

EW/Sec/2018/273

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 - US Dollar**

Please find enclosed the "Investor Presentation in **US Dollar**" 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/2018/274

August 10, 2018

**BSE Limited**

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

Dear Sirs,

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

**Sub: Investor Presentation - US Dollar**

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**Executive Vice President & Company Secretary**

Encl: a/a

US \$ version



# 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

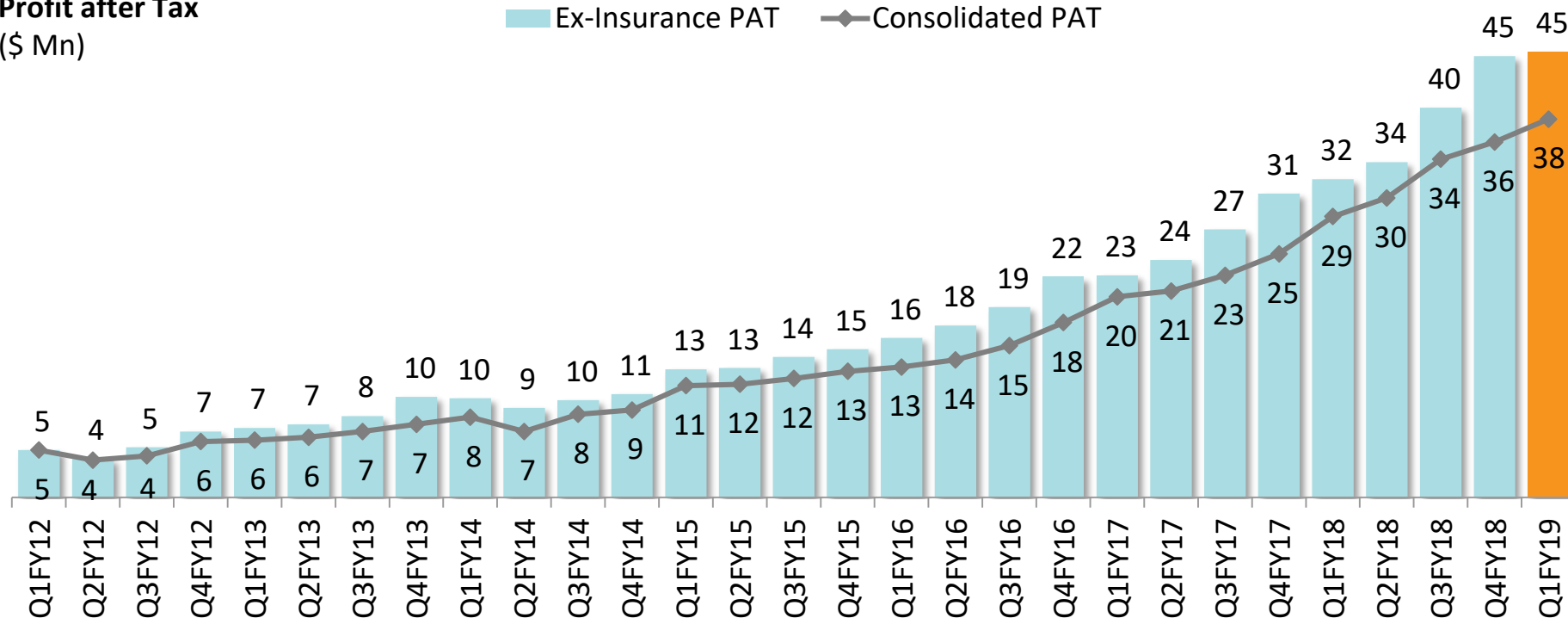
*Numbers and ratios in this section for all periods are as per IndAS and Post Minority Interest*

# Q1FY19 Consolidated PAT \$ 38 Mn



Profit after Tax  
(\$ Mn)

Ex-Insurance PAT Consolidated PAT



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 \$ 13 Mn and PAT up \$ 1 Mn

## 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

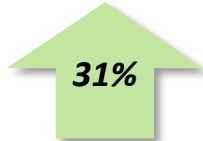


## Key performance parameters

- |                              |                            |
|------------------------------|----------------------------|
| • 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%...



(\$ Mn)	Q1FY18	Q1FY19	Y-o-Y Growth
PAT Consolidated	30	38	 31%
PAT Ex-Insurance	33	45	 37%
Balance Sheet	6,406	9,010	 41%

## 2 ...Across Businesses



(\$ Mn)	PAT Q1FY18	PAT Q1FY19	Y-o-Y Growth	EOP Equity Q1FY19
<b>Total Consolidated</b>	<b>30</b>	<b>38</b>	<b>31%</b>	<b>1,065</b>
<i>Credit</i>	<i>18</i>	<i>35</i>	<i>94%</i>	<i>839</i>
<i>Franchise &amp; Advisory</i>	<i>9</i>	<i>12</i>	<i>25%</i>	<i>31</i>
<i>Insurance</i>	<i>(3)</i>	<i>(7)</i>		<i>98</i>
<i>BMU, Corp &amp; Others</i>	<i>5</i>	<i>(2)</i>		<i>97</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



(\$ Mn)	EOP Equity	Profit after Tax	RoE	RoA
Pre Minority				
Credit	896	40	19.2%	2.6%
Franchise & Advisory	31	12		
Life & General Insurance	173	(12)		
BMU, Corp & Others	99	(2)		
Minority Interest (MI)	(134)	0.1		
Total Consolidated Post MI	1,065	38	15.2%	1.9%
Total Ex-Insurance Post MI	967	45	19.8%	2.5%

# Credit Business at a Glance



Credit Business (\$ Mn)	Q1FY18	Q1FY19
Capital Employed	4,388	6,592
Average Interest Yield	16.7%	16.0%
Average Cost of Borrowing	10.1%	9.6%
Net Interest Margin	7.8%	7.8%
Net Revenue	85	120
Cost to Income	35%	36%
Provisions & Write Offs	17	16
PAT	24	40
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 (\$ Mn)	Q1FY18	Q1FY19
Credit Book	3,610	5,638
<i>Of which Stage 3</i>	62	99
ECL Provision	82	111
<i>Of which Stage 3</i>	40	57
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 (\$ Mn)	Total	Y-o-Y	Retail	Y-o-Y	Corporate	Y-o-Y	Distressed	Y-o-Y
EOP Capital Employed	6,592	51%	2,693	80%	2,946	39%	954	27%
EOP Equity	896	53%	265	91%	437	43%	194	36%
Net Interest Income	120	46%	32	61%	66	45%	22	32%
PAT	40	70%	8	40%	21	88%	11	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 (\$ Mn)	Q1FY18	Q1FY19
Net Revenue	46	49
Cost to Income	68%	66%
PAT	9	12

# Franchise & Advisory Business Performance Snapshot



Franchise & Advisory Business Q1FY19 (\$ Mn)	Total	Y-o-Y	Wealth Mgmt	Y-o-Y	Asset Mgmt	Y-o-Y	Capital Mkts	Y-o-Y
Net Revenue	49	8%	27	37%	7	77%	16	(29%)
PAT	12	27%	6	68%	2	130%	4	(25%)
Cost to Income	66%		66%		59%		68%	

Customer Assets (\$ Mn)	Assets under Advice		Assets under Management		Assets under Custody and Clearing	
	14,043	46%	4,739	65%	1,925	137%

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

# Life Insurance Business at a Glance



(\$ Mn)	Q1FY18	Q1FY19
Net Premium Income	9	17
Investment Income and Other Income	8	5
<b>Total Business</b>	<b>17</b>	<b>22</b>
Profit After Tax	(6)	(10)
Minority	(3)	(5)
<b>Edelweiss' Share in PAT</b>	<b>(3)</b>	<b>(5)</b>
Net Worth	107	154
Indian Embedded Value	151	233



# 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

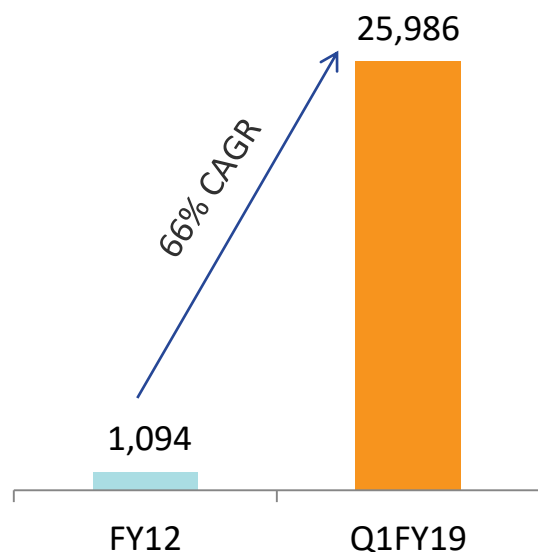


As on 30 <sup>th</sup> June'18	\$ Bn	YoY Growth
Balance Sheet Assets	9.0	42%
Customer Assets	26.0	39%
<i>Distressed Credit (ARC Assets)</i>	5.4	2%
<i>Assets Under Advice (Wealth Management)</i>	14.0	46%
<i>Funds under Management (Asset Management)</i>	4.6	59%
<i>Assets under Custody &amp; Clearing</i>	1.9	137%
<b>Total Assets</b>	<b>35.0</b>	<b>40%</b>

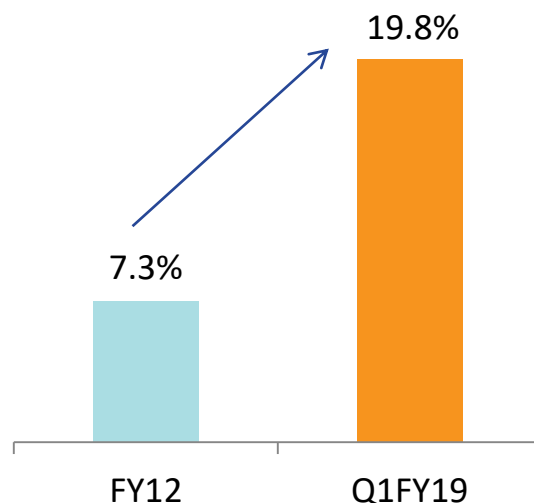
# Customer Assets have Helped us Grow our Profitability



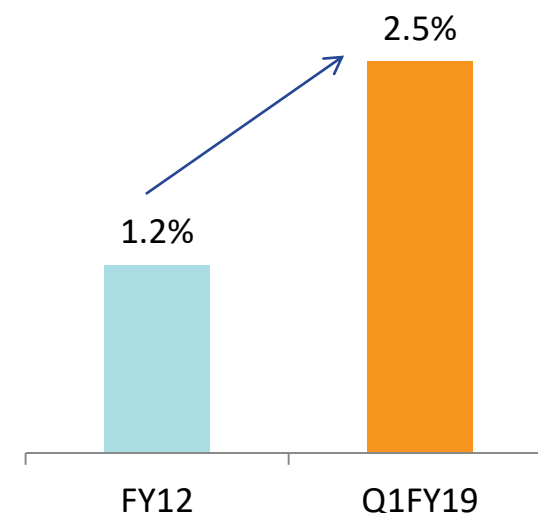
Customer Assets (\$ Mn)



RoE Ex-Insurance



RoA Ex-Insurance



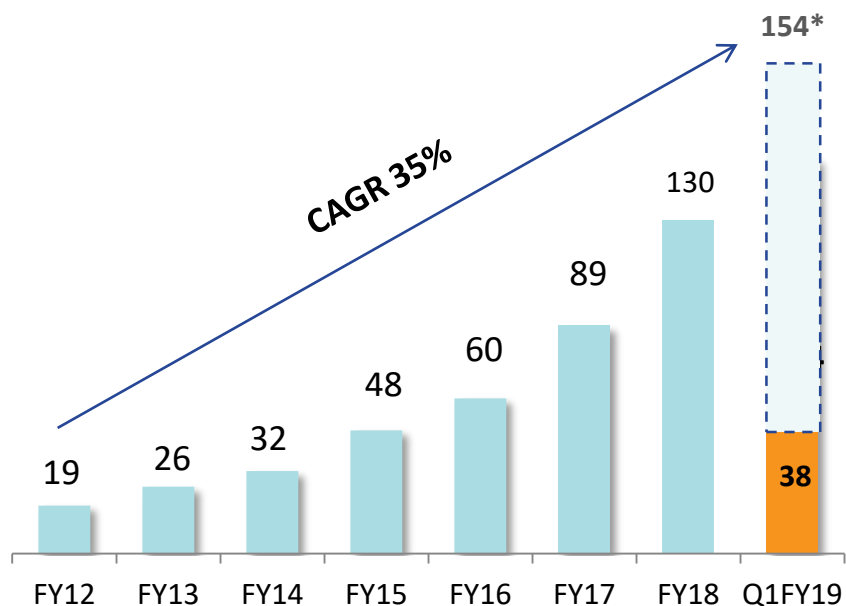
...without requiring us to grow the Balance Sheet proportionately

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

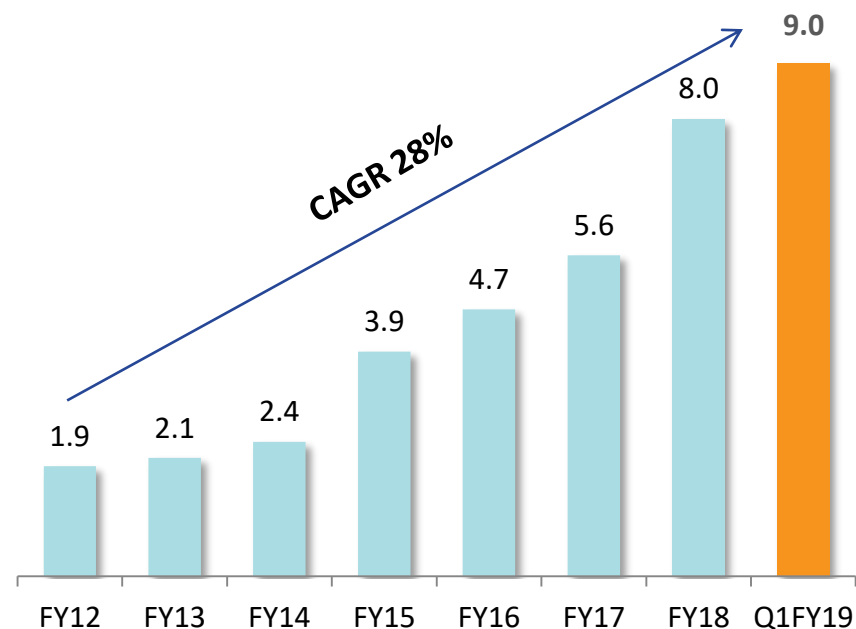
# Our Diversified Model Delivers Consistent Growth



PAT (\$ Mn)



Balance Sheet (\$ Bn)



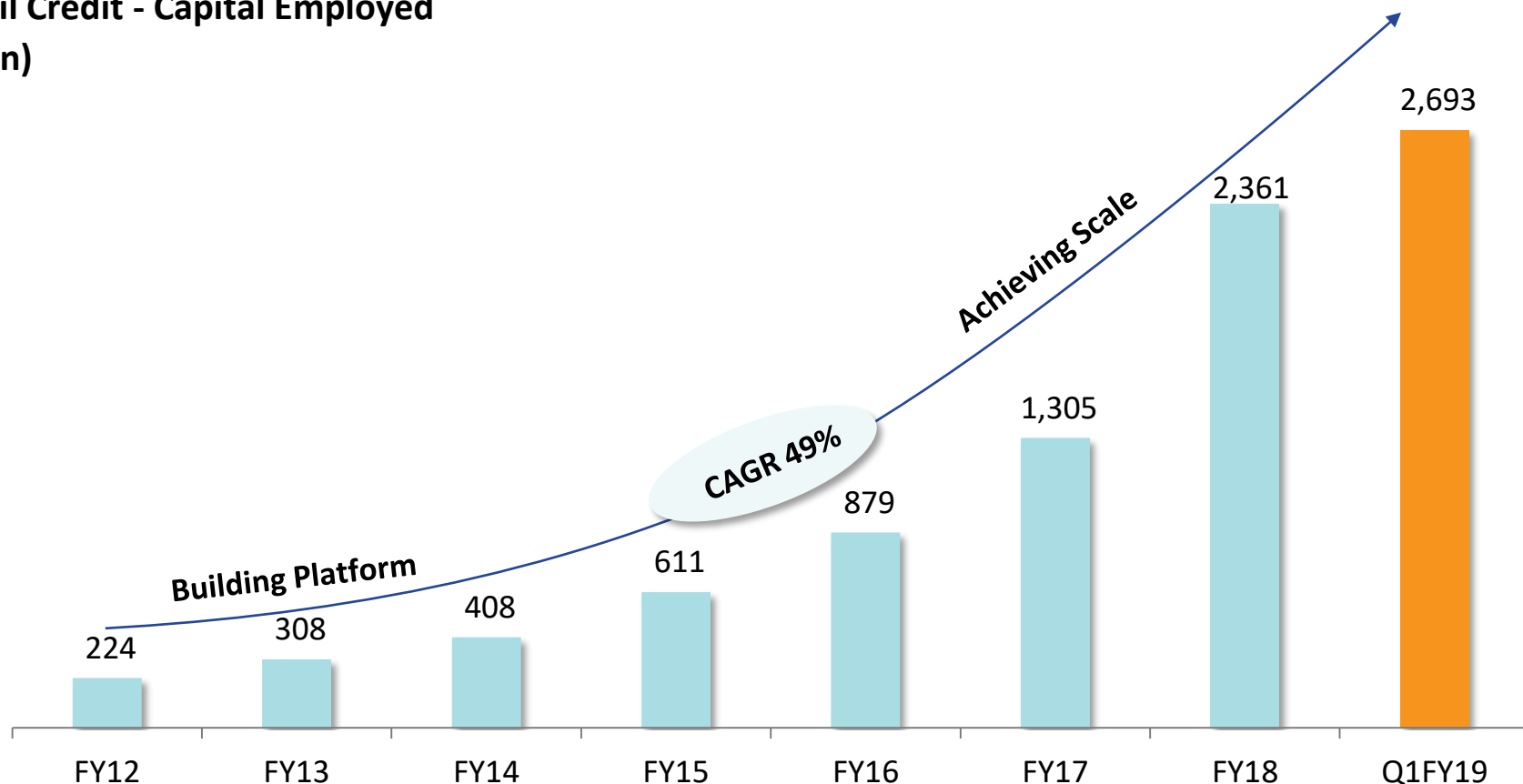
28% growth in balance sheet assets supported a 35% growth in profits



# Capacity Expansion is Under way in Retail Credit



Retail Credit - Capital Employed  
(\$ Mn)

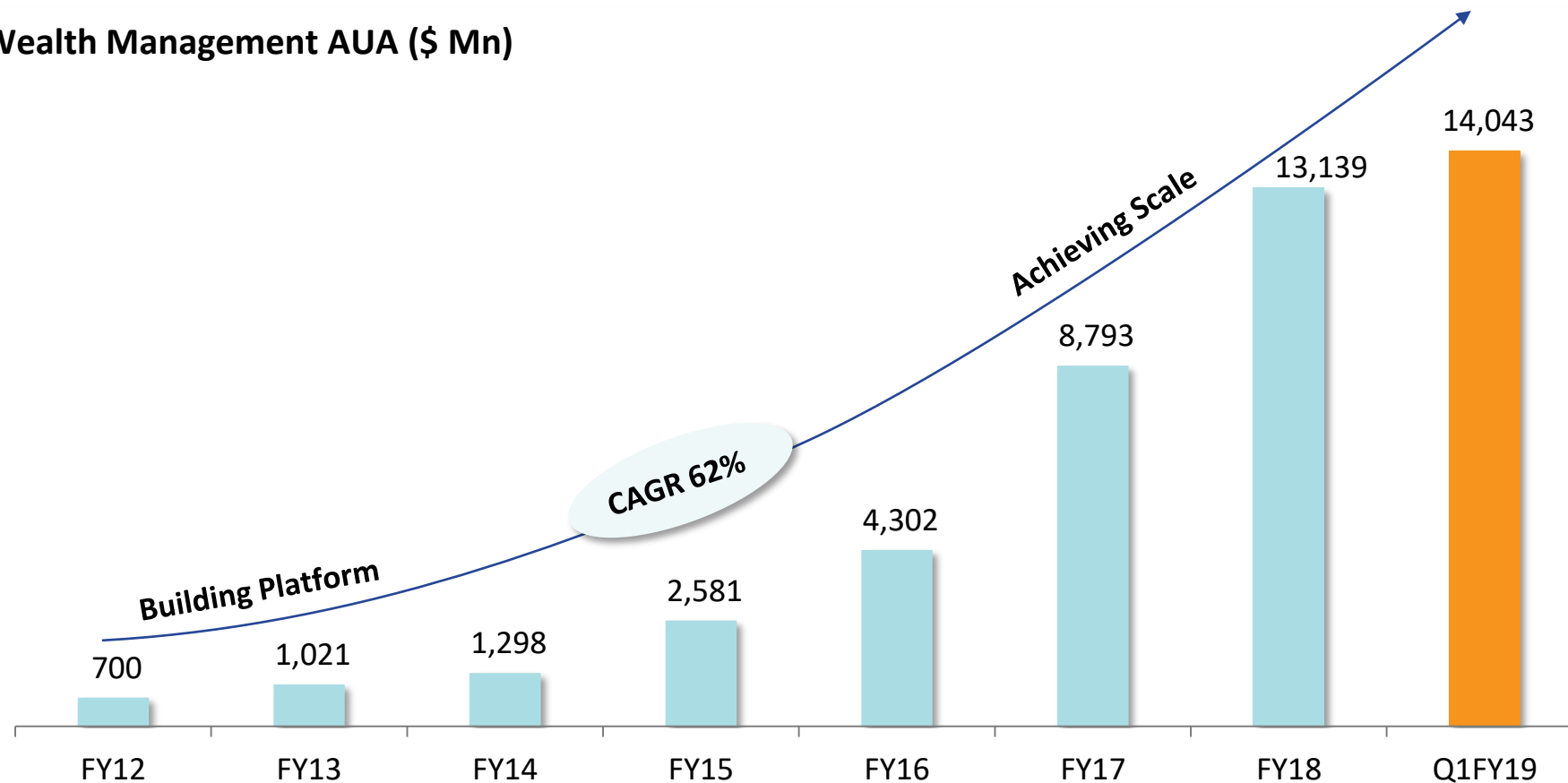


Retail credit is now 41% of the total credit book  
Key vectors for our growth will be SME Loans and Retail Mortgages

## ...and also in Wealth Management



Wealth Management AUA (\$ Mn)

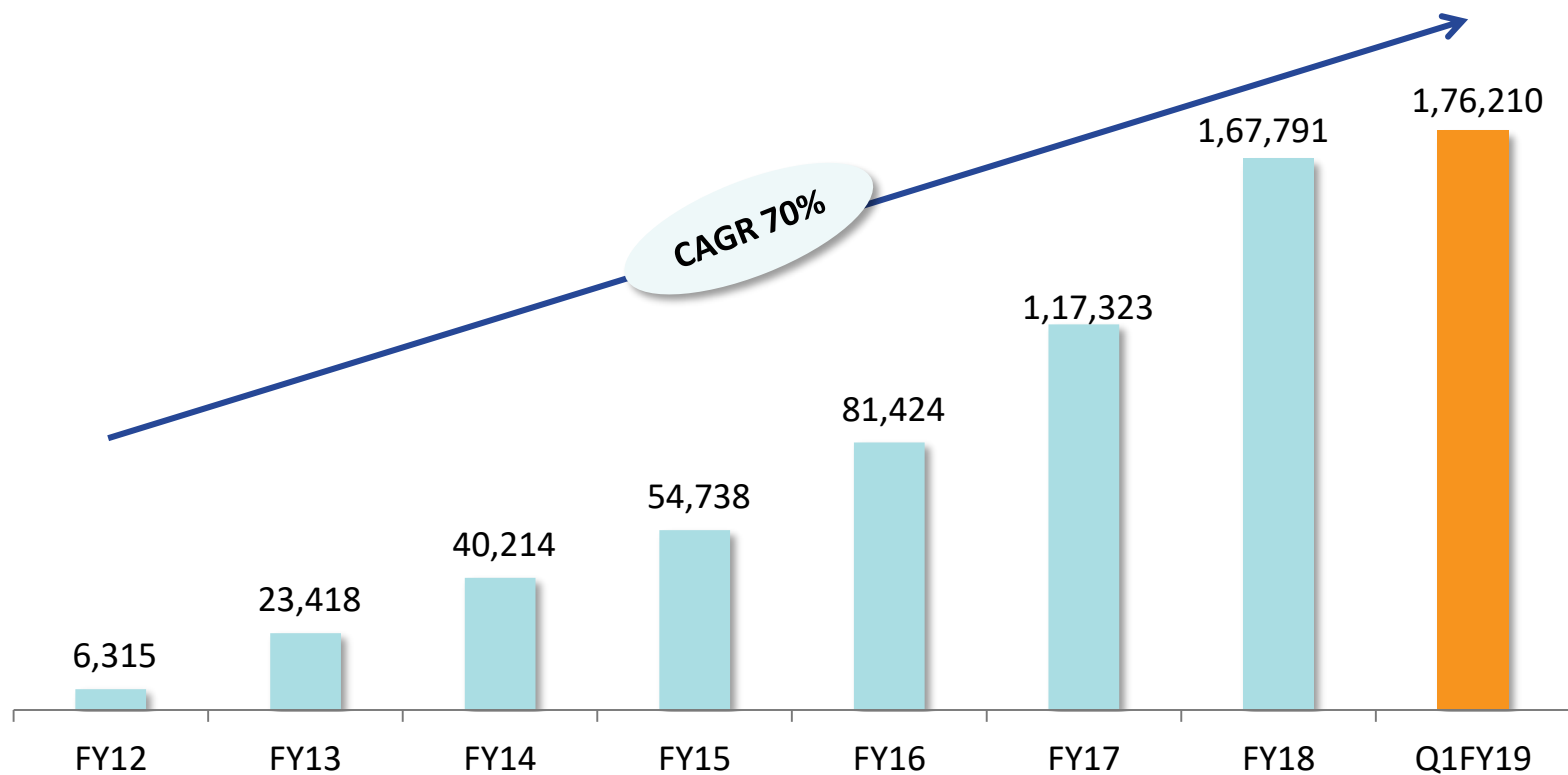


We cater to UHNI as well as the fast-growing Affluent segments

# Life Insurance is Scaling to Plan



Number of Policies in force

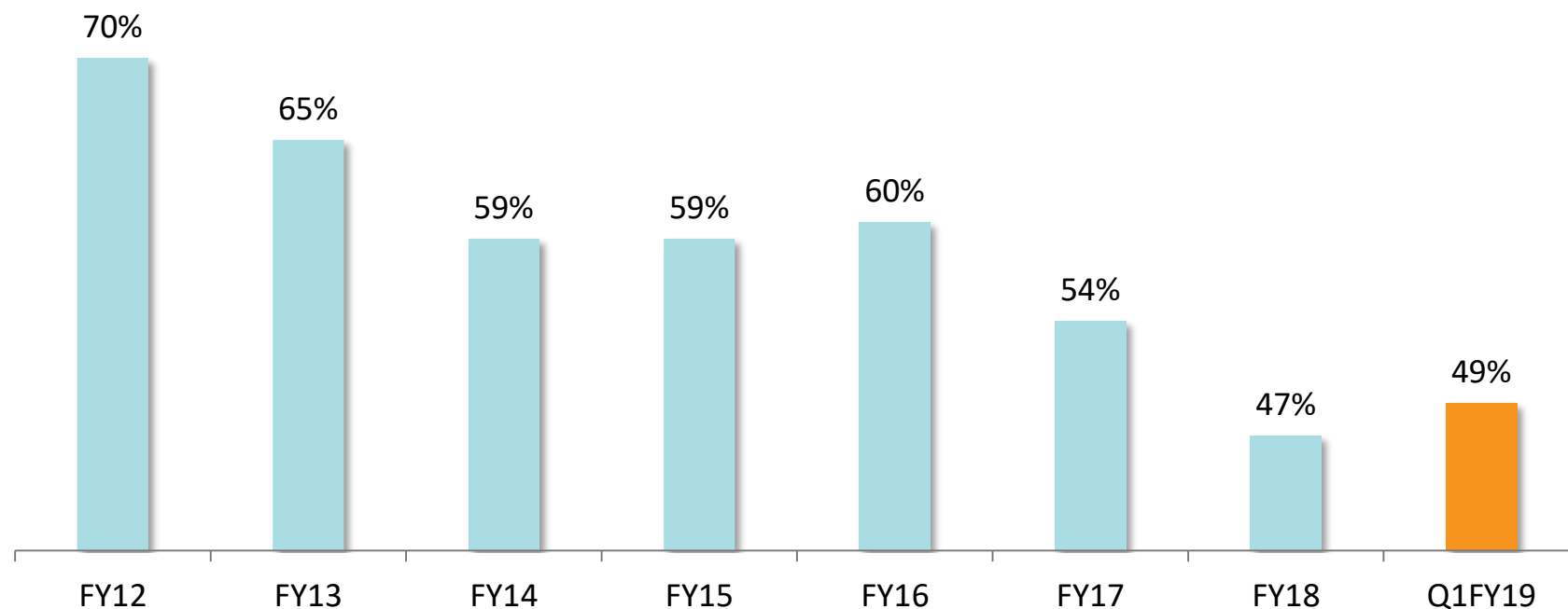


Increasing share of business from Direct channel, now at 24%

# 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 (\$ Mn)	% Share	
<b>Retail Credit</b>	<b>2,693</b>	<b>41%</b>	
Retail Mortgage	1,097	17%	Blend of loans to home owners and home buyers
SME & Business Loans	555	8%	Underserved and highly scalable, focus area for future
Loan against Securities	879	13%	Catering to Retail & Wealth Mgmt customers in Capital Markets
Agri and Rural Finance	162	3%	Large scalable opportunity with low competitive intensity
<b>Corporate Credit</b>	<b>2,946</b>	<b>45%</b>	
Structured Collateralised Credit	1,243	19%	Customized credit solutions with robust risk management systems
Wholesale Mortgage	1,703	26%	Developer financing for primarily residential properties
<b>Distressed Credit</b>	<b>954</b>	<b>14%</b>	Leading Asset Reconstruction Company in India
<b>Total Credit Book</b>	<b>6,592</b>	<b>100%</b>	

Credit

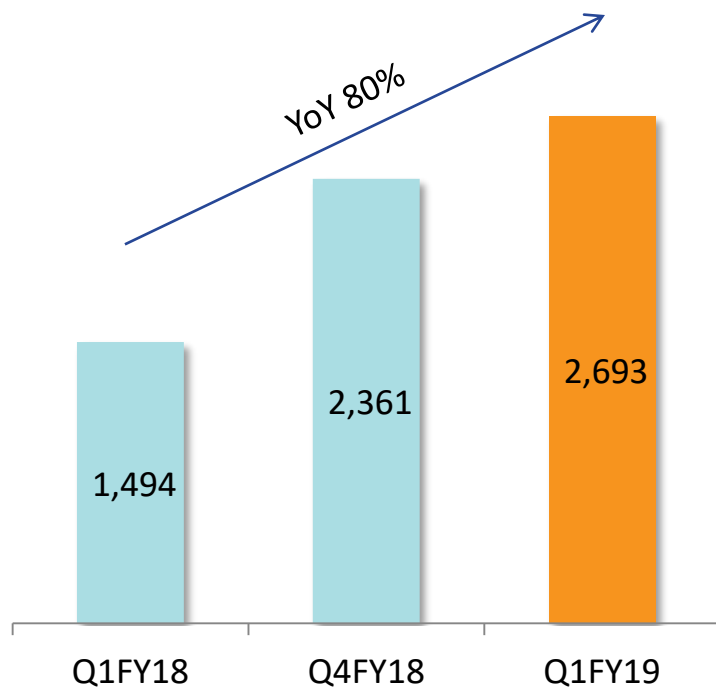
Franchise & Advisory

Life Insurance

# Retail Credit Scaling Rapidly



**Capital Employed**  
(\$ Mn)



## 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

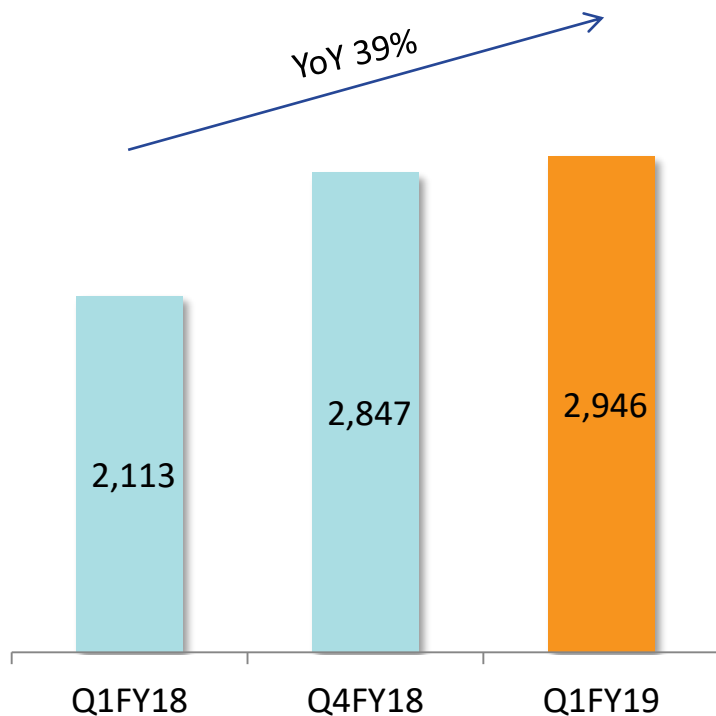
	SME		Retail Mortgage	
	Secured	Unsecured	HL	LAP
Average Yields %	13%	21%	10%	11%
Median Ticket Size	0.29 Mn	0.02 Mn	0.02Mn	0.03 Mn



# Robust Growth in Corporate Credit



**Capital Employed**  
(\$ Mn)



## Business Highlights

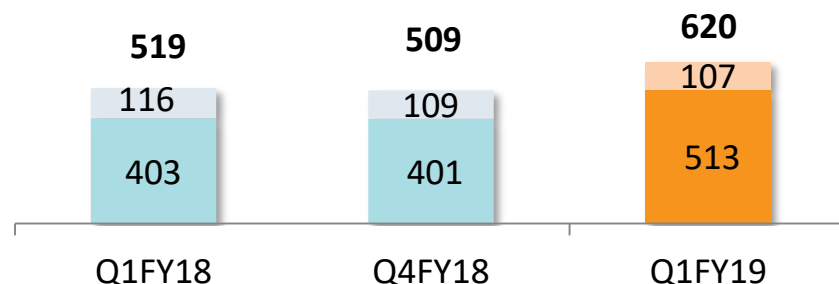
- Risk-management centered approach to collateralized lending
- In house team of experts for carrying out detailed evaluations
  - Counterparty, Collateral and Cash flows
- Ring fenced structures and hybrid collateral pool ensures lower loss given defaults
- Incremental growth to largely come through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

# Agri Credit Expected to Scale Up



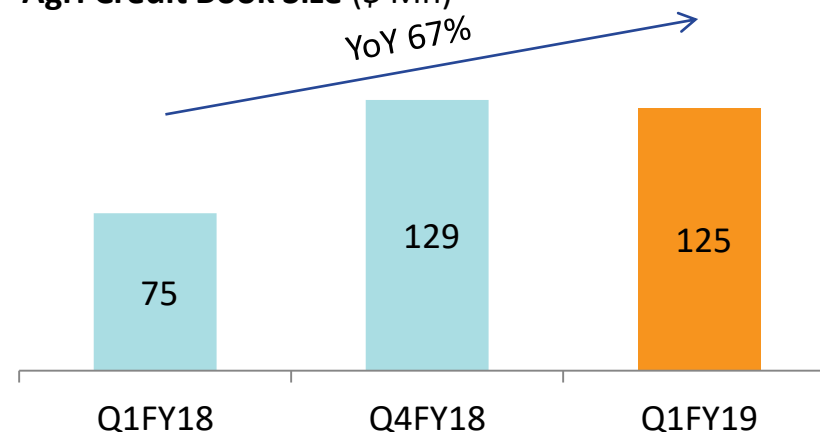
## Collateral Value (\$ Mn)

■ Collateral Manager Stock ■ Storage Stock



## Agri Credit Book Size (\$ Mn)

YoY 67%



## 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

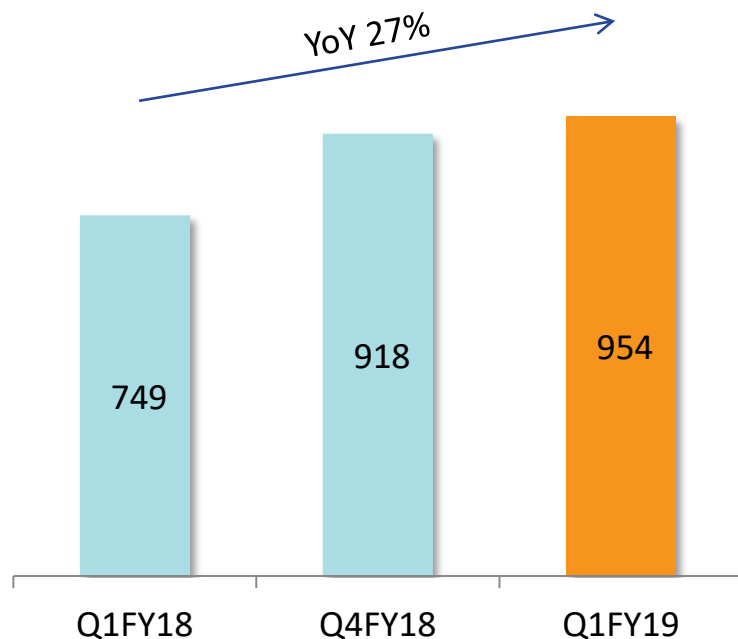
Franchise & Advisory

Life Insurance

# Distressed Credit Performance on Track...



## Capital Employed (\$ Mn)



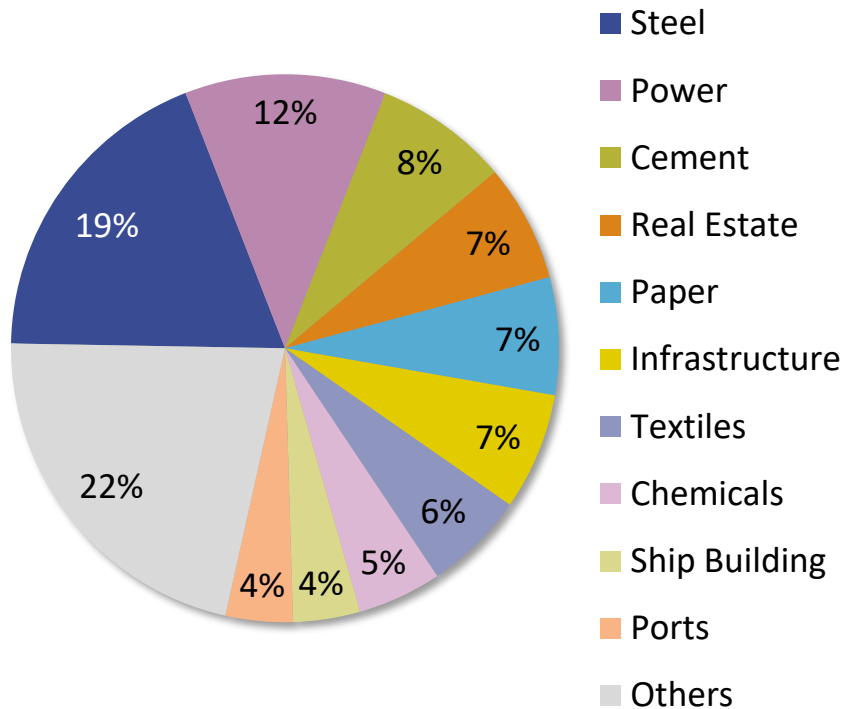
## Business Highlights

- 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 ~ \$ 6,373 Mn as on 30<sup>th</sup> June'18

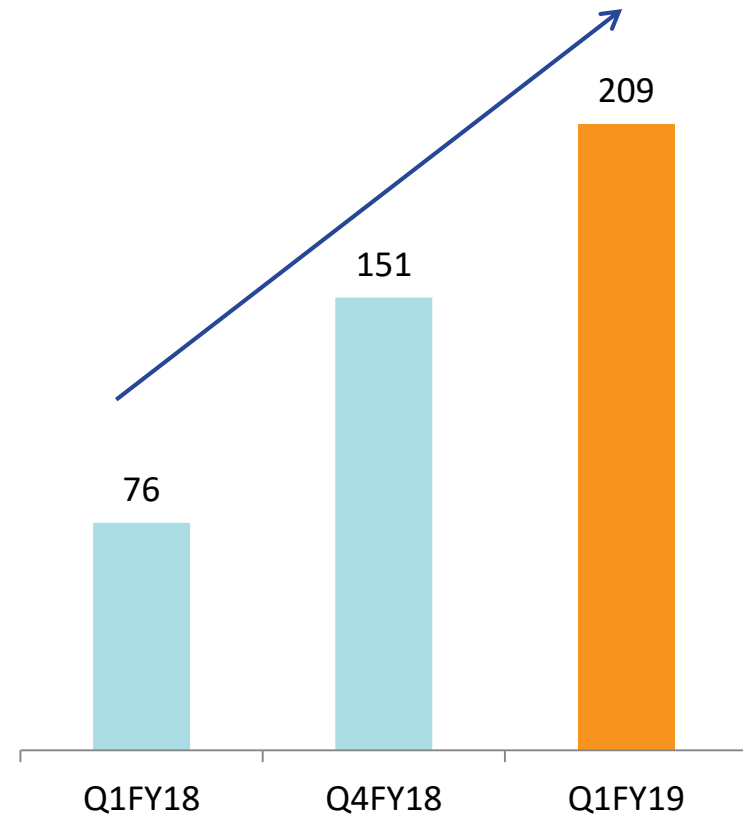
## ...With Improvement in Recoveries



Top 10 industry exposure % by Acquisition price



ARC Recoveries (\$ Mn)





# Business Performance Highlights

**FRANCHISE & ADVISORY**

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

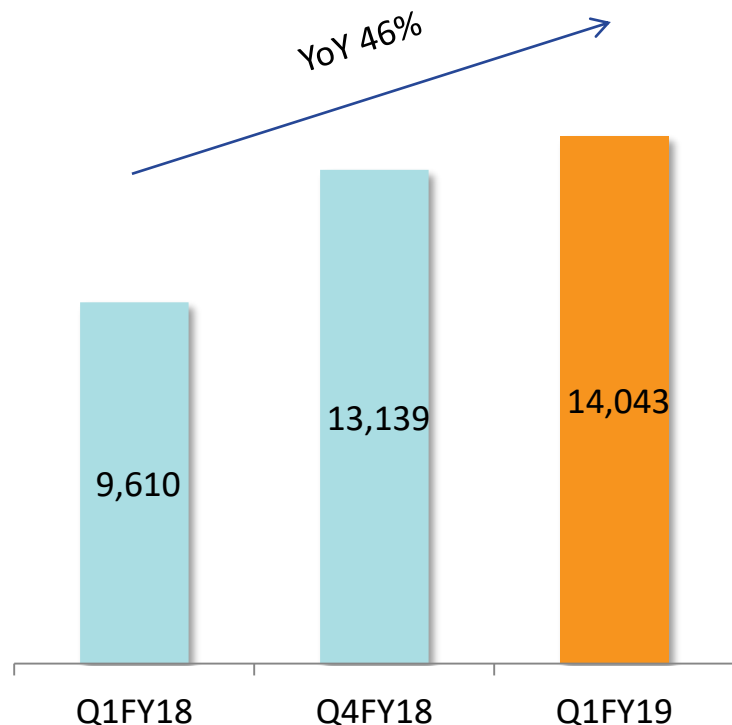


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# Wealth Management AUA Continues to Scale Up...



## Assets Under Advice (\$ Mn)



## 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 Q1FY19
- 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 (\$ Mn)	Number of RMs
Ultra High Net Worth Individuals	~1,600	10,733	169
Affluent	~4,60,000	3,310	752

Credit

**Franchise & Advisory**

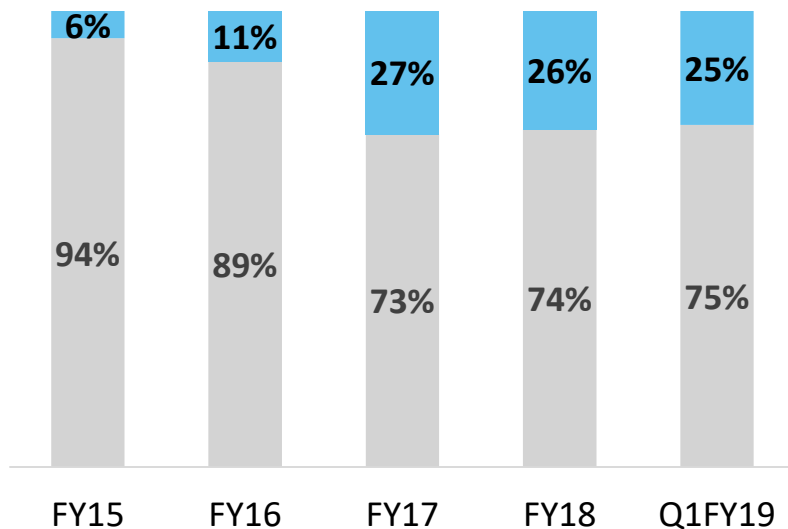
Life Insurance

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



**Wealth AUA Breakup**

■ Distribution Assets   ■ Advisory Assets



**Wealth AUA Movement in Q1FY19 (\$ Mn)**

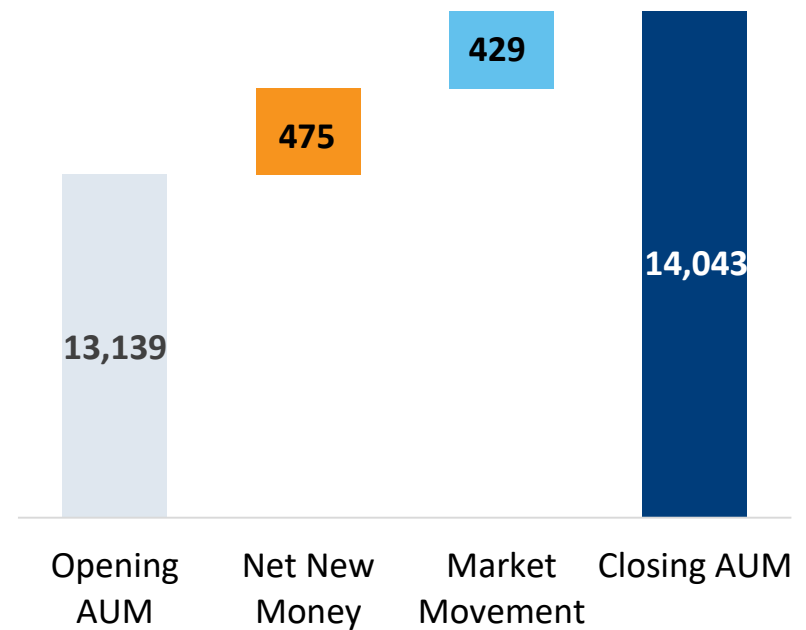


Chart not to scale

Credit

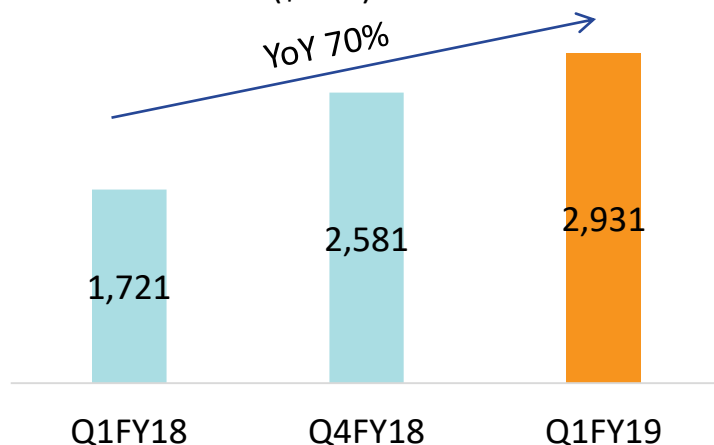
**Franchise & Advisory**

Life Insurance

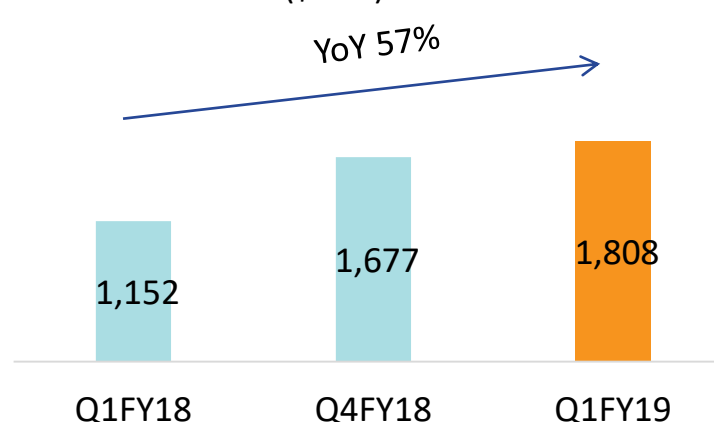
# Asset Management has Healthy Growth in AUM



## Alternative Assets (\$ Mn)



## Mutual Funds AUM (\$ Mn)



## Business Highlights

### Alternative Assets

- Launched EISAF II for domestic investors
- Raised ~ \$ 292 Mn from onshore clients across Alternative Assets Funds; including ~ 102 Mn in Edelweiss Infra Yield Fund
- Deployed ~ 124 Mn across Private Debt funds
- Launch of
  - Edelweiss Catalyst Opportunities Fund
  - Edelweiss Crossover Opportunities Fund: Series II

### Mutual Funds

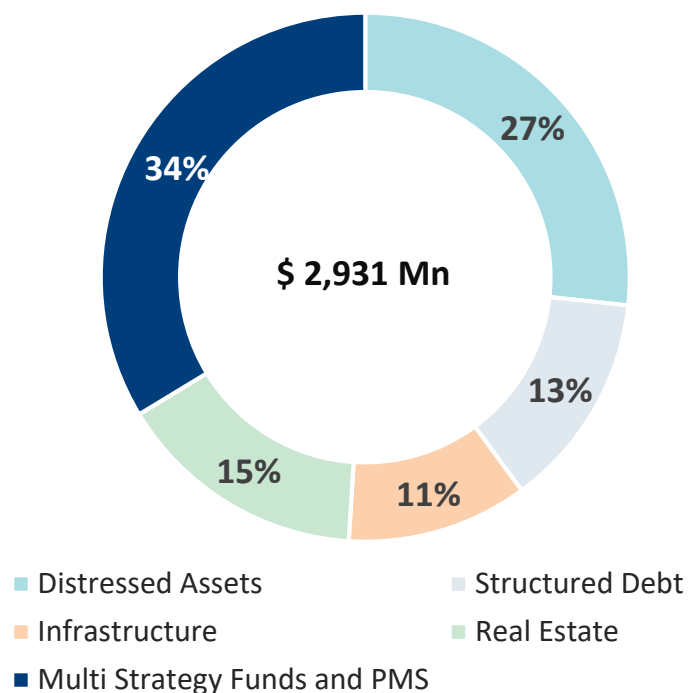
- Majority funds consistently amongst Quartile 1 & Quartile 2
- Added ~11,000 SIPs during the quarter, compared to 4,000 in FY18



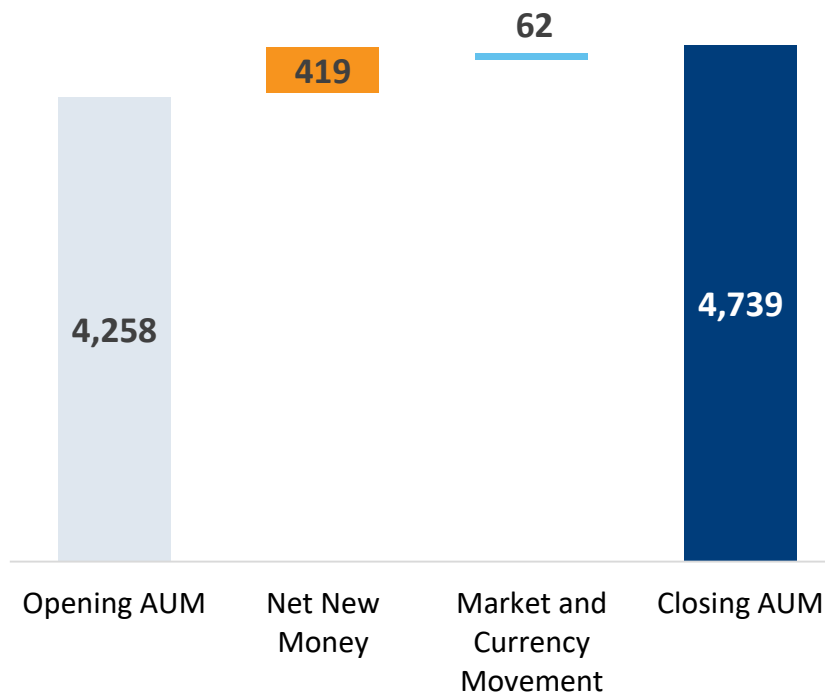
# Present Across Asset Classes in Alternatives Space



Alternative Assets AUM as on 30<sup>th</sup> June 2018 (\$ Mn)



Asset Management AUM Movement in Q1FY19 (\$ Mn)



# Capital Markets had a Slow Quarter



## Key Equity Capital Market Transactions



IPO: \$ 507 Mn  
BRLM  
April 2018



IPO: \$ 87 Mn  
BRLM  
June 2018



QIP: \$ 58 Mn  
Left Lead Global  
Coordinator &  
BRLM June 2018

## Key Debt Capital Market Transactions



\$ 1,596 Mn  
Public Issue of  
NCDs  
Lead Manager



\$ 562 Mn  
Private Placement  
of Bonds  
Arranger



\$ 437 Mn  
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*



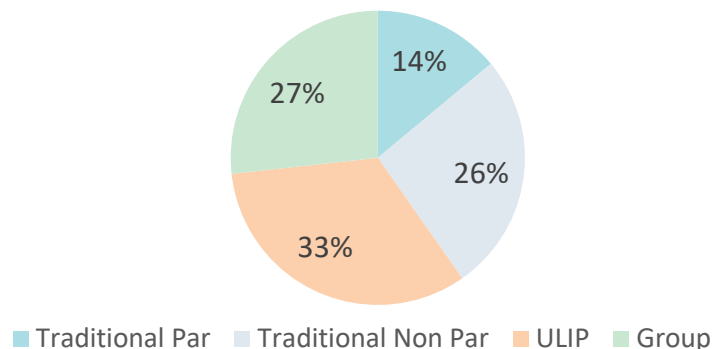
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# Life Insurance – Long Term Value Creation



## Product Mix

New Business Premium Q1FY19

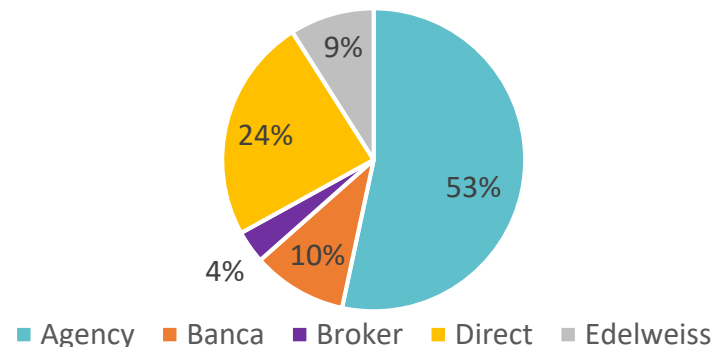


## Distribution

- 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

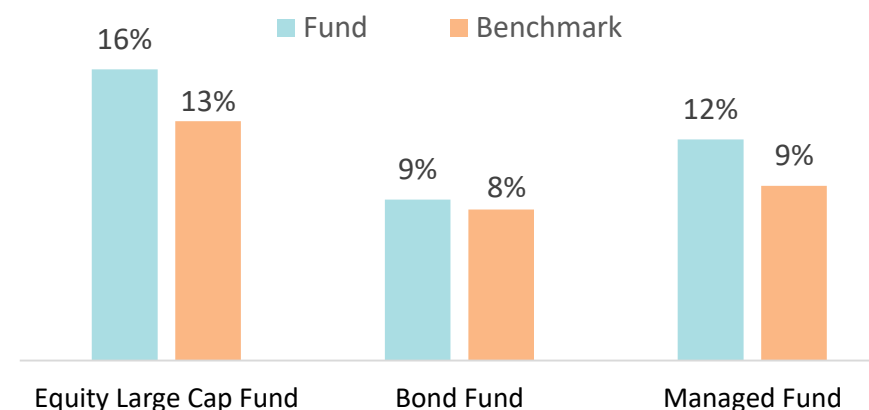
## Channel Mix

Individual New Business Q1FY19



## Investments Capability

5 Year CAGR%



Credit

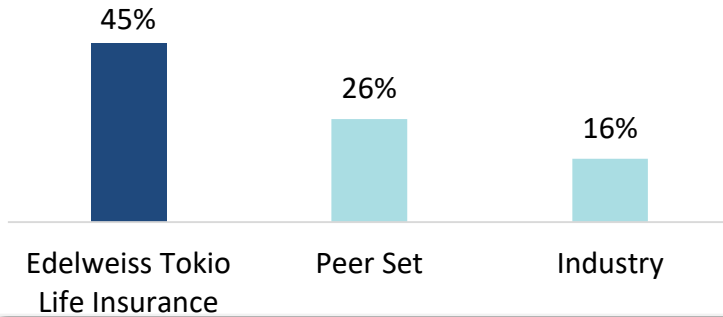
Franchise & Advisory

Life Insurance

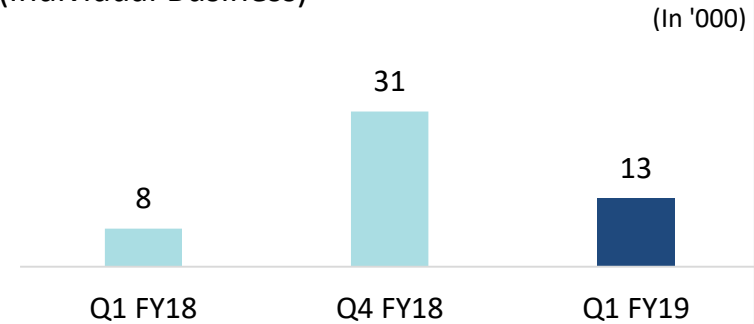
# The Fastest Growing Life Insurer in Individual Annual Premium Equivalent



## Collected Individual Annual Premium Equivalent CAGR growth since Q1FY16



## Number of Policies Issued (Individual Business)



## Business Highlights

- Collected Individual Annual Premium Equivalent (APE) - \$ 7 Mn for the quarter, growth of 94% YoY
- Total Premium – \$ 18 Mn 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 Q1FY19 is ~79%
- Won 'Best Product Innovation' at The Golden Globe Tigers Awards 2018 for Wealth Plus

Credit

Franchise & Advisory

**Life Insurance**



## Balance Sheet



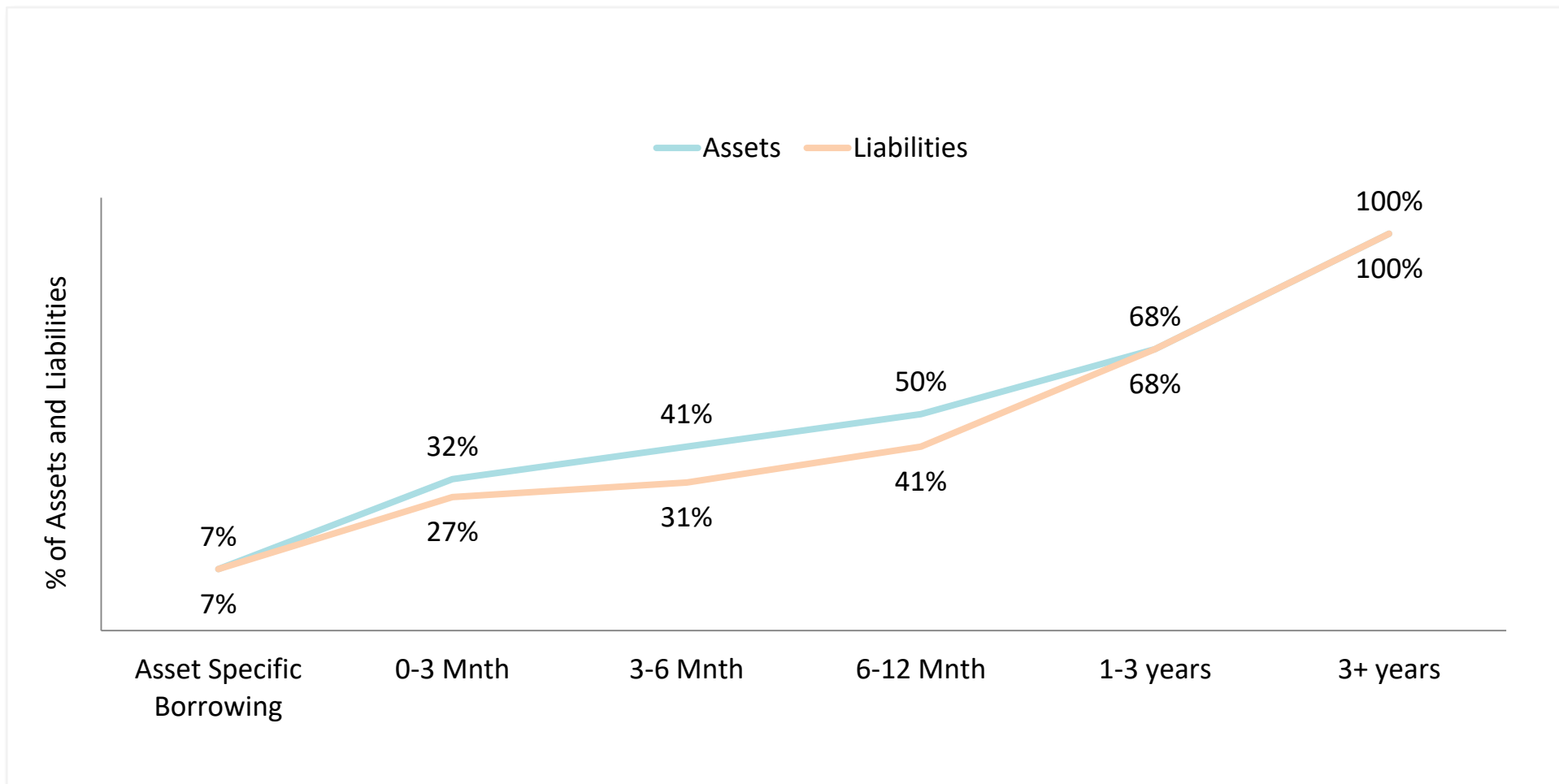
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# Key Highlights – Balance Sheet



- 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



## Comfortable Capital Adequacy Ratio



### Capital Structure as on 30<sup>th</sup> June 2018 (\$ Mn)

Tier I	1,181
Tier II	256
Total Capital	1,437
Risk Weighted Assets	8,644

### Capital Adequacy Ratio

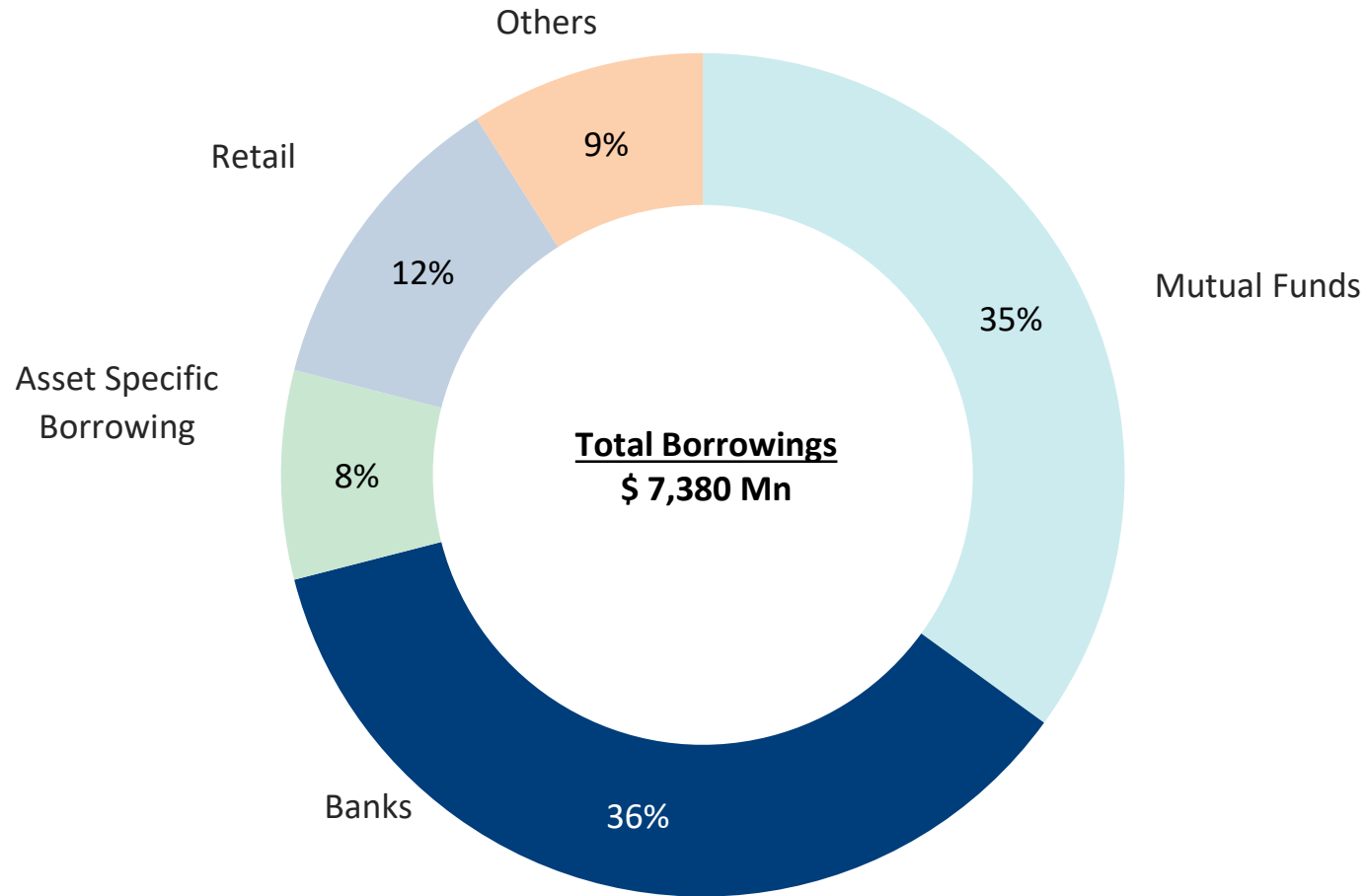
16.63%

Debt/Equity : 4.9  
(excluding Treasury assets)

82% of gross assets of  
\$ 10,519 Mn



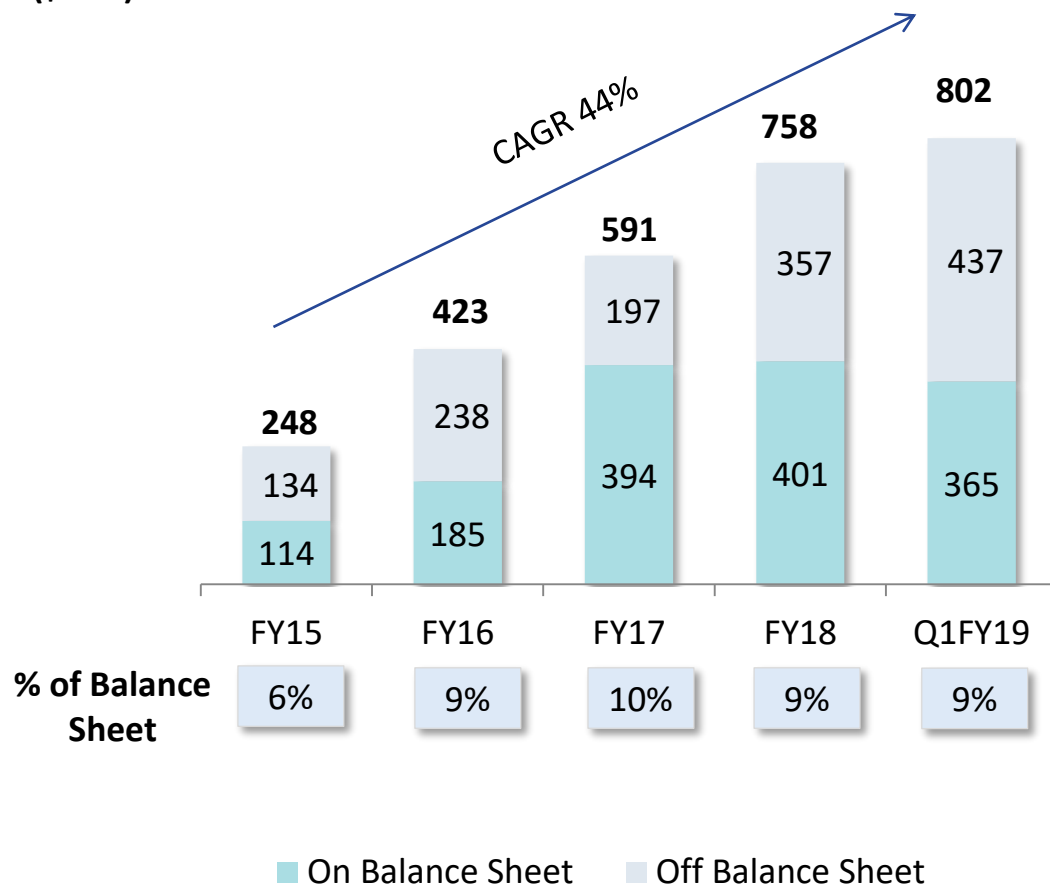
Sources of Borrowings as on 30th June'18



## Liquidity Cushion at 9% of Balance Sheet











**Liquidity Cushion  
(\$ Mn)**



- 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



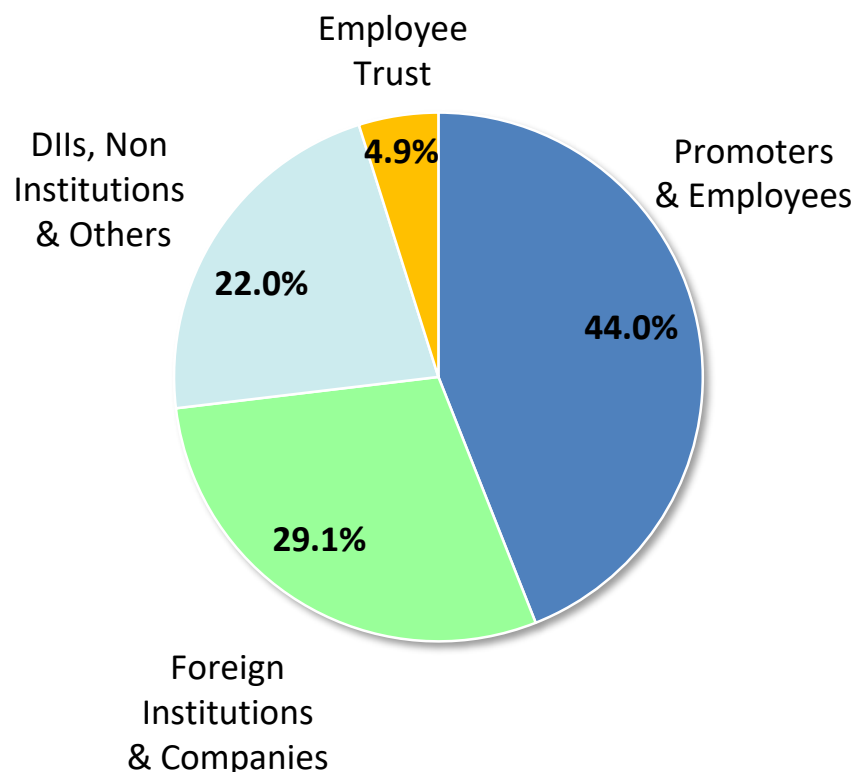
Purpose (Debt Programme)	Rating agency	Rating
Short term	 CRISIL A STANDARD & POOR'S COMPANY	CRISIL A1+
Short term	 CARE Ratings Professional Risk Opinion	CARE A1+
Short term	 ICRA	ICRA A1+
Long term	 Brickwork Ratings	BWR AA+
Long term	 CARE Ratings Professional Risk Opinion	CARE AA
Long term	 CRISIL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

+ 26 Mn

*June 30, 2018*

+13 Mn

### Impact on Profit for Q1FY19

+ 1Mn

# Impact on Key Financial Metrics



(\$ Mn)	Q1FY18		FY18		Q1FY19	
	IGAAP	Ind AS	IGAAP	Ind AS	IGAAP	Ind AS
Net Worth	816	854	1,132	1,158	1,187	1,200
PAT	29	30	130	133	38	38
Credit provisions held	55	82	74	107	78	111

**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



(\$ Mn)	FY17	FY18	Q1FY19
<b>Net Worth per IGAAP</b>	<b>771</b>	<b>1,132</b>	<b>1,187</b>
Effective interest rate on financial assets	(4)	(5)	(3)
Effective interest rate on financial liabilities	4	10	9
Expected credit loss provision	(27)	(33)	(33)
Fair valuation of financial assets and liabilities	21	9	5
Consolidation of trusts and associates	26	40	37
Capital reserve gross-up	22	22	22
Redeemable preference shares	(12)	(12)	(12)
Others	4	6	(3)
<b>Net Ind AS Impact – before tax</b>	<b>34</b>	<b>36</b>	<b>23</b>
Tax effect on IndAS adjustments	(6)	(10)	(10)
<b>Total IndAS impact</b>	<b>28</b>	<b>26</b>	<b>13</b>
<b>Net Worth per IndAS</b>	<b>799</b>	<b>1,158</b>	<b>1,200</b>

**Q1FY19 Net worth increased by \$ 13 Mn on account of transition to IndAS**

# Impact of Accounting Policy changes to Profits



(\$ Mn)	Q1FY18	Q1FY19	FY18
<b>Post MI PAT per IGAAP</b>	<b>29</b>	<b>38</b>	<b>130</b>
Effective interest rate on financial assets (Net)	1	3	(3)
Effective interest rate on financial liabilities	(0.3)	(1)	(3)
Expected credit loss provision	-	-	(7)
Fair valuation of assets and liabilities	2	4	15
Consolidation of trusts and associates	1	(2)	10
Dividend on redeemable preference shares	(0.3)	(0.4)	(1)
ESOP fair value charge	(1)	(1)	(2)
Others	(0.3)	(1)	(0.4)
<b>Net Ind AS Impact – before tax</b>	<b>2</b>	<b>2</b>	<b>8</b>
Tax effect of Ind AS adjustments	(1)	(1)	(5)
<b>Total IndAS impact</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Post MI PAT per IndAS</b>	<b>30</b>	<b>38</b>	<b>133</b>

Impact of only \$ 1 Mn 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

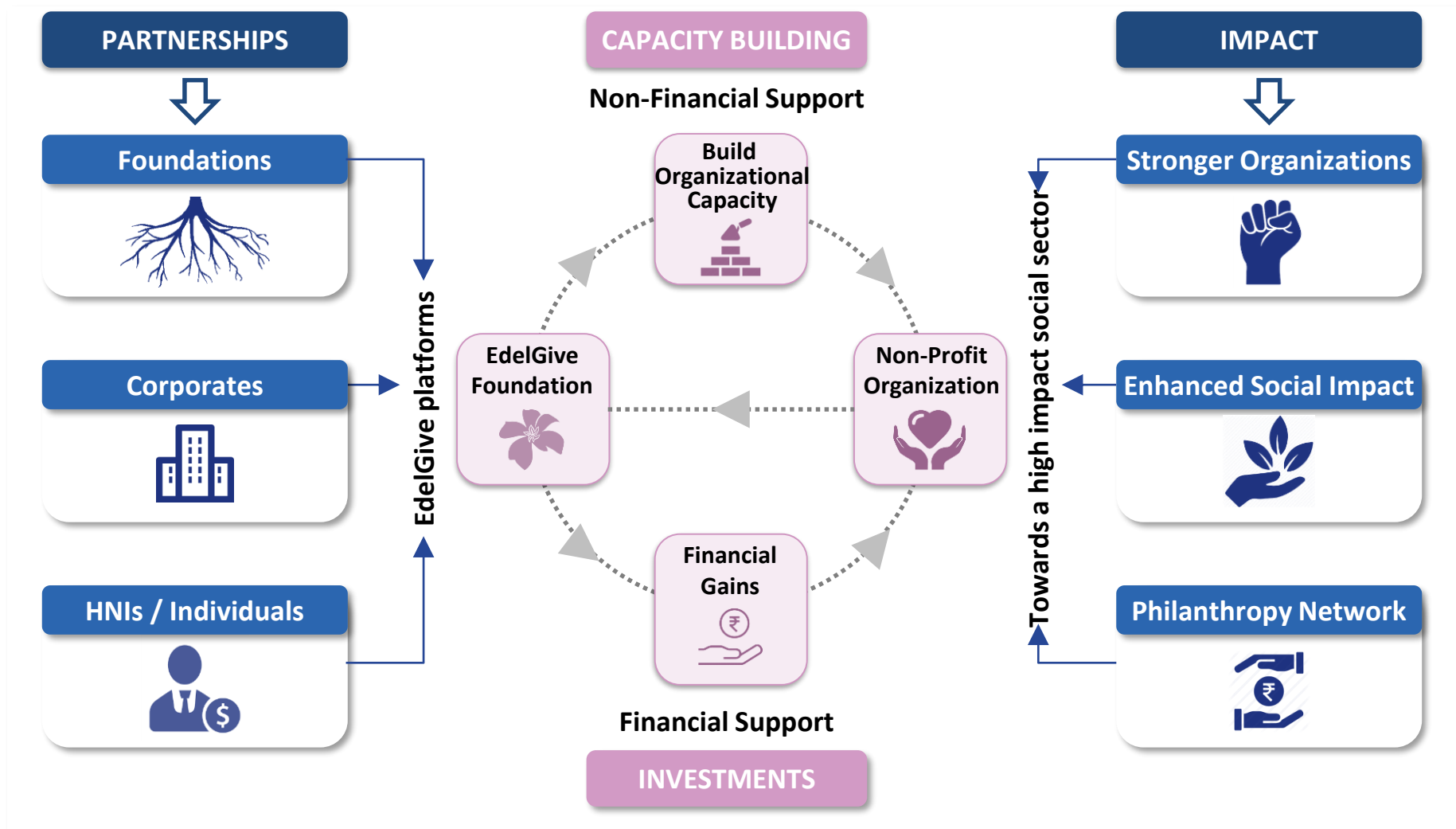


Responsible Consumption



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	> \$ 23 Mn
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



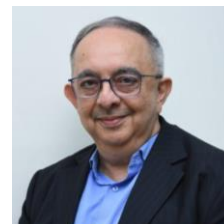
**Mr. P N Venkatachalam**

- 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 \$ 430 Mn and for Q1 FY18 \$ 295 Mn;

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 \$ 2 Mn 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 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 \$ 430 Mn

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

Currency Conversion: Conversion rate of 1 USD equal to 68.5753 INR has been used. Due to rounding off, numbers presented in this presentation may not add up to the totals provided and/or correlate with the growth and contribution percentages provided. Data provided in the INR version of the Investor Presentation shall prevail in case of any disparity