

EW/Sec/2018/275

August 10, 2018

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051.

Dear Sirs,

**Ref.:- Symbol: EDELWEISS**

**Sub: Investor Presentation - INR**

Please find enclosed the “Investor Presentation in INR” on Earnings Updates in respect of the first quarter ended June 30, 2018.

Kindly take the same on record.

Thanking you,  
**For Edelweiss Financial Services Limited**



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

Encl: a/a



EW/Sec/2018/276

August 10, 2018

**BSE Limited**

P J Towers, Dalal Street,  
Fort, Mumbai - 400 001.

Dear Sirs,

**Ref.:- Scrip Code: 532922**

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**B. Renganathan**  
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# Edelweiss Financial Services Limited

*Q1FY19 Earnings Update*







1 Quarterly Performance Highlights

2 Business Approach

3 Business Update

4 Impact of Transition to IndAS

5 ESG at Edelweiss





## Quarterly Performance Highlights – Consolidated

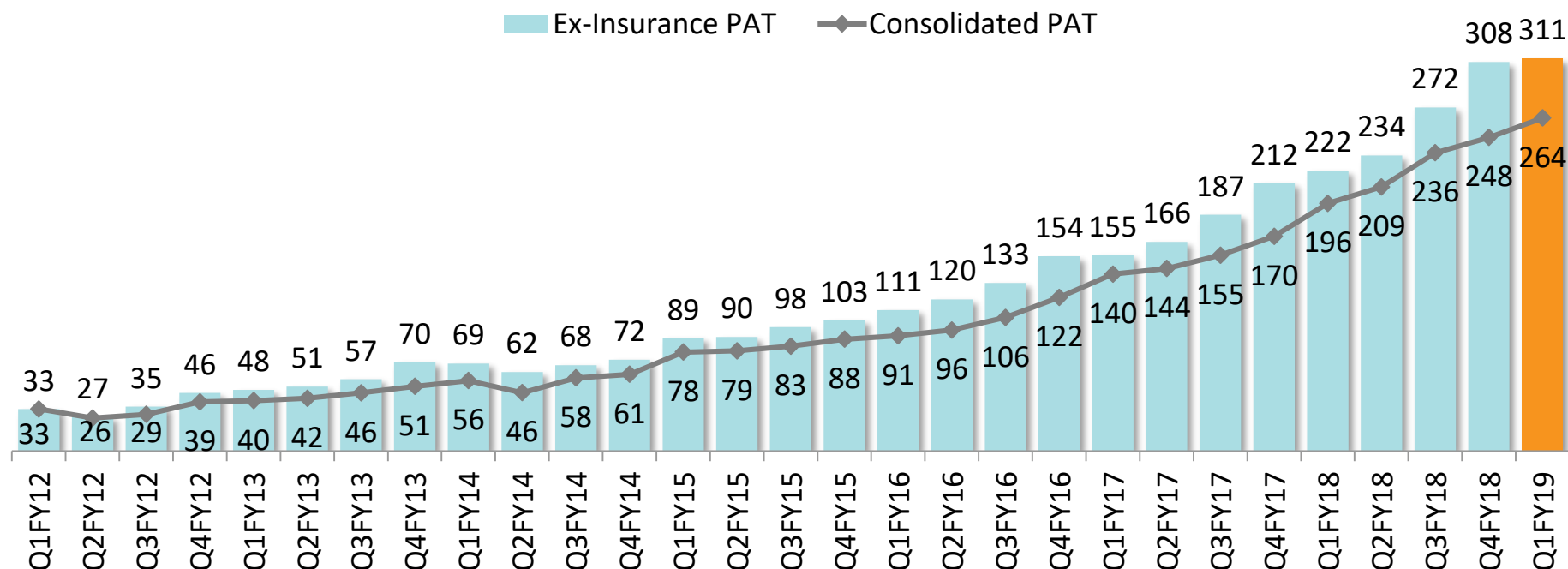
*Numbers and ratios in this section for all periods are as per IndAS and Post Minority Interest*



# Q1FY19 Consolidated PAT INR 264 Cr



**Profit after Tax**  
(INR Cr)



**Sustained PAT growth trajectory**

**Consolidated PAT CAGR was 38% Over 29 Quarters**



# Overview of Q1FY19



## Credit

- Strong quarter for the credit businesses
- Capacity expansion and scale up under way in Retail Credit
- Good opportunities for risk aware growth in Corporate Credit
- Distressed Credit: Good momentum in recoveries

## Franchise & Advisory

- Capacity expansion under way in Wealth Management
- Scale up in Alternatives Asset Management continued
- Slowdown in Capital Markets business with dampened market activity

## Insurance

- Fastest growing life insurance company in individual APE terms

## BMU

- Challenging quarter due to markdowns in G-Secs portfolio

## IndAS Impact

- No material impact on financials; Net worth up INR 87 Cr and PAT up INR 4 Cr

## Credit Rating

- CARE revised its Long term outlook from 'Stable' to 'Positive'



# Q1FY19 Performance Highlights



1

## Consistent growth in profits...

- Consolidated PAT growth of 31% YoY
- Ex-Insurance PAT growth of 37% YoY

2

## ...Distributed across businesses

- Credit business grew 94% YoY
- Franchise & Advisory business grew 25% YoY

3

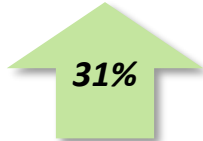


## Key performance parameters

- |                              |                            |
|------------------------------|----------------------------|
| • Consolidated RoE 15.2%     | Ex-Insurance RoE 19.8%     |
| • Consolidated RoA 1.9%      | Ex-Insurance RoA 2.5%      |
| • Consolidated C/I ratio 61% | Ex-Insurance C/I ratio 49% |



## Consolidated Q1FY19 PAT Growth of 31%...



(INR Cr)	Q1FY18	Q1FY19	Y-o-Y Growth
PAT Consolidated	203	264	 31%
PAT Ex-Insurance	226	311	 37%
Balance Sheet	43,926	61,785	 41%



## 2 ...Across Businesses



(INR Cr)	PAT Q1FY18	PAT Q1FY19	Y-o-Y Growth	EOP Equity Q1FY19
<b>Total Consolidated</b>	<b>203</b>	<b>264</b>	<b>31%</b>	<b>7,304</b>
<i>Credit</i>	<i>125</i>	<i>243</i>	<i>94%</i>	<i>5,756</i>
<i>Franchise &amp; Advisory</i>	<i>65</i>	<i>81</i>	<i>25%</i>	<i>215</i>
<i>Insurance</i>	<i>(24)</i>	<i>(46)</i>		<i>670</i>
<i>BMU, Corp &amp; Others</i>	<i>37</i>	<i>(14)</i>		<i>663</i>



### 3 Key Performance Parameters



#### Key Ratios

Consolidated	Q1FY18	Q1FY19	FY18
RoE	17.0%	15.2%	16.2%
RoA	2.2%	1.9%	2.0%
Cost to Income Ratio	56%	61%	59%
Ex-Insurance	Q1FY18	Q1FY19	FY18
RoE	20.7%	19.8%	20.7%
RoA	2.7%	2.5%	2.6%
Cost to Income Ratio	47%	49%	46%





## Quarterly Performance Highlights – Business

*Numbers and ratios in this section for all periods are as per IndAS and Pre Minority Interest*



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# Financial Snapshot – Q1FY19



INR Cr	EOP Equity	Profit after Tax	RoE	RoA
Pre Minority				
Credit	6,142	277	19.2%	2.6%
Franchise & Advisory	215	81		
Life & General Insurance	1,188	(80)		
BMU, Corp & Others	681	(15)		
Minority Interest (MI)	(922)	1		
Total Consolidated Post MI	<b>7,304</b>	<b>264</b>	<b>15.2%</b>	<b>1.9%</b>
Total Ex-Insurance Post MI	<b>6,634</b>	<b>311</b>	<b>19.8%</b>	<b>2.5%</b>



# Credit Business at a Glance



Credit Business (INR Cr)	Q1FY18	Q1FY19
Capital Employed	30,089	45,206
Average Interest Yield	16.7%	16.0%
Average Cost of Borrowing	10.1%	9.6%
Net Interest Margin	7.8%	7.8%
Net Revenue	585	826
Cost to Income	35%	36%
Provisions & Write Offs	118	110
PAT	166	277
RoE	19.1%	19.2%
RoA	2.2%	2.6%

Credit

Franchise & Advisory

Life Insurance



# Asset Quality at a Glance



At the end of June 30, 2018 (INR Cr)	Q1 FY18	Q1 FY19
Credit Book	24,757	38,666
<i>Of which Stage 3</i>	422	676
ECL Provision	559	762
<i>Of which Stage 3</i>	271	389
Specific Provision Cover	64%	58%
Total Provision Cover	132%	113%
Average Collateral cover on Corporate book	2.2x	2.0x
Average Loan-To-Value on Retail book	~45%	~45%
Gross NPA	1.71%	1.75%
Net NPA	0.61%	0.74%

**Standard assets provisioning up from 40 bps to 98 bps**  
**Stage 3 corresponds to RBI definition of GNPA**

Credit

Franchise & Advisory

Life Insurance



# Credit Business Performance Snapshot



Credit Business Q1FY19 (INR Cr)	Total	Y-o-Y	Retail	Y-o-Y	Corporate	Y-o-Y	Distressed	Y-o-Y
EOP Capital Employed	45,206	51%	18,465	80%	20,201	39%	6,540	27%
EOP Equity	6,142	53%	1,816	91%	2,997	43%	1,329	36%
Net Interest Income	826	46%	220	61%	452	45%	153	32%
PAT	277	70%	58	40%	141	88%	77	68%
Net Interest Margin	7.8%		5.1%		9.4%		9.9%	
Cost to Income	36%		47%		35%		25%	
RoE	19.2%		14.3%		19.4%		25.4%	
RoA	2.6%		1.4%		2.9%		5.0%	

- Growth driven by our diversified credit book
- Scale up Corporate Credit opportunity through co-investment from Asset Management fund
- Focus on increasing Retail Credit book



# Franchise & Advisory Business at a Glance



Franchise & Advisory (INR Cr)	Q1FY18	Q1FY19
Net Revenue	315	339
Cost to Income	68%	66%
PAT	65	81



# Franchise & Advisory Business Performance Snapshot



Franchise & Advisory Business Q1FY19 (INR Cr)	Total	Y-o-Y	Wealth Mgmt	Y-o-Y	Asset Mgmt	Y-o-Y	Capital Mkts	Y-o-Y
Net Revenue	339	8%	183	37%	46	77%	110	(29%)
PAT	81	27%	43	68%	13	130%	25	(25%)
Cost to Income	66%		66%		59%		68%	

Customer Assets	Assets under Advice	Assets under Management	Assets under Custody and Clearing
	96,300 46%	32,500 65%	13,200 137%

Cost to income ratio reflects the investments made as businesses scale up



# Life Insurance Business at a Glance



(INR Cr)	Q1 FY18	Q1 FY19
Net Premium Income	64	119
Investment Income and Other Income	52	32
<b>Total Business</b>	<b>116</b>	<b>151</b>
Profit After Tax	(39)	(69)
Minority	(19)	(34)
<b>Edelweiss' Share in PAT</b>	<b>(20)</b>	<b>(35)</b>
Net Worth	735	1,059
Indian Embedded Value	1,034	1,596





# Business Approach

*Numbers and ratios in this section for Q1 FY19 are as per IndAS and for prior periods it is as per IGAAP*



# Today we are a Bank-like Financial Services Company



## Credit

- Retail Credit
- Corporate Credit
- Distressed Credit

## Franchise & Advisory

- Wealth Management
- Asset Management
- Capital Markets

## Insurance

- Life Insurance
- General Insurance

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Diversified across Credit, Wealth and Asset Management, Capital Markets and Insurance

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Multiple vectors of growth aligned with macro tailwinds

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Capital-efficient model: Revenue streams from both balance sheet assets and customer assets

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Aim for exemplary standards in risk management and corporate governance

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Culture of partnership with one of the highest levels of employee share ownership

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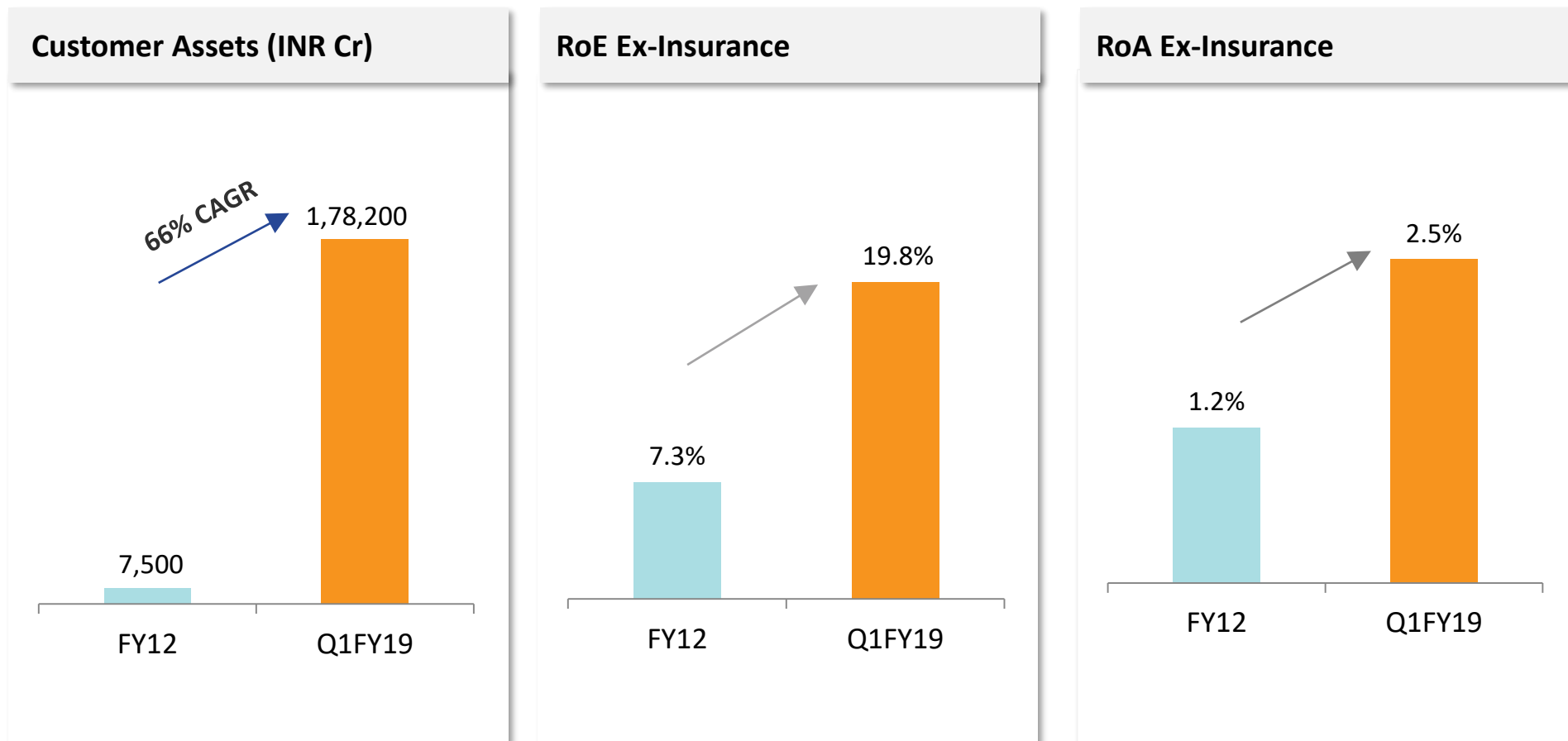
# Our Asset Base is a Mix of Own and Customer Related Assets



As on 30 <sup>th</sup> June'18 (rounded off to nearest 100)	INR Cr	YoY Growth
Balance Sheet Assets	61,800	42%
Customer Assets	1,78,200	39%
<i>Distressed Credit (ARC Assets)</i>	37,200	2%
<i>Assets Under Advice (Wealth Management)</i>	96,300	46%
<i>Funds under Management (Asset Management)</i>	31,500	59%
<i>Assets under Custody &amp; Clearing</i>	13,200	137%
Total Assets	2,40,000	40%



# Customer Assets have Helped us Grow our Profitability



...without requiring us to grow the Balance Sheet proportionately

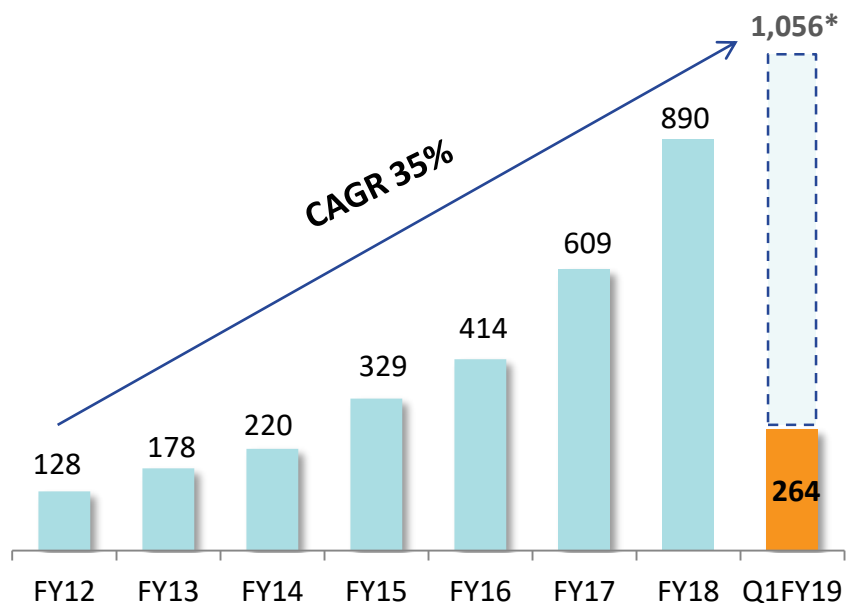
Franchise & Advisory businesses have provided the RoE fillip through Capital Efficiency



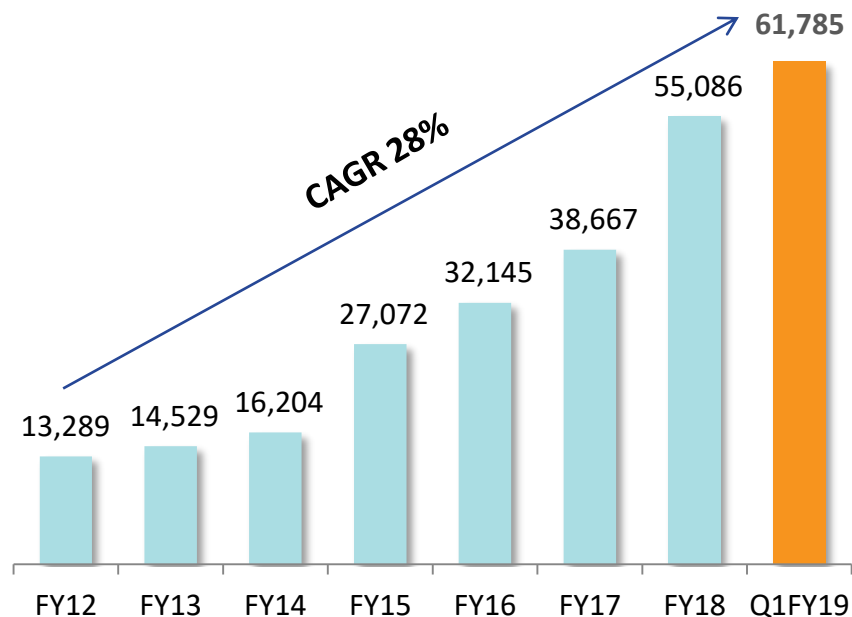
# Our Diversified Model Delivers Consistent Growth



PAT (INR Cr)



Balance Sheet (INR Cr)



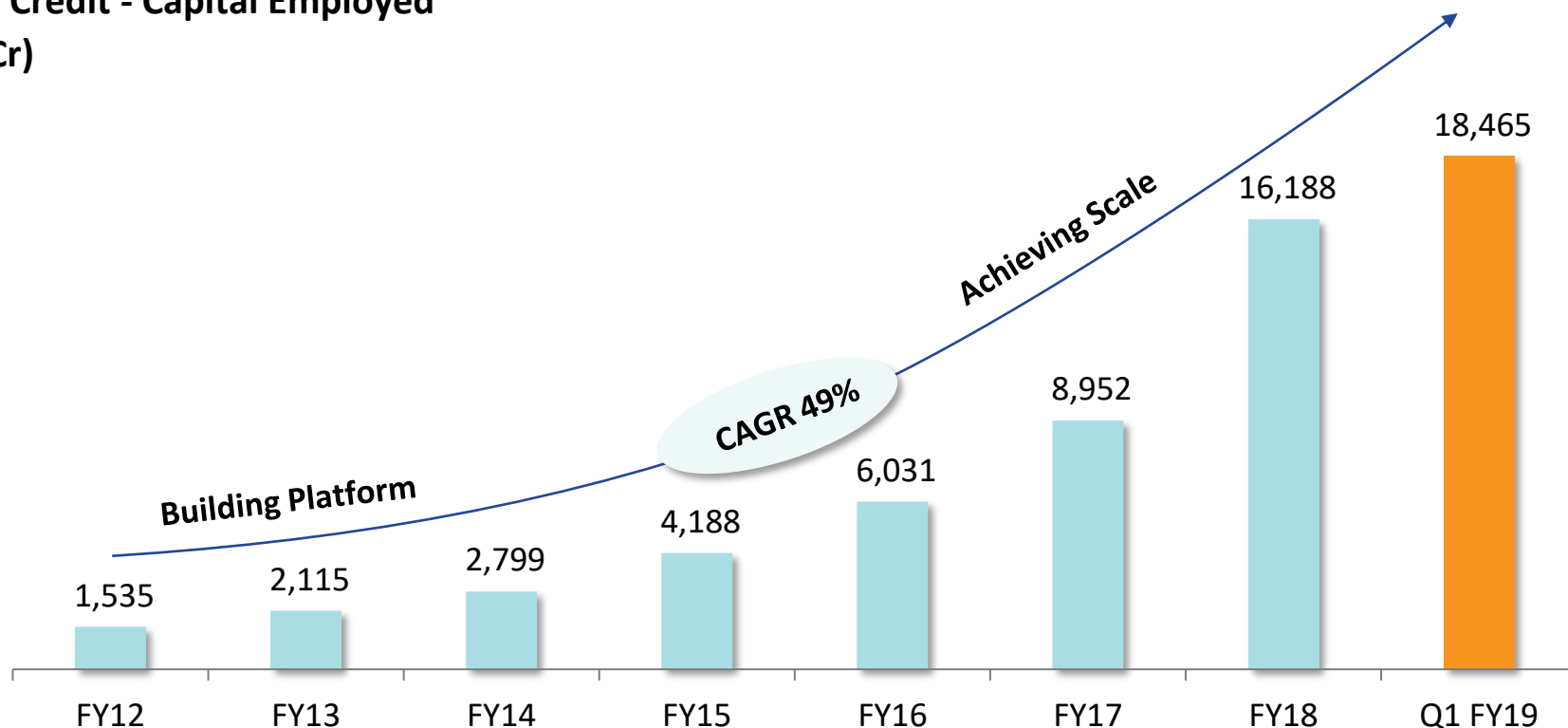
28% growth in balance sheet assets supported a 35% growth in profits



# Capacity Expansion is Under way in Retail Credit



Retail Credit - Capital Employed  
(INR Cr)



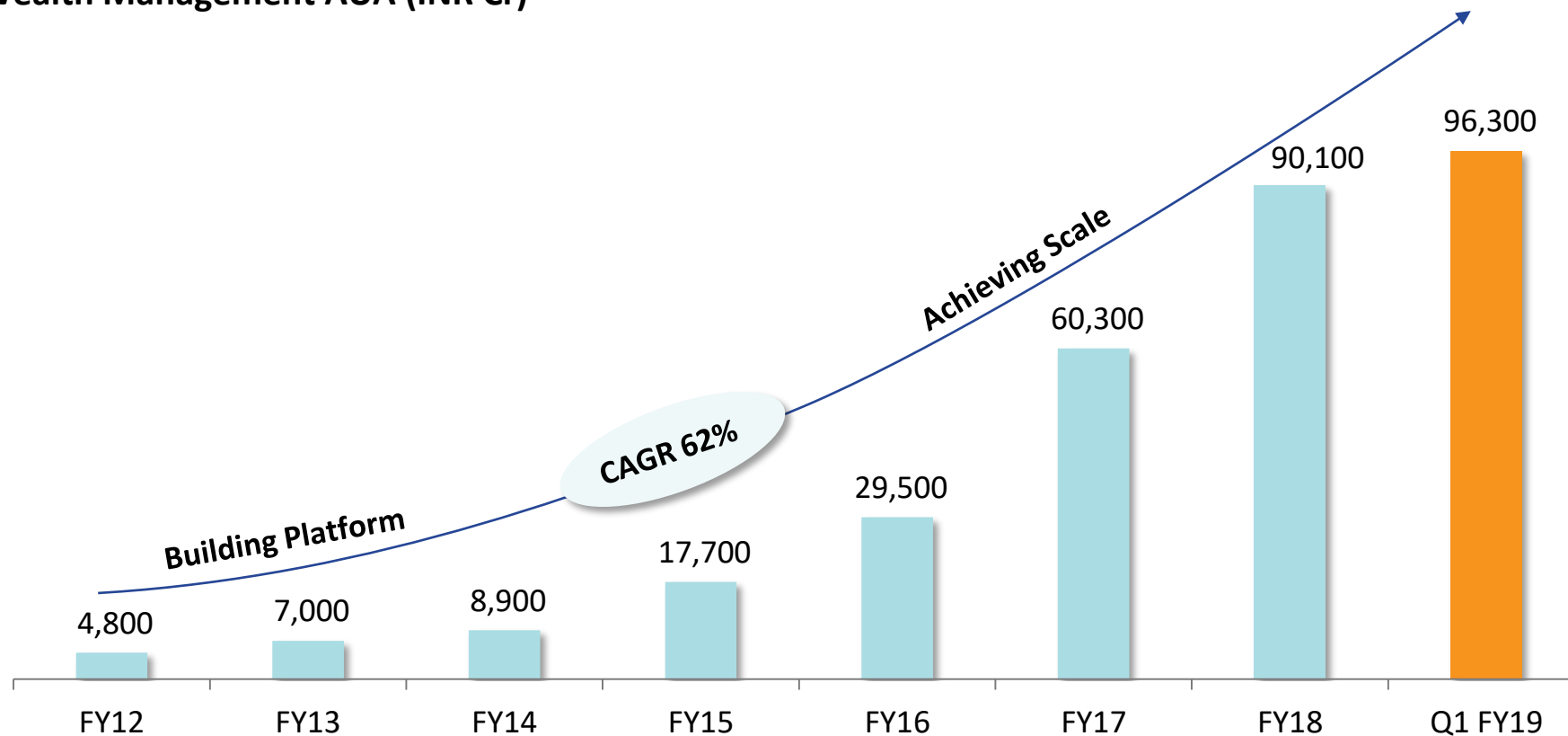
Retail credit is now 41% of the total credit book  
Key vectors for our growth will be SME Loans and Retail Mortgages



## ...and also in Wealth Management



### Wealth Management AUA (INR Cr)



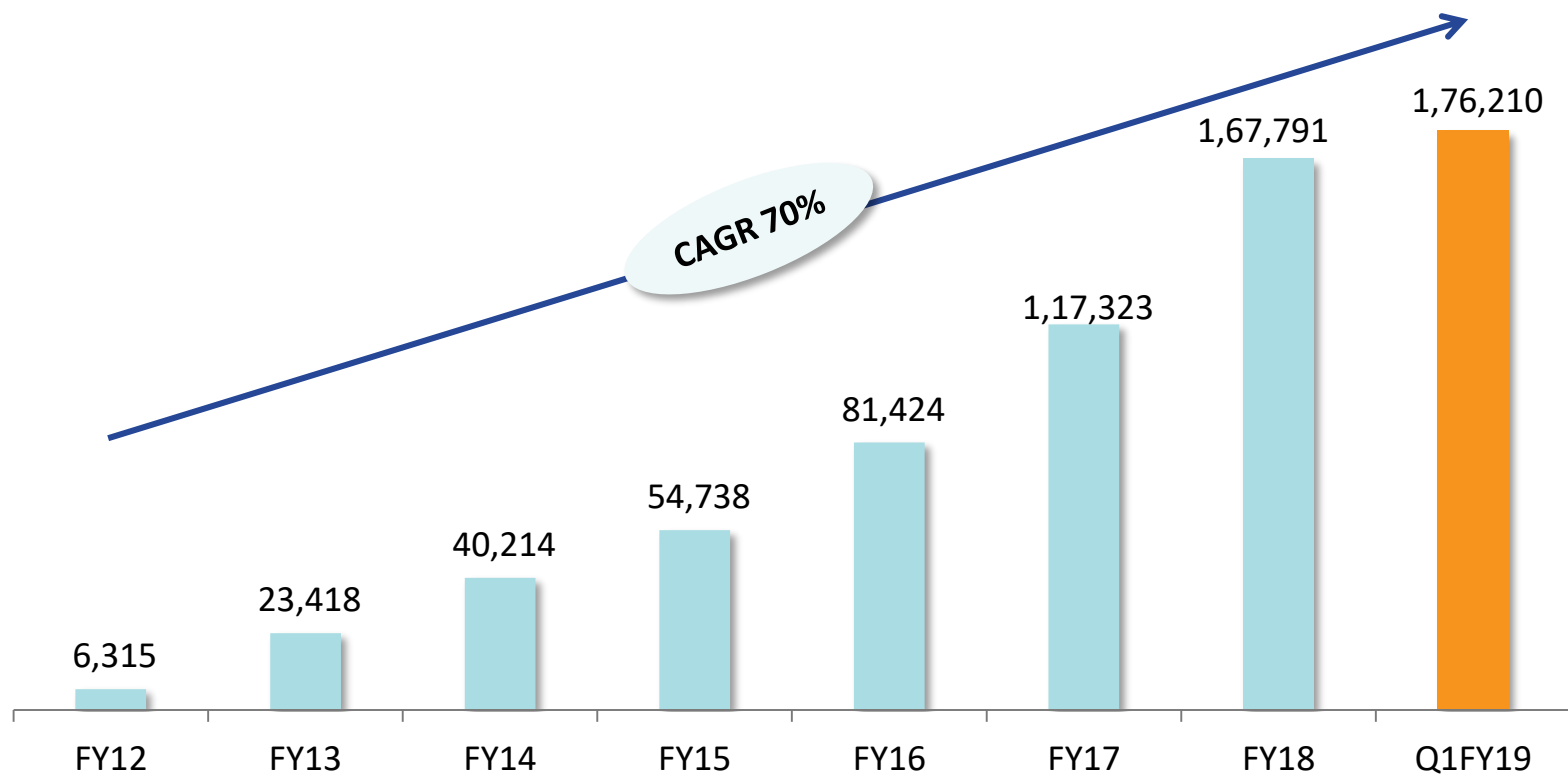
We cater to UHNI as well as the fast-growing Affluent segments



# Life Insurance is Scaling to Plan



Number of Policies in force



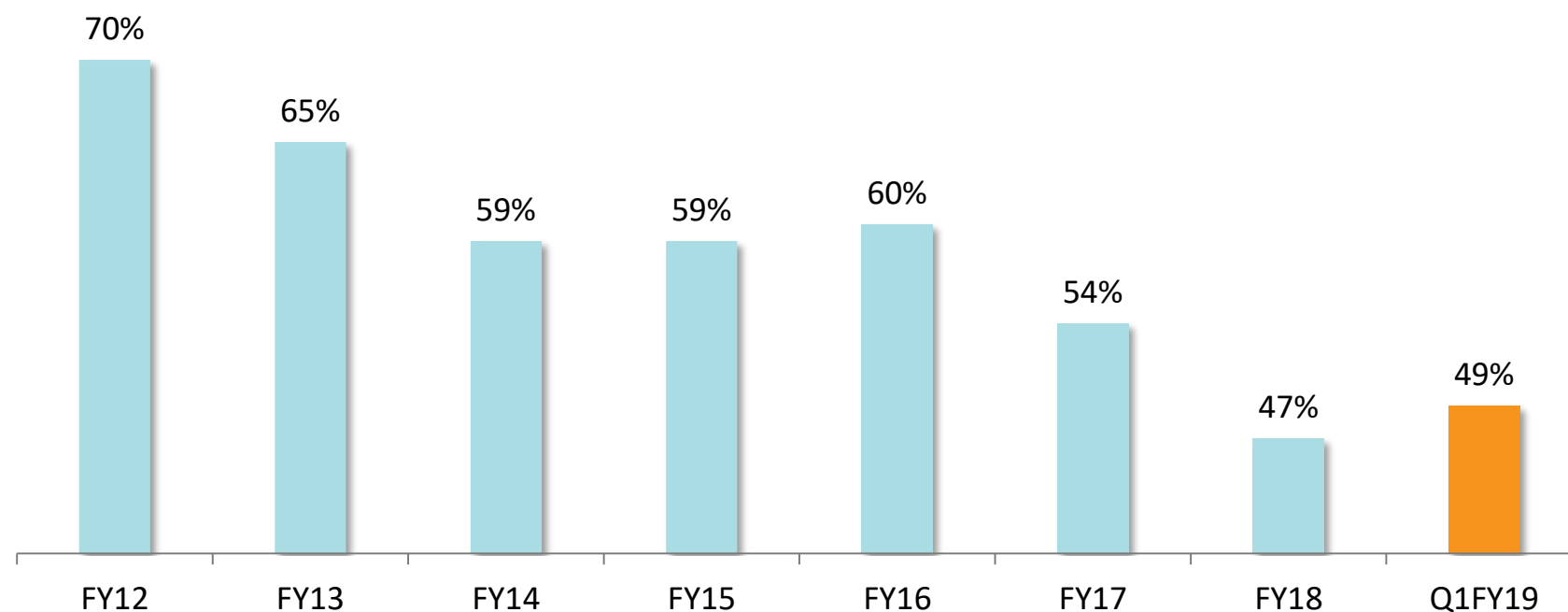
Increasing share of business from Direct channel, now at 24%



# Scale Benefits will follow Capacity Expansion...



Cost to income ratio (Ex-Insurance)



Cost to Income ratio reflects the investments made in Retail Credit & Wealth Management



# ...Aided by Technology Initiatives across Businesses



## Digital Acquisition

### Retail Lending

- Digital lending enabled by India Stack

### Life Insurance

- Lead management system across channels, integrated with policy issuance systems

### Wealth Management

- Paperless and immediate digital account opening



## Distribution

### Life Insurance

- End to end portal for managing agents, from on-boarding to pay outs

### Wholesale Mortgage

- Cloud based integrated platform to manage workflow of Sales and Distribution

### Wealth & Asset Management

- Single interface for distributors to engage with Edelweiss asset management
- Access to products and services



## Customer Experience

### Retail Lending

- End to end paperless process for loan applications

### Wealth Management

- ESOP desk – end to end processing for corporates

### Wealth Management

- Automated portfolio optimizer for portfolio evaluation and to offer unbiased advisory



## Risk

### Retail Lending

- Automated underwriting and risk assessment

### Global Risk

- Integrated risk engagement and development platform

### Global Risk

- Provide early warning signals
- Enable proactive action on portfolio





# Business Update

## ***CREDIT***

### ***Retail Credit – Corporate Credit – Distressed Credit***

***Numbers in this section for Q1 FY19 are as per IndAS, prior periods as per IGAAP***



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# Credit Business is a Mix of Diversified and Scalable Assets



As on 30 <sup>th</sup> June'18	Capital Employed (INR Cr)	% Share	
<b>Retail Credit</b>	<b>18,465</b>	<b>41%</b>	
Retail Mortgage	7,521	17%	Blend of loans to home owners and home buyers
SME & Business Loans	3,806	8%	Underserved and highly scalable, focus area for future
Loan against Securities	6,030	13%	Catering to Retail & Wealth Mgmt customers in Capital Markets
Agri and Rural Finance	1,108	3%	Large scalable opportunity with low competitive intensity
<b>Corporate Credit</b>	<b>20,201</b>	<b>45%</b>	
Structured Collateralised Credit	8,526	19%	Customized credit solutions with robust risk management systems
Wholesale Mortgage	11,675	26%	Developer financing for primarily residential properties
<b>Distressed Credit</b>	<b>6,540</b>	<b>14%</b>	Leading Asset Reconstruction Company in India
<b>Total Credit Book</b>	<b>45,206</b>	<b>100%</b>	

Credit

Franchise & Advisory

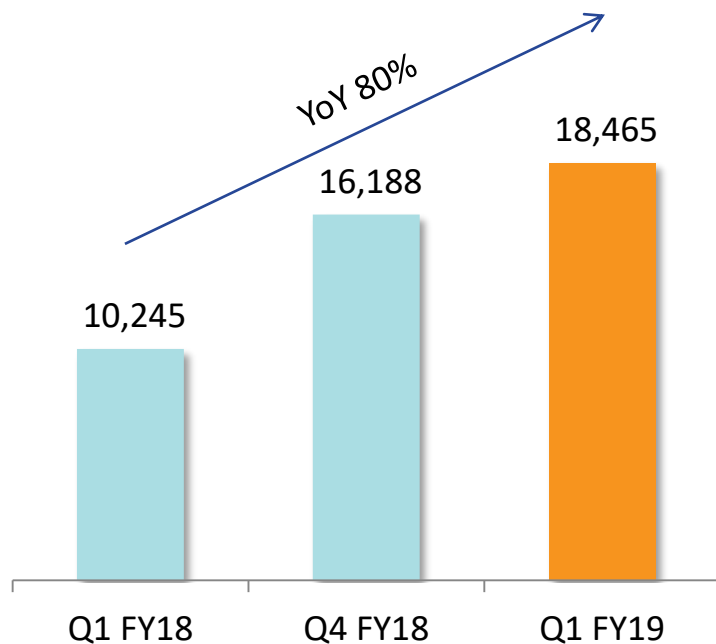
Life Insurance



# Retail Credit Scaling Rapidly



## Capital Employed (INR Cr)



## Business Highlights

### SME

- Originations up 75% on Y-o-Y basis
- Digital journey (Phygital) begun - Enhanced efficiency and client experience
- Present at 100 locations up from 88 as on March'18

### Retail Mortgage

- Strong momentum in originations up 102% on Y-o-Y basis
- Geographic expansion and channel diversification

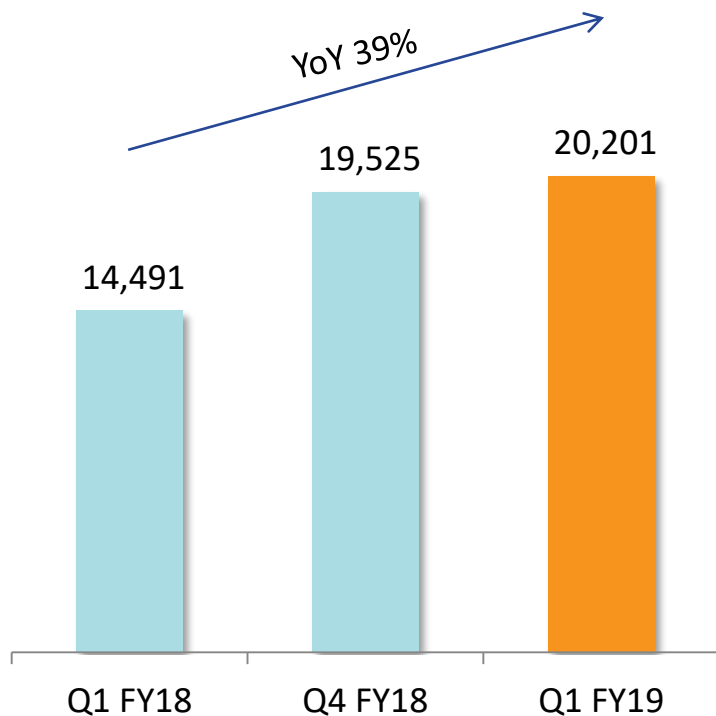
	SME		Retail Mortgage	
	Secured	Unsecured	HL	LAP
Average Yields %	13%	21%	10%	11%
Median Ticket Size	2 Cr	11 lacs	15 lacs	20 lacs



# Robust Growth in Corporate Credit



## Capital Employed (INR Cr)



## Business Highlights

- Risk-management centered approach to collateralized lending
- In house team of experts for carrying out detailed evaluations
  - Counterparty, Collateral and Cash flows
- Ring fenced structures and hybrid collateral pool ensures lower loss given defaults
- Incremental growth to largely come through the fund structure going forward

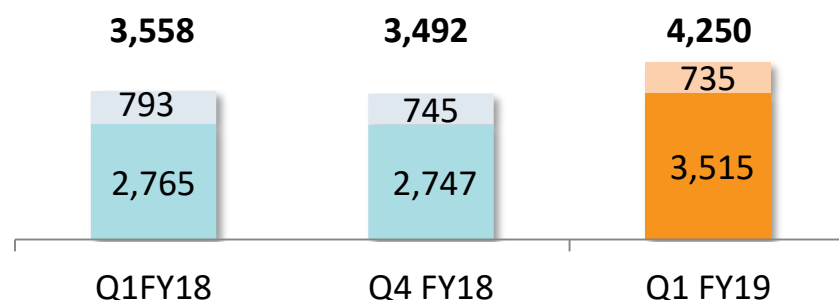


# Agri Credit Expected to Scale Up

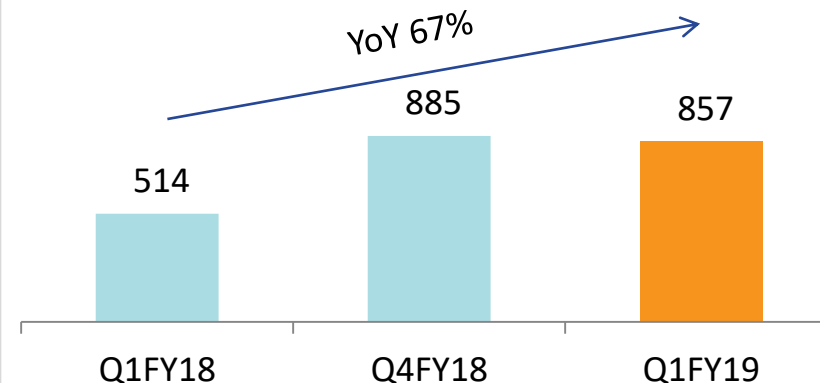


## Collateral Value (INR Cr)

■ Collateral Manager Stock ■ Storage Stock



## Agri Credit Book Size (INR Cr)



## Business Highlights

- One of the few organized players providing end to end business solutions in the Agri value chain
- Leveraging the large opportunity size of the Agri financing industry
- Continued focus on increasing the credit book
- Network of 557 warehouses across 17 states in India; investments in risk management capabilities
- Empanelled with 19 banks for Collateral Management Services

Credit

Franchise & Advisory

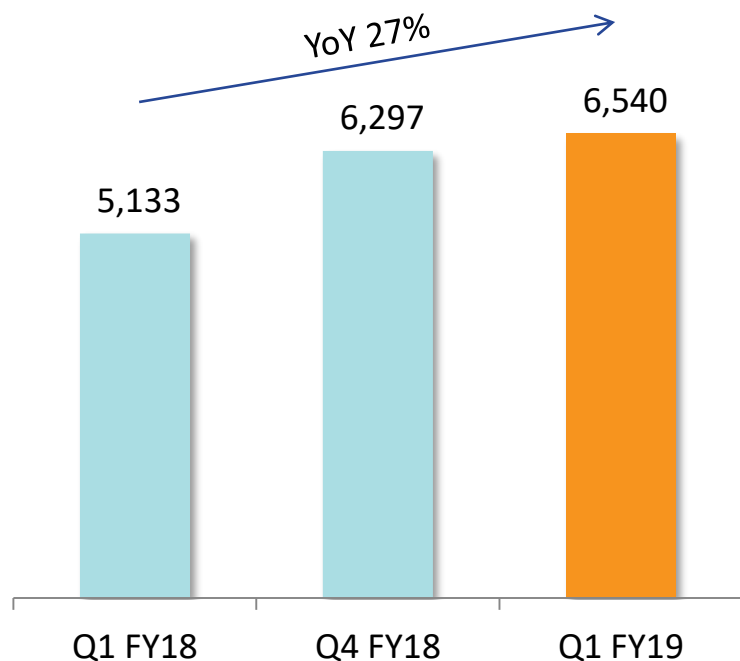
Life Insurance



# Distressed Credit Performance on Track...



## Capital Employed (INR Cr)



## Business Highlights

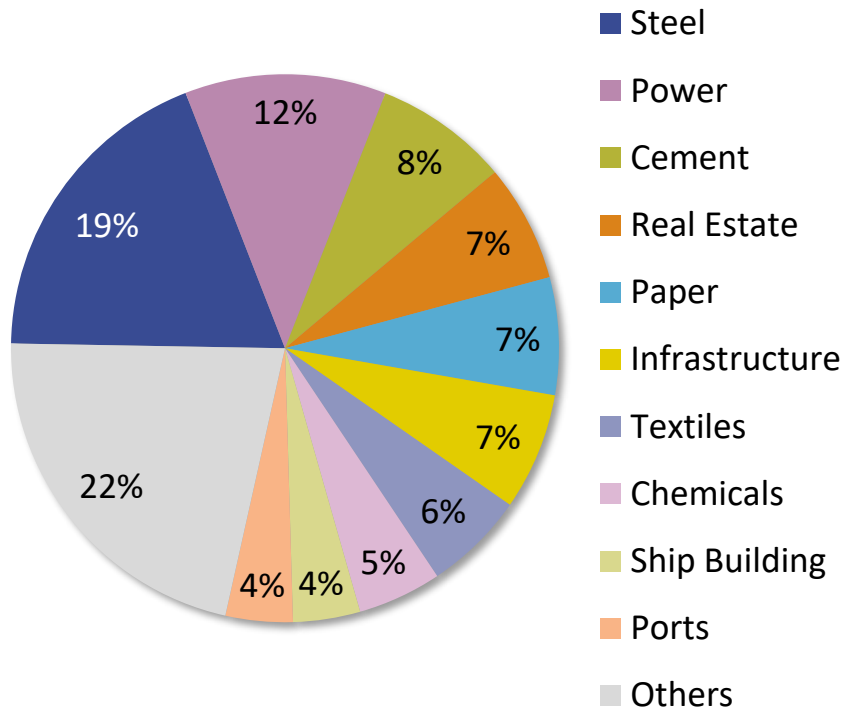
- Focus on large operating and EBITDA earning assets that need financial restructuring
- Strong focus on resolutions aided by changes in Insolvency and Bankruptcy Code norms
- Leading resolutions of large cases under NCLT
- AUM stood at ~INR 43,700 Cr as on 30<sup>th</sup> June'18



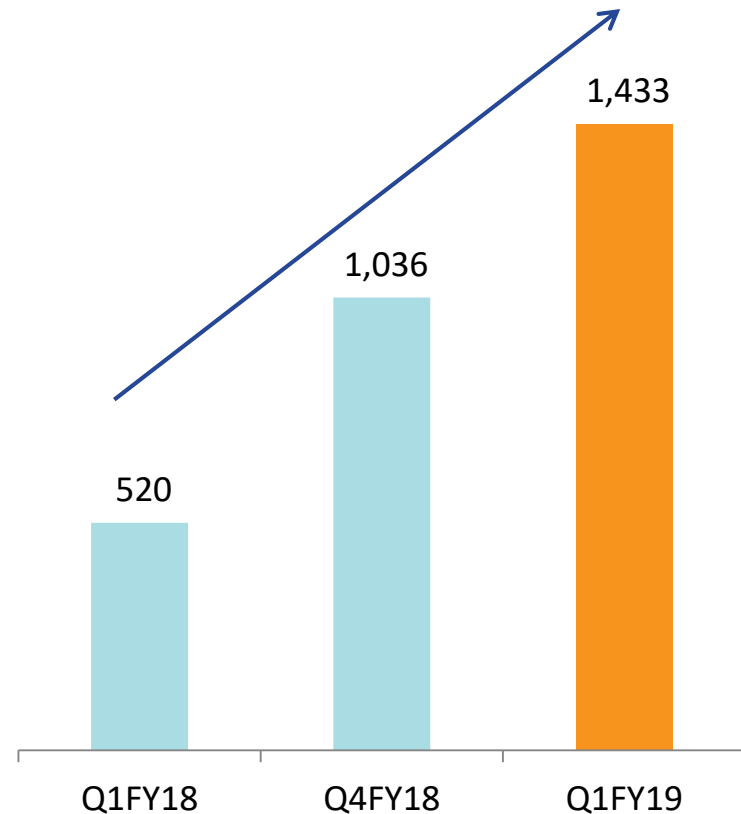
## ...With Improvement in Recoveries



Top 10 industry exposure% by Acquisition price



ARC Recoveries (INR Cr)







# Business Performance Highlights

**FRANCHISE & ADVISORY**

**Wealth Management – Asset Management – Capital Markets**



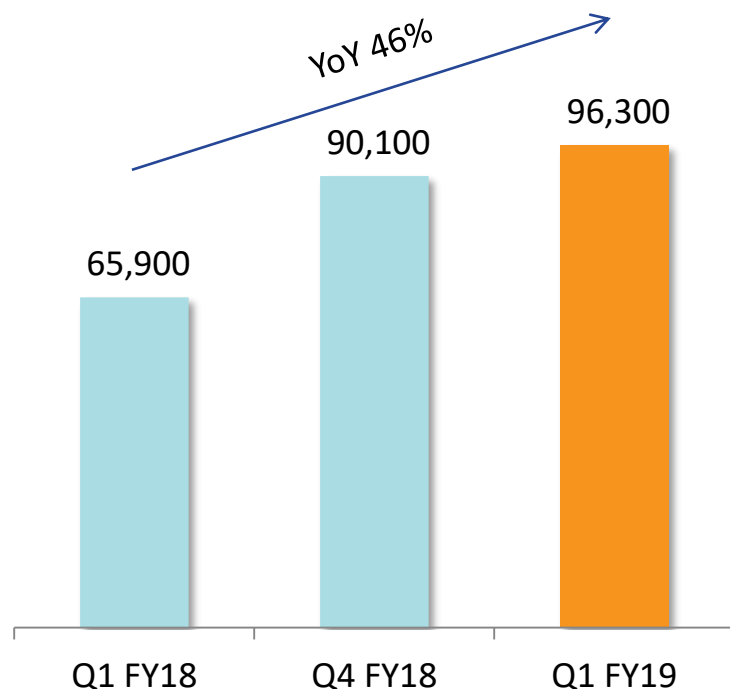
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# Wealth Management AUA Continues to Scale Up...



## Assets Under Advice (INR Cr)



## Business Highlights

- Among top 3\* in Wealth Management in India with one of the fastest growing AUA
- Yield on the AUA ~70-75 bps
- Focused on adding capacity in Affluent segment - Added 90+ RMs in Q1 FY19
- Invested in product innovation to create market neutral product basket in volatile markets

As on 30 <sup>th</sup> June'18	Number of Clients	AUA (INR cr)	Number of RMs
Ultra High Net Worth Individuals	~1,600	73,600	169
Affluent	~4,60,000	22,700	752

Credit

**Franchise & Advisory**

Life Insurance

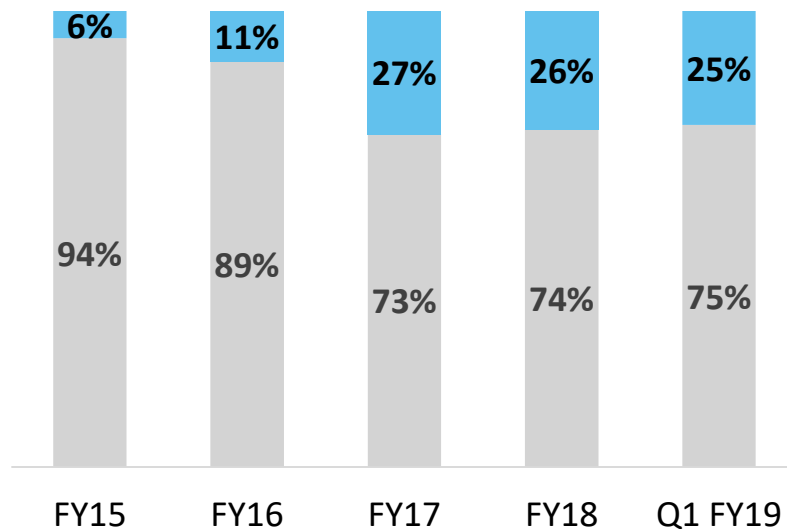


## ... with Steady Growth in Net New Flows



### Wealth AUA Breakup

■ Distribution Assets ■ Advisory Assets



### Wealth AUA Movement in Q1FY19 (INR Cr)

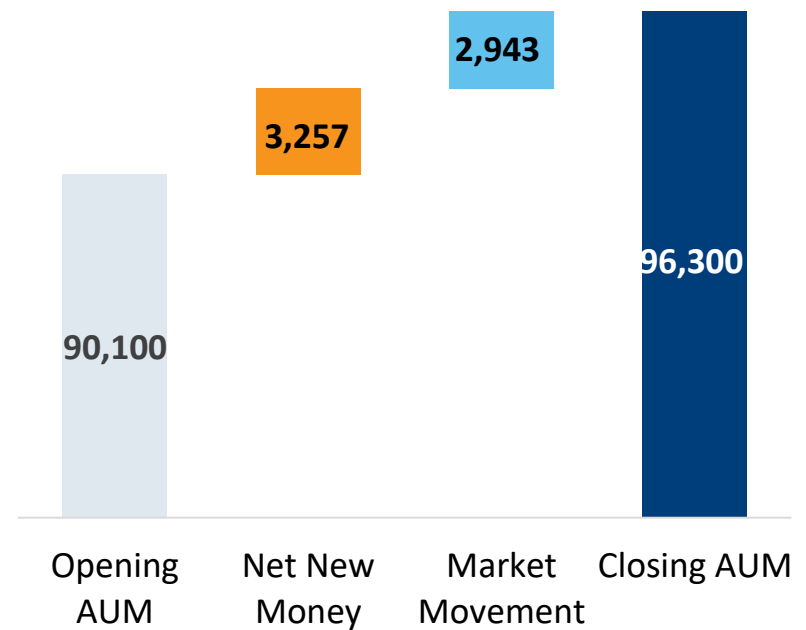


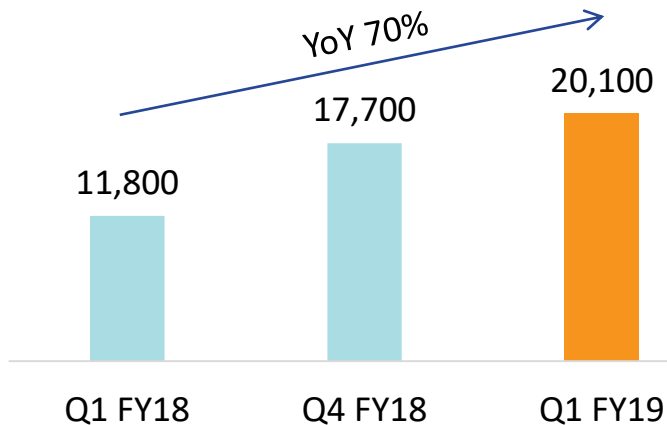
Chart not to scale



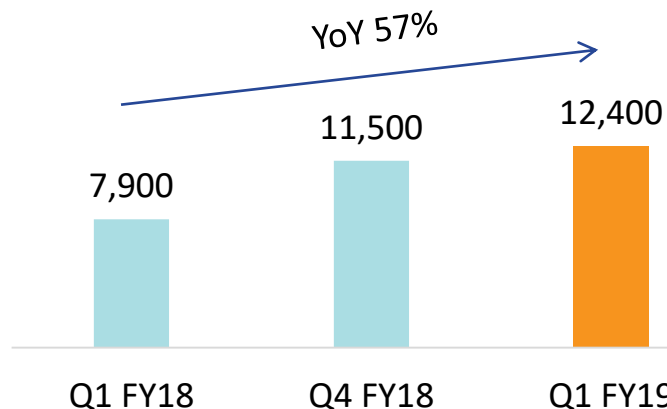
# Asset Management has Healthy Growth in AUM



## Alternative Assets (INR Cr)



## Mutual Funds AUM (INR Cr)



## Business Highlights

### Alternative Assets

- Launched EISAF II for domestic investors
- Raised ~INR 2,000 Cr from onshore clients across Alternative Assets Funds; including ~INR 700 Cr in Edelweiss Infra Yield Fund
- Deployed ~INR 850 Cr across Private Debt funds
- Launch of
  - Edelweiss Catalyst Opportunities Fund
  - Edelweiss Crossover Opportunities Fund: Series II

### Mutual Funds

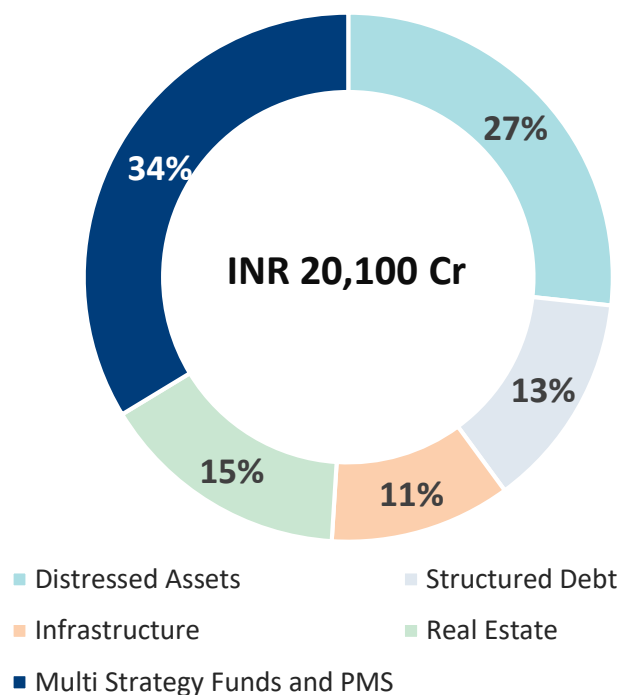
- Majority funds consistently amongst Quartile 1 & Quartile 2
- Added ~11,000 SIPs during the quarter, compared to 4,000 in FY18



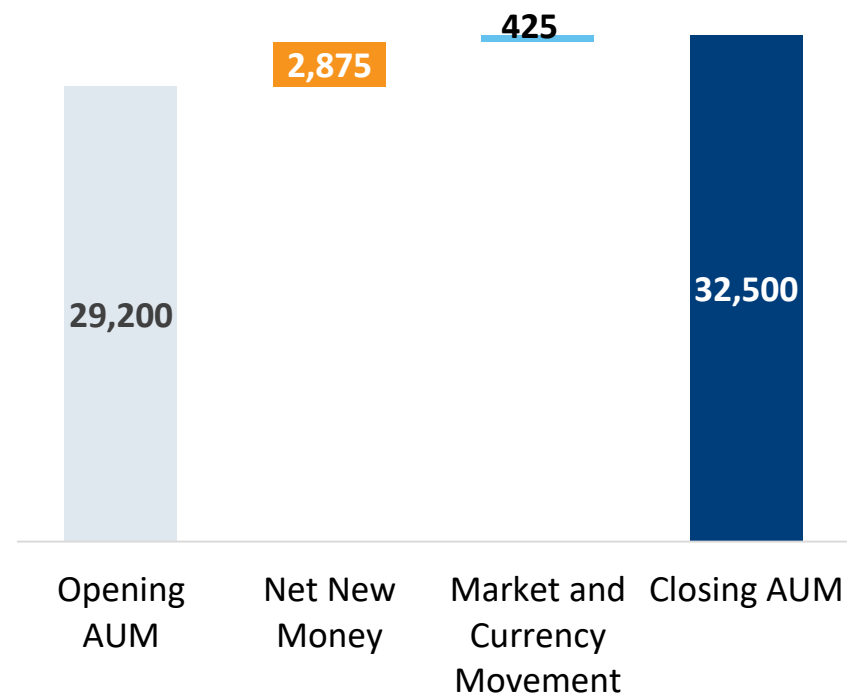
# Present Across Asset Classes in Alternatives Space



**Alternative Assets AUM  
as on 30<sup>th</sup> June 2018 (INR Cr)**



**Asset Management AUM Movement in  
Q1FY19 (INR Cr)**





# Capital Markets had a Slow Quarter



## Key Equity Capital Market Transactions



IPO: INR 3,480 cr  
BRLM  
April 2018



IPO: INR 600 cr  
BRLM  
June 2018



QIP: INR 400 cr  
Left Lead Global  
Coordinator &  
BRLM June 2018

## Key Debt Capital Market Transactions



INR 10,945Cr  
Public Issue of  
NCDs  
Lead Manager



INR 3,855 Cr  
Private Placement  
of Bonds  
Arranger



INR 3,000 Cr  
Public Issue of  
NCDs  
Lead Manager

## Business Highlights

### Equity Capital Markets

- Closed four capital market transactions during the quarter
- Increased block deals market share during the quarter from 4.6% to 5.4%
- Best Broker India Award from Finance Asia

### Debt Capital Markets

- Ranked 1<sup>st</sup> as arrangers of public issue of bonds with presence in all the deals in Q1FY19
- Ranked 1<sup>st</sup> as arranger for placements of commercial paper with 16.4% share for Q1FY19

Credit

Franchise & Advisory

Life Insurance





## Business Performance Highlights

*Life Insurance*



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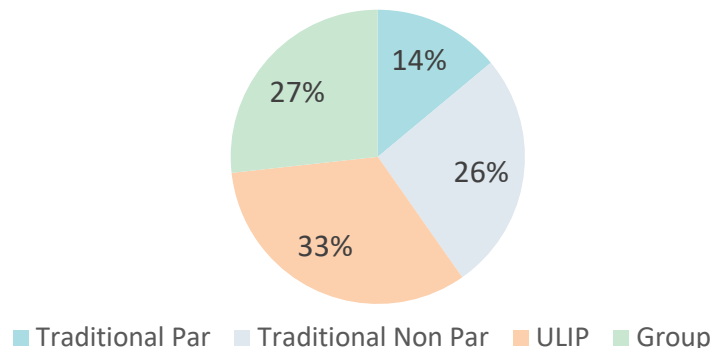


# Life Insurance – Long Term Value Creation



## Product Mix

New Business Premium Q1 FY19

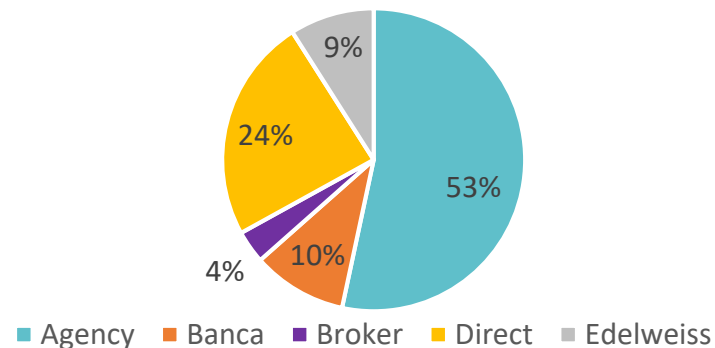


## Distribution

- Agency-led multi-channel distribution approach with emphasis on productivity
- Share of direct business has gone up to 24% from 13% in Q4FY18
- 121 branches and ~33,000 PFAs across 93 locations in India

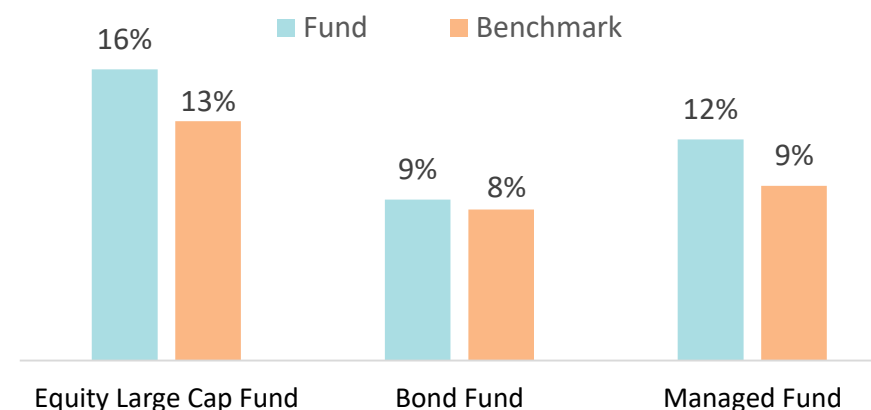
## Channel Mix

Individual New Business Q1 FY19



## Investments Capability

5 Year CAGR%



Credit

Franchise & Advisory

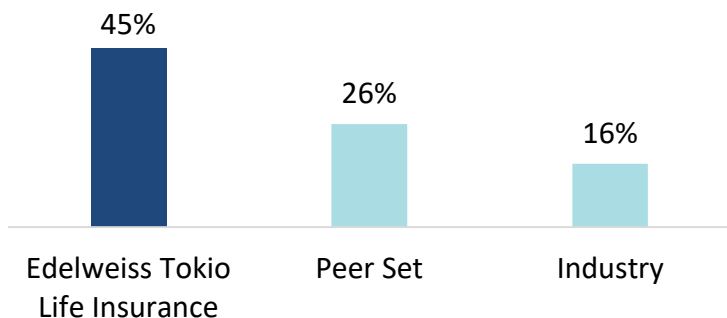
**Life Insurance**



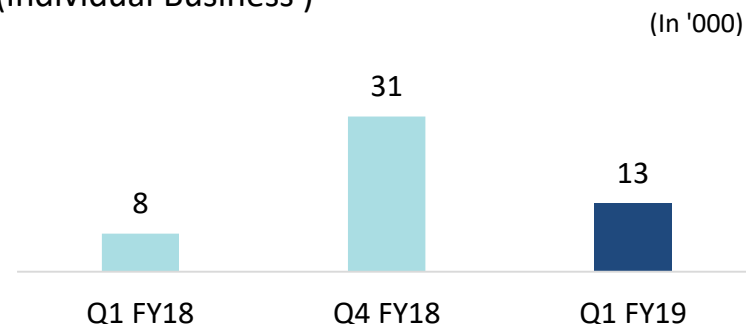
# The Fastest Growing Life Insurer in Individual Annual Premium Equivalent



## Collected Individual Annual Premium Equivalent CAGR growth since Q1 FY16



## Number of Policies Issued (Individual Business )



## Business Highlights

- Collected Individual Annual Premium Equivalent (APE) - INR 48 Cr for the quarter, growth of 94% YoY
- Total Premium – INR 125 Cr for the quarter, growth of 84% YoY
- Leveraging technology
  - Digital Sales (Vikram) for Agency is 67% and for Direct Channel is 95% in Q1 FY19
- Estimated 13<sup>th</sup> month overall persistency for Q1 FY19 is ~79%
- Won 'Best Product Innovation' at The Golden Globe Tigers Awards 2018 for Wealth Plus

Credit

Franchise & Advisory

**Life Insurance**





## Balance Sheet



**Edelweiss**  
Ideas create, values protect



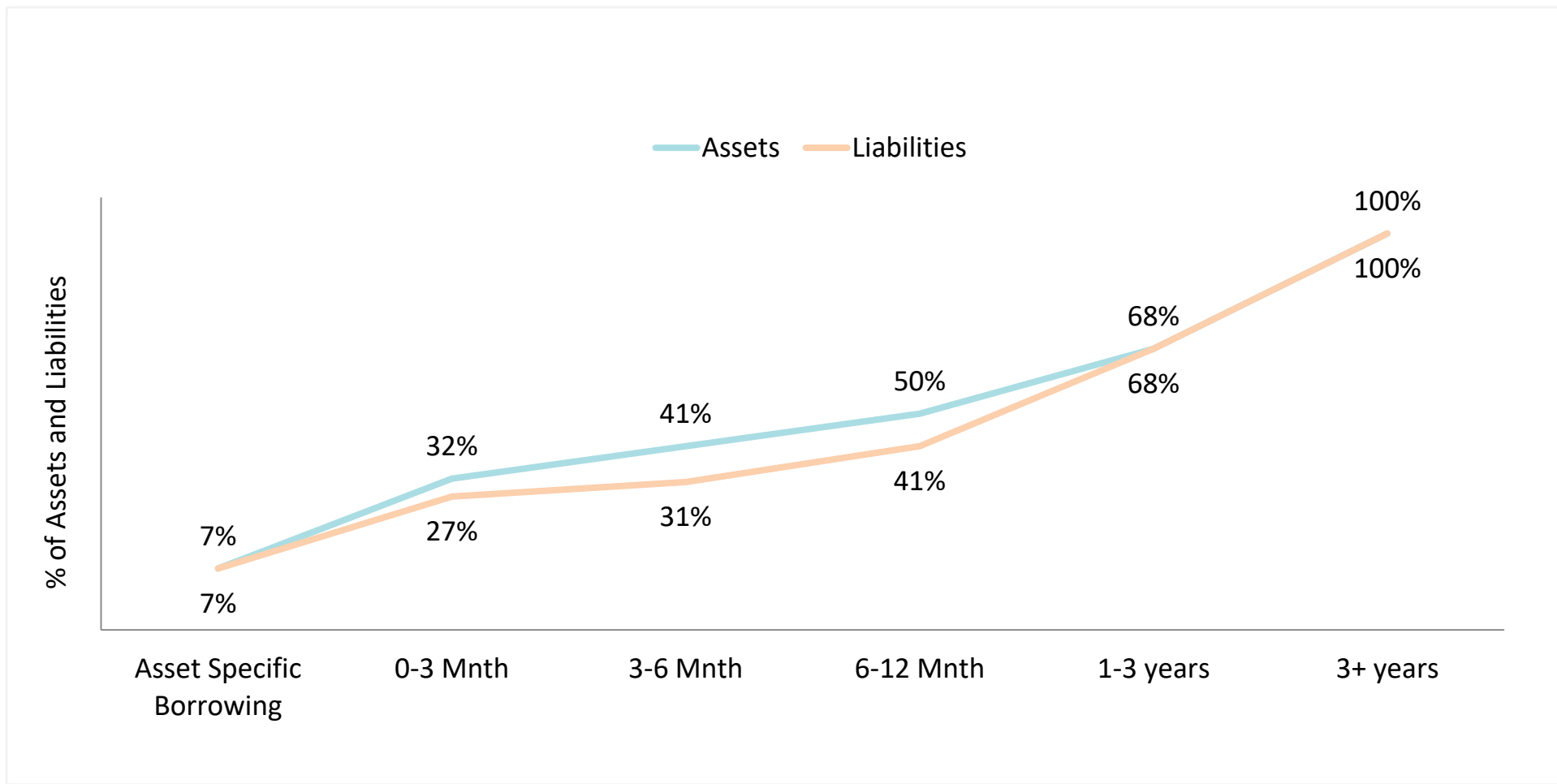
# Key Highlights – Balance Sheet



- 1 Matched Asset-Liability profile
- 2 Comfortable capital adequacy ratio at 16.63%
- 3 Diversified borrowings mix
- 4 Liquidity cushion at 9% of Balance Sheet
- 5 Stable business model reflected in credit ratings



# Matched Asset - Liability Profile



- Positive asset-liability matching across durations
- BMU manages ALM under the aegis of Asset Liability Committee





### Capital Structure as on 30<sup>th</sup> June 2018 (INR Cr)

**Tier I**

8,101

**Tier II**

1,755

**Total Capital**

9,856

**Risk Weighted  
Assets**

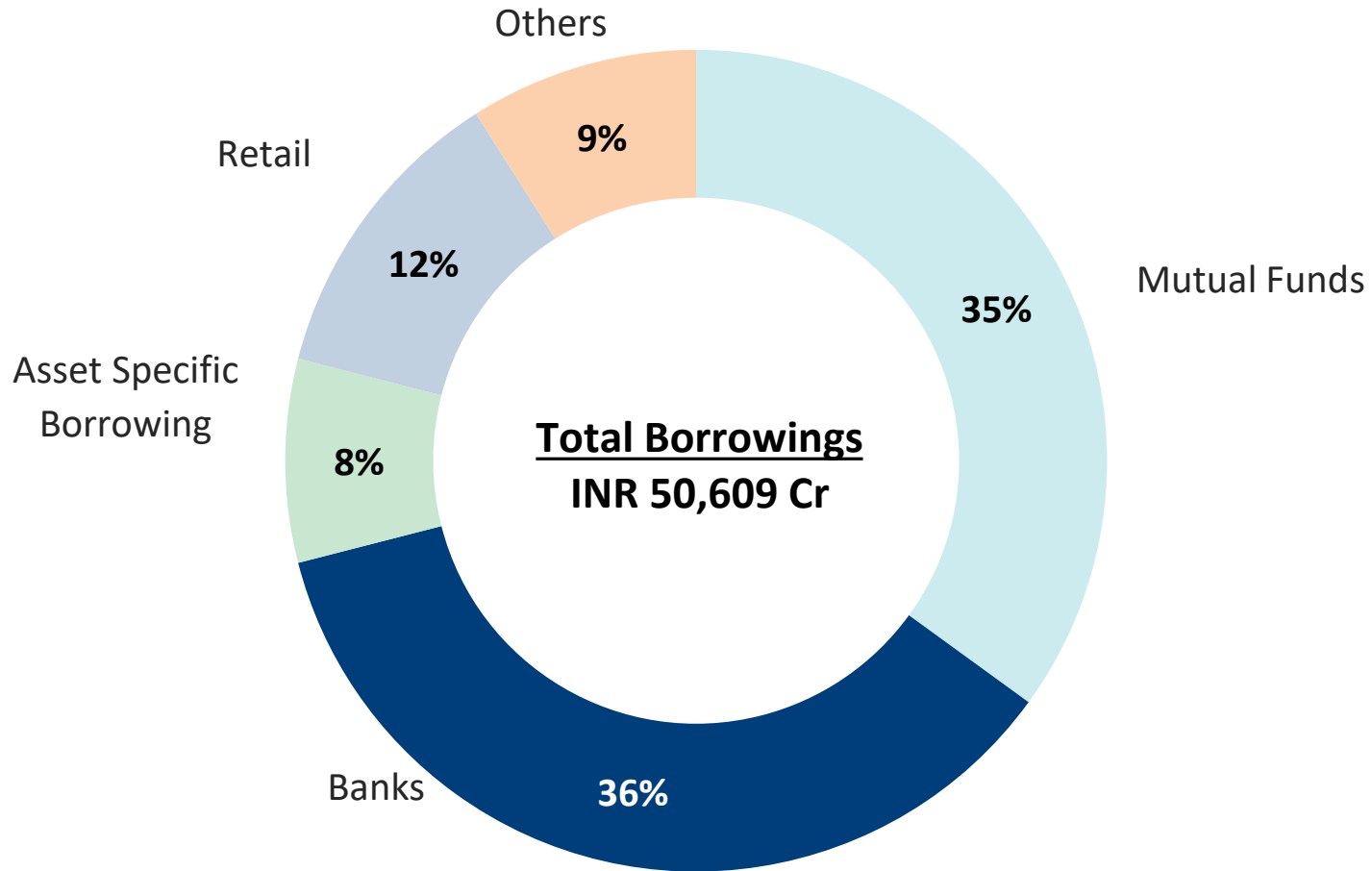
59,277

**Capital Adequacy Ratio****16.63%****Debt/Equity : 4.9**  
(excluding Treasury assets)82% of gross assets of INR  
72,137 Cr





### Sources of Borrowings As on 30<sup>th</sup> June'18



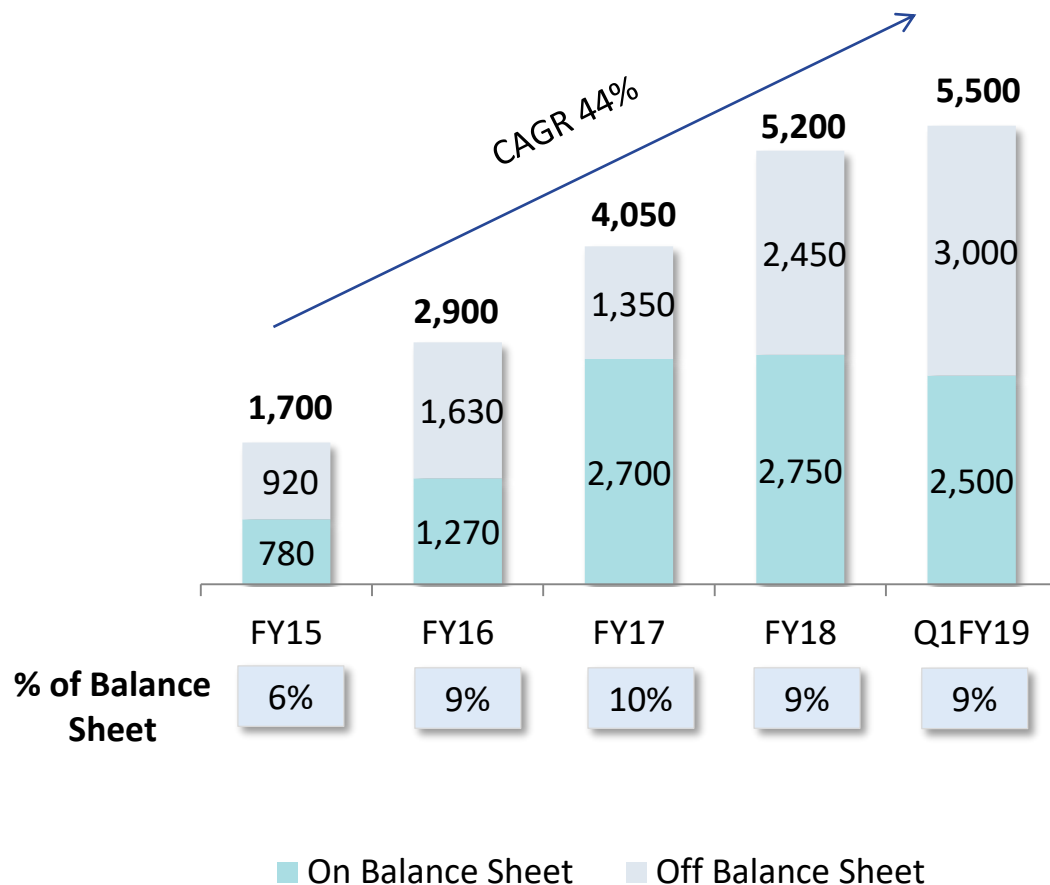


## Liquidity Cushion at 9% of Balance Sheet



### Liquidity Cushion

INR Cr











- A well diversified liquidity cushion comprising:
  - 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



## Stable Business Model Reflected in Credit Ratings



Purpose (Debt Programme)	Rating agency	Rating
Short term	 CRISIL A STANDARD & POOR'S COMPANY	CRISIL A1+
Short term	 CARE Ratings Professional Risk Opinion	CARE A1+
Short term	 ICRA	ICRA A1+
Long term	 Brickwork Ratings	BWR AA+
Long term	 CARE Ratings Professional Risk Opinion	CARE AA
Long term	 CRISIL A STANDARD & POOR'S COMPANY	CRISIL AA
Long term	 ICRA	ICRA AA
Long term	 Acuite RATINGS & RESEARCH	Acuite AA+

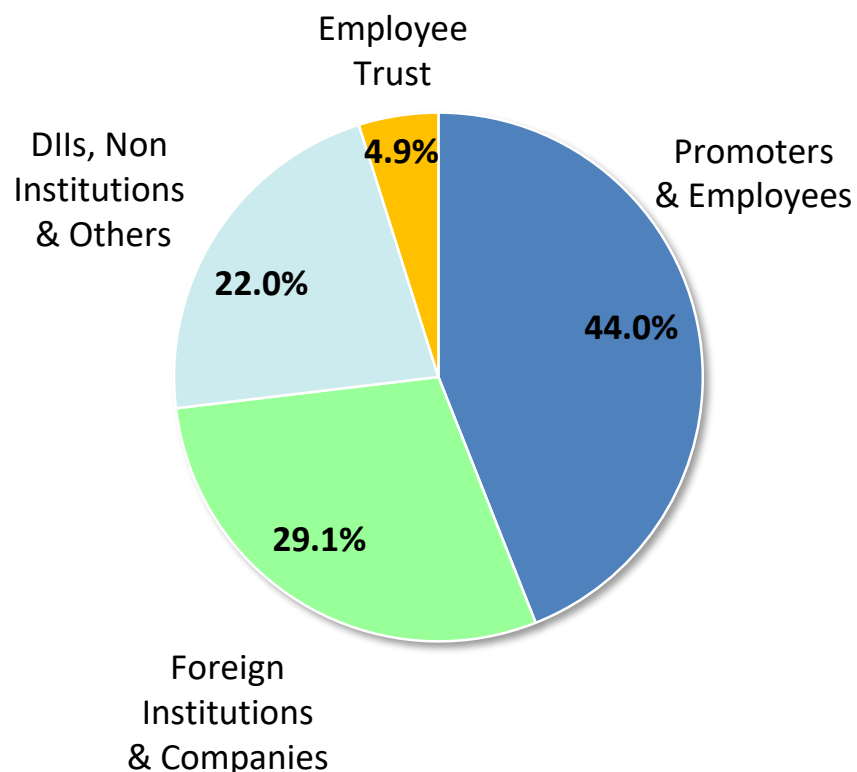
CARE revised its Long term outlook from 'Stable' to **'Positive'**



# Significant Institutional Ownership



**Shareholding Pattern**



**Key Shareholders above 1% (As on 30<sup>th</sup> June'18)**

	Name	Percent
1	BIH SA	4.2%
2	HDFC Mutual Fund	2.5%
3	Fidelity Management & Research	1.9%
4	Steadview Capital Management	1.8%
5	Goldman Sachs Funds	1.7%
6	Caisse de dépôt et placement du Québec (CDPQ)	1.6%
7	Fidelity International	1.5%
6	Vanguard	1.5%
7	DSP Blackrock Mutual Fund	1.4%
9	Kotak Mutual Fund	1.2%
10	Rakesh Jhunjunwala	1.1%





## Impact of Transition to IndAS



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# IndAS Transition has not Materially Impacted the Financials of the Group



## IndAS Transition Impact Highlights

- First time implementation from April 1, 2018 with corresponding previous year beginning from April 1, 2017
- Key areas of impact on financials
  - Effective interest on financial assets and liabilities
  - Fair valuation of financial assets
  - Expected Credit Loss
  - Consolidation of Trusts and Associates

### Impact on Net worth as of

*March 31, 2018*

+176 Cr

*June 30, 2018*

+87 Cr

### Impact on Profit for Q1FY19

+4 Cr



# Impact on Key Financial Metrics



INR Cr	Q1FY18		FY18		Q1 FY19	
	IGAAP	Ind AS	IGAAP	Ind AS	IGAAP	Ind AS
Net Worth	5,598	5,853	7,762	7,938	8,139	8,226
PAT	196	203	890	911	260	264
Credit provisions held	375	559	507	736	533	762

**Increase in Provisions under IndAS is mainly on account of  
Provisions for Stage 1 and Stage 2 assets**



# Impact of Accounting Policy changes to Net Worth



INR Cr	FY17	FY18	Q1FY19
<b>Net Worth per IGAAP</b>	<b>5,288</b>	<b>7,762</b>	<b>8,139</b>
Effective interest rate on financial assets	(25)	(34)	(18)
Effective interest rate on financial liabilities	25	70	64
Expected credit loss provision	(184)	(229)	(229)
Fair valuation of financial assets and liabilities	143	59	36
Consolidation of trusts and associates	181	275	256
Capital reserve gross-up	152	154	154
Redeemable preference shares	(85)	(85)	(85)
Others	26	38	(19)
<b>Net Ind AS Impact – before tax</b>	<b>233</b>	<b>248</b>	<b>159</b>
Tax effect on IndAS adjustments	(42)	(72)	(72)
<b>Total IndAS impact</b>	<b>191</b>	<b>176</b>	<b>87</b>
<b>Net Worth per IndAS</b>	<b>5,479</b>	<b>7,938</b>	<b>8,226</b>

**Q1FY19 Net worth increased by INR 87 Cr on account of transition to IndAS**



# Impact of Accounting Policy changes to Profits



INR Cr	Q1FY18	Q1FY19	FY18
<b>Post MI PAT per IGAAP</b>	<b>196</b>	<b>260</b>	<b>890</b>
Effective interest rate on financial assets (Net)	8	18	(20)
Effective interest rate on financial liabilities	(2)	(6)	(20)
Expected credit loss provision	-	-	(45)
Fair valuation of assets and liabilities	13	28	100
Consolidation of trusts and associates	4	(14)	71
Dividend on redeemable preference shares	(2)	(3)	(10)
ESOP fair value charge	(4)	(5)	(16)
Others	(2)	(5)	(3)
<b>Net Ind AS Impact – before tax</b>	<b>15</b>	<b>13</b>	<b>57</b>
Tax effect of Ind AS adjustments	(8)	(9)	(36)
<b>Total IndAS impact</b>	<b>7</b>	<b>4</b>	<b>21</b>
<b>Post MI PAT per IndAS</b>	<b>203</b>	<b>264</b>	<b>911</b>

**Impact of only INR 4 Cr to Q1FY19 PAT on account of transition to IndAS**





## ESG at Edelweiss



# Our ESG Framework is based on the United Nations Sustainable Development Goals



## People Focused Goals



No Poverty, Zero Hunger & Economic Growth



Quality Education



Gender Equality

## Planet Focused Goals



Affordable & Clean Energy



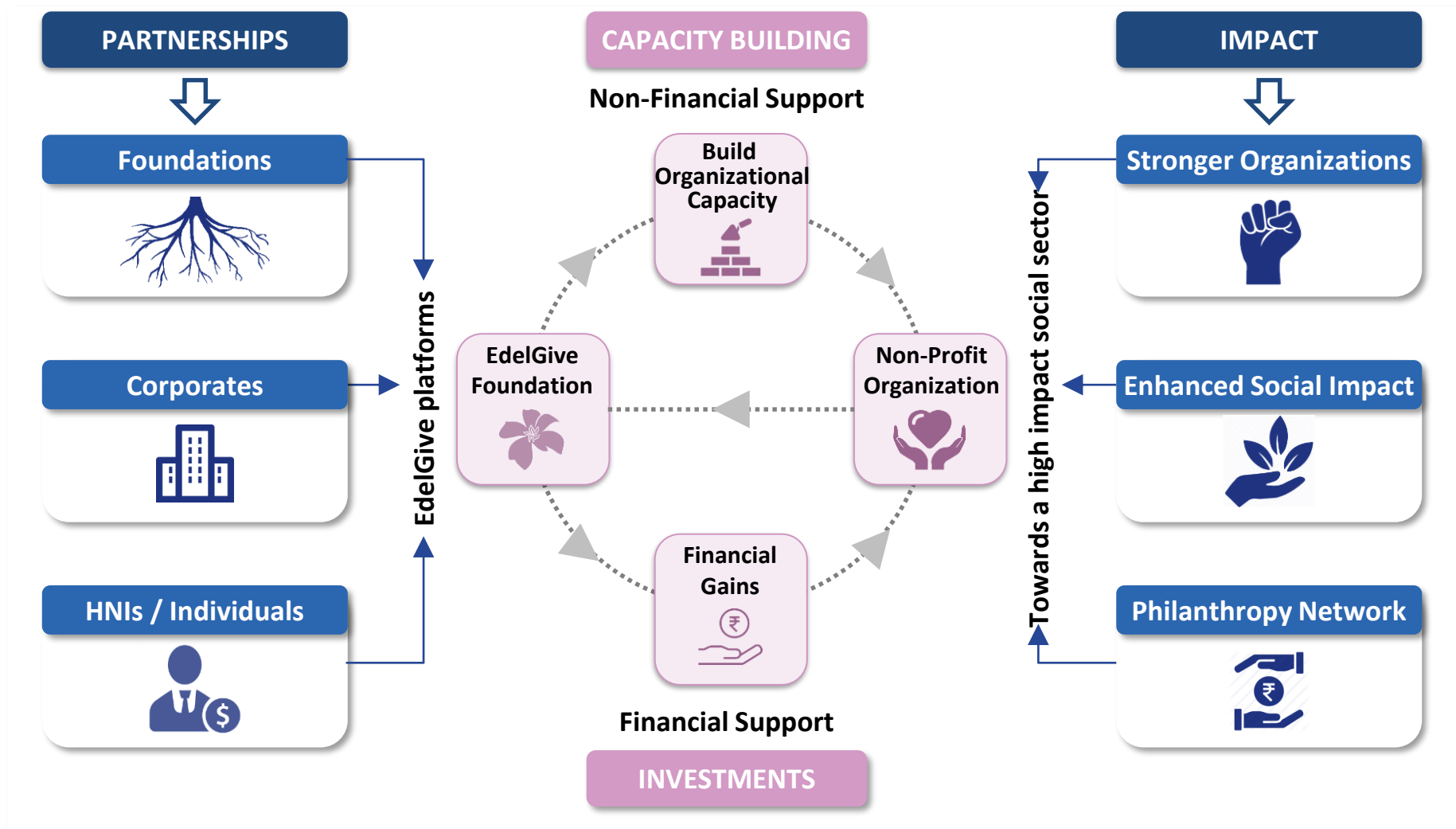
Responsible Consumption



Climate Support



# EdelGive Foundation - Unique Philanthropic Platform



Focuses on Education, Livelihood and Women's Empowerment



# EdelGive Foundation - Key Metrics



## Employee Engagement

Employee Engagement %	More than 85% engaged in financial and non financial giving
Man Hours spent till date	30,000 hrs
Field Visits till date	80

## Capacity Building – Non financial support

Employees provided skills and time pro bono in over 60 projects till date

- Strategy and leadership
- Financial planning
- Systems, processes and technology
- Human resources

## Grants and Funding

## Cumulative till date

Grantees	More than 95 NGOs
Funds Committed	> INR 160 Cr
Presence in Indian States	14 States
Funding Partners	108



# Board Comprises Majority of Independent Directors



6 out of 11 directors are independent



**Mr. K Chinniah**

- Served as Managing Director & Global Head Infrastructure, Portfolio, Strategy & Risk Group with GIC Special Investments



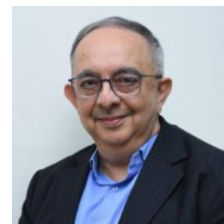
**Mr. P N Venkatachalam**

- Banking sector expert and former member of the Interim Pension Fund Regulatory Authority of India
- Former MD, State Bank of India



**Mr. Sanjiv Misra**

- President of Phoenix Advisers Pte. Ltd, a boutique advisory firm.
- Worked with Goldman Sachs, Citigroup



**Mr. Berjis Desai**

- An independent legal counsel engaged in private client practice.
- Retired as Managing Partner at J. Sagar & Associates



**Mr. Navtej S. Nandra**

- Served as President of E\*TRADE Financial Corporation.
- Prior to this he served as CEO for Morgan Stanley Investment Mgmt Inc. and
- COO for Wealth Management at Merrill Lynch



**Mr. Biswamohan Mahapatra**

- Former RBI Executive Director, chaired various committees of RBI
- Handled varied areas of banking regulations, policy and supervision

- A diverse board with rich experience: 300 + years of collective work experience across multiple fields
- Key board committees like audit and remuneration consist almost entirely of Independent Directors



# Awards and Recognition



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## **Among India's Top 50 Brands**

Pitch Top 50 Brands 2018

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## **Fastest Growing Housing Finance Company**

Golden Globe Tiger Awards, Kuala Lumpur 2018

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## **Best Product Innovation - Wealth Plus**

Golden Globe Tiger Awards, Kuala Lumpur 2018

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## **Best Financial Solutions - India 2018**

Business Vision Awards 2018, UK

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## **Silver for 360 degree media usage in a campaign – SME Loans Campaign**

Delhi Ad Club SAARC Awards 2018

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## **Featured among India's Super 50 Companies**

Forbes India 2017

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## NOTES:

Slide 7,20: Balance Sheet Assets include episodic for Q1 FY19 INR 2,950 Cr and for Q1 FY18 INR 2,024 Cr;

Slide 7,20,22: Balance Sheet numbers are on net asset basis and also applies to IndAS driven adjustments relating to securitisation, consolidation of controlled ARC trusts, etc.

Slide 8: Insurance includes General Insurance loss of INR 11 Cr in Q1FY19; BMU, Corp & Others includes profits from discontinued businesses for past periods

Slide 13: GNPA is as per RBI prudential norms; Credit Book excludes Episodic and Distressed Credit; Stage 3 Credit Book and ECL Provision correspond to GNPA and specific provision taken respectively

Slide 14, 16: For growth percentage, past period numbers are as per IGAAP

Slide 16,38: Asset Management AUM is rounded off to nearest 100

Slide 17: Life Insurance numbers have been re-cast for the purpose of consolidation under IndAS

Slide 20: Distressed Credit and Funds under Management have been calculated after excluding Edelweiss contribution; Balance Sheet Assets include episodic INR 2,950 Cr

Slide 48: Others includes Provident Funds, Insurance companies & Corporates; Total borrowings excludes episodic

Slide 51: Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information

Slide 55, 56: Though allowed under IndAS, the Company continues to not recognize asset reconstruction management fee income that remains outstanding for more than 180 days in accordance with the extant RBI regulations pending clarification from the regulator