

EW/Sec/2019/235

August 14, 2019

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

Dear Sirs,

Ref.:- Symbol: EDELWEISS

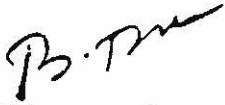
Sub: Investor Presentation

Please find enclosed the Investor Presentation in US Dollar on Earnings Updates for the quarter ended June 30, 2019.

Kindly take the same on record.

Thanking you,

For Edelweiss Financial Services Limited



B.Renganathan
Executive Vice President and Company Secretary

US \$ version



Edelweiss Financial Services Limited

Q1FY20 Earnings Update





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Strategic Investment in Our Advisory Business



Quarterly Performance Highlights – Q1FY20



Edelweiss
Ideas create, values protect

Macro Environment Continues to be Challenging



- After a relatively benign start to the quarter, June saw two significant credit events that resulted in further freeze in liquidity
- Liquidity conditions have now remained tight for an unprecedented period of time
- Consumer demand slowdown is now an economy-wide issue - this is not an NBFC issue any more
- Intense risk aversion prevails amongst both the lenders and investors
- H1 profits will be muted for us primarily because of increase in credit cost

We expect to benefit from better liquidity, economic recovery and lower credit costs in H2

Edelweiss Structure Update



- We had embarked on the journey of creating three separate business verticals : Credit, Advisory and Insurance in 2017
- Over time we want our verticals to:
 - Be self-sustaining with a ring-fenced capital base
 - Have strategic partners directly aligned with the business goals to provide growth capital
 - Have strong governance with Investor representation and Independent Directors on Board
- We recently announced the strategic investment of \$250 mn by CDPQ in our Credit business; Tokio Marine Holdings currently holds 49% equity stake in our Life Insurance business
- We are in the process of raising upto \$200 mn of equity in our Advisory business (*Details follow in the last section*)
- While current macro-economic issues have created some disruptions, we are steady in our path forward

Edelweiss will continue to be a majority shareholder in each of its business verticals

Financial Snapshot – Q1FY20



| \$ Mn | EOP Equity | Profit after Tax | RoA | RoE |
|-----------------------------------|--------------|------------------|-------------|--------------|
| Total Pre Minority | 1,277 | 20 | | |
| Credit including BMU | 1,056 | 26 | 1.4% | 10.1% |
| Advisory | 24 | 10 | | |
| Insurance | 147 | (12) | | |
| Corporate | 50 | (4) | | |
| Minority Interest (MI) | 153 | 0.4 | | |
| Total Consolidated Post MI | 1,124 | 19 | 1.0% | 6.8% |
| Total Ex-Insurance Post MI | 1,042 | 26 | 1.7% | 10.2% |

Q1FY20 Overview



- 1 Credit Business had a muted quarter due to higher liquidity management and higher credit costs
- 2 Momentum in Distressed Credit recoveries was good
- 3 Customer Assets grew 14% YoY in Advisory business despite low client activity and volumes
- 4 Successfully executed 2 deals in Alternatives Asset Management to capitalize on the deployment opportunity
- 5 One of the fastest growing Life Insurers on Individual APE basis; Embedded Value at \$ 218 Mn as on 30th June, 2019

Q1FY20 Overview

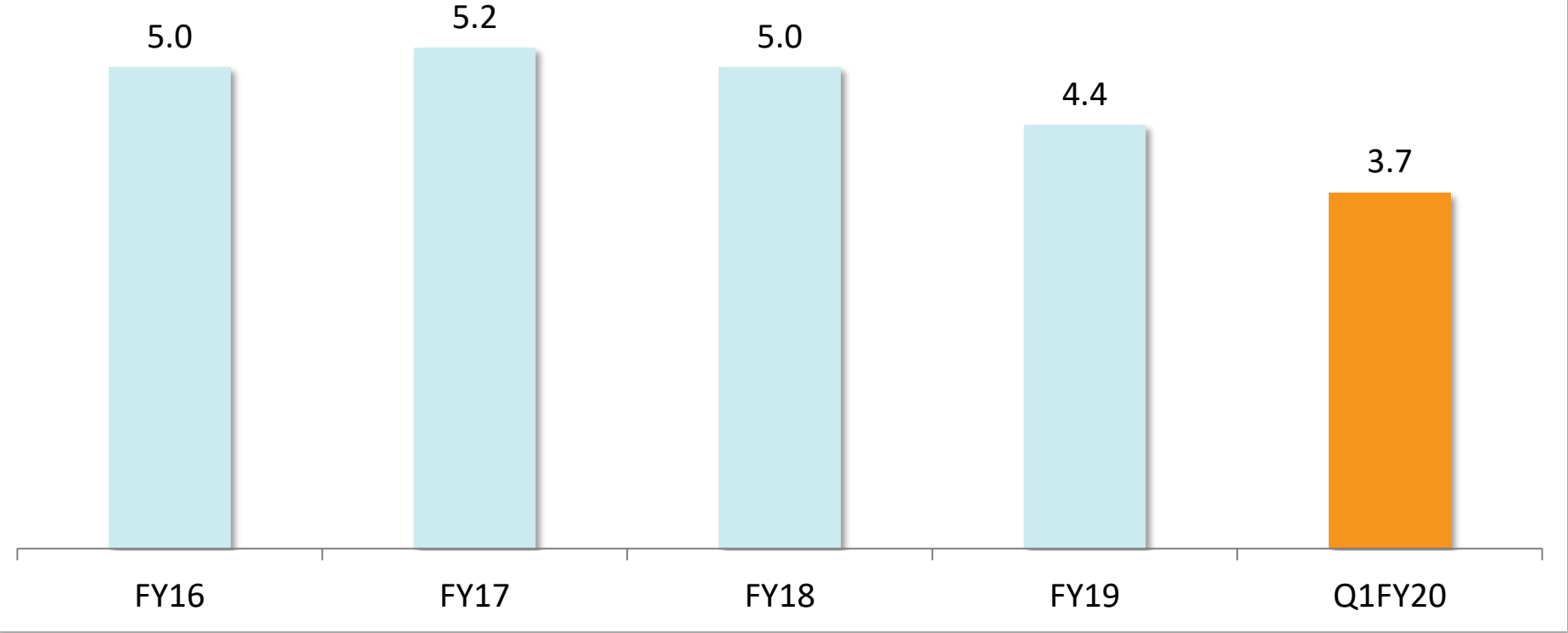


- 6 BMU losses which includes cost of liquidity management stood at \$ 6 Mn
- 7 Ex-Insurance RoA at 1.7% and RoE at 10.2%
- 8 Debt to Equity (Ex-Treasury) progressively reduced to 3.7x
- 9 In a countercyclical manner, we have taken the opportunity to invest more in our organization
 - Strengthened our leadership ranks
 - Invested in technology projects to streamline our processes and improve customer experience

Debt Equity Ratio Declines Further to 3.7x



D/E (Excluding Treasury Assets)



Key Actions Taken – Liquidity and Asset Quality



Liquidity is being managed very closely

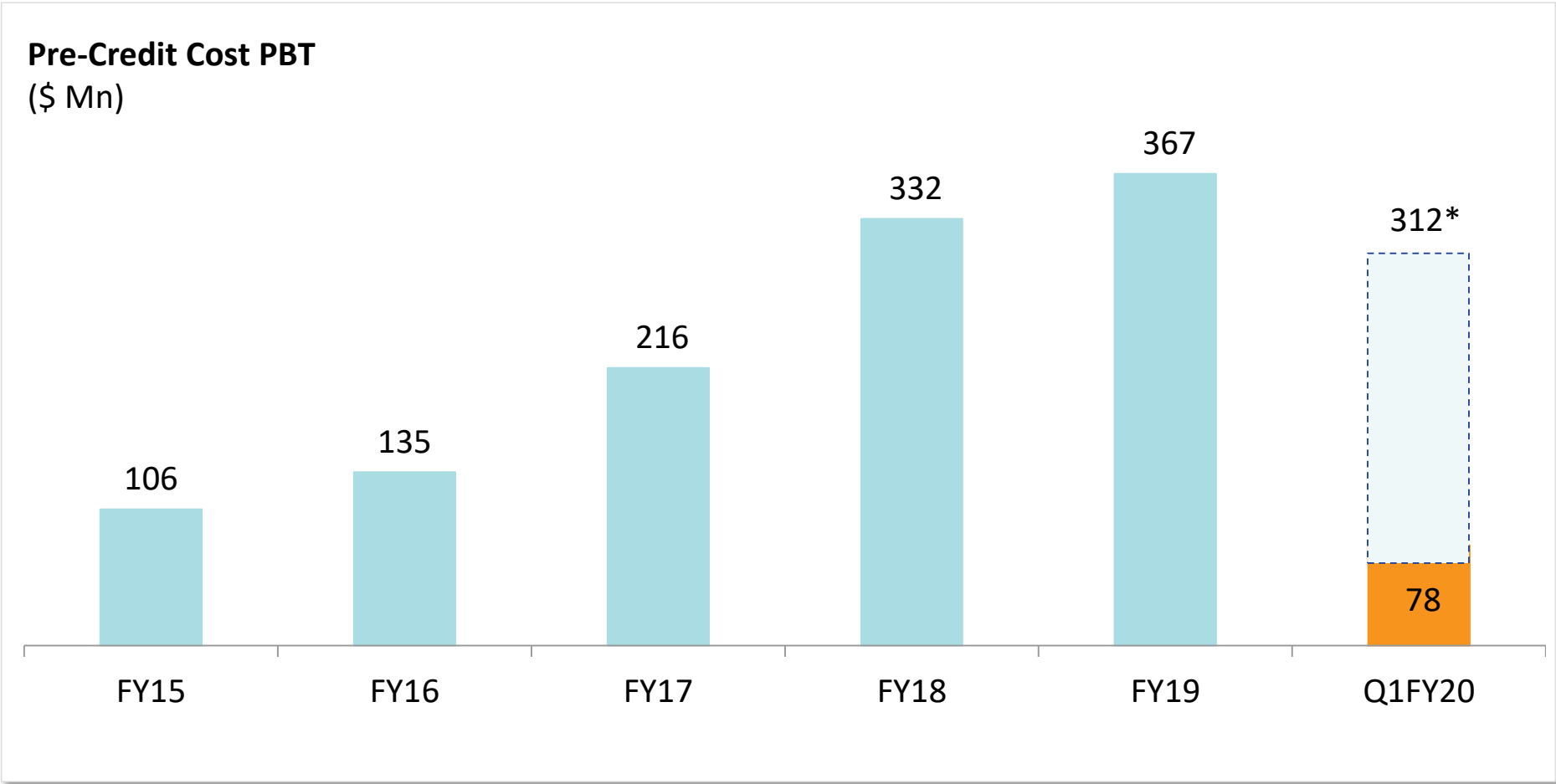
- Overall Liquidity maintained at ~ \$ 1,277 Mn
 - Overnight Liquidity of ~ \$ 232 Mn; Available Liquidity of ~ \$ 827 Mn
 - Undrawn Bank lines of ~ \$ 218 Mn
- Liquidity management costs of ~\$ 4 Mn – \$ 5 Mn per quarter

Asset Quality : Observing challenges on account of sustained cash crunch

- We have significantly increased our efforts and oversight on asset quality management
- Asset values and collateral cover continue to remain strong
- As a conservative measure, we are stepping up and front loading credit costs in H1

We will have strengthened governance, simplified structure and a fortress balance sheet by end FY20

Relatively Steady Pre-Credit Cost PBT



Contribution from Advisory businesses have steadied pre-credit cost profit

All figures are Ex-Insurance; *Annualized

PAT Distribution Across Businesses



| (\$ Mn) | Q1FY19 | Q4FY19 | Q1FY20 | EOP Equity Post MI Q1FY20 |
|---------------------------------------|--------------|--------------|--------------|---------------------------|
| Total Consolidated Post MI PAT | 38 | 34 | 19 | 1,124 |
| <i>Credit including BMU</i> | 36 | 37 | 20 | 974 |
| <i>Advisory</i> | 12 | 9 | 10 | 24 |
| <i>Insurance</i> | (7) | (8) | (7) | 82 |
| <i>Corporate</i> | (3) | (4) | (3) | 44 |
| Total Ex-Insurance Post MI PAT | 45 | 42 | 26 | 1,042 |
| Balance Sheet | 8,965 | 7,825 | 7,910 | - |

PAT impacted due to front-loading of credit costs

Key Profitability Ratios



| Ex-Insurance | Q1FY19 | Q4FY19 | Q1FY20 |
|----------------------|---------------|---------------|---------------|
| Pre-Credit Cost PBT | 4.4% | 4.3% | 4.0% |
| Credit Cost | 0.8% | 0.8% | 1.9% |
| RoA | 2.5% | 2.4% | 1.7% |
| RoE | 19.8% | 16.1% | 10.2% |
| Cost to Income Ratio | 49% | 52% | 50% |

| Consolidated | Q1FY19 | Q4FY19 | Q1FY20 |
|----------------------|---------------|---------------|---------------|
| RoA | 1.9% | 1.7% | 1.0% |
| RoE | 15.2% | 12.0% | 6.8% |
| Cost to Income Ratio | 61% | 70% | 67% |

Capital Light Businesses Contribute Substantially to PAT



| Business Segments (\$ Mn) | Q1FY20 Pre MI PAT | % Contribution |
|--|-------------------|----------------|
| Retail Credit | 7 | 21% |
| Corporate Credit | 5 | 15% |
| Distressed Credit Business | 14 | 45% |
| Wealth Management and Asset Management | 8 | 25% |
| Capital Markets | 2 | 6% |
| Corporate | (4) | (12%) |
| Total Ex- Insurance Pre MI PAT | 32 | 100% |
| Insurance Pre MI PAT | (12) | - |
| Total Consolidated Pre MI PAT | 19 | - |

Our diversified model makes us resilient even in a tough market environment

Steady Growth of Customer Assets



As on 30th June, 2019

| | \$ Bn | YoY Growth |
|--|-------------|--------------|
| Customer Assets | 29.4 | 14% |
| <i>Assets Under Advice (Wealth Management)</i> | 15.5 | 11% |
| <i>Distressed Credit (ARC Assets)</i> | 5.6 | 5% |
| <i>Funds under Management (Asset Management)</i> | 5.1 | 12% |
| <i>Assets under Custody & Clearing</i> | 3.2 | 67% |
| Balance Sheet Assets | 7.9 | (12%) |
| Total Assets | 37.3 | 7% |

Plan for FY20 - Business Strategy



FY20 will be a year of balance sheet composition change over asset growth

- Corporate Credit book to move into privately funded model
- We expect Corporate Credit book to reduce by \$ 435 Mn – \$ 580 Mn
- Recoveries will lead to a reduction in Distressed Credit book by \$ 145 Mn
- We expect proportion of Retail Credit book to grow

Focus will be on enhancing the Capital Light Model

- Bank of Baroda Co-Lending Partnership announced; Enter into more partnership agreements with banks for co-lending
- Increase securitization in Retail Credit book
- Digital lending and direct distribution channel to result in cost efficiencies

Plan for FY20 - Balance Sheet Management



Liquidity

- Conserve liquidity until funding environment improves
- Cost of managing liquidity will be ~ \$ 17 Mn - \$ 20 Mn for the year

Capital Base

- Strengthen our capital base to \$ 1.75 Bn - \$ 1.90 Bn by end of FY20
- D/E to remain in the range of 3.5x-3.8x

Asset Quality Management

- We expect credit costs to be ~ \$ 109 Mn - \$ 116 Mn for the year
- We are aiming to front load credit costs in the P&L of Q1 and Q2

FY20 focus will be on managing liquidity and asset quality while strengthening the balance sheet



Business Performance Highlights

CREDIT

Retail Credit – Corporate Credit – Distressed Credit

Credit Business Mix



| As on 30 th June, 2019 | Capital Employed (\$ Mn) | % | |
|-----------------------------------|-----------------------------|-------------|---|
| Retail Credit | 2,464 | 40% | |
| Retail Mortgage | 1,266 | 21% | Blend of loans to home owners and home buyers |
| SME & Business Loans | 558 | 9% | Under-served and highly scalable market, key focus area |
| ESOP and Margin Financing | 580 | 9% | Catering to customers in Wealth Mgmt and Capital Markets |
| Agri and Rural Finance | 60 | 1% | Under-served market with low competitive intensity |
| Corporate Credit | 2,465 | 40% | |
| Structured Collateralised Credit | 808 | 13% | Customized credit solutions with robust risk management systems |
| Wholesale Mortgage | 1,657 | 27% | Developer financing for primarily residential properties |
| Distressed Credit | 1,252 | 20% | Leading Asset Reconstruction Company in India |
| Total Credit Book | 6,181 | 100% | |

Credit Business at a Glance



| Credit Business (\$ Mn) | Q1FY19 | Q1FY20 |
|---------------------------|--------|--------|
| Capital Employed | 6,559 | 6,181 |
| Average Interest Yield | 16.4% | 16.2% |
| Average Cost of Borrowing | 9.6% | 10.1% |
| Net Interest Margin | 8.0% | 7.7% |
| Net Revenue | 125 | 119 |
| Cost to Income | 38% | 36% |
| Pre Credit Cost PBT | 77 | 76 |
| Credit Costs | 16 | 36 |
| PAT | 41 | 31 |
| RoA | 2.6% | 2.0% |
| RoE | 19.5% | 13.0% |

Credit Business Performance Snapshot



| Q1FY20 (\$ Mn) | Total | Y-o-Y | Retail | Y-o-Y | Corporate | Y-o-Y | Distressed | Y-o-Y |
|----------------------|-------|-------|--------|-------|-----------|-------|------------|-------|
| EOP Capital Employed | 6,181 | (6%) | 2,464 | (8%) | 2,465 | (16%) | 1,252 | 32% |
| EOP Equity | 962 | 8% | 256 | (3%) | 393 | (10%) | 313 | 62% |
| Net Interest Income | 119 | (4%) | 35 | (6%) | 55 | (16%) | 30 | 33% |
| PAT | 31 | (23%) | 7 | (26%) | 9 | (54%) | 15 | 36% |
| Net Interest Margin | 7.7% | | 5.5% | | 8.3% | | 11.2% | |
| Cost to Income | 36% | | 48% | | 36% | | 22% | |
| RoA | 2.0% | | 1.1% | | 1.4% | | 5.8% | |
| RoE | 13.0% | | 10.2% | | 8.7% | | 22.3% | |

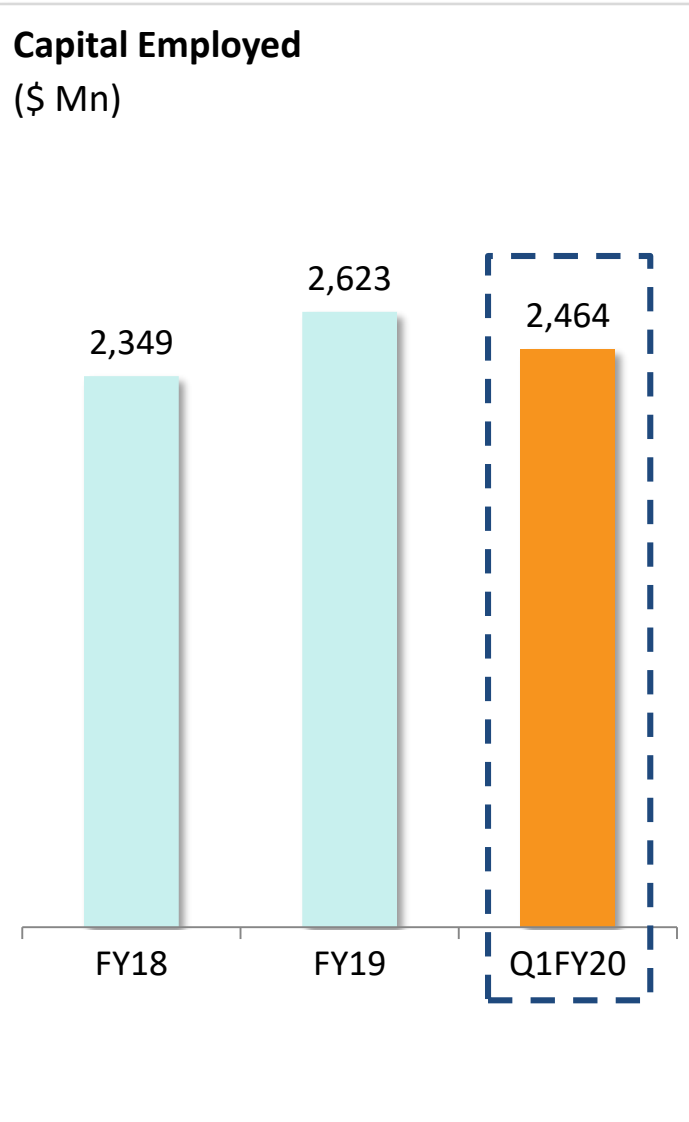
Corporate book share has been gradually declining in line with stated strategy

Asset Quality at a Glance

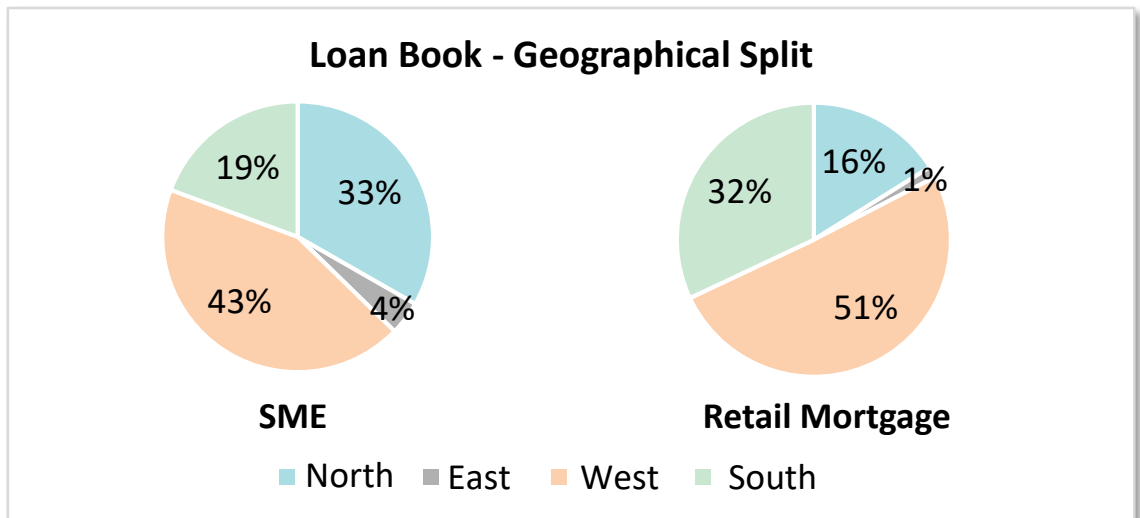


| As on 30 th June,19 (\$ Mn) | Q4FY19 | Q1FY20 |
|--|--------|--------|
| Credit Book | 5,242 | 4,691 |
| <i>Of which Stage 3</i> | 98 | 109 |
| ECL Provision | 118 | 121 |
| <i>Of which Stage 3</i> | 55 | 51 |
| Specific Provision Cover | 56% | 47% |
| Total Provision Cover | 120% | 111% |
| Gross NPA | 1.87% | 2.33% |
| Net NPA | 0.83% | 1.24% |

Retail Credit



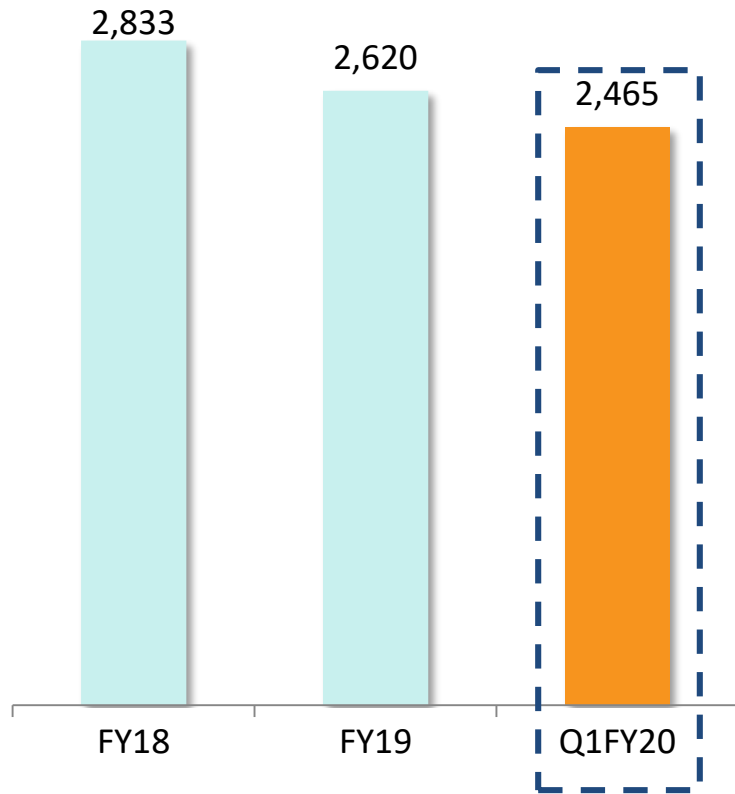
| | SME | | Retail Mortgage | |
|---------------------------|---------------|-----------|-----------------|------|
| | Secured | Unsecured | HL | LAP |
| Average Yields % | 14% | 21% | 11% | 12% |
| Median Ticket Size (\$Mn) | ~0.15 | 0.01 | 0.02 | 0.03 |
| Average LTV | ~75%-85% | - | ~50%-60% | |
| RoA | 1.50% - 2.00% | | 1.00% - 1.50% | |
| Locations (#) | 108 | | 97 | |



Corporate Credit

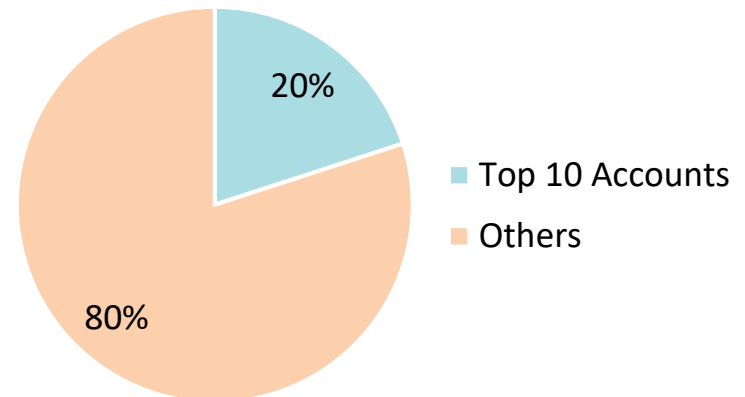


Capital Employed
(\$ Mn)

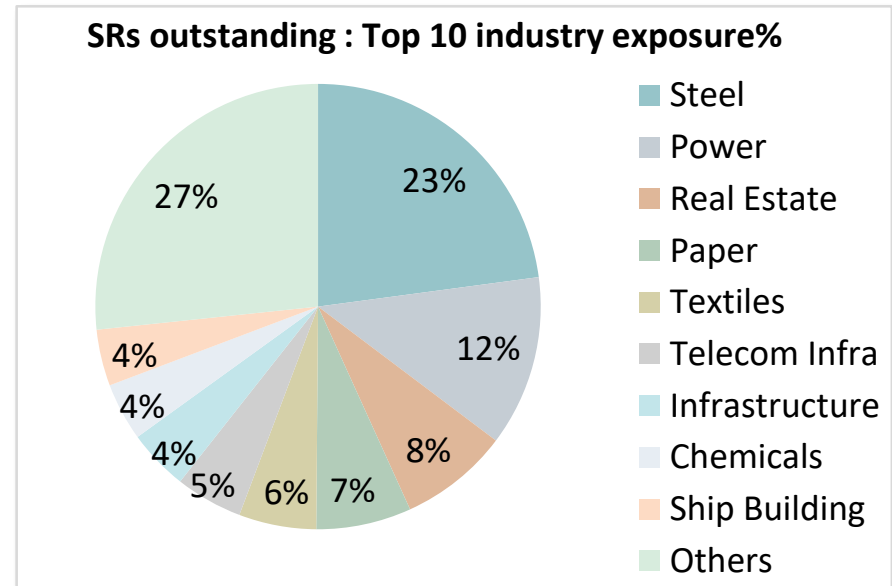
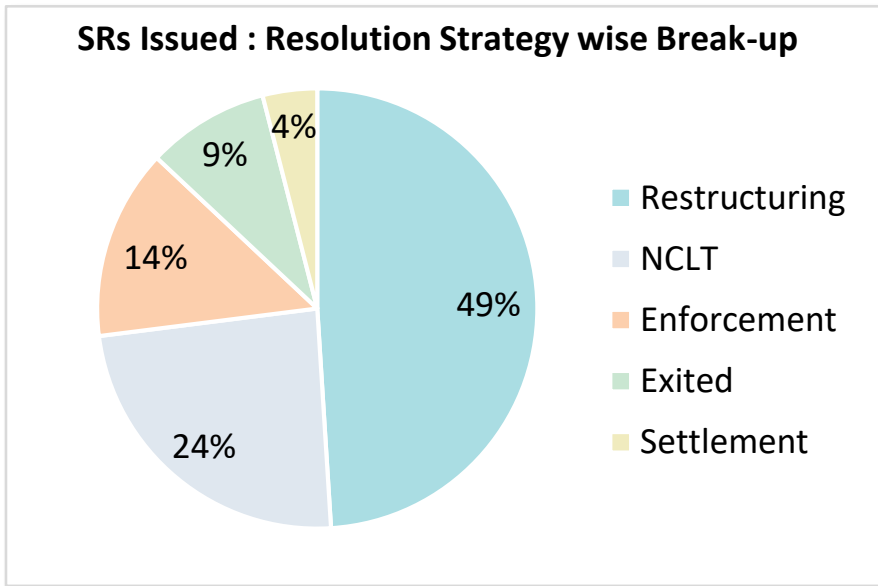
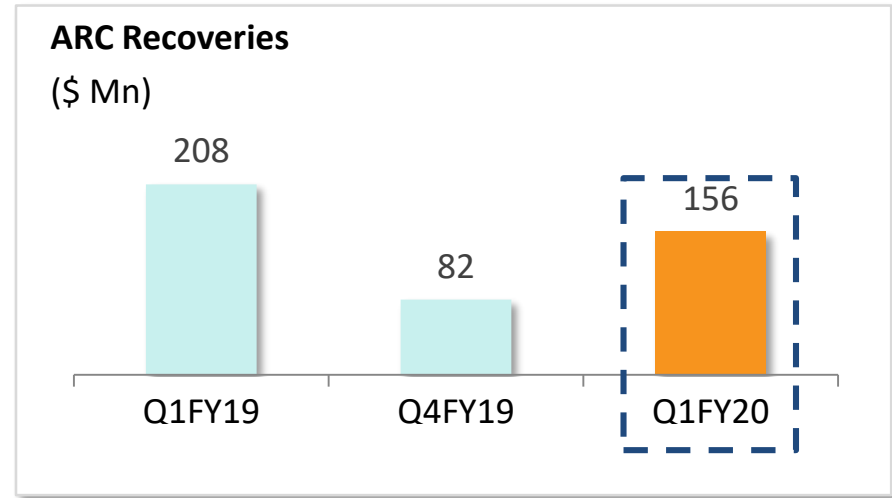
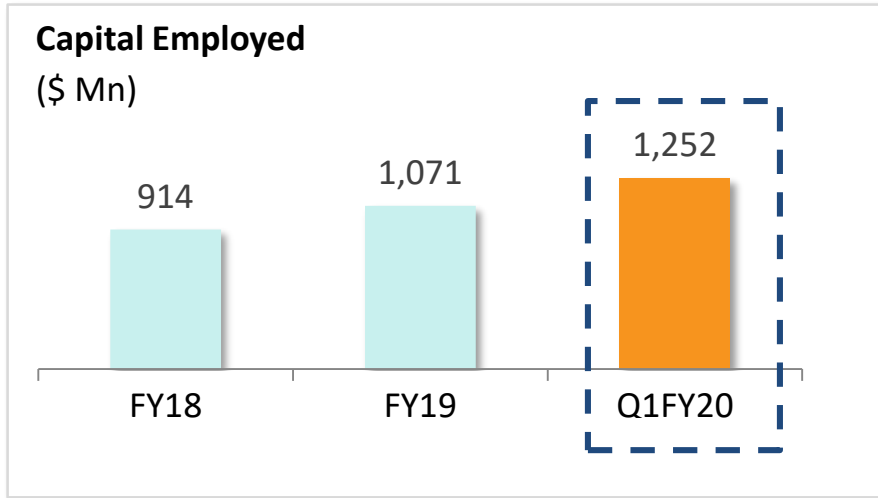


| | Structured Collateralised Credit | Wholesale Mortgage |
|--------------------------|----------------------------------|--------------------|
| Average Yields % | 15% - 17% | 17% - 19% |
| RoA | 1.75% - 2.50% | 2.50% - 3.00% |
| Portfolio Granularity | 71 accounts | 162 projects |
| Average Collateral cover | 1.8x | |
| Typical Ticket size | \$ 14.5 Mn - \$ 18.1 Mn | |

Exposure in Top 10 Accounts



Distressed Credit





Business Performance Highlights

ADVISORY

Wealth Management – Asset Management – Capital Markets



Advisory Business Performance Snapshot



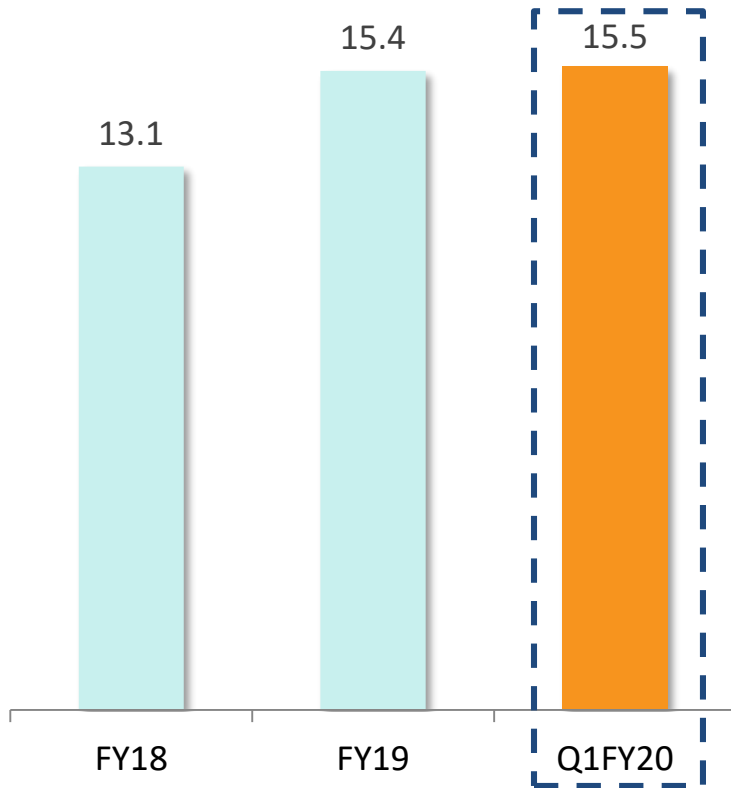
| Q1FY20 (\$ Mn) | Total | Y-o-Y | Wealth Mgmt | Y-o-Y | Asset Mgmt | Y-o-Y | Capital Mkts | Y-o-Y |
|-------------------------|-------|-------|---------------------|-------|-------------------------|-------|-----------------------------------|-------|
| Net Revenue | 41 | (18%) | 21 | (20%) | 8 | 22% | 11 | (30%) |
| PAT | 10 | (16%) | 6 | (10%) | 2 | 13% | 2 | (43%) |
| Cost to Income | 66% | - | 64% | - | 64% | - | 73% | - |
| PAT Yield | | | 15 bps | | 16 bps | | - | |
| Customer Assets (\$ Bn) | | | Assets under Advice | | Assets under Management | | Assets under Custody and Clearing | |
| | | | 15.5 | 11% | 5.3 | 12% | 3.2 | 67% |

C/I maintained although Advisory business impacted by low volumes

Wealth Management

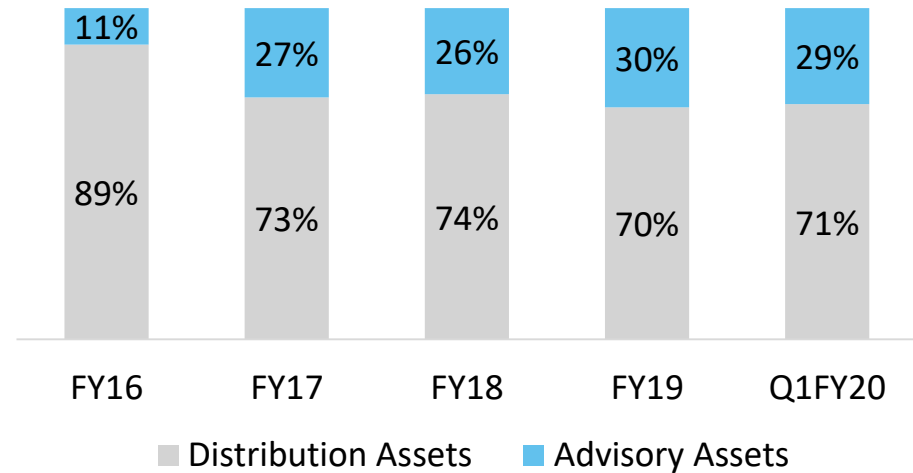


Assets Under Advice (\$ Bn)



| As on 30 th June'19 | Number of Clients | AUA (\$ Bn) | Number of RMs |
|----------------------------------|-------------------|-------------|---------------|
| Ultra High Net Worth Individuals | ~2,260 | 12.0 | 181 |
| Affluent Investors | ~5,01,500 | 3.5 | 815 |

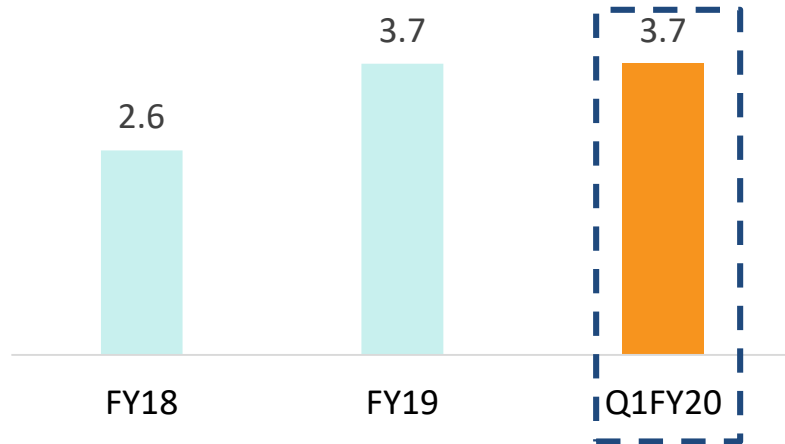
Wealth AUA Breakup



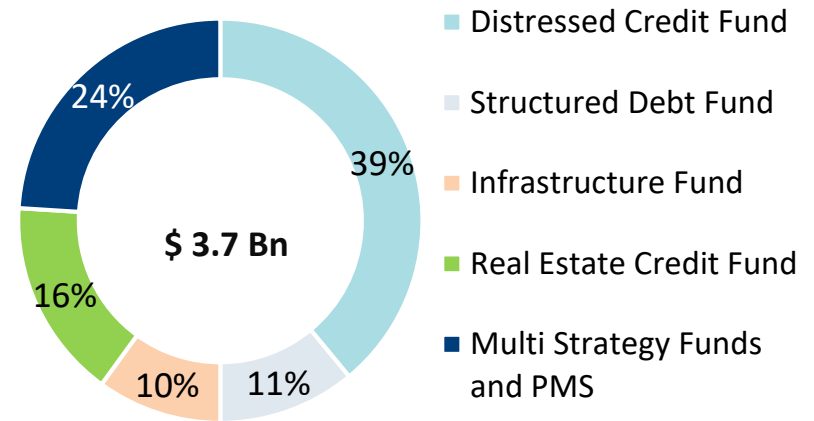
Asset Management



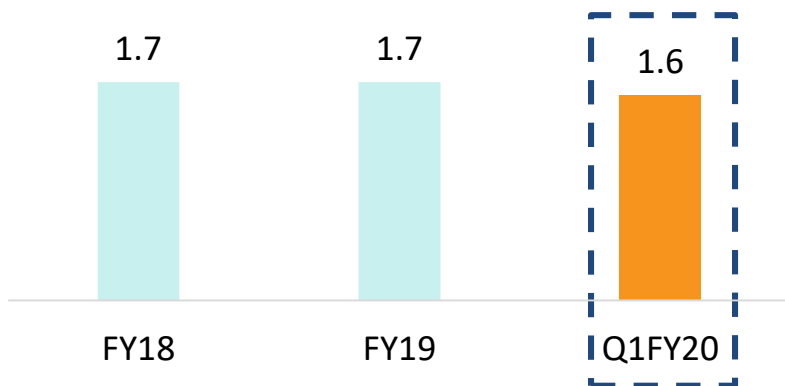
Alternative Assets (\$ Bn)



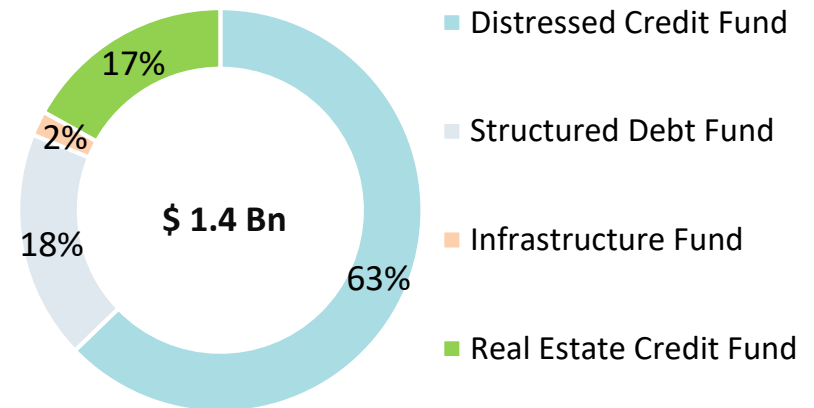
Alternative Assets AUM as on 30th June'19



Mutual Funds AUM (\$ Bn)



Deployment in Alternative Assets till Date

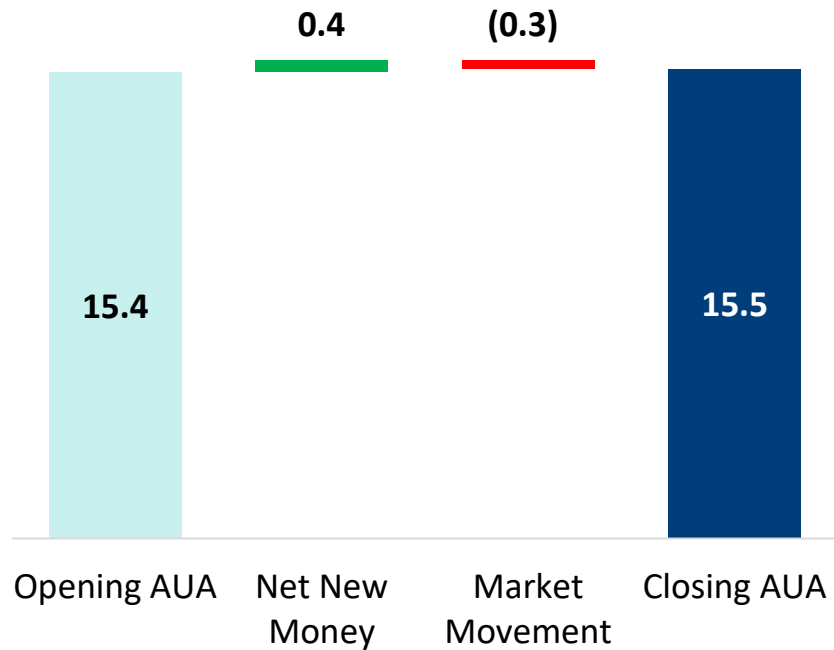


Net New Flows in Wealth and Asset Management



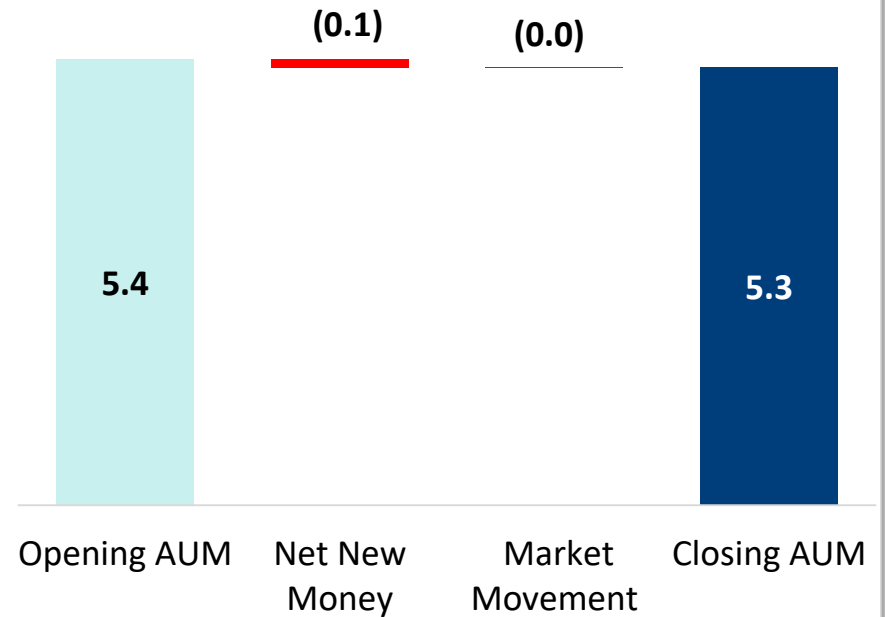
Wealth Management AUA Movement in Q1FY20

(\$ Bn)



Asset Management AUM Movement in Q1FY20

(\$ Bn)



Capital Markets



Key Equity Capital Market & Advisory Transactions



Fund Raise
\$ 365 Mn Cr
May 2019

Left Lead GC-BRLM



Fund Raise from CDPQ
\$ 261 Mn
May 2019

Financial Advisor



IPO
\$ 195 Mn
April 2019

GC-BRLM

Key Debt Capital Market Transactions



Pvt Placement
\$ 288 Mn
May 2019

Arranger



असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

Pvt Placement
\$ 232 Mn
April 2019

Arranger



Public Issue
\$ 145 Mn
April 2019

Lead Manager



Public Issue
\$ 123 Mn
June 2019

Lead Manager



Business Performance Highlights

Life Insurance

Life Insurance Performance Snapshot



| (\$ Mn) | Q1FY19 | Q1FY20 | Y-o-Y Growth |
|----------------------------------|------------|------------|--------------|
| Net Premium Income | 17 | 22 | 29% |
| Investment Income & Other Income | 5 | 15 | 219% |
| Total Business | 22 | 37 | 70% |
| Profit After Tax | (10) | (11) | - |
| Minority | (5) | (5) | - |
| Edelweiss' Share in PAT | (5) | (5) | - |
| Net Worth | 154 | 131 | |

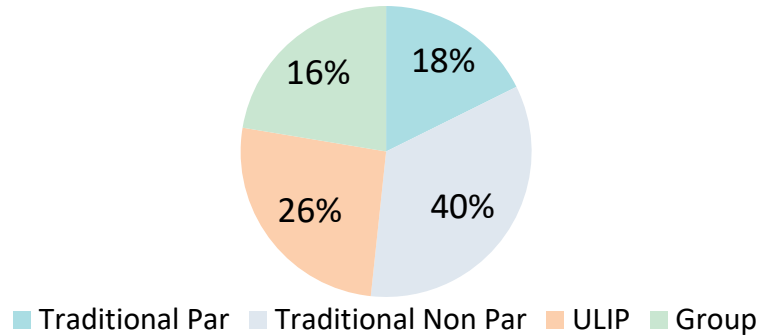
121 branches and 44,506 PFAs across 93 locations in India

Life Insurance – Long Term Value Creation

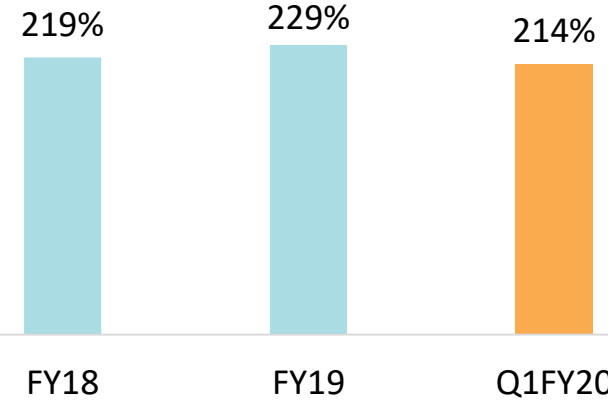


Product Mix

New Business Premium Q1FY20

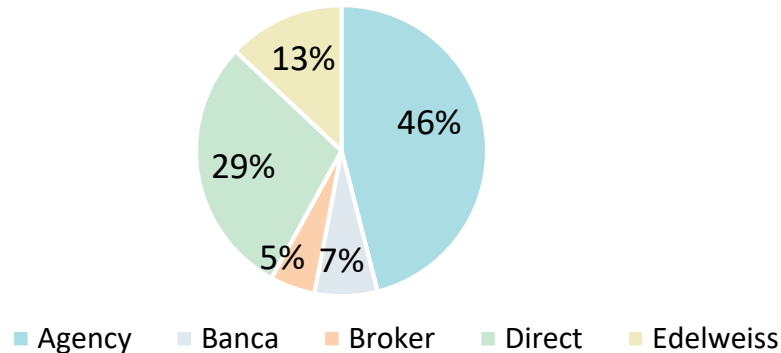


Solvency Ratio

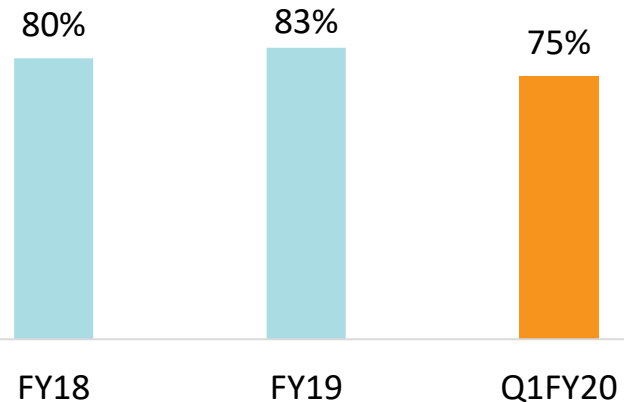


Channel Mix

New Business Premium Q1FY20



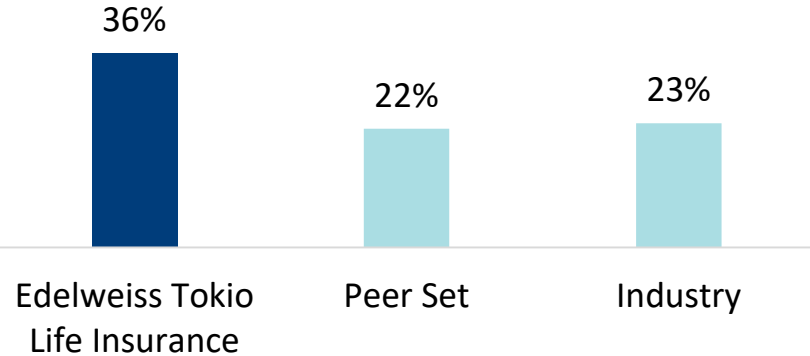
13th Month Overall Renewal Rate Persistency



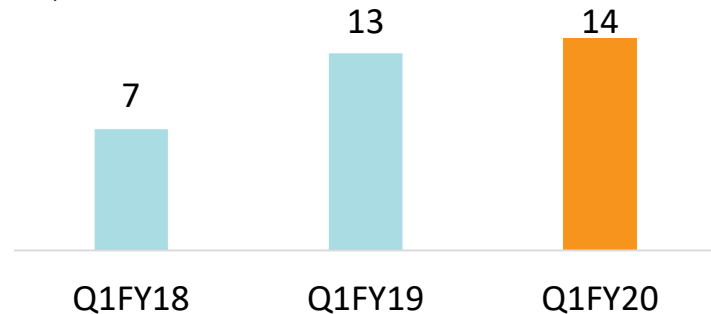
Life Insurance Scaling Rapidly



Collected Individual Annual Premium Equivalent CAGR growth since FY17



Number of Policies Issued (Individual business) (in 000)



- Collected Individual Annual Premium Equivalent (APE) for Q1FY20 stood at \$ 7 Mn
- Gross premium at \$ 24 Mn; growth of 31%
- Launched 2 new products during the quarter
- Embedded Value at \$ 218 Mn as on 30th June, 2019
- ACEF Global Customer Engagement Award 2019
 - Gold - PR Campaign (Creative category)
 - Bronze - Digital Marketing Campaign (Creative category) for Zindagi Plus
- MarTech Leadership Summit & Awards 2019 - Best Contact Centre



Liquidity Management

Maintained Sufficient Liquidity



| \$ Mn | FY 16 | FY 17 | FY 18 | FY 19 | Q1FY20 |
|--|------------|------------|------------|------------|------------|
| Assets Liquid-able in less than 120 days | 580 | 842 | 1,538 | 1,466 | 1,277 |
| Balance Sheet Size* | 3,976 | 5,354 | 7,516 | 7,531 | 7,357 |
| Liquidity % | 15% | 16% | 20% | 19% | 17% |

* Excludes Asset Specific Borrowings (ASB)

Cash Flow Plan to Q4FY20



| Particulars (\$ Mn) | Q2FY20 | Q3FY20 | Q4FY20 |
|--|--------------|--------------|--------------|
| Opening Available Liquidity (A) | 1,277 | 1,161 | 1,103 |
| A) Inflows: | | | |
| Asset EMIs and Repayments | 290 | 290 | 406 |
| Securitization | 174 | 145 | 145 |
| Fresh Borrowings | 218 | 290 | 290 |
| Total Inflows (B) | 682 | 725 | 842 |
| B) Outflows: | | | |
| Total Borrowings Repayments | 624 | 566 | 435 |
| Fresh disbursements | 174 | 218 | 290 |
| Total Outflows (C) | 798 | 784 | 725 |
| Closing Available Liquidity (A+B-C) | 1,161 | 1,103 | 1,219 |

..With Assets in Each Tenor Range Adequately Covering the Liabilities



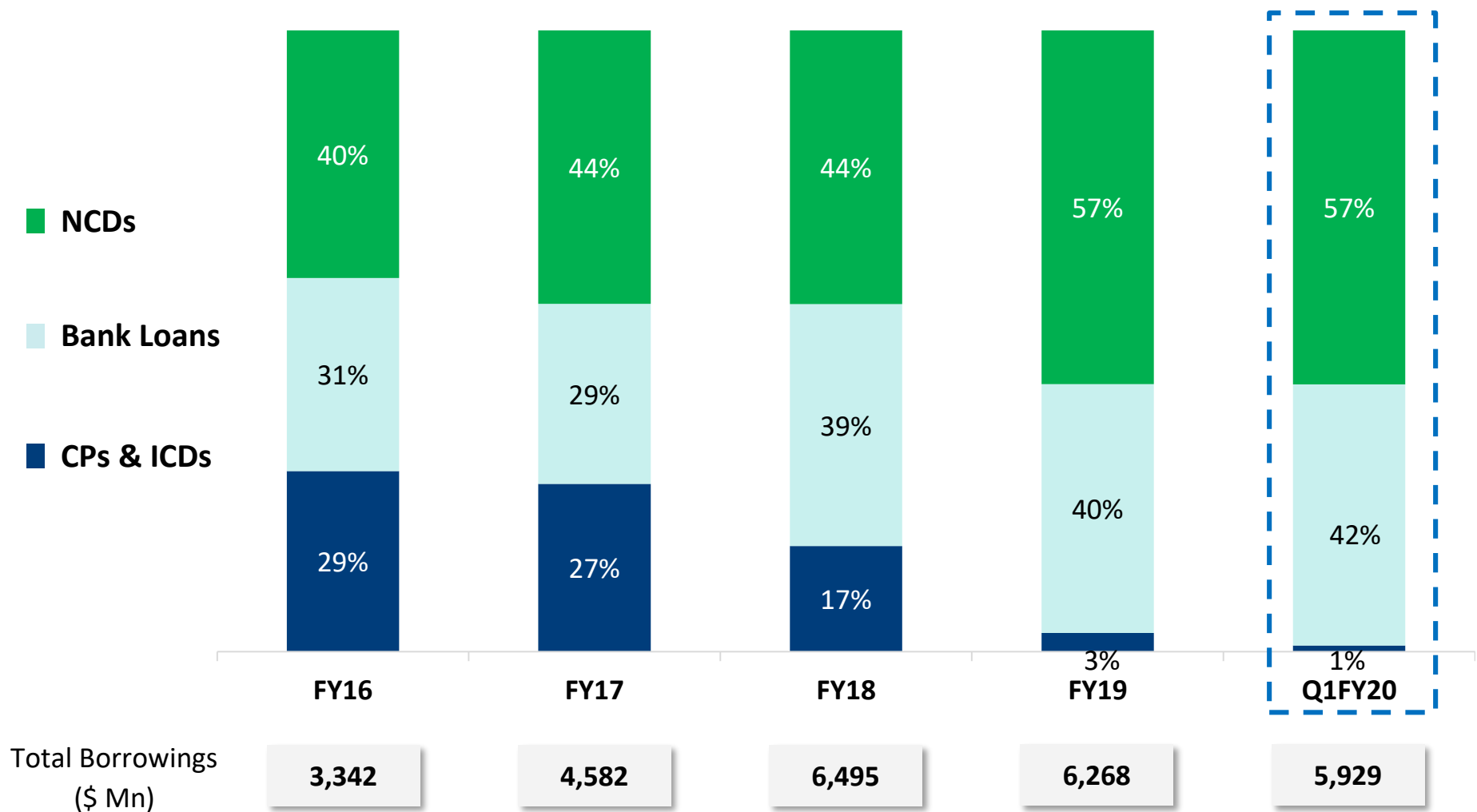
| \$ Mn | Assets | Liabilities | Gap |
|-------------|--------|-------------|-----|
| Upto 1 year | 2,336 | 2,176 | 160 |
| 1-3 years | 2,525 | 2,249 | 276 |
| 3 years+ | 2,496 | 1,509 | 987 |

Total gap represents our equity base



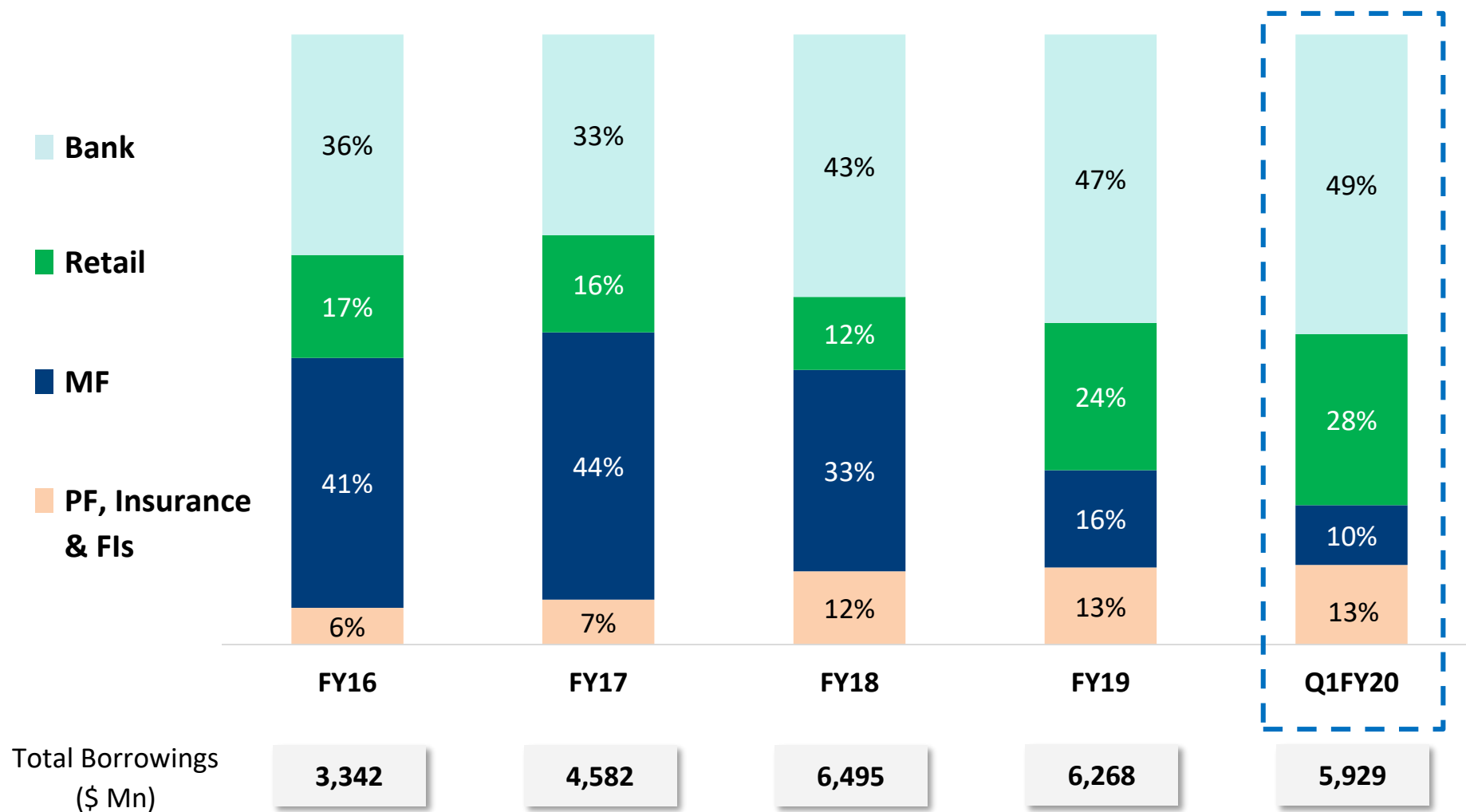
Balance Sheet Highlights

Diversified Borrowing Profile By Instruments...



Gradually reduced reliance on CPs which is now 1% of total borrowings

...And By Source

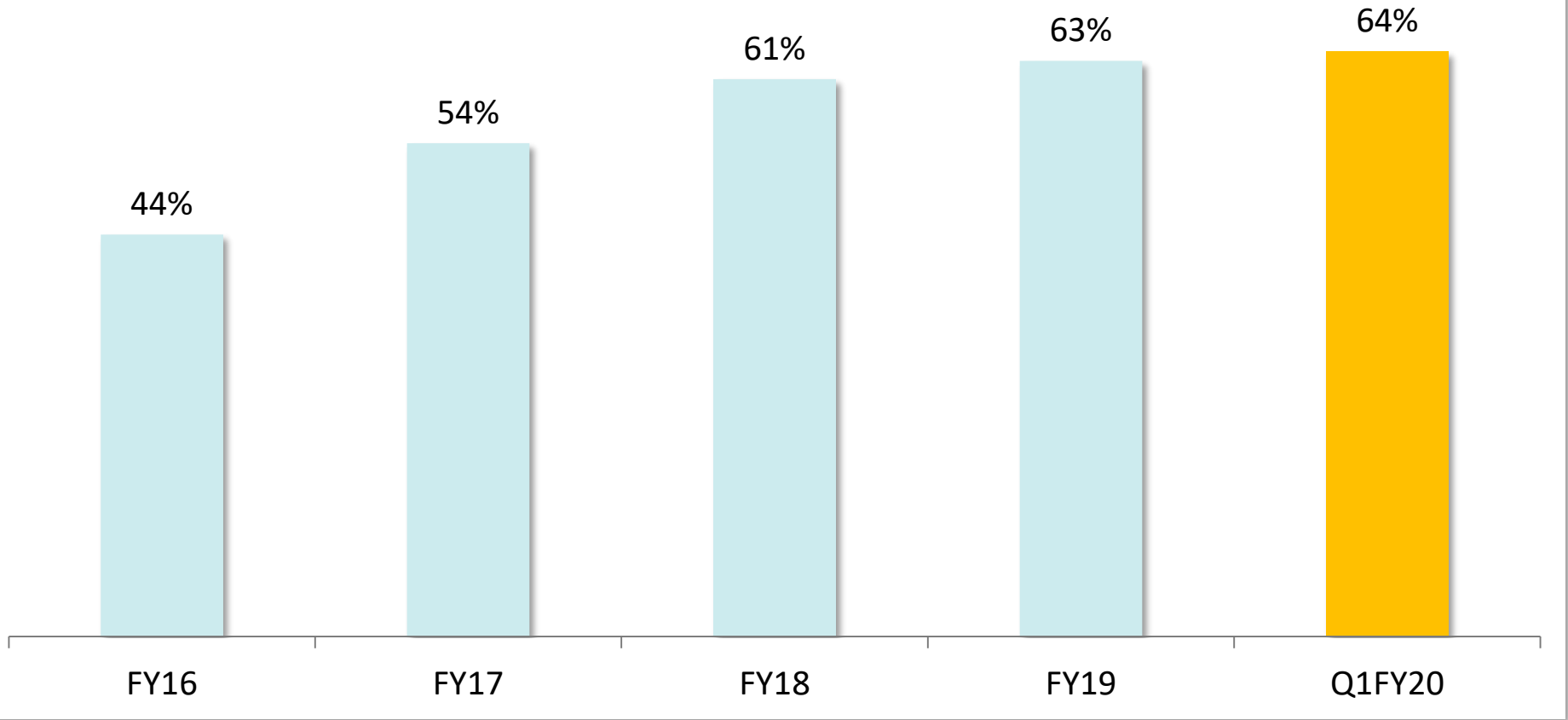


Increasing focus on retail borrowings in the total liability mix

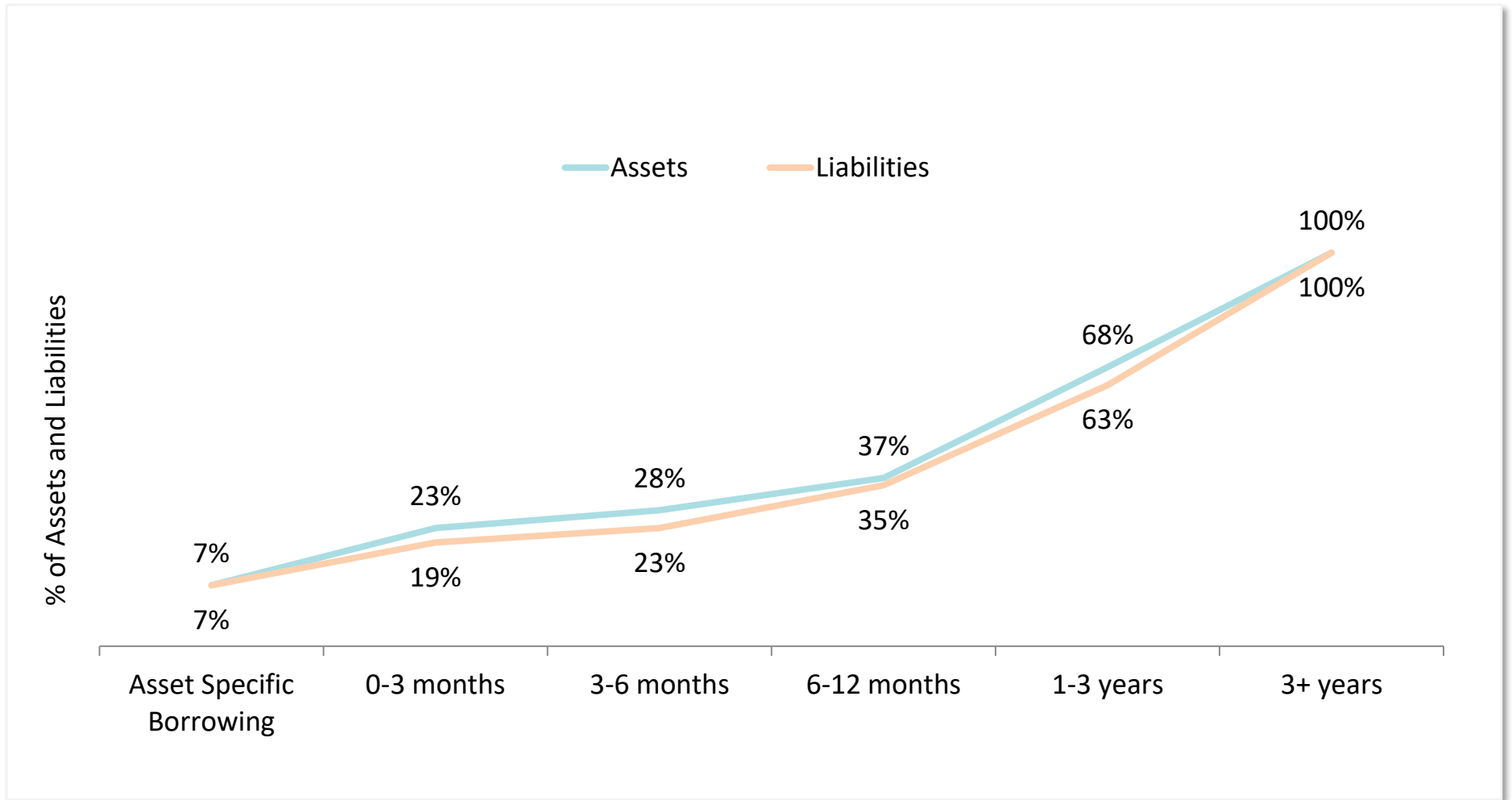
Increasing Percentage of Long Term Borrowings



% of Total Borrowings (excl ASB)



Positive ALM Across Durations



- BMU manages ALM under the aegis of Asset Liability Committee

Comfortable Capital Adequacy Ratio



Capital Structure as on 30th June, 2019 (\$ Mn)

| | | |
|----------------------|-------|-------|
| Core Equity Tier I | 1,204 | 14.3% |
| Additional Tier I | 50 | 0.6% |
| Tier II | 379 | 4.5% |
| Total Capital | 1,633 | |
| Risk Weighted Assets | 8,404 | |

Capital Adequacy Ratio

19.4%

Debt to Equity Ratio Reduced Further



Capital Structure as on 30th June, 2019 (\$ Mn)

| | |
|--|-------------|
| Total Debt | 5,929 |
| Less: <i>Treasury Assets</i> | 663 |
| Net Debt (Ex-Treasury Assets) | 5,266 |
| Equity | 1,428 |
| D/E ratio (Ex- Treasury Assets) | 3.7x |

Our Risk Governance Structure...



Oversight by Board Risk Committee

Global Risk Committee

Business Risk

- Implementation of risk framework for specific businesses
- Defining risk policies & limits for various products
- Continuous monitoring of risks and ensure adherence to policies

Group Risk & Assurance

- Risk aggregation and monitoring
- Risk culture
- Will have an oversight over all 11 risk vectors & provide assurance on financial & business parameters

Enterprise Risk Management Council

- Define Organization risk framework & appetite
- Review “High Impact” risk events
- Risk aggregation and interplay assessment

...Ensures Prudent Risk Management and Responsible Growth



Enterprise risk management approach: 11 Risk Framework

13 Member Board Comprises Majority of Independent Directors



Mr. K Chinniah
Independent Director

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



Mr. Biswamohan Mahapatra
Independent Director

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



Mr. P N Venkatachalam
Independent Director

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



Mr. Ashok Kini
Independent Director

- Former Managing Director (National Banking Group) State Bank of India
- Served as an advisor to the Thorat Committee on Financial Inclusion at RBI
- 35 years of banking experience



Mr. Navtej S. Nandra
Independent Director

- 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



Dr. Ashima Goyal
Independent Director

- Professor at Indira Gandhi Institute of Development Research
- Specialist in open economy macroeconomics, international finance, institutional and development economics
- Serves as a Part-time member of Economic Advisory Council to the Prime Minister



Mr. Berjis Desai
Independent Director

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



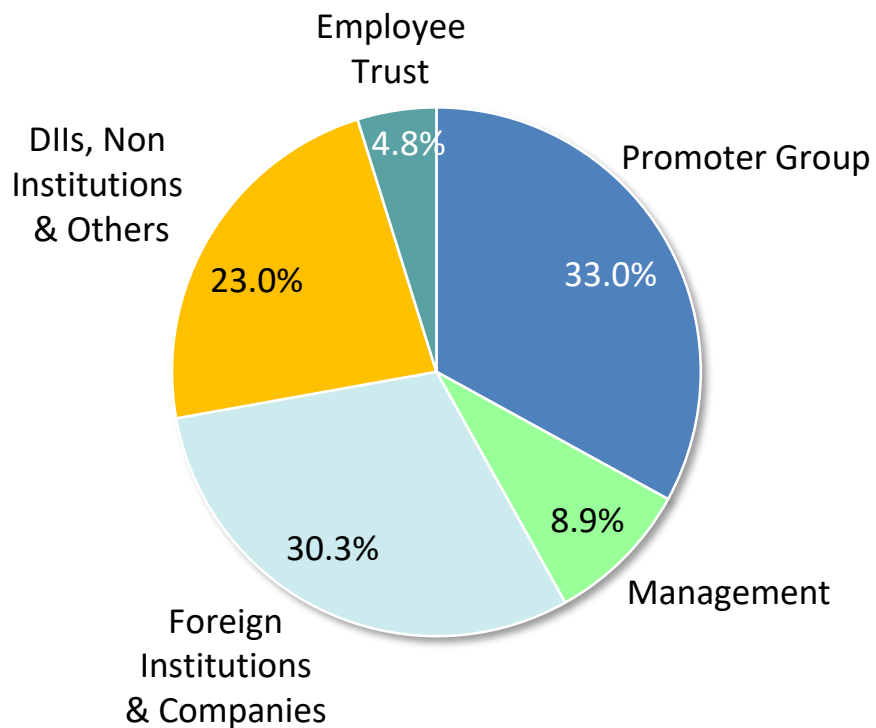
Ms. Anita M George
Non- Executive Director

- Executive Vice President, Strategic Partnership- Growth Markets, CDPQ India
- Prior to CDPQ, was Senior Director of the World Bank's Energy and Extractive Industries Global Practice

Significant Institutional Ownership



Shareholding Pattern as on 30th June, 2019



| Key Shareholders above 1% | | Percent |
|---------------------------|---|---------|
| 1 | BIH SA | 4.1% |
| 2 | Pabrai Investment Fund | 2.7% |
| 3 | HDFC Mutual Fund | 2.6% |
| 4 | Wellington Management | 1.7% |
| 5 | Vanguard Group | 1.6% |
| 6 | Steadview Capital Management | 1.6% |
| 7 | Caisse de dépôt et placement du Québec (CDPQ) | 1.6% |
| 8 | Goldman Sachs Funds | 1.5% |
| 9 | Flowering Tree Investment Management | 1.4% |
| 10 | Kotak Mutual Fund | 1.3% |
| 11 | LIC | 1.1% |
| 12 | TIAA CREF | 1.1% |
| 13 | Rakesh Jhunjunwala | 1.1% |
| 14 | Fidelity Management & Research | 1.0% |
| 15 | Baron Asset Management | 1.0% |

~47% owned by Edelweiss Management

Number of shares held by Promoter group unchanged



ESG at Edelweiss

Our 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

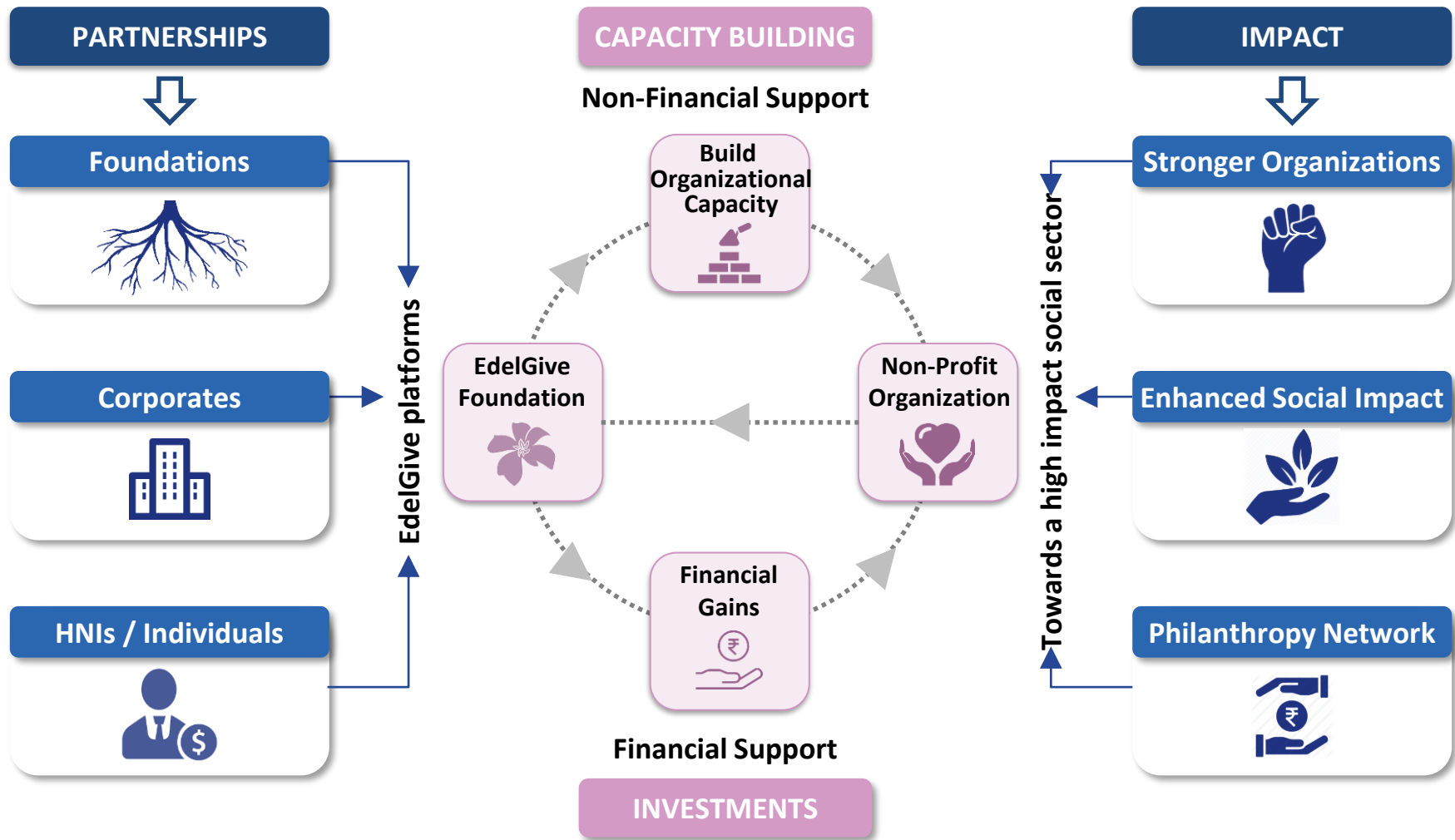


Responsible Consumption



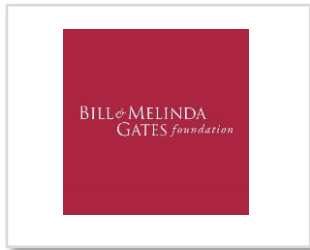
Climate Support

EdelGive Foundation - Unique Philanthropic Platform



Focuses on Education, Livelihood and Women Empowerment

EdelGive Partners



HT Parekh Foundation & CDPQ have recently partnered with EdelGive

EdelGive Foundation - Key Metrics



Employee Engagement

| | |
|---------------------------|---|
| Employee Engagement % | More than 70% engaged in financial and non financial giving |
| Man Hours spent till date | 32,500 hrs |
| Field Visits till date | 150+ |

Capacity Building – Non financial support

Employees provided skills and time pro bono in over 100+ 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 | > \$ 30 Mn |
| Presence in Indian States | 14 States |
| Funding Partners | 116 |



Strategic Investment in Our Advisory Business

Edelweiss Strategy and Structure



- In 2017, we initiated a strategic plan to separate three business Groups (Credit, Advisory and Insurance) into distinct entities, each with its own set of investors, a ring-fenced capital base and an Independent Board
- Edelweiss has accomplished this for the Credit and Life Insurance businesses with the recent investment of \$250 Mn by CDPQ in the former and Tokio Marine Holdings 49% equity stake holding in the latter
- We are now in the third and final phase of this strategy; restructuring our Advisory business and raising capital into the **Edelweiss Global Investment Advisors (EGIA)**, which includes the businesses of Asset Reconstruction, Wealth & Asset Management and Capital Markets
- Kora Management (Kora), an existing investor in the Edelweiss Group, has agreed binding terms to invest in the initial round
- At the conclusion of the restructuring and investment by external investors, EGIA will be capitalized for future growth

Edelweiss will continue to be a majority shareholder in each of its business verticals

Kora's Investment Commitment of \$125 mm



- Kora, an existing long-term investor in Edelweiss, will be investing \$125 Mn of growth equity in the Group comprising:
 - \$75 Mn of compulsorily convertible instrument into EGIA before FY22 year-end (subject to completion of identified milestones)
 - Conversion terms will be based on performance and profitability of the business
 - Approximately \$1,160 Mn implied valuation within a range based on performance
 - An additional \$50 Mn commitment into the Edelweiss Group whose form and manner will be determined closer to completion of the round
- Edelweiss Group is in talks with additional investors to join this first external investment round in EGIA
- The current round will be limited to \$200 Mn

Structure of the Advisory Business by End FY20



Edelweiss Global Investment Advisors

Wealth Management

- UHNI & Family Office Advisory
- Affluent business
- Asset Services

Asset Management

- Alternative Asset Management
- Mutual Fund

Institutional Client Group

- Institutional Equities
- ECM & Advisory

Asset Reconstruction Company

- Distressed Credit

Customer Assets (\$ bn)

Assets Under Advice (Wealth Management)

15.5

Assets under Custody & Clearing

3.2

Funds under Management (Asset Management)

5.3

Distressed Credit (ARC Assets)

5.6

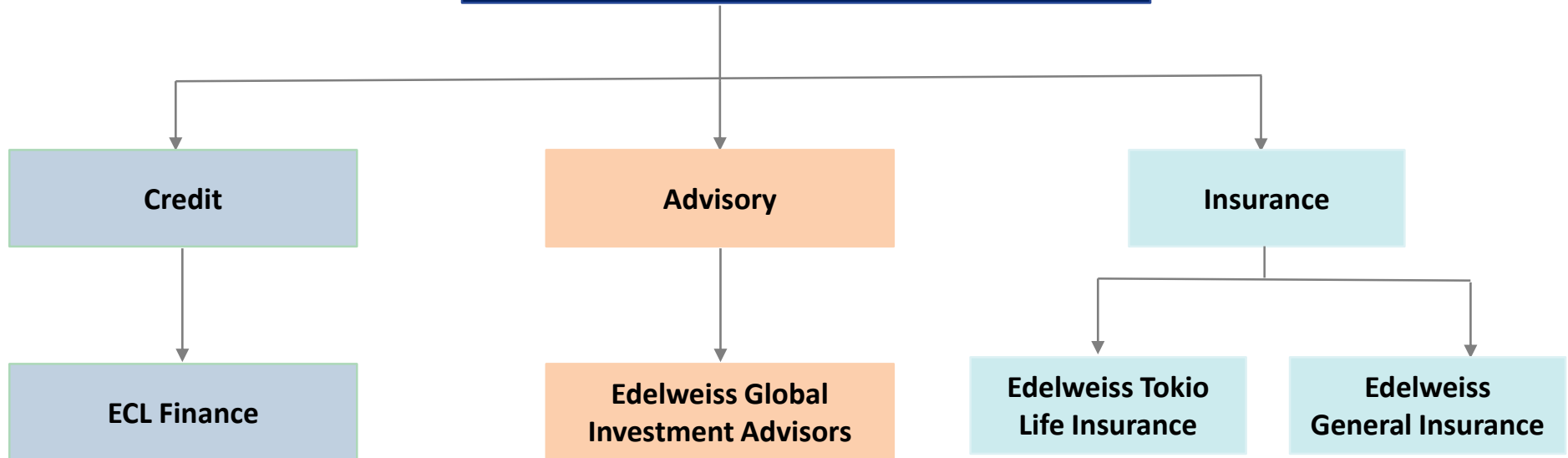


- **Wealth Management**
 - Business built around client segments – Affluent, CXO with ESOPs & Entrepreneurs and Family offices
 - A technology driven platform to deliver superior customer experience and drive cost efficiencies
- **Asset Management**
 - Continue to maintain leadership in the alternative segment with clear focus on Private Debt
 - Deliver superior risk adjusted returns to our investors globally
- **Institutional Client Group**
 - Offer investors unbiased high quality research with complete access to company managements
 - A globally renowned platform for seamless execution with leadership in the ECM space
- **Distressed Credit**
 - Maintain market dominance; Focus on revival-led resolutions

Edelweiss Business Group Structure By End FY22



Edelweiss Financial Services Ltd



- Retail Credit
- Corporate Credit

- Wealth Management
- Asset Management
- Institutional Client Group
- Asset Reconstruction

By 2022, Edelweiss expects to hold 81%-87% of the Credit business and 80%-90% of the Advisory business

About Kora Management



- Kora is an investment firm focused on financial services and internet businesses
- Headquartered in New York, the firm invests globally, leveraging its research infrastructure in Asia, Latin America, and Russia to develop insight on emerging markets companies
- With a concentrated portfolio, Kora seeks to partner with exceptional entrepreneurs and management teams focused on creating long-term value
- Significant experience backing tech-led financial services in India, including a long-term partnership with Edelweiss

Safe Harbour



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Currency Conversion: Conversion rate of 1 USD equal to 68.92 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 disparity

NOTES:

- Slide 7, 35 : Embedded value (EV) is calculated on market consistent basis
- Slide 12 : General insurance loss of \$ 1.7 Cr in Q1FY20
- Slide 22 : GNPA is as per RBI prudential norms; Stage 3 Credit Book and ECL Provision correspond to GNPA and specific provision taken respectively
- Slide 15,27,29,30 : Asset Management AUM is rounded off to nearest 100
- Slide 21,27,33 : Business wise financial performance numbers are on fully loaded cost basis with allocation of Group Enterprise costs
- Slide 33 : Life Insurance numbers have been re-cast for the purpose of consolidation under IndAS
- Slide 45 : Risk weighted assets is 91% of Gross Assets of \$ 9,283 Mn
- Slide 50 : Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information