

EW/Sec/2023-24/270

February 12, 2024

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

**Sub: Earnings Update**

Please find enclosed herewith the Earnings Update (in INR) of the Company for the quarter ended December 31, 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 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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INR 6,046 Cr

**Ex-Insurance PAT**

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INR 186 Cr

**BVPS**

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INR 45

(FV ₹1)

**Net Debt**

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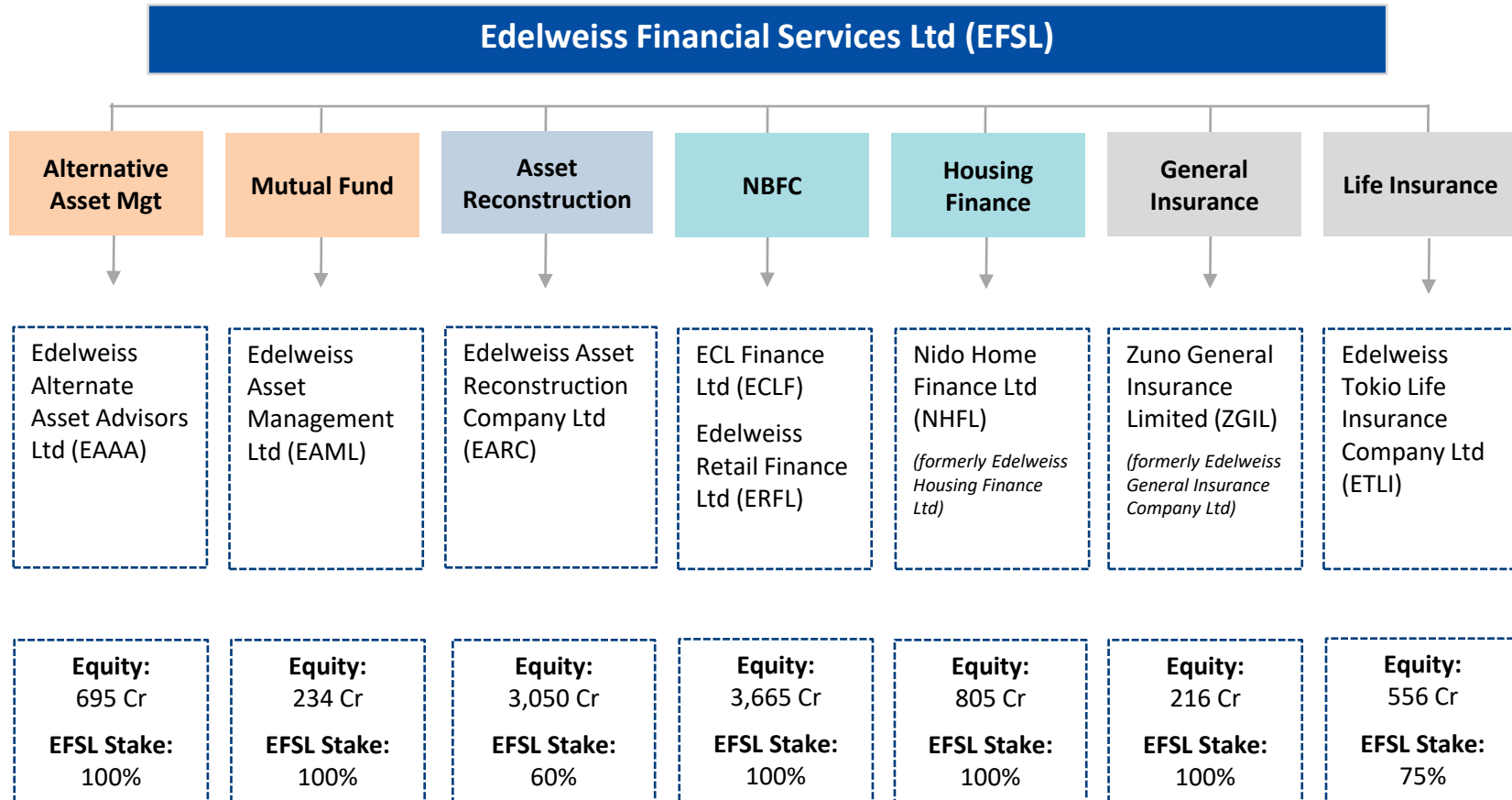
INR 13,670 Cr

**Liquidity as a % of Debt**

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18%

# Diversified with seven high-quality businesses





## Performance Highlights

# 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 INR 2.1 Tn; reach increased by 33% YoY to 6.7 Mn

## 3 Robust Balance sheet with well capitalised businesses

Reduced net debt by INR 3,350 Cr YoY

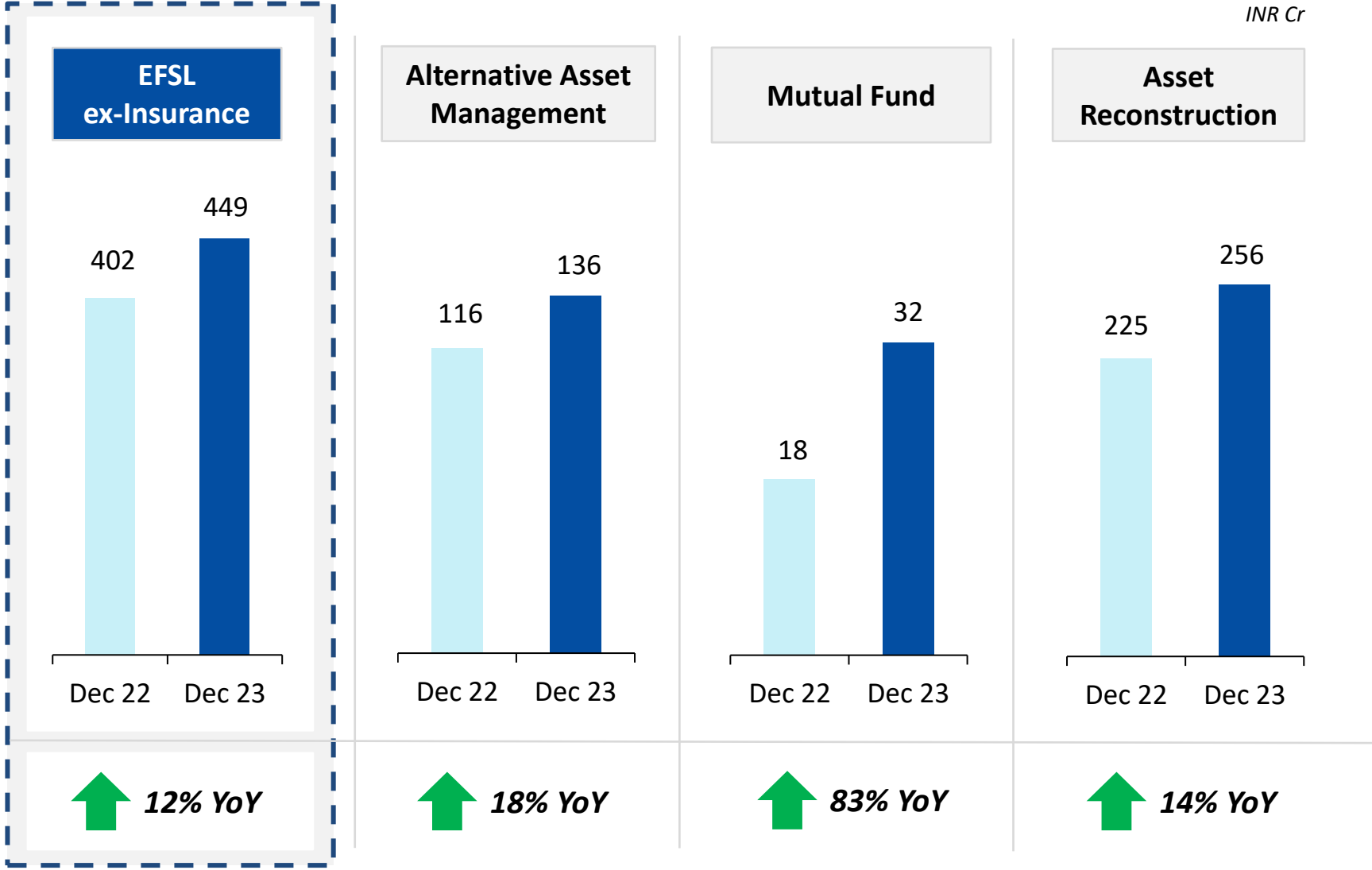


# 1 Healthy growth in profitability across businesses



PAT for nine month ended

INR Cr



# 1 Earnings distribution across businesses

INR Cr

Business	Quarter Ended		Nine Month Ended	
	Dec 23	Dec 22	Dec 23	Dec 22
Alternative Asset Management	45	62	136	116
Mutual Fund	9	6	32	18
Asset Reconstruction	95	85	256	225
NBFC	35	36	104	102
Housing Finance	3	4	9	13
General Insurance	(23)	(25)	(93)	(99)
Life Insurance	(51)	(53)	(138)	(156)
Corporate	39	6	19	14
<b>EFSL Consolidated PAT (Pre MI)</b>	<b>152</b>	<b>121</b>	<b>325</b>	<b>233</b>
<i>(Less) Minority shareholders' PAT</i>	27	20	73	38
<b>EFSL Consolidated PAT (Post MI)</b>	<b>125</b>	<b>101</b>	<b>252</b>	<b>194</b>
<b>EFSL Ex-Insurance PAT (Post MI)</b>	<b>186</b>	<b>166</b>	<b>449</b>	<b>402</b>

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



## Alternative Asset Management



AUM at INR 52,100 Cr;  
up 16% YoY



Fee paying AUM at INR 29,500 Cr;  
up 22% YoY

## Mutual Fund



AUM at INR 1,23,000 Cr;  
up 23% YoY



Equity AUM at INR 40,000 Cr;  
up 47% YoY

## Asset Reconstruction



Acquired debt assets of INR 1,910  
Cr, 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 INR 254 Cr; up 70% YoY



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

## Life Insurance



Gross premium of INR 422 Cr; up 12% YoY



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

## NBFC



Disbursed INR 250 Cr in the quarter, of which ~80% was under co-lending model



Signed co-lending partnership with Godrej Capital

## Housing Finance

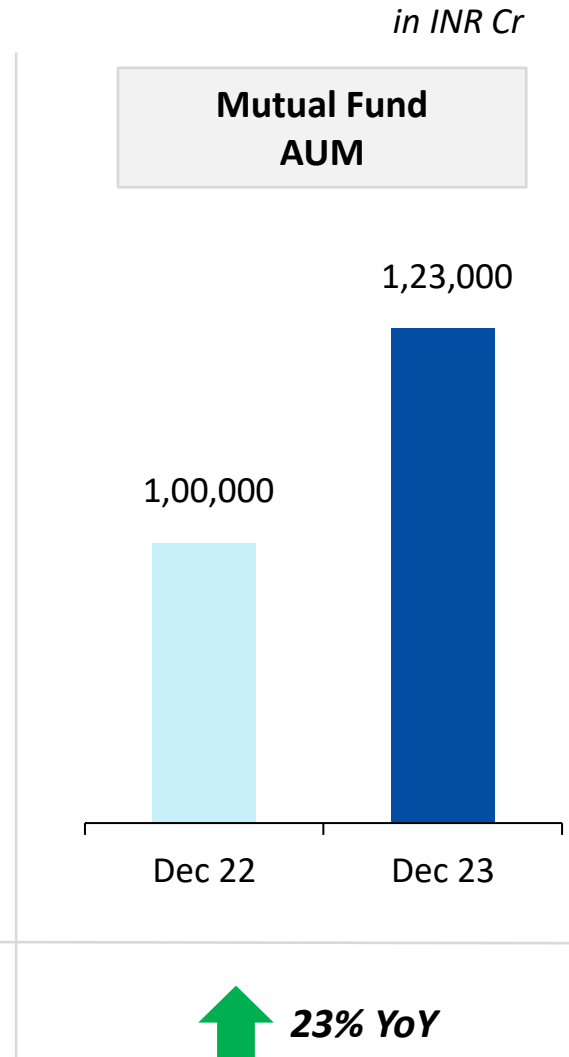
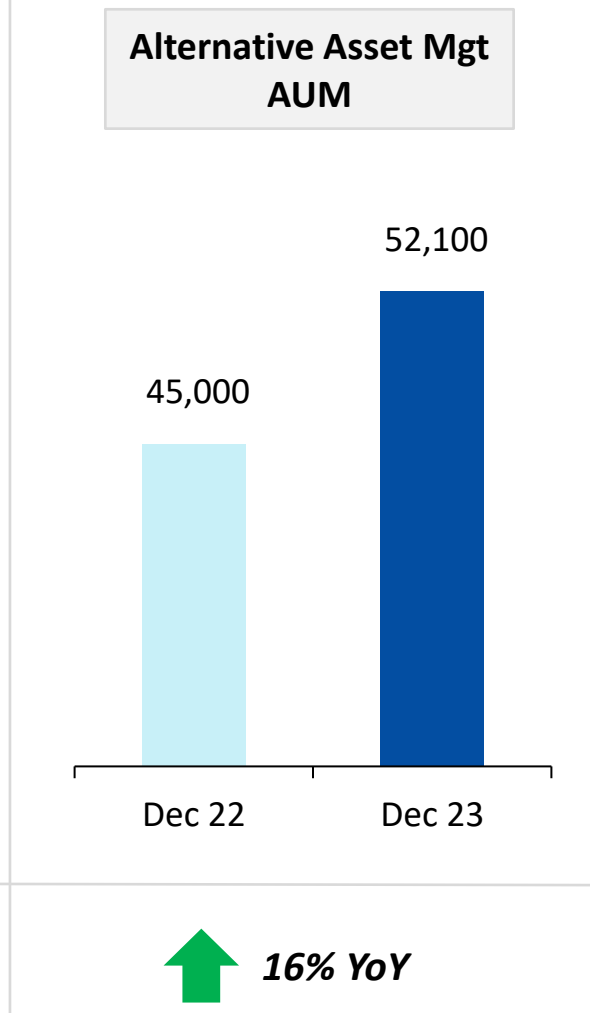
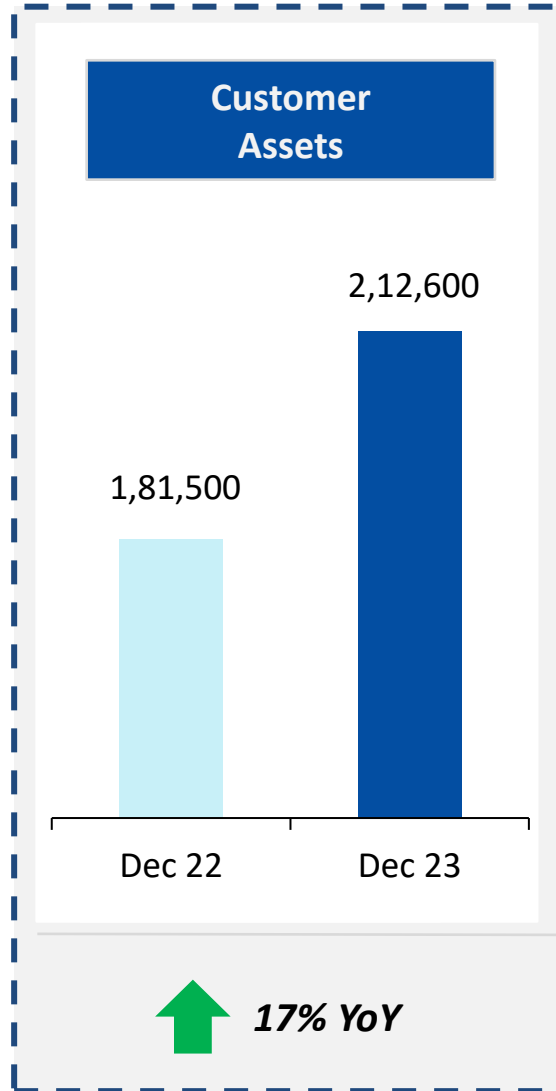


Disbursed INR 300 Cr in the quarter, of which 32% was under co-lending model

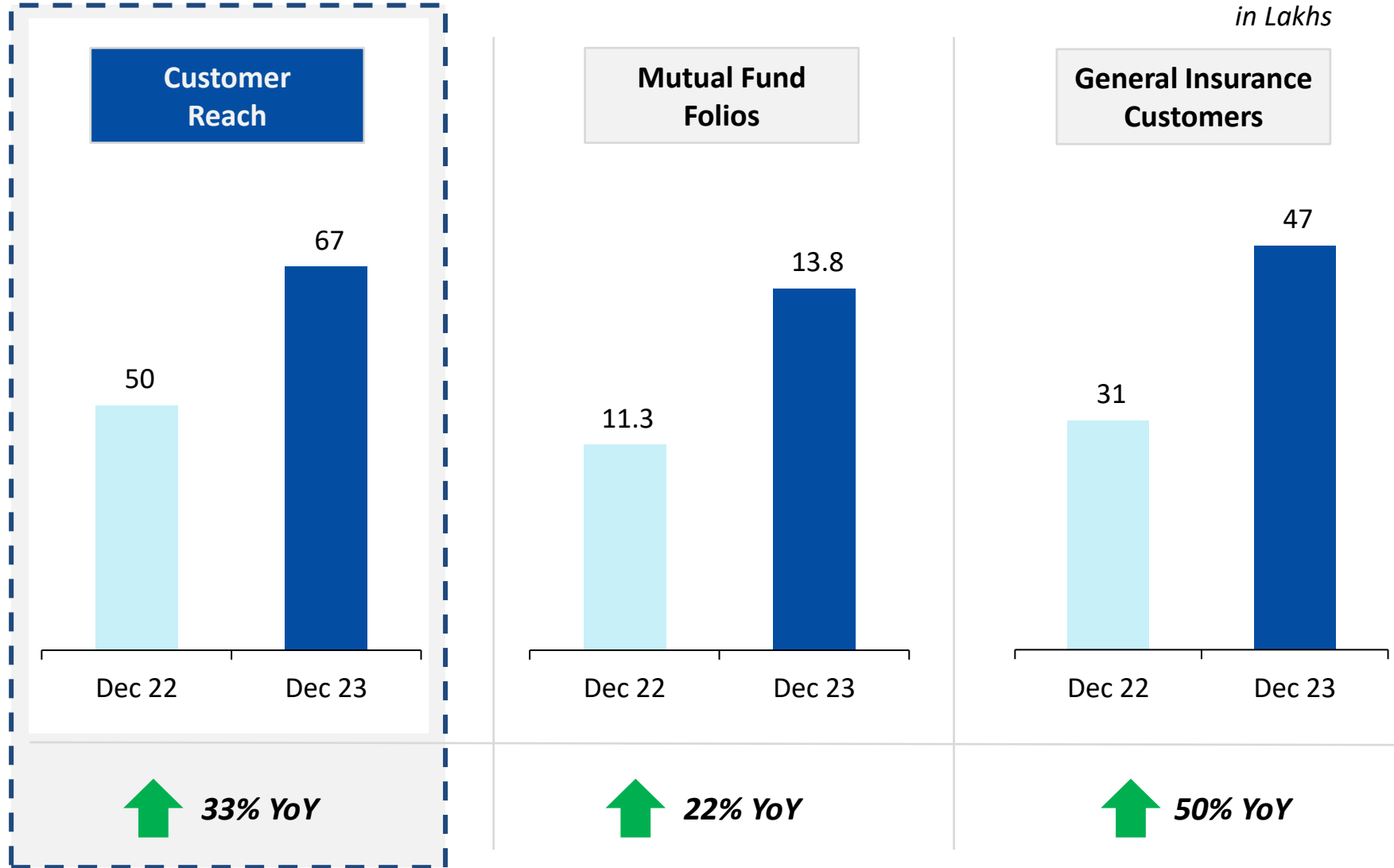


Partnership with Standard Chartered Bank and State Bank of India continues to deepen

## 2 Customer assets grew by 17% YoY



## 2 Coupled with strong scale up in customer reach



## 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



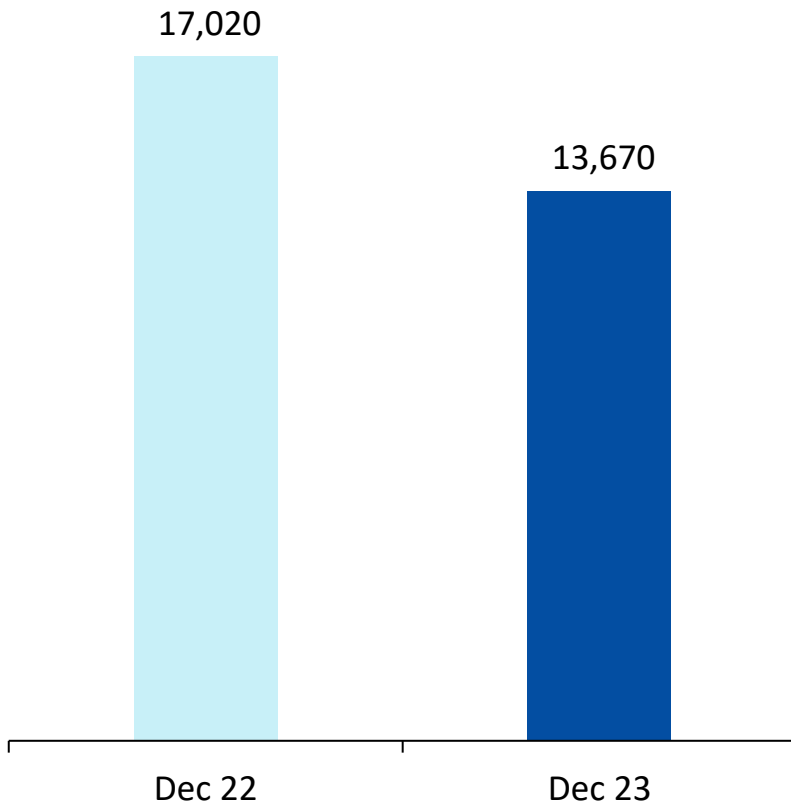
Businesses	Metric	Value
NBFC	Capital Adequacy	39.8%
Housing Finance	Capital Adequacy	34.8%
Asset Reconstruction	Capital Adequacy	56.1%
Life Insurance	Solvency Ratio	187%
General Insurance	Solvency Ratio	176%



### 3 Reduced INR 3,350 Cr of Debt YoY



Net Debt (INR Cr)



INR Cr

Business	Dec 23
NBFC	6,075
Housing Finance	1,640
Alternative Asset Management	430
Asset Reconstruction	2,440
Corporate	8,270
<b>Gross Debt</b>	<b>18,855</b>
<i>(Less) Liquidity</i>	<i>3,455</i>
<i>(Less) Liquid Investment*</i>	<i>1,730</i>
<b>Net Debt</b>	<b>13,670</b>

\* Liquid Investment pertains to ~14% stake in Nuvama

### 3 Cash flow plan



INR Cr

	Jan 24 to Dec 24
<b>Opening Available Liquidity (A)</b>	<b>3,400</b>
<b>Inflows</b>	
Expected Inflows	7,600
Fresh borrowings	2,100
<b>Total Inflows (B)</b>	<b>9,700</b>
<b>Outflows</b>	
Repayments	6,600
Disbursements	3,600
<b>Total Outflows (C)</b>	<b>10,200</b>
<b>Closing Available Liquidity (A+B-C)</b>	<b>2,900</b>

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



*INR Cr*





	Assets	Liabilities	Excess / (Gap)
Up to 1 year	13,600	12,000	1,600
1-3 years	10,000	9,500	500
3 years+	10,700	7,100	3,600



# Business Performance

# Alternative Asset Mgt: Business performance snapshot



Key Metrics for the quarter		Business Update
 <b>AUM (INR Cr)</b>	52,100	<ul style="list-style-type: none"> <li>• AUM at INR 52,100 Cr, up 16% YoY</li> <li>• Fee Paying AUM at INR 29,500 Cr, up 22% YoY</li> <li>• Infrastructure Yield Plus (IYP) II have raised ~INR 8,000 Cr till date</li> <li>• Only Indian Alternatives player to feature in “Top PDI Fund Raisers of the Year” for 3 consecutive years</li> <li>• Award-winning asset manager - <i>3 excellence accolades received from the Government of India (MoRTH) for highway assets this quarter</i></li> </ul>
 <b>Fee Paying AUM (INR Cr)</b>	29,500	
 <b>Deployments (INR Cr)</b>	1,750	
 <b>Realisation (INR Cr)</b>	1,950	

# Alternative Asset Mgt: Financial performance snapshot

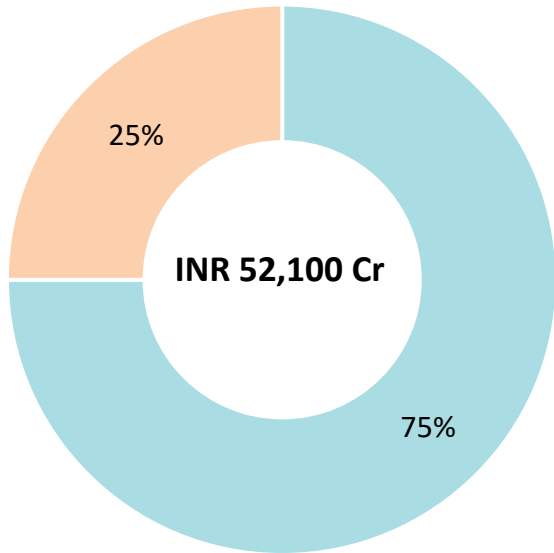
*INR Cr*

	Dec 23	Dec 22
AUM	52,100	45,000
Fee Paying AUM	29,500	24,100
Equity	695	339
Net Revenue	134	118
Opex	79	51
Profit After Tax	45	62

# Alternative assets overview

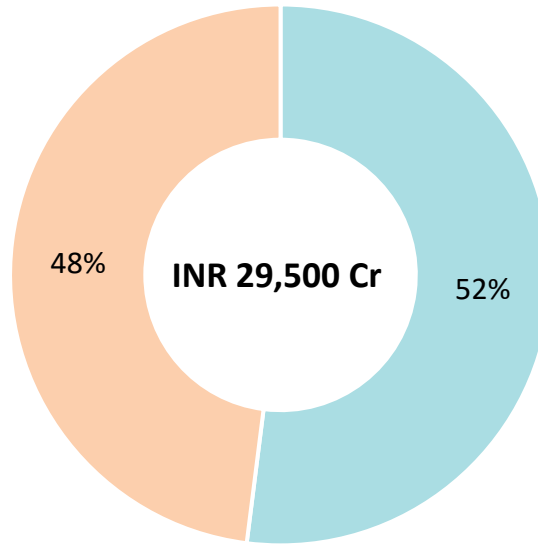


AUM – Strategy wise



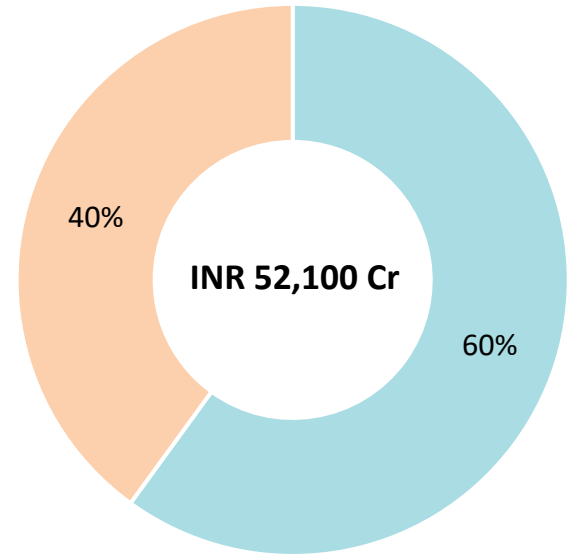
■ Credit   ■ Real Assets

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 (INR Cr)**

1,23,000



**Equity AUM  
(INR Cr)**

40,000



**Net New Money  
(INR Cr)**

5,300



**# Retail Folios**

13.8 lakhs

## Business Update

- AUM grew by 23% YoY to INR 1,23,000 Cr; market share of 2.39% as on Dec 23
- Equity AUM at INR 40,000 Cr, up 47% YoY
- Net inflows of INR 5,300 Cr during the quarter with a market share of 8.1%
  - Net inflows for trailing 12 months at INR 13,500 Cr
- SIP book touched INR 200 Cr mark
- Retail folios at 13.8 lakhs, up 22% YoY
- Multi Cap Fund launched, *garnering highest ever collection of ~INR 1,000 Cr during NFO*



# Mutual Fund: Financial performance snapshot



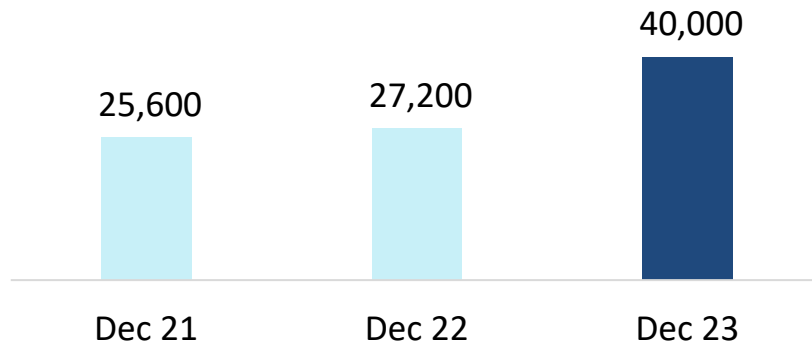
*INR Cr*

	Dec 23	Dec 22
AUM	1,23,000	1,00,000
Equity AUM	40,000	27,200
Equity	234	200
Net Revenue	54	42
Opex	45	36
Profit After Tax	9	6

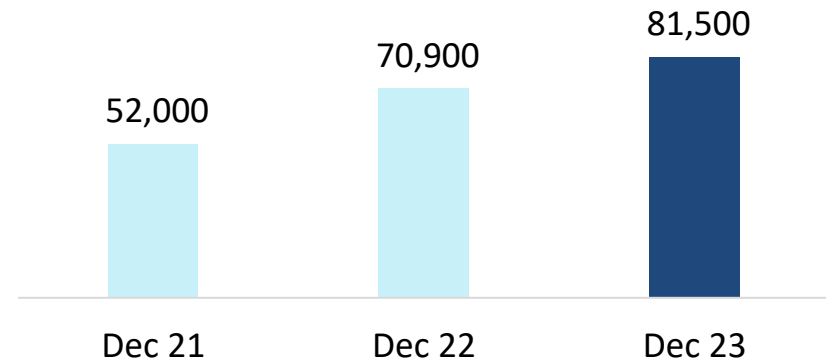
# Consistent growth in AUM and customer base



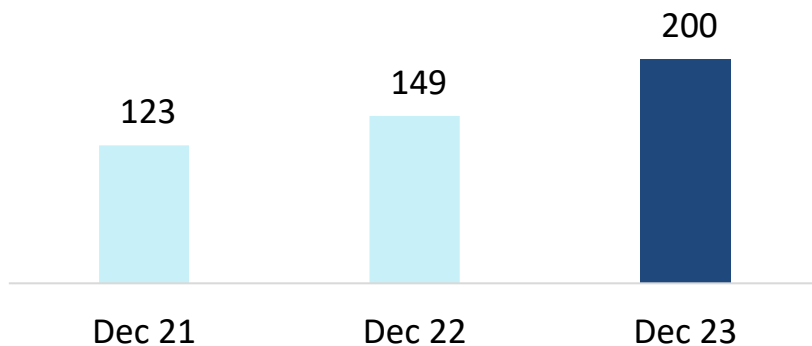
### MF Equity AUM (INR Cr)



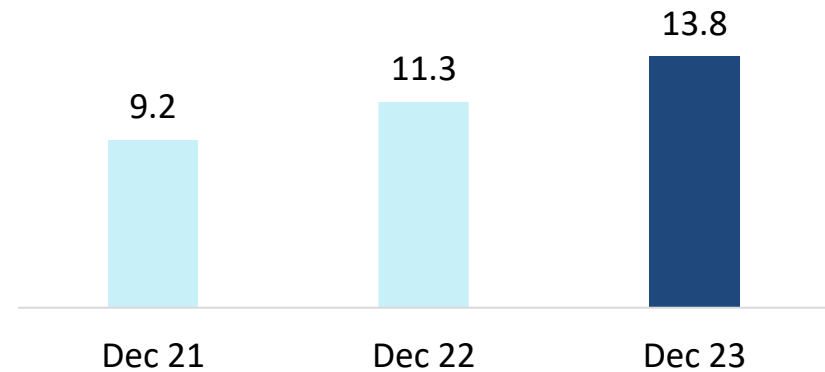
### MF Debt AUM (INR Cr)



### SIP Book (INR Cr)



### Active Folios (# in Lakhs)








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

# Asset Reconstruction: Business performance snapshot



## Key Metrics for the quarter

 <b>Equity (INR Cr)</b>	3,050
 <b>AUM (INR Cr)</b>	37,500
 <b>Capital employed (INR Cr)</b>	4,663
 <b>Recoveries (INR Cr)</b>	2,052
 <b>Net D/E</b>	0.5x
 <b>Capital Adequacy</b>	56.1%

## Business Update

- Recoveries of INR 2,052 Cr for the quarter, of which 11.7% was from retail portfolio
- Acquired debt assets of INR 1,910 Cr 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








INR Cr

	Dec 23	Dec 22
AUM	37,500	36,500
Capital Employed	4,663	5,007
<i>Wholesale assets</i>	<i>3,956</i>	<i>4,305</i>
<i>Retail assets</i>	<i>707</i>	<i>702</i>
Equity	3,050	2,701
Gross Revenue	279	268
Opex	29	29
Profit After Tax	95	86
Edelweiss' share in PAT	57	51

# NBFC: Business performance snapshot



## Key Metrics for the quarter

 <b>Equity (INR Cr)</b>	3,665
 <b>AUM (INR Cr)</b>	6,950
 <b>Capital Adequacy</b>	39.8%
 <b>Net D/E</b>	1.3x
 <b>Liquidity (INR Cr)</b>	1,644

## Business Update

- Improved traction in co-lending disbursement with Central Bank of India, IDFC First Bank and Standard Chartered Bank
  - ~80% of disbursement 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 INR 4,150 Cr; expect momentum to continue

# NBFC: Financial performance snapshot

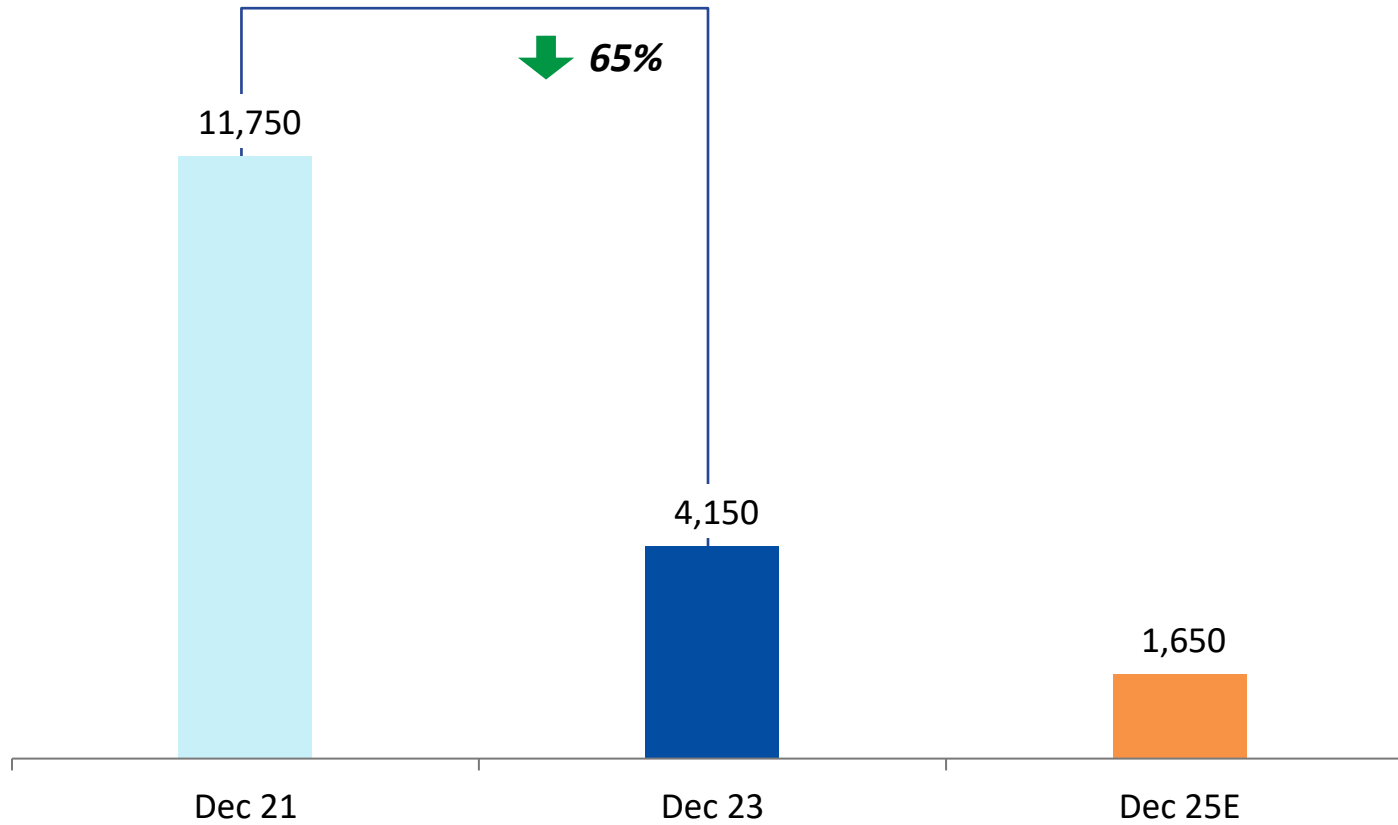


*INR Cr*

	Dec 23	Dec 22
AUM	6,950	10,391
Gross Loan Book	2,307	5,643
Gross Revenue	287	527
Net Revenue	71	260
Opex	79	117
Credit Cost	(53)	96
Profit After Tax	35	36
GNPA	2.69%	2.97%
NNPA	1.68%	1.91%

# Wholesale reduction on track

ECLF wholesale loan assets (INR Cr)








*Expect momentum to continue with planned reduction*

# Housing Finance: Business performance snapshot



## Key Metrics for the quarter

 <b>Equity (INR Cr)</b>	805
 <b>AUM (INR Cr)</b>	3,810
 <b>Capital Adequacy</b>	34.8%
 <b>Net D/E</b>	1.7x
 <b>Liquidity (INR Cr)</b>	357

## Business Update

- Disbursed INR 300 Cr 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




*INR Cr*


	Dec 23	Dec 22
AUM	3,810	4,159
Gross Loan Book	2,954	3,063
Gross Revenue	114	111
Net Revenue	40	37
Opex	34	31
Credit Cost	2	3
Profit After Tax	3	4
GNPA	2.24%	2.45%
NNPA	1.61%	1.92%

# General Insurance: Business performance snapshot



## Key Metrics for the quarter

 **Equity (INR Cr)** 216

 **GWP (INR Cr)** 254

 **#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









INR Cr

	Dec 23	Dec 22
Net Premium Income	99	80
Investment Income & Other Income	57	24
<b>Total Income</b>	<b>156</b>	<b>104</b>
Policy benefits & insurance policy liability	80	65
Other expenses	99	64
<b>Profit After Tax</b>	<b>(23)</b>	<b>(25)</b>

# Life Insurance: Business performance snapshot

## Key Metrics for the quarter

	<b>Equity (INR Cr)</b>	556
	<b>Individual APE (INR Cr)</b>	112
	<b>#Policies Issued</b>	12,888
	<b>AUM (INR Cr)</b>	7,535
	<b>Solvency Ratio</b>	187%
	<b>13m Persistency</b>	77%

## Business Update

- Gross premium of INR 422 Cr, up 12% YoY
- AUM at INR 7,535 Cr, 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



INR Cr

	Dec 23	Dec 22
Net Premium Income	412	368
Investment Income & Other Income	297	161
<b>Total Income</b>	<b>708</b>	<b>529</b>
Policy benefits & insurance policy liability	559	414
Other expenses	200	168
<b>Profit After Tax</b>	<b>(51)</b>	<b>(53)</b>
Edelweiss' share in PAT	(38)	(40)



## Governance & Corporate Responsibility

# 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*

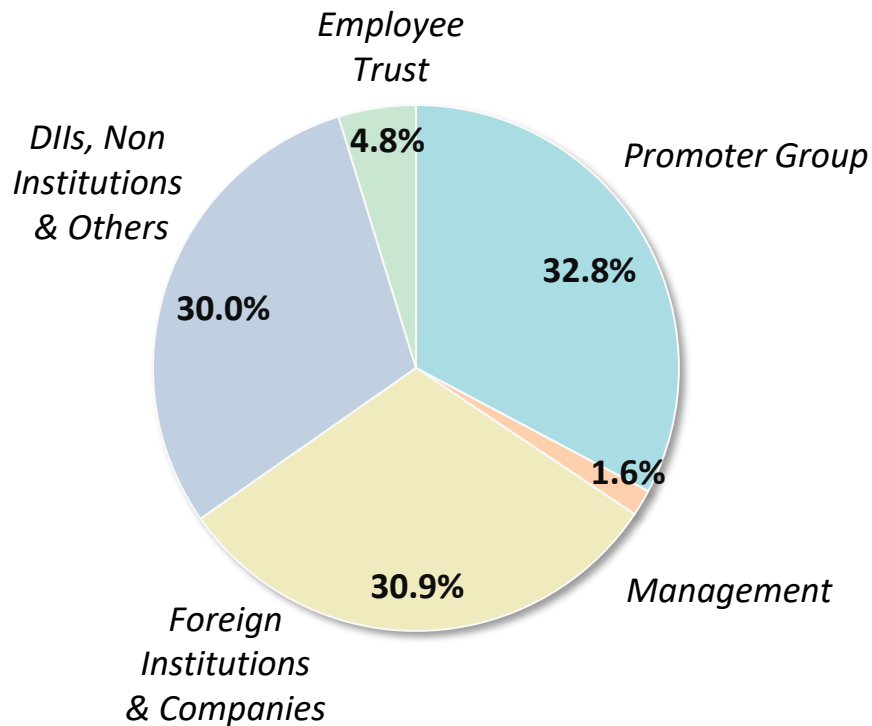
- Served as Deputy Managing Director at State Bank of India
- Former Managing Director of State Bank of Bikaner & Jaipur (now merged with the State Bank of India)
- Served as representative of Associate Banks on the Managing Committee of Indian Banks' Association.
- Received the 'Business Leadership 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 **~INR 881 Cr** 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



INR 18.9 Cr  
Committed

(inclusive of ~INR 16.3 Cr  
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

INR 5.27 Cr committed up to Q3

8 NGOs supported

### Sustainable Livelihoods

2.48 lakh Individuals trained

1,832 watershed structures  
repaired/built

INR 9.35 Cr committed up to Q3

7 NGOs supported

### Women Empowerment

2.44 lakh women supported

20,715 grassroots leaders

7,880 Survivors Rehabilitated

INR 3.55 Cr committed up to Q3

11 NGOs supported

- **GROW Fund:** INR 100 Cr 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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For more information, please visit [www.edelweissfin.com](http://www.edelweissfin.com)



Slide 4:	Net worth includes MI, investment in CCD by CDPQ of INR 347 Cr, 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 INR 347 Cr
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