

Dear Investors,

I hope this letter finds you and your families in good health. Wish you all a happy and peaceful 2023.

We announced our financial results for quarter ended Dec 22 and this letter gives us an opportunity to share our perspective on the quarter gone by. The detailed investor presentation can be found [here](#).

The past year has seen increased volatility at a global level accompanied by a rapid rise in global inflation triggering a cycle of rate hikes, spiking bond yields and an inverted yield curve. All of which leading to a looming recessionary trend in developed markets. Though affected by global headwinds, India emerged as a bright spot seeing a robust recovery from not only the aftermath of the pandemic but also as being well insulated from the global storm. India entered the league of the top five economies of the world by surpassing the United Kingdom; a proud moment for all of us.

We remain optimistic about the India story, given its strong digital infrastructure, budding entrepreneurship ecosystem, strong government and bank balance sheets, and government support for manufacturing. At Edelweiss, we are well-positioned to capitalize on the various opportunities that have presented themselves in these uncertain times through our wide spectrum of businesses which are well-capitalized, have robust operating platforms and are poised for growth.

In the quarter gone by, our ex-Insurance PAT grew 31% YoY to INR 166 Cr, customer reach grew 30% YoY to 6 million and customer assets grew at 17% YoY to 4 trillion. Further, our businesses are well capitalized with comfortable liquidity. As shared with you, we have been focused on delivering to our key priorities and are happy to share the progress made with you all.



**Growing and Scaling our
Asset Management and
Insurance businesses**



**Reducing our
Wholesale credit assets**



**Demerger and listing
of Nuvama wealth
management business**

Growing and Scaling our Asset Management and Insurance businesses

We tripled our Mutual Fund AUM over the past three years and are currently at INR 100,000 Cr as on Dec 22. MF AUM grew by INR 18,100 Cr in the calendar year 2022 which was second highest in the industry. Equity AUM grew 15% YoY to INR 22,100 Cr and retail folios increased by 23% YoY to 11.2 lakh; nearly quadrupling in the past three years. SIP book has also tripled in the last three years to INR 172 Cr, adding to predictability of flows & annuity nature of the business.

We maintain our dominant position in **Alternatives**. AUM is currently at INR 45,000 Cr, which has doubled over the past three years and grown 50% YoY. Fee-paying AUM had a robust growth of 34% YoY, aiding to enhancing business profitability. We launched our first InvIT with AUM of INR 2,300 Cr and signed agreement to acquire road and transmission assets of INR 6,000 Cr from L&T.

The **Life Insurance** business saw a gross premium of INR 378 Cr in the quarter and ~INR 1,000 Cr YTD. Persistency ratio is currently at 74% and a claim settlement ratio is at 98.5% as on Dec 22. The **General Insurance** business collected a gross premium of INR 149 Cr in the quarter and nearly INR 500 Cr YTD. During the quarter we have launched “EDGE” which is an open API platform which will aid in enhancing our product offerings.

Reducing Wholesale credit assets

Over the past two years, wholesale credit assets reduced from INR 11,600 Cr to INR 7,800 Cr, a 33% reduction. We expect an onward reduction to INR 2,300 Cr by Dec 24. Over the past nine months, we have received inflows of INR 2,800 Cr and expect the momentum to continue.

Demerger and listing of Nuvama wealth management business

We expect the demerger to be completed by Mar / Apr 23 followed by listing around Apr / May 23. The demerger and the subsequent listing provides an opportunity for all our shareholders to participate the value creation of Nuvama. The detailed Business Update on Nuvama Wealth Management has been filed with our Q3FY23 presentation, aimed at providing further insights on the business.

To sum up, Edelweiss is well positioned and poised to leverage on the opportunities which the growing economy will present. We are committed to continue the cycle of creating and unlocking such value created at opportune moments and take this opportunity to reaffirm our appreciation to you, our stakeholders, for your support and belief in us. We look forward to your continued support and would appreciate your thoughts, inputs, and feedback. Please do reach out to our Investor Relations team at ir@edelweissfin.com for any inputs or questions that you may have.

Thank you!



Rashesh Shah
Chairman – Edelweiss Group