



Edelweiss Analyst Day

Friday April 7th, 2017



Agenda



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Our Journey

2

Businesses at Edelweiss

3

Building a High Quality Organization

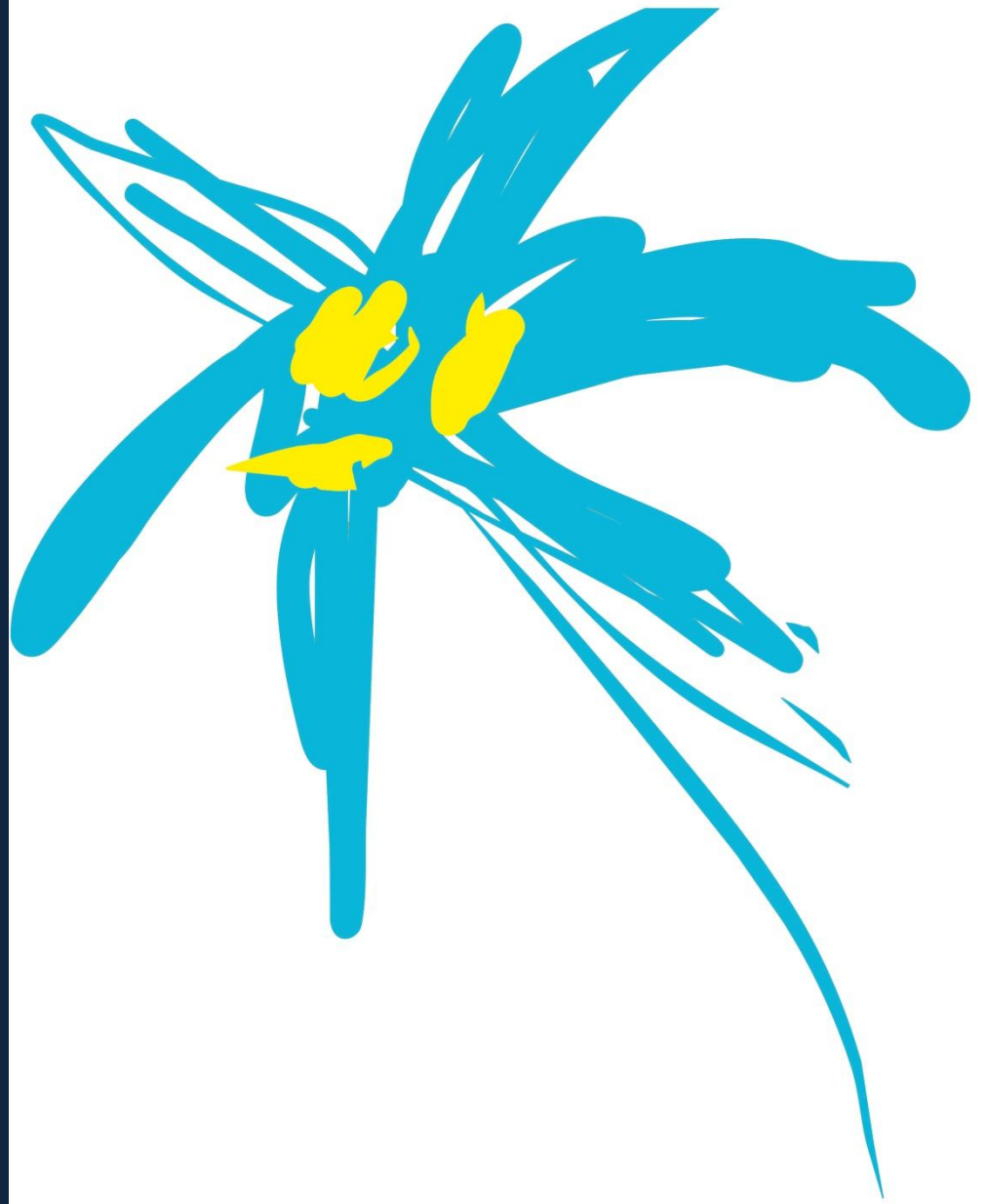
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India Tailwinds

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Edelweiss Growth Aspirations

Our Journey



Phases of Our Journey



Until 2004

Capital Markets

2005 onwards

Start of Credit

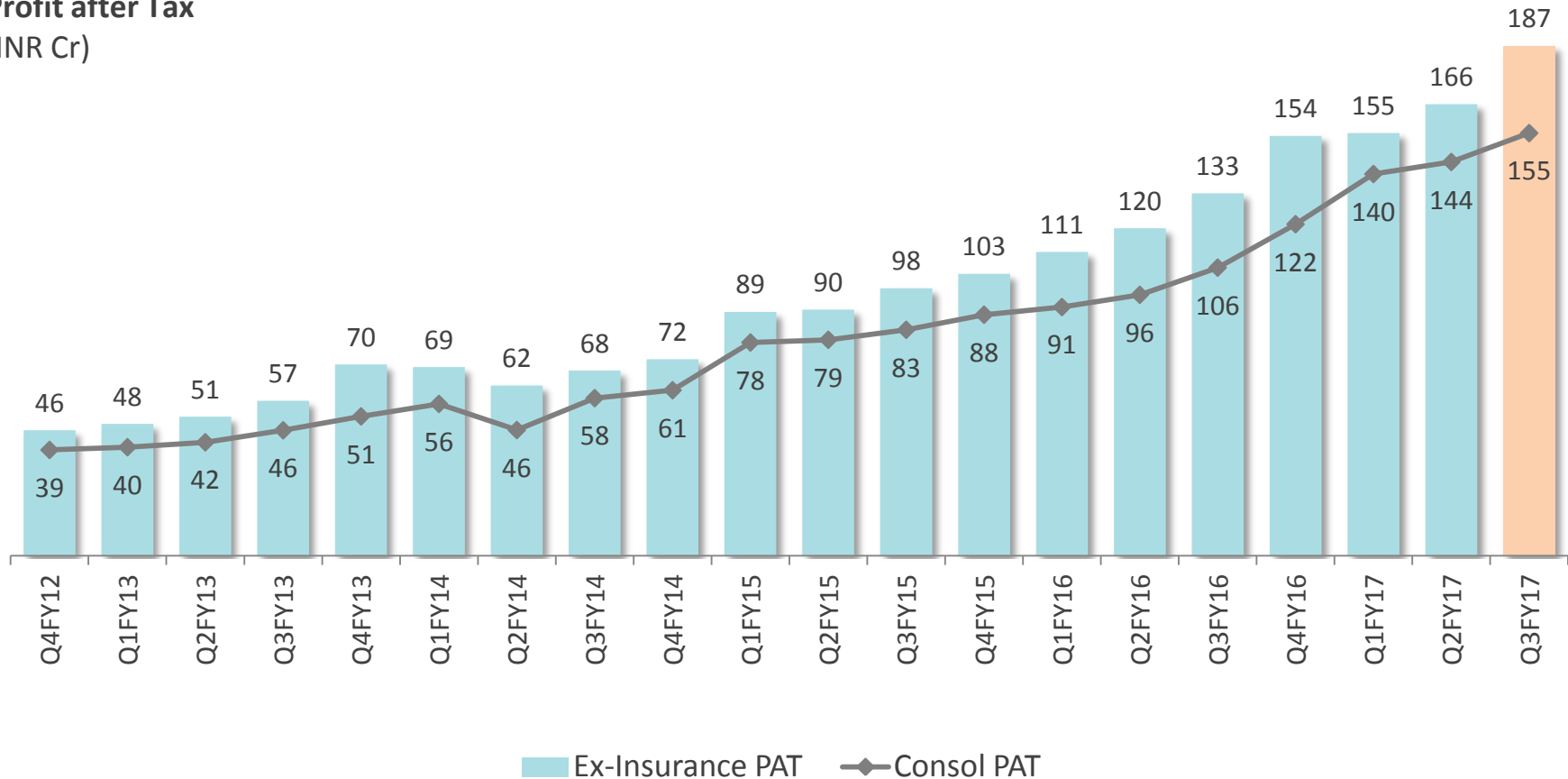
2012 onwards

**Asset Management, Wealth
Management, Insurance**

Ex-Insurance PAT CAGR of 37% over last 5 years...



Profit after Tax
(INR Cr)



....Without any capital raise since IPO

We have Now Evolved into a Diversified Business Model



CREDIT



Present across:

Retail

Corporate

Distressed Assets

NON CREDIT



**Strong product franchise
serving diverse client needs:**

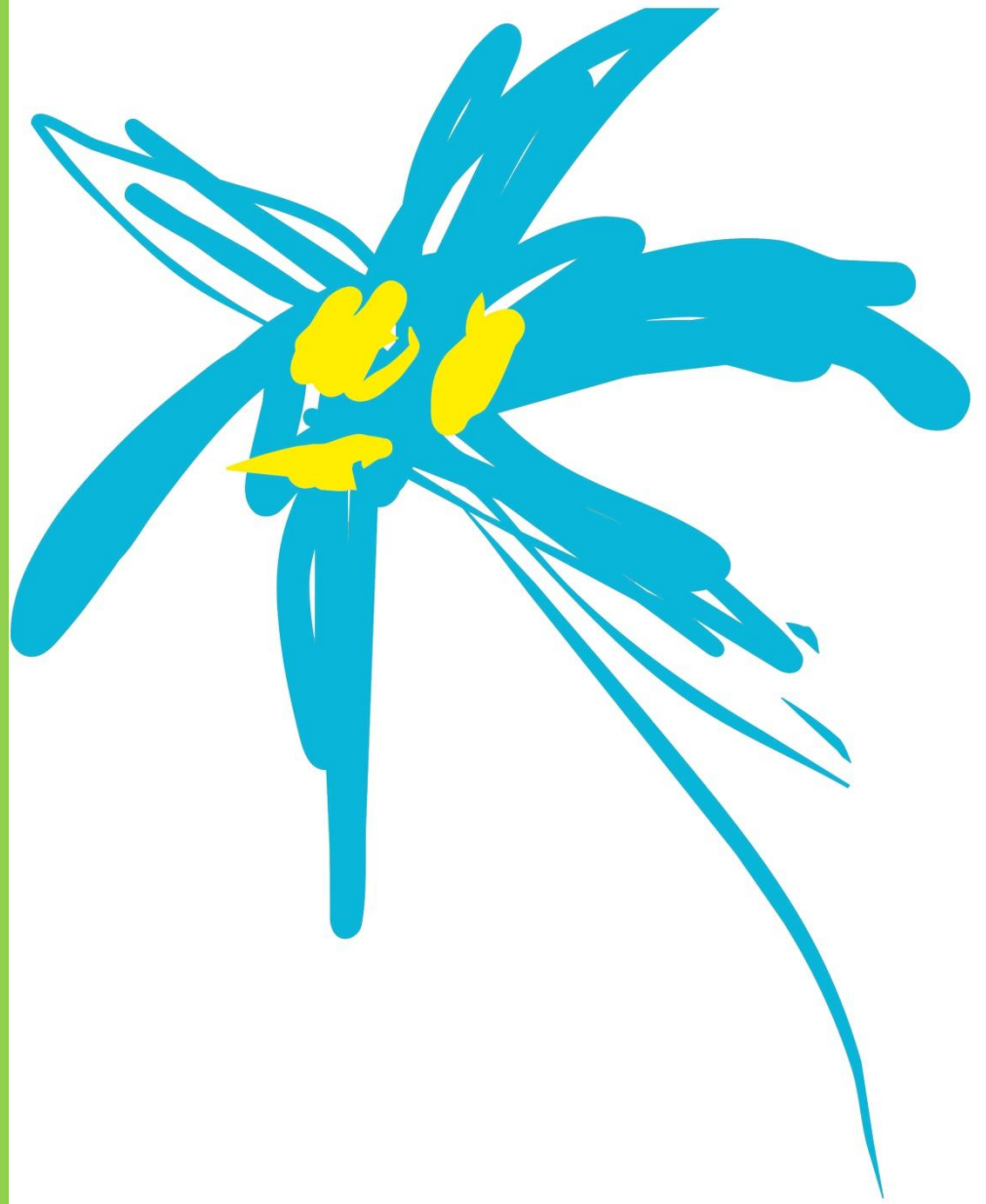
- Wealth Management
- Asset Management
- Capital Markets
- Agri Services & Others
- Balance sheet
Management Unit &
Liquidity Management

INSURANCE



**One of the fastest growing
life insurance companies**

Businesses at Edelweiss



Our Businesses – 9MFY17



(INR Cr)	EoP Equity	Profit After Tax	RoE	RoA
Credit Business	3,430	321	18.2%	2.1%
Non Credit	949	187	24.4%	2.5%
Total (Ex-Insurance)	4,379	508	20.9%	2.3%
Insurance	810	-68	-	-
Consolidated	5,189	439	15.4%	1.7%

Growth Driven by Our Diversified Credit Book...



As on Dec'2016	Book Size	% Share	
Corporate Book	13,606	54%	
Structured Collateralised Credit	7,260	29%	Customized credit solutions with adequate collateral cover
Wholesale Mortgage	6,346	25%	Caters to residential developers
Retail Book	7,823	32%	
Retail Mortgage	2,997	12%	Catering to home buyers & business owners
SME & Others	2,138	9%	Highly scalable, focus area for future
Loan against shares	1,725	7%	Retail customers in Capital Market
Agri and Rural Finance	963	4%	Includes Micro Finance solutions to clients in Tier III/IV cities
Distressed Assets Resolution	3,543	14%	Largest Asset Reconstruction Company in India, over 7 years old
Total Credit Book	24,972		

Credit

Non Credit

Insurance

Improving NIMs and Robust Asset Quality



At the end of	9MFY17	9MFY16	FY16	FY15
Net Interest Margin	7.0%	6.7%	6.8%	6.7%
Gross NPA %	1.53%	1.44%	1.40%	1.31%
Net NPA %	0.55%	0.50%	0.47%	0.38%
Total Provision Cover	89%	86%	88%	94%
Average Collateral cover on Wholesale book	2.2x	2.1x	2.1x	2.3x
Average Loan-To-Value on Retail book	~47%	~50%	~50%	~52%

Credit

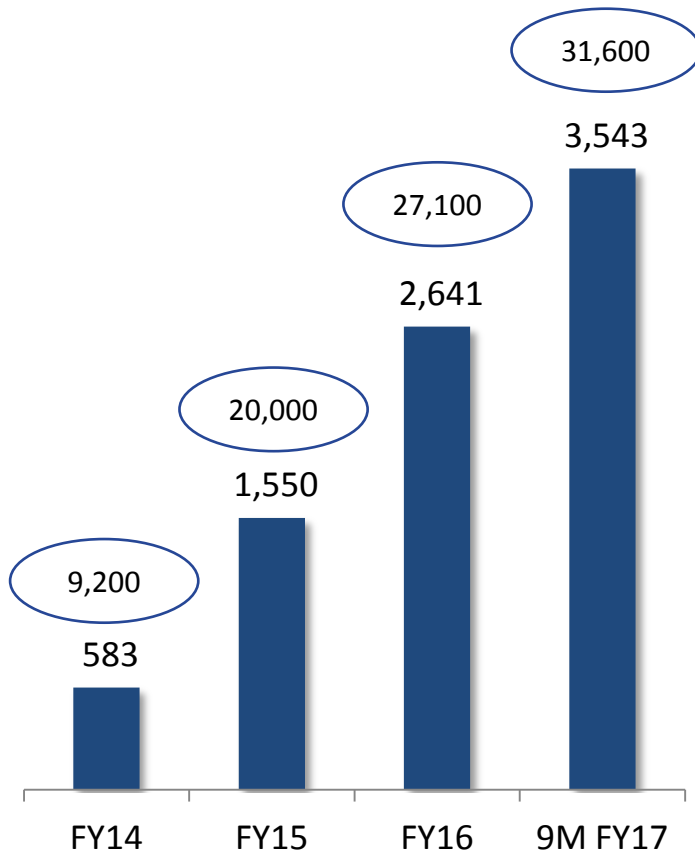
Non Credit

Insurance

EARC is the Largest Asset Reconstruction Company in India

Capital Employed
(INR Cr)

AUM



Large opportunity : NPA of ~7Lakh Cr. and Stressed assets of ~10Lakh Cr.

Focus on large operational assets but financially broken

Focused on delivering long term risk adjusted returns of 18-20% akin to LP GP model (Limited Partner & General Partner)

CDPQ has acquired 20% equity stake in EARC

Building capability on operational turnaround with a strong advisory board / network of industry experts

Credit

Non Credit

Insurance



**While Credit remains the
core...**

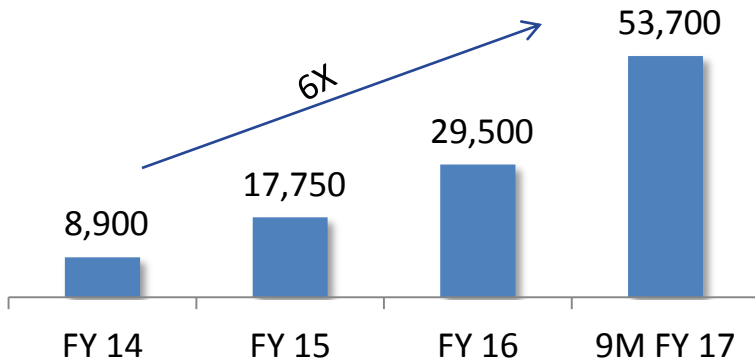
**Non Credit Businesses give
us a truly Diversified Model**

Wealth Management AUA increased 6X in 3 Years



Wealth Management scaling up rapidly

Assets Under Advice (INR Cr)



- Present in Ultra High Net worth/ High Net worth/ Mass Affluent segment
- Focus on offering differentiated strategy across client segments
- Rapid growth in AUA continues - INR 9,500 Cr added Q3FY17
- Yield of 80 - 90 bps on AUA

As on Dec '16	No. of clients	No of RMs	AUA (INR Cr)
UHNIs	350+	53	37,300
HNIs	5,500+	98	5,700
Mass Affluent	370,000	650	10,700

Credit

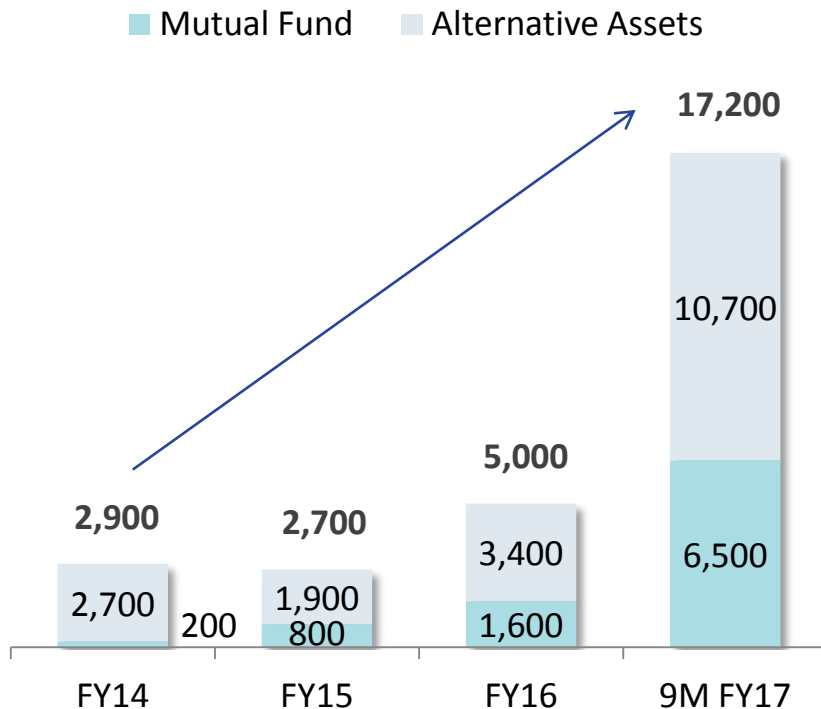
Non Credit

Insurance

Asset Management - Fund Closures Leading Growth in AUM



Assets Under Management (INR Cr)



- Largest Private debt player with Institutional clients
- Established track record in Private Debt
- Largest Credit SMA in India
- Largest player in Alternative Equity (HF) space

Credit

Non Credit

Insurance

Capital Markets : Pioneer and Market Leaders



Institutional Equities

- Largest domestic institutional brokerage house in India
- Market leadership driven by : Strong Fundamental as well as Alternative Derivatives Desk.
- Multi-asset Classes

Investment Banking

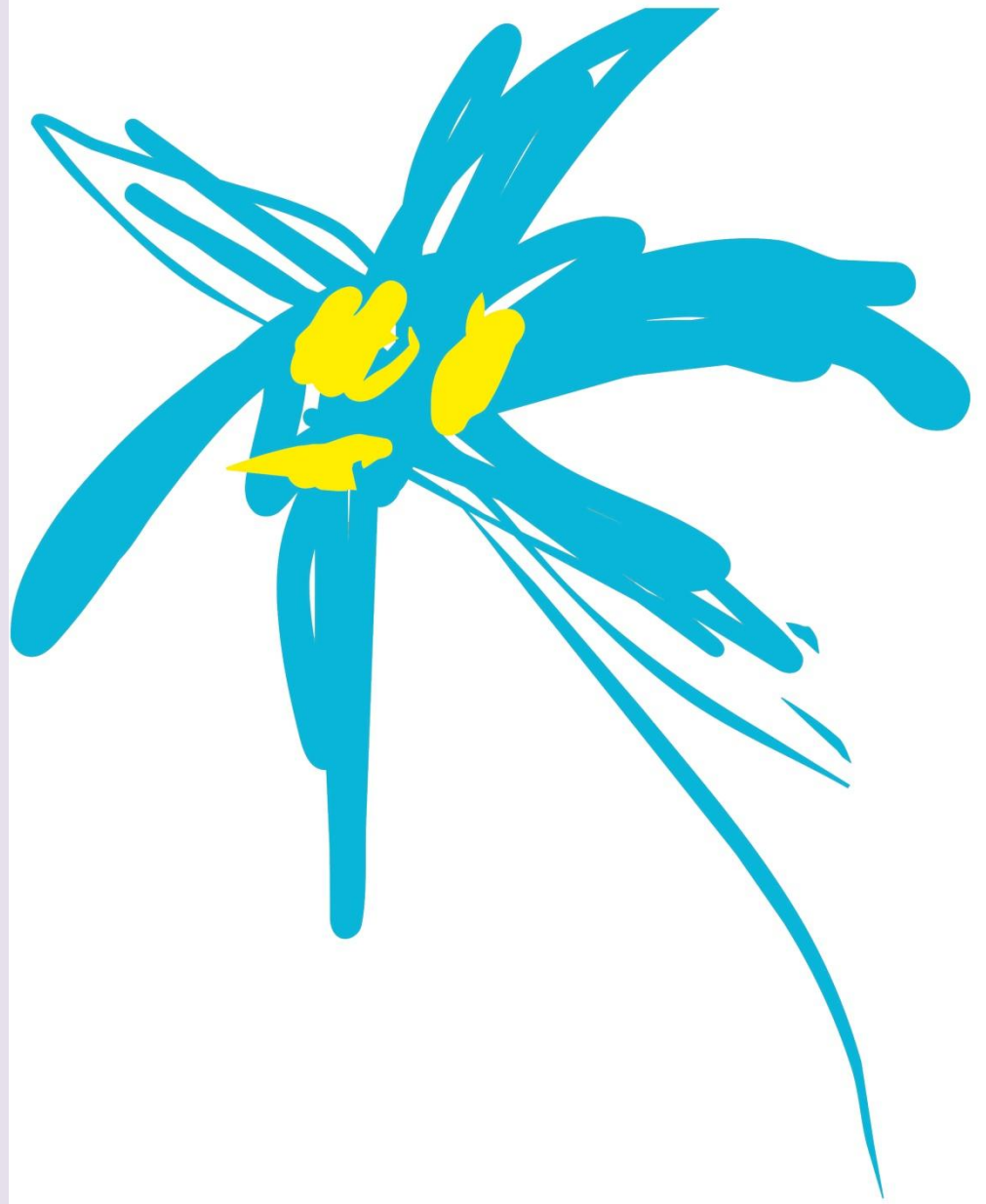
- One of the most active ECM and DCM banker
- Robust M&A & PE practice as well
- Multi product, multi sector player with 4% market share and a strong 50 people team.

Life Insurance Expected to Break Even by 2022



- Great partnership with Tokio Marine
- Premium growth has been at 60% CAGR for 3 years ending FY16
- Focus on Agency and Non Par Business Model
- Maintained high persistency levels – 70% for 9MFY17

Building a High Quality Organization



Building a High Quality Organisation



- 1 Focus on Risk
- 2 Human Resources & Leadership
- 3 Diversified Business Model
- 4 Strong Balance Sheet
- 5 Culture of Ownership

Our Risk Governance Structure



Oversight by Board Risk Committee

Global Risk Committee

Business

Business Risk

- Implementation of risk framework
- Continuous monitoring of risks
- First line of defense

Group Risk

- Define Organisation risk framework
- Risk aggregation and monitoring
- Risk culture
- Second line of defense

Risk Council

- Identify key current and potential risks
- Develop mitigation plan
- Precursor to ERM

Corporate Controller & audit



Human Resources & Leadership



- 1 Focus on attracting and retaining talent
- 2 Balanced mix of organic as well as inorganic talent
- 3 Committed towards creating a continuous talent and leadership pipeline
- 4 Fostering culture and promoting an all encompassing diverse culture



Diversified Business Model


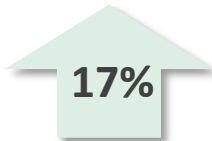


Scalable, Stable and Profitable



Consolidated 9MFY17 PAT growth of 50%



(INR Cr)	9MFY17	9MFY16	YoY Growth
PAT Consolidated	439	293	 50%
..... With 17% growth in Assets			
Balance Sheet	37,245	31,900	 17%

Non-Linear growth in Profitability



~ \$21.0 billion of Assets – On and Off Balance Sheet



As on 31 Dec 2016	INR Cr	USD bn
Assets on Balance Sheet	37,200	5.5
Distressed Assets (ARC Assets)	31,600	4.6
Assets Under Advice (Wealth Management)	53,700	7.9
Funds under Management (Asset Management)	17,200	2.5
Total Assets	139,700	20.5



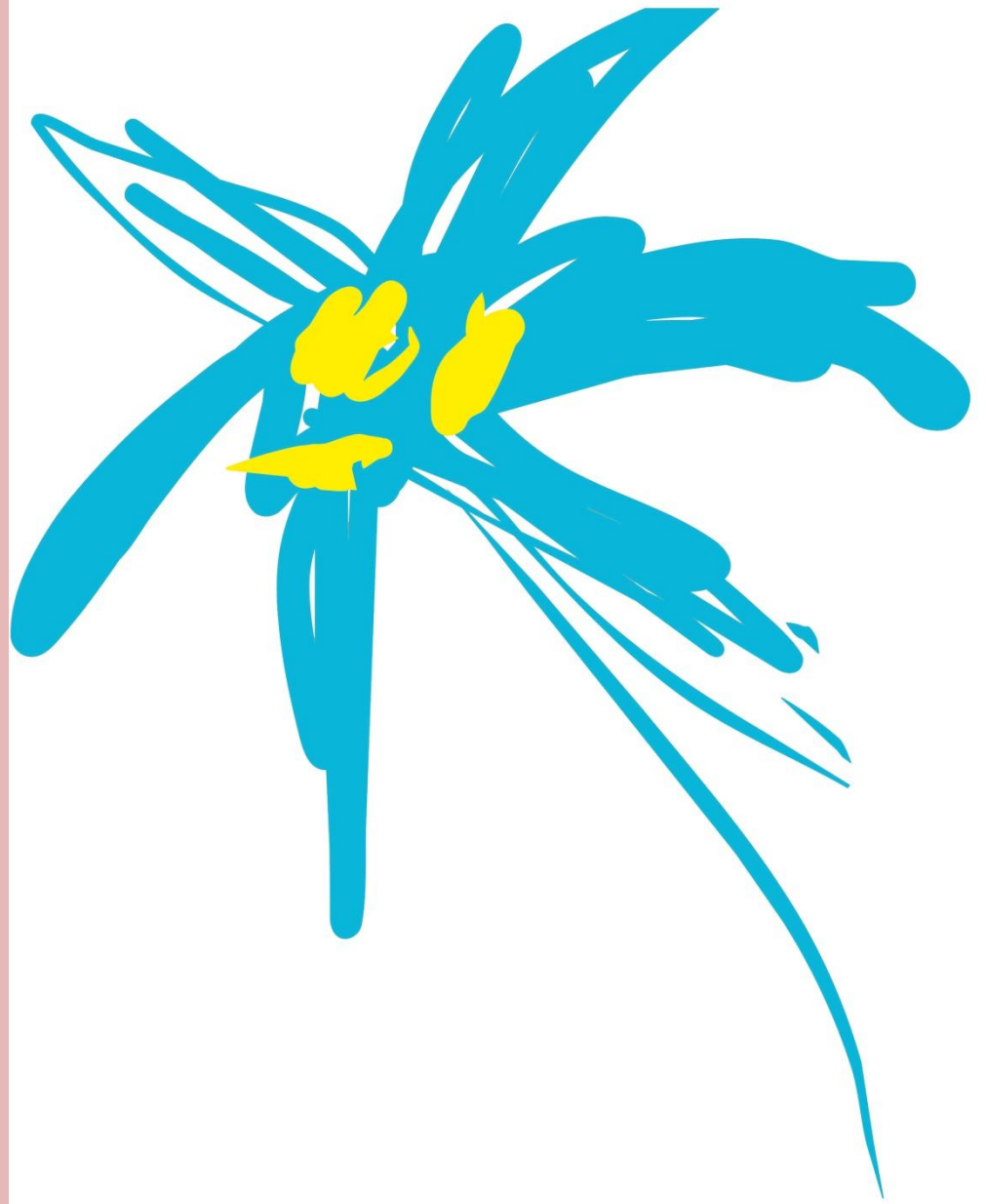
Strong Balance Sheet



- Liquidity cushion at ~INR 3,500 cr is 9.4% of Balance Sheet
- Diversified liability mix with 43% long term liabilities
- Positive asset-liability matching across durations
- Comfortable capital adequacy ratio - stood at 17.85% as on Dec 2016



India Tailwinds

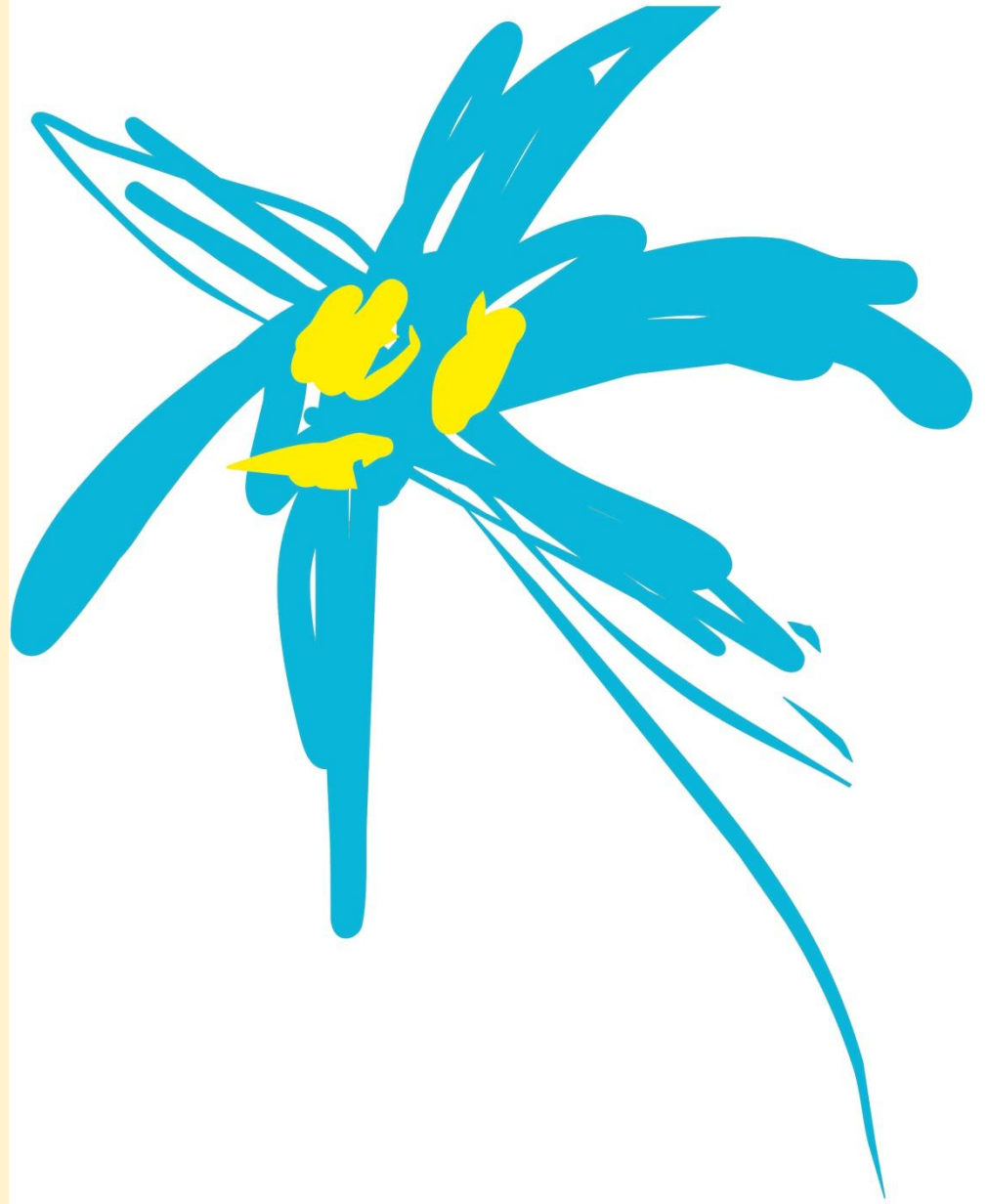


Key Trends Driving Financial Services



- 1 India's age of compounding
- 2 Privatization of Indian Economy
- 3 Democratization of Credit
- 4 Increasing proportion of financial assets

Edelweiss Growth Aspirations



Our Aim is To...



Grow our PAT at 25% - 35% over the next 8 years

Reach an RoE % of 22% -24%

Maintain our asset quality

Grow Retail Credit faster than Wholesale

