

Edelweiss teams up with SBI for Co-Origination of Loans to MSMEs

- Alliance to democratize access to credit for Priority Sector Lending to MSMEs
- Business Loans, Machinery Loans & SME Asset-Backed Loans to range from INR 3 lacs to INR 50 lacs, at a blended rate of interest

Mumbai, September 5th 2019: ECL Finance Limited, a subsidiary of Edelweiss Financial Services Limited and State Bank of India (SBI), India's largest bank, have signed a Co-Origination agreement to increase access to credit for Micro, Small and Medium Enterprises (MSMEs). Pursuant to Reserve Bank of India's (RBI) guidelines on co-origination of loans by banks and NBFCs, the alliance aims to leverage combined reach in tier II and tier III markets to ensure timely disbursement of credit to MSMEs.

This collaboration involves the sharing of risks and rewards between Banks and NBFCs and is a win-win for all involved parties; MSME customers, Banks and Edelweiss, creating a lending environment that truly democratizes credit flows to an important socio-economic segment. The partnership between SBI and Edelweiss comes close on the heels of SBI setting up a special NBFC Alliance department to step up lending to the priority sector.

For Edelweiss, Co-Origination represents an alternate model of disbursements that is asset light and creates a sound revenue model through fee income. SBI brings capital flows at low costs, which when combined with Edelweiss' expertise, would be able to meet the credit needs of MSME customers. **For MSME customers, this translates into easy access to credit at lower rates, given a specialized blended rate of interest.**

Speaking on the development, **Rashesh Shah, Chairman & CEO of Edelweiss Group** said, "We are delighted to partner with the prestigious State bank of India and be a part of this priority sector lending initiative for MSMEs. We believe that revival is possible only by making credit available to this vital contributor of the Indian economy. Edelweiss and SBI are collaborating to make reasonably priced credit accessible for the priority sector segment."

Speaking on the announcement, **Mr. P. K. Gupta, Digital & Retail Banking, SBI** said, "The partnership will boost credit availability to the MSME community, which contributes substantially to the GDP. The wide reach of SBI will give access to cost effective loans to the MSME sector in non-metros."

Mr. Deepak Mittal, MD & CEO, ECL Finance added, "This collaboration will help both SBI and Edelweiss leverage their respective strengths on customer acquisition, credit assessment and state-of-art technology, to bring down cost of credit for the MSME sector substantially. Having recently won the Best NBFC in SME Finance award, at the India NBFC Summit, this unique tie up is further testament of Edelweiss' abilities in acquiring high-quality customers and due diligence of credit assessment."

The Credit business has been a significant growth engine for the Edelweiss Group because of its size, scalability and a growing presence pan India. The retail segment accounts for 50 per cent of the credit business. This is the third Co-Origination MoU in quick succession for Edelweiss, after the Bank of Baroda and Central Bank of India.

In recent years, the Edelweiss Group has cemented several partnerships with leading global institutions including Caisse de depot et placement du Quebec (One of North America’s largest pension funds), Allianz Investment Management (Part of the Allianz Group, one of the world’s largest insurers), Bank of Singapore and Arthur J Gallagher across market leading platforms, in ECL Finance, Private Debt, Wealth Management and Insurance Broking businesses respectively. Most recently, Edelweiss announced an investment of US\$ 75 million (~INR 525 crores), by US-based major Kora Management in Edelweiss Global Investment Advisors (EGIA), subject to structuring-related milestones. A total investment of \$ 200 million is expected in the advisory business, including the investment from Kora Management.

About State Bank of India

State Bank of India (SBI) the largest commercial bank in terms of assets, deposits, branches, customers and employees is also the largest mortgage lender in the country. As on June 30, 2019, the bank has a deposit base of over Rs. 28 lakh crore with CASA ratio of 45.1% and advances of over Rs. 19 lakh crore. SBI commands around 35% and 36% of market share in home loans and auto loans respectively. The Bank has the largest network of 22,088 branches in India and an ATM / CDM network of over 58,495. The number of customers using internet banking facility are more than 66 million and mobile banking services stand at 14.8 million. Downloads for YONO - an integrated digital and lifestyle platform by SBI - are over 23 million, with more than 16 million logins per day. On social media platforms, SBI has the highest number of followers on Facebook, YouTube, LinkedIn and Pinterest. The Bank tops the list of followers on Facebook and YouTube across all banks worldwide.

About Edelweiss Group

The Edelweiss Group is one of India's leading diversified financial services company providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss' products and services span multiple asset classes and consumer segments across domestic and global geographies. Its businesses are broadly divided into **Credit Business (Retail Credit** comprises of **Retail Mortgages, SME and Business Loans, ESOP and Margin Financing, Agriculture and Rural Finance, Corporate Credit** comprises of **Structured Collateralised Credit** to Corporates, **Wholesale Mortgages, and Distressed Credit), Advisory Business (Wealth Management, Asset Management, Asset Reconstruction and Capital Markets)** and **Insurance (Life and General Insurance)**. Edelweiss has a Balance Sheet of INR 53,932 cr, as of 31st March, 2019. The Group had a revenue of INR 10,886 cr and PAT of INR 995 cr for FY19. To learn more about the Edelweiss Group, please visit www.edelweissfin.com.

Media contacts:

<p>State Bank of India Ritesh Mehta AVP - Corporate Communications Mob : +91 9930125097 Email: ritesh.mehta@sbi.co.in</p>	<p>Edelweiss Group Divya Malik Lahiri Head Public relations Mobile : 9811051234 7304495138 E mail divya.lahiri@edelweissfin.com</p> <p>Aruna Balkrishna Singh VP - Group Corporate Communications Mob: +91 9819654138 Email: aruna.singh@edelweissfin.com</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------