

US \$ version



Edelweiss Financial Services Limited

Q4FY21 & FY21 Earnings Update



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1	Q4FY21 & FY21 Highlights	3
2	Update on Key Focus Areas and Outlook	12
3	Business Update	21
4	Balance Sheet Highlights	42
5	Governance and Sustainability	46



Q4FY21 & FY21 Highlights



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Edelweiss at a Glance – FY21



Net Worth

\$1,162 Mn

Liquidity

\$925 Mn

Customer Assets

\$38,200 Mn

Book Value

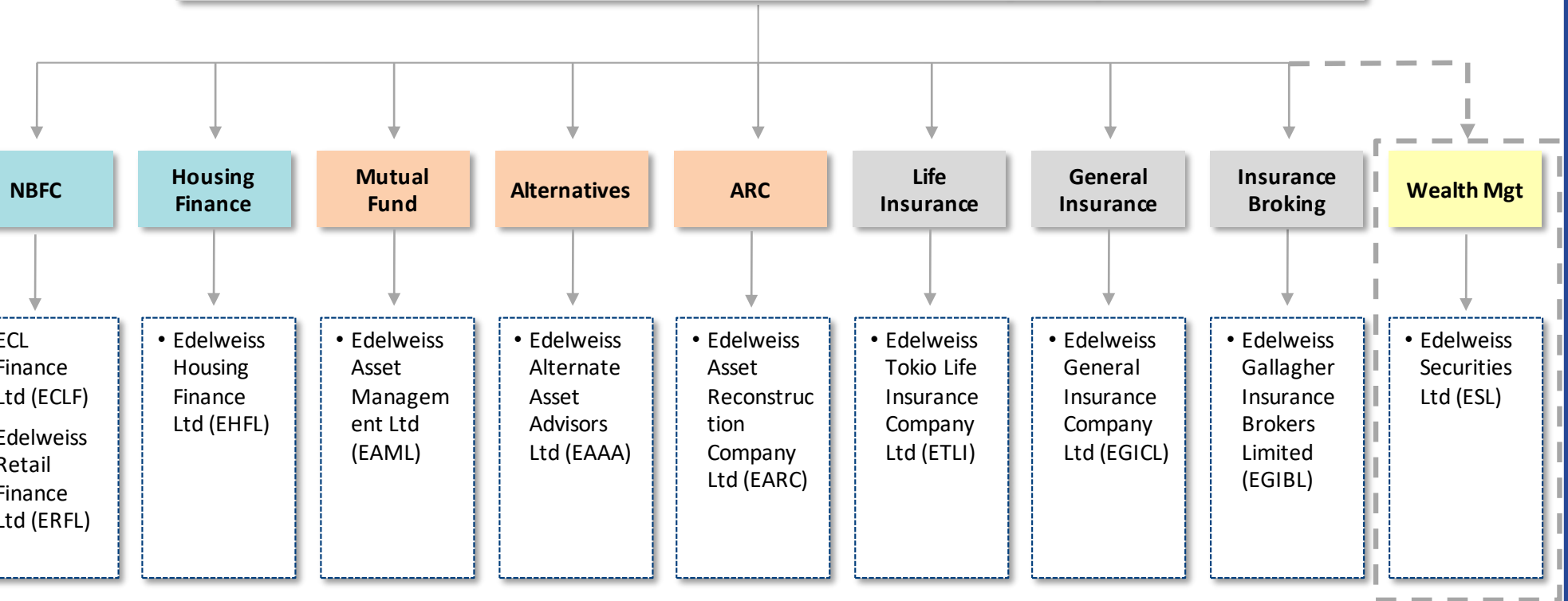
\$1

Face Value \$0.01

We Are A Diversified Company Across Ten Key Entities



Edelweiss Financial Services Ltd (EFSL)



Track record of creating value over 25 years

Well-Capitalised Businesses And Robust Customer Franchise



Businesses	Equity (\$ Mn)	Metric	Value
NBFC	522	Capital Adequacy	27.5%
Housing Finance	104	Capital Adequacy	26.5%
Mutual Fund	22	AUM	~\$7,500 Mn
Alternatives Asset Mgt	21	AUM	~\$4,080 Mn
Asset Reconstruction	302	Capital Adequacy	37.4%
Life Insurance	73	Solvency Ratio	215%
General Insurance	16	Solvency Ratio	209%
Insurance Broking	18	Premium Placed	~\$110 Mn
Wealth Management	213	AUA	~\$21,000 Mn

Distribution of Earnings Across Businesses

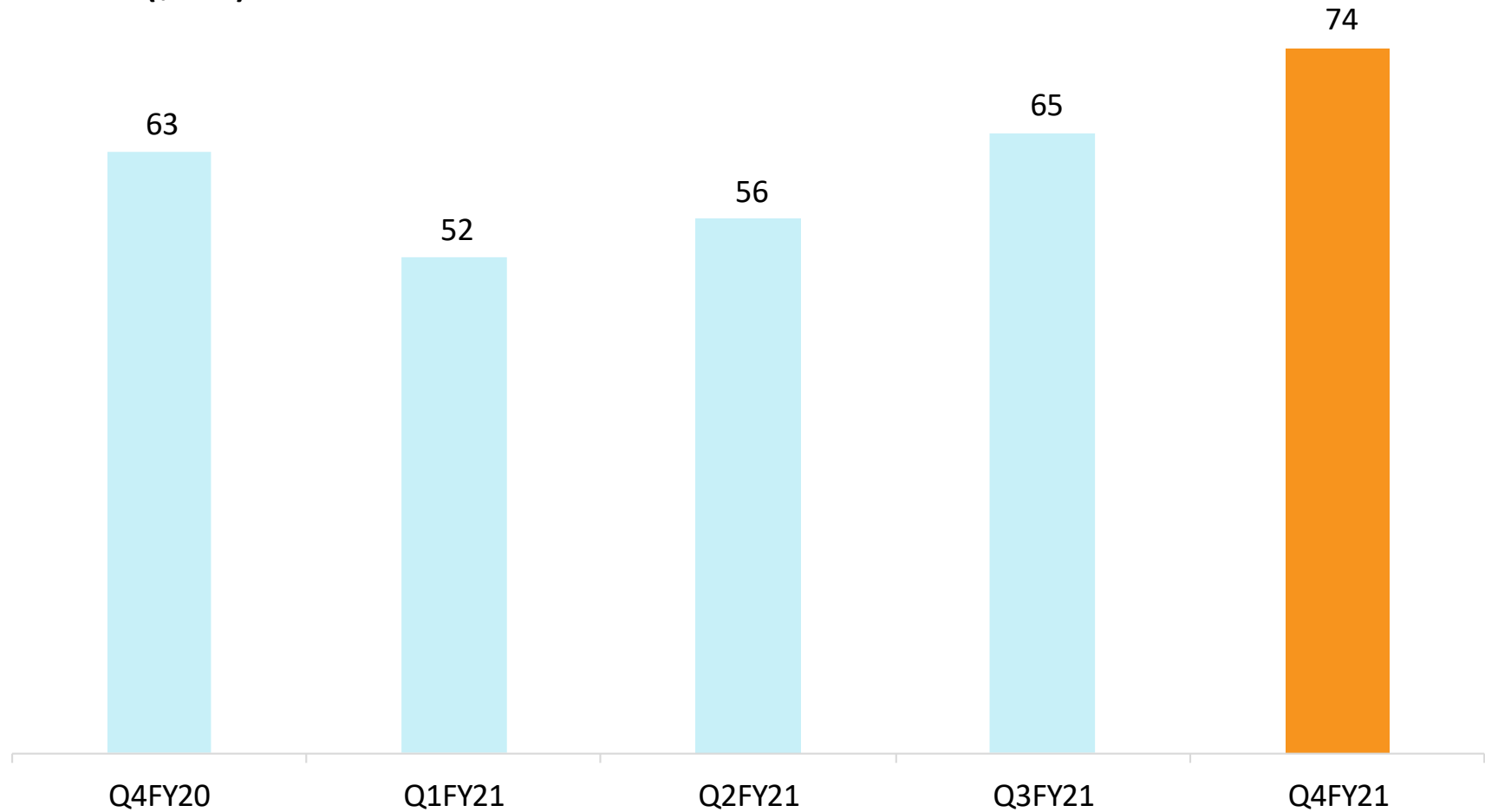


Businesses (\$ Mn)	Edelweiss Holding	Q4FY21	FY21
NBFC	100%	18	4
Housing Finance	100%	(1)	1
Mutual Fund	100%	-	1
Alternatives Asset Management	100%	-	2
Asset Reconstruction	60%	6	25
Insurance Broking	70%	1	2
Wealth Management	38.5%	9	33
BMU & Corporate		62	7
Total Ex-Insurance		96	75
Life Insurance	51%	(5)	(28)
General Insurance	100%	(3)	(12)
Total Consolidated		87	35

Increasing Contribution of Fee Income



Fee Income (\$ Mn)



FY21 Results Highlights (1)



NBFC

- Retail collection efficiency improved to 94% in Mar'21
- Workouts on-going in wholesale book for recoveries and resolution

Housing Finance

- Collection efficiency improved to 99% of pre-covid levels in Mar'21
- Asset Light model with securitization of ~\$120 Mn in FY21

Mutual Fund

- AUM doubled YoY with growing share of sticky SIP book
- Net equity inflow of ~\$490 Mn vs industry outflow of ~\$7,480 Mn in FY21
- Successfully closed 2nd series of Bharat Bond ETF

Alternatives Asset Management

- FY21 is the largest fund raise year for Alternatives with total raise of \$1,000+ Mn
- Deployed ~\$560 Mn in FY21 across fund strategies

FY21 Results Highlights (2)



Asset Reconstruction

- Robust recoveries of ~\$735 Mn in FY21 from 179 borrowers
- Reduced net debt by ~22% YoY as deleveraging continued

Life Insurance

- 25% YoY growth in Individual APE
- ETLI is the only life insurer that grew every month in FY21

General Insurance

- 49% YoY GDPI growth in FY21 vs Industry growth of 5%
- Strong YoY growth in Motor and Retail Health at 46% and 184% respectively in FY21

Wealth Management

- Assets under Advice grew 36% YoY
- Closed 63 transactions across ECM, M&A, DCM and Debt syndication

Prioritised Employee and Community Well-being During Covid



Employees

- **Safety for all employees and families**
 - Onsite - Vaccination Drives and reimbursements for all employees and their families
 - 24*7 Counselling support, outreach and wellness initiatives for mental well-being
- **Stood strong with affected employees and bereaved families**
 - Tie-ups for tests, plasma, oxygen concentrators & hospital admissions
 - Special leaves up to 14 days if an employee/family member tests positive
 - Life insurance payments up to 3x of CTC, ex-gratia, medical insurance, education and employment assistance extended to bereaved families

Community

- Partnered with 38 NGOs and raised \$14 Mn for Covid related work in FY21
- Edelweiss employees have collectively raised ~\$43,500 to extend support
- Contributed ~\$272,000 to PM Cares Fund and ~\$68,000 to CM Relief Fund, Maharashtra



Update on Key Focus Areas and Outlook



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Update On Our Key Focus Areas



1 Value unlocking in Edelweiss Wealth Management

2 Strengthened Balance Sheet

3 Reduced Wholesale Credit Exposure

4 Maintained Asset Quality

5 Reduced Fixed Costs

1 Value Unlocking in Edelweiss Wealth Management (EWM)



Completed the stake sale to PAG in March 2021 at a valuation of ~\$600 Mn

Strong equity base for growth in EWM from Primary Equity infusion of ~\$55 Mn

EFSL will hold 38.5% stake in EWM with an option to increase it to ~44%

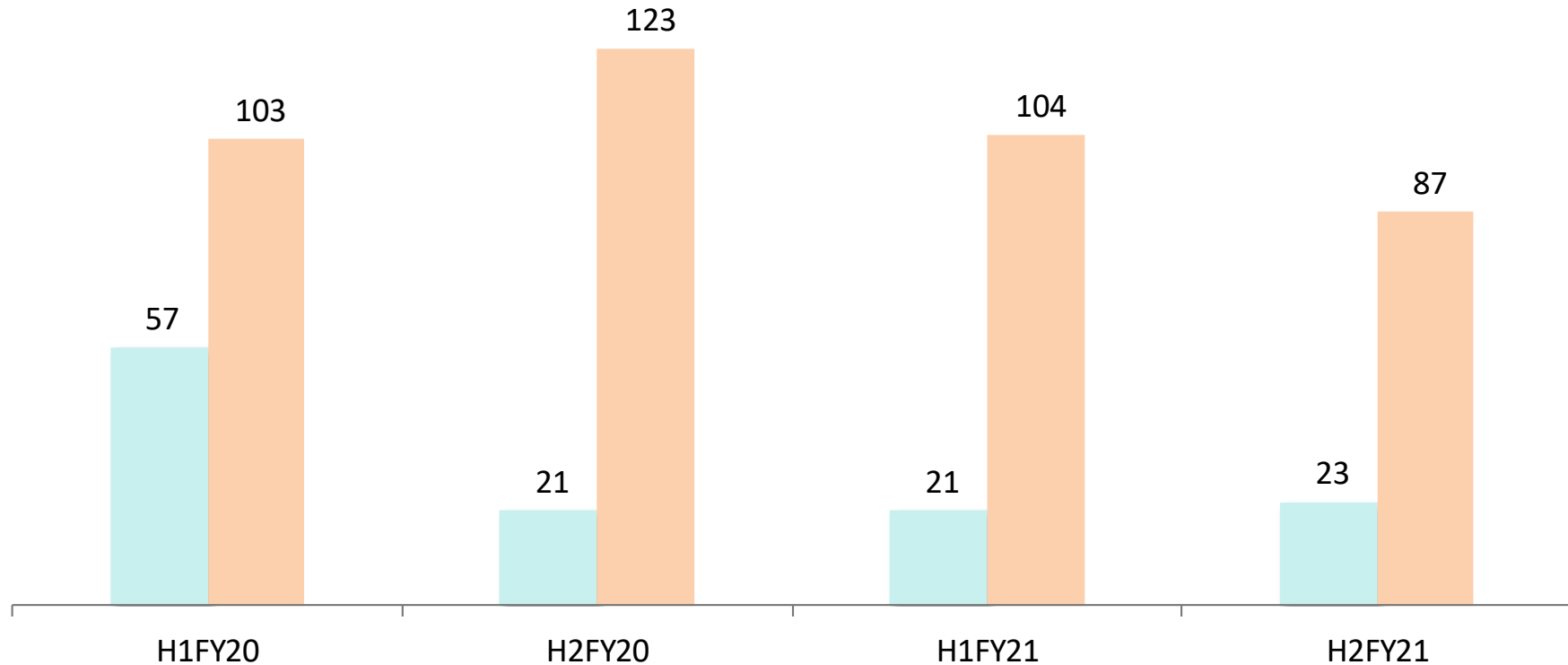
Demerger progressing well and is on track; Listing expected by Sept'22-Dec'22

2 Strengthened Balance Sheet With Conservative Provisioning



**Balance Sheet Provisions
(\$ Mn)**

IRAC Provisions IndAS Provisions

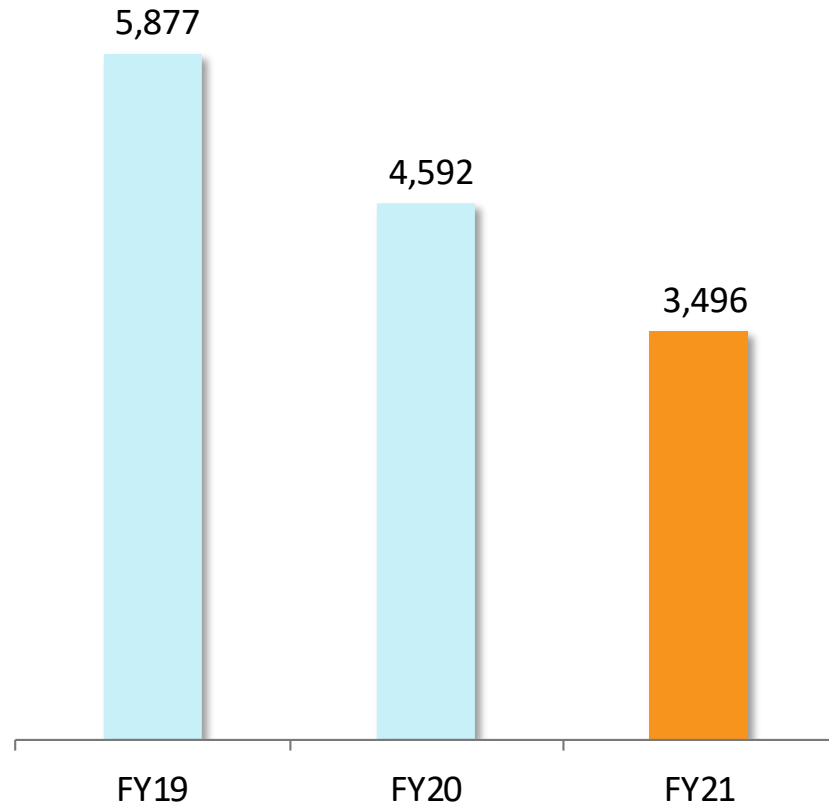


We have consistently provided higher than IRAC norms

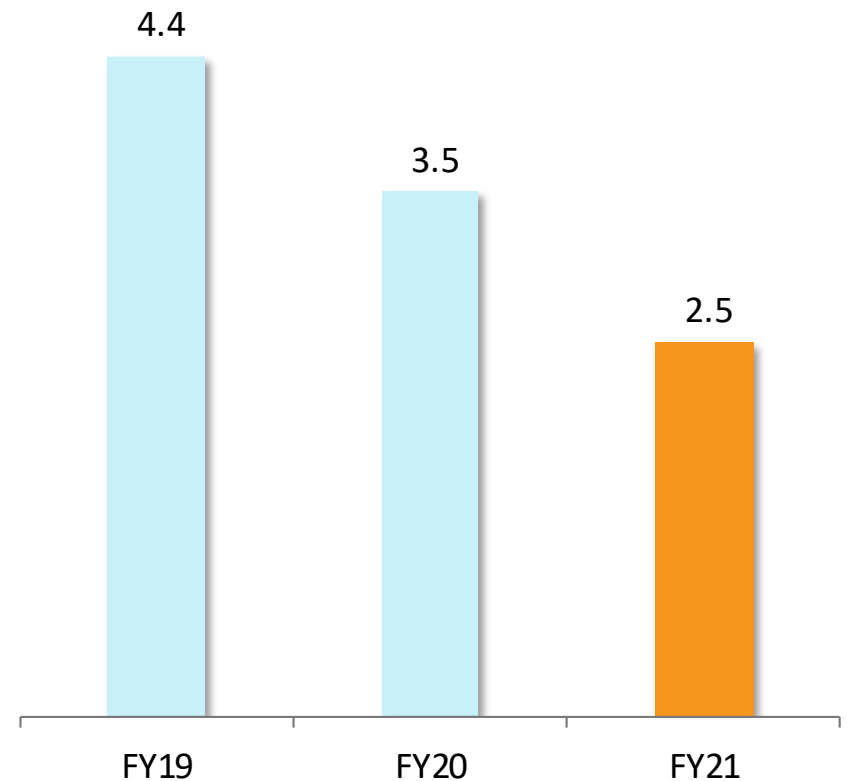
Borrowings Declined By 41%, Debt Equity Ratio Declined Further



Borrowings (\$ Mn)



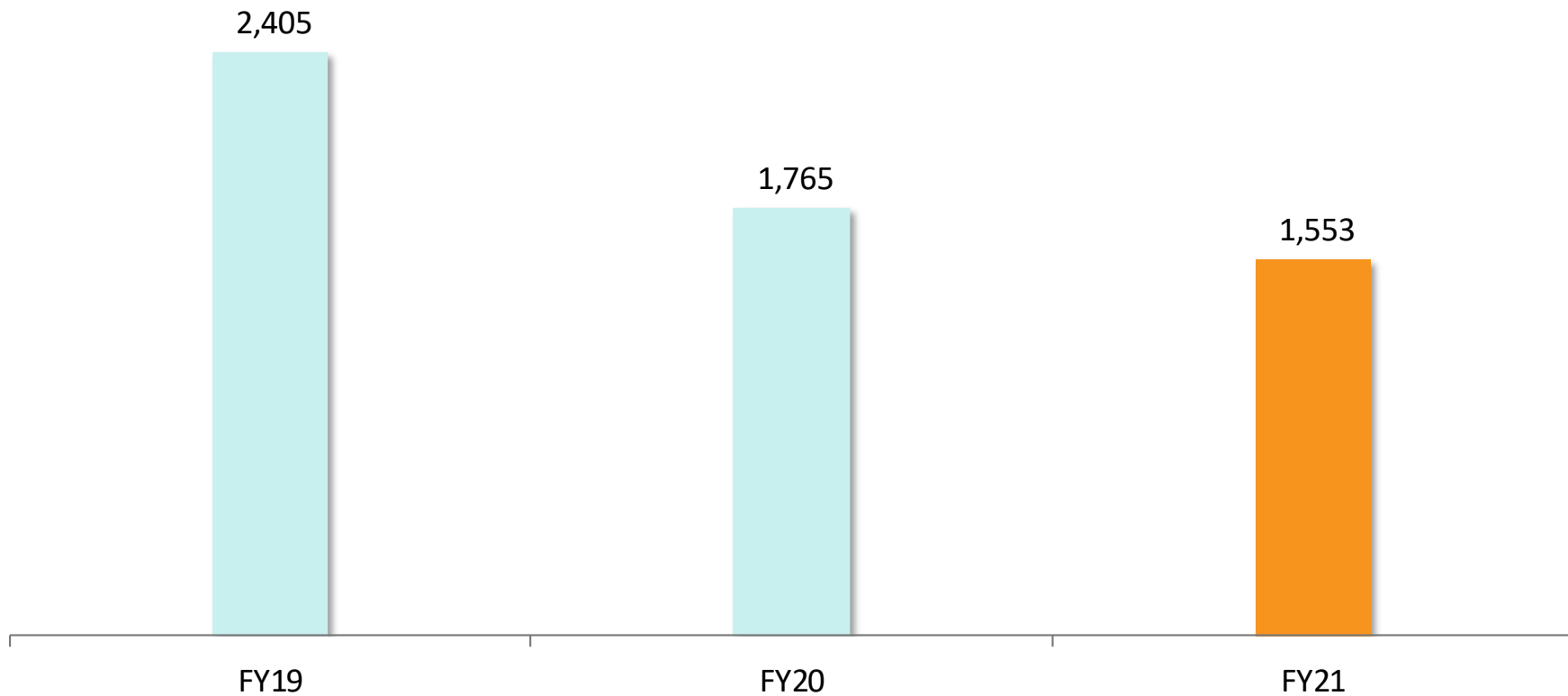
D/E (Excl Treasury Assets)



3 Wholesale Credit Exposure Continues To Scale Down



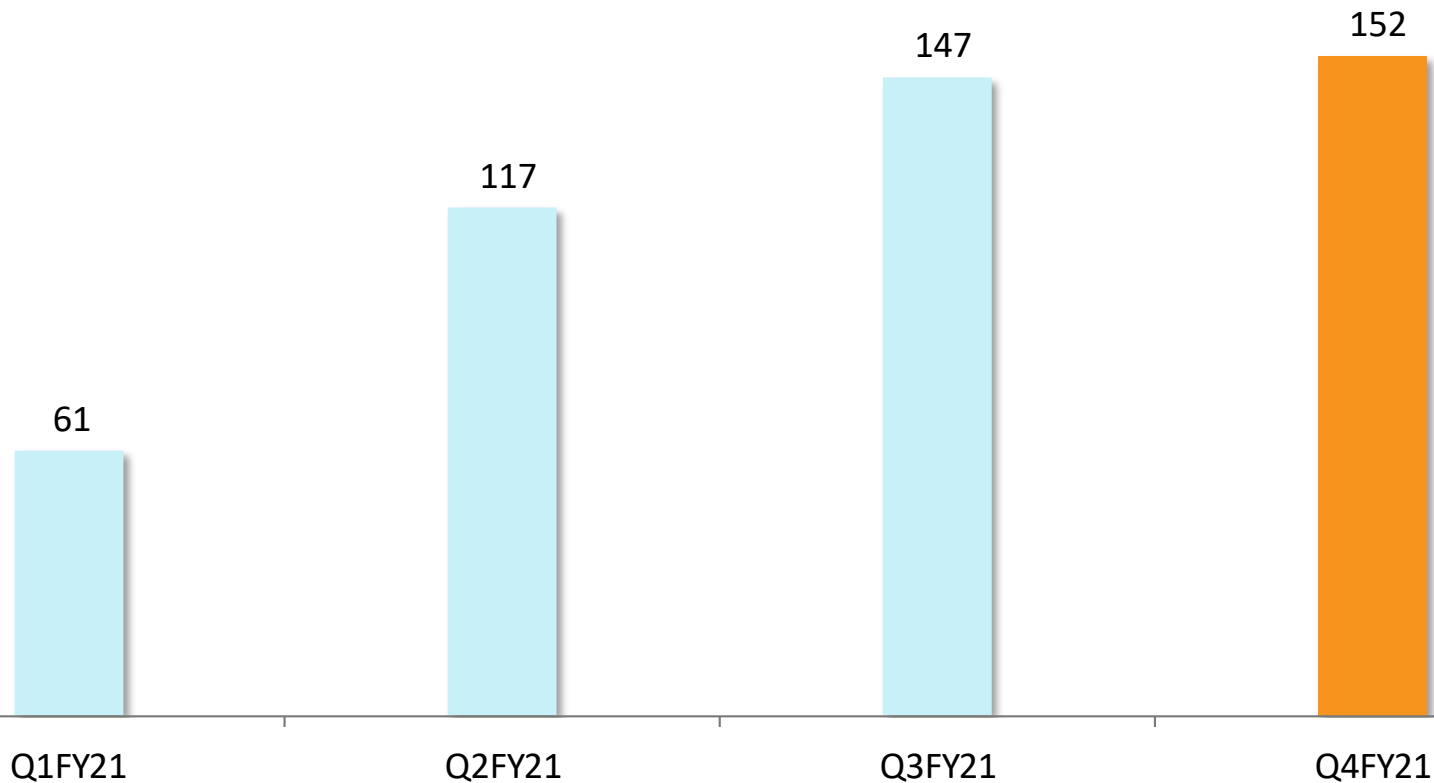
ECLF Wholesale Loan Assets (\$ Mn)



4 Retail Collection Efficiency Is Strong



Total Retail Credit Collections (\$ Mn)

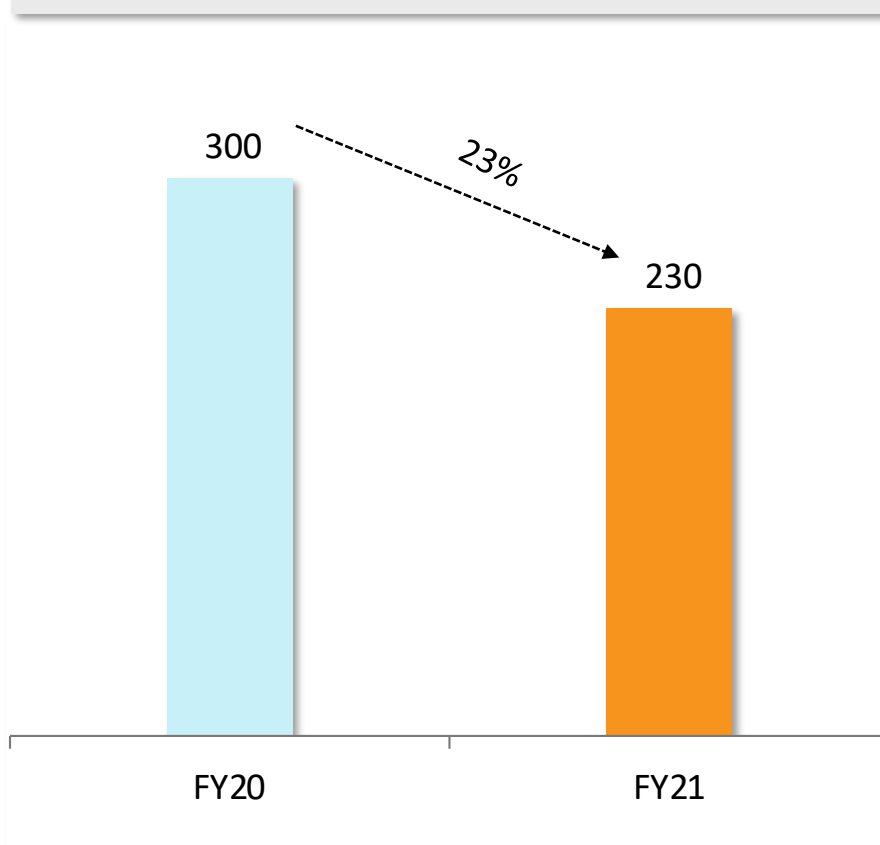


Increased digital customer engagement has improved total retail collection efficiency to 96% in Mar'21

5 Cost Rationalisation Measures Under Way



FY21 Fixed Cost comparison (\$ Mn)



- Achieved overall fixed cost reduction of ~23% in FY21 over FY20 cost base
- **Key saving drivers in FY21 vs. FY20:**
 - **Fixed People Cost** : Decrease of ~18% driven by process efficiencies
 - **Premises Cost** : Lower by ~40%, driven by branch and office space rationalisation

FY22 Outlook



- 1 Continue to focus on balance sheet and liquidity strengthening
- 2 Invest and scale up our Retail Credit, Asset Management and Insurance businesses
- 3 Progress & complete EWM demerger to prepare for listing by Sept-Dec 22
- 4 Expect subdued profitability for the year due to :
 - Likely impact from Covid second wave
 - Impact of maintaining liquidity buffer
 - Declining Wholesale Credit exposure and calibrated growth in ARC with focus on recoveries

Robust equity, Comfortable liquidity and Agile operating platforms form the foundation for growth ahead








Business Update



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NBFC : ECLF and ERFL

FY21 Key Metrics

	ECLF & ERFL
 Equity (\$ Mn)	522
 AUM (\$ Mn)	1,432
 Capital Adequacy	27.5%
 Net D/E	3.4x
 Liquidity (\$ Mn)	~310

Business Update

Retail Credit

- Robust collection infrastructure
 - Total collections was at ~\$90 Mn in Q4FY21 and ~\$280 Mn in FY21
- Maintained conservative stance on disbursements
 - Disbursed ~\$20 Mn in Q4FY21 and ~\$50 Mn in FY21

Wholesale Credit

- Reduced wholesale credit assets in ECLF by 35% over FY19 levels
- Workouts underway for resolutions & recoveries

Business Performance Snapshot : ECLF and ERFL



\$ Mn	Q4FY21	FY21
Credit Assets	2,073	2,073
Equity	522	522
Net Revenue	1	60
Opex	15	79
Credit Costs	(16)	(1)
Profit After Tax	18	4

NIM	0.2%	2.6%
-----	------	------






Gross Stage 3 loans	106	106
Total Provision Cover	76%	76%
Capital Adequacy	27.5%	27.5%

Significant improvement in Credit Quality of a Stage 3 corporate loan amounting to \$37 Mn. Subsequent to 31-Mar-21, credit rating of this company has been upgraded and they are in the process of raising funds to ensure repayment by Q3. Excluding this, Gross Stage 3 would have been \$69 Mn

Housing Finance : EHFL



FY21 Key Metrics

 Equity (\$ Mn)	104
 AUM (\$ Mn)	597
 Capital Adequacy	26.5%
 Net D/E	3.2x
 Liquidity (\$ Mn)	~120

Business Update

- Maintained collection efficiency of 99% in Mar'21
 - Collections of ~\$60 Mn in Q4FY21 and ~\$200 Mn in FY21
- Adopted conservative stance on disbursements
 - Disbursed ~\$30 Mn in Q4FY21 and ~\$60 Mn in FY21
- Raised ~\$180 Mn in FY21:
 - Raised ~\$60 Mn from PCG and other schemes
 - Securitized book of ~\$120 Mn
- Focus on asset-light growth
- Leverage on technology and analytics for speed, agility and resiliency

Business Performance Snapshot : EHFL







\$ Mn	Q4FY21	FY21
Credit Assets	618	618
Equity	104	104
Net Revenue	5	22
Opex	4	16
Credit Costs	2	7
Profit After Tax	(1)	1

NIM	3.7%	3.5%
-----	------	------

Gross Stage 3 loans	17	17
Total Provision Cover	39%	39%
Capital Adequacy	26.5%	26.5%

Mutual Fund : EAML

FY21 Key Metrics

	Equity (\$ Mn)	22
	AUM (\$ Mn)	~7,500
	Net New Money (\$ Mn)	~3,500
	#Retail Folios	5.5 lacs

Business Update

- AUM has nearly doubled in FY21
- Crossed ~\$1,360 Mn of equity assets
 - Net equity Q4FY21 inflows of ~\$270 Mn against industry outflows of ~\$610 Mn
- Launched India's first passively managed low-cost debt index fund
- Steady annuity income flows from long term asset base; 80% of AUM has tenor of more than 3 years
- Transformed our investor website and digital transaction experience

AUM has grown 35x and Number of retail folios by 19x in the last 5 years

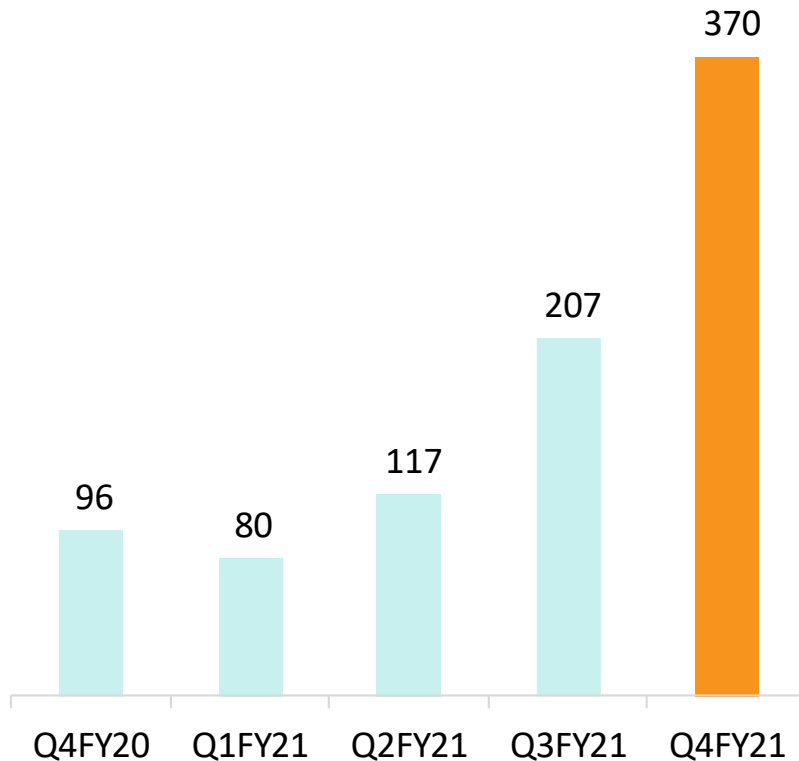
Business Performance Snapshot



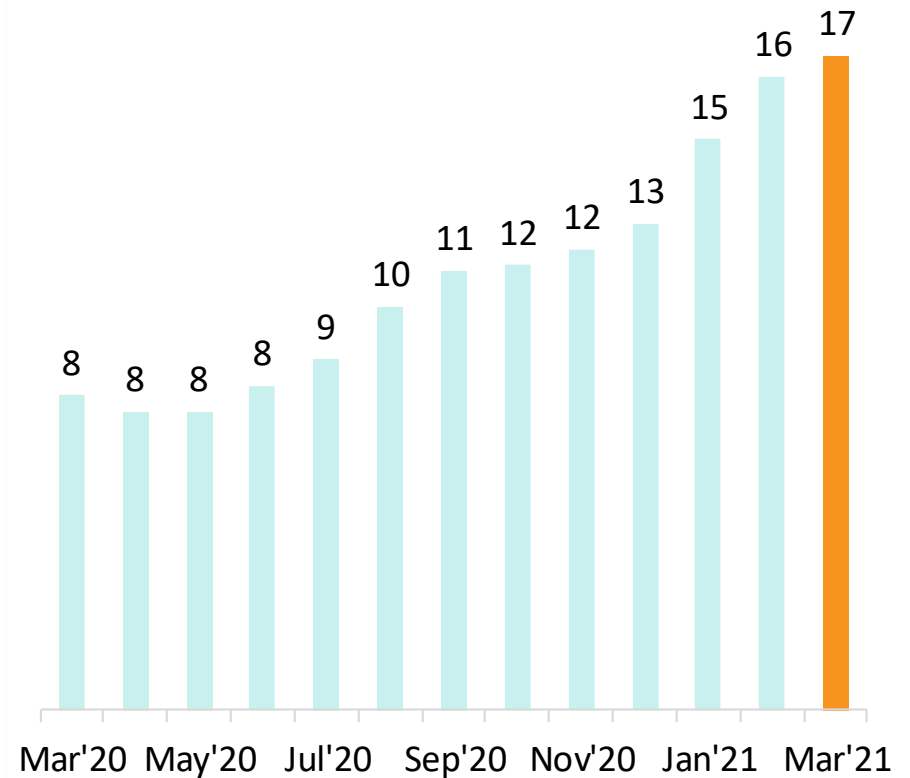
\$ Mn	Q4FY21	FY21
AUM	7,500	7,500
Equity	22	22
Net Revenues	5	16
Operating costs	5	16
Profit before tax	-	1
Profit after tax	-	1

Consistent Rise in Equity Sales and SIPs

Mutual Fund Equity Gross Sales (\$ Mn)







Mutual Fund SIP Flows (\$ Mn)



Net equity inflows of ~\$490 Mn in FY21 vs outflows of ~\$7,480 Mn for the industry

Alternatives Asset Management : EAAA

FY21 Key Metrics

	Equity (\$ Mn)	21
	AUM (\$ Mn)	~4,080
	Net New Money (\$ Mn)	1,000+
	# Clients	1,100

Business Update

- FY21 is the largest fund raise year for Alternatives
 - Raised ~\$900 Mn in ESOF III - largest fund raise in India in 2020
 - Closed Infrastructure Yield fund at ~\$450 Mn
- Steady increase in deployment across funds :
 - Deployed ~\$380 Mn in Q4FY21 with total deployment of ~\$560 Mn in FY21
 - Actively looking at deployment opportunities - current dry powder at ~\$1,450 Mn
- Released maiden ESG report; It enumerates how our investments contribute to the ecosystem we operate in

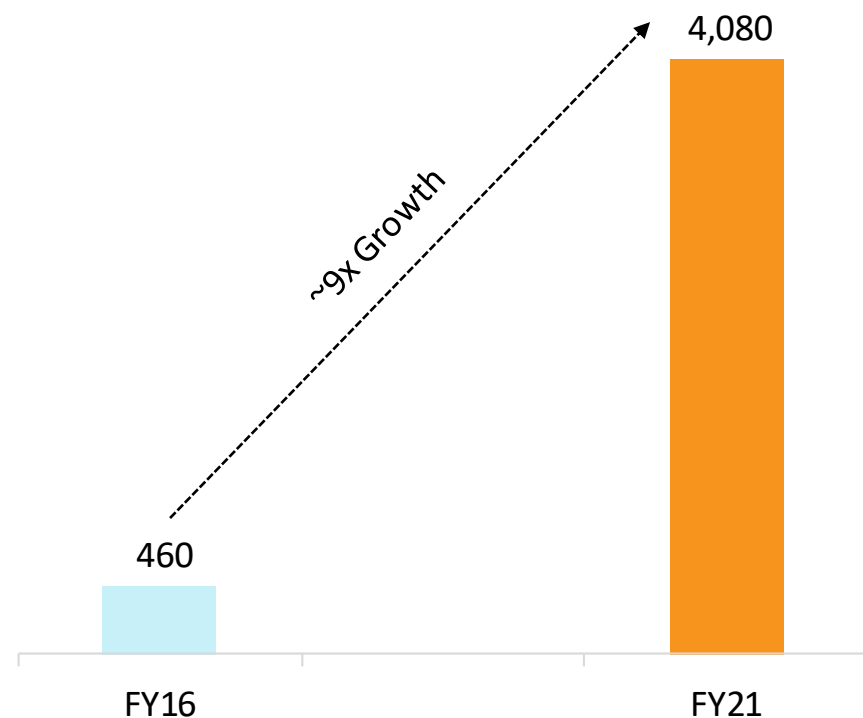
Business Performance Snapshot : EAAA



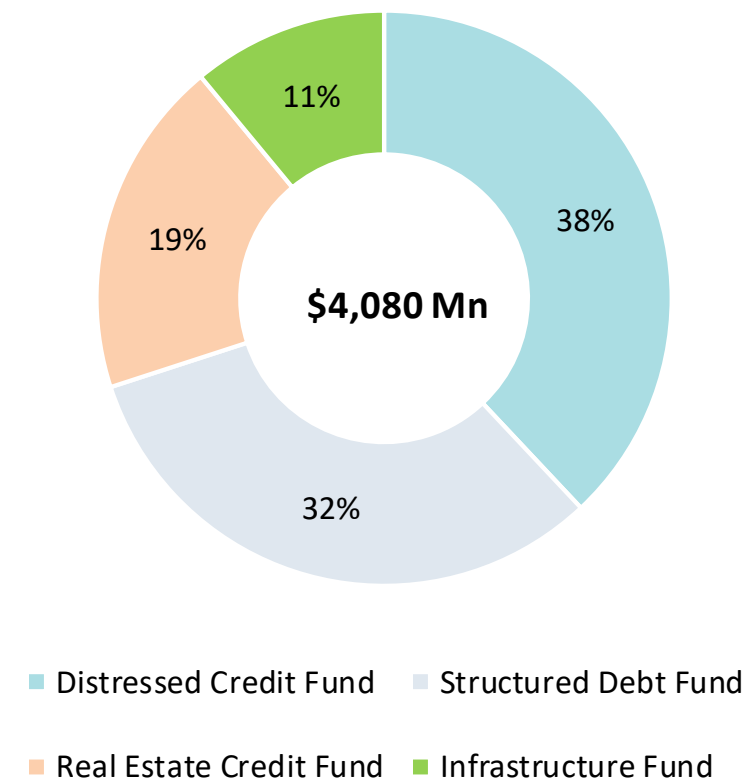
\$ Mn	Q4FY21	FY21
AUM	4,080	4,080
Equity	21	21
Net Revenues	6	22
Operating costs	6	20
Profit before tax	-	2
Profit after tax	-	2

Robust Growth In Alternative Assets

Alternatives AUM (\$ Mn)








Alternatives AUM – Strategy wise



Asset Reconstruction : EARC

FY21 Key Metrics

 Equity (\$ Mn)	302
 AUM (\$ Mn)	~5,550
 Recoveries (\$ Mn)	~735
 Net D/E	1.4x
 Capital Adequacy	37.4%

Business Update

- Fee income remains robust
- Gross recoveries of ~\$735 Mn in FY21 from 179 borrowers
 - Q4FY21 recoveries at \$245 Mn
- Comfortable liquidity position of ~\$70 Mn as on Mar'21
- Well matched ALM across all durations
- Continue to deleverage; Achieved net debt reduction of ~22% YoY
- Focus on building scale in Retail ARC







Business Performance Snapshot : EARC



\$ Mn	Q4FY21	FY21
AUM	5,550	5,550
Capital Employed	694	694
Equity	302	302
Gross Revenues	29	118
Net Revenues	11	46
Operating costs	4	13
Profit before tax	7	33
Profit after tax	6	25

Life Insurance : ETLI

FY21 Key Metrics

	Equity (\$ Mn)	73
	Individual APE (\$ Mn)	55
	#Policies Issued in FY21	~80,200
	Policyholder's AUM (\$ Mn)	~540
	Solvency Ratio	215%
	13th Month Overall Persistency	76%

Business Update

- Crossed ~\$50 Mn APE milestone for the first time - registering a 25% YoY Growth
- Launched 2 new products in this quarter
- Individual Claims settlement ratio at 97%
- Awards Won in this quarter : Life Insurance Company of the Year, Product Innovator of the Year, Best L&D Program and L&D Team of the year
- Embedded Value as on Mar'21 at \$171 Mn

Business Performance Snapshot : ETLI

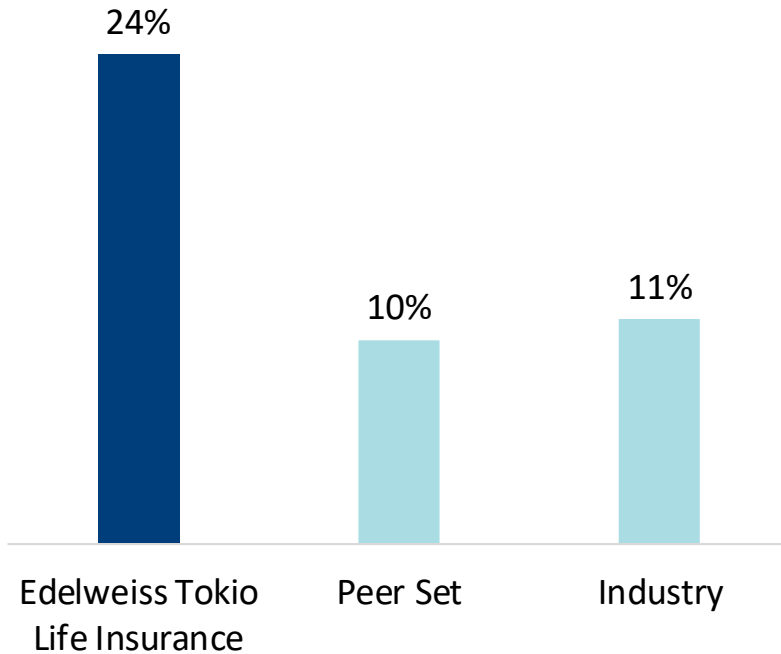


\$ Mn	Q4FY21	FY21
Net Premium Income	64	162
Investment Income & Other Income	13	92
Total Business	78	254
Profit After Tax	(5)	(28)
Minority	(3)	(14)
Edelweiss' Share in PAT	(3)	(14)

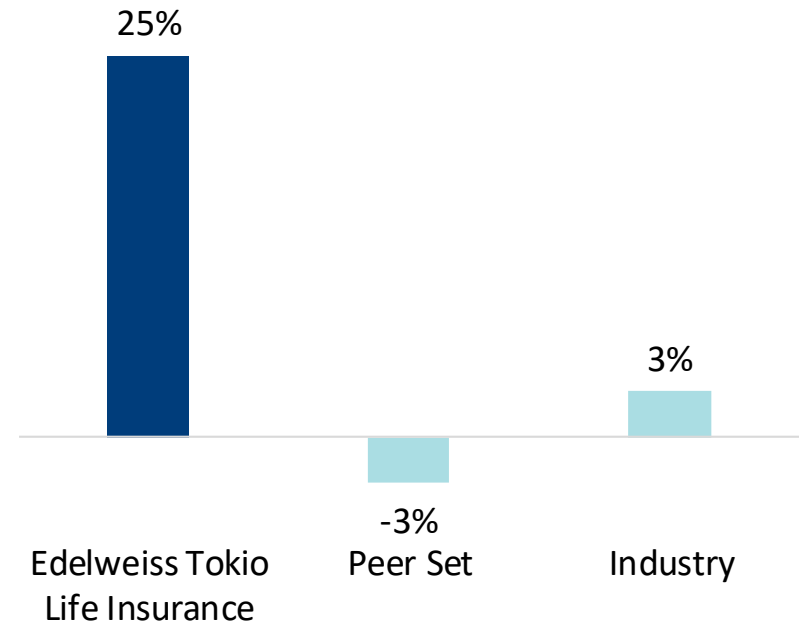
Among The Fastest Growing In The Industry



Individual APE CAGR Since FY16 vs Industry







Individual APE - Outpaced Industry growth YoY in FY21



General Insurance : EGICL



FY21 Key Metrics

 Equity (\$ Mn)	16
 GWP (\$ Mn)	31
 Solvency Ratio	209%
 #Policies Issued in FY21	~1,88,200

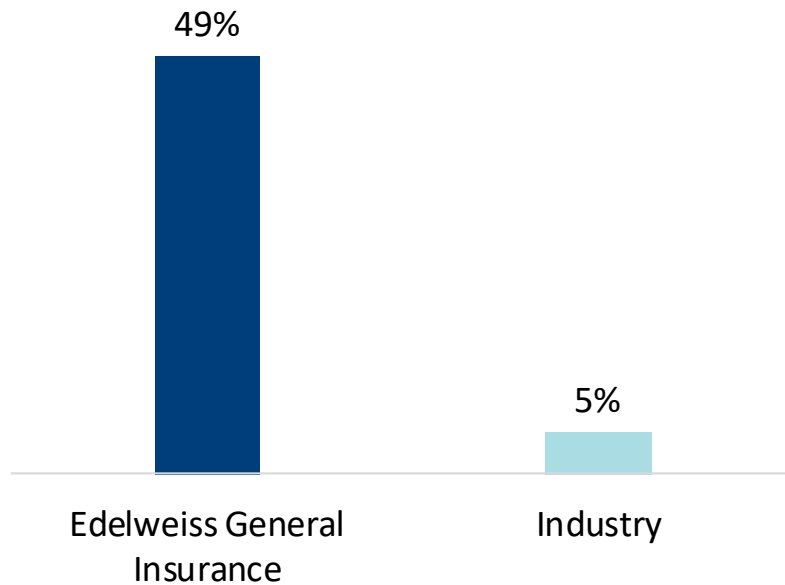
Business Update

- Registered GDPI growth of 18% in Q4FY21 taking the overall premium growth for FY21 to ~49% YoY
- Consistent growth in our choice of segments : Health-Retail & Motor segments
- Adoption of video-based remote survey app (BOLT) for motors claims stood at 47% in Q4FY21
- Continued to win top awards for product innovation and technology adoption
- Developed external distribution partnerships with new-age internet players

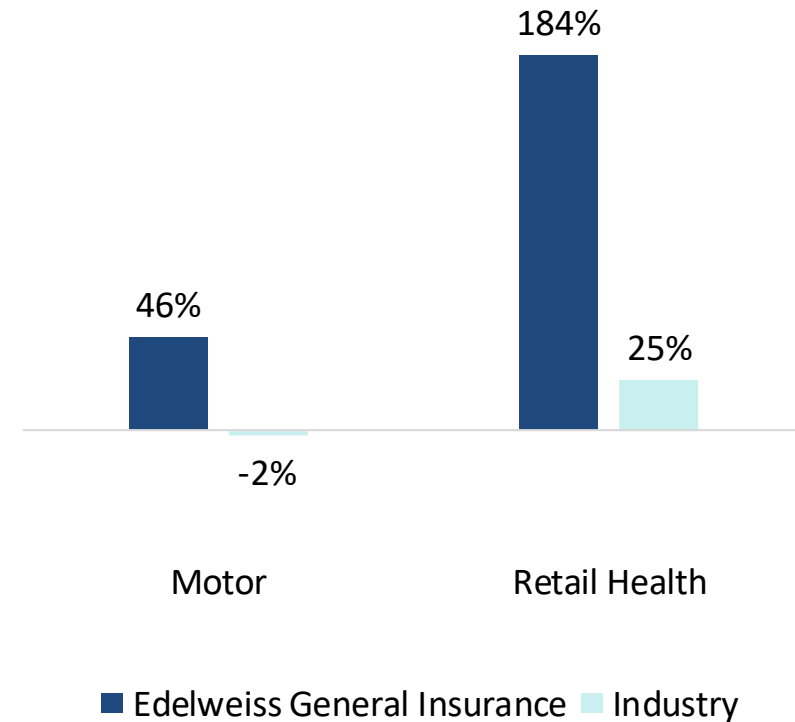
Fastest Growing Player In The Industry Enabled By Digital Model



Robust YoY growth in GDPI in FY21







Strong YoY GDPI performance in Retail Lines compared to the Industry in FY21



Wealth Management : ESL



FY21 Key Metrics

 AUA (\$ Mn)	~21,000
 Net New Money (\$ Mn)	~1,150
 #UHNI Clients	~2,600
 #Affluent Clients	~7,00,000

Business Update

- Franchise continues to have dominant presence
 - AUA grew 36% and Clients grew 22% YoY
 - Enhanced client engagement driven by tech-first approach
- Capital Market & Advisory: 12 deals closed in Q4FY21 and 63 deals in FY21
- Maintained revenue yields within the range of 70-80 bps
 - 93% of revenue came from fee income in FY21

Business Performance Snapshot : ESL

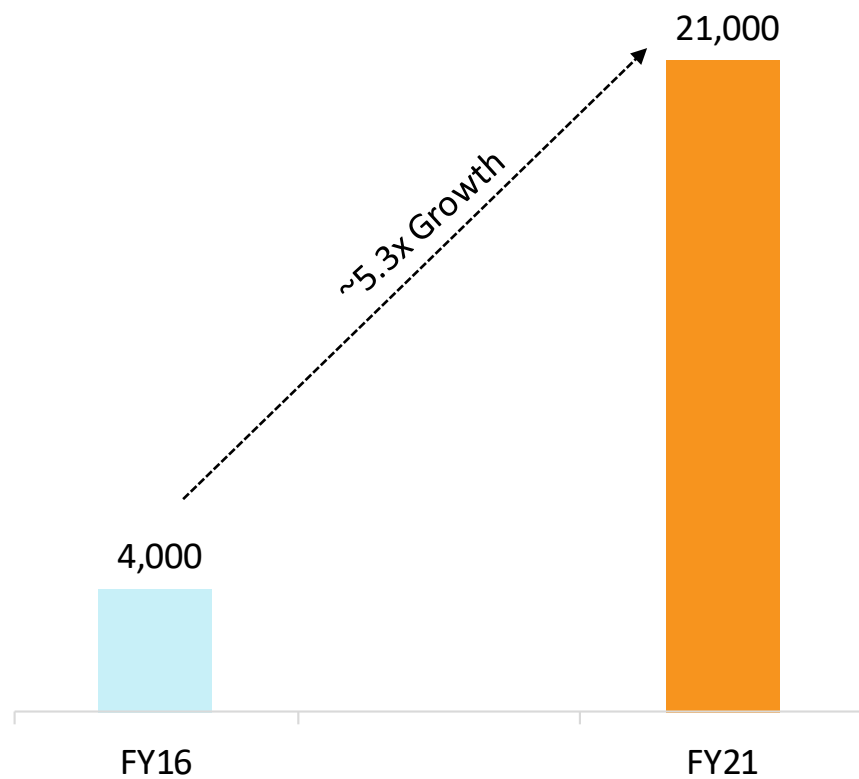


\$ Mn	Q4FY21	FY21
AUA	21,000	21,000
Equity	213	213
Gross Revenues	56	175
Net Revenues	44	142
Operating costs	33	100
<i>C/I Ratio</i>	76%	70%
Profit before tax	10	41
Profit after tax	9	33

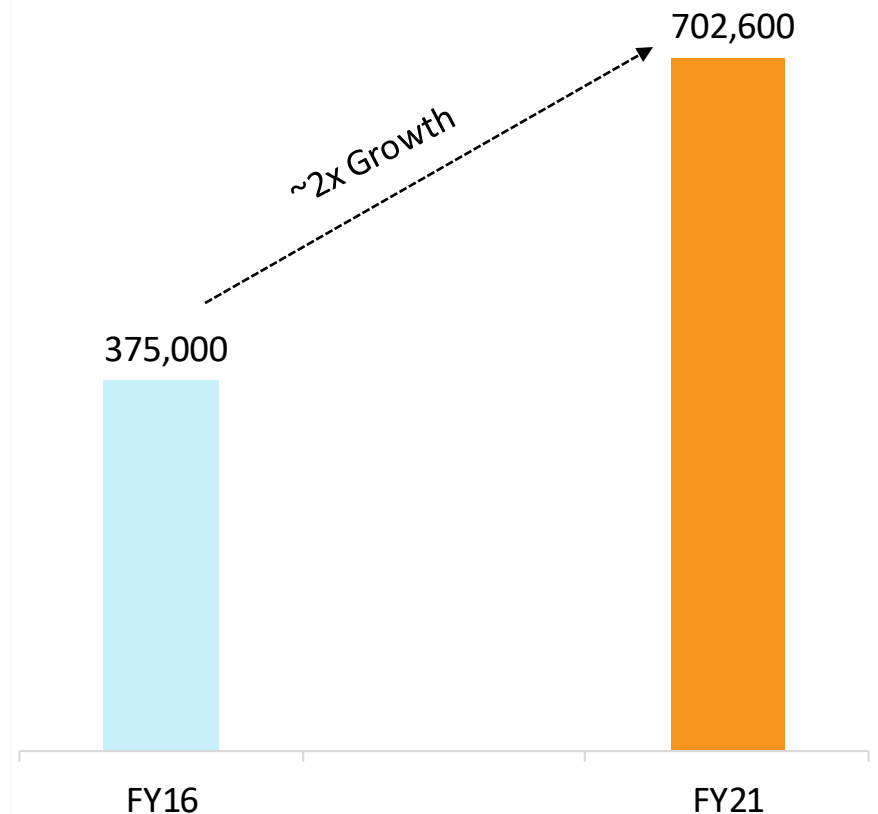
Wealth Assets Continue To Maintain Robust Growth



Wealth Management AUA (\$ Mn)



No of Clients (#)





Balance Sheet Highlights

Liquidity & Cash Flow Plan

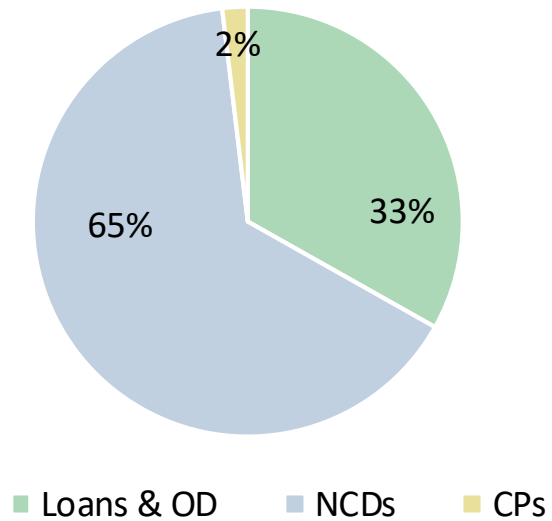


Particulars (\$ Mn)	Apr'21-Sep'21	Oct'21-Mar'22
Opening Available Liquidity (A)	925	830
Inflows		
Expected Inflows	612	680
Fresh Borrowings	408	408
Total Inflows (B)	1,020	1,088
Outflows		
Repayments	789	966
Disbursements	327	245
Total Outflows (C)	1,116	1,211
Closing Available Liquidity (A+B-C)	830	707

Borrowing Profile

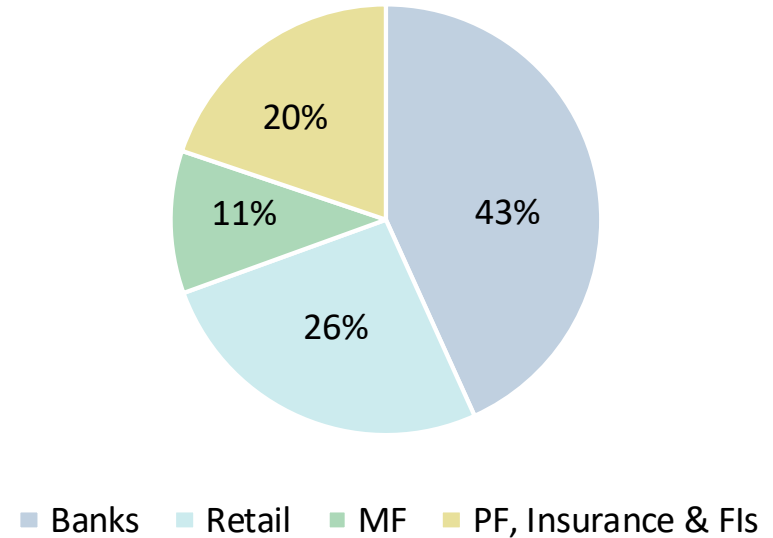


Borrowing Profile by Instruments



\$3,496 Mn

Borrowing Profile by Source



\$3,496 Mn

Assets in each Tenor Range Adequately Cover Liabilities



(\$ Mn)	Assets	Liabilities	Gap
Upto 1 year	1,843	1,694	150
1-3 years	1,714	1,360	354
3 years+	1,918	1,360	558

Total gap represents our equity base



Governance and Sustainability

12 Member Board Comprises Majority of Independent Directors



Mr. P N Venkatachalam
Independent Director

- Banking sector expert and former member of the Interim Pension Fund Regulatory Authority of India
- Former MD, State Bank of India



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. K Chinniah
Independent Director

- Served as Managing Director & Global Head Infrastructure, Portfolio, Strategy & Risk Group with GIC Special Investments



Mr. Biswamohan Mahapatra
Independent Director

- Former RBI Executive Director, chaired various committees of RBI
- Handled varied areas of banking regulations, policy and supervision



Mr. Navtej S. Nandra
Independent Director

- Served as President of E*TRADE Financial Corporation.
- Prior to this he served as CEO for Morgan Stanley Investment Mgmt Inc. and COO for Wealth Management at Merrill Lynch



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



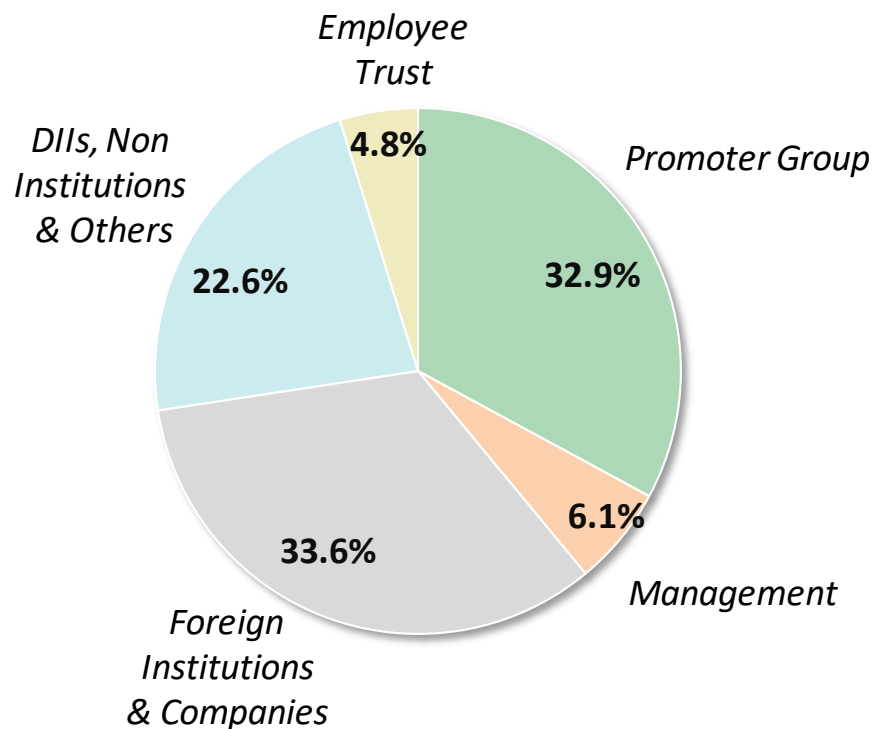
Mr. Berjis Desai
Independent Director

- An independent legal counsel engaged in private client practice.
- Retired as Managing Partner at J. Sagar & Associates

Significant Institutional Ownership



Shareholding Pattern as on 31st Mar,2021



Key Shareholders above 1%		Percent
1	Pabrai Investment Funds	7.2%
2	BIH SA	5.2%
3	TIAA CREF funds	5.0%
4	Baron Asset Management	3.4%
5	LIC	2.6%
6	HDFC AMC	1.9%
7	Vanguard Group	1.6%
8	CDPQ	1.5%
9	Flowering Tree Investment Management	1.4%
10	Rakesh Jhunjhunwala	1.2%

~44% owned by Edelweiss management and employees

Our Sustainability Efforts



123 Districts
across **14** States



\$17.7 Mn*
committed



46
NGO Partners



41
Co-funded Grants



62
Active Grants

EdelGive Foundation's commitment to Achieving the SDGs *(Cumulative till FY21)*

Quality Education

\$1.7 Mn*

19.48 lakh Children supported

More than 67,800 Teaching professionals trained

27,269 Schools

Sustainable Livelihoods

\$12.6 Mn*

1,553 hectares of irrigated land

13,442 Individuals trained

298 Watershed Structures Repaired/Built

8 FPO/FPC Strengthened

Women Empowerment

\$200,000*

More than 1.74 lakh women supported

6,399 Grassroot leaders developed

Employee Engagement *(2020-21)*



- **2,473** Edelweiss Employees Engaged
- **1,046** Man-hours of volunteering
- **15** skilled volunteering projects

EdelGive Funding Partners & Networks



We have partnered with some of the largest Foundations, Corporates and HNIs through our innovative models focused on collaboration



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Currency conversion: Conversion rate of 1 USD equal to 73.50 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 4,16 :	Net worth is including MI and includes investment in CCD by CDPQ of \$118 Mn; It excludes EWM equity as it ceased to be our subsidiary as on 26 th Mar'21
Slide 4,43 :	Available Liquidity is calculated as on balance sheet liquidity, liquid able assets and undrawn bank lines; Numbers are based on management estimates; It includes EWM liquidity
Slide 6 :	Net worth is including MI and are after inter company eliminations within respective businesses; ECLF Equity includes CDPQ investment of \$118 Mn in CCD
Slide 6,22,23 :	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 6,7,29,30,31 :	EAAA numbers represent consolidated numbers of Edelweiss Alternative Asset Advisors Limited, EAAA LLC, Edelweiss Alternative Asset Advisors Pte. Limited
Slide 6,7,39,40,41 :	WM numbers represent consolidated numbers of 4 key entities - Edelweiss Securities Ltd, Edelweiss Broking Ltd, Edelweiss Custodial Services Ltd, Edelweiss Finance and Investments Ltd and 7 other entities
Slide 7 :	PAT numbers are including MI and are after inter company eliminations within respective businesses
Slide 7,40 :	Profitability numbers are consolidated till 26 th Mar'21 post which EWM ceased to exist as a subsidiary
Slide 8 :	Fee income is from Alternatives Asset Management, Mutual Fund, ARC and Wealth Management businesses
Slide 15,18 :	Numbers are for ECLF, ERFL and EHFL entities
Slide 16,44 :	Borrowings are excluding CBLO & CCDs, accrued interest and EWM borrowings
Slide 17 :	Wholesale loan assets includes loan book and SR investments
Slide 22,23 :	Equity includes CDPQ investment of \$118 Mn in CCD; NNPA is as per RBI prudential norms and excludes FVTPL assets
Slide 22,24 :	AUM includes loan book and securitized assets
Slide 23,25 :	Credit assets includes loan book, securitized assets and SR investments
Slide 34 :	For FY21, 13th month persistency (on Premium basis) includes policies issued from Apr 19 to March 20; EV is calculated on market consistent basis; Policyholder's AUM is calculated in accordance with IndAS
Slide 36 :	Source for growth calculation is Life Insurance Council
Slide 38 :	Source: General Insurance Council and Market Information; Retail Health includes Overseas Medical
Slide 45 :	Numbers are based on management estimates & 3 years+ liabilities exclude Equity; Assets and Liabilities do not include insurance and EWM business
Slide 48 :	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information