

EW/Sec/2024-25/154

August 2, 2024

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 US Dollars) of the Company for the first quarter ended June 30, 2024.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above

US \$ version



Edelweiss Financial Services Limited

Earnings update – Quarter ended Jun 24



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Overview and Performance Highlights

Quarter ended Jun 24

Edelweiss at a glance – quarter ended Jun 24



Net Worth

\$725 Mn

Ex-Insurance PAT

\$13 Mn

Net Debt

\$1,523 Mn

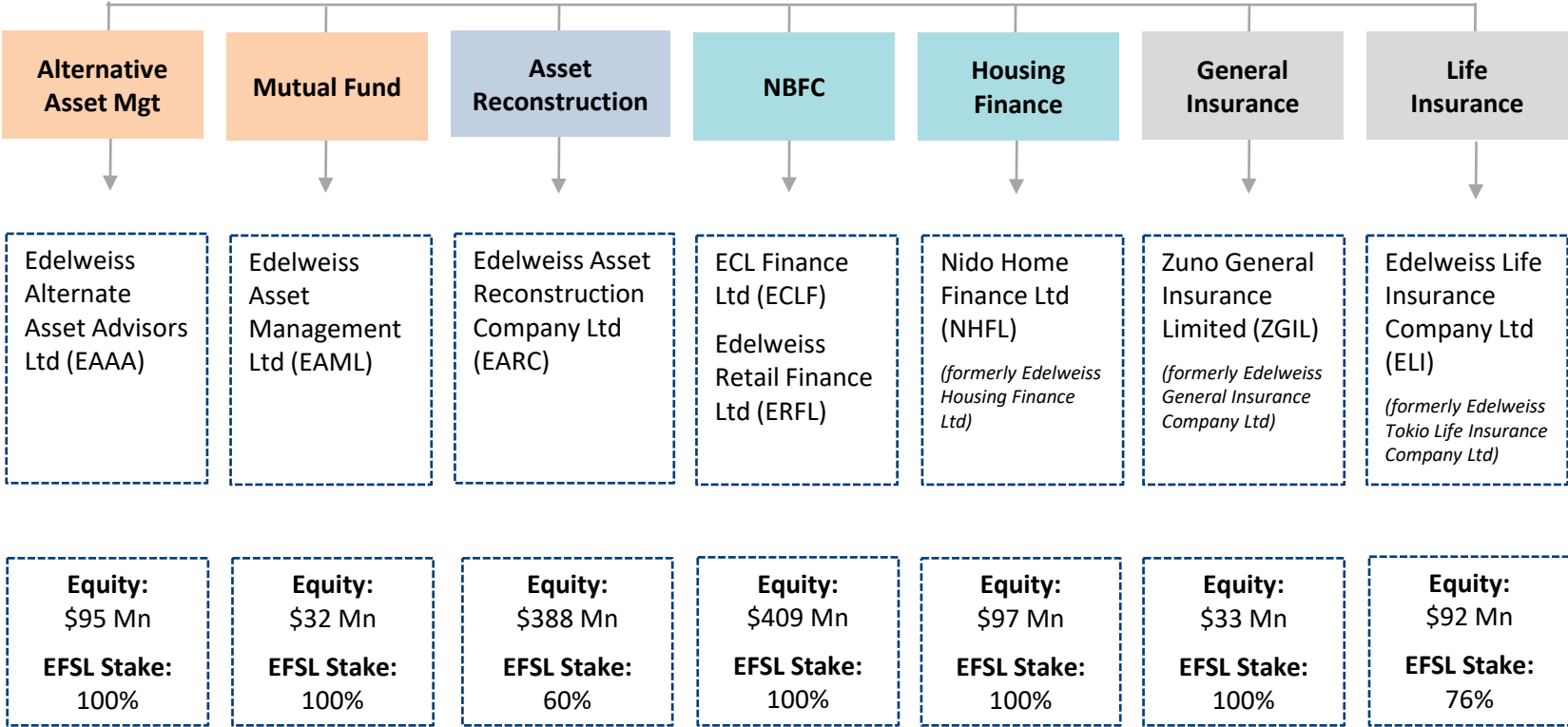
BVPS

\$0.6
(FV \$0.1)

Diversified with seven high-quality businesses



Edelweiss Financial Services Ltd (EFSL)



Performance highlights – quarter ended Jun 24



1 Healthy profitability with steady growth in key business metrics

Alternative AM FPAUM up 32% YoY to \$3,876 Mn; AUM up 17% YoY to \$6,752 Mn

MF Equity AUM up 71% YoY to \$6,291 Mn; AUM up 24% YoY to \$16,297 Mn

GI Gross Written Premium up 56% YoY to \$28 Mn, one of the fastest growing in the industry

2 Customer reach expanded by 38% YoY to 8.2 Mn; assets grew by 13% YoY to \$27 Bn

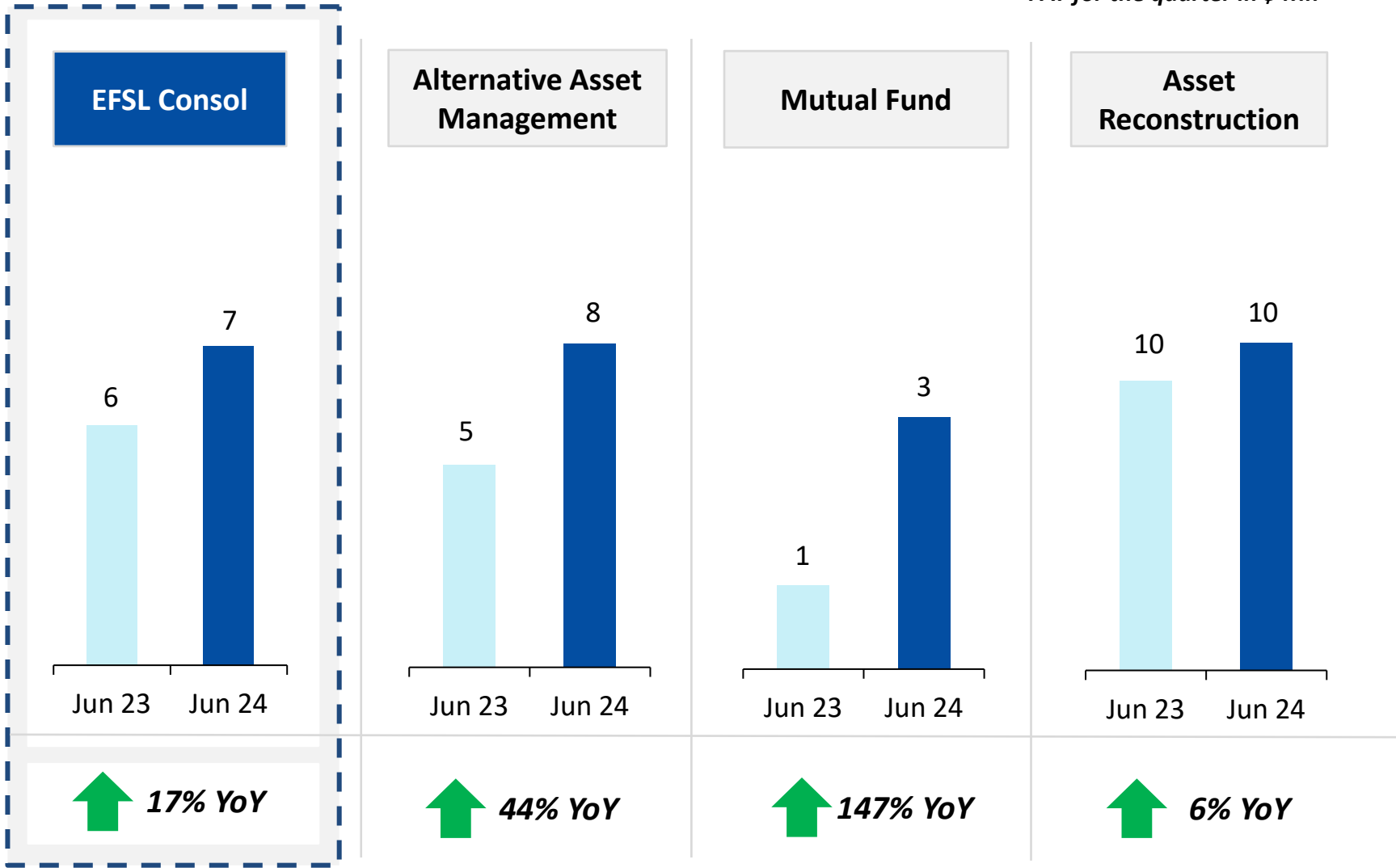
3 Robust Balance sheet with well capitalised businesses

Reduced net debt by \$320 Mn YoY

1 Healthy profitability: Ex-Insurance PAT at \$13 Mn



PAT for the quarter in \$ Mn



1 Earnings distribution across businesses



Business	Quarter Ended	
	Jun 24	Jun 23
Alternative Asset Management	8	5
Mutual Fund	3	1
Asset Reconstruction	10	10
NBFC	3	4
Housing Finance	0	0
General Insurance	(1)	(5)
Life Insurance	(6)	(3)
Corporate	(7)	(4)
EFSL Consolidated PAT (Pre MI)	10	9
<i>(Less) Minority shareholders' PAT</i>	<i>3</i>	<i>3</i>
EFSL Consolidated PAT (Post MI)	7	6
EFSL Ex-Insurance PAT (Post MI)	13	13

\$ Mn



1 Steady growth in key business metrics (1/3)

Alternative Asset Management



AUM at \$6,752 Mn, up 17% YoY; FPAUM at \$3,876 Mn, up 32% YoY



Real Assets strategy acquired assets of around \$960 Mn of value

Mutual Fund



AUM at \$16,297 Mn, up 24% YoY; Equity AUM at \$6,291 Mn, up 71% YoY



Equity net inflows of \$252 Mn, up 5x YoY

Asset Reconstruction



Recovered \$160 Mn, of which 18% was from retail portfolio



Share of retail assets in capital employed stood at 14%

1 Steady growth in key business metrics (2/3)



NBFC



Disbursed \$24 Mn of retail loans, up 24% YoY; 80% via CLM



Wholesale book reduced by 37% YoY to \$473 Mn

Housing Finance



Disbursed \$38 Mn, up 80% YoY; 25% via CLM



Partnership with State Bank of India continues to deepen

1 Steady growth in key business metrics (3/3)



General Insurance



Gross Written Premium up 56% YoY to \$28 Mn, one of the fastest growing in the industry



Issued 1.2 lakh policies, up 73% YoY

Life Insurance

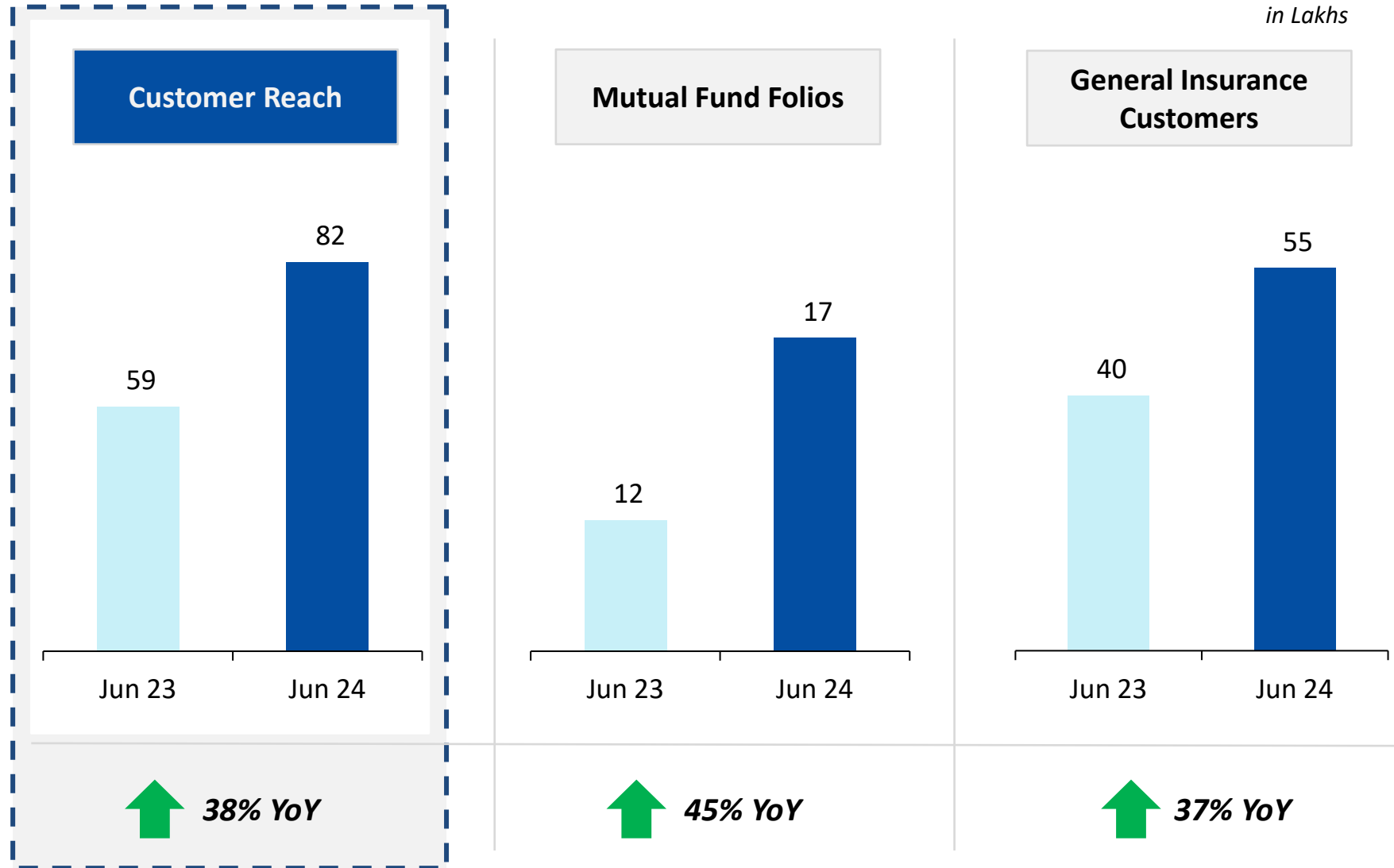


Gross Premium of \$33 Mn, up 10% YoY

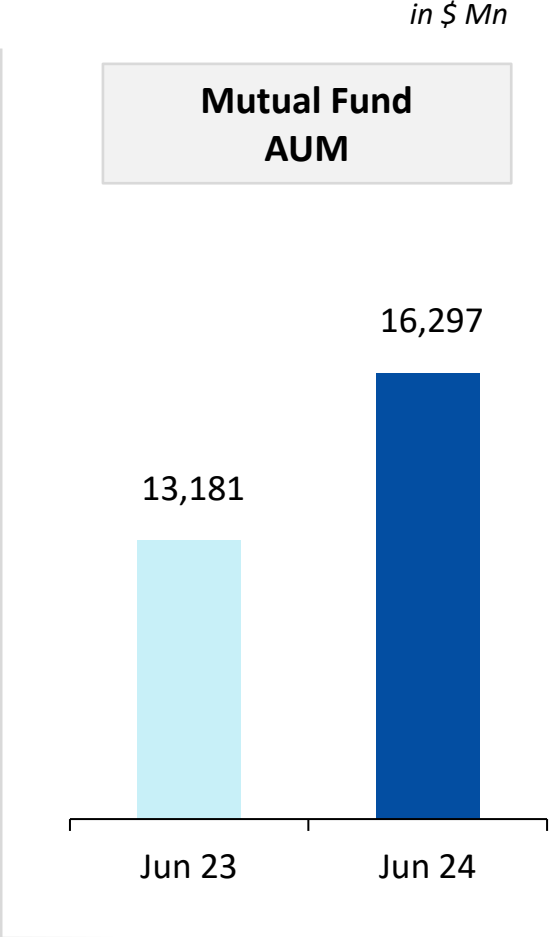
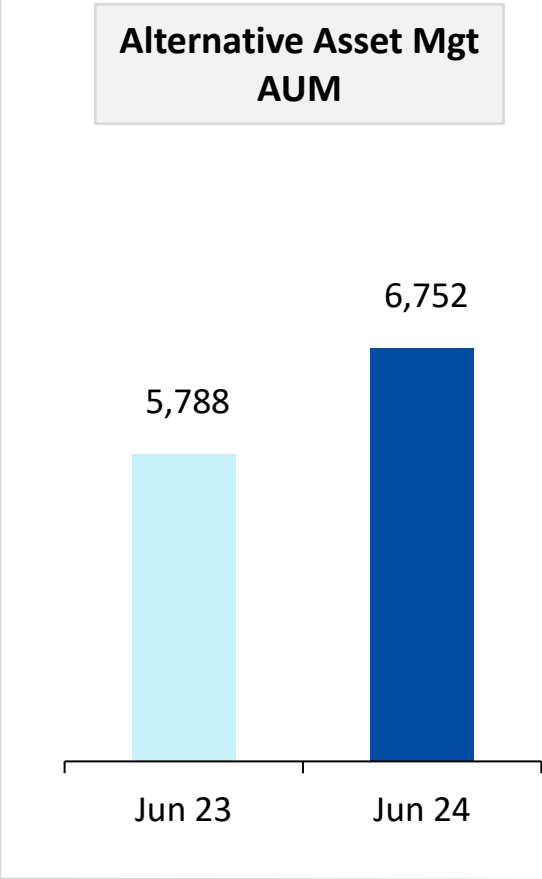
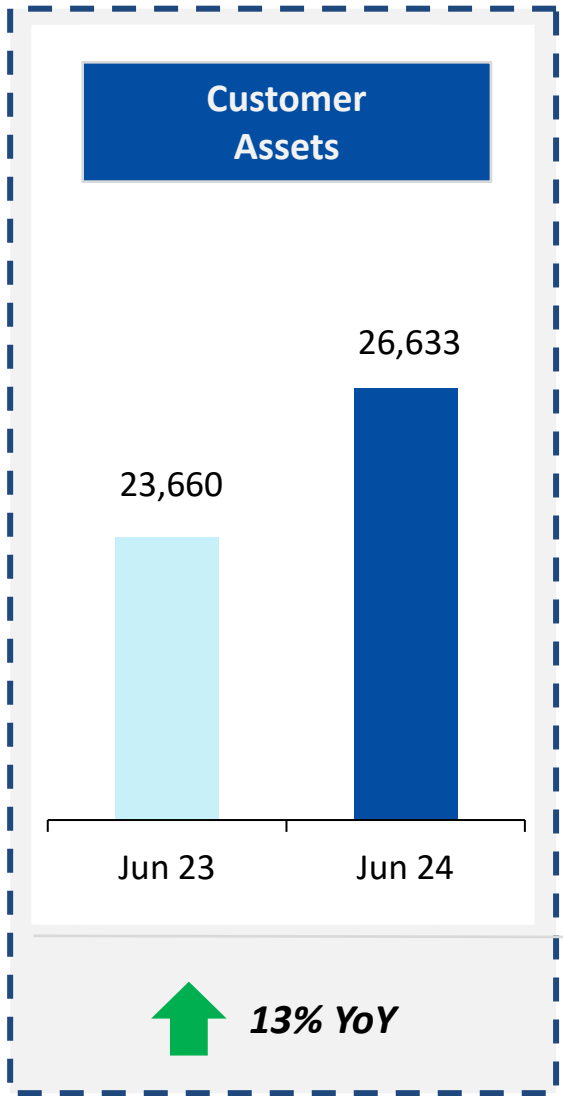


AUM at \$1,000 Mn, up 21% YoY

2 Customer reach expanded by 38% YoY



2 With a 13% YoY growth in customer assets

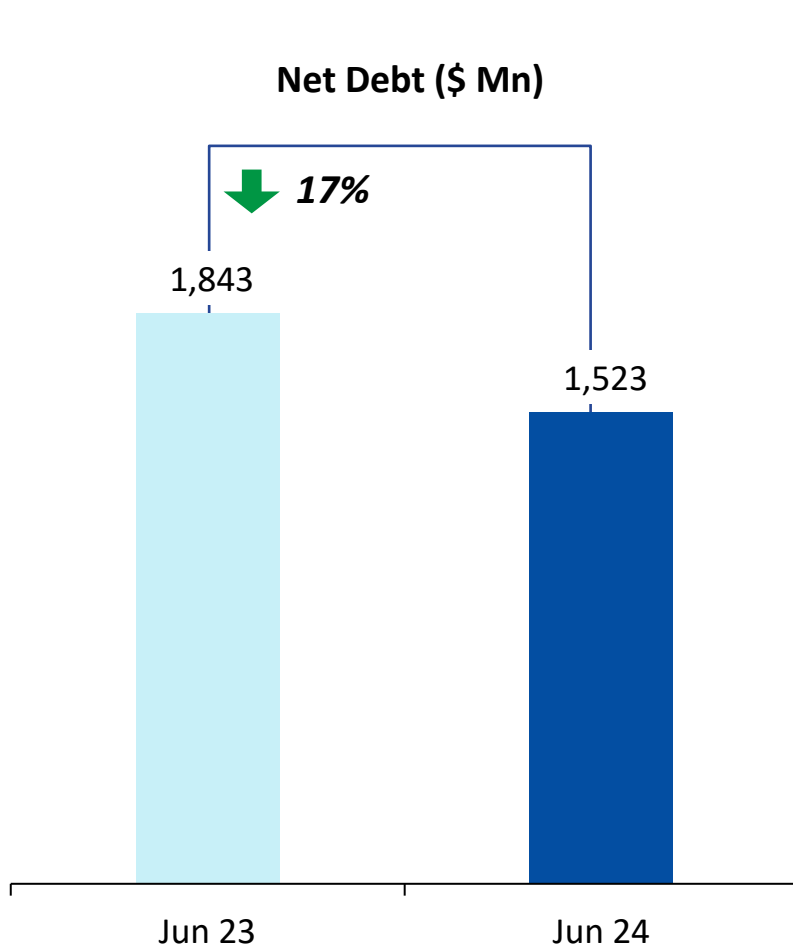


3 Robust balance sheet with well capitalised businesses



Business	Metric	Value
NBFC	Capital Adequacy	43.4%
Housing Finance	Capital Adequacy	36.0%
Asset Reconstruction	Capital Adequacy	64.2%
General Insurance	Solvency Ratio	169%
Life Insurance	Solvency Ratio	170%

3 Net debt reduced by \$320 Mn YoY



Business	Jun 24
NBFC	565
Housing Finance	210
Alternative Asset Management	50
Asset Reconstruction	222
Corporate	1,092
Gross Debt	2,140
<i>(Less) Liquidity</i>	250
<i>(Less) Liquid Investment*</i>	366
Net Debt	1,523

* Liquid Investment pertains to ~14% stake in Nuvama as on 31st July 2024

3 Cash flow plan



	<i>\$ Mn</i>
	Jul 24 to Jun 25
Opening Available Liquidity (A)	252
Inflows	
Expected Inflows	1,007
Fresh Borrowings	216
Total Inflows (B)	1,222
Outflows	
Repayments	767
Disbursements	383
Total Outflows (C)	1,150
Closing Available Liquidity (A+B-C)	324

3 Assets in each tenor range adequately cover liabilities



\$ Mn

	Assets	Liabilities	Excess / (Gap)
Up to 1 year	1,486	1,330	156
1-3 years	1,234	1,210	24
3 years+	1,186	635	551



Key Focus Areas

We continue to be focused on....



1 Value creation in underlying businesses

2 Reduction in net debt

3 Unbundling and Value Unlock

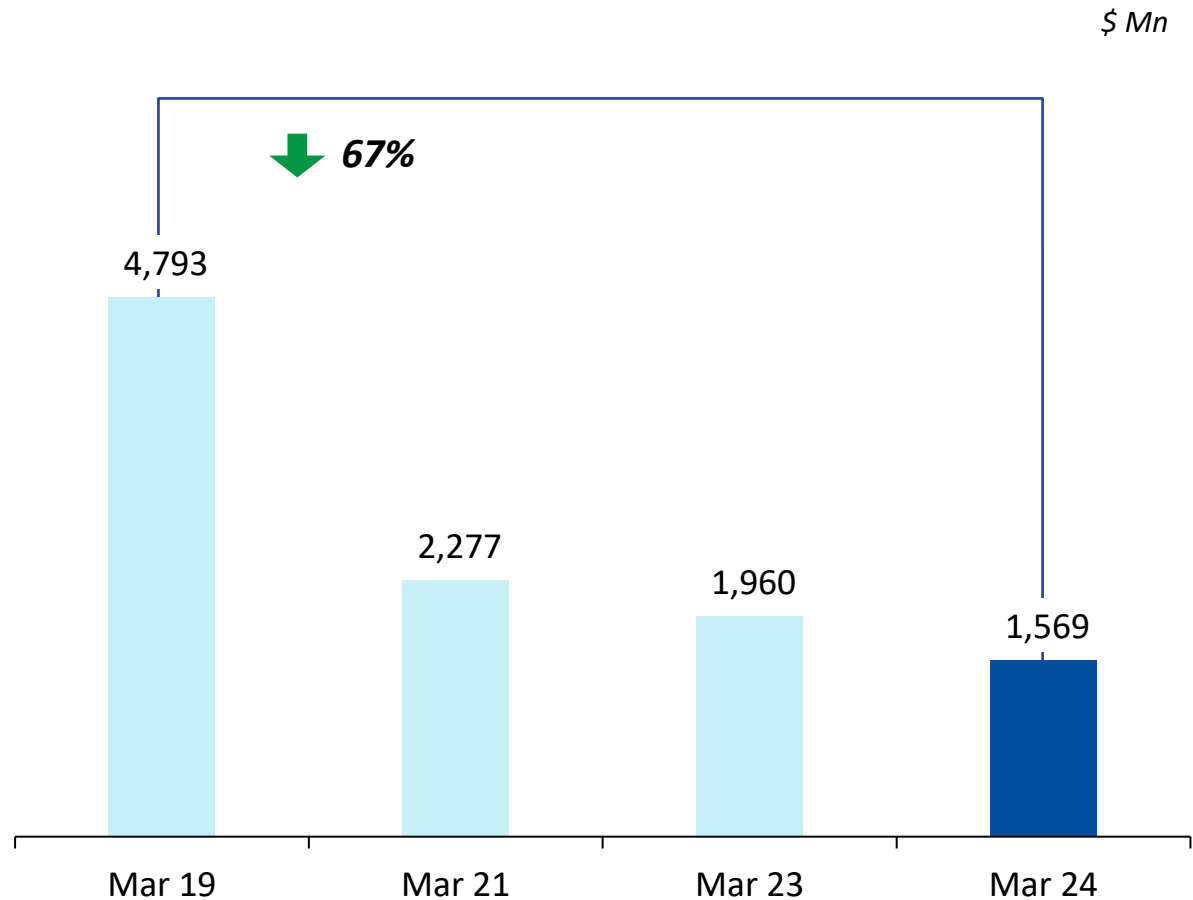
1 Value creation in underlying businesses



\$ Mn

Business	Metrics	FY20	FY24	Growth
Alternative Asset Mgt.	AUM	2,600	6,555	2.5x
	FPAUM	1,318	3,858	2.9x
Mutual Fund	AUM	3,355	15,218	4.5x
	Equity AUM	779	5,236	6.7x
Asset Reconstruction	Cum. Recoveries	2,708	6,219	-
General Insurance	GWP	19	102	5.3x
	AUM	37	134	3.6x
Life Insurance	Gross Premium	126	231	1.8x
	AUM	324	957	3.0x

2 Reduction in net debt



Reduced by ~\$3,225 Mn in last 5 years



3 Unbundling and Value Unlock

Unbundling – Seven high quality, self-sufficient businesses with strong independent boards

Businesses have independent management teams and robust operating platforms

Value Unlock

Unlocked value for shareholders in Nuvama last year – a win-win-win for all stakeholders

- **For Nuvama** - Deal led to primary capital infusion and paved the way for listing
- **For Shareholders of Edelweiss** - 30% of EFSL holdings allotted, providing direct opportunity to participate in Nuvama's growth journey
- **For Edelweiss** - Provided capital to reduce debt and further invest and scale up its businesses

We are exploring the next value unlock, will update in the next quarter



Important Updates

- 1. Regulatory Update*
- 2. EAAA Value Unlock*

1 Regulatory Update



Two of our underlying subsidiaries, EARC and ECLF, received orders from RBI on 29th May

Respective boards and management teams are working to address the issues raised by the regulator

EFSL is keeping an oversight on the developments and will provide regular updates

1 EARC – RBI Order



Order

Restriction on acquisition of financial assets including SRs and reorganisation of existing SRs into senior and subordinate tranches

Current Status

- Remedial plan submitted with implementation timelines
- EARC board closely monitoring the execution plan
- Recoveries continue as per plan; around \$4,800 Mn recovered in last 5 years
- Fresh asset acquisition is on hold

EARC is committed to....

Strengthen policies and processes

Augment assurance functions

Enhance board supervision

Maintain business operations with minimal client impact

1 ECLF – RBI Order



Order

Restriction on undertaking any structured transactions in wholesale exposures

Current Status

- Remedial plan submitted with implementation timelines
- ECLF board closely monitoring the execution plan
- Wholesale business was discontinued, effective 1st Jan 2024
- Wholesale book reduced by 60% in last 2 years; reduction will continue in the normal course of business
- Retail disbursement ongoing

ECLF is committed to....

Strengthen policies and processes

Enhance assurance functions

Improve oversight



2 EAAA value unlock

- Process initiated upon significant inbound investor interest
- Plan a stake sale of 10-20%; expect to raise \$180-240 Mn
- The stake sale will enable debt reduction and establish the market value of the business

Process Update

- Finalization of investment banker and information memorandum
- Signing NDAs, data exchange and management meetings
- Data review and sharing of non-binding terms by investors



Ongoing

Ongoing

**Given market buoyancy and positive feedback received, EAAA may also explore IPO/listing—
more update in next quarter**



Business Performance

Alternative Asset Mgt: Business performance snapshot



Key Metrics for the quarter



AUM (\$ Mn)

6,752



Fee Paying AUM (\$ Mn)

3,876



Deployments (\$ Mn)

347



Realisation (\$ Mn)

180

Business Update

- AUM grew by 17% YoY to \$6,752 Mn
- Fee Paying AUM at \$3,876 Mn, up 32% YoY
- Real Assets strategy acquired assets of around \$960 Mn of value
 - Acquisition comprised of eight roads, one power transmission and one commercial office
- Highly diversified client base with 3,500+ clients

Alternative Asset Mgt: Financial performance snapshot



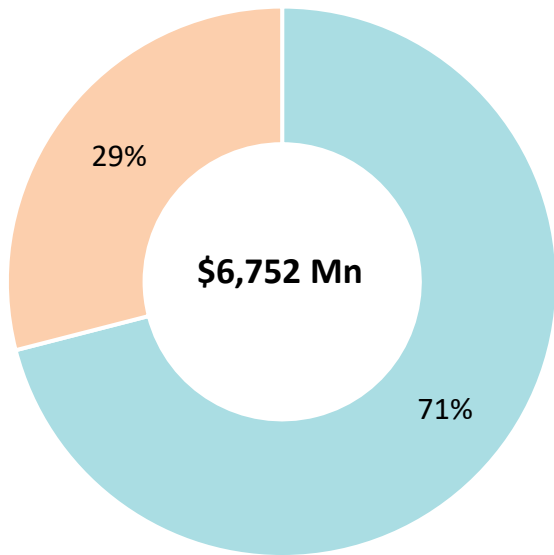
\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
AUM	6,752	5,788
Fee Paying AUM	3,876	2,948
Equity	95	71
Net Revenue	21	15
Opex	11	9
Profit After Tax	8	5

Alternative assets overview

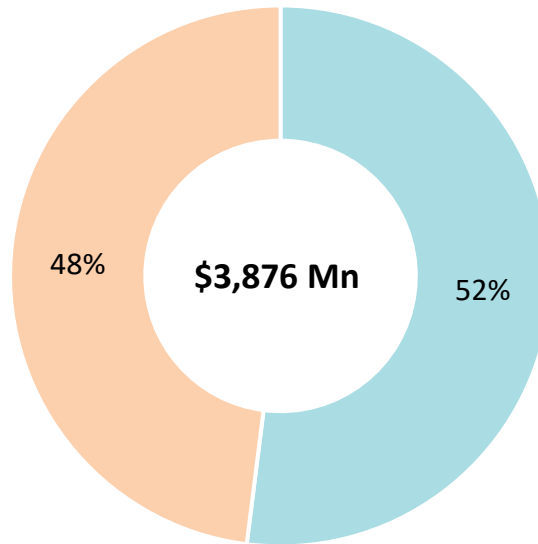


AUM – Strategy wise



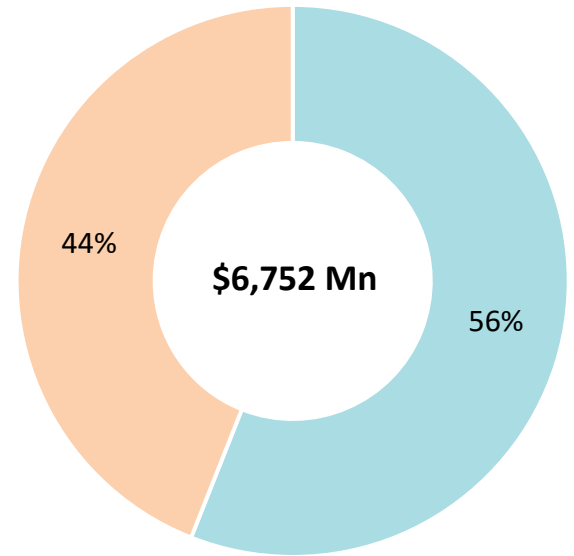
■ Credit ■ Real Assets

Fee Paying AUM – Strategy wise



■ Credit ■ Real Assets

AUM – Geography wise



■ Offshore ■ Domestic

Mutual Fund: Business performance snapshot



Key Metrics for the quarter



AUM (\$ Mn)

16,297



**Equity AUM
(\$ Mn)**

6,291



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

623



Retail Folios

17 lakhs

Business Update

- AUM grew by 24% YoY to \$16,297 Mn; market share of 2.23% as on Jun 24
- Equity AUM at \$6,291 Mn, up 71% YoY
- Total net inflows of \$623 Mn in the quarter
 - \$1,678 Mn in trailing 12 months
- SIP book grew by 64% YoY to \$31 Mn
- Retail folios at 17 lakhs, up 45% YoY

Mutual Fund: Financial performance snapshot



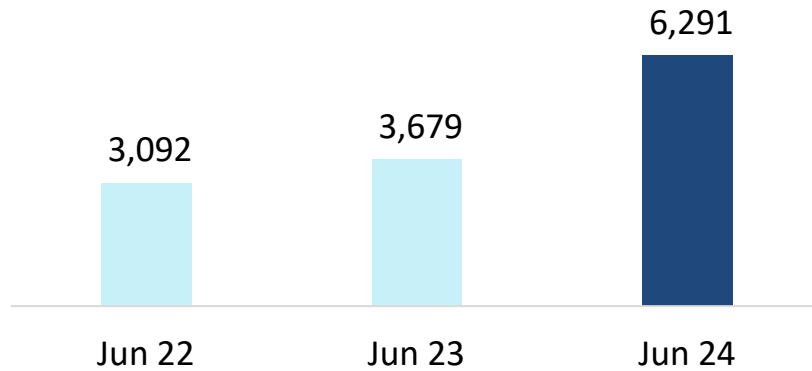
\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
AUM	16,297	13,181
Equity AUM	6,291	3,679
Equity	32	25
Revenue	9	6
Opex	5	5
Profit After Tax	3	1

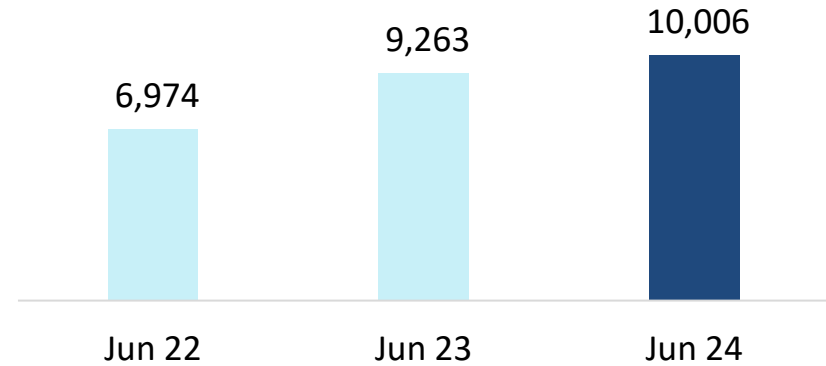
Robust growth in AUM and customer base



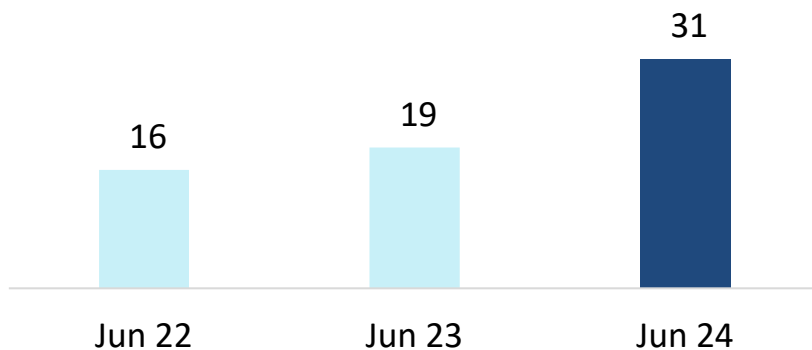
MF Equity AUM (\$ Mn)



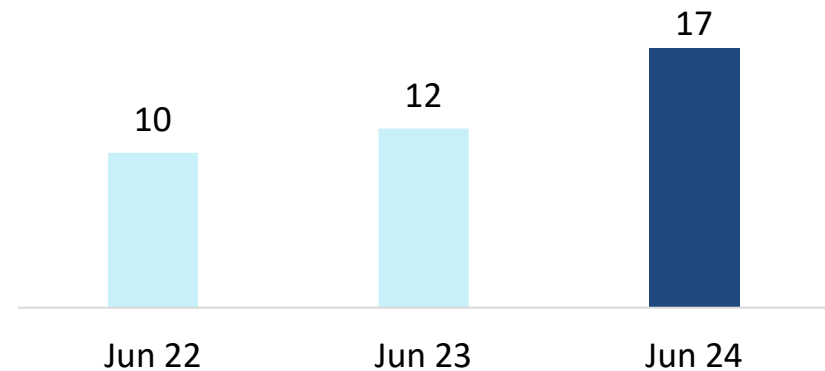
MF Debt AUM (\$ Mn)



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

 Equity (\$ Mn)	388
 AUM (\$ Mn)	3,583
 Capital employed (\$ Mn)	518
 Recoveries (\$ Mn)	160
 Net D/E	0.4x
 Capital Adequacy	64.2%

Business Update

- Recovered \$160 Mn, of which 18% was from retail portfolio
- Share of retail assets in capital employed stood at 14%
- Well matched ALM across all durations

Asset Reconstruction: Financial performance snapshot








\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
AUM	3,583	4,691
Capital Employed	518	568
<i>Wholesale assets</i>	<i>444</i>	<i>482</i>
<i>Retail assets</i>	<i>73</i>	<i>86</i>
Equity	388	345
Gross Revenue	26	28
Opex	3	3
Profit After Tax	10	10
Edelweiss' share in PAT	6	6

NBFC: Business performance snapshot



Key Metrics for the quarter		Business Update
 Equity (\$ Mn)	409	<ul style="list-style-type: none"> • Partnership with Central Bank of India, IDFC First Bank and Standard Chartered Bank continues to deepen • Disbursed \$24 Mn of retail loans, up 24% YoY; 80% under co-lending model • Portfolio continues to strengthen – <ul style="list-style-type: none"> ○ GNPA at 2.06%, improved 74 bps YoY ○ Collection Efficiency at 95.4% • Wholesale book reduced by 37% YoY to \$473 Mn
 AUM (\$ Mn)	779	
 Capital Adequacy	43.4%	
 Net D/E	1.2x	
 Liquidity (\$ Mn)	84	

NBFC: Financial performance snapshot

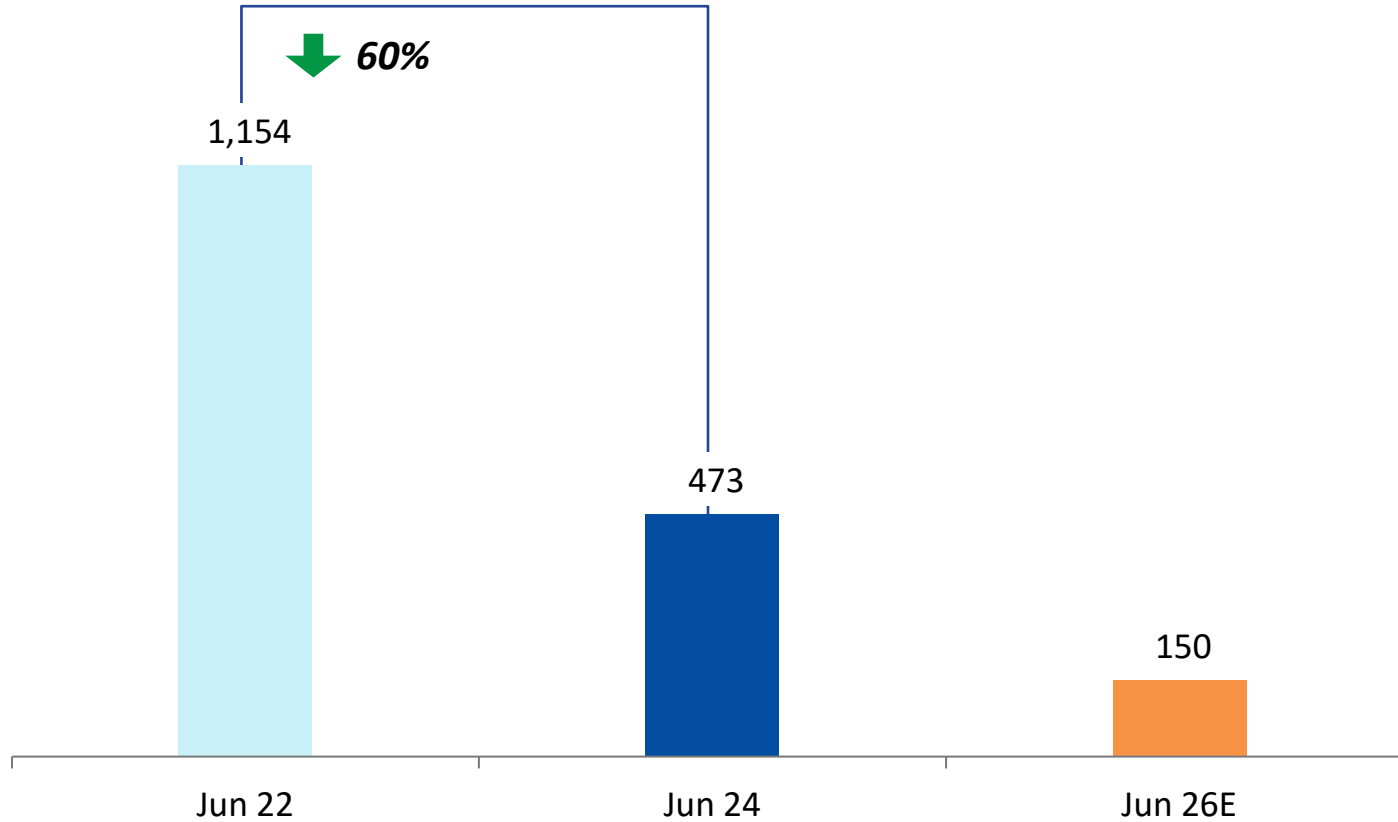


\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
AUM	779	893
Gross Loan Book	246	422
Gross Revenue	21	45
Net Revenue	(2)	14
Opex	11	8
Credit Cost	(18)	(0)
Profit After Tax	3	4
GNPA	2.06%	2.80%
NNPA	0.95%	1.77%

Wholesale reduction on track

ECLF wholesale loan assets (\$ Mn)



Reduction will continue in the normal course of business

Housing Finance: Business performance snapshot



Key Metrics for the quarter

 Equity (\$ Mn)	97
 AUM (\$ Mn)	486
 Capital Adequacy	36.0%
 Net D/E	1.9x
 Liquidity (\$ Mn)	29

Business Update

- Partnership with State Bank of India continues to deepen with ongoing disbursements
- Disbursed \$38 Mn, up 80% YoY; 25% under co-lending model
- Asset quality continues to be healthy –
 - GNPA at 2.09%
 - Collection efficiency at 97.8%

Housing Finance: Financial performance snapshot




\$ Mn


	Quarter ended Jun 24	Quarter ended Jun 23
AUM	486	479
Gross Loan Book	387	357
Gross Revenue	15	13
Net Revenue	5	4
Opex	5	4
Credit Cost	0	(0)
Profit After Tax	0	0
GNPA	2.09%	1.93%
NNPA	1.48%	1.47%


General Insurance: Business performance snapshot



Key Metrics for the quarter

 **Equity (\$ Mn)** 33

 **GWP (\$ Mn)** 28

 **#Policies Issued** 1,19,060

 **Solvency Ratio** 169%

Business Update

- One of the fastest growing player with gross direct premium income (GDPI) growth of 56% YoY
- Gross written premium (GWP) of \$28 Mn, up 56% YoY
- Motor segment GDPI grew 81% YoY against industry growth of 12%
- Awarded “Best Product Innovation” for EV Add-on cover and “Innovative Product” for Health Plus at National Awards for Excellence in BFSI

General Insurance: Financial performance snapshot









\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
Gross Written Premium	28	18
Net Premium Income	17	11
Investment Income & Other Income	8	5
Total Income	24	16
Policy benefits & insurance policy liability	14	9
Other expenses	12	11
Profit After Tax	(1)	(5)

Life Insurance: Business performance snapshot

Key Metrics for the quarter

	Equity (\$ Mn)	92
	Individual APE (\$ Mn)	9
	#Policies Issued	8,569
	AUM (\$ Mn)	1,000
	Solvency Ratio	170%
	13m Persistency	79%

Business Update

- Gross premium of \$33 Mn, up 10% YoY
- AUM at \$1,000 Mn, up 21% YoY
- Traditional Par and Non-Par products constitute 74% of product mix
- Improvement in 13m persistency YoY to 79% from 76%
- Claim Settlement Ratio of 90.4%
- Edelweiss Tokio Life Insurance is now **Edelweiss Life Insurance**

Life Insurance: Financial performance snapshot



\$ Mn

	Quarter ended Jun 24	Quarter ended Jun 23
Gross Premium	33	30
Net Premium Income	32	29
Investment Income & Other Income	46	39
Total Income	77	68
Policy benefits & insurance policy liability	63	54
Other expenses	20	17
Profit After Tax	(6)	(3)
Edelweiss' share in PAT	(5)	(2)



Governance & Corporate Responsibility

7 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. 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



Mr. Balagopal Chandrasekhar

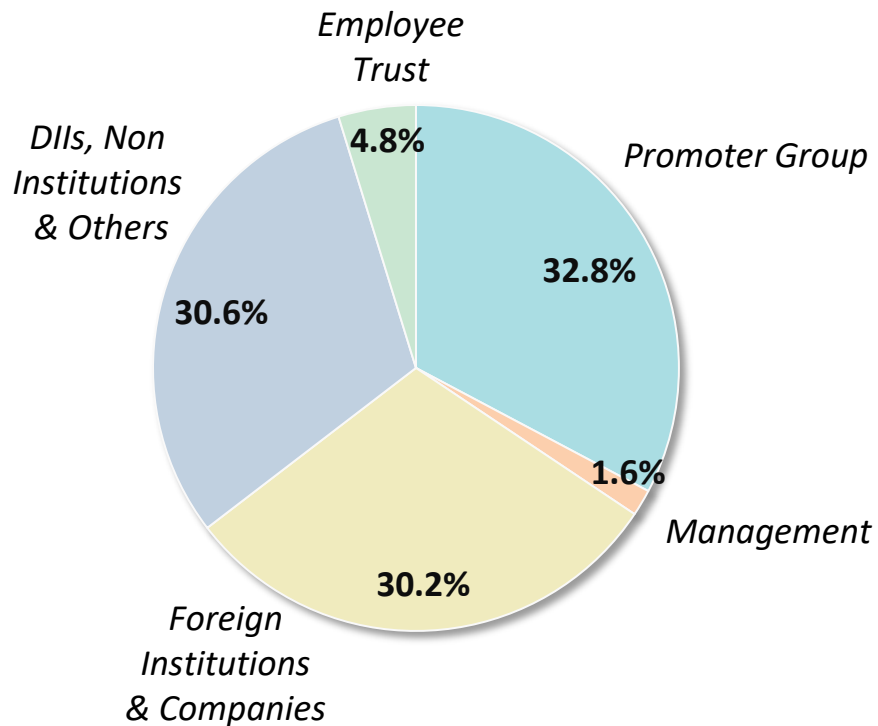
Independent Director

- Ex-IAS officer and former Chairman of Federal Bank Limited
- Founded Penpol Pvt. Ltd., currently one of the largest hi-tech bio-medical devices manufacturer
- Serves as Member of the Governing Council of the Centre for Management Development, Trivandrum

Significant institutional ownership



Shareholding Pattern as on Jun 30, 2024



Key Shareholders		Percent
1	TIAA CREF Funds	7.2%
2	CLSA Global Markets	5.8%
3	LIC	2.6%
4	Vanguard Group	2.4%
5	1729 Capital & Advisors	1.8%
6	Flowering Tree Investment Management	1.7%
7	BIH SA	1.5%
8	Blackrock	1.2%
9	Pabrai Investment Funds	1.2%
10	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...



\$163 Mn mobilized through commitments



Partnered with over **277** 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



80 Districts
across **13** States



\$5 Mn

Committed

*(\$0.2 Mn cashflow from
Edelweiss CSR contribution)*



23

NGO Partners



6

Co-funded Grants



27

Active Grants

Quality Education

20 lakh children impacted

31,000 schools reached

72,200 teachers trained

\$0.6 Mn committed up to Q1

8 NGOs supported

Sustainable Livelihoods

2.52 lakh Individuals trained

1,911 watershed structures
repaired/built

\$5 Mn committed up to Q1

7 NGOs supported

Women Empowerment

2.53 lakh women supported

25,600 grassroots leaders

11,080 Survivors Rehabilitated

8 NGOs supported

- **GROW Fund:** *\$12 Mn fund for sustainability and financial resilience of grassroots NGOs.*

- Developed The GROW toolkit which will be shared with the NGOs
- Developed Endline assessment report
- Developed the GROW fund Annual report

- **The HUB** – online learning platform which hosts courses for NGOs

- Integrated chatbot as an information-sharing and query-resolution platform
- Developed a success matrix to track progress through The HUB

Trusted partner: EdelGive funding partners & networks



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

Safe Harbour



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Currency conversion: Conversion rate of 1 USD equal to 83.4534 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, Ex-Insurance PAT is post MI
Slide 4,7,8:	Ex-Insurance PAT is post-MI; Business PATs are pre-MI
Slide 4,6,15,21:	Debt includes accrued interest and excludes CBLO and securitisation liabilities
Slide 6,12:	Customer reach includes individuals covered under Group Insurance policies for LI and customer serviced since inception for GI
Slide 6,12,13:	Customer Assets and Customer Reach are rounded off
Slide 6,9,12,13,20,32,33,34:	AUM, MF Equity AUM, net new money, clients, retail folios, are rounded off to nearest 100; Prior period AUM numbers included strategies under Alternative categories . MF Equity AUM includes strategies under Hybrid categories.
Slide 10,39:	Pursuant to the new RBI circular on “Investments in AIF”, Jun 22 ECLF Wholesale Loan Assets figure has been revised to include AIF Investments in addition to gross loan book and SR
Slide 14,37:	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 15,16:	Available Liquidity includes high quality liquid assets
Slide 17:	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 20:	Cumulative recoveries since FY16
Slide 31:	Credit category includes Special Situations, Structured Credit, Real Estate Credit, Core Credit. Real Assets category includes Infrastructure Yield, Rental Yield and InvIT
Slide 35,37,40:	Net D/E is calculated as Net Debt (excluding Available Bank Lines) / Equity. Numbers rounded off to nearest 10
Slide 37,38,40,41:	AUM includes gross loan book, SR investments and assigned book.
Slide 11,44:	AUM includes Shareholders and all Policyholders fund. AUM is calculated in accordance with IGAAP
Slide 44:	13th Month Persistency is on premium basis for Individual (Regular Premium+ Limited Payment Premium). Persistency figures corresponds to policies issued in Jun to May period of the relevant years.
Slide 48:	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information