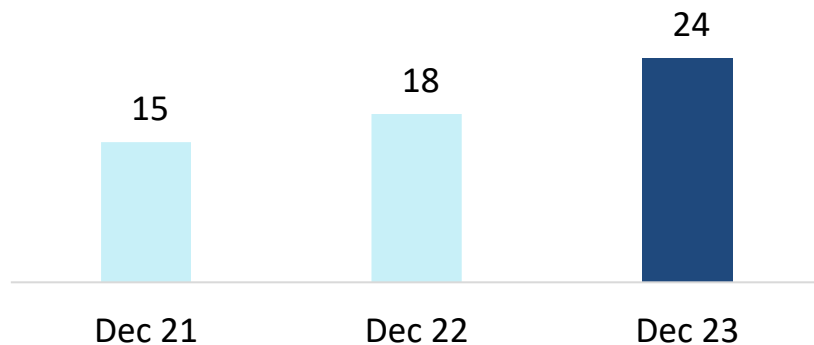
### MF Equity AUM (\$ Mn)



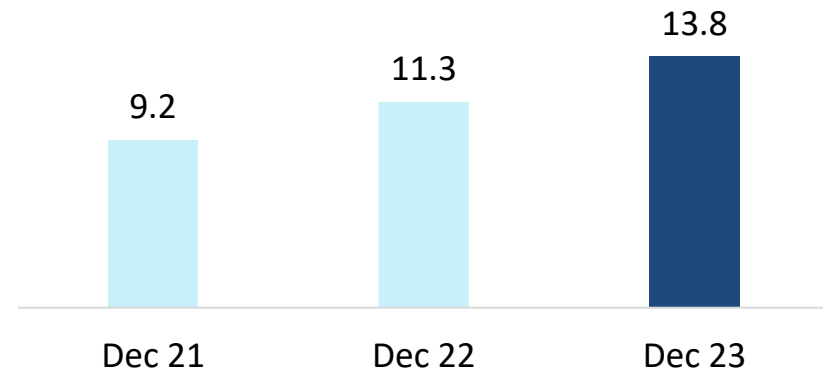
### MF Debt AUM (\$ Mn)



### SIP Book (\$ Mn)








### Active Folios (# in Lakhs)



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

# Asset Reconstruction: Business performance snapshot

## Key Metrics for the quarter

 <b>Equity (\$ Mn)</b>	367
 <b>AUM (\$ Mn)</b>	4,512
 <b>Capital employed (\$ Mn)</b>	561
 <b>Recoveries (\$ Mn)</b>	247
 <b>Net D/E</b>	0.5x
 <b>Capital Adequacy</b>	56.1%

## Business Update

- Recoveries of \$247 Mn for the quarter, of which 11.7% was from retail portfolio
- Acquired debt assets of \$230 Mn during the quarter, of which ~40% were retail assets
- Share of retail assets share in capital employed stood at 15%
- Well matched ALM across all durations

# Asset Reconstruction: Financial performance snapshot



\$ Mn

	Dec 23	Dec 22
AUM	4,512	4,391
Capital Employed	561	602
<i>Wholesale assets</i>	<i>476</i>	<i>518</i>
<i>Retail assets</i>	<i>85</i>	<i>84</i>
Equity	367	325
Gross Revenue	34	32
Opex	3	3
Profit After Tax	11	10
Edelweiss' share in PAT	7	6

# NBFC: Business performance snapshot



## Key Metrics for the quarter



**Equity (\$ Mn)**

441



**AUM (\$ Mn)**

836



**Capital Adequacy**

39.8%



**Net D/E**

1.3x



**Liquidity  
(\$ Mn)**

198

## Business Update

- Improved traction in co-lending disbursal with Central Bank of India, IDFC First Bank and Standard Chartered Bank
  - ~80% of disbursal during the quarter under co-lending model
- Signed co-lending partnership with Godrej Capital
- Asset quality continues to be healthy
  - GNPA at 2.69%, improved 28 bps YoY
- Wholesale book reduced by 54% YoY to \$499 Mn; expect momentum to continue

# NBFC: Financial performance snapshot



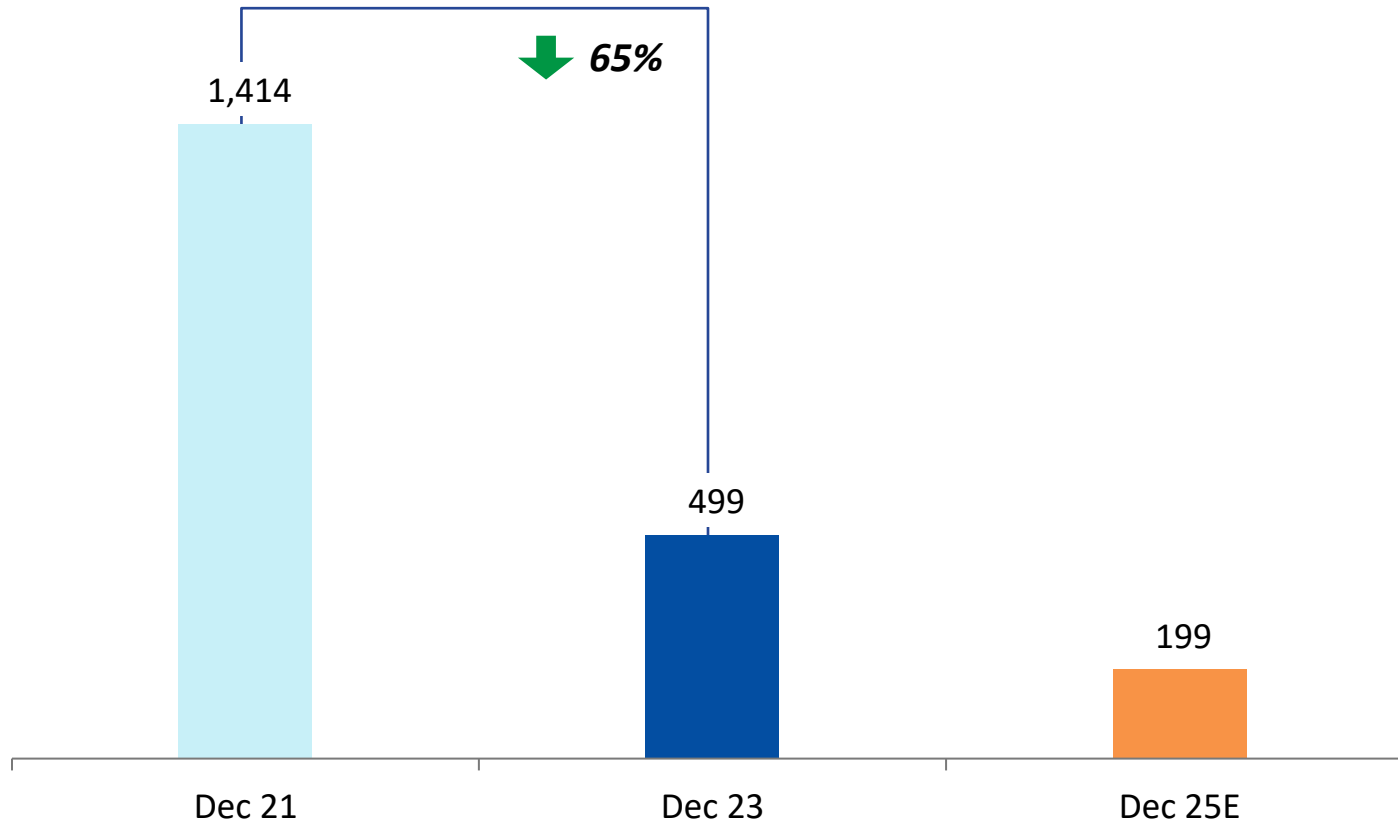
\$ Mn

	Dec 23	Dec 22
AUM	836	1,250
Gross Loan Book	278	679
Gross Revenue	35	63
Net Revenue	9	31
Opex	10	14
Credit Cost	(6)	12
Profit After Tax	4	4
GNPA	2.69%	2.97%
NNPA	1.68%	1.91%

# Wholesale reduction on track



ECLF wholesale loan assets (\$ Mn)



*Expect momentum to continue with planned reduction*

# Housing Finance: Business performance snapshot



## Key Metrics for the quarter

**Equity (\$ Mn)**

97

**AUM (\$ Mn)**

458

**Capital Adequacy**

34.8%

**Net D/E**

1.7x

**Liquidity (\$ Mn)**

43

## Business Update

- Disbursed \$36 Mn in the quarter, of which 32% under co-lending model
- Partnership with Standard Chartered Bank and State Bank of India continues to deepen with ongoing disbursements
- Portfolio continues to strengthen
  - GNPA at 2.24%; improved from 2.45% YoY
  - Collection efficiency for the quarter at 98.5%

# Housing Finance: Financial performance snapshot




\$ Mn


	Dec 23	Dec 22
AUM	458	500
Gross Loan Book	355	369
Gross Revenue	14	13
Net Revenue	5	4
Opex	4	4
Credit Cost	0	0
Profit After Tax	0	0
GNPA	2.24%	2.45%
NNPA	1.61%	1.92%


# General Insurance: Business performance snapshot



## Key Metrics for the quarter

 **Equity (\$ Mn)** 26

 **GWP (\$ Mn)** 31

 **#Policies Issued** 1,25,542

 **Solvency Ratio** 176%

## Business Update

- Gross direct premium income (GDPI) growth of 73% YoY for the quarter
- Motor segment reported a robust 47% YoY growth in GDPI against industry growth of 10%
- Launched Zuno Health Plus Policy
  - health insurance scheme providing multi-member coverage under one policy
- Partnered with Policy Bazaar for 4-wheeler policy issuance

# General Insurance: Financial performance snapshot



\$ Mn

	Dec 23	Dec 22
Net Premium Income	12	10
Investment Income & Other Income	7	3
<b>Total Income</b>	<b>19</b>	<b>13</b>
Policy benefits & insurance policy liability	10	8
Other expenses	12	8
<b>Profit After Tax</b>	<b>(3)</b>	<b>(3)</b>

# Life Insurance: Business performance snapshot

## Key Metrics for the quarter



**Equity (\$ Mn)**

67



**Individual APE (\$ Mn)**

13



**#Policies Issued**

12,888



**AUM (\$ Mn)**

907



**Solvency Ratio**

187%



**13m Persistency**

77%

## Business Update

- Gross premium of \$51 Mn, up 12% YoY
- AUM at \$907 Mn, up 19% YoY
- Traditional Par and Non-Par products constitute ~80% of product mix
- Improvement in 13m persistency YoY to 77% from 74%
- Awarded 'Gold' for Best Media Integration & 'Silver' for Most Effective Regional Campaign in Pitch BFSI Marketing Awards 2023

# Life Insurance: Financial performance snapshot



\$ Mn

	Dec 23	Dec 22
Net Premium Income	50	44
Investment Income & Other Income	36	19
<b>Total Income</b>	<b>85</b>	<b>64</b>
Policy benefits & insurance policy liability	67	50
Other expenses	24	20
<b>Profit After Tax</b>	<b>(6)</b>	<b>(6)</b>
Edelweiss' share in PAT	(5)	(5)



## Governance & Corporate Responsibility



**Edelweiss**  
Ideas create, values protect

# 6 Member Board with 3 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. Shiva Kumar**

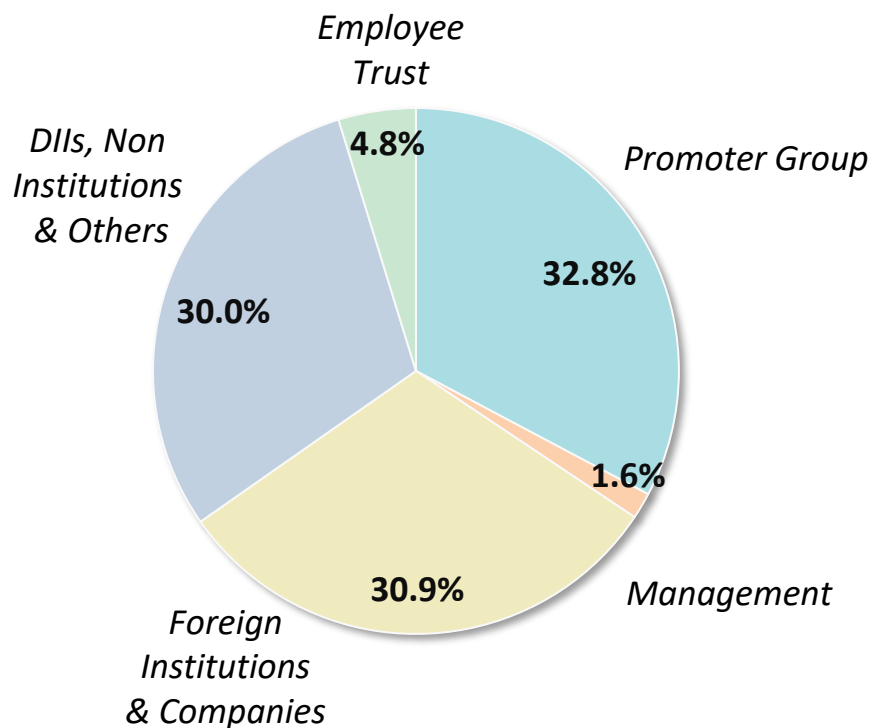
*Independent Director*

- 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 Dec 31, 2023



Key Shareholders		Percent
1	Pabrai Investment Funds	8.5%
2	TIAA CREF funds	4.2%
3	LIC	2.6%
4	Vanguard Group	2.4%
5	Baron Asset Management	2.3%
6	BIH SA	2.0%
7	Miri Capital Management	1.9%
8	Flowering Tree Investment Management	1.7%
9	1729 Capital & Advisors	1.4%
10	Blackrock	1.2%
11	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 **~\$106 Mn** mobilized through commitments



Partnered with over **174** 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



**85** Districts  
across **12** States



**\$2.3 Mn**

Committed  
(inclusive of ~\$2 Mn  
Edelweiss CSR contribution)



**26**

NGO Partners



**16**

Co-funded Grants



**31**

Active Grants

### Quality Education

**20 lakh** children impacted

**31,000** schools reached

**72,200** teachers trained

**\$0.6 Mn** committed up to Q3

**8 NGOs** supported

### Sustainable Livelihoods

**2.48 lakh** Individuals trained

**1,832** watershed structures  
repaired/built

**\$1.1 Mn** committed up to Q3

**7 NGOs** supported

### Women Empowerment

**2.44 lakh** women supported

**20,715** grassroots leaders

**7,880** Survivors Rehabilitated

**\$0.4 Mn** committed up to Q3

**11 NGOs** supported

- **GROW Fund:** \$12 Mn fund for sustainability and financial resilience of grassroots NGOs.
  - Developed Organisation development diagnostic ( end line) tool and conducted pilot testing with 9 portfolio NGOs to check its feasibility
  - Completed bi-annual report submission from 100 NGOs
  - Conducted 1:1 CB check-in with all 100 NGOs
- **The HUB** – online learning platform which hosts courses for NGOs
  - Launched 6 new courses on the Hub on self-development regarding time management, coaching, finance, and risk management
  - Launched 2 new sessions of the NGO Series by The Teacher Foundation and Pukar on organization culture, technology about

# Trusted partner: EdelGive funding partners & networks



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



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Slide 4:	Net worth includes MI, investment in CCD by CDPQ of \$42 Mn, Ex-Insurance PAT is post MI
Slide 4,7,8,9:	Ex-Insurance PAT is post-MI; Business PATs are pre-MI
Slide 4,7,16:	Debt includes accrued interest, liabilities on market linked debentures and excludes CBLO, CDPQ CCD and securitisation liabilities
Slide 4,16,17:	Available Liquidity is calculated as on balance sheet date and includes high quality liquid assets
Slide 5,28:	NBFC equity includes investment in CCD by CDPQ of \$42 Mn
Slide 5,7,8,9,10,12,16,20,21,22:	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 7:	Retail credit includes NBFC and HFC
Slide 7,13:	Customer reach includes individuals covered under Group Insurance policies for LI and customer serviced since inception for GI
Slide 7,12,13:	Customer Assets and Customer Reach are rounded off
Slide 7,10,12,13,23,24,25:	AUM, net new money, clients, retail folios, MF Equity AUM are rounded off to nearest 100; MF AUM includes strategies under Alternatives categories. MF Equity AUM includes strategies under Hybrid categories.
Slide 15, 28:	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 18:	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 22:	Credit category includes Special Situations, Structured Credit, Real Estate Credit, Core Credit. Real Assets category includes Infrastructure Yield, Rental Yield and InvIT
Slide 26,28,31:	Net D/E is calculated as Net Debt (excluding Available Bank Lines) / Equity. Numbers rounded off to nearest 10
Slide 30:	Pursuant to the new RBI circular on "Investments in AIF", Dec 21 ECLF Wholesale Loan Assets figure has been revised to include AIF Investments in addition to gross loan book and SR
Slide 28,29,31,32:	AUM includes gross loan book, SR investments and assigned book.
Slide 35:	AUM includes Shareholders and all Policyholders fund. AUM is calculated in accordance with IGAAP
Slide 11,35:	13th Month Persistency is on premium basis for Individual (Regular Premium+ Limited Payment Premium). Persistency figures corresponds to policies issued in Dec 2021 to Nov 2022.
Slide 39:	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information