

EW/Sec/2022/140

August 4, 2022

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
--	--

Dear Sir/Madam,

Sub: Outcome of Board Meeting

In accordance with the provisions of Regulations 30, 33, 52 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we would like to inform you that the Board of Directors of the Company (the Board) at its Meeting held today, has *inter alia* approved the:-

1. unaudited Financial Results of the Company for the first quarter ended June 30, 2022 comprising of:-
 - a) Consolidated Financial Results; and
 - b) Standalone Financial Results.

The copies of the aforesaid results together with the Limited Review Report issued by the Auditors of the Company are enclosed. The Auditors have issued an unmodified opinion on the Results; and

2. appointment of Mr. Shiva Kumar (DIN: 06590343) as an Independent Directors on the Board for the first term of 5 years, subject to requisite approvals.

As required under the Listing Regulations, the disclosure with regard to the appointment of Mr. Kumar is provided in the Annexure.

The meeting of the Board commenced at 6.30 p.m. and concluded at 8.00 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Financial Services Limited

TARUN
KHURANA
Tarun Khurana
Company Secretary

Digitally signed by
TARUN KHURANA
Date: 2022.08.04
20:11:41 +05'30'

Encl.: a/a

Edelweiss reports ex-Insurance PAT of INR 103 Cr, 68% growth YoY

Steady Business Performance * Improved Asset Quality * Growing Customer Franchise * Robust Balance Sheet

Quarter ended Jun 22 Highlights:

- **EFSL post MI Ex-Insurance PAT of INR 103 Cr, 68% growth YoY**
- **EFSL post MI Consolidated PAT of INR 26 Cr, 44% growth YoY**
- **Revenue (consolidated) - INR 1,294 Cr**

Improved asset quality and performance of Credit businesses

- GNPA improved to 2.5% from 3.8% YoY, NNPA improved to 1.8% from 3.3% YoY
- Healthy profitability at INR 35 Cr for the quarter
- Credit assets remain conservatively provided for, higher than IRAC norms

Strong Growth in Customer Franchise

- **Customer reach** continues to expand to **5.5 million, growing ~30% YoY** and nearly doubling over last two years. This has also aided a **~20% YoY growth in customer assets to INR 3.6 trillion** – demonstrating the continued trust reposed in us by our customers

Robust Balance Sheet, Comfortable Liquidity and Well Capitalised businesses

- **Net Worth** at INR 8,363 Cr
- **Borrowings reduced by ~INR 6,500 Cr** over last 2 years to INR 24,780 Cr
- **Net D/E improved to 2.1x** from 3.3x in Jun 20
- **Comfortable Liquidity of INR 5,250 Cr** at ~21% of Borrowings
- **Strong capitalization across businesses**, with capital adequacy of over 30% across entities

Progress on Key Priorities remains on track

- **Demerger and listing of Edelweiss Wealth Management**
 - NCLT order received and made effective for Phase 2 demerger scheme
 - Completion of demerger expected by Jan 23 and listing expected by Mar 23
- **Scaled down wholesale loan assets; strong quarterly inflows**
 - ECLF wholesale loan assets reduced ~21% YoY to INR 8,580 Cr
 - Expected further reduction to INR 5,700 Cr by Jun 23
 - Inflows of ~INR 1,200 Cr in the quarter, momentum expected to continue
 - Successful workouts have helped improve asset quality
- **Continued Scale up in Asset Management & Insurance Businesses**
 - Asset Management AUM has increased **6x with a CAGR of 45%** over last five years
 - Insurance businesses is fast growing with customer reach of 3.8 million; continues to outperform industry benchmarks

Speaking on the occasion, Mr. Rashesh Shah, Chairman, Edelweiss Financial Services Limited said:

“Much of the quarter was dominated by concerning global cues, however, India continued to perform well, with the economy showing robust potential on the back of positive domestic activity indicators.

At Edelweiss, our businesses are seeing steady performance facilitated by robust and independent platforms with an **ex-Insurance PAT growing 68% YoY to INR 103 Cr** for the quarter.

The asset quality in credit businesses has seen a significant improvement with GNPA at 2.5% from 3.8% last year as also the profitability. We expect to see these trends continue as we build out our asset light model in retail credit. This quarter also witnessed new partnership with IDFC First, in addition to strong co-lending relationships we have with Standard Chartered Bank, Central Bank among others.

Our Asset Management businesses have scaled up over the past decade and has seen the **customer assets grow by 6x over the past 5 years with a CAGR of 45%** to INR 124,250 Cr. The Mutual Fund AUM grew at 43% YoY to INR 88,000 and retail folios crossed one million, growing 45% YoY. Our market dominant Alternatives platform saw 21% YoY growth in AUM and 76% YoY growth in fee paying AUM which translated into a 1.63x YoY growth in PAT. We launched innovative industry-first products in our insurance businesses, where we continue to be amongst the fastest growing players in the industry, with a customer reach of 3.8 million.

Our customer franchise continues to expand, and our customer reach is currently at 5.5 million, a 30% YoY growth. This also has aided a 20% YoY growth of our customer assets to INR 3.6 trillion.

We continue to maintain a **strong and well-capitalized balance sheet** with capital adequacy of over 30% across entities. Deleveraging has been a key focus with D/E ratio at 2.1x, resultantly our debt has declined by ~INR 6,500 crores over the last two years.

Through the year, we will continue to focus on our key priorities which include value unlocking and listing of EWM business, further reduction of the wholesale book and investing and supporting our businesses in their value creation journey. Our single-minded focus on understanding customer needs, offering the right solutions and delighting our customers remains key to our growth.”

Steady Performance across Businesses – Healthy Profitability & Upward trend in Key metrics

- **Credit**
 - **Credit businesses reported a PAT of INR 35 Cr**
 - Focus continues to remain on **asset-light retail credit** model through partnerships with Banks.
 - Forged partnership with IDFC First Bank for co-lending to MSME sector, ongoing CLM disbursements with Standard Chartered Bank and Central Bank of India
 - Securitization of ~INR 400 Cr done with Godrej Housing Finance and DBS Bank
 - **Asset Quality continues to improve** – GNPA at 2.5%, NNPA at 1.8%, YoY improvement from 3.8% and 3.3% respectively
 - **Strong wholesale recoveries** of ~INR 1,200 Cr in the quarter ended Jun 22, momentum expected to continue
 - Retail **collection efficiency is healthy** at 98% in Housing Finance, 93% in NBFC

- **Asset Management**

Mutual Fund:

- **AUM grew 42% YoY** to INR 88,000 Cr; net inflows of INR 5,930 Cr in the quarter
- **Equity AUM grew ~40% YoY** to INR 18,800 Cr with net equity inflows of INR 1,100 Cr in the quarter
- **Continued leadership in Debt passives** with AUM at INR 65,200 Cr
- **Retail folios grew** by 45% YoY to **over 1 million**
- Retained our rank of 13th with **AUM market share improving** 20 bps QoQ to ~2.36%

Alternatives:

- Maintain dominant position in India Alternatives market, **AUM growing 21% YoY to INR 36,250 Cr**
- Fee paying AUM grew 76% YoY to INR 20,000 Cr; Profitability grew by 1.63x YoY to INR 21 Cr
- **Deployed INR 1,150 Cr, realized INR 1,575 Cr and raised AUM of ~INR 5,000 Cr** during the quarter

- **Asset Reconstruction**

- Focus continues to be on **building retail capabilities even as recoveries from wholesale continue to remain strong**
- **Total recoveries** of INR 1,750 Cr in the quarter of which 18% are from retail portfolio
- Deployed INR 475 Cr in the quarter
- **Share of Retail Assets doubled** YoY to ~13% of capital employed as on Jun 22

- **Insurance**

Life Insurance:

- **Gross premium grew at 12% YoY to INR 240 Cr**; Dominant share of Traditional Par and Non-Par at ~82%
- **Individual APE for the year grew at a 5-year CAGR of 23%** against industry growth at 10%
- Launched a new product “Guaranteed Savings Star” the quarter
- Advisor base grew 12% YoY to ~65,100

General Insurance:

- Achieved **GDPI growth of 82% YoY** against industry growth of 23%
- **Consistent Growth across our choice of business segments exceeds industry benchmarks**; Health (retail) and Motor grew by 126% and 95% YoY in the quarter against industry growth of 14% and 27% respectively
- Issued ~80,000 policies in the quarter; ~77% growth YoY
- Launched **Switch 2.0**; Industry first, telematics driven ‘usage-based’ product
- **Expansion of partner base** in the financial services by partnering with Avanse Financial Services, Orange Retail Finance and ART Housing Finance.

- **Wealth Management (EWM)**

- **AuA grew 17% YoY** with net new money of ~INR 4,600 Cr for the quarter
- Strong 106% YoY **growth in distribution income, revenue growth** of 21% YoY
- Addition of ~82,000 Affluent clients during the quarter, YoY growth of 3.4x
- **Customer count increased by 27% YoY** to over 9.2 lakh customers

About Edelweiss Financial Services

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. Its businesses include NBFC, Housing Finance, Asset Management, Asset Reconstruction, Life Insurance, General Insurance and Wealth Management. Together with strong network of Sub-Brokers and Authorized Persons, Edelweiss group has presence across all major cities in India.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. To learn more about the Edelweiss Group, please visit www.edelweissfin.com. Edelweiss Financial Services Limited **Corporate Identity Number:** L99999MH1995PLC094641

Edelweiss Social media handle:

edelweissfinancialservicesltd |



@EdelweissFin |



Linkedin.com/company/edelweissfin

For more details please contact:**Shalaka Kagathra**

Head

Group Corporate Communications

Edelweiss Financial Services Limited

Tel: +91 22 4009 4367

E-mail: Shalaka.Kagathra@edelweissfin.com**Safe Harbour**

This document may contain certain forward - looking statements, which are tentative, based on current expectations of the management of Edelweiss Financial Services Limited or any of its subsidiaries and associate companies ("Edelweiss"). The results in future may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include, inter alia, the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as its ability to implement the strategy. Edelweiss does not undertake any obligation to update these statements. The presentation relating to financial performance of various businesses of Edelweiss herein is based on Management estimates. This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such actions. The company regularly posts all important information at its website www.edelweissfin.com.