

EW/Sec/2016/IR - 1

November 9, 2016

**BSE Limited**  
P J Towers, Dalal Street,  
Fort, Mumbai – 400 001.

Dear Sirs,

Ref.:- Scrip Code:- 532922

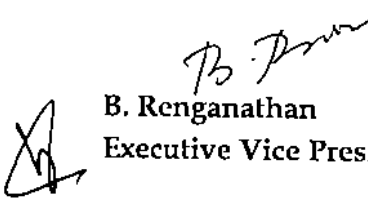
**Sub: Investor Presentation**

Please find enclosed the Investor presentation in respect of the Second Quarter of the Financial Year 2017.

Kindly take the same on record.

Thanking you,

**For Edelweiss Financial Services Limited**

  
**B. Renganathan**  
Executive Vice President & Company Secretary

Proud to announce Rs. 1 crore life cover to each and every athlete of the 2016 Indian Olympic team by Edelweiss Tokio Life Insurance Co. Ltd.

**Edelweiss Financial Services Limited**

Corporate Identity Number : L99999MH1995PLC094641

Registered Office : Edelweiss House, Off CST Road, Kalina, Mumbai 400098 ☎ +91 22 4009 4400 📠 +91 22 4019 4890 [www.edelweissfin.com](http://www.edelweissfin.com)

EW/Sec/2016/IR - 1

November 9, 2016

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

Dear Sirs,

**Ref.:- Symbol - EDELWEISS**


**Sub: Investor Presentation**

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Kindly take the same on record.

Thanking you,

**For Edelweiss Financial Services Limited**

  
**B. Renganathan**  
Executive Vice President & Company Secretary



Where the mind is without fear,  
And the head is held high.



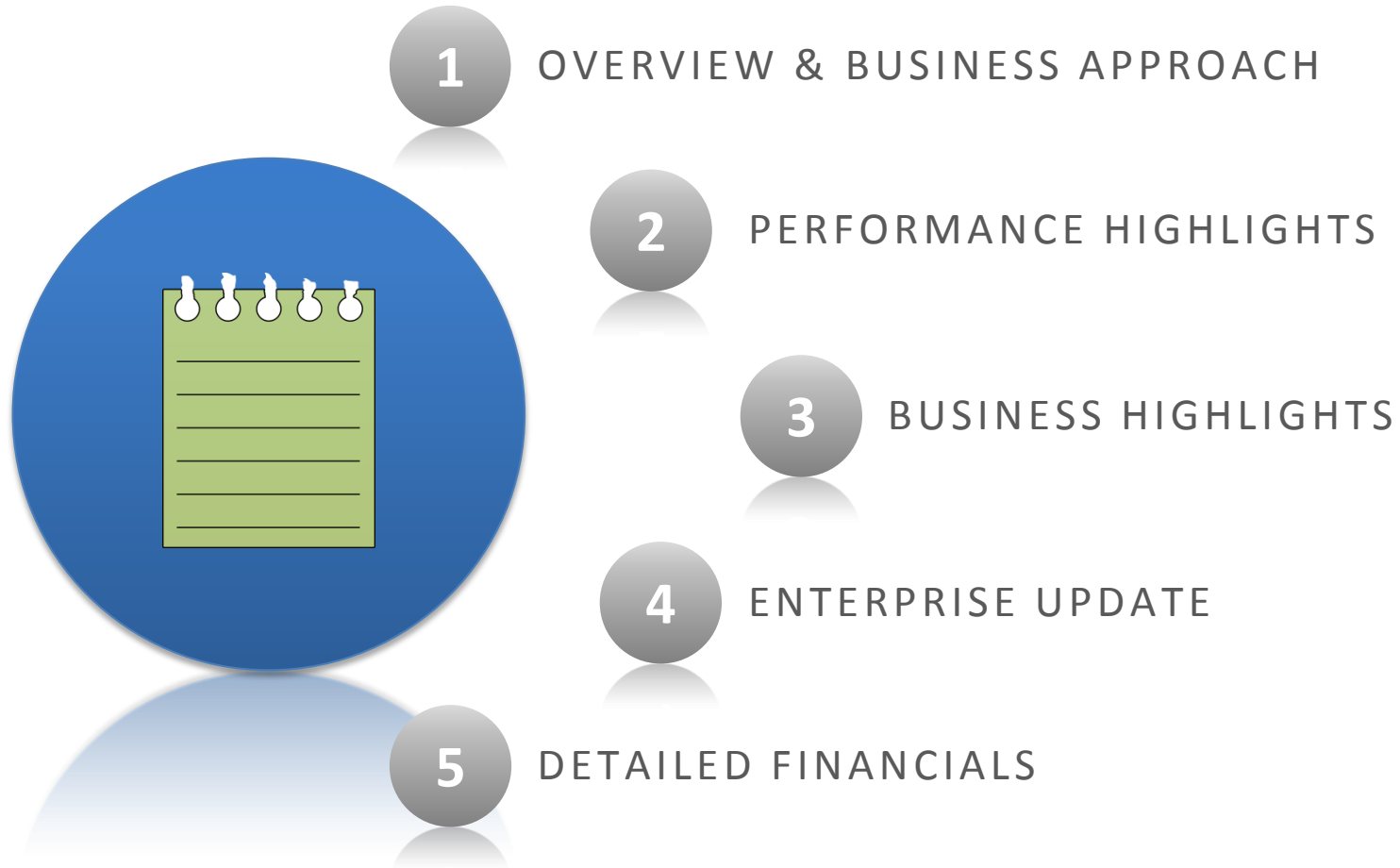
**Edelweiss Financial Services Limited**

***Q2FY17 Investor Presentation***

 **Edelweiss**  
PROUD SPONSOR  
**2016 INDIAN OLYMPIC TEAM**



# Contents

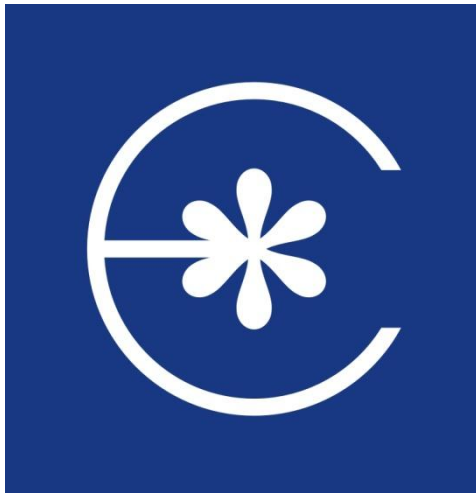




## OVERVIEW & BUSINESS APPROACH

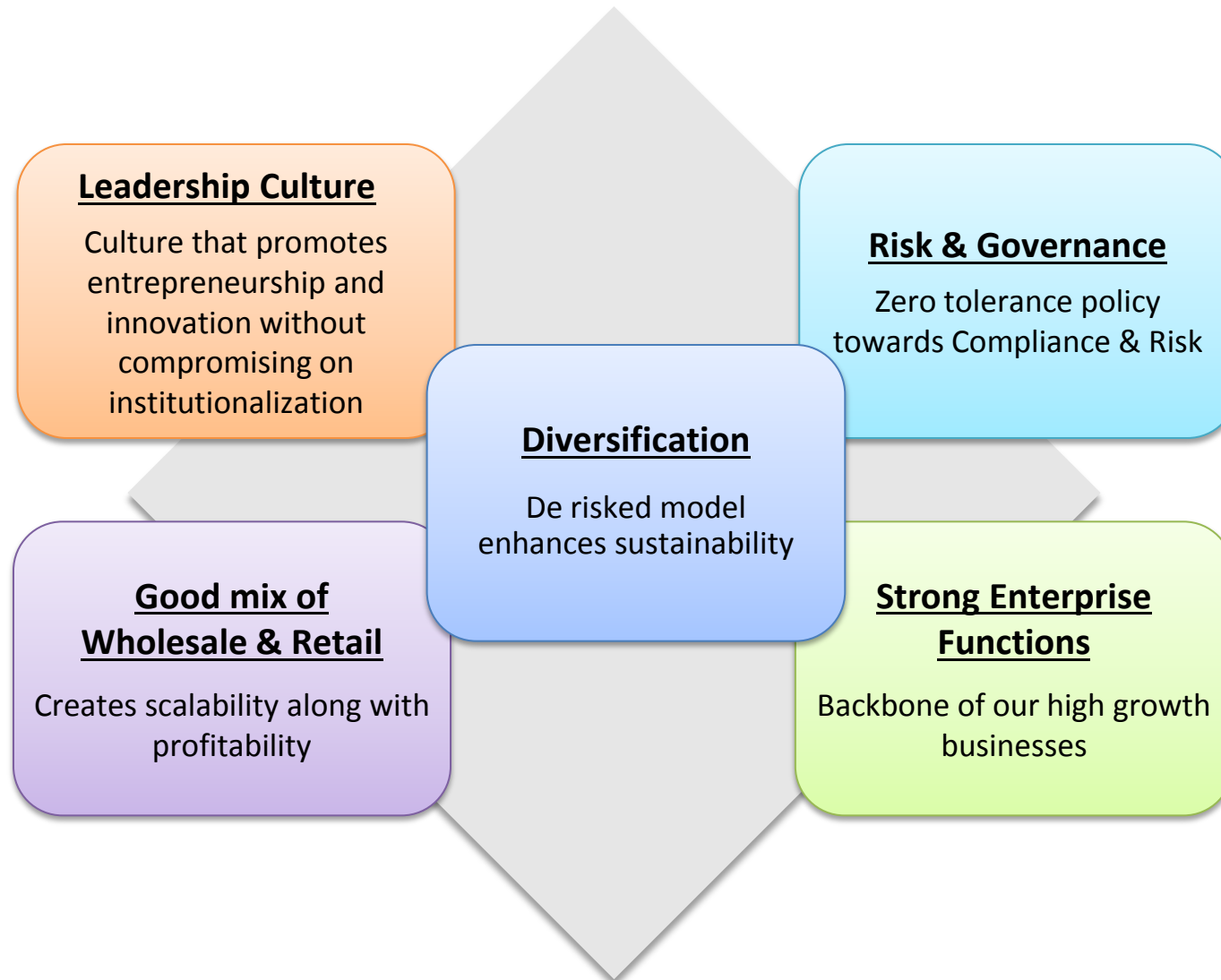
 **Edelweiss**  
PROUD SPONSOR  
2016 INDIAN OLYMPIC TEAM



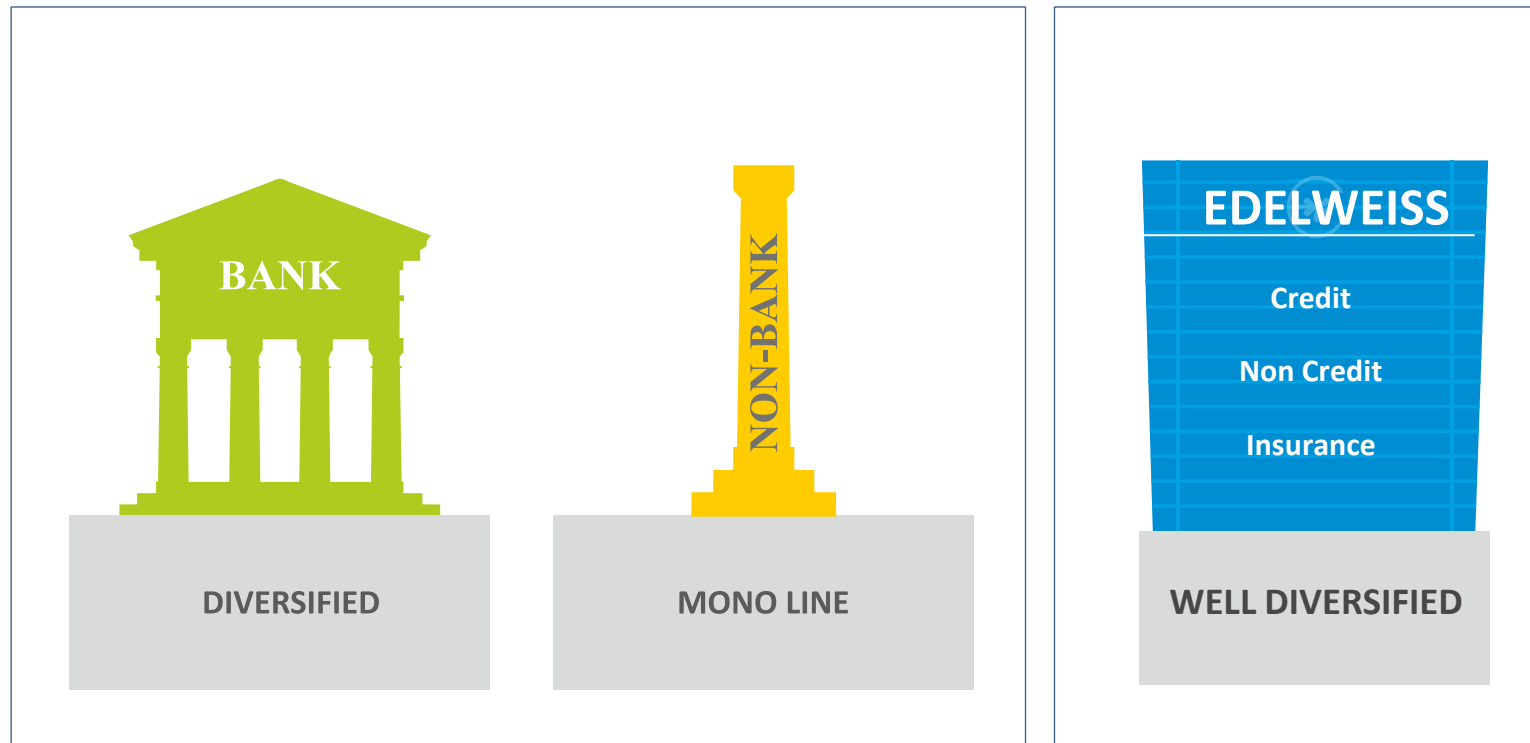


“To be a Respected Financial Services firm with a Portfolio of High Quality Growth Businesses”

# Our Business Approach



# Diversification Strategy Led to a Unique Business Model...



**Unique Model that is “Scalable, Stable and Profitable”**



# One of the Leading Diversified Financial Services Firms



## CREDIT BUSINESSES

Present across the spectrum of

### Wholesale

- Structured Collateralized Credit
- Distressed Assets
- Wholesale Mortgage

### Retail

- Retail Mortgage
- Agri & Rural Finance
- Loan Against Shares
- SME & Others

## NON CREDIT BUSINESSES

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

## One of the top 5 Diversified Financial Services Firms

(INR Cr)

On Balance Sheet Assets ~ 35,800Cr

Assets under Management ~ 38,000 Cr

Assets under Advice ~44,200 Cr

# of clients 10,00,000+

# of employees 6,437


# of offices 238


**Crossed Milestone of 10 Lakh Customers & INR 1,00,000 Cr Assets**

**As we stated in the FY16 investor presentation, over the next four years..**



**Our aim is to grow our diversified business model to achieve...**

- 
- Grow PAT consistently at 25%
  - Consolidated RoE to 16-18%
  - Ex Insurance RoE to 19-20%
  - Ex Insurance RoA to 2.3-2.5%
  - Ex Insurance Cost to Income ratio to 50%

- 
- GNPA below 2%
  - Capital Adequacy Ratio >16%
  - Enhance long term credit rating to AAA



## Q2FY17 PERFORMANCE HIGHLIGHTS

 **Edelweiss**  
PROUD SPONSOR  
2016 INDIAN OLYMPIC TEAM



## Key Financial Highlights – Q2 FY17



Consolidated PAT growth of 51%; Ex Insurance PAT growth of 38%

Ex Insurance PAT CAGR of 36% for last 4 years

Consolidated RoE improved to 15.2%; Ex Insurance RoE improved to 19.9%

Book Value/ Share: INR 48

# Consolidated Q2 PAT Growth of 51% & Ex Insurance PAT Growth of 38%



<u>(INR Cr)</u>	<u>Q2FY17</u>	<u>Q2FY16</u>	<u>YoY Growth</u>	<u>FY16</u>	<u>FY15</u>
<b>PAT Consolidated</b>	144	96	51%	414	329
<b>PAT Ex Insurance</b>	166	120	38%	519	381

..... With 22% growth in Assets

<b>Balance Sheet</b>	35,822	29,445	22%	32,145	27,072
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**Non Linear growth in Profitability**

# Key Performance Parameters (Ex Insurance)



(INR Cr)	Q2FY17	Q1FY17	FY16	FY15	FY14
PAT	166	155	519	381	272
Net Revenue/ Average Assets	9.3%	8.6%	7.8%	8.5%	7.2%
RoE	19.9%	19.4%	18.6%	15.6%	12.2%
RoA	2.2%	2.0%	1.8%	1.9%	1.9%
Cost to Income Ratio	57%	57%	60%	60%	59%
Gross NPA	1.46%	1.4%	1.4%	1.3%	0.9%
Net NPA	0.47%	0.5%	0.5%	0.4%	0.2%

# Key Performance Parameters

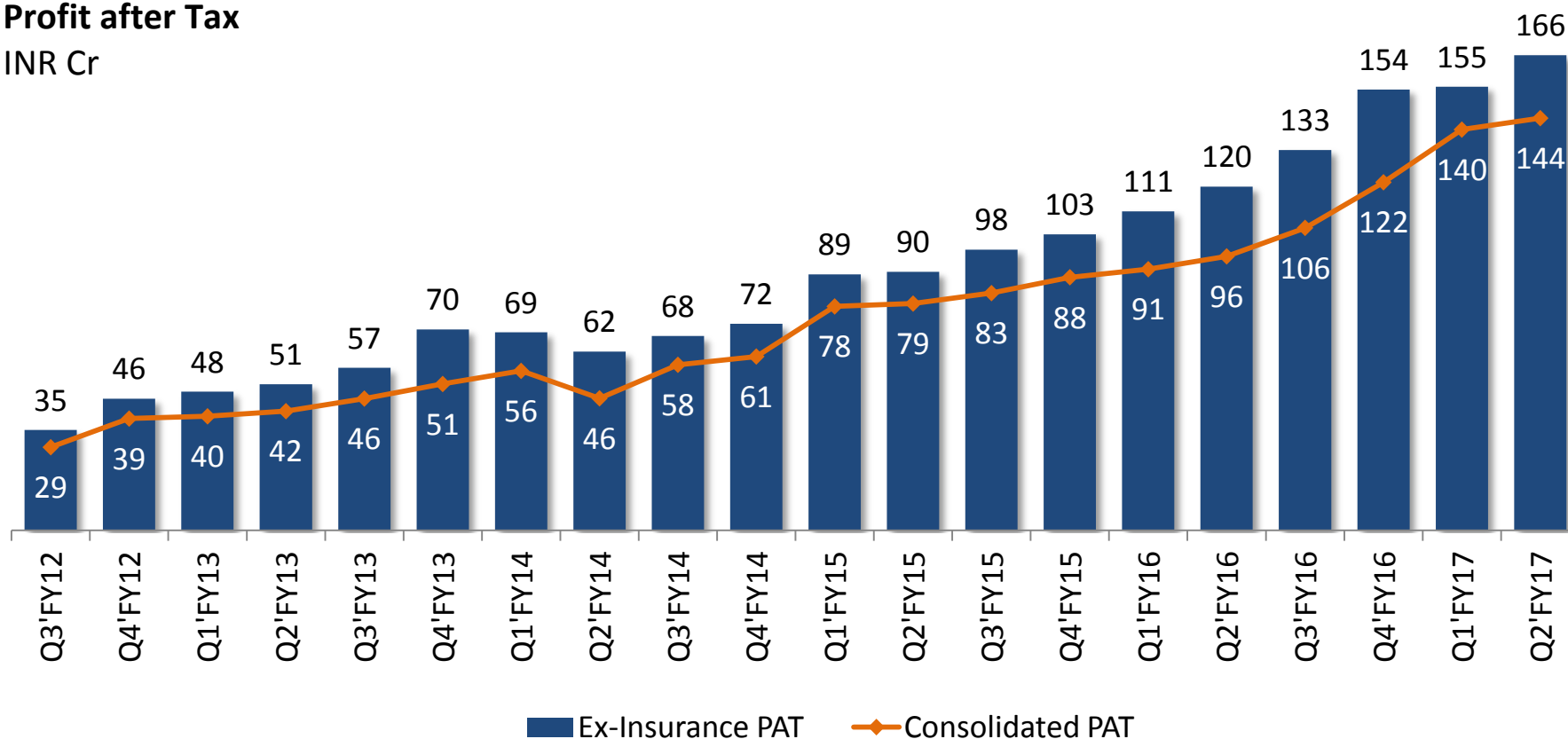


For Q2FY17	Edelweiss (Ex Insurance)	Private Banks	NBFC/ DFS	
PAT growth (YoY)	38%	23%	19%	●
Credit Book Growth (YoY)	23%*	18%	19%	●
Net Revenue/ Average Assets	9.3%	5.7%	10.1%	●
RoA	2.2%	1.8%	2.2%	●
RoE	19.9%	15.0%	15.6%	●
Cost to Income Ratio	57%	45%	39%	●
Gross NPA	1.46%	1.60%	2.71%	●
Net NPA	0.47%	0.71%	0.93%	●
Collateral Cover	2.2x	1 - 1.25X	1.5 – 2X	●

# PAT growth trajectory



**Profit after Tax**  
INR Cr



**Ex Insurance PAT CAGR of 36% for last 4 years**

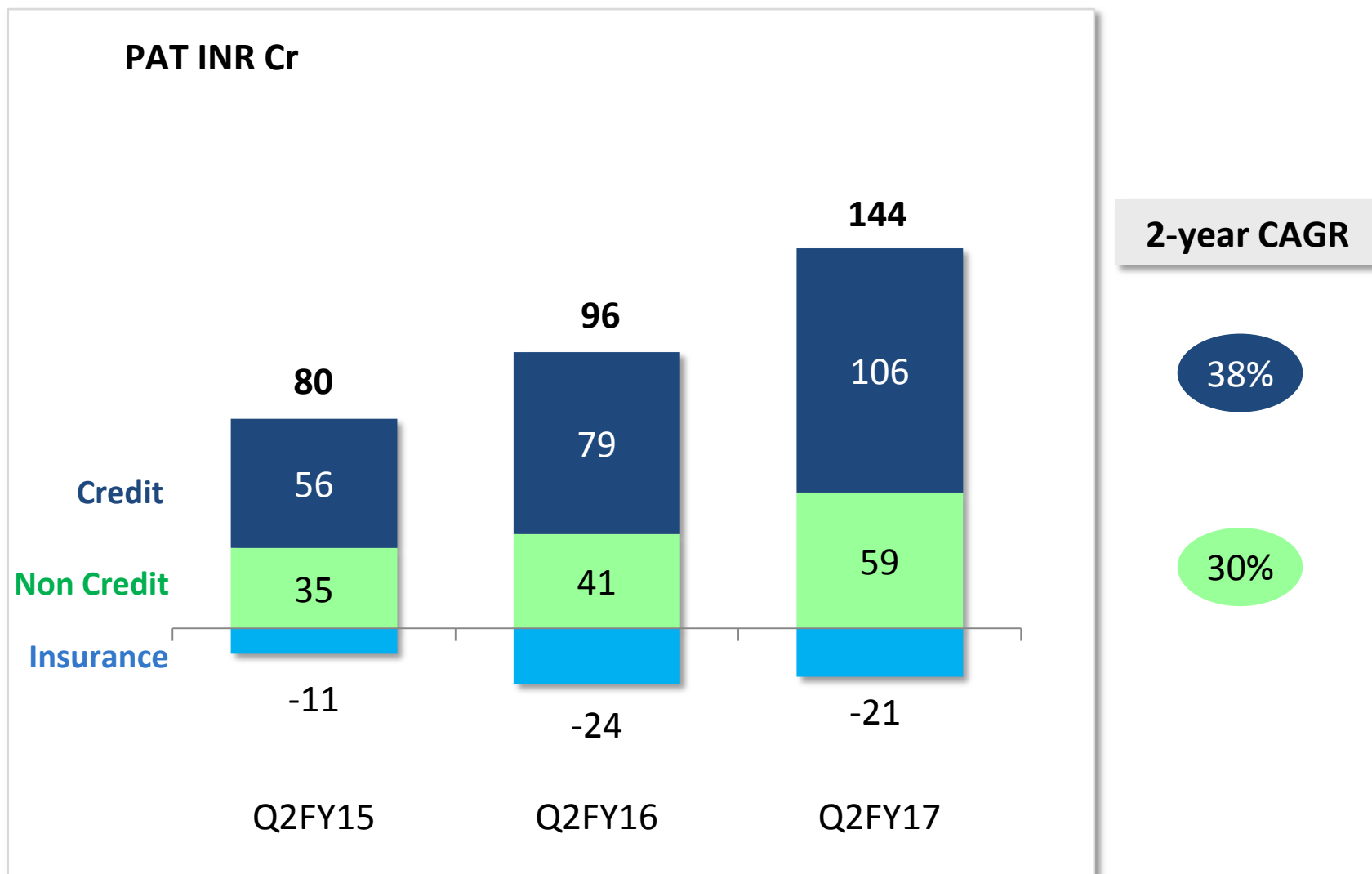


# RoA Attribution (Ex Insurance)



	Q2FY17	FY16	FY15
<b>Net Interest Income</b>	<b>5.8%</b>	<b>5.1%</b>	<b>5.5%</b>
Interest	12.4%	12.8%	12.0%
Treasury	2.0%	1.2%	2.2%
Interest Cost	-8.6%	-8.8%	-8.6%
<b>Non-interest income</b>	<b>3.5%</b>	<b>2.7%</b>	<b>2.9%</b>
Fee & commission	2.9%	2.4%	2.7%
Other income	0.6%	0.3%	0.2%
<b>Expenses</b>	<b>-5.9%</b>	<b>-5.2%</b>	<b>-5.7%</b>
Employee cost	-2.9%	-2.5%	-2.9%
Depreciation & amortization	-0.3%	-0.3%	-0.3%
Operating expenses	-2.0%	-1.7%	-1.8%
Provisions	-0.7%	-0.6%	-0.6%
<b>PBT</b>	<b>3.4%</b>	<b>2.6%</b>	<b>2.8%</b>
Tax	-1.2%	-0.8%	-1.0%
<b>PAT</b>	<b>2.2%</b>	<b>1.8%</b>	<b>1.9%</b>

# Both credit and non-credit PAT witnessing steady growth





## BUSINESS HIGHLIGHTS – H1 FY17

 **Edelweiss**  
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# Diversified Mix of Businesses



## CREDIT



**Present across :**

### **Wholesale**

- Structured Collateralized Credit
- Distressed Assets
- Wholesale Mortgage

### **Retail**

- Retail Mortgage
- Agri & Rural Finance
- Loan Against Shares
- SME & Others

## 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**

# Financial Snapshot



(INR Cr)	EoP Equity	Profit After Tax	RoE
Credit Business	2,903	203	18.0%
Non Credit	987	118	23.2%
Total (Ex Insurance)	3,890	321	19.6%
Insurance	873	-37	-
Consolidated	4,763	284	15.1%



## BUSINESS HIGHLIGHTS – CREDIT

 **Edelweiss**  
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# Credit Business at a glance



Credit Business	INR (Cr)
Capital Employed	24,860
Net Interest Margin	6.9%
Net Interest Income	750
Cost to Income	41%
Provisions	101
PAT	203
Gross NPA	1.46%
Net NPA	0.47%
RoE	18.0%
RoA	2.1%

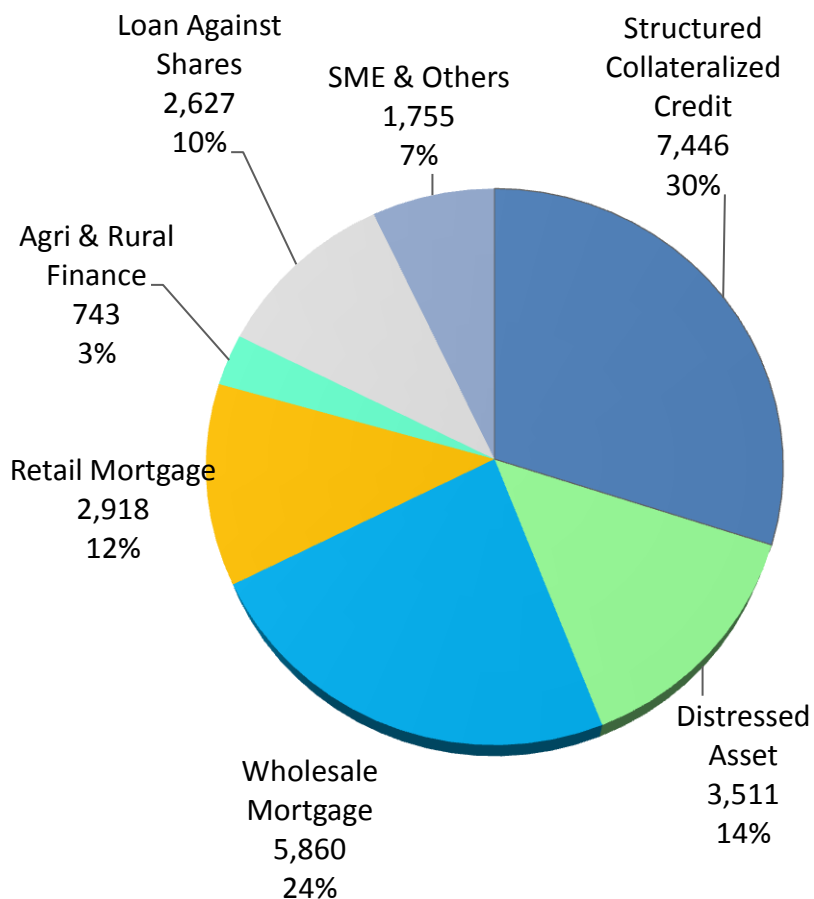
Credit

Non Credit

Insurance

Balance Sheet

# Credit business is a mix of differentiated and scalable assets...



## Structured Collateralized Credit

- Customized credit solutions, with high collateral cover

## Distressed Assets

- Largest Asset Reconstruction Company in India, with more than 7 years of history in distressed assets space

## Wholesale & Retail Mortgage

- Caters to wide a range of residential developers
- Catering to retail home buyers and business owners

## Agri & Rural Financing

- \$10 bn unorganized market; Highly scalable, unoccupied by institutional players. Includes Micro Finance solutions to clients in Tier III/IV cities and rural areas

## Loan Against Shares

- Caters to retail customers in Capital Market

## SME & Others

- Highly scalable, focus area for future growth

Credit

Non Credit

Insurance

Balance Sheet



# Present across Retail, SME and Wholesale segments



## Wholesale Credit

- Comprises of
  - Collateralized Lending to Corporate
  - Distressed Assets
  - Wholesale Mortgage
- Began credit operations in 2007
- A robust risk management approach tested over 2 downturns
- Wholesale credit around INR 16,800 cr

## Retail & SME Credit

- Comprises of
  - Retail Mortgage
  - Agri & Rural Financing
  - Loan Against Shares
  - SME & Others
- Commenced operations in 2011
- Small Ticket Housing Loans launched in FY13; Rural Finance in FY14
- Retail credit around INR 8,000 cr
- Controlled growth, focus on credit quality
- Operations in 50 cities

**Profitable, scalable multi-line credit business**

Credit

Non Credit

Insurance

Balance Sheet

# Business Strengths



## Client Centric Solutions

- Ability to understand client needs and structure products to suit their needs
- Strong client relations

## Proactive Risk Management

- Three tier risk management approach – Business risk team supplemented by Global risk team & Global Risk Committee
- Robust underwriting and credit appraisal processes

## Good Asset Quality

- NPAs in check even in tough market conditions
- Comfortable asset cover

Credit

Non Credit

Insurance

Balance Sheet

# Credit – Improving Parameters



At the end of	H1FY17	H1FY16	FY16	FY15
Average Interest Yield	16.2%	16.0%	16.2%	15.8%
Average Cost of Borrowing	10.5%	10.8%	10.7%	10.9%
Interest Spread	5.7%	5.3%	5.5%	4.9%
Net Interest Margin	6.9%	6.6%	6.8%	6.7%
Retail Credit Presence*	50 cities & 3,100 villages	44 cities & 1,800 villages	45 cities & 3,400 villages	36 cities & 750 villages

**Retail Finance Spreading Footprint Through  
Small-ticket Home Loans, SME & Rural Finance**

Credit

Non Credit

Insurance

Balance Sheet

# Credit – Robust Asset Quality



At the end of (INR Cr)	H1FY17	H1FY16	FY16	FY15		
Credit Book	21,349*	17,321	20,014	15,036		
Gross NPA	312	250	281	196	<b>Pvt. Banks</b>	<b>NBFCs</b>
Gross NPA %	1.46%	1.45%	1.40%	1.31%	1.60%	2.71%
Net NPA %	0.47%	0.44%	0.47%	0.38%	0.71%	0.93%
Total Provision Held	289	233	247	184		
Total Provision Cover	92%	93%	88%	94%		
Average Collateral cover on Wholesale book	2.2x	2.1x	2.1x	2.3x	1 -1.25X	1.5-2X
Average Loan-To-Value on Retail book	~47%	~51%	~50%	~52%		

**Average LTV of LAP portfolio at 44% vs 65 % of the industry**  
**Median ticket size at 36 Lacs vs 1.2 cr in the industry**

Credit

Non Credit

Insurance

Balance Sheet

# Wholesale Credit – Evaluation Approach



Counter Party	Collateral	Cash Flows
<ul style="list-style-type: none"><li>• Promoter Pedigree</li><li>• Group Relationship</li><li>• Execution Capability</li></ul>	<ul style="list-style-type: none"><li>• Hybrid Collateral Pool</li><li>• Ring fenced Structure</li><li>• Ease of enforcement</li></ul>	<ul style="list-style-type: none"><li>• Fundamentals<ul style="list-style-type: none"><li>• Business Performance</li><li>• Underlying Asset</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Group Financial Standing<ul style="list-style-type: none"><li>• Asset Liability Profile</li><li>• Cash Flow &amp; Liquidity</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Valuation based on<ul style="list-style-type: none"><li>• Liquidity</li><li>• Economic Value</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Stress testing<ul style="list-style-type: none"><li>• Periodic</li><li>• Event Based</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Credit History</li><li>• Regulatory Checks</li></ul>	<ul style="list-style-type: none"><li>• Real time monitoring</li><li>• Environment Scan</li></ul>	<ul style="list-style-type: none"><li>• Escrow - Ring Fenced Control</li></ul>

**Robust underwriting framework with multilevel approval process...**

Credit

Non Credit

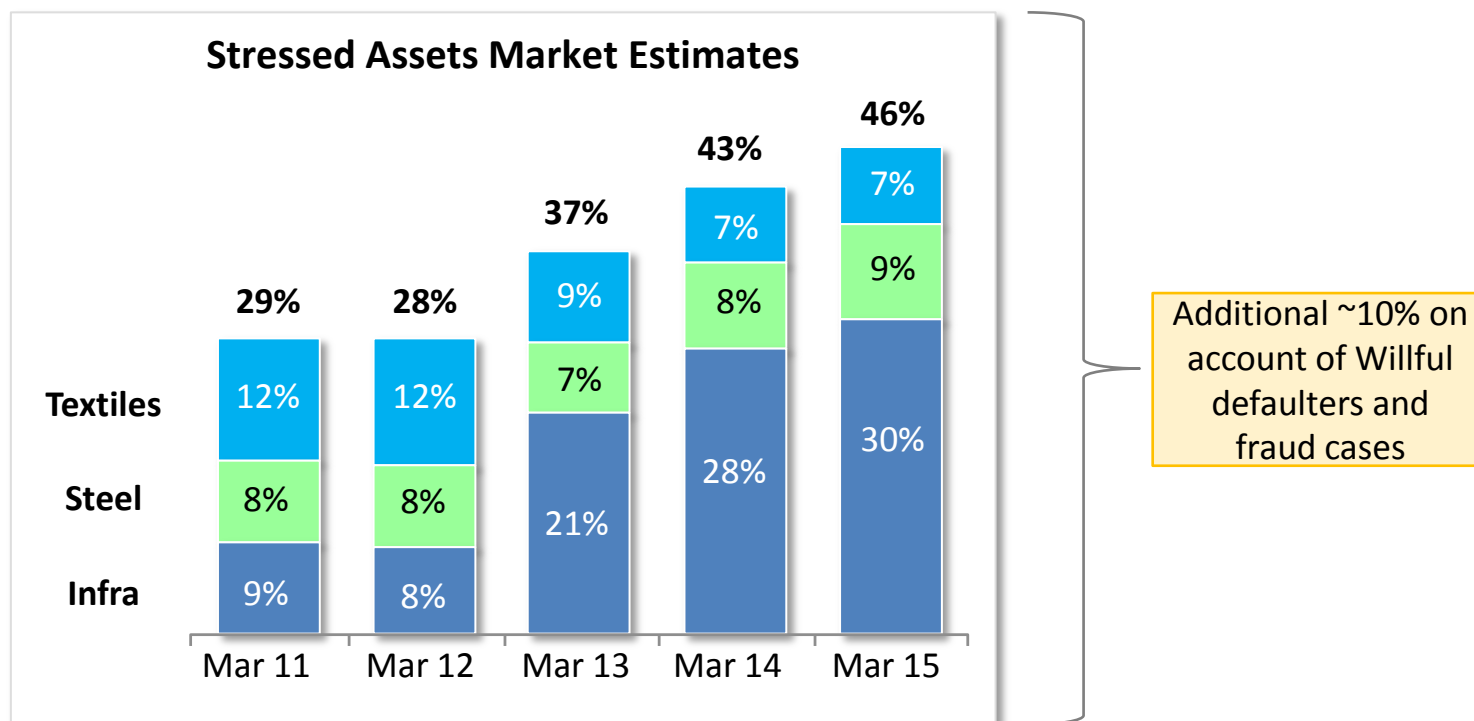
Insurance

Balance Sheet

# Overview of Distressed Assets in India



- Total outstanding Loans as of March 16 are US\$ 1.1 Tn
- Estimated total stressed assets of US\$130 bn (12% )
- Largest stressed assets comprise infrastructure, steel, textiles and construction



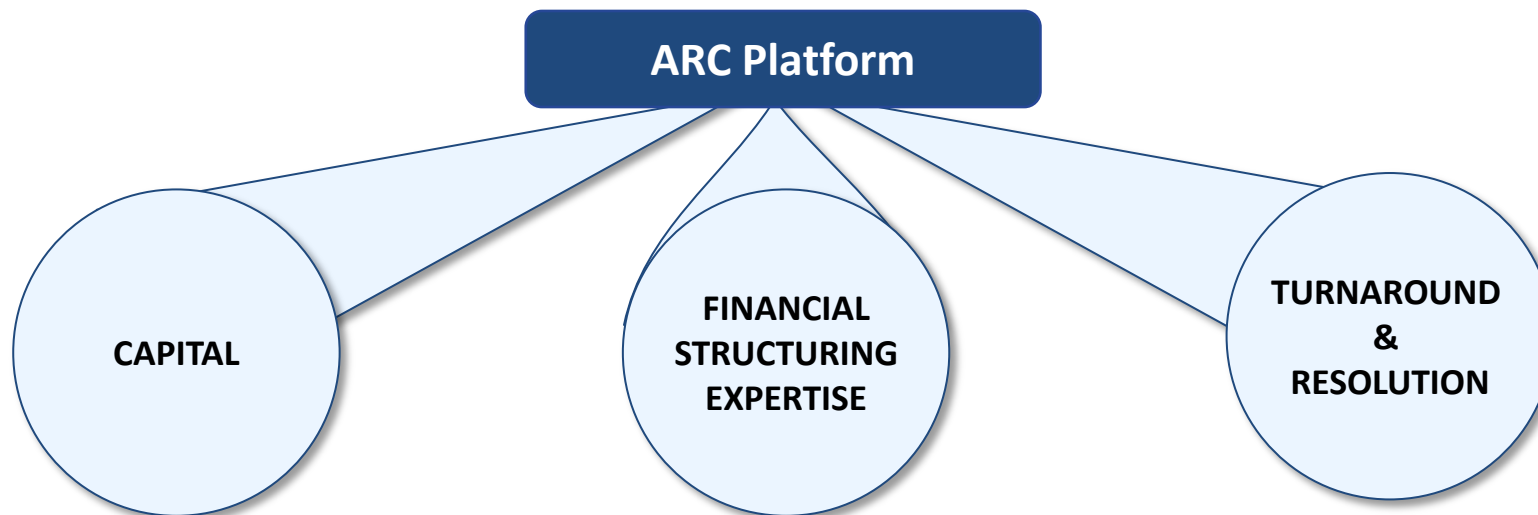
Credit

Non Credit

Insurance

Balance Sheet

# Key Success Factors for Asset Reconstruction Business



- Domain knowledge and expertise to create Platform
- Capital for debt purchase and last mile funding
- Ability to financially and operationally turnaround stressed assets
- Ability to find strategic buyers & sell businesses partly / fully to unlock value
- Extensive coverage & being first port of call for Banks and Turnaround assets
- Robust risk management practices

Credit

Non Credit

Insurance

Balance Sheet

# Asset Reconstruction Business - Journey so far



- Asset Reconstruction business started in 2008
- Till 2013, kept building the team and processes, buying few assets and invested in understanding the space
- Created a team with diversified skill sets and experience across all major asset classes
- Good understanding of this business coupled with deep Banking relationships
- Platform has significant experience in stressed assets investing and turnaround capabilities
- Ability to identify distressed assets, pick at appropriate valuation and potential of resolution
- When the opportunity came in 2013-14, we scaled up since infrastructure was already present

Credit

Non Credit

Insurance

Balance Sheet

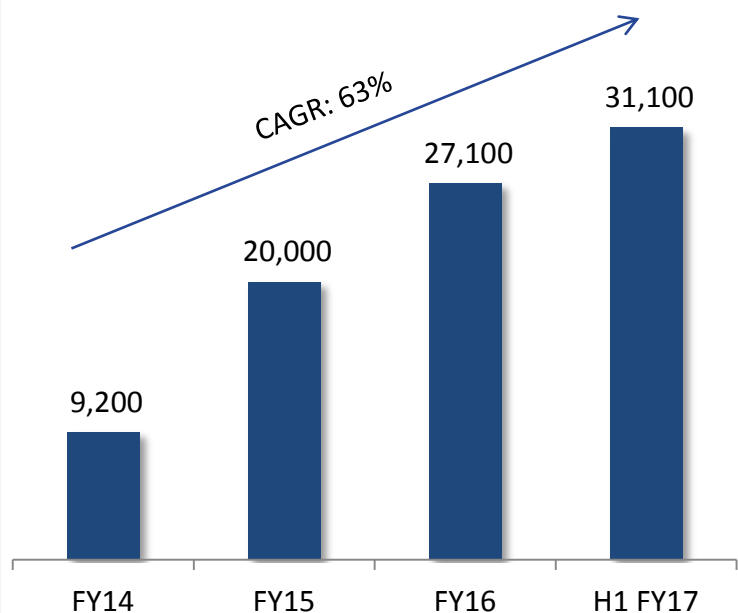


# Expanding Asset Reconstruction Business



## Asset Reconstruction Company

Assets Under Management (INR Cr)



- Currently EARC is the largest asset reconstruction company in India, managing assets of **INR 31,000 cr.**, acquired from **51 banks**
- Focused on delivering a long term risk adjusted returns akin to LP GP model (Limited Partner & General Partner )
- Team size of 75 people across investments, resolution, legal & platform
- Capital deployed more than 3,500 cr.
- Expecting to add 1,000-1,200 cr every year for next 3-4 years
- Building capability on operational turnaround
- Team in place to provide value added services
- Creating an advisory board and a network of senior industry experts

Credit

Non Credit

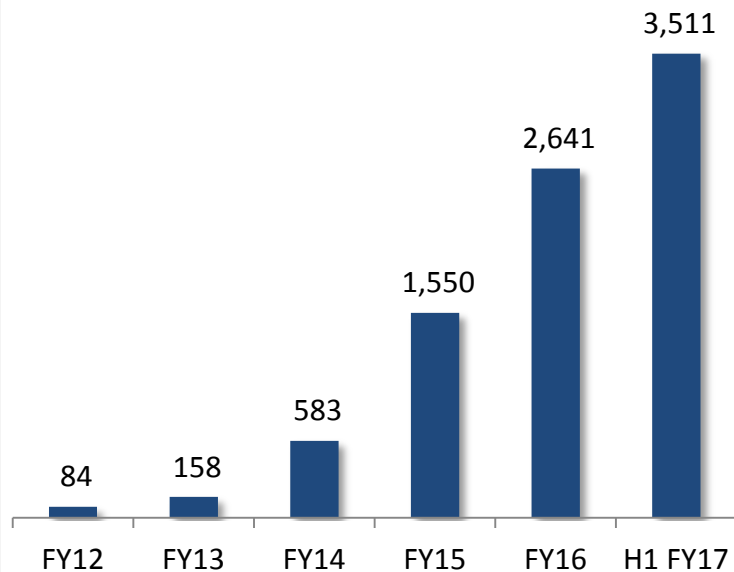
Insurance

Balance Sheet

# Partnership with CDPQ – One of North America's largest Pension Fund Managers



**Distressed Asset Capital Investment**  
(INR cr)



- CDPQ to target an investment of close to INR 5,000 cr over four years in India's Stressed Assets and Specialised Credit sector, along with EARC
- This partnership aims to channel between INR 12,000-14,000 cr (including CDPQ's INR 5000 cr and investments from Edelweiss Group and other institutional investors)
- CDPQ to invest upto INR 500 over 4 years for 20% stake in Edelweiss Asset Reconstruction Company
- Funds will be funnelled towards restructuring, reviving and resolving of stressed assets

**Credit**

Non Credit

Insurance

Balance Sheet



## BUSINESS HIGHLIGHTS – NON CREDIT

 **Edelweiss**  
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# Non Credit Business at a glance



Non Credit	INR (Cr)
Capital Employed	10,090
Net Revenue	697
Cost to Income	74%
PBT	184
PAT	118
RoE	23.2%
RoA	2.2%

Credit

**Non Credit**

Insurance

Balance Sheet

# Non Credit Business Mix



## Wealth Management

- Multi asset class platform offering structured customized solutions
- Focus on OPDO (Owner, Promoter, Director, Officer) segment
- Present in Ultra High Net worth/ High Net worth/ Mass Affluent segment
- Total AuA (INR Crs): 44,200 (UHNI: 26,300/HNI 6,900/Mass Affluent: 11,000)

## Asset Management

- Equity focus: 2 segments Mutual Fund and Alternatives
- Total AUM of INR 6,900 cr
- Credit focus: Asset Reconstruction Company, Special Opportunities fund

## Capital Markets

- Entire spectrum of corporate advisory services - Fixed Income Advisory, Mergers & Acquisitions, Equity Capital Markets, Private Equity Syndication
- Leader in Debt Capital Markets & domestic institutional broking

## Agri Services

- Warehousing, procurement services and other Agri services

## Balance sheet Management Unit & Liquidity Management

- Liquidity Management
- Asset Liability Management

Credit

**Non Credit**

Insurance

Balance Sheet

# Wealth Management – Growth Opportunity



- Rising wealth in India is creating immense opportunity in wealth management space
- Owner, Promoter, Director, Officer (OPDO) market is the new emerging client segment
- Edelweiss wealth has unique business model that straddles all client segments across multiple product lines with focus on suitability, portfolio and operational risk management
- Edelweiss Wealth offers financial planning for family offices, Real Estate offering, Estate planning and offshore advisory, enabling stronger penetration into this market
- Edelweiss has emerged as one of the largest wealth manager in India
- Average yield on AuA of ~0.8% - 1.0%
- 80+ Offices
- 800+ Relationship Managers

No. of clients	Sep '16
UHNI	300+
HNIs	5,500+
Mass Affluent	370,000+

Credit

**Non Credit**

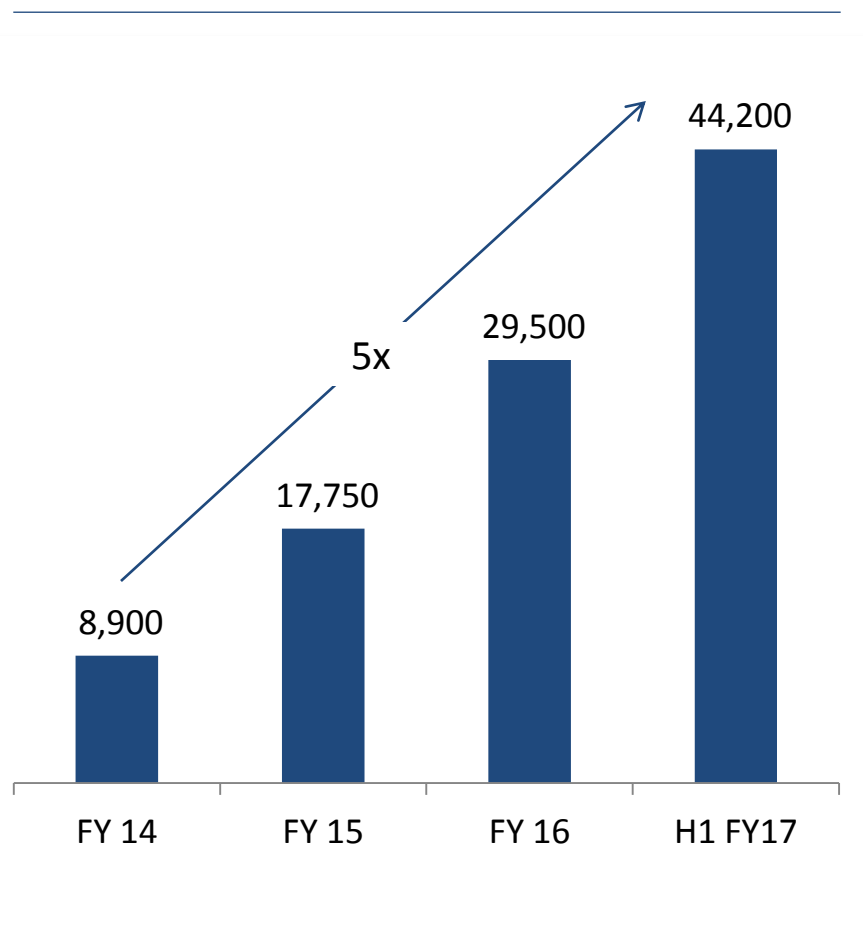
Insurance

Balance Sheet

# Wealth Management AUA increased 5x in 3 years



(INR Cr)



## Edelweiss Wealth Gaining significant traction across client segments

- Good mix of product and advisory solutions for customized needs
- Differentiated Client experience – hybrid model with expert financial advisors and digital platform
- Best Private Banking Solution at Asia-Pacific Structured Products & Derivatives Awards 2015
- Best Equity Broking House (mid-size) at 'BSE – Dun & Bradstreet Equity Broking Award 2015'

## UHNI Clients by AUA Segment (Nos.)

AUA Segment	Sep '16
100cr+	30+
25cr – 100cr	~ 90

Credit

**Non Credit**

Insurance

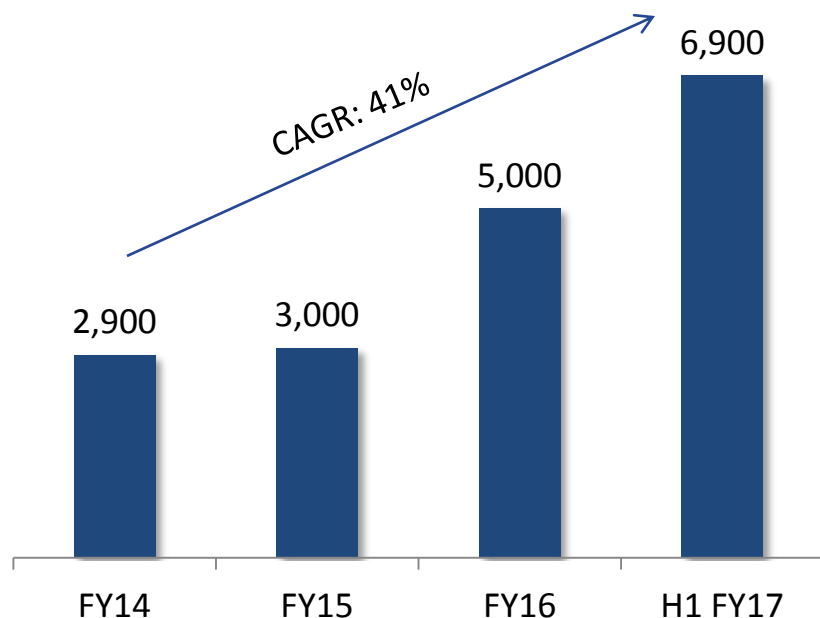
Balance Sheet

# Asset Management – Gaining scale



## Asset Management

Assets Under Management (INR Cr)



### • Two business segments:

- Mutual fund AUM: INR 2,450 cr
- Alternative Assets AUM: INR 4,450 cr
- Received approvals for acquisition of JP Morgan schemes, from Securities and Exchange Board of India (SEBI)
- Acquired Ambit AIF, subject to requisite approvals.
- AUMs likely to touch ~INR 15,000 cr post completion of above acquisitions
- High quality diversified asset base
  - Asset base: Equity (67%) & Fixed Income (33%)
- Strong distribution network
- 99% of our AMC assets are outperforming the benchmarks over a 3 year cycle (Source: Value Research)

Credit

**Non Credit**

Insurance

Balance Sheet



# Capital Markets: Leadership position in the market



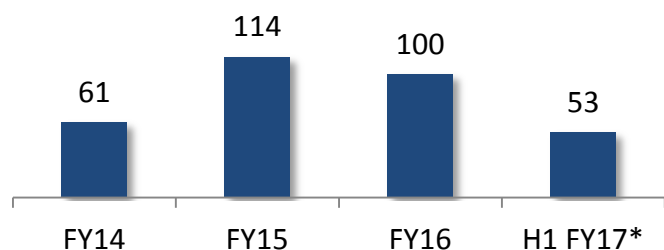
**Broking Average Daily Volume (INR Cr)**



- One of the largest domestic institutional broking company
- Robust fundamental research covering ~227 stocks among 27 sectors representing ~77% of total market cap
- Rated Best Brokerage in India for Roadshows and company visits
- Bull of the Year Award by Zee Business Market Analyst Awards
- Best Equity Broking House (mid-size) Award
- Significant investment in technology in new business lines



**Investment Banking & Advisory  
(Number of deals)**



- Ranked 1<sup>st</sup> in Initial Public Offering (IPO) in Retail & HNI category
- Edelweiss Fixed Income Advisory strengthened its position at the top of the public issuance league tables with total issuance volume of INR 218bn. – Lead arrangers to 5 out of the 6 Debt issues in the 2<sup>nd</sup> quarter including DHFL/ India Bulls
- Edelweiss ranked first with a ~ 30% market share, in Q2 FY 17. Managed IPOs like ICICI Prudential Life Insurance Company Limited, Equitas Holdings Ltd. *et al*

Sole financial advisor



Stake sale to Premji Invest  
INR 1,990mm



Advisor to the Board of ING Vysya Bank on its merger with



INR 150,331mm

Equitas Holdings Limited



Book Running Lead Manager  
IPO  
INR 21,766.8mm

ICICI Prudential Life Insurance



Book Running Lead Manager  
IPO  
INR 60,567.9 mm

Credit

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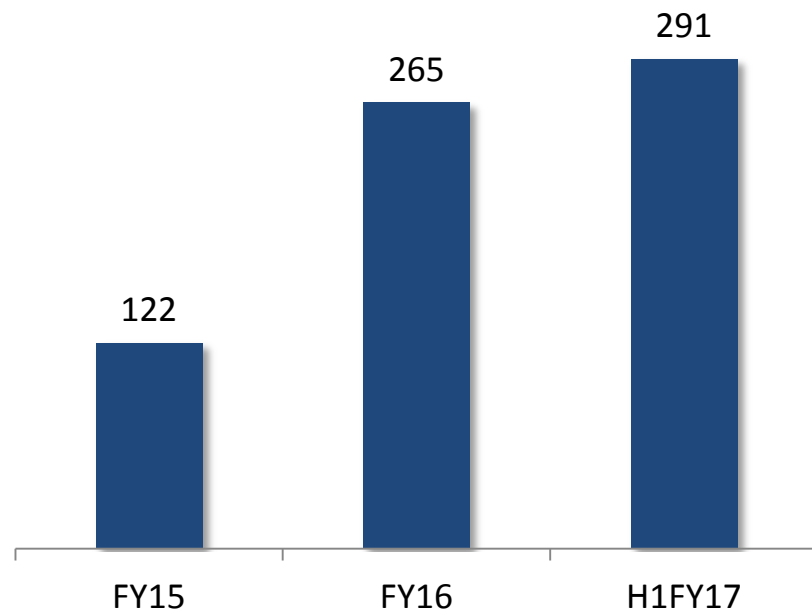
Balance Sheet

# Expanding Agri Services business



## Agri Services

Number of warehouses



- One of the few organised players providing end to end business solutions in the Agri value chain
- 291 warehouses under management with capacity of over 11 lacs MT
- Warehousing Development and Regulatory Authority (WDRA) accreditations received for 3 warehouses - likely to create strong differentiation in market
- Received National Accreditation Board for Testing and Calibration Laboratories (NABL) Accreditation for our state-of-the-art laboratory at Vashi
- ISO 9001-2008

Credit

**Non Credit**

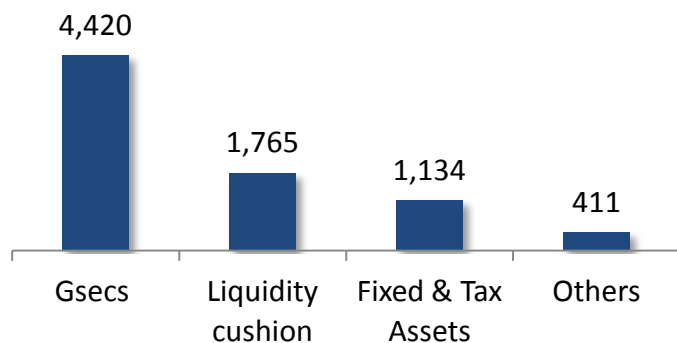
Insurance

Balance Sheet

# Balance Sheet Management Unit



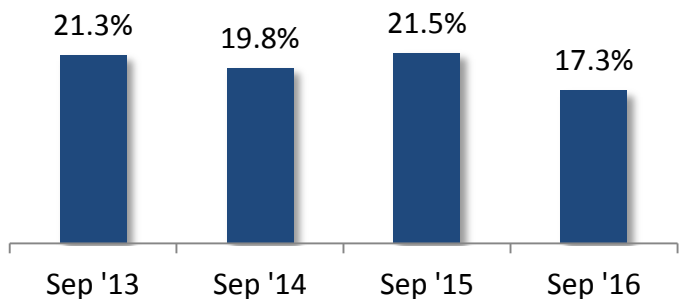
**Balance Sheet Management Unit (INR Cr)**



## Key Objectives

- Create liquidity cushion through investment in High Quality Liquid Assets
- Asset Liability Management
- Manage Treasury assets
- Corporate Fixed Assets and Investments

**Balance Sheet Management Assets as % of Total Assets**



- Balance Sheet Management Assets as a percentage of Total Assets has been decreasing consistently over years
- Focus on increasing Liquidity cushion in line with Balance Sheet growth

Credit

**Non Credit**

Insurance

Balance Sheet

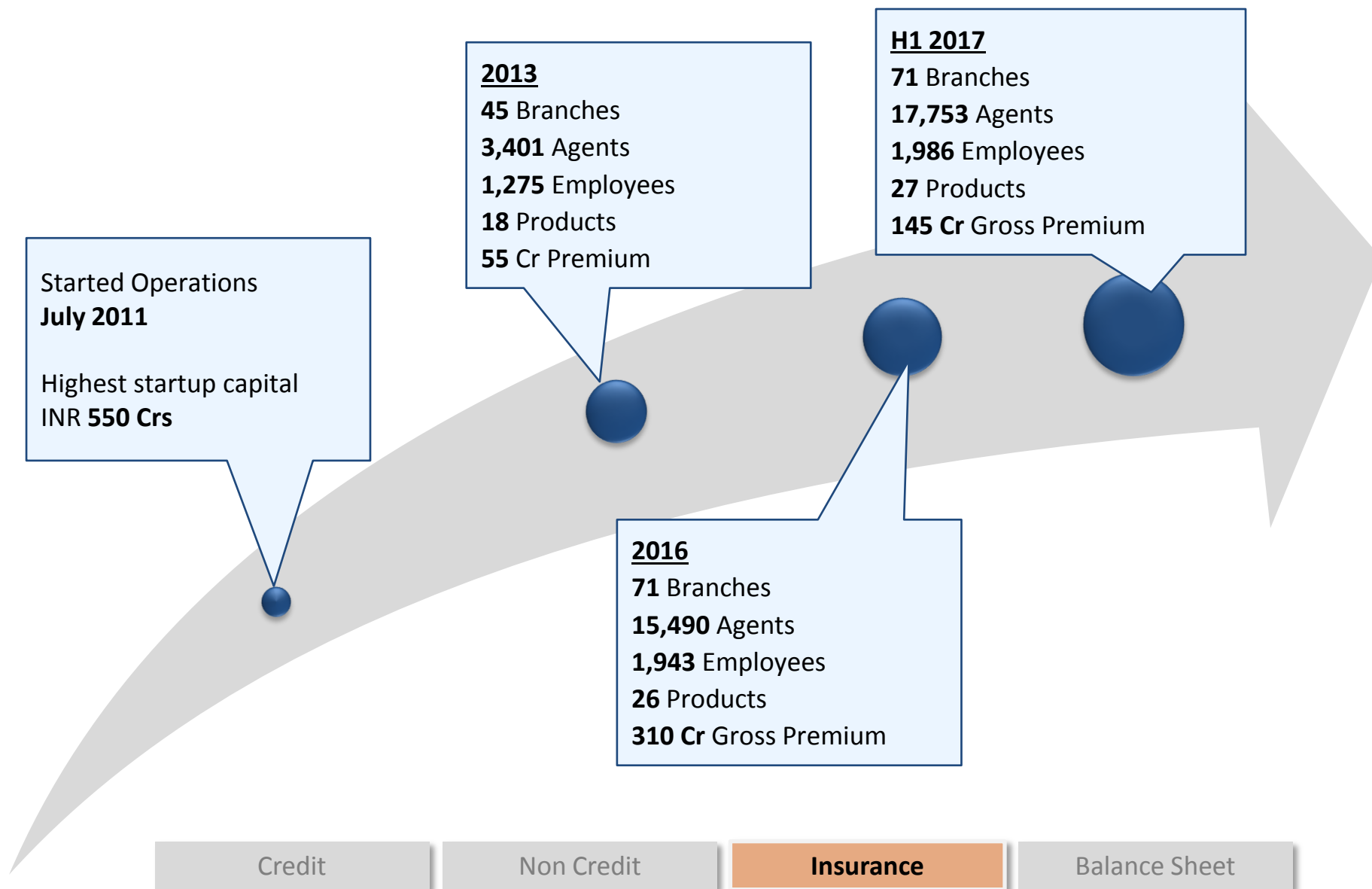


## BUSINESS HIGHLIGHTS – INSURANCE

 **Edelweiss**  
PROUD SPONSOR  
2016 INDIAN OLYMPIC TEAM



# Key Milestones



# Insurance Strategy defined by



<b>Products</b>	<ul style="list-style-type: none"><li>• Focused on new product development &amp; launch of Total Secure +</li></ul>
<b>Distribution</b>	<ul style="list-style-type: none"><li>• Continued focus on Need Based Selling (Brand: Vijaypath)</li><li>• Agency-led multi-channel distribution approach with emphasis on productivity</li><li>• Focus on building direct capability specifically online</li><li>• Aim to be industry leader on sales productivity</li></ul>
<b>Investments</b>	<ul style="list-style-type: none"><li>• Providing superior returns through top performing funds</li></ul>
<b>Technology</b>	<ul style="list-style-type: none"><li>• Provide unique and enhanced customer experience across all touch points</li><li>• Generate operating efficiencies across the organization</li></ul>
<b>Efficient</b>	<ul style="list-style-type: none"><li>• Strong focus on being cost-efficient</li></ul>

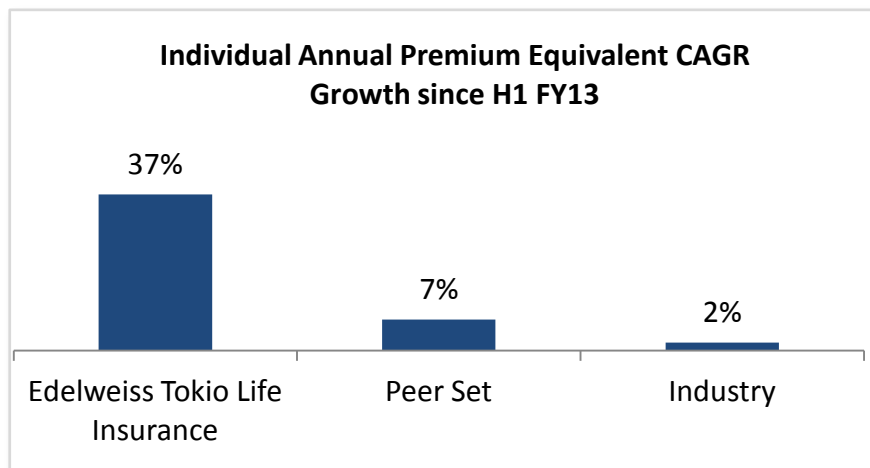
Credit

Non Credit

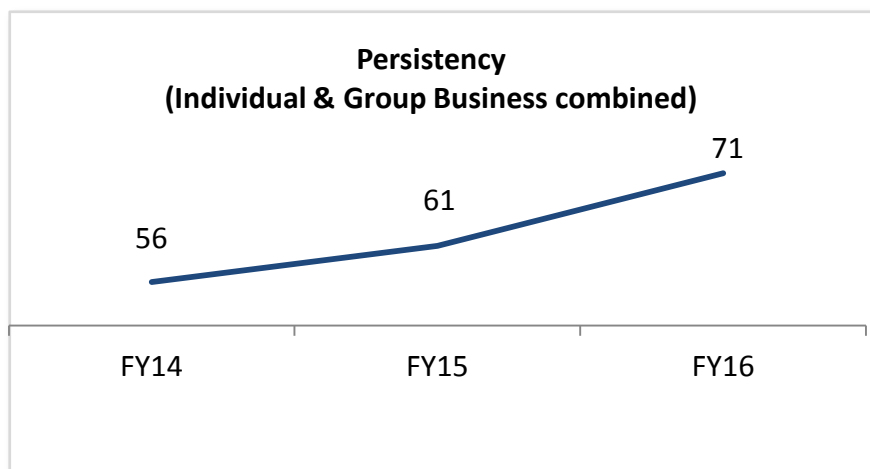
**Insurance**

Balance Sheet

# Fastest Growing Individual Annual Premium Equivalent



- Individual Annual Premium Equivalent - INR 50 Crs for H1 FY17



- For Q2 FY17 13<sup>th</sup> month persistency stands at 62%
- 9th Rank amongst all the private insurers in FY16 as against 16th rank in FY15 (*Source: IRDAI public disclosures*)

Credit

Non Credit

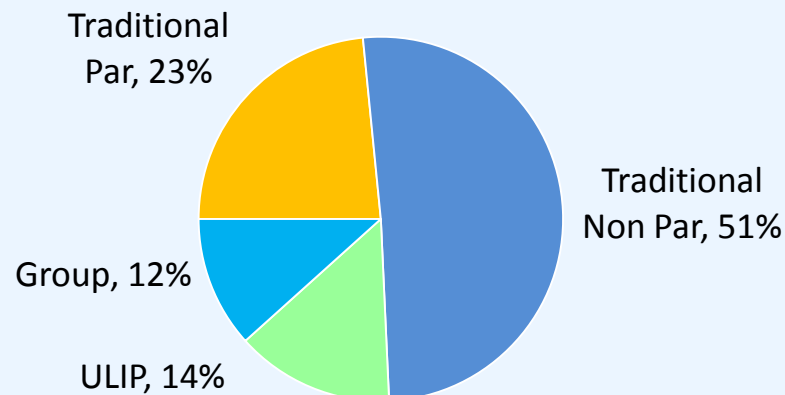
**Insurance**

Balance Sheet

# Customer Centric Approach – Wide Variety of Products



## Product Mix



## Customer centric approach

- Unique need based selling approach
- Strong investment performance to provide superior returns to customers
  - Edelweiss Tokio Funds have been rated top performers by Morningstar with all Individual Unit Linked Insurance Plan Funds rated in top decile as on Sep'16
- Provide enhanced customer experience through investment in processes and technology

Credit

Non Credit

**Insurance**

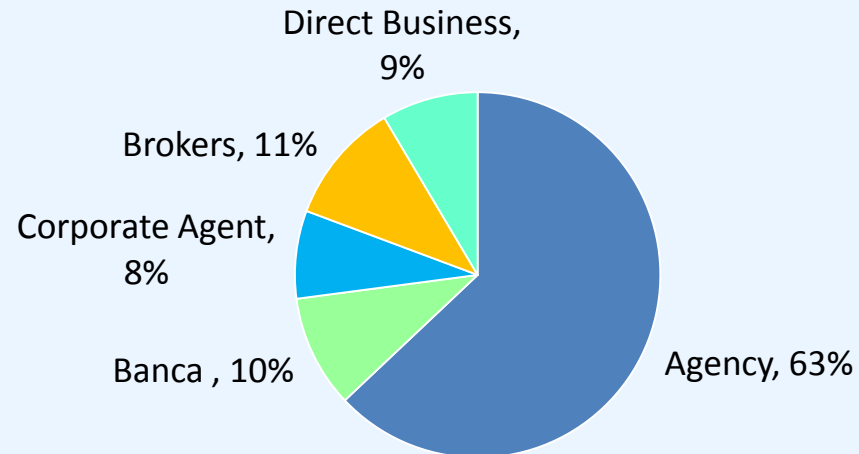
Balance Sheet



# Rapidly Growing & Stable Platform



**Balanced channel mix with focus on agency**



**A Responsible brand**

- Winner, Agency Efficiency award at India Insurance Awards, 2016
- Winner, “Top 100 Infosec Maestros Awards” in 2015
- “Yamraj to the Rescue”, won the National Gold in the public service category at the Outdoor Advertising Awards, 2015



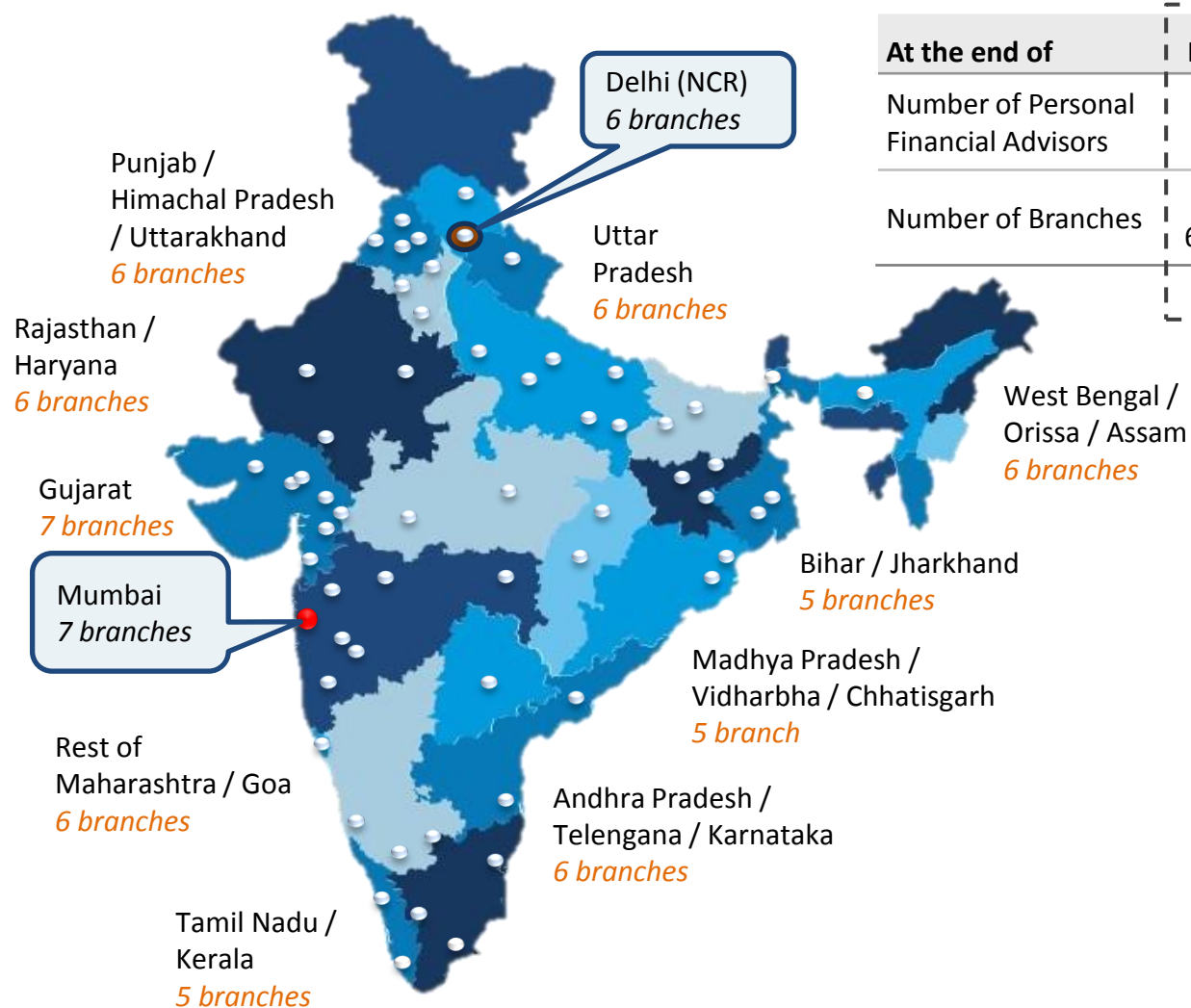
Credit

Non Credit

**Insurance**

Balance Sheet

# Pan India Presence



At the end of	H1FY17	FY16	FY15	FY14
Number of Personal Financial Advisors	17,753	15,490	10,421	7,255
Number of Branches	71 in 61 cities	71 in 61 cities	59 in 49 cities	58 in 48 cities

Credit

Non Credit

**Insurance**

Balance Sheet

# Insurance



## Edelweiss Tokio Life Insurance Company Limited Standalone (ETLI)

(INR Cr)	H1FY17	H1FY16	FY16	FY15
Gross Premium Income	145	92	310	193
Investment Income & Other Income	88	45	87	97
<b>Total Income</b>	<b>233</b>	<b>137</b>	<b>397</b>	<b>290</b>
Total Expenses	305	197	552	361
Profit Before Tax	-72	-60	-155	-71
Profit After Tax	-72	-60	-155	-71
<b>Edelweiss' Share in PAT</b>	<b>-37</b>	<b>-45</b>	<b>-104</b>	<b>-53</b>
<b>Net Worth*</b>	<b>873</b>	<b>504</b>	<b>939</b>	<b>569</b>

**Tokio Marine has infused INR 527 Cr in FY16 for 23% stake**

Credit

Non Credit

**Insurance**

Balance Sheet

\* Includes unrealised gains on equity and mutual fund investments per IRDA norms



## BALANCE SHEET

# Key Highlights – Balance Sheet



## Balance Sheet

- 1** On-Balance Sheet: INR~35,800 Cr; Total assets managed: INR ~118,000 Cr
- 2** ALM maintained
- 3** Comfortable capital adequacy ratio at 18.1%
- 4** Diversified Liability mix
- 5** Stable business model reflected in credit ratings

Credit

Non Credit

Insurance

**Balance Sheet**

# 1 ~ \$18.0 billion of Assets



As on 30 Sep 2016	INR Cr	USD bn
Assets on Balance Sheet	35,800	5.4
Distressed Assets Book (ARC Assets)	31,100	4.7
Funds under Management (Asset Management)	6,900	1.0
Assets Under Advice (Wealth Management)	44,200	6.7
<b>Total Assets</b>	<b>1,18,000</b>	<b>17.8</b>

Credit

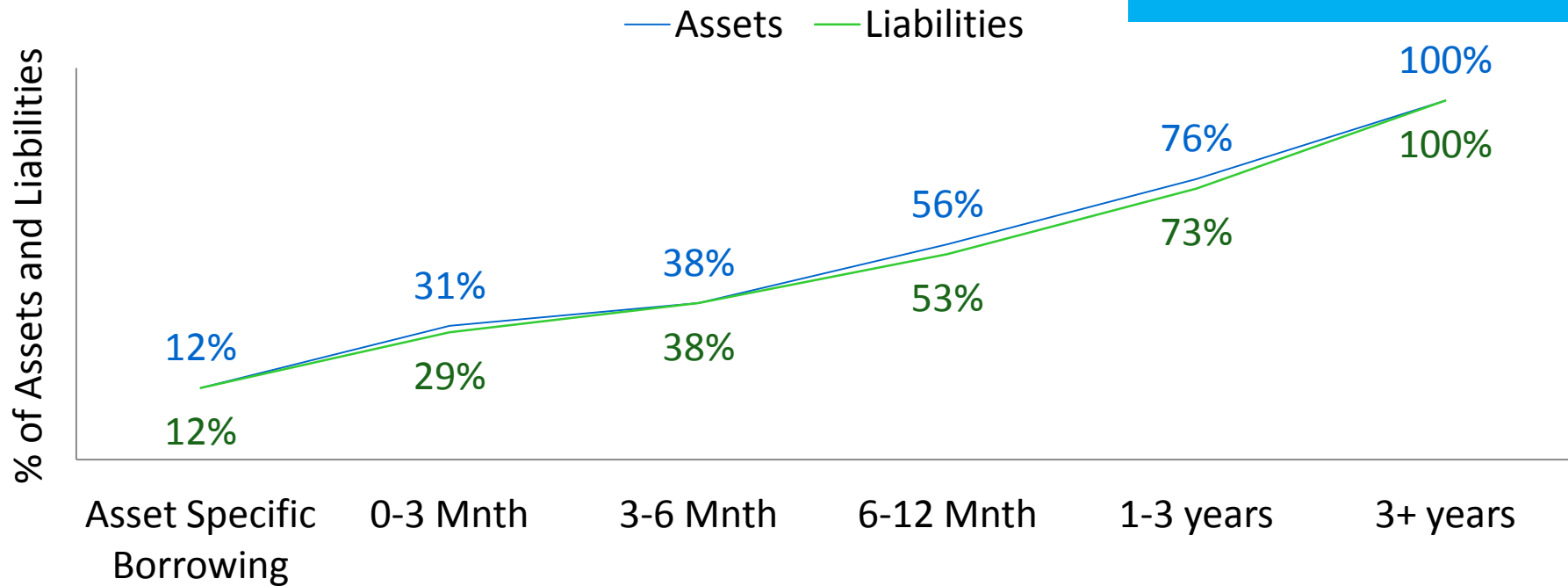
Non Credit

Insurance

**Balance Sheet**



Sep'16: INR 35,822 Cr



- Positive asset-liability matching across durations
- Asset Liability Committee manages and monitors ALM, Interest Rate Risk and Liquidity

Credit

Non Credit

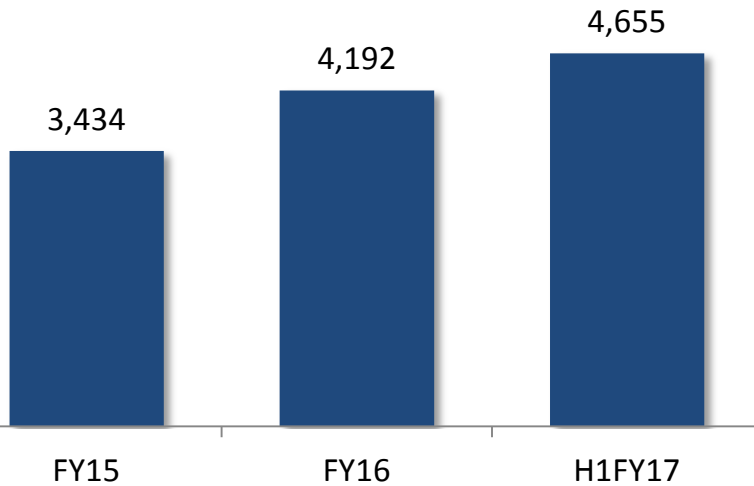
Insurance

Balance Sheet

### 3 Strong capital position



**Tier I Networth (INR Cr)**



- Steady growth in Net worth over the last several years
- Sub Debt issued to improve Tier II Capital
- D/E (Excluding Treasury Assets): 5.1
- Consolidated Risk Weighted Assets (As a % of Gross Assets): 78%

**Liability Structure, Sep'16 (INR Cr)**

Tier I	4,655
Tier II	1,159
Total Capital	5,814
Risk Weighted Assets	32,161

**Consolidated Capital Adequacy**

**18.1%**

Credit

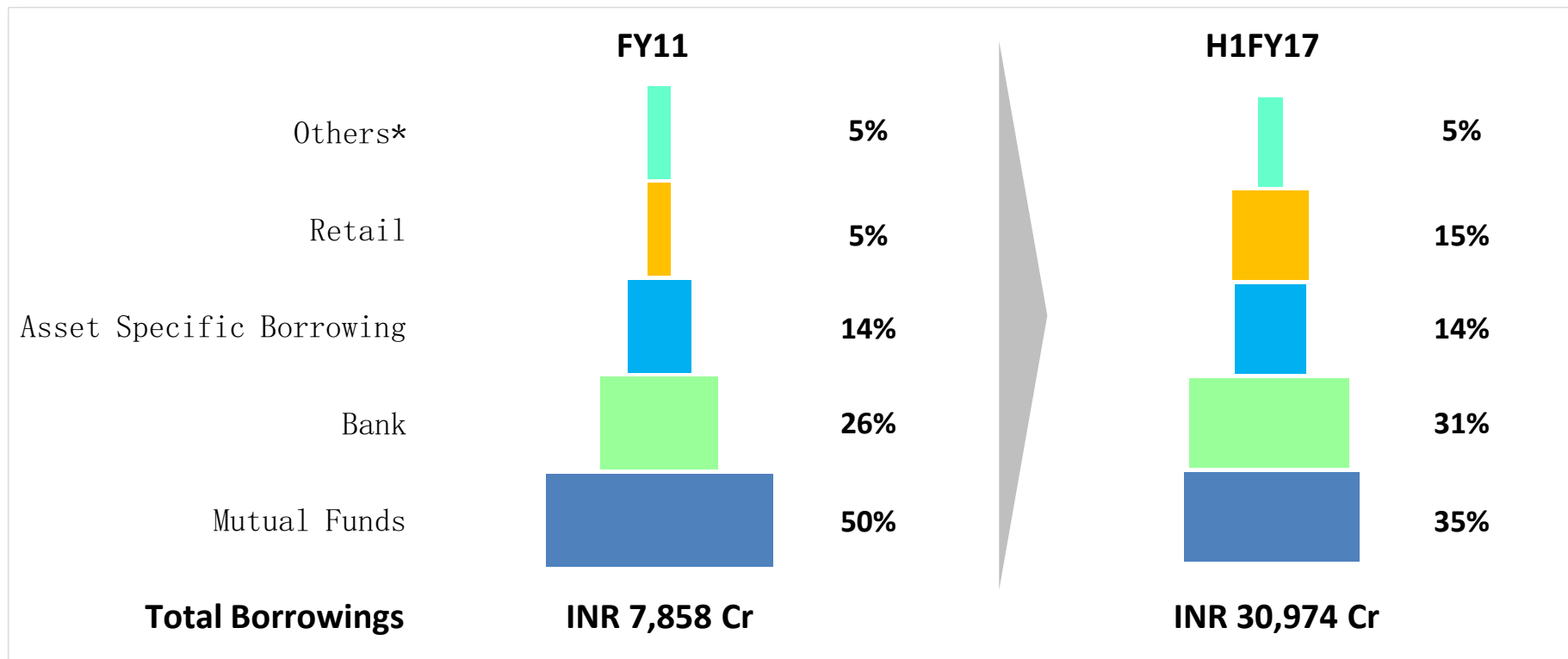
Non Credit

Insurance

**Balance Sheet**



## 4 Diversified Sources of Borrowings



- Steady diversification in sources of borrowings
- Lower dependence on debt market borrowings
- Exploring alternative sources of Liabilities

Credit

Non Credit

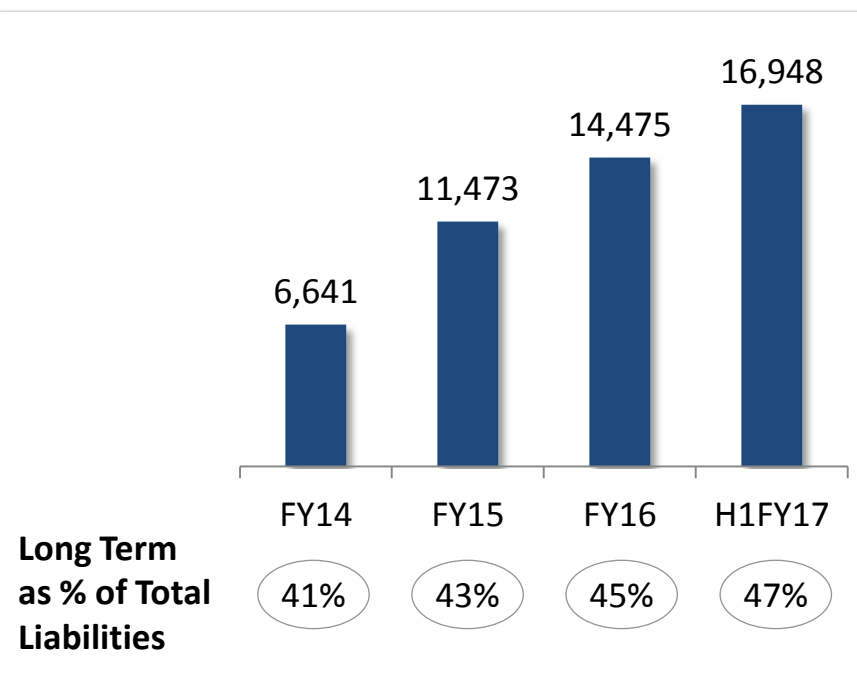
Insurance

Balance Sheet

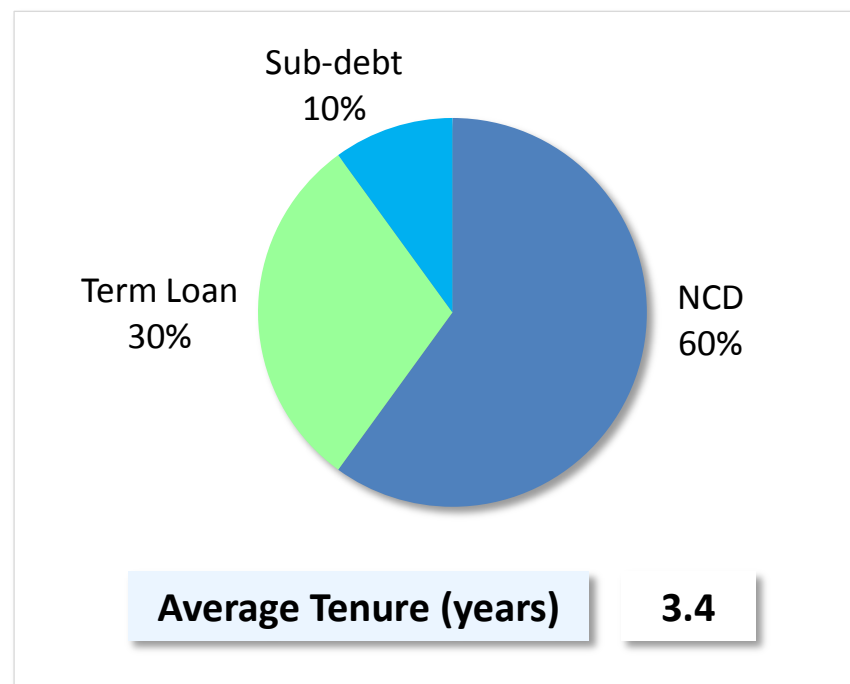
# Share of Long Term funds increasing



## Long Term Liabilities INR (Cr)



## Long Term Liabilities Breakup



- Long Term Liabilities growing in line with Asset Profile
- Contracted Long Term Liabilities with Insurance Companies, Banks & Mutual Funds
- Edelweiss Housing Finance Non Convertible Debenture Subscribed on Day 1 - ~ 80% demand for 10 year
- Raised INR 502 cr from International Markets, through “Masala” Bonds in current quarter

Credit

Non Credit

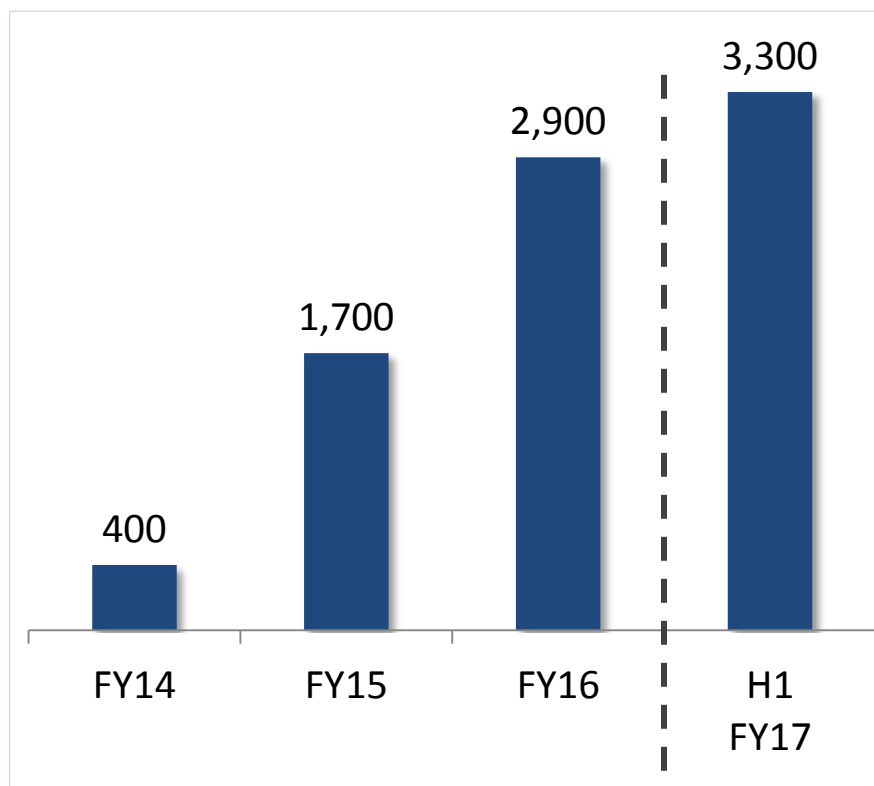
Insurance

Balance Sheet

# Liquidity Cushion at ~INR 3300 Cr is 9% of Balance Sheet



## Including off Balance sheet lines INR (Cr)



- A well diversified liquidity cushion comprising of:
  - Banking Lines
  - Fixed Deposits
  - Government Securities, Mutual Funds etc
- Steady growth in liquidity cushion to provide for any liquidity event
- Continually evaluate the composition through various instruments to ensure immediacy, relevance and cost efficiency







Credit

Non Credit

Insurance

**Balance Sheet**



Rating agency	Purpose (debt programme)	Rating
 A STANDARD & POOR'S COMPANY	Short term	CRISIL A1+
 Professional Risk Opinion	Short term	CARE A1+
 ICRA	Short term	[ICRA] A1+
	Long term	BWR AA+
 Professional Risk Opinion	Long term	CARE AA
 ICRA	Long term	[ICRA] AA



## ENTERPRISE UPDATE

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**2016 INDIAN OLYMPIC TEAM**



# Awards

**Marketing campaign of the Year 2016 - CMO Asia**  
#iAmTeamIndia Olympics campaign wins Marketing campaign of the year 2016



**Best Corporate Governance - India**  
At CFI.co Corporate Governance Awards 2016



**Best Equity Capital Markets House and Best Broker**  
Award at the Finance Asia Country Awards 2016

**Special Jury Award for serving MSMEs 2015**  
(Edelweiss Retail Finance Limited)  
At MSME Banking Excellence Awards



**Ranked Amongst India's Best Corporate Brands**  
**2016** in the The Economic Times Consumer Survey





# Awards and Recognition



Edelweiss Structured Products awarded the India House of the Year Award at the Asia Risk Awards 2016, Singapore



Edelweiss Financial Services awarded Best Leading Diversified Financial Services – India at the Wealth&Finance 2016 Business Awards.



Edelgive Foundation awarded best Financial Inclusion Awards for Institutions & Philanthropic Trusts for Advancing Financial Inclusion By Channelizing CSR Budgets into Financial Aids by CNBC – TV 18



Winner at Indian Brand Convention, BAM Award 2016 for Best CSR Campaign; Gold at Asia Pacific Customer Engagement Award 2015-16 for Successful use of CSR

# Edelweiss Social Media Campaigns:



## #YourKnowledgeQuotient

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2016 INDIAN OLYMPIC TEAM

**#YourKnowledgeQuotient**

What is repo rate?

a Used by monetary authorities to control inflation

b Used by monetary authorities to control deflation

c Used by monetary authorities to control both

d None

**Lucky winners stand a chance to win Shopping Vouchers worth Rs. 500!**

T&C: Entries after 7p.m. today will not be accepted.

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2016 INDIAN OLYMPIC TEAM

Deepa Malik  
Shot-put F53  
**Silver medallist at Paralympics '16!**

## WishingtheParalympics2016

## #DebunkFinanceMyth

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**#DebunkFinanceMyth**

**Medicare will cover all health expenses**

**Truth**  
Medicare doesn't cover all health related expenses. There are many costs which are not covered under medical insurance and the burden of these costs fall directly on the person.

What does the bear and the bull stand for?

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A. Bear means stocks are falling & the Bull means stocks are rising.  
B. The Stock Market is opened and closed.  
C. Bear means stocks are rising & Bull means stocks are falling.

**#ScoringSunday**

TRADE MATE

Edelweiss

**Refer & Win**

Edelweiss Tokio Life  
TotalSecure+

A protection plan that gives you the dual benefit of lifelong security and critical illness protection

**“AB LIFE KO MILEGA +”**



# EdelGive Foundation - Key Highlights



**Impacted over 300,000 lives in 13 states**  
**Supported 85 Non-Governmental Organizations.**  
**Brought INR 67 cr into philanthropy**

## Education

Empowering children through holistic learning approach, life skill & research and advocacy



Quality education for underprivileged children in schools



## Livelihood

Water and soil conservation, skill development, financial inclusion livelihood generation for communities



Financial inclusion for women



## Women Empowerment

Promoting safety, gender justice, and economic empowerment of women and girls

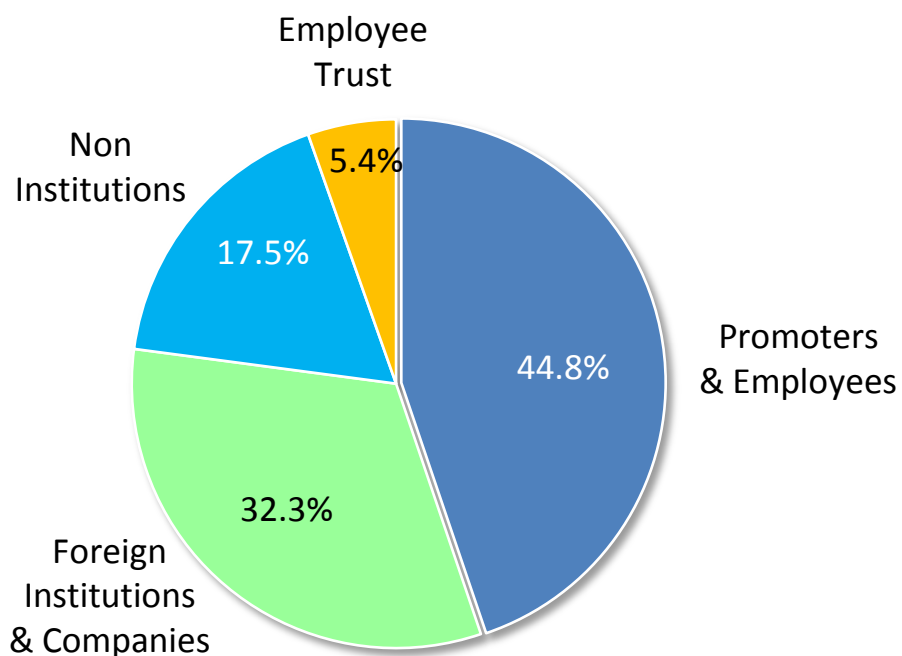


The Protection of Women from Domestic Violence



**Edelweiss employees, families and clients have given 15,500+ hours in volunteering**

# Shareholding Pattern



## TOP INSTITUTIONAL SHAREHOLDERS ABOVE 1%\* (AS ON SEP 30, 2016)

	Name	Percent
1	Carlyle	8.2%
2	BIH SA	5.3%
3	Fidelity	4.9%
4	SAIF Advisors	3.1%
5	Amansa Investments	1.4%
6	Ashoka PTE	1.1%

## Significant Institutional Ownership

\* Holding of known affiliates have been clubbed together for the purpose of this information



## DETAILED FINANCIALS

# Consolidated Results



(INR Cr)	FY17	FY17	FY16	FY17	FY16	FY16
	Q2	Q1	Q2	H1	H1	Annual
Fee and Commission Income	240	171	148	411	311	697
Fund based Income	1,232	1,221	1,026	2,453	1,982	4,218
Premium from Life Insurance Business	85	53	57	138	88	300
Other Operating Income	40	27	16	67	30	87
Other Income	4	7	1	11	5	14
<b>Total Revenue</b>	<b>1,601</b>	<b>1,479</b>	<b>1,248</b>	<b>3,080</b>	<b>2,416</b>	<b>5,316</b>
Employee Benefits Expense	276	248	213	524	425	882
Financial Costs	709	699	638	1,408	1,243	2,620
Depreciation & Amortization	23	23	21	46	41	90
Change in life ins. policy liability – actuarial	87	55	49	142	72	256
Other Expenses	269	240	188	509	359	849
<b>Total Expenses</b>	<b>1,364</b>	<b>1,265</b>	<b>1,109</b>	<b>2,629</b>	<b>2,140</b>	<b>4,697</b>
<b>Profit Before Tax</b>	<b>237</b>	<b>214</b>	<b>139</b>	<b>451</b>	<b>276</b>	<b>619</b>
Tax Expenses	97	83	48	180	95	236
<b>Profit After Tax</b>	<b>140</b>	<b>131</b>	<b>91</b>	<b>271</b>	<b>181</b>	<b>383</b>
Share of Minority Interests in Profits	-4	-9	-5	-13	-6	-31
<b>Profit After Tax and Minority Interest</b>	<b>144</b>	<b>140</b>	<b>96</b>	<b>284</b>	<b>187</b>	<b>414</b>
Diluted EPS <sup>6</sup> (in INR) (FV INR 1)	1.65	1.63	1.11	3.26	2.18	4.85
Book Value per Share (in INR) (FV INR 1)	48	47	42	48	42	45

# Consolidated Results ex-Insurance



INR in million	FY17	FY17	FY16	FY17	FY16	FY16
	Q2	Q1	Q2	H1	H1	Annual
Fee and Commission Income	240	171	148	411	311	697
Fund based Income	1,185	1,180	1,008	2,365	1,939	4,132
Other Operating Income	40	27	16	67	30	86
Other Income	4	7	-	11	4	13
<b>Total Revenue</b>	<b>1,469</b>	<b>1,385</b>	<b>1,172</b>	<b>2,854</b>	<b>2,284</b>	<b>4,928</b>
Employee Benefits Expense	236	214	184	450	367	754
Financial Costs	708	699	637	1,407	1,243	2,619
Depreciation & Amortization	21	21	19	42	37	83
Other Expenses	224	207	160	431	300	698
<b>Total Expenses</b>	<b>1,189</b>	<b>1,141</b>	<b>1,000</b>	<b>2,330</b>	<b>1,947</b>	<b>4,154</b>
<b>Profit Before Tax</b>	<b>280</b>	<b>244</b>	<b>172</b>	<b>524</b>	<b>337</b>	<b>774</b>
Tax Expenses	97	83	48	180	95	236
<b>Profit After Tax</b>	<b>183</b>	<b>161</b>	<b>124</b>	<b>344</b>	<b>242</b>	<b>538</b>
Share of Minority Interests in Profits	-17	-6	-4	-23	-9	-19
<b>Profit After Tax and Minority Interest</b>	<b>166</b>	<b>155</b>	<b>120</b>	<b>321</b>	<b>231</b>	<b>519</b>
Diluted EPS <sup>6</sup> (in INR) (FV INR 1)	1.89	1.85	1.4	3.69	2.71	6.22

# Consolidated Financials – Balance Sheet



(INR Cr)	Sep 16	Mar 16	Sep 15	Mar 15
<b>Equity and Liabilities</b>				
Shareholders' Funds	4,093	3,760	3,391	3,246
Equity	4,008	3,675	3,306	3,161
Preference	85	85	85	85
Minority Interest	755	612	365	286
Borrowings	30,974	27,773	25,688	23,540
<b>Total</b>	<b>35,822</b>	<b>32,145</b>	<b>29,445</b>	<b>27,072</b>
<b>Assets</b>				
Credit Book Assets	24,860	20,014	17,321	15,036
Fixed Deposits and Cash & Bank Balances	2,858	3,116	1,288	3,356
Government Bonds	4,420	4,866	4,950	4,323
Other Assets	3,684	4,149	5,885	4,357
<b>Total</b>	<b>35,822</b>	<b>32,145</b>	<b>29,445</b>	<b>27,072</b>



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For purpose of comparison, following Banks & NBFCs/DFS are considered

Private Banks: HDFC, Kotak, Axis, Yes, IndusInd, ICICI Bank

NBFCs/DFS : Bajaj Finserv, L&T Finance, Mahindra Finance, IIFL; Shriram Transport Finance, Shriram City Union, Reliance Capital, JM Financial, Motilal

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