

US \$ version



Edelweiss Financial Services Limited

Earnings update – Quarter ended Sep 21





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Overview & Highlights

Quarter ended Sep 21



Edelweiss
Ideas create, values protect

Edelweiss at a glance – Quarter ended Sep 21



Net Worth

\$1,164 Mn

Ex-Insurance PAT

\$15 Mn

Liquidity

\$687 Mn

Customer Assets

\$43,647 Mn

BVPS

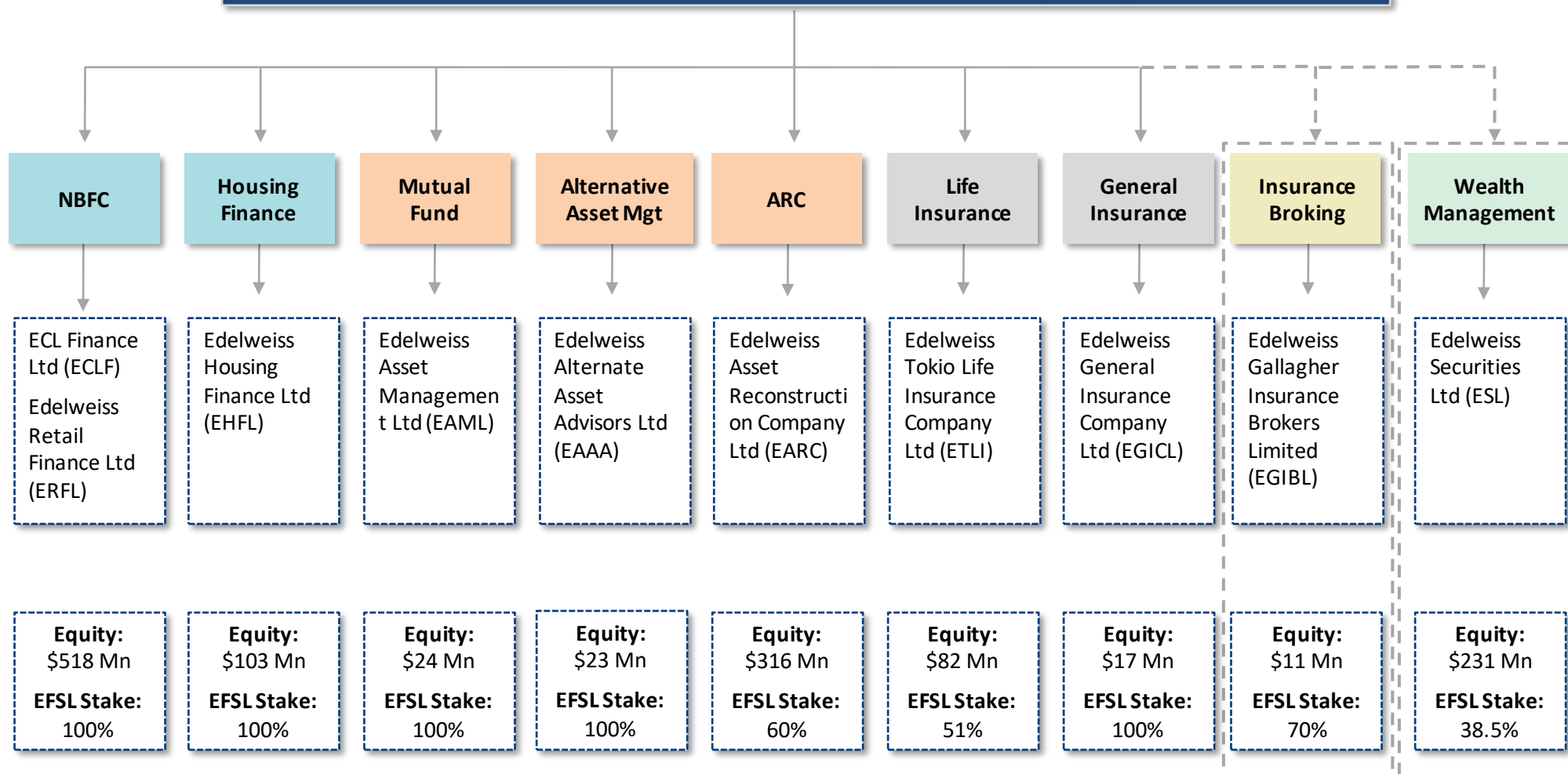
\$1

(FV ₹1)

We are a diversified company with nine businesses



Edelweiss Financial Services Ltd (EFSL)



Divested 61% stake in EGIBL to Arthur J Gallagher & Co. in Oct 21 and balance 9% transfer expected by Mar 22
We have an option to increase our stake to ~44% in Wealth Management

Performance overview – Quarter ended Sep 21



1 Steady performance across businesses – upward trend across key metrics

Slide 7 - 9

2 Strong growth continues in customer franchise

Slide 10 - 12

3 Robust balance sheet with well-capitalised businesses

Slide 13 - 18

4 On track on our 3 priorities for the next 15 months

Slide 19 - 25

1 Steady performance across businesses (1)



NBFC

- Returned to profitability this quarter and poised for a steady trend hereon
- Retail Collection efficiency stood at 94%

Housing Finance

- Gradual scale-up in disbursements; Continued focus on asset light model
- Retail Collection efficiency back to normalcy at 99%

Mutual Fund

- MF Equity AUM grew ~3x YoY to \$2,236 Mn
- Net total MF inflows of \$983 Mn and net equity inflows of \$337 Mn

Alternative Asset Mgt

- Deployment witnessed strong momentum \$101 Mn this quarter
- Steady annuity income flows from long term asset base; 75% of AUM has tenor > 3 years

1 Steady performance across businesses (2)



Asset Reconstruction

- Robust recoveries at \$121 Mn; \$22 Mn from retail portfolio
- Acquired assets of \$175 Mn

Life Insurance

- Gross premium grew by 59% QoQ
- Active client base increased by ~9% YoY

General Insurance

- Gross premium grew by 52% QoQ
- Partnered with Paynearby & PhonePe for expansion of distribution reach

Wealth Management

- Strong financial performance - Revenue grew at 18% and PAT grew at 69% QoQ
- AUA grew at 35% YoY to \$24,254 Mn

1 Healthy profitability across businesses



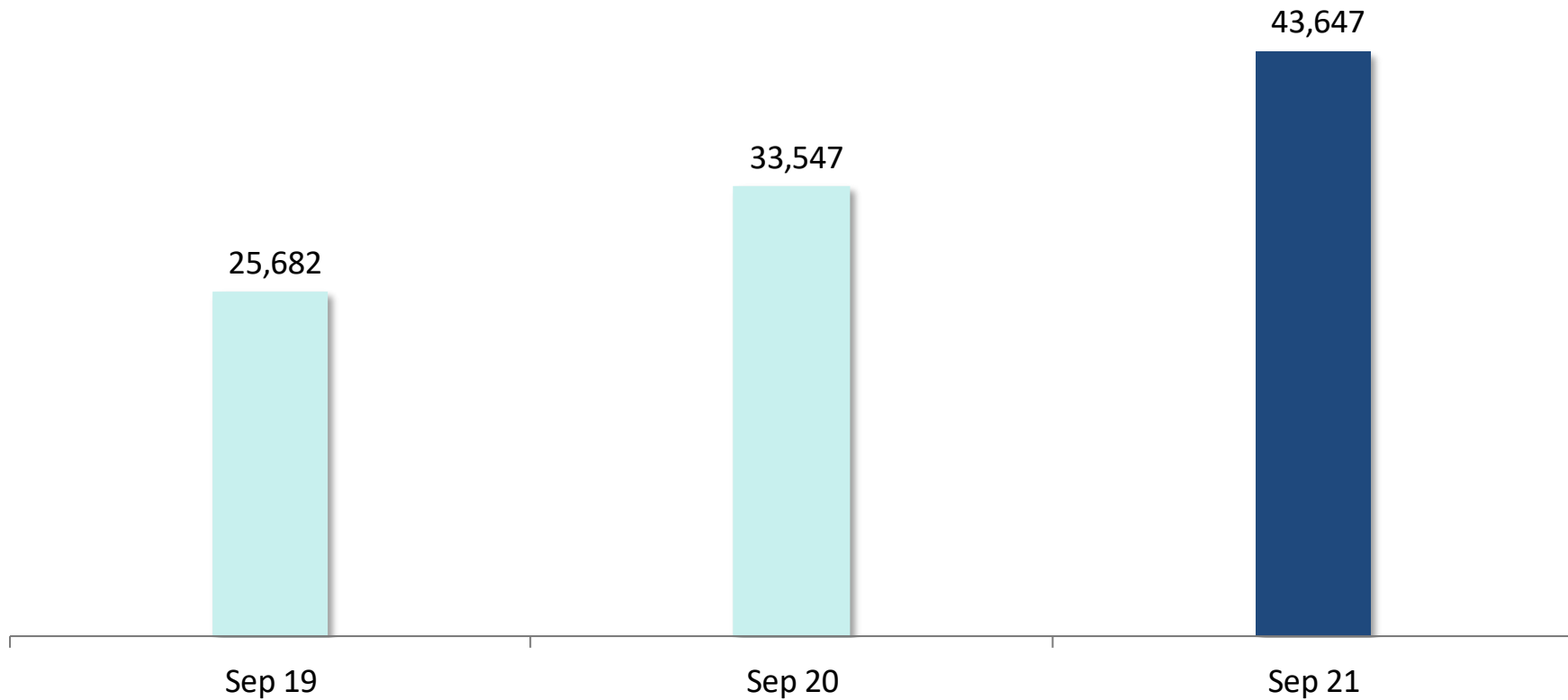
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
NBFC	2	4
Housing Finance	2	2
Asset Reconstruction	9	6
Mutual Fund	1	-
Alternative Asset Mgt	2	-
Insurance Broking	0	-
Life Insurance	(8)	(8)
General Insurance	(4)	(4)
BMU & Corporate	(2)	(20)
Total Business PAT	4	(19)
<i>Minority shareholders' PAT</i>	<i>(1)</i>	<i>1</i>
<i>EFSL share in Edelweiss Wealth Mgt</i>	<i>5</i>	<i>11</i>
EFSL Consolidated PAT (Post-MI)	8	(7)
EFSL Ex-Insurance PAT (Post-MI)	15	1

2 Strong growth continues in customer assets



Customer Assets (\$ Mn)

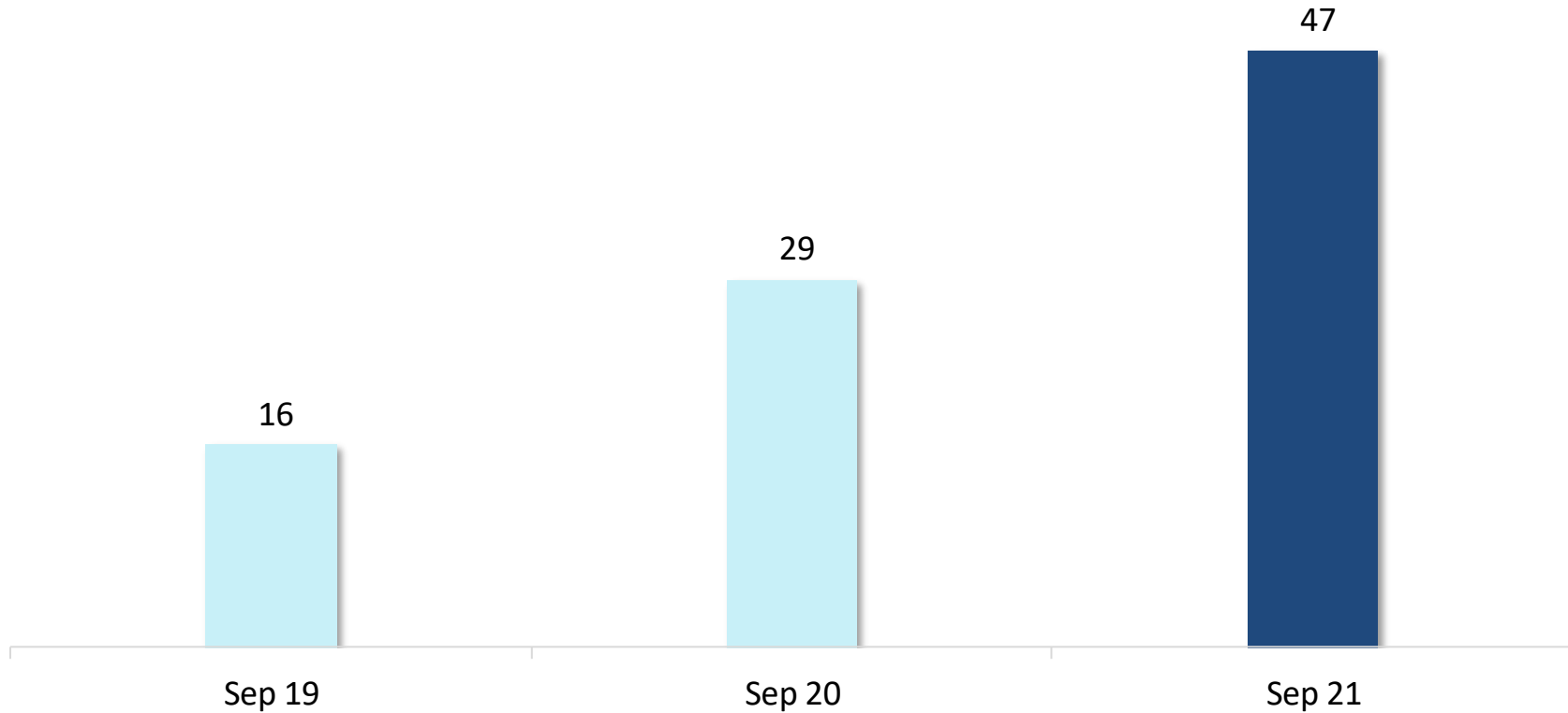


Customer assets grew ~2x in last two years, 7% growth in this quarter

2 Customer franchise grew ~3x in last two years



Total Customer Reach (in Lakhs)

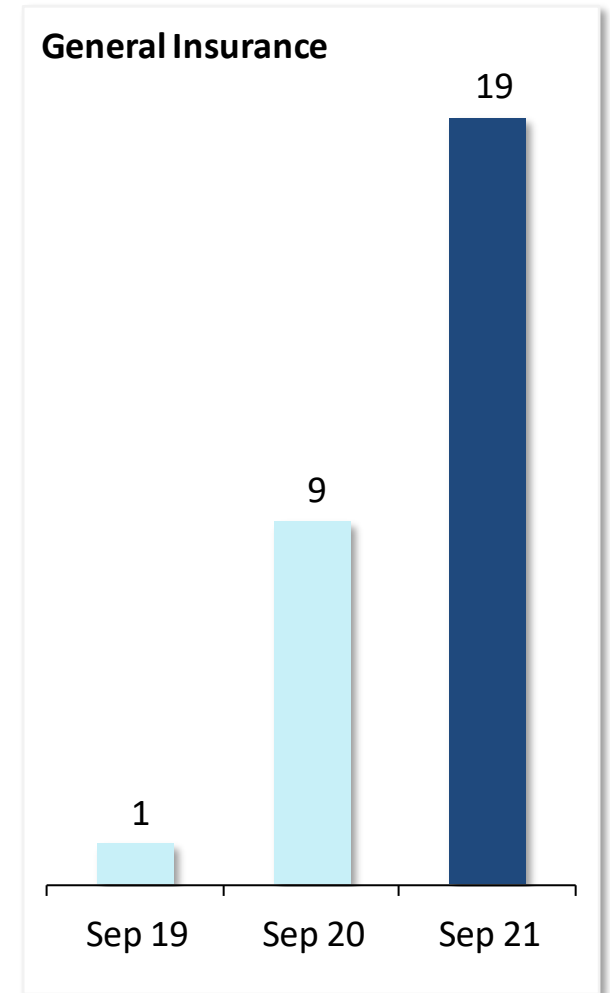
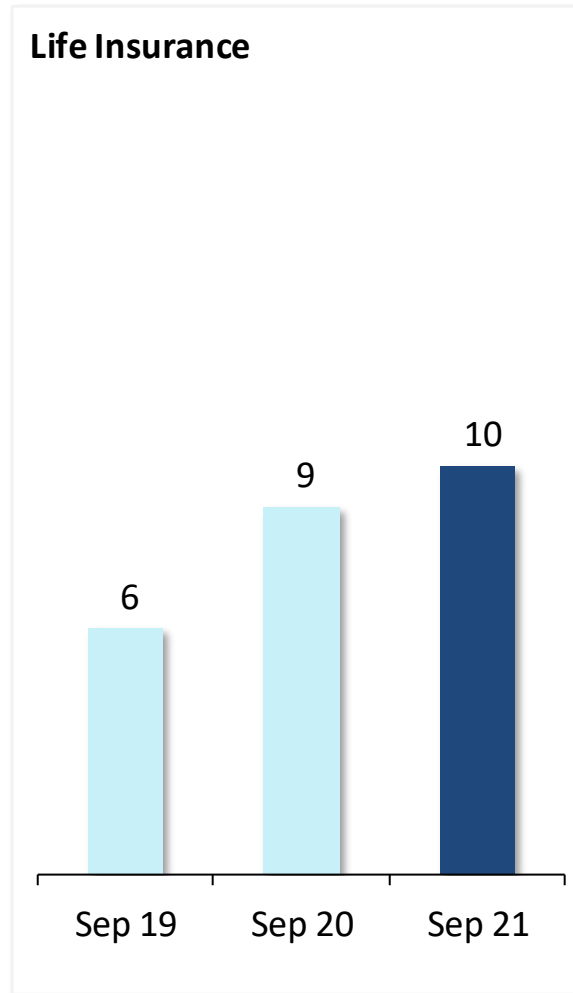
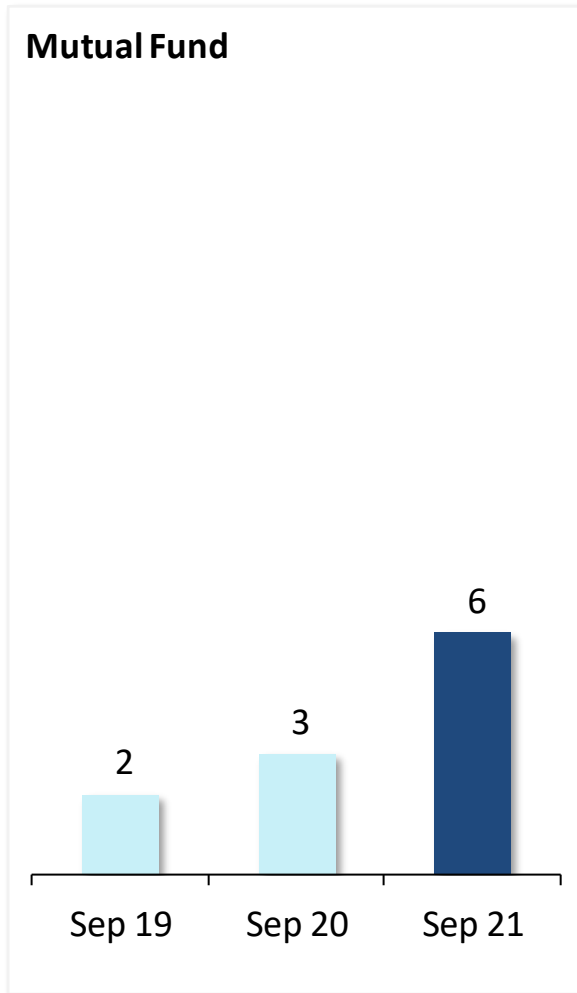


Addition of ~3 lakh customers within this quarter

2 Contributed by Mutual Fund and Insurance businesses



No of Customers (in lakhs)



3 Robust balance sheet with well-capitalised businesses



Borrowings declined by 36% since Sep 19 to \$3,334 Mn; D/E stands at 2.1x

Strong capitalization across businesses

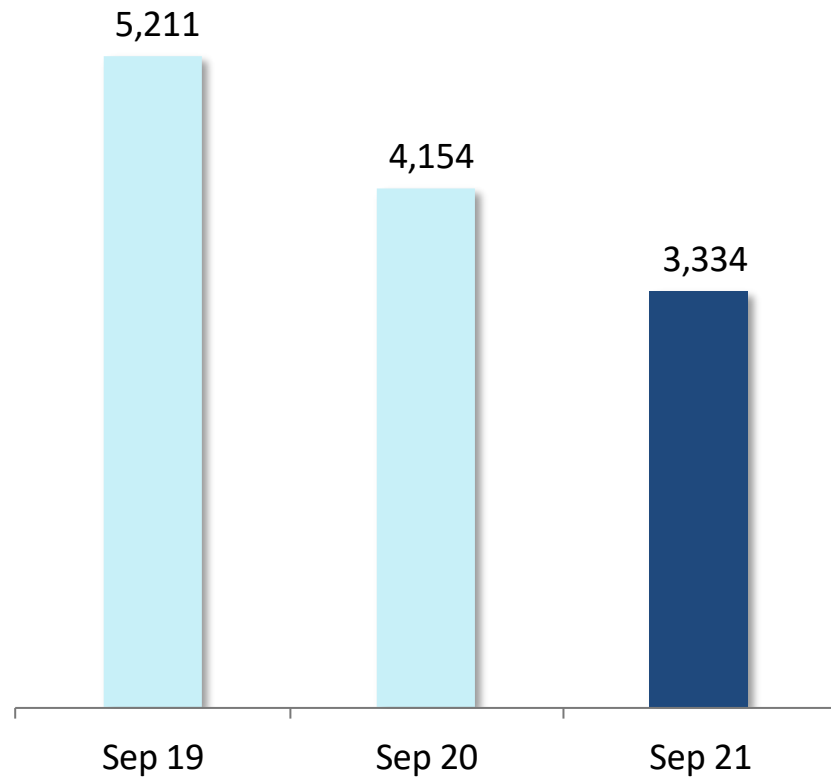
Adequate liquidity of \$687 Mn at 21% of borrowings

Credit assets remain conservatively provided, well above IRAC norms

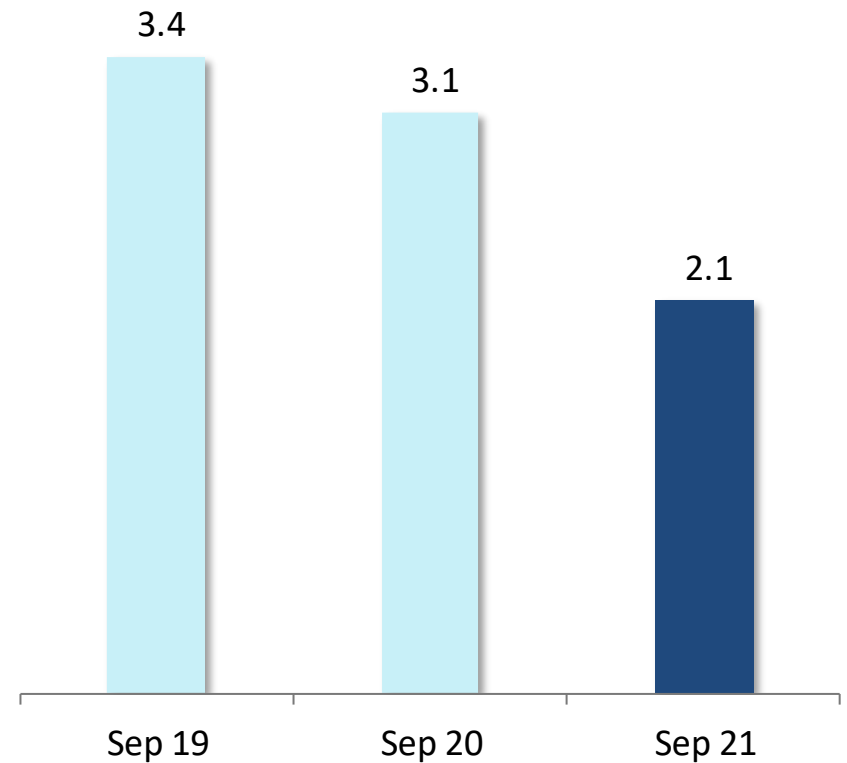
3 Borrowings declined ~36% over last 2 years



Borrowings (\$ Mn)



D/E (Excl Treasury Assets)



3 Strong capitalization across businesses



Businesses	Metric	Value
NBFC	Capital Adequacy	26.1%
Housing Finance	Capital Adequacy	22.0%
Asset Reconstruction	Capital Adequacy	36.0%
Life Insurance	Solvency Ratio	206%
General Insurance	Solvency Ratio	179%

3 Cash flow plan



	\$ Mn	
	Oct 21 to Mar 22	Apr 22 to Sep 22
Opening Available Liquidity (A)	687	606
Inflows		
Expected Inflows	862	539
Fresh Borrowings	471	323
Total Inflows (B)	1,333	862
Outflows		
Repayments	1,077	579
Disbursements	337	337
Total Outflows (C)	1,414	916
Closing Available Liquidity (A+B-C)	606	552

3 Assets in each tenor range adequately cover liabilities



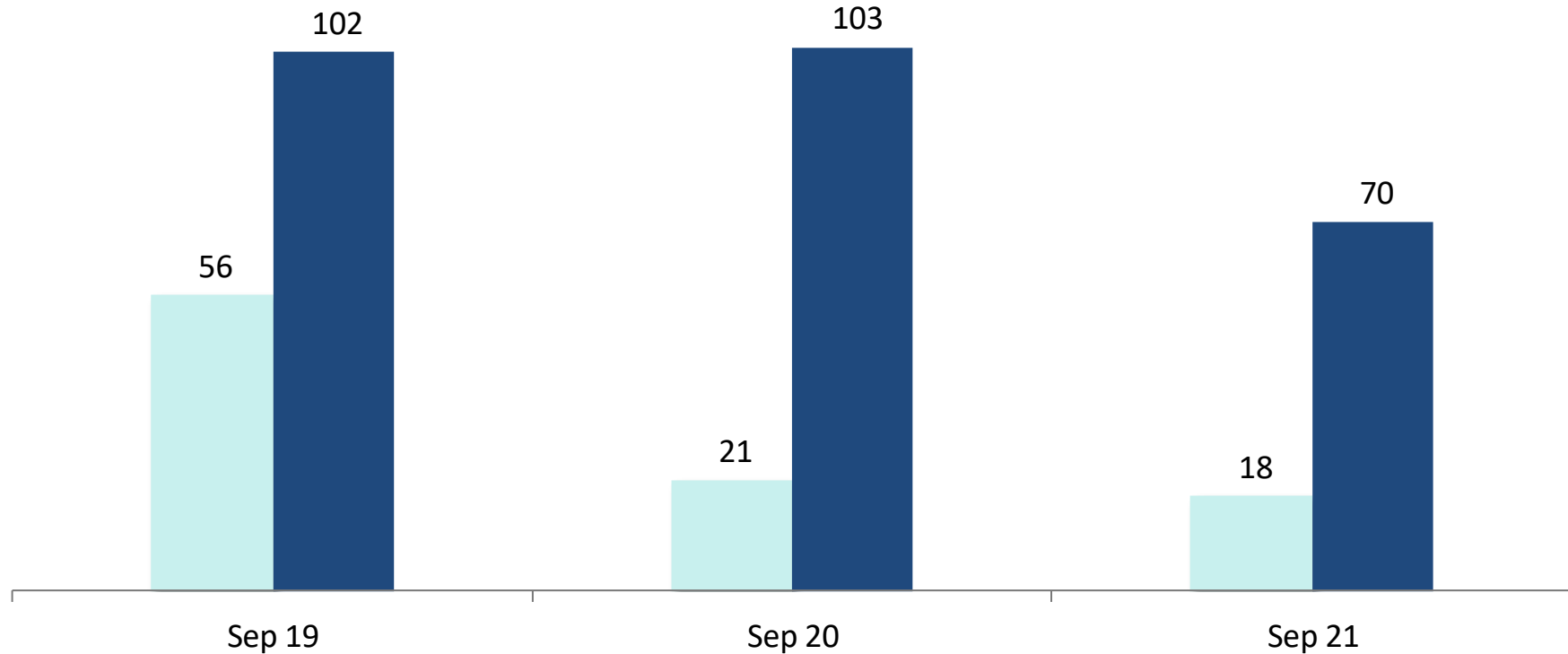
	\$ Mn		
	Assets	Liabilities	Gap
Upto 1 year	2,370	2,054	316
1-3 years	1,791	1,421	370
3 years+	1,778	1,414	364

3 Credit assets remain conservatively provided



Balance Sheet Provisions (\$ Mn)

IRAC Provisions IndAS Provisions



We have consistently provided higher than IRAC norms



Update on Key Priorities



Edelweiss
Ideas create, values protect

Key priorities for the next 15 months



- 1 Demerger and listing of Edelweiss Wealth Management
- 2 Reduce wholesale credit assets
- 3 Scale up our Asset Management and Insurance businesses

1 Demerger and listing of Edelweiss Wealth Management



Phase I

- PAG's strategic investment in Edelweiss Wealth Management



Phase II

- Segregation of Edelweiss Wealth Management business after regulatory approvals

Oct-Dec 21
(on track)

Phase III

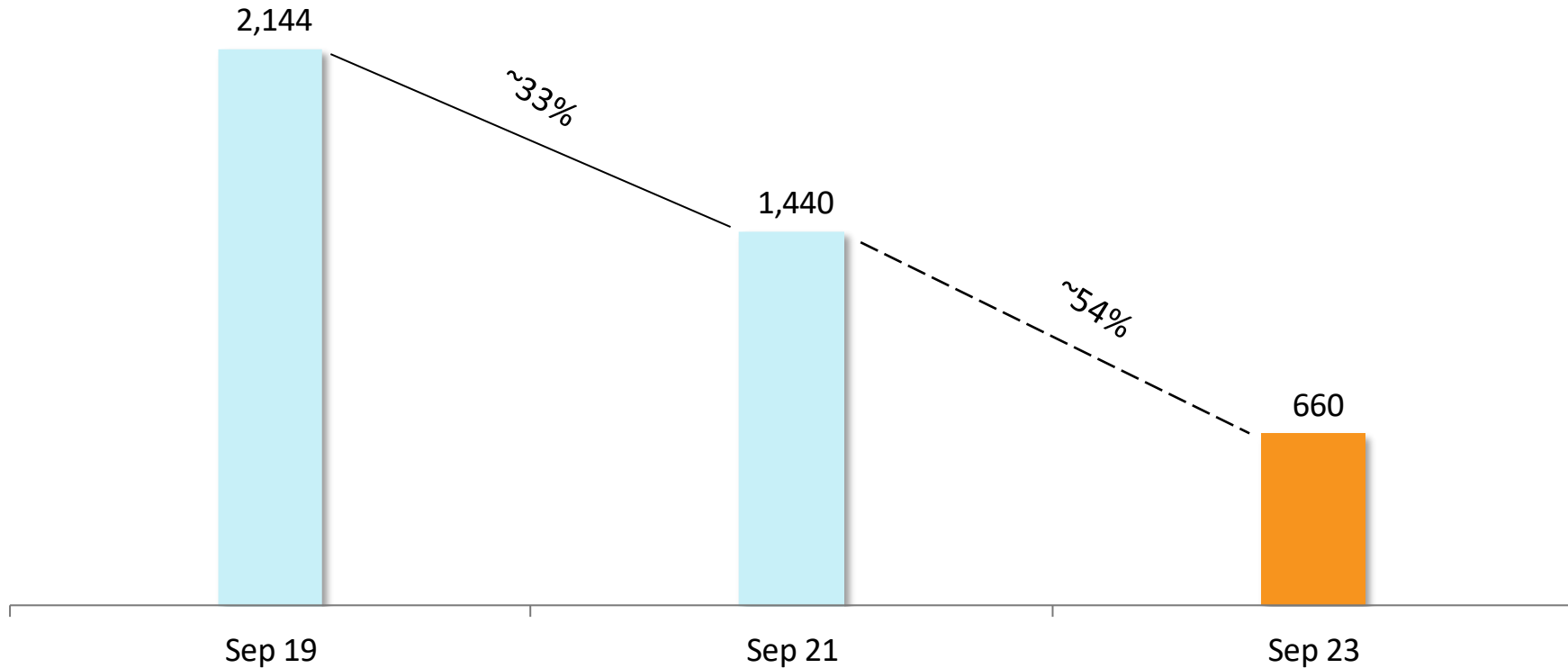
- Filing of regulatory applications for demerger and listing
- Approval from NCLT
- Edelweiss Wealth Management listing

Sep-Dec 22

2 Reduction in wholesale credit assets by 33% over 2 years



ECLF wholesale loan assets (\$ Mn)



**Improvement in reduction of wholesale credit assets expected over next 2 years
as Covid impact subsides**

2 Successful workouts > \$400 Mn in the past 18 months



Change of Developer

Strengthening the developer group through addition or replacement of developers

Projects Streamlining

Ensuring project progress by way of last mile financing and sales support for renewed buyer interest

Cash flow improvement

Improved cash flows by sales of ready and under-construction inventory, and monetization of non-core collateral

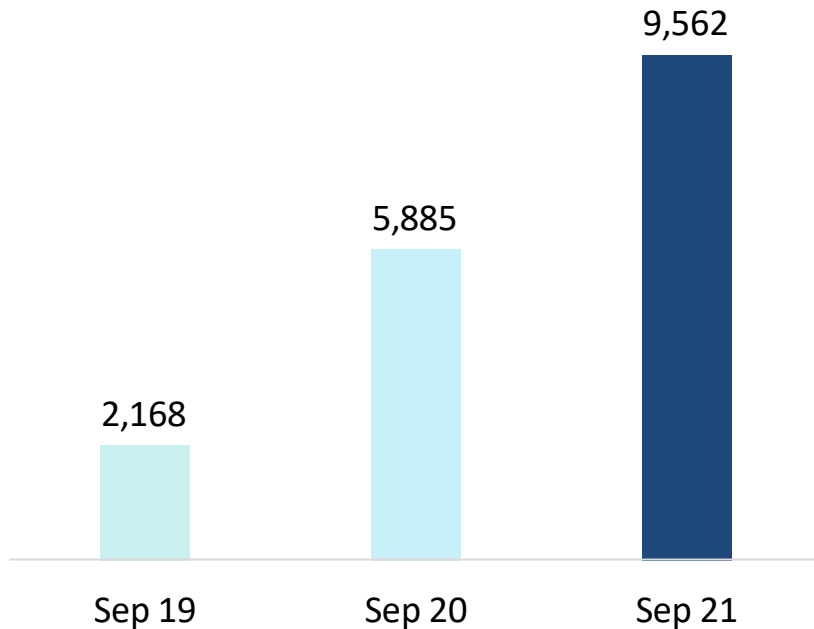
Financing

Significant interest on financing RE projects

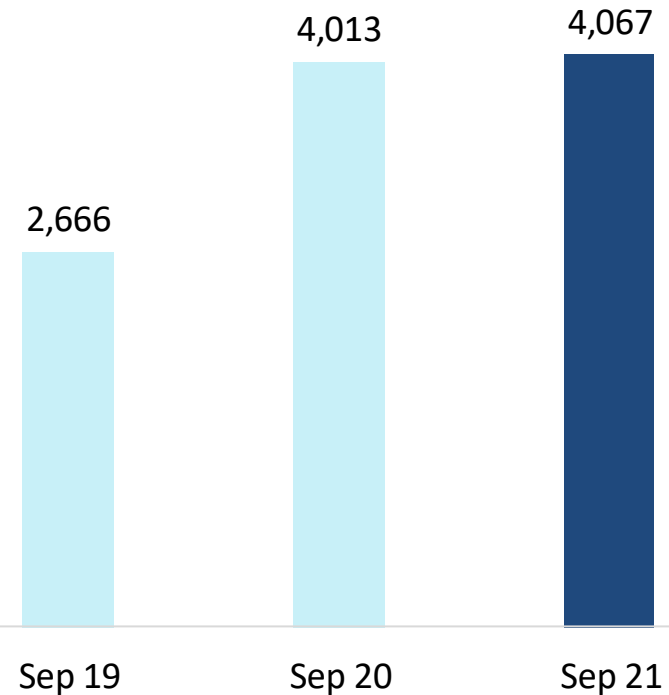
3 Significant growth in Asset Management business



Mutual Fund AUM (\$ Mn)



Alternative Asset Mgt AUM (\$ Mn)

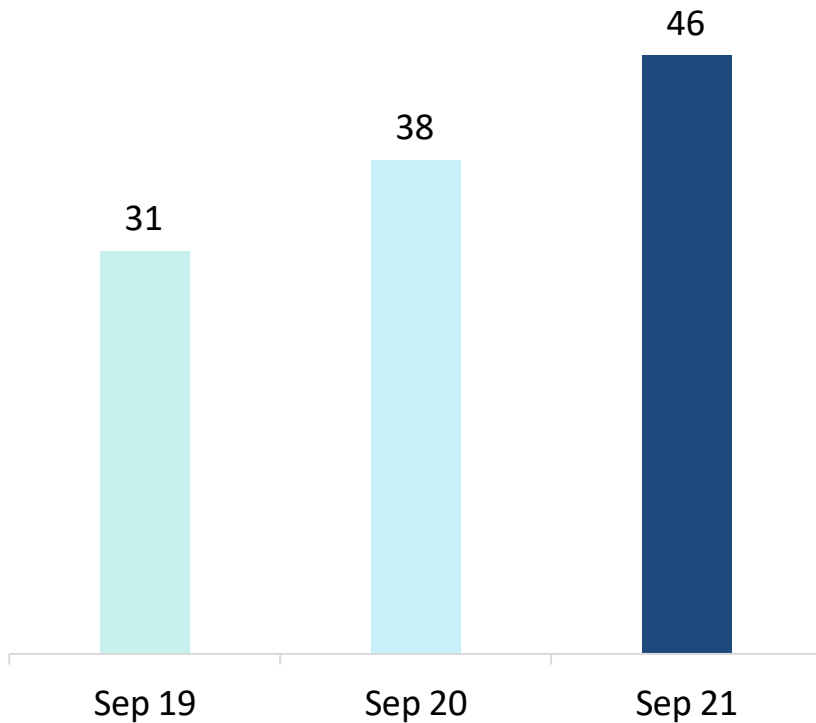


Asset Management AUM crossed \$13,400 Mn in this quarter

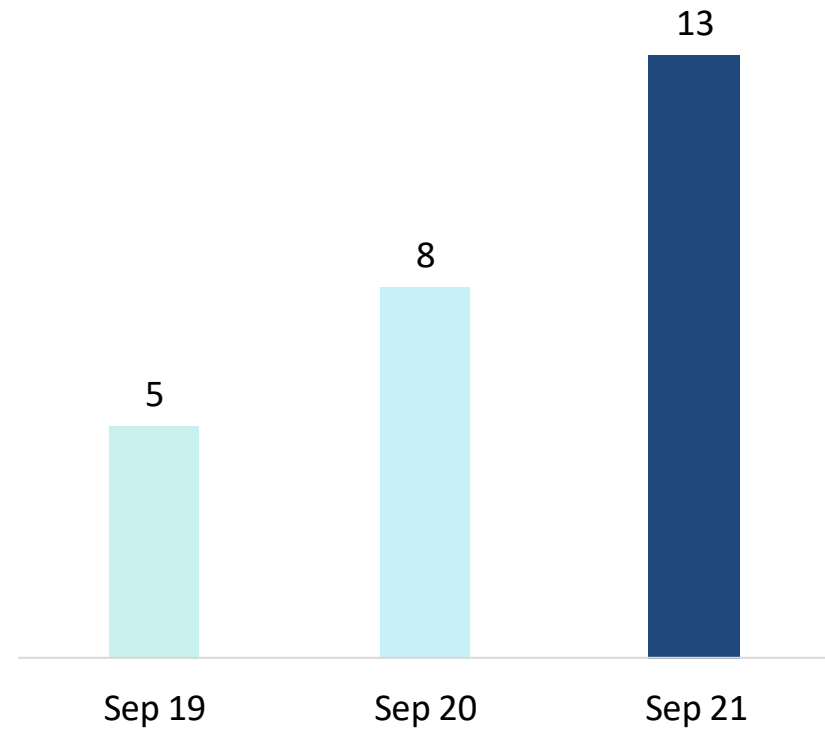
3 Insurance businesses continue to scale up



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



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



Gross Premium growth of 59% in LI and 52% in GI since last quarter



Business Performance

NBFC: Business performance snapshot

Key Metrics for the quarter



Equity (\$ Mn)

518



Credit Assets (\$ Mn)

1,936



Capital Adequacy

26.1%



Net D/E

3x



**Liquidity
(\$ Mn)**

74

Business Update

- Edelweiss SME - “Best Digital Strategy” award at the Digital Customer Experience Summit & Awards 2021
- Focus continues on asset light business model:
 - Initiated originations under secured CLM program
 - Exploring CLM partnership with multiple banks
 - Partnership live with ZestMoney for Digital Originations
- Retail Collection efficiency stood at 94% in Sep 21 quarter

NBFC: Financial performance snapshot




\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUM	1,250	1,754
Loan book	1,115	1,606
Equity	518	497
Gross Revenue	64	96
Net Revenue	12	40
Opex	12	26
Credit Costs	(2)	9
Profit After Tax	2	4
GNPA	2.7%	3.3%
NNPA	2.2%	2.7%
Total Provision Cover	203.3%	182.4%
Capital Adequacy	26.1%	24.0%


Housing Finance: Business performance snapshot



Key Metrics for the quarter

 **Equity (\$ Mn)** 103

 **Credit Assets (\$ Mn)** 619

 **Capital Adequacy** 22.0%

 **Net D/E** 3.1x

 **Liquidity (\$ Mn)** 74

Business Update

- Gradual scale up in disbursements
 - \$40 Mn disbursed during the quarter
- Collection efficiency back to normalcy at 99% for the current quarter
- Continued focus on Asset Light Business Model:
 - Started disbursements under CLM tie-up
 - Securitized book of \$34 Mn during the quarter

Housing Finance: Financial performance snapshot



\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUM	591	667
Loan book	453	514
Equity	103	105
Gross Revenue	18	22
Net Revenue	7	8
Opex	4	4
Credit Costs	1	1
Profit After Tax	2	2
GNPA	3.6%	2.4%
NNPA	3.2%	2.1%
Total Provision Cover	47.7%	56.4%
Capital Adequacy	22.0%	28.2%

Mutual Fund: Business performance snapshot

Key Metrics for the quarter



Equity (\$ Mn)

24



AUM (\$ Mn)

9,562



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

983



Retail Folios

~8.2 lacs

Business Update

- Total net inflows of \$983 Mn during the quarter
- Strong net equity inflows of \$337 Mn during the quarter driven by Balanced Advantage fund
- Equity AUM grew ~3x YoY to \$2,236 Mn
- Traction continues in debt passive funds
 - AUM of \$431 Mn in PSU SDL Index Fund 2026
 - Launched NFO for PSU SDL Index Fund 2027
- Retail folios grew ~70% since Mar 21 to 8.2 lacs

Mutual Fund: Financial performance snapshot



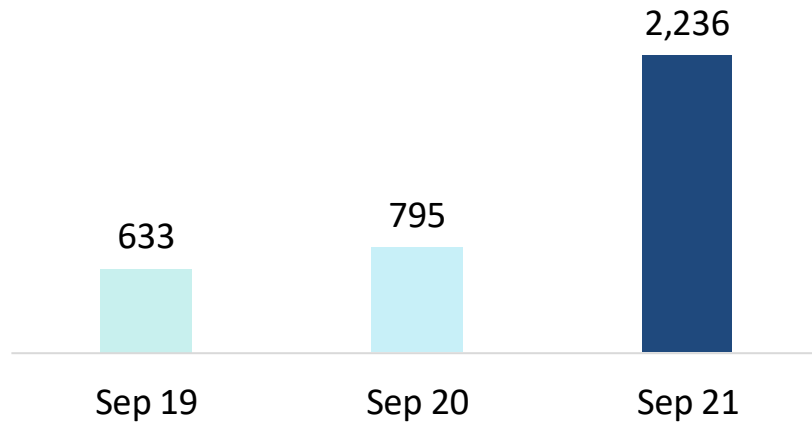
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUM	9,562	5,926
Equity	24	22
Revenue	6	4
Opex	4	3
Profit After Tax	1	-

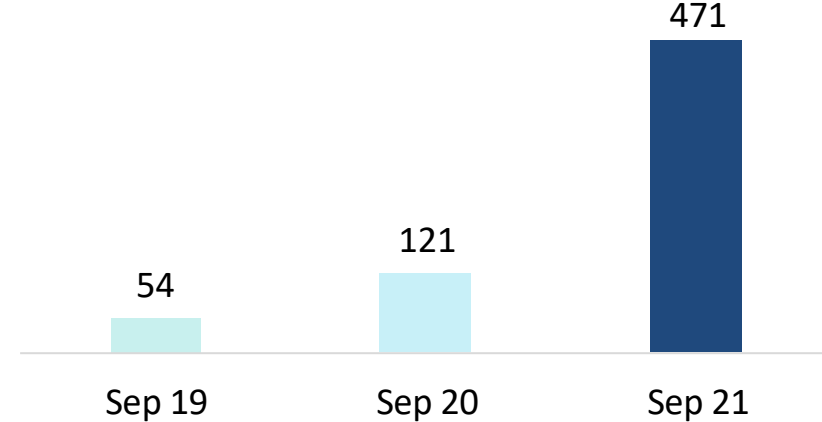
Consistent expansion of investor and partner reach



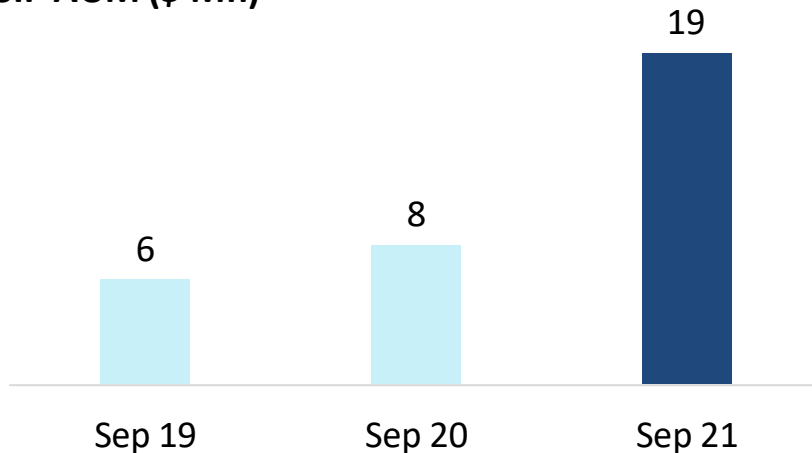
MF Equity AUM (\$ Mn)



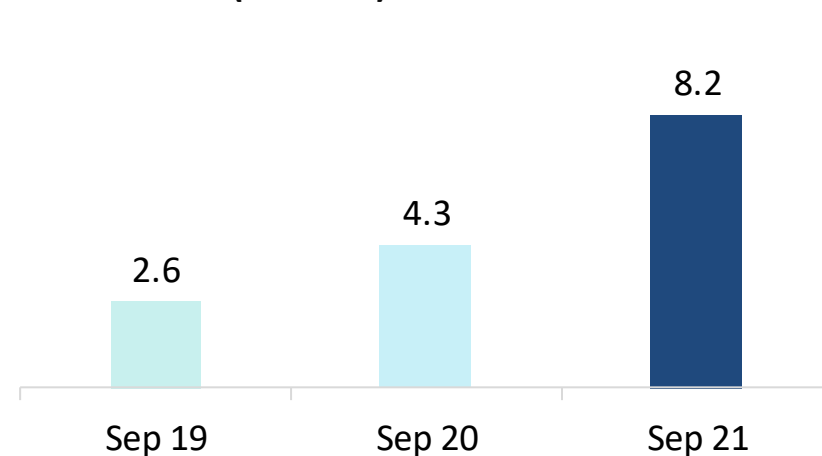
Quarterly Equity Gross Sales (\$ Mn)



SIP AUM (\$ Mn)



Active Folios (in Lakhs)



Alternative Asset Mgt: Business performance snapshot



Key Metrics for the quarter



Equity (\$ Mn) 23



AUM (\$ Mn) 4,067



Deployed AUM (\$ Mn) 1,966



Deployments (\$ Mn) 101

Business Update

- Robust investment pipeline
 - Deployed \$101 Mn during the quarter & \$249 Mn in half year ended Sep 21
- Ranked no. 3 in Asia in terms of AUM raised in last 5 years by Preqin
- Huge potential upside from carry income; ~95% of AUM performance linked
- Steady annuity income flows from long term asset base; 75% of AUM has tenor > 3 years

Alternative Asset Mgt: Financial performance snapshot



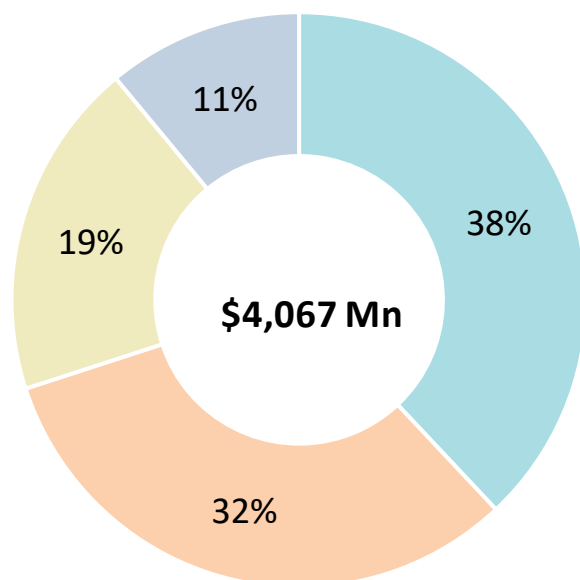
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUM	4,067	3,973
Deployed AUM	1,966	1,562
Equity	23	3
Revenue	8	5
Opex	7	5
Profit After Tax	2	-

Alternative assets overview

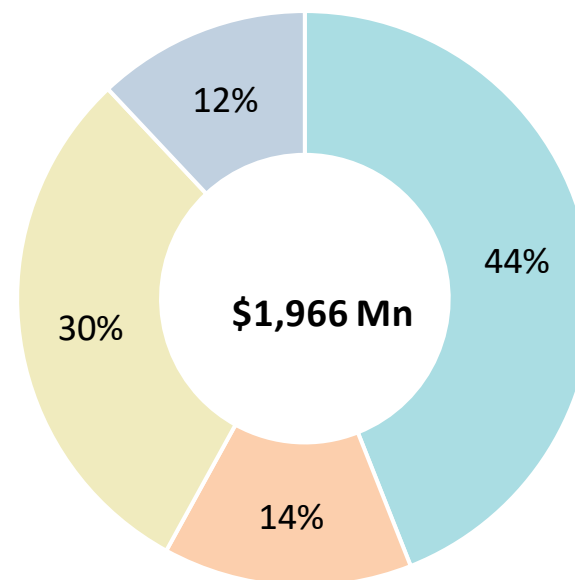


Alternative Asset Mgt AUM – Strategy wise



■ Distressed Credit Fund ■ Structured Debt Fund
■ Real Estate Credit Fund ■ Infrastructure Fund


Deployed AUM – Strategy wise




■ Distressed Credit Fund ■ Structured Debt Fund
■ Real Estate Credit Fund ■ Infrastructure Fund

Asset Reconstruction: Business performance snapshot

Key Metrics for the quarter

 **Equity (\$ Mn)** 316

 **AUM (\$ Mn)** 5,764

 **Capital employed (\$ Mn)** 741

 **Recoveries (\$ Mn)** 121

 **Net D/E** 1.4x

 **Capital Adequacy** 36%

Business Update

- Robust recoveries of \$100 Mn from wholesale portfolio and \$22 Mn from retail portfolio
- Acquired assets worth \$175 Mn
- Share of capital employed in retail assets increased to ~10% in Sep 21
- Comfortable liquidity position
- Well matched ALM across all durations

Asset Reconstruction: Financial performance snapshot



\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUM	5,764	5,710
Capital Employed	741	714
<i>Wholesale assets</i>	673	700
<i>Retail assets</i>	68	14
Equity	316	286
Gross Revenue	31	29
Opex	3	3
Profit After Tax	9	6
Edelweiss' share in PAT	6	4

Life Insurance: Business performance snapshot

Key Metrics for the quarter



Equity (\$ Mn)

82



Individual APE (\$ Mn)

13



**#Policies Issued
during the quarter**

14,275



**Policyholder's AUM
(\$ Mn)**

615



Solvency Ratio

206%



**13th Month Overall
Persistency**

67%

Business Update

- Individual APE CAGR of 26% since FY17 against industry growth at 13%
- Launched 2 new products this quarter: 'Total Protect Plus' and 'Premier Guaranteed Income'
- Product proposition well accepted in the industry:
 - Number of advisors grew at 19% 5 year CAGR to ~60,000
 - Active client base increased by ~9% YoY
- Dominant share of Traditional Par and Non-Par at ~80%
- Embedded Value as on Sep 21 at \$188 Mn

Life Insurance: Financial performance snapshot



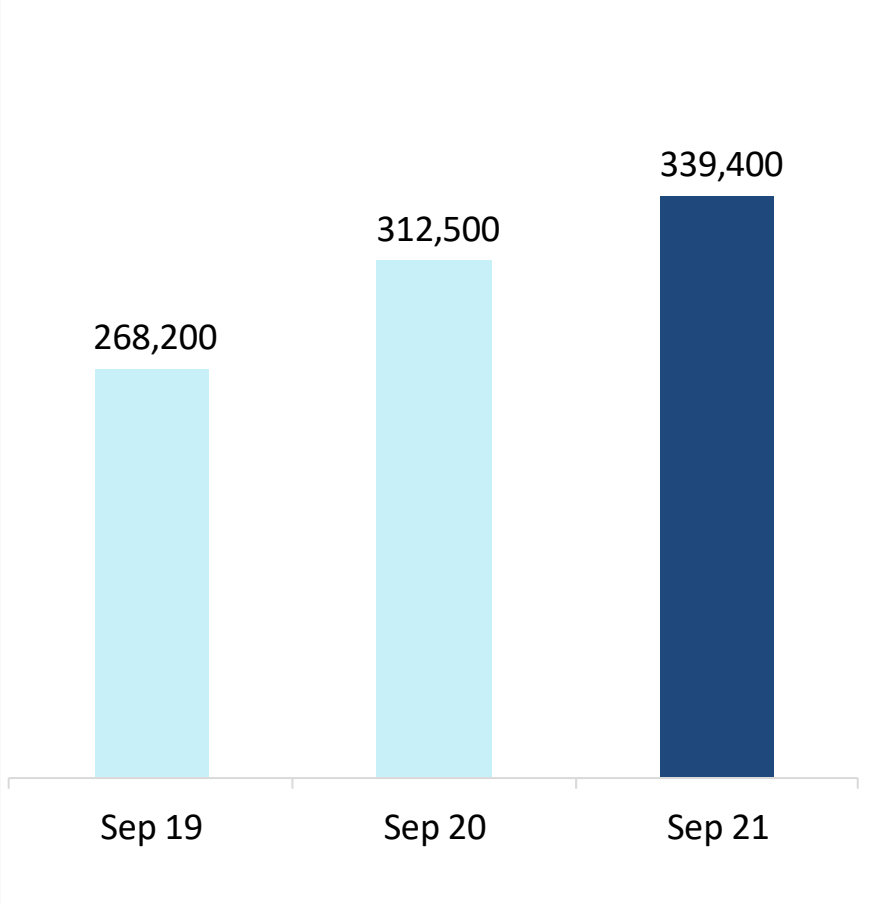
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
Net Premium Income	45	37
Investment Income & Other Income	29	16
Total Income	74	53
Policy benefits & insurance policy liability	61	41
Other expenses	20	20
Profit After Tax	(8)	(8)
Edelweiss' share in PAT	(4)	(4)

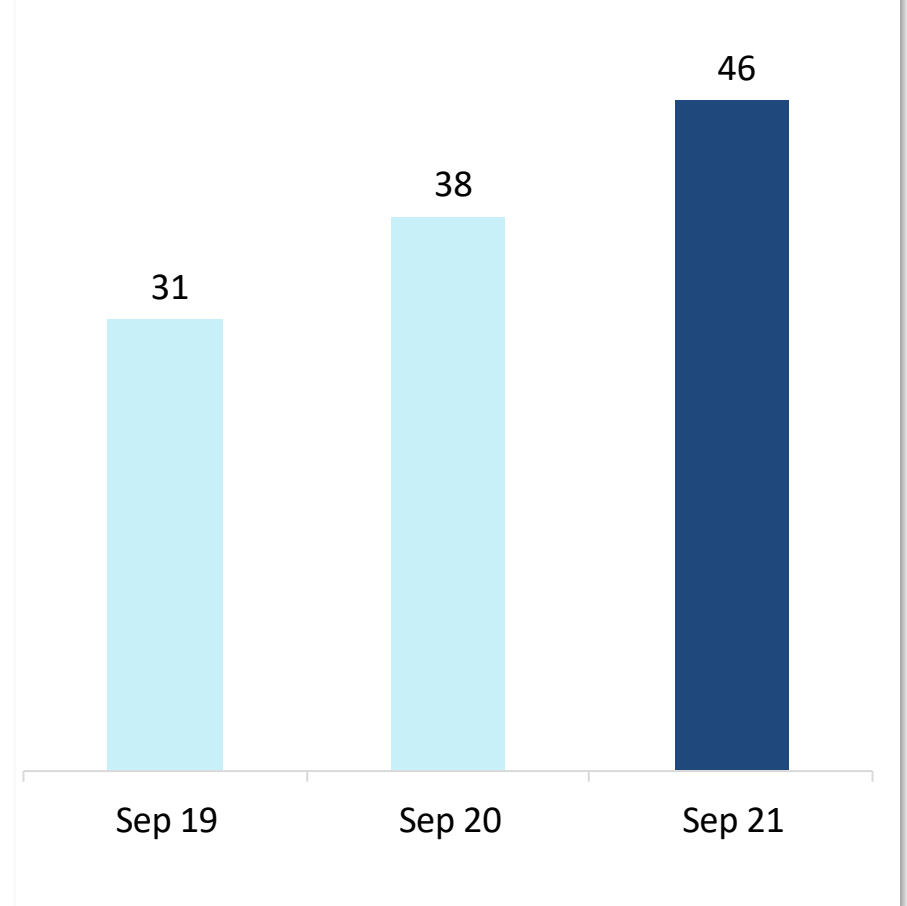
Customer base and gross premium continue to grow



No of Active Unique Clients (#)







Gross Premium for the quarter (\$ Mn)



General Insurance: Business performance snapshot



Key Metrics for the quarter

	Equity (\$ Mn)	17
	GWP (\$ Mn)	13
	Solvency Ratio	179%
	#Policies Issued during the quarter	61,436

Business Update

- Robust GDPI growth of 62% YoY while industry grew at 12% in Sep 21 quarter
- Multiple partner integrations via open API gateway went live with Mahindra Insurance Brokers, Policy Bazaar, Dealmoney, etc
- Expansion of distribution reach with OEMs & new-age internet players - Paynearby & PhonePe continues
- Adoption of video-based remote survey app (BOLT) for motor claims stands at 43% during the quarter

General Insurance: Financial performance snapshot



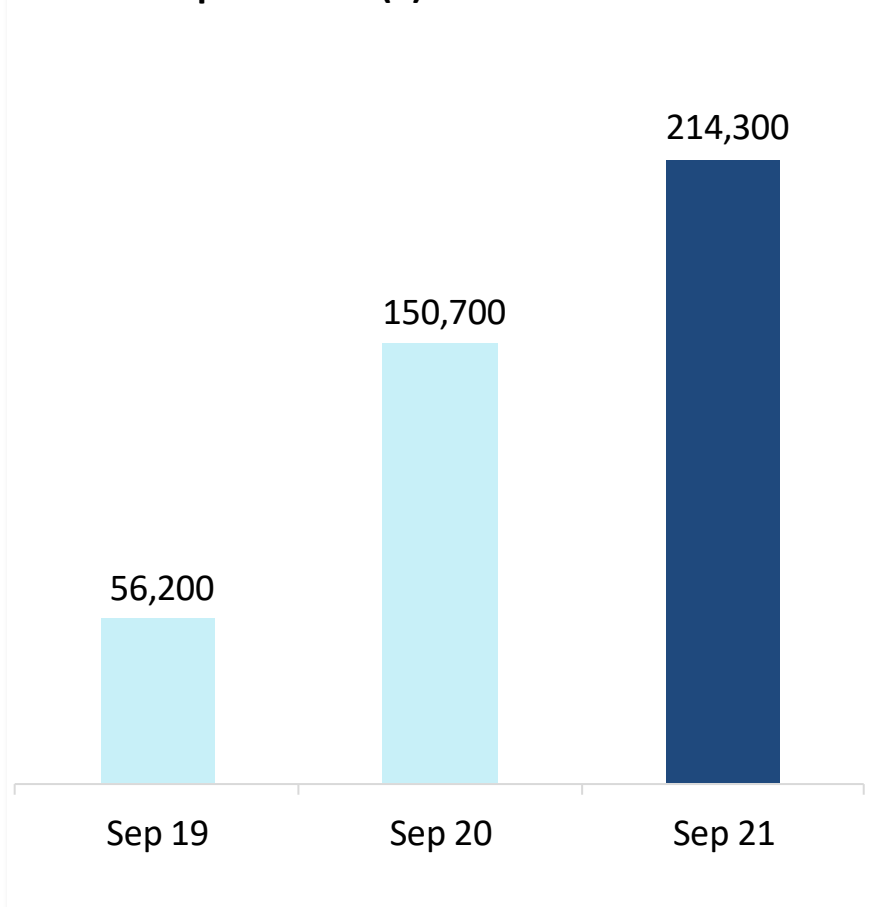
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
Net Premium Income	8	5
Investment Income & Other Income	2	1
Total Income	10	6
Policy benefits & insurance policy liability	8	5
Other expenses	5	5
Profit After Tax	(4)	(4)

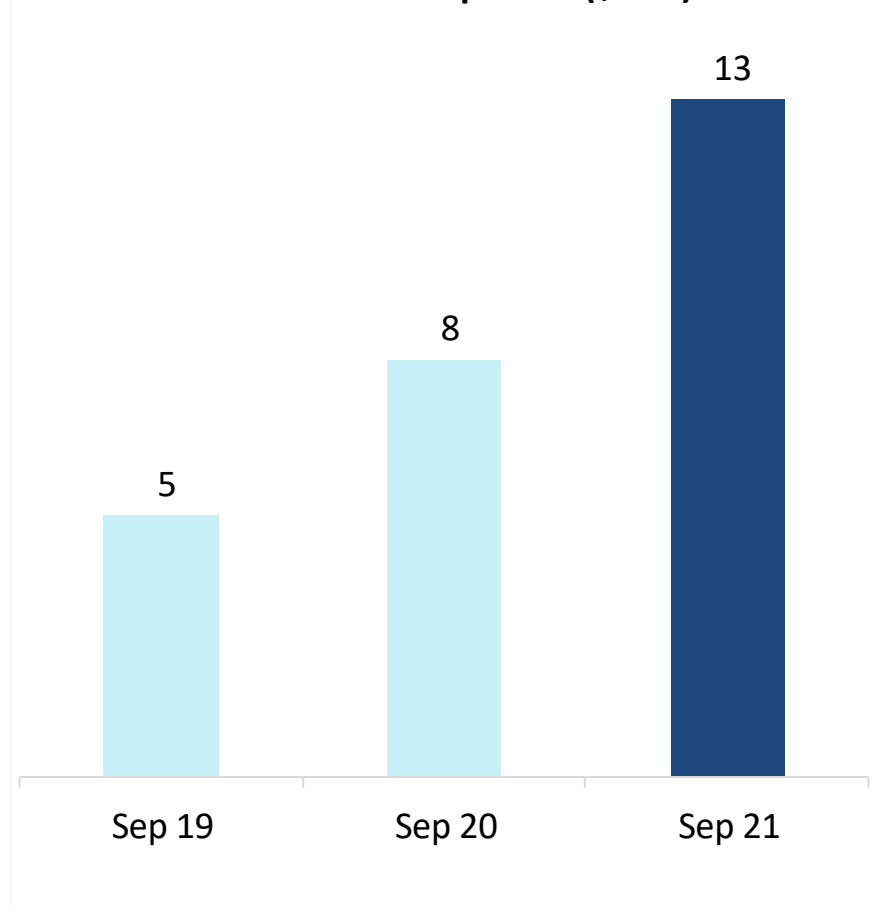
Strong growth enabled by digital platform



No of Unique Clients (#)




Gross Premium for the quarter (\$ Mn)




Wealth Management: Business performance snapshot

Key Metrics for the quarter

 **AUA (\$ Mn)** 24,254

 **LAS loan book (\$ Mn)** 269

 **Net New Money (\$ Mn)** 368

 **#UHNI Clients** ~2,600

 **#Affluent Clients** ~7,50,000

Business Update

- AuA grew ~7% QoQ with net new money for the quarter over \$360 Mn
- Strong quarterly financial performance with YoY revenue growth of ~30%
 - Driven by 92% YoY growth in distribution income
- LAS book grew by ~32% since Mar 21 to \$269 Mn in Sep 21

Wealth Management: Financial performance snapshot



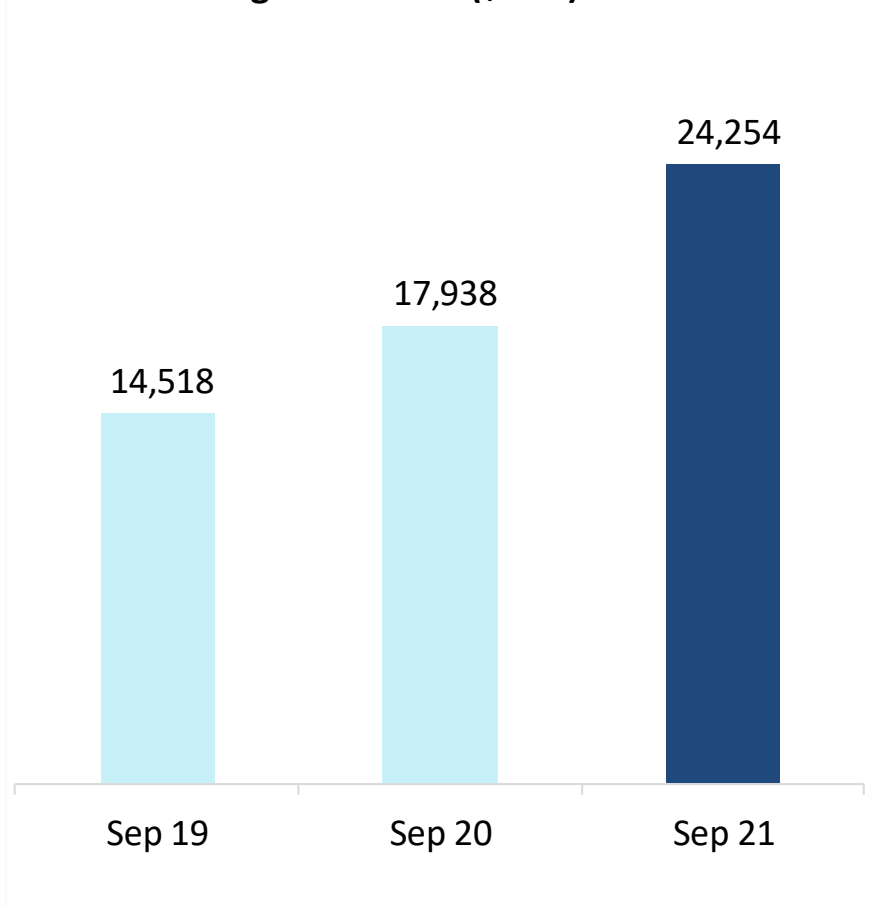
\$ Mn

	Quarter ended Sep 21	Quarter ended Sep 20
AUA	24,254	17,938
Equity	231	182
Gross Revenue	54	42
Net Revenue	46	34
Opex	31	21
Profit After Tax	13	11
Edelweiss' share in PAT	5	11

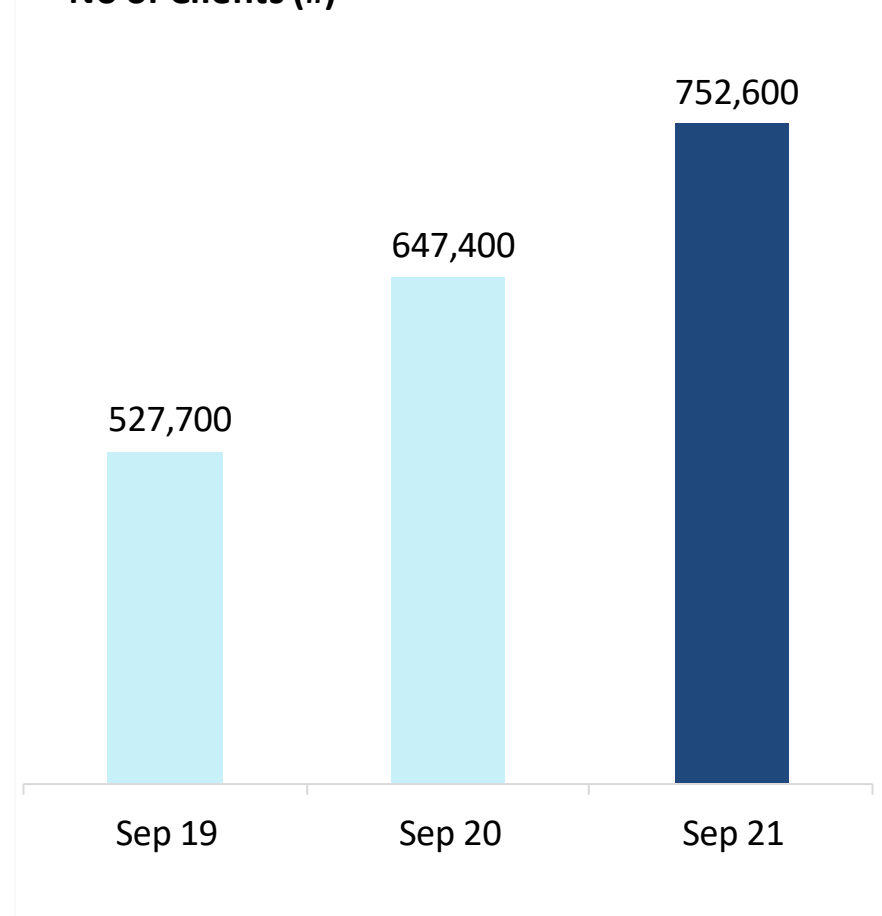
Wealth assets continue to maintain robust growth



Wealth Management AUA (\$ Mn)



No of Clients (#)





Governance and Corporate Responsibility



Edelweiss
Ideas create, values protect

12 Member Board with 7 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



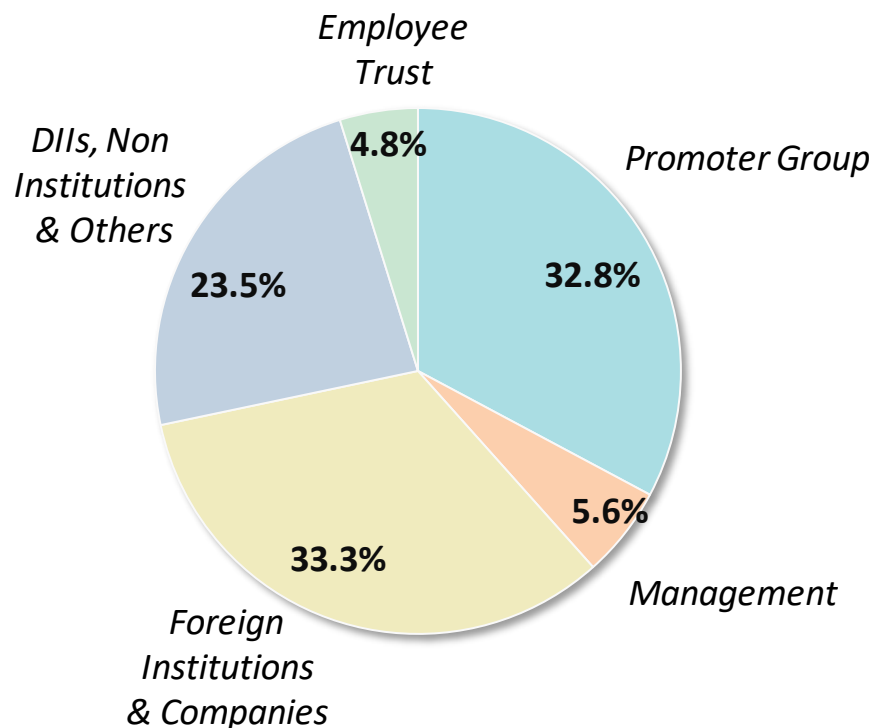
Mr. Berjis Desai
Independent Director

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

Significant institutional ownership



Shareholding Pattern as on 30th Sep 21



Key Shareholders above 1%		Percent
1	Pabrai Investment Funds	7.7%
2	BIH SA	5.1%
3	TIAA CREF funds	5.0%
4	Baron Asset Management	4.4%
5	LIC	2.6%
6	Vanguard Group	2.0%
7	Rakesh Jhunjhunwala	1.6%
8	CDPQ	1.5%
9	Flowering Tree Investment Management	1.4%
10	Barclays	1.0%
11	Nomura	1.0%

~43% owned by Edelweiss management and employees

Our investment in communities



97 Districts
across **13** States



\$9.8 Mn *
Committed
(incl \$3.2 Mn Edelweiss'
commitment)



38
NGO Partners



23
Co-funded Grants



48
Active Grants

EdelGive Foundation's commitment to investing in communities

Quality Education

19.49 lakh Children supported

67,900 Teaching professionals trained

27,300 Schools

Sustainable Livelihoods

2,200 hectares of irrigated land

29,200 Individuals trained

1,000 Watershed Structures Repaired/Built

Women Empowerment

1.78 lakh women supported

6,900 Grassroot leaders developed

- **Strong focus on Collaboration:**

- 2 own collaborative funds in Philanthropy on Education and Women Empowerment
- Lead Partners in 3 collaborative funds: India Climate Collaborative; Migrants Resilience Collaborative and Pay-What-It-Takes

- **Launched our Sixth Collaborative Fund – 'Grow' :** \$13.5 Mn fund to address issues of sustainability and financial resilience of 100 grassroots NGOs

- **Employee engagement:** 148 Edelweiss employees engaged; 3 skilled volunteering projects

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

Currency conversion: Conversion rate of 1 USD equal to 74.26 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 is including MI, investment in CCD by CDPQ of \$117 Mn and excluding Edelweiss Wealth Mgt equity
Slide 4:	Ex-Insurance PAT is excluding MI
Slide 4:	BVPS has been computed by taking into account potential stake dilution from convertible instruments in NBFC
Slide 4,16:	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 4,10:	Customer Assets includes EWM AuA
Slide 5,27,28:	NBFC equity includes investment in CCD by CDPQ of \$117 Mn
Slide 5,9,34,35,36 :	EAAA numbers represent consolidated numbers of Edelweiss Alternative Asset Advisors Limited, EAAA LLC, Edelweiss Alternative Asset Advisors Pte. Limited
Slide 5,9,45,46,47 :	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 6 other entities
Slide 11:	Total number of customers are rounded off to the nearest lakh and includes EWM customers
Slide 12:	Number of customers are rounded off to the nearest lakh
Slide 14 :	Borrowings include EWM borrowings and exclude CBLO, CCDs and accrued interest
Slide 15, 27,28 :	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 17:	Numbers are based on management estimates & 3 years+ liabilities exclude Equity; Assets and Liabilities do not include insurance business
Slide 18:	Numbers are for ECLF, ERFL and EHFL entities
Slide 22:	Wholesale loan assets includes loan book and SR investments
Slide 27,29 :	Credit assets includes loan book, securitized assets and SR investments
Slide 28, 30 :	AUM includes loan book and securitized assets; GNPA and NNPA for Sep 20 quarter are without considering standstill in NPA classification as per Honorable SC order
Slide 39:	13th month persistency (on Premium basis) includes policies issued from Apr'20 to Aug'20; EV is calculated on market consistent basis; Policyholder's AUM is calculated in accordance with IndAS
Slide 41,44,45,47:	Clients are rounded off to nearest 100
Slide 50 :	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information