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EW/Sec/2019/323

November 12, 2019

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

Dear Sirs,

Ref.:- Symbol: EDELWEISS

Sub: Investor Presentation

Please find enclosed the Investor Presentation on Earnings Updates for the quarter and half year ended September 30, 2019.

Kindly take the same on record.

Thanking you,

For Edelweiss Financial Services Limited

B. Renganathan
Executive Vice President & Company Secretary

Encl: a/a

Edelweiss Financial Services Limited

Q2FY20 Earnings Update

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Contents

Quarterly Performance Highlights – Q2FY20

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Financial Snapshot – Q2FY20

INR Cr	EOP Equity	Profit after Tax
Total Pre Minority	**9,870**	**68**
Credit	5,860	37
Asset Reconstruction	2,236	73
Advisory	214	53
Insurance	945	(68)
BMU & Corporate	615	(26)
Minority Interest (MI)	**2,096**	**17**
Total Consolidated Post MI	**7,773**	**51**
Total Ex-Insurance Post MI	**7,236**	**93**

Equity includes CDPQ investment in Equity Convertible instrument of INR 1,040 Cr

Q2FY20 Overview

1 In line with our stated strategy of focusing on enhancing capital light business model:

- Signed co-origination agreements with SBI,CBI and PNB in addition to BOB signed last quarter
- Securitized retail credit book of INR 702 Cr during the quarter

2 Asset Reconstruction business continues with sustained momentum in recoveries

3 Customer Assets grew by 7% YoY despite dampened customer activity in Advisory business

4 Closed completion financing fund of $425 mn (~INR 3,000 Cr) for the real estate sector with Meritz Group

5 Sanaka Capital and others will be investing upto $75mn (~INR 525 Cr) of growth equity in EGIA

6 Received first tranche of $25 mn (~INR 175 Cr) from Kora Management out of the $75mn (~INR 525 Cr) investment commitment in EGIA

7 Arthur J. Gallagher acquires minority stake by way of primary equity in our insurance broking arm

8 Embedded Value at INR 1,462 Cr as on 30th Sep 2019 in Life Insurance Business; Persistency ratio stood at 78% for H1FY20

Edelweiss Global Investment Advisors (EGIA) includes the businesses of Asset Reconstruction, Wealth & Asset Management and Capital Markets

Key Actions Taken - Liquidity, Asset Quality and Balance Sheet

Liquidity

- We continue to maintain liquidity at ~17% of balance sheet; No change anticipated in our stated liquidity plan
- Overall Liquidity maintained at ~INR 8,400 Cr including undrawn bank lines of INR ~1,000 Cr

Asset Quality

- We have provided INR 446 Cr in H1FY20 as against INR 460 Cr for entire FY19
- Gross NPA and Net NPA stood at 2.7% and 1.7% as of 30th Sep 2019

Balance Sheet

- We are the only player in the industry to have raised fresh equity thrice since the crisis started
- Debt to Equity (Ex-Treasury) progressively reduced to 3.4x

Launch of Completion Financing Platform

- Launched India's first completion financing platform for the real estate sector
- Platform will house funds that will buy out existing real estate loans and provide requisite completion financing; Funds will be managed by Edelweiss' Alternative Asset Management business
- First fund of this platform of $425 mn is closed with Meritz Group
- The platform is targeting to raise $1 bn over the next 12 months from similar International Institutional investors

About Meritz Group

- Meritz Group is a South Korean financial conglomerate with a presence in securities & broking, insurance and investment banking
- Has been a pioneer in real estate investing in South Korea & globally
- Renowned for its understanding and deep expertise in real estate investing both in Korea and globally

The funds will combine investor capital with our operational capabilities in project management as well as workouts and recoveries

Fund Raise in EGIA - $150 mn Target Raise

- Sanaka Growth SPV I Ltd (part of Sanaka Capital) has committed to invest ~$44 mn (~INR 308 Cr) of growth equity in EGIA in the form of compulsorily convertible instrument
- We and Sanaka are in talks with other investors alongside for a further investment of ~$31 mn (~INR 217 Cr) in EGIA
- Sanaka is a growth-focused private equity fund founded by Mr. Shankar Narayanan, an industry veteran with over 25 years of experience of private equity investment in India and other Asian countries
- Sanaka targets to achieve capital appreciation from investing in high-quality, growth-oriented, mid-market companies led by entrepreneurial passionate teams
- This is in line with our strategic plan of having separate business groups with distinct entities, ring fenced capital base and independent Board

We Continue to Forge Strong Partnerships

CDPQ

Tokio Marine

Allianz

MERITZ

KORA

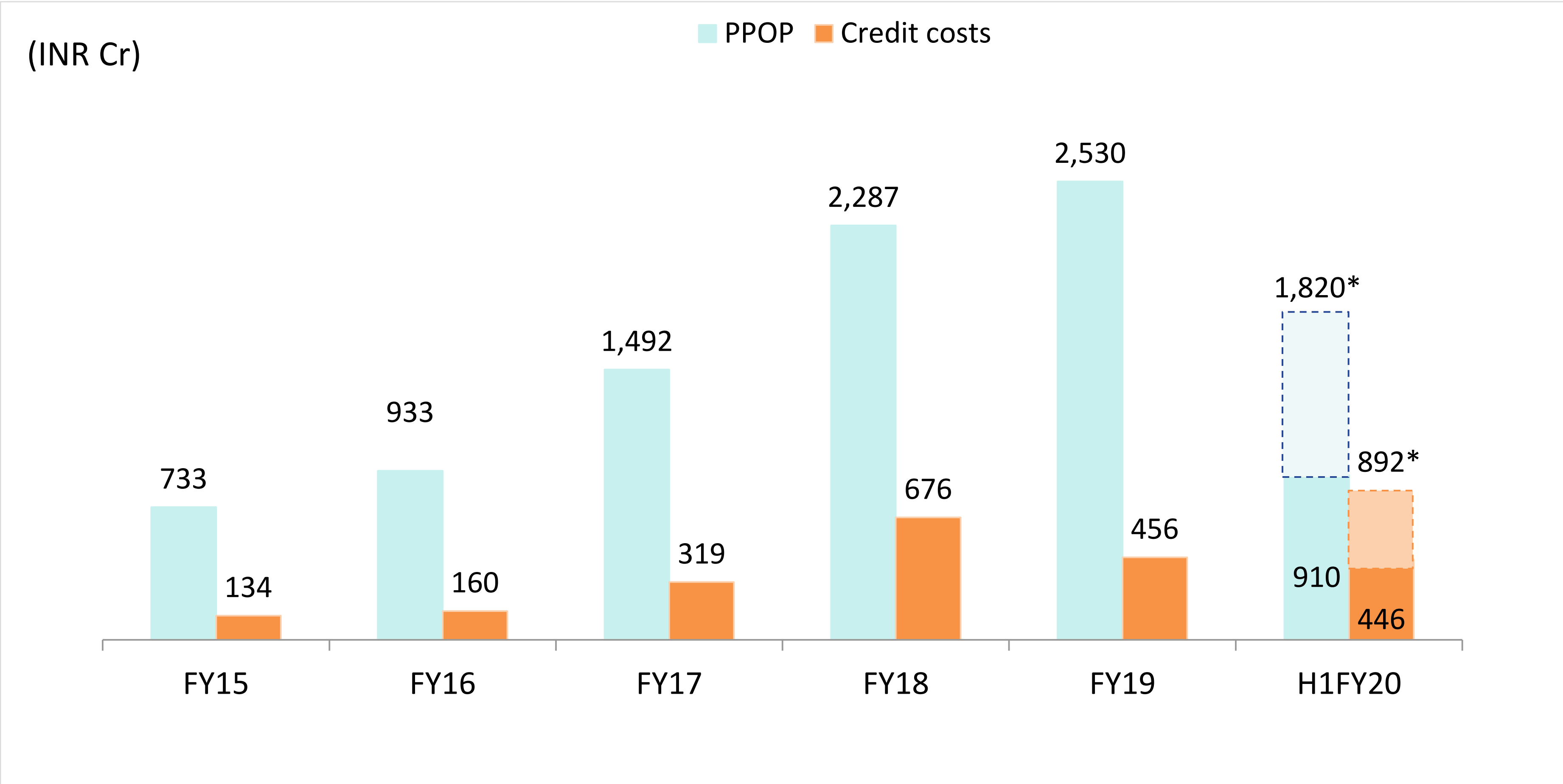
SANAKA

Arthur J. Gallagher

Bank of Singapore

We are proud to have been chosen by partners who embody the highest standards of quality and governance

PPOP Remains Adequate For Enhanced Credit Costs



While the enhanced credit costs will impact P&L for FY20, we do not expect any balance sheet impact on account of asset quality

* Annualized number; Pre Provisioning Operating Profit (PPOP) are Ex-Insurance numbers

PAT Distribution Across Businesses

(INR Cr)	Q2FY19	Q1FY20	Q2FY20
Total Consolidated Post MI PAT	**272**	**132**	**51**
Credit	215	111	37
Asset Reconstruction	34	63	44
Advisory	76	68	53
Insurance	(50)	(50)	(42)
BMU & Corporate	(2)	(59)	(41)
Total Ex-Insurance Post MI PAT	**322**	**182**	**93**
Balance Sheet	**59,433**	**54,513**	**49,734**

Key Profitability Ratios

Ex-Insurance	Q2FY19	Q1FY20	Q2FY20
PPOP	4.6%	4.0%	2.8%
Credit Costs	0.9%	1.9%	1.5%
RoA	2.5%	1.7%	1.0%
RoE	19.1%	10.2%	5.1%
Cost to Income Ratio	47%	50%	56%

Consolidated	Q2FY19	Q1FY20	Q2FY20
RoA	1.9%	1.0%	0.5%
RoE	14.7%	6.8%	2.6%
Cost to Income Ratio	61%	67%	73%

Ex-Insurance RoA and RoE for H1FY20 are 1.3% and 7.7%

RoA is Pre Minority Interest; Pre Provision Operating Profit (PPOP) and credit costs are as a % of Average Balance Sheet

Diversified Business Model…

Business Segments (INR Cr)	Q2FY20 Pre MI PAT	% Contribution
Retail Credit	31	23%
Corporate Credit	6	4%
Asset Reconstruction Business	73	54%
Wealth Management and Capital Markets	38	28%
Asset Management	15	11%
BMU & Corporate	(26)	(20%)
Total Ex- Insurance Pre MI PAT	**136**	**100%**
Insurance Pre MI PAT	(68)	-
Total Consolidated Pre MI PAT	**68**	-

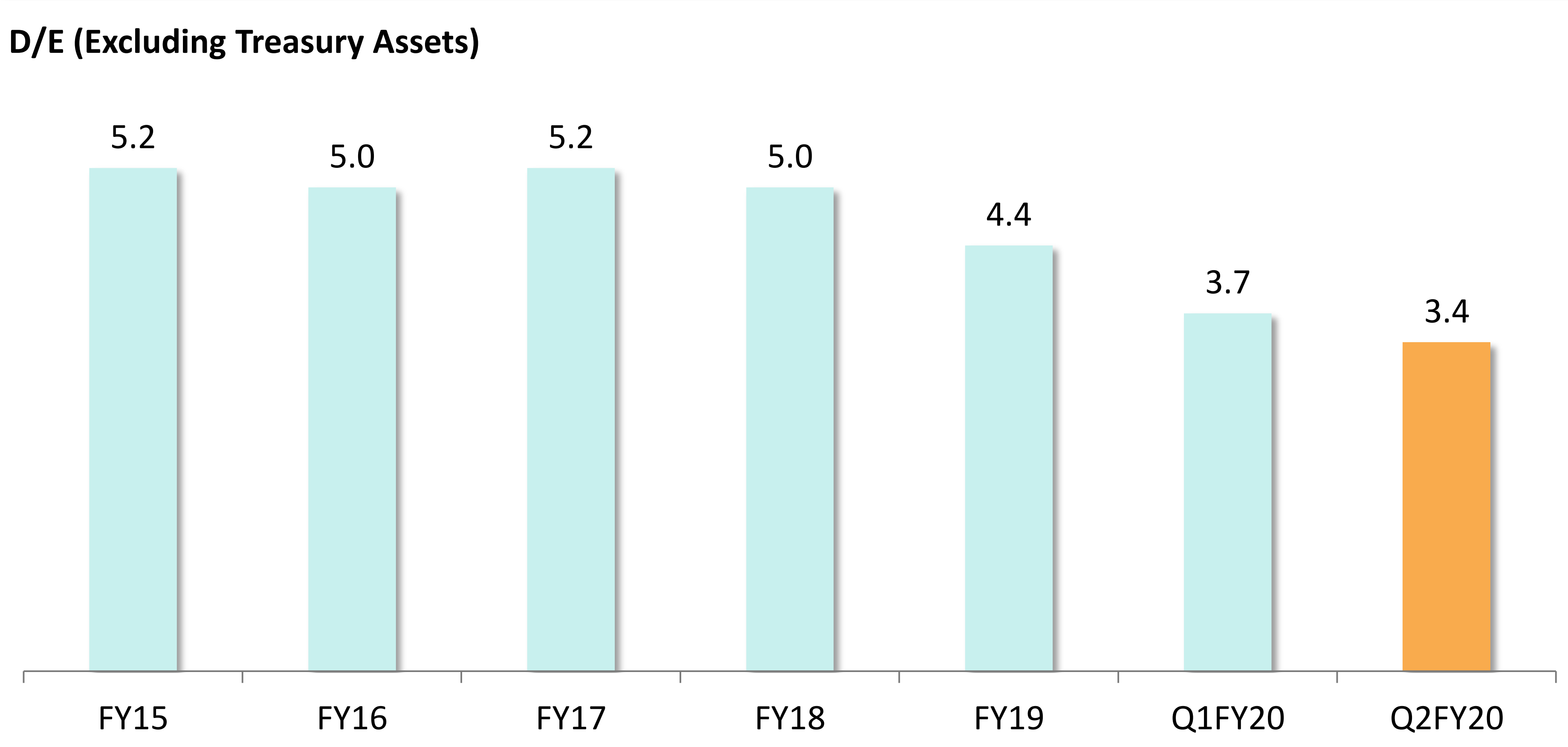
…makes us resilient even in a tough market environment

Steady Growth in Customer Assets

As on 30th September, 2019 (rounded off to nearest 100)	INR Cr	YoY Growth
Customer Assets	**2,02,400**	**7%**
Assets under Advice (Wealth Management)	1,07,800	10%
Funds under Management (Asset Management)	34,900	2%
Asset Reconstruction (ARC) Assets under Management	38,200	(5%)
Assets under Custody & Clearing	21,500	35%

Edelweiss contribution has been excluded from Asset Reconstruction (ARC assets) and Funds under Management (Asset Management)

Debt Equity Ratio declines further to 3.4x



Business Performance Highlights

CREDIT

Retail Credit – Corporate Credit

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Credit Business Mix

As on 30th September, 2019	Capital Employed (INR Cr)	%	
Retail Credit	**15,111**	**48%**	
Retail Mortgage	8,075	26%	Blend of loans to home owners and home buyers
SME & Business Loans	3,821	12%	Under-served and highly scalable market, key focus area
ESOP and Margin Financing	2,943	9%	Catering to customers in Wealth Mgmt and Capital Markets
Agri and Rural Finance	272	1%	Under-served market with low competitive intensity
Corporate Credit	**16,178**	**52%**	
Structured Collateralised Credit	5,144	17%	Customized credit solutions with robust risk management systems
Wholesale Mortgage	11,034	35%	Developer financing for primarily residential properties
Total Credit Book	**31,289**	**100%**	

Credit Business at a Glance

Credit Business (INR Cr)	Q1FY20	Q2FY20
Capital Employed	33,968	31,289
Average Interest Yield	15.9%	14.6%
Average Cost of Borrowing	10.3%	10.5%
Net Interest Margin	7.0%	5.6%
Net Interest Income	619	461
Cost to Income	41%	49%
Pre Provisioning Operating Profit	367	237
Credit Costs	222	181
PAT (Pre MI)	111	37
RoA	1.2%	0.4%
RoE	9.3%	3.2%

Credit Business Performance Snapshot

Q2FY20 (INR Cr)	Total	Retail	Corporate
EOP Capital Employed	**31,289**	15,111	16,178
EOP Equity	**5,860**	2,502	3,358
Net Interest Income	**461**	221	240
PAT	**37**	31	6
Net Interest Margin	**5.6%**	5.6%	5.7%
Cost to Income	**49%**	48%	49%
RoA	**0.4%**	0.8%	0.1%
RoE	**3.2%**	6.9%	0.8%

All figures are Pre MI; EOP Equity includes CDPQ investment of INR 1,040 Cr in equity convertible instrument

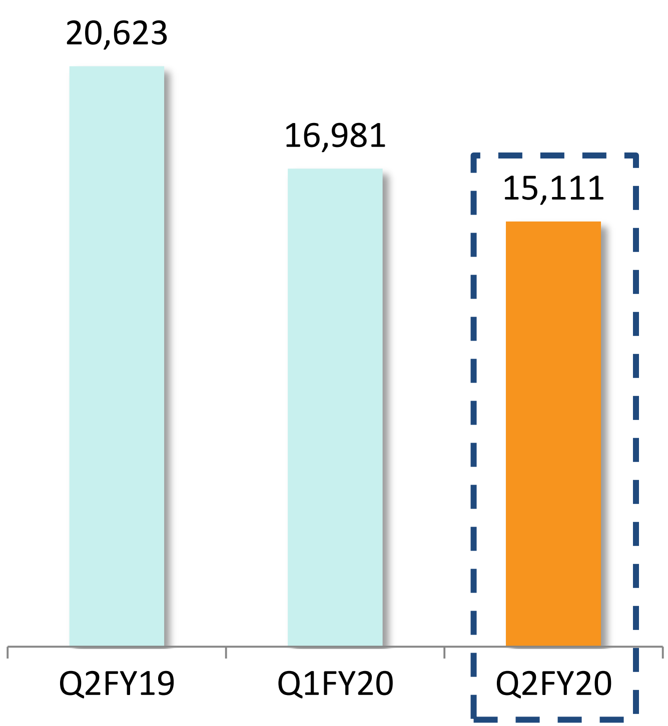
Asset Quality at a Glance

As on 30th September,19 (INR Cr)	Q1FY20	Q2FY20
Credit Book	32,328	29,725
Of which Stage 3	752	810
ECL Provision	836	803
Of which Stage 3	352	317
Specific Provision Cover	47%	39%
Total Provision Cover	111%	99%
Gross NPA	2.33%	2.73%
Net NPA	1.24%	1.66%

Credit Book excludes assets identified for sale in near future which have been carried at Fair Value through P&L

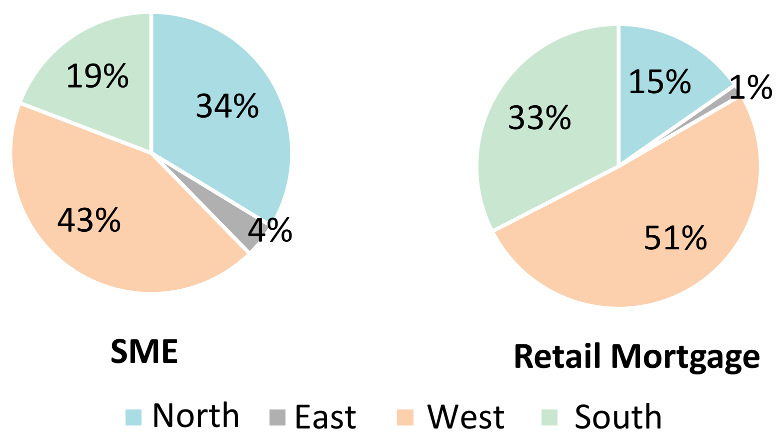
Retail Credit

Capital Employed
(INR Cr)

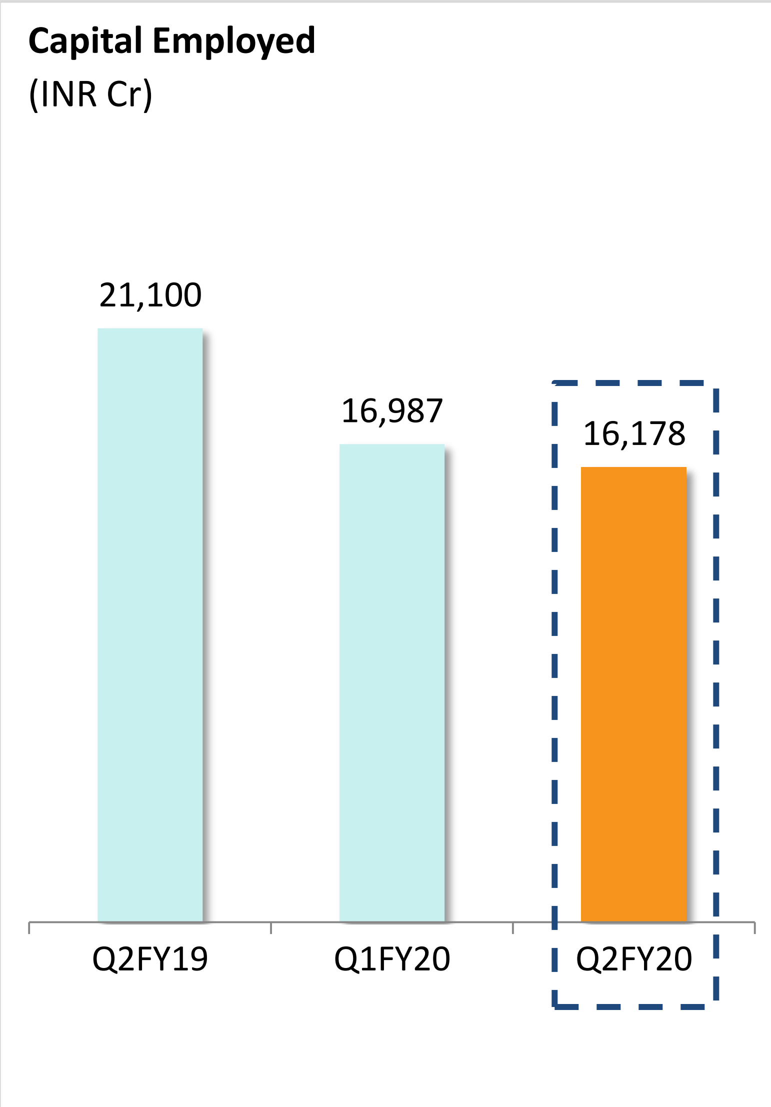


	SME		Retail Mortgage	
	Secured	**Unsecured**	**HL**	**LAP**
Average Yields %	14%	23%	11%	13%
Median Ticket Size (INR)	~1 Cr	7 lacs	15 lacs	19 lacs
Average LTV	~75% -85%	-	~50%-60%	
Locations (#)	108		100	

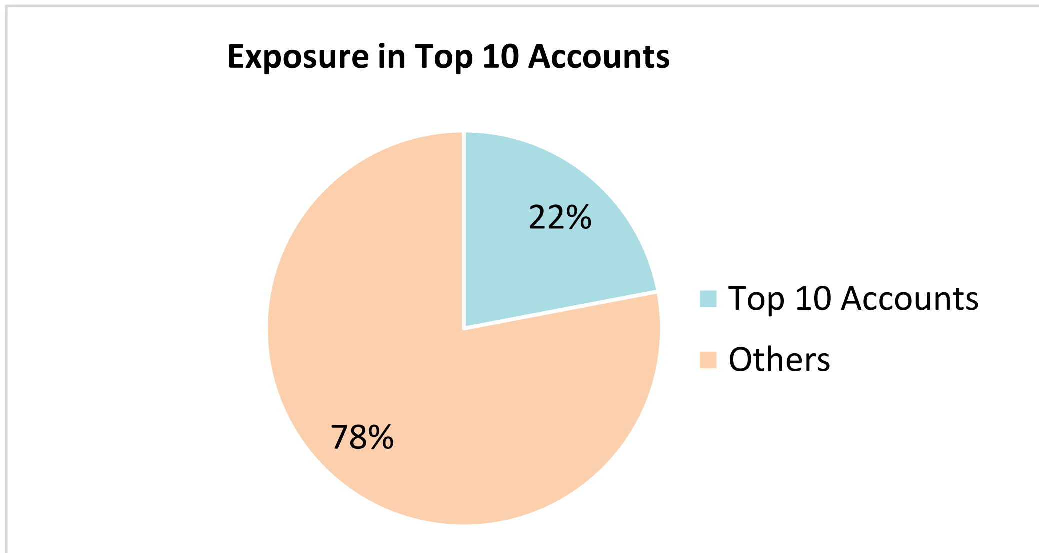
Loan Book - Geographical Split



Corporate Credit



	Structured Collateralised Credit	Wholesale Mortgage
Average Yields %	15% - 17%	17% - 19%
Portfolio Granularity	67 accounts	162 projects
Typical Ticket size	INR 100-125 Cr	



Business Performance Highlights

ADVISORY

Wealth Management – Asset Management – Capital Markets

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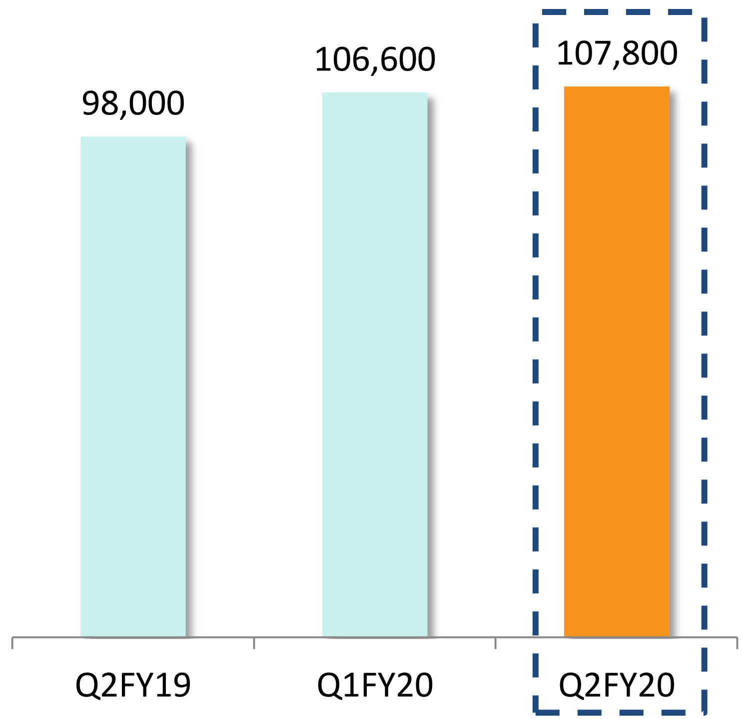
Advisory Business Performance Snapshot

Q2FY20 (INR Cr)	Total	Wealth Management	Asset Management	Capital Markets
Net Revenue	**257**	127	60	70
PAT	**53**	33	15	5
Cost to Income	**71%**	64%	66%	88%
PAT Yield	**-**	13 bps	16 bps	-

Customer Assets	Assets under Advice	Assets under Management	Assets under Custody and Clearing
	1,07,800	35,900	21,500

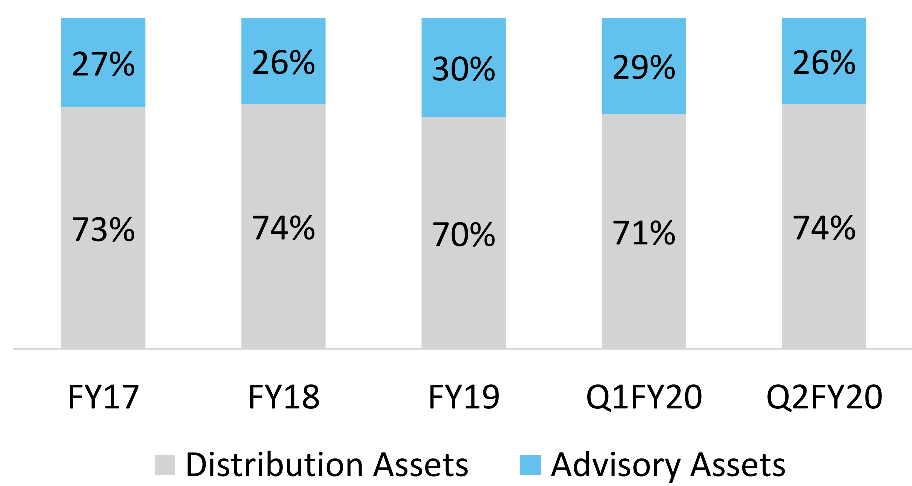
Wealth Management

Assets Under Advice
(INR Cr)



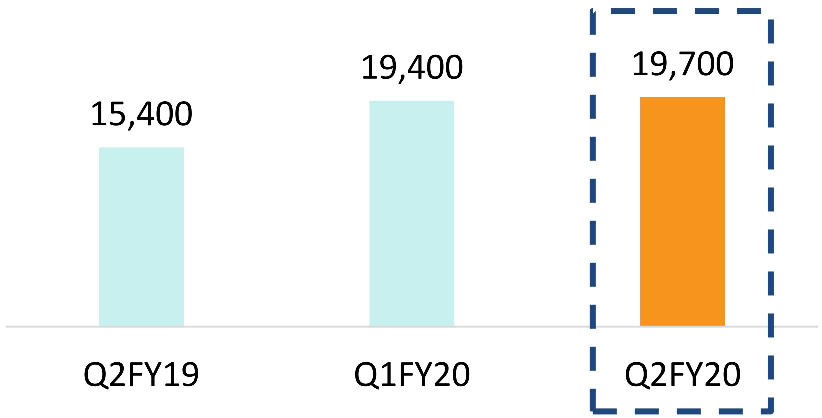
As on 30th Sept'19	Number of Clients	AUA (INR Cr)	Number of RMs
Ultra High Net Worth Individuals	~2,410	83,500	161
Affluent Investors	~5,25,300	24,300	781

Wealth AUA Breakup

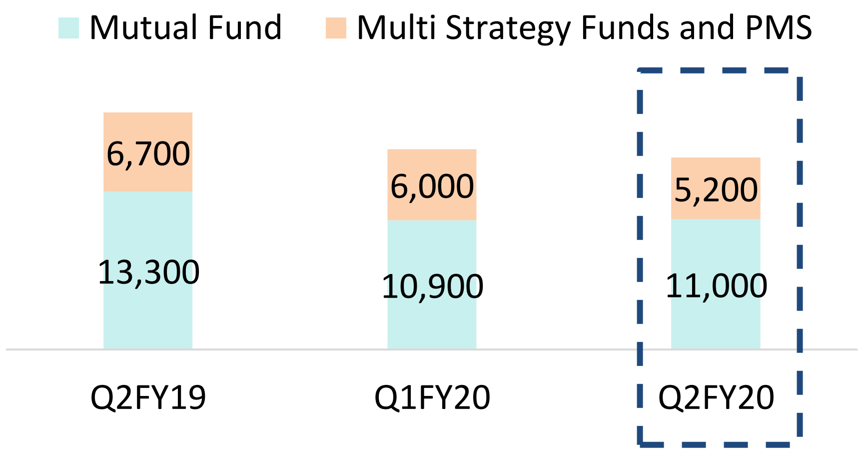


Asset Management

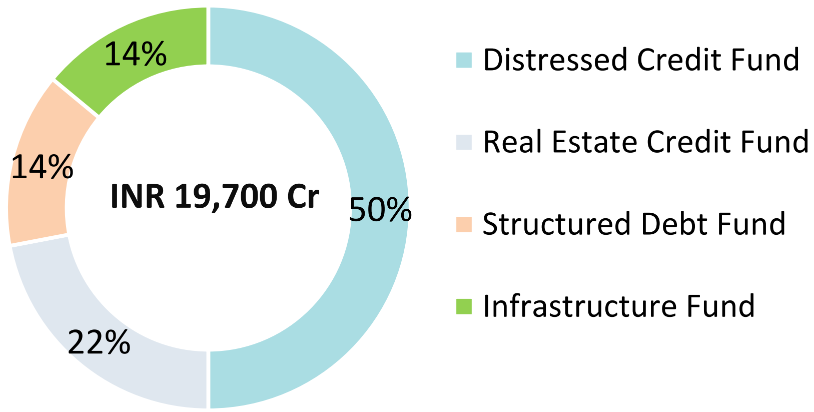
Alternative Assets – Private Credit (INR Cr)



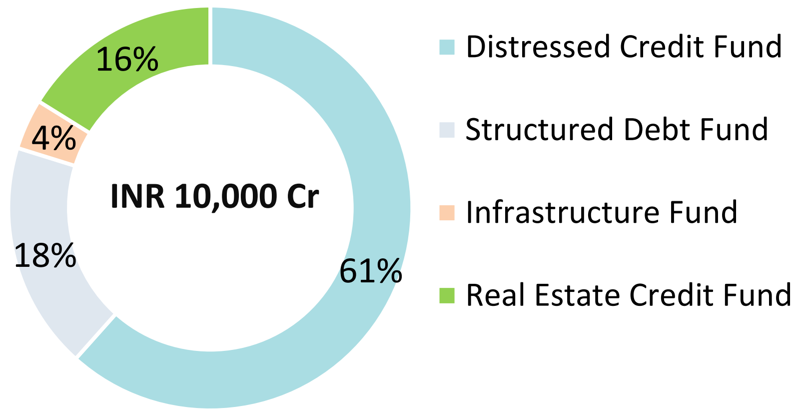
Public Markets (INR Cr)



Alternative Assets AUM as on 30th Sep 19

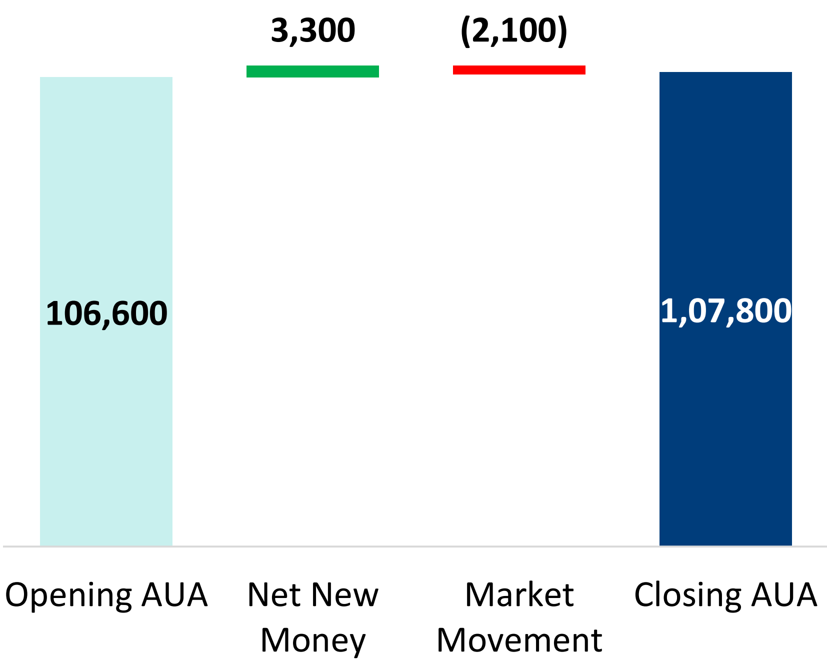


Deployment in Alternative Assets till Date

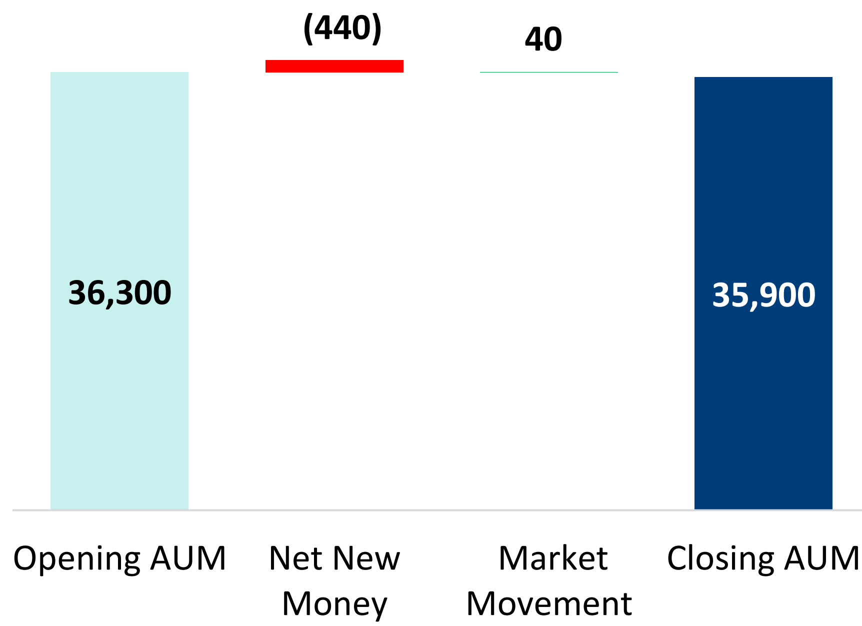


Net New Flows in Wealth and Asset Management

Wealth Management AUA Movement in Q2FY20 (INR Cr)



Asset Management AUM Movement in Q2FY20 (INR Cr)



Capital Markets

Key Equity Capital Market & Advisory Transactions

Private Equity Placement
July 2019
Sole Financial Advisor

Initial Public Offering
July 2019
BRLM

Buyback
September 2019
Sole Manager

Key Debt Capital Market Transactions

Public Issue
August 2019
Lead Manager

Public Issue
September 2019
Lead Manager

Public Issue
September 2019
Lead Manager

Public Issue
September 2019
Lead Manager

Business Performance Highlights

Asset Reconstruction

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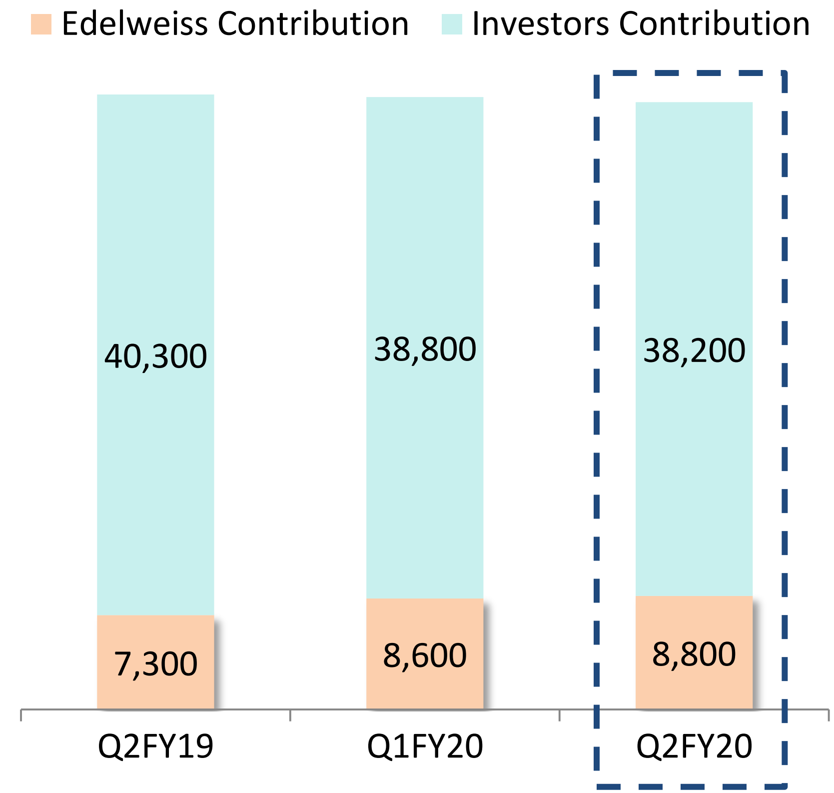
Asset Reconstruction Business Performance Snapshot

INR Cr	Q1FY20	Q2FY20
AUM	47,463	47,029
EOP Capital Employed	8,631	8,765
EOP Equity	2,158	2,236
Net Interest Income	204	179
Credit Costs	26	17
PAT	105	73
Net Interest Margin	11.2%	8.3%
Cost to Income	22%	28%
RoA	5.8%	3.4%
RoE	22.3%	13.1%

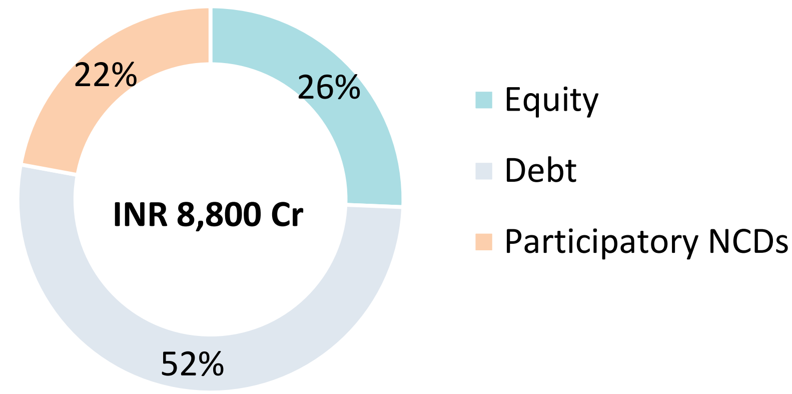
All figures are Pre MI

Asset Reconstruction Overview

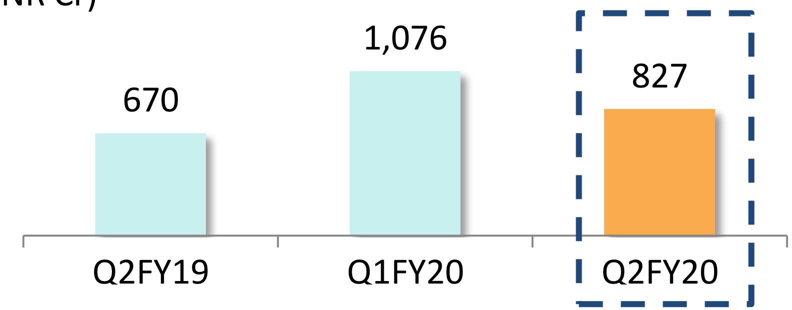
AUM
(INR Cr)



Funding profile of Edelweiss's Contribution in ARC
(INR Cr)



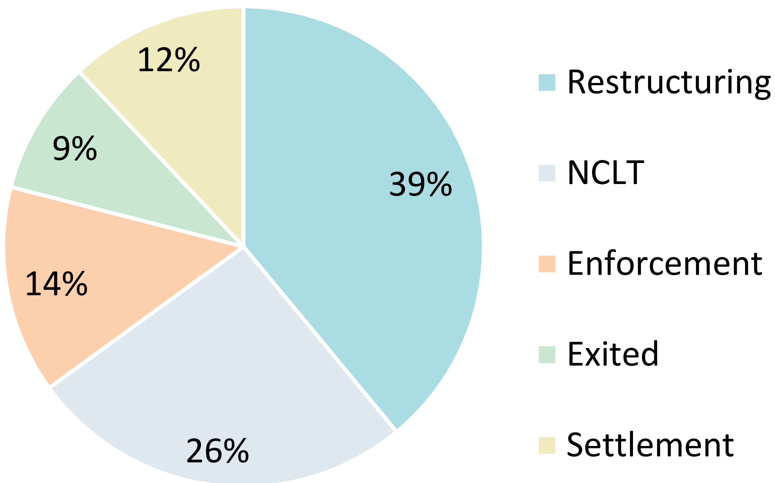
ARC Recoveries
(INR Cr)



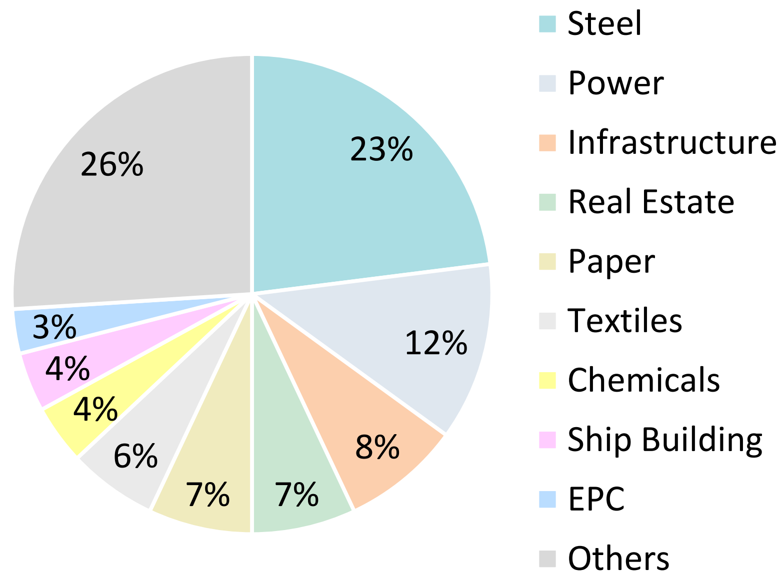
ARC pipeline remains robust;
Settlement financing and Retail recoveries are emerging opportunities

Resolution Strategy and Top Industry Exposures

SRs Issued : Resolution Strategy wise Break-up



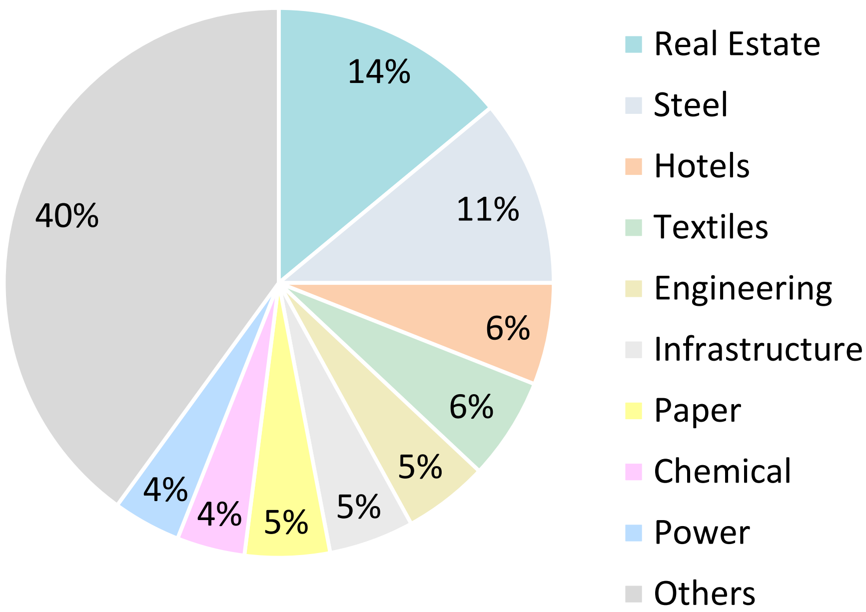
SRs outstanding : Top 10 industry exposure %



NAV of these assets are calculated bi-annually

Strong Sourcing Ability and a Robust Pipeline

Deals in pipeline spread across sectors



Deep Banking Relationships

- Our Asset Reconstruction business has acquired assets from over 65 banks/FIs since inception
- Knowledge of the portfolios of banks
- Currently have access to information on over 100 stressed assets in system with potential deal size of more than INR 15,000 Cr
- Database of over 2,000 stressed assets created over last 5 years from auctions/bilateral discussions

Model on Revenue Stream

Sources of Revenue

Management Fees & Incentive

Management Fees

Fees to ARC for carrying activities as trustee to recover the amount from borrower

Incentive

An income for the asset manager to expedite and maximise recovery

Redemption and Upside on ownership of Security Receipts

Upside Sharing

Upside sharing is the sharing of the recovery amount post redemption of SR

Recurring revenue from Management Fees & Incentive generate yields of 15-17% p.a.; Upside from carry income in successful cases can add around 4-6%

How do ARC Economics work?

Assuming asset with book value INR 200 is sold to ARC at INR 100 - Bank contributes INR 85 and ARC INR 15

Assuming a time period of 5 years	**Case 1**	**Case 2**	**Case 3**
Recovery Assumption (A)	100	125	150
Management Fee @ 2% p.a. (B)	10	10	10
Recovery Incentive @ 1.5% of recovery *(C = 1.5%*A)*	1.5	1.9	2.3
Return of Capital/ Upside to ARC *(D = (A-B-C)*15%)*	13.3	17.0	20.7
Total Earning for ARC = B + C + D	**24.8**	**28.8**	**32.9**

Banks get a return over and above their invested capital without any incremental effort in this model; Average IRR of ~18-20% is earned on the investment by the ARC

Snapshot of ARC Economics for H1FY20

INR Cr	H1FY20
Nominal Value of debt acquired	1,14,227
Price paid @ avg. 50% discount	55,822
Capital Employed	8,765
Net Interest Income	383
PAT	178

NII of 9.6% on average capital employed and RoA 4.5% and RoE of 17.3% for H1FY20

Debt Acquisition and Price paid details are from inception till date

Business Performance Highlights

INSURANCE

Life Insurance – General Insurance

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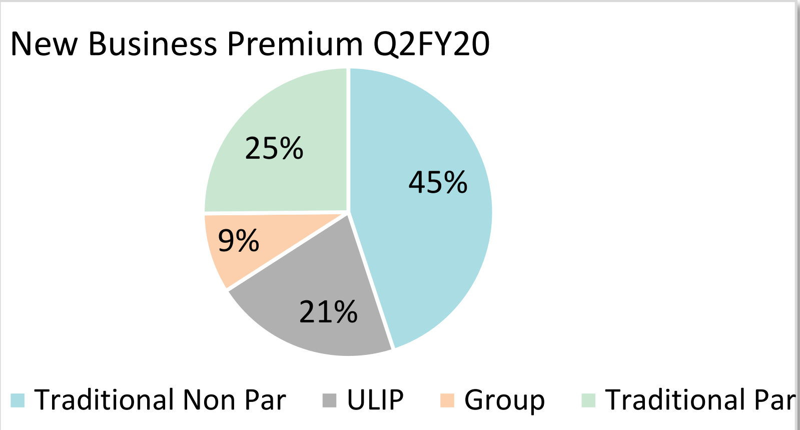
Life Insurance Performance Snapshot

(INR Cr)	Q2FY19	Q2FY20	*Y-o-Y Growth*
Net Premium Income	180	218	21%
Investment Income & Other Income	16	45	185%
Total Business	**196**	**263**	**34%**
Profit After Tax	**(74)**	**(54)**	**-**
Minority	**(37)**	**(26)**	-
Edelweiss' Share in PAT	**(38)**	**(28)**	**-**
Net Worth	**982**	**832**	

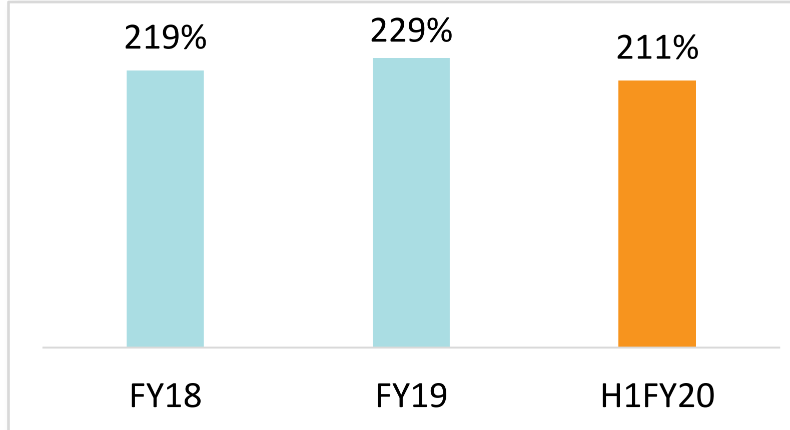
121 branches and 46,306 PFAs across 93 locations in India

Life Insurance – Long Term Value Creation

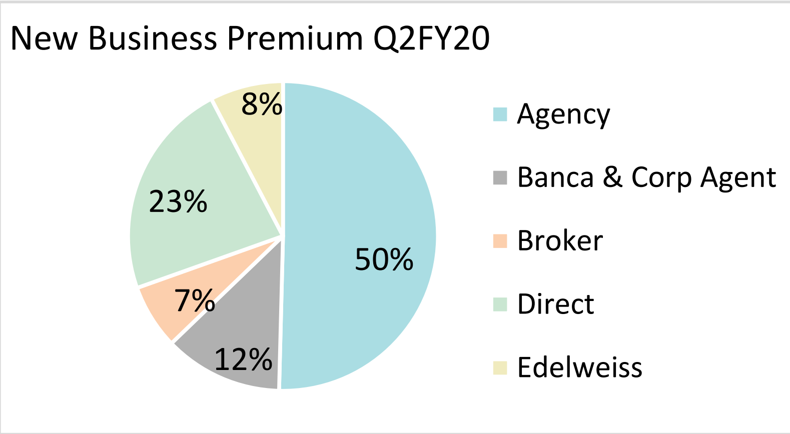
Product Mix



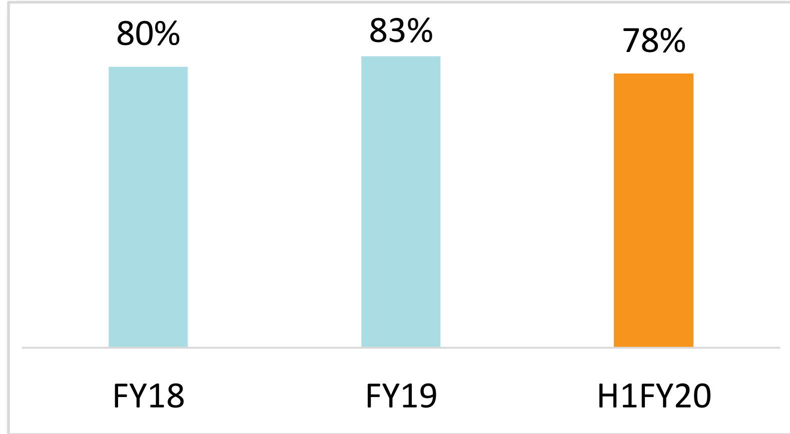
Solvency Ratio



Channel Mix



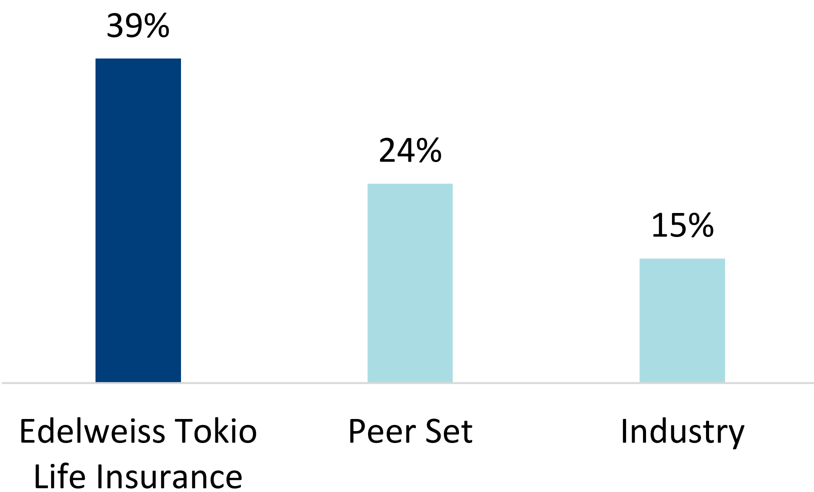
13th Month Overall Rate Persistency



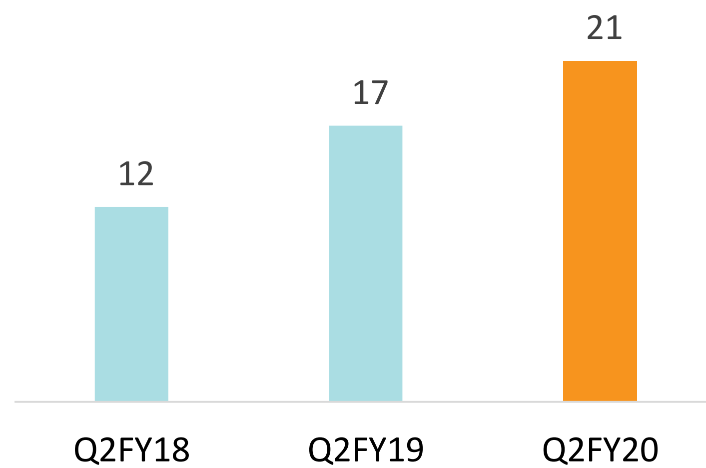
For H1FY20, 13th month persistency includes policies issued from Apr to Sept 18

Life Insurance Scaling Rapidly

Collected Individual Annual Premium Equivalent
CAGR growth since FY17



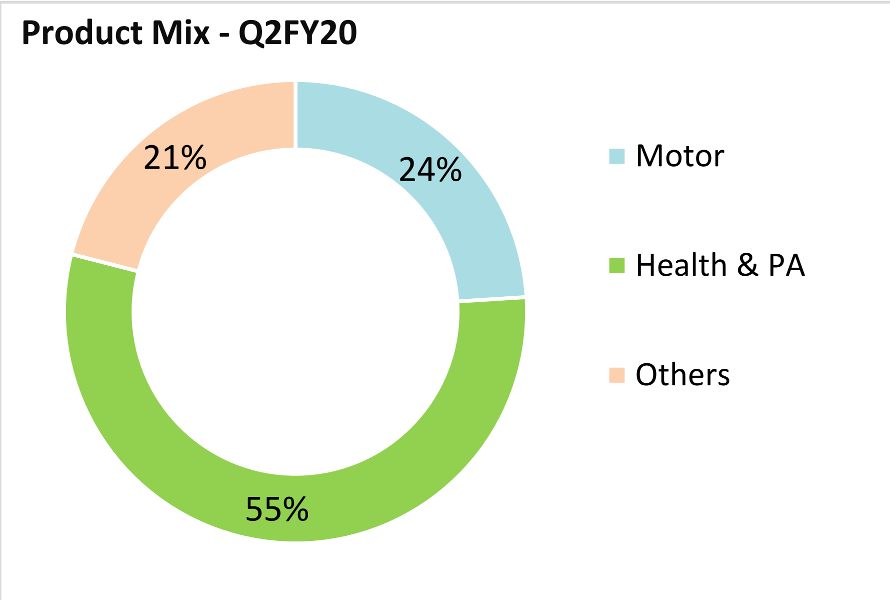
Number of Policies Issued (Individual business)
(in 000)

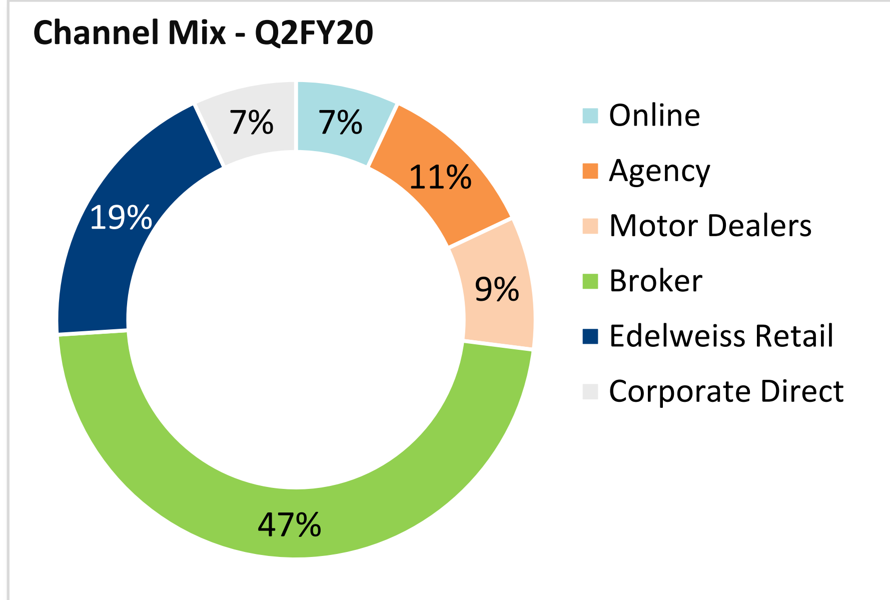


- Collected Individual Annual Premium Equivalent (APE) for Q2FY20 stood at INR 85 Cr
- Gross premium at INR 229 Cr growth of 23% YoY
- Embedded Value at INR 1,462 Cr as on 30th September 2019

Source : Life Insurance Council, Q2FY20 Financials

General Insurance





- Gross Written Premium at INR 58 Cr - growth of 67% YoY
- Contribution of profitable Motor Own Damage line is 63% - highest in the industry
- 1500+ partners created in Retail
- Youngest insurer but not the smallest – ahead of 8 General Insurance players

Liquidity Management

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Maintained Sufficient Liquidity

	FY 16	FY 17	FY 18	FY 19	H1FY20
Available Liquidity	4,000	5,800	10,600	10,100	8,400
Balance Sheet Size*	27,400	36,900	51,800	51,900	48,600
Liquidity %	**15%**	**16%**	**20%**	**19%**	**17%**

* Excludes Asset Specific Borrowings (ASB)

Cash Flow Plan

Particulars (INR Cr)	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Opening Available Liquidity (A)	**8,400**	**8,000**	**8,800**	**8,500**
Inflows				
Asset EMIs and Repayments	2,000	2,800	1,800	1,500
Securitization	1,000	1,000	1,000	-
Fresh Borrowings	2,500	2,100	1,700	2,500
Total Inflows (B)	**5,500**	**5,900**	**4,500**	**4,000**
Outflows				
Total Borrowings Repayments	4,400	3,100	2,800	2,300
Fresh disbursements	1,500	2,000	2,000	2,000
Total Outflows (C)	**5,900**	**5,100**	**4,800**	**4,300**
Closing Available Liquidity (A+B-C)	**8,000**	**8,800**	**8,500**	**8,200**

Numbers are rounded off to nearest 100s

Assets in each Period Adequately Covering the Liabilities

	Assets	Liabilities	Gap
Upto 1 year	15,300	14,100	1,200
1-3 years	16,600	15,400	1,200
3 years+	16,700	9,200	7,500

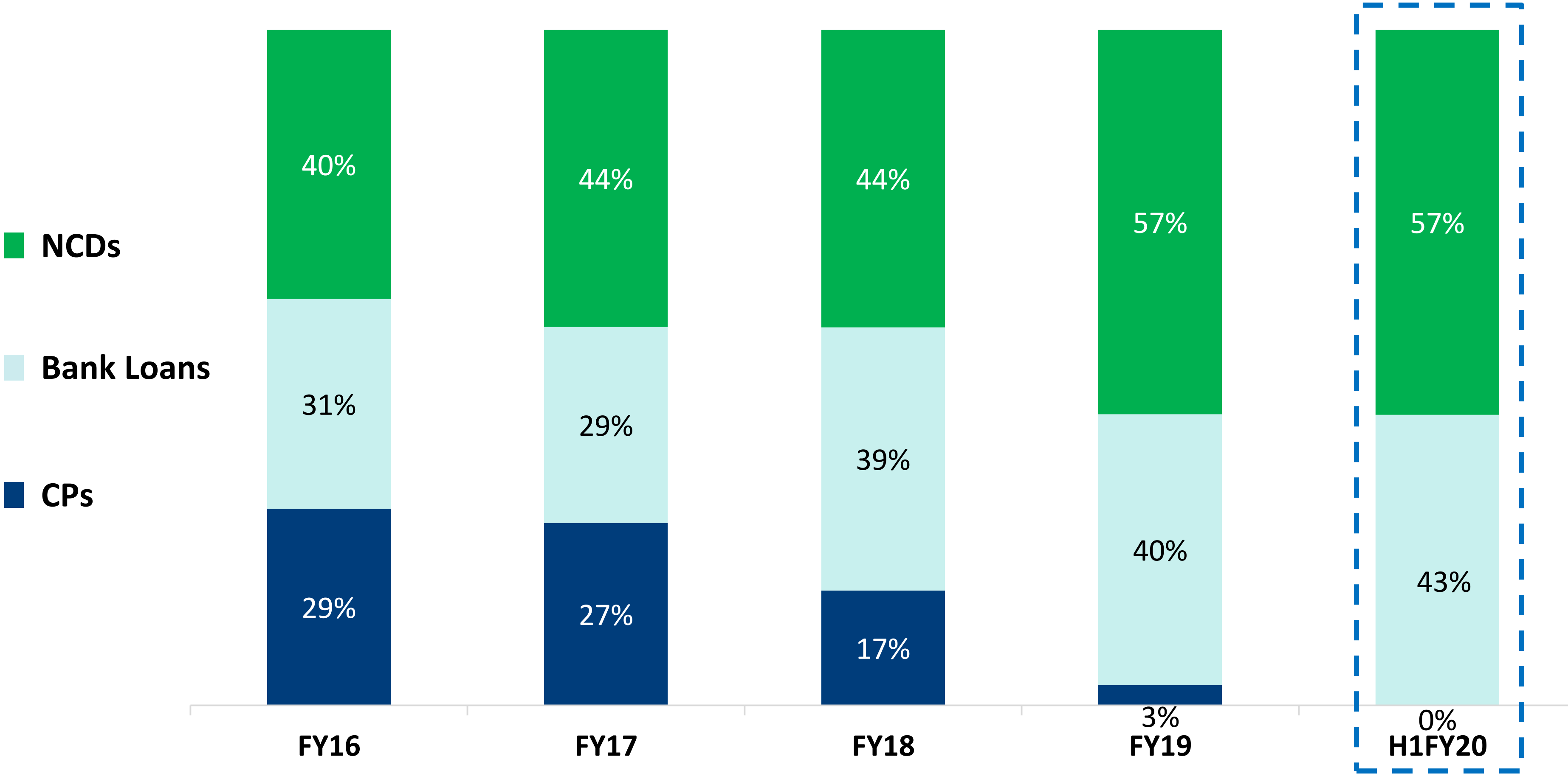
Total gap represents our equity base

3 years+ liabilities exclude Equity; Assets and Liabilities don't include ASB

Balance Sheet Highlights

Edelweiss
Ideas create, values protect

Diversified Borrowing Profile By Instruments…

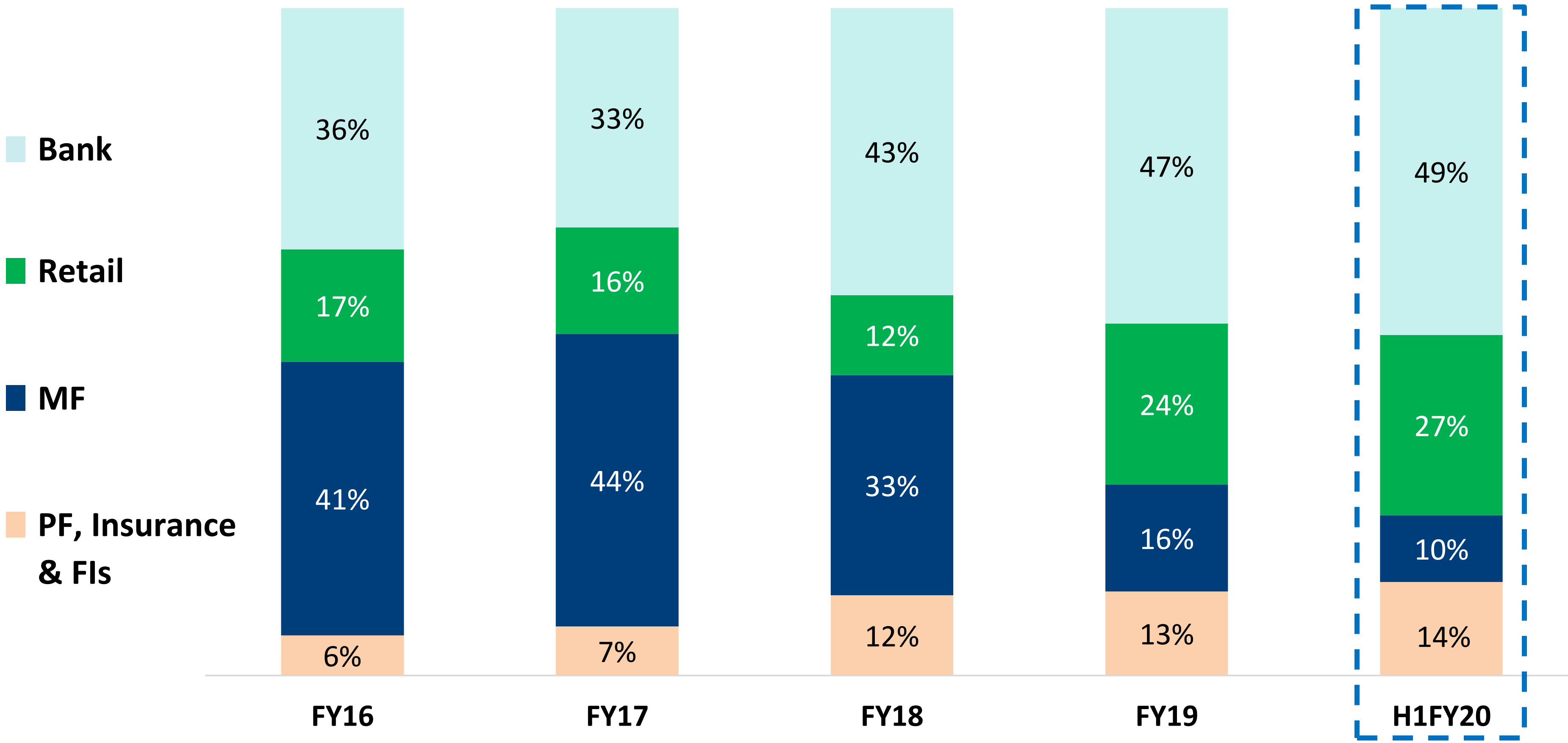


Total Borrowings (INR Cr)	23,034	31,581	44,761	43,201	38,695

Negligible CP exposure as on 30th September, 2019

Borrowings exclude CBLO for all the above periods; H1FY20 excludes CDPQ investment of INR 1,040 Cr

...And By Source

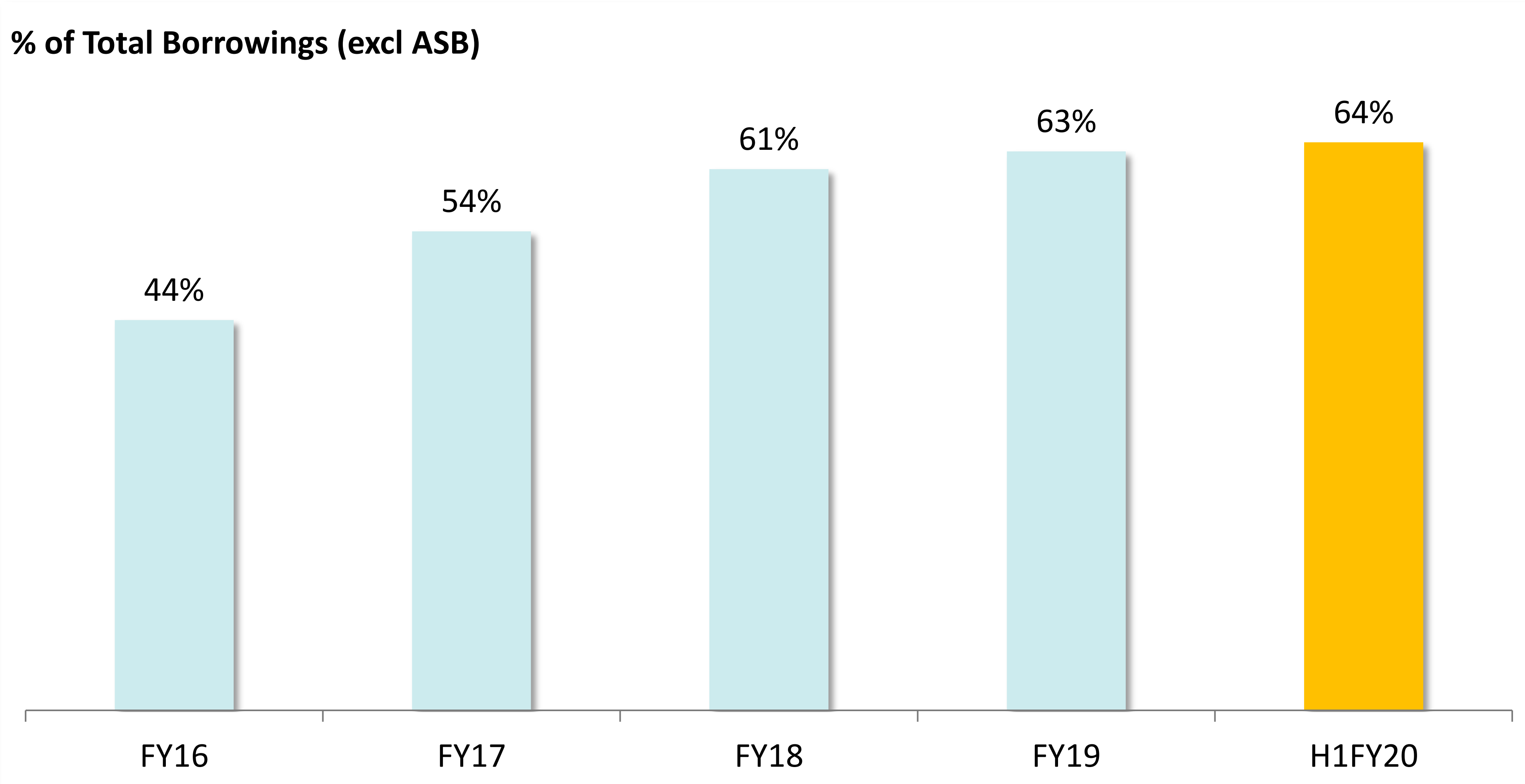


	FY16	FY17	FY18	FY19	H1FY20
Total Borrowings (INR Cr)	**23,034**	**31,581**	**44,761**	**43,201**	**38,695**

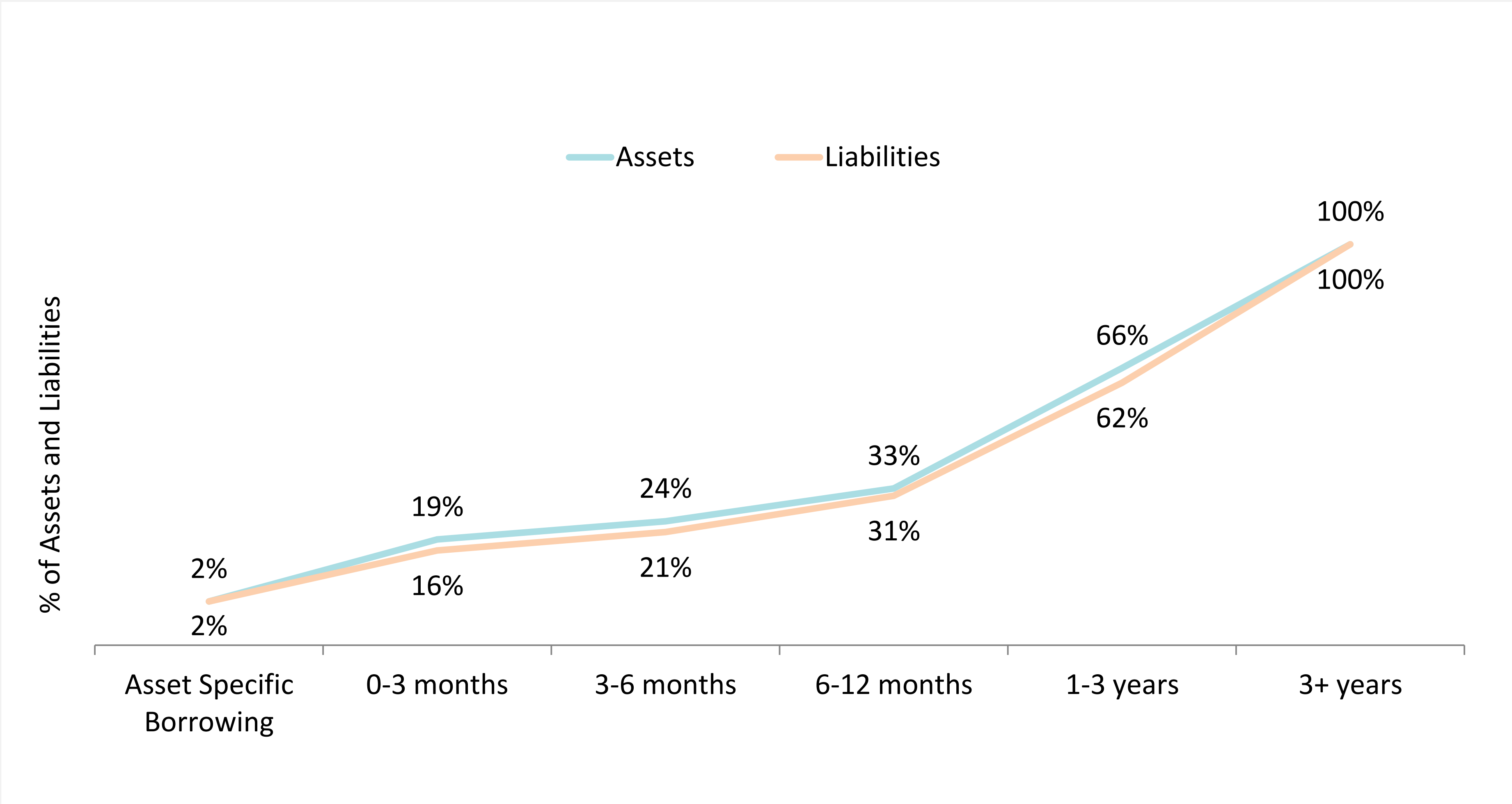
Increasing focus on retail borrowings in the total liability mix

Borrowings exclude ASB for all the above periods; H1FY20 excludes CDPQ investment of INR 1,040 Cr

Increasing Percentage of Long Term Borrowings



Positive ALM Across Durations



- BMU manages ALM under the aegis of Asset Liability Committee

Comfortable Capital Adequacy Ratio

Capital Structure as on 30th Sept, 2019
(INR Cr)

Core Equity Tier I	8,310	15.6%
Additional Tier I	345	0.6%
Tier II	2,589	4.9%
Total Capital	11,244	

Capital Adequacy Ratio

21.1%

Capital Adequacy Ratio is based on RBI norms for NBFCs; Tier II includes CDPQ investment of INR 1,040 Cr

Debt to Equity Ratio Reduced Further

Capital Structure as on 30th Sept, 2019 (INR Cr)

Total Debt		38,695
Less:	*Treasury Assets*	4,658
Net Debt (Ex-Treasury Assets)		34,037
Equity		9,870
D/E ratio (Ex- Treasury Assets)		**3.4x**

Total Debt excludes ASB ; Equity includes CDPQ investment of INR 1,040 Cr

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

- Business Risk
- Credit Risk
- Liquidity Risk
- Market Risk
- Regulatory Risk
- Reputational Risk
- Physical Infrastructure Risk
- Technology Risk
- People Risk
- Operational & Process Risk
- Fraud Risk

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

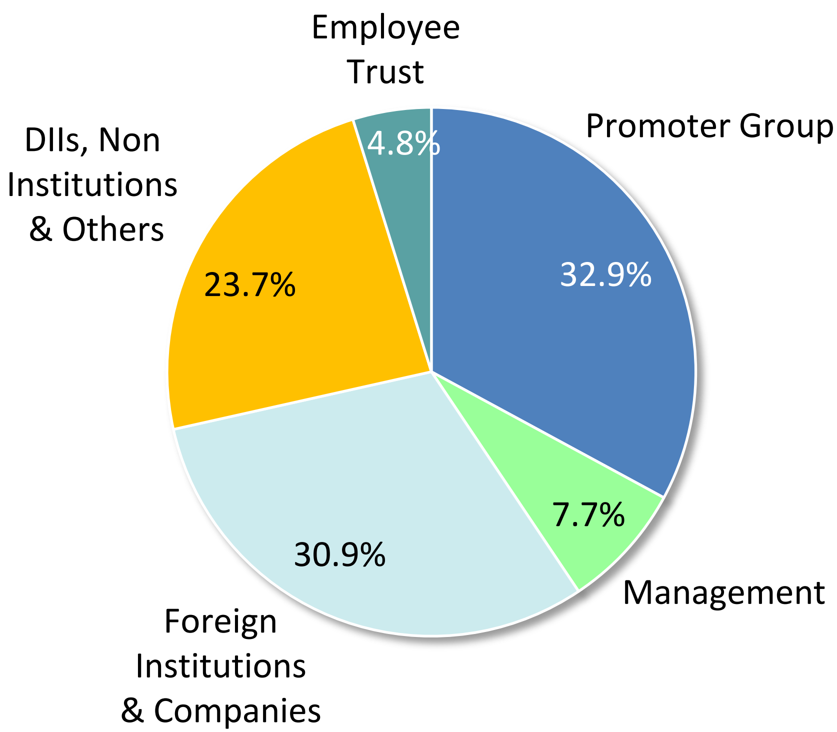
- An independent legal counsel engaged in private client practice.
- Retired as Managing Partner at J. Sagar & Associates

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 September, 2019



	Key Shareholders above 1%	Percent
1	BIH SA	4.3%
2	Pabrai Investment Funds	3.6%
3	Wellington Management	2.6%
4	LIC	2.1%
5	HDFC Mutual fund	2.0%
6	Vanguard Group	1.6%
7	Caisse de dépôt et placement du Québec (CDPQ)	1.5%
8	Flowering Tree Investment Management	1.3%
9	Baron Asset Management	1.3%
10	Kotak Mutual Fund	1.2%
11	Goldman Sachs Funds	1.2%
12	Rakesh Jhunjhunwala	1.1%
13	Fidelity Management & Research	1.0%

~45% owned by Edelweiss management and employees

ESG at Edelweiss

Edelweiss
Ideas create, values protect

Our Framework is based on the United Nations Sustainable Development Goals

People Focused Goals

No Poverty, Zero Hunger & Economic Growth

Quality Education

Gender Equality

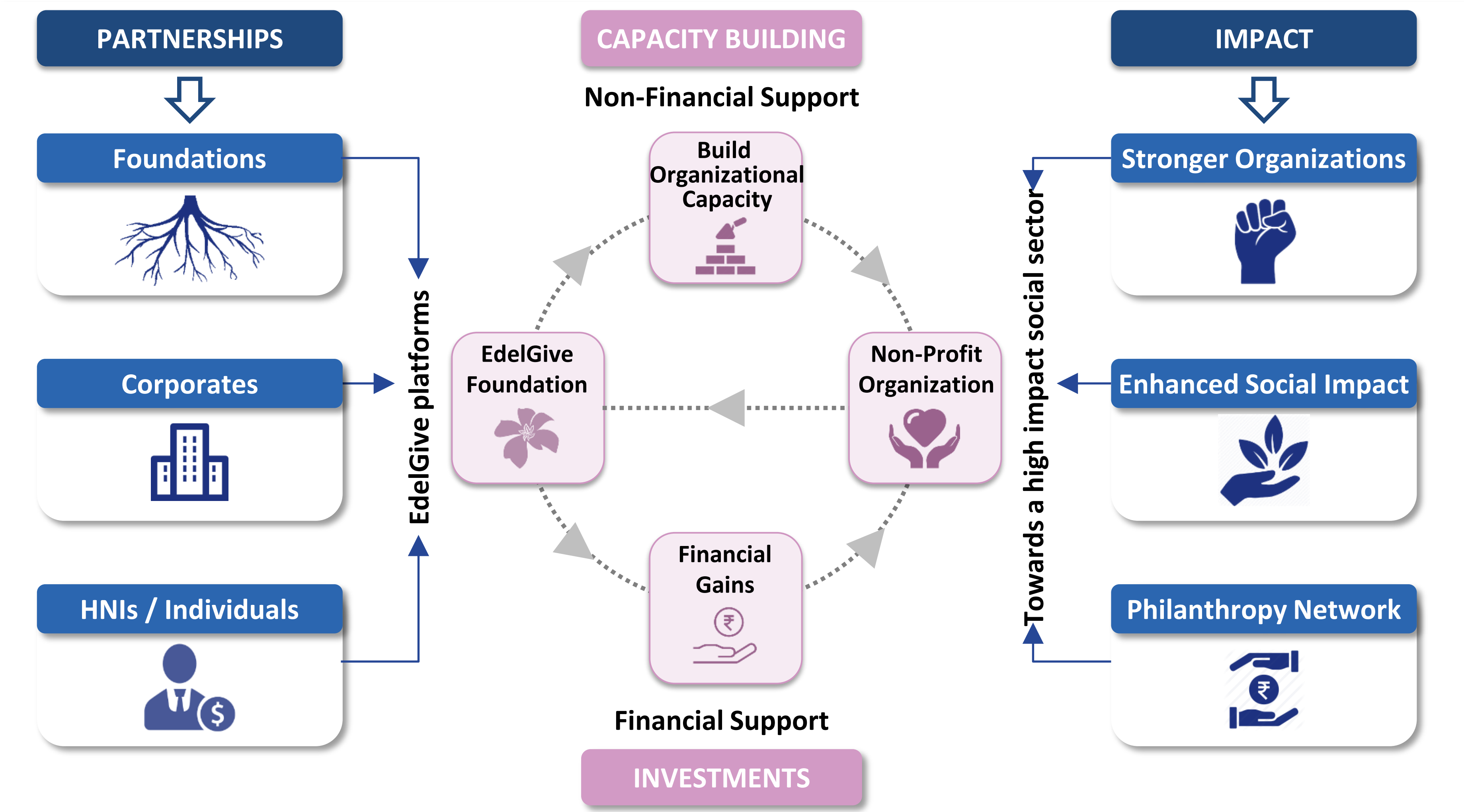
Planet Focused Goals

Affordable & Clean Energy

Responsible Consumption

Climate Support

EdelGive Foundation - Unique Philanthropic Platform



Focuses on Education, Livelihood and Women Empowerment

EdelGive Funding Partners

BILL & MELINDA GATES foundation	TATA TRUSTS	BRITISH ASIAN TRUST TRANSFORMING LIVES TOGETHER	GREAT EASTERN CSR FOUNDATION	avpn Asian Venture Philanthropy Network	CIFF CHILDREN'S INVESTMENT FUND FOUNDATION
HT Parekh FOUNDATION	dalyan	@te CHANDRA FOUNDATION	CDPQ	BURGUNDY ASSET MANAGEMENT LTD.	GENERAL ATLANTIC
genpact Transformation Happens Here	Swiss Re Foundation	Indian Institute of Technology Bombay	IEFG International Education Funders Group	atDta	BOROSIL
VOLKART FOUNDATION	NPCI भारतीय राष्ट्रीय भुगतान निगम NATIONAL PAYMENTS CORPORATION OF INDIA	SVP SOCIAL VENTURE PARTNERS	iic International Innovation Corps	SAR	allcargo logistics ltd.
UnLtd India	PORTICUS	EMpower Enriching young lives in emerging markets	SAVANNAH WISDOM	RARE ENTERPRISES Insight Intellect Integrity	THE GLOBAL FUND FOR Children

We have partnered with some of the largest foundations, Corporates and HNIs through our innovative models focused on collaboration

EdelGive is supported by Funding Partners of Four Categories

International Foundations

Bill and Melinda Gates Foundation	Savannah Wisdom	Children's Investment Fund Foundation
Ford Foundation	Dalyan Foundation	British Asian Trust

International Funders

Burgundy Asset Management	atDta	General Atlantic
CPDQ	First Data	Genpact

Indian Foundations

Tata Trusts	Volkart Foundation	H.T. Parekh Foundation
SDMC		Great Eastern Shipping Foundation

Indian Corporates

Borosil	Allcargo Logistics	Lucky Securities

EdelGive NGO Partners

Education

- Agastya International Foundation
- Centre for Civil Society – Social Change Through Public Policy
- Kalp CULP
- Gyan Prakash Foundation
- Kaivalya Education Foundation
- LeapForWord
- LSF – Learning Space Foundation
- Raza education & social welfare society
- Samaritan Help Mission
- parag – An initiative of Tata Trusts
- Shrishti – Creating a Literate and Empowered India
- Sikshasandhan
- SOVA – South Orissa Voluntary Action

Working to improve Student Learning Outcomes by leveraging Government systems

Women Empowerment

- AALI
- anandi
- breakthrough
- CORO
- Sisterhood – Nishtha, Baruipur, South 24 Parganas
- Ibtada – the beginning
- JAN SAHAS – People's Courage for Change
- kutch mahila vikas sangathan
- Mann Deshi Foundation
- majlis
- SANJOG
- Milaan
- OGO
- IT for Change
- Shaheen
- Vacha

Working to enable economic and social empowerment of women

Livelihoods

- AFPRO – Action For Food Production
- AROEHAN
- Basic HealthCare Services
- Gravis
- MANUVIKASA
- medha
- PRAGATI Koraput – 25 Years
- SAMBANDH
- Torpa Rural Development Society for Women, Jharkhand
- Utthan
- Shram Sarathi
- vrutti – Livelihood Impact Partners
- YUVA RURAL ASSOCIATION
- Gramin Vikas Evam Chetna Sansthan

Working to improve livelihoods in agrarian communities through water related interventions

EdelGive Foundation - Key Metrics

Employee Engagement	
Employee Engagement %	More than 70% engaged in financial and nonfinancial giving
Man Hours spent till date	33,170 hrs
Field Visits till date	168+

Capacity Building – Non financial support

Employees provided skills and time pro bono in over 100+ projects till date

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

Grants and Funding	**Cumulative till date**
Grantees	More than 95 NGOs
Funds Committed	> INR 231 Cr
Presence in Indian States	14 States
Funding Partners	116

Edelweiss wins National CSR Award

Addendum to Q2FY20 Earnings Update

Business Strategy Going Forward

Edelweiss
Ideas create, values protect

Edelweiss Business Group Structure

Edelweiss Financial Services Ltd

Credit

- Retail Credit
- Corporate Credit

Advisory

- Wealth Management & Capital Markets
- Asset Management & Asset Reconstruction

Insurance

- Life Insurance
- General Insurance

Six businesses across three ring fenced verticals

- Our Retail Credit, Life and General Insurance businesses are in growth phase
- Our Advisory businesses are market dominant and scaling steadily
- Our Corporate Credit business is being transitioned to the Asset Management model

Edelweiss Strategy FY20-23

Line of Business	Strategy	Benefits
Retail Credit	• Will work largely in partnership with banks for Co-origination	• **Equity Release**: Equity in the Corporate Credit will be released as we wind down the book • **Financing** : Gradual rundown of the Corporate Credit will generate liquidity which will finance Retail Credit growth • **ALM**: Costs of maintaining liquidity will reduce as the book becomes more granular • **Asset Quality**: Credit risk will be more granular since the book will be predominantly retail credit • **Quality of Earnings**: Earnings will be a blend of fee and spread, leading to healthy RoAs
Corporate Credit	• Showcase our workout capabilities especially in real estate and structured credit transactions • Deliberate move to fund structure	
Wealth Management & Capital Markets	• Maintain dominance in each of the segments	• Favourable landscape for synergistic expansion • Low competitive intensity • Superior economics
Asset Management & Asset Reconstruction	• Alternatives will be a big growth area • To build platform for Retail ARC	
Life Insurance **General Insurance**	• Continue as per plan towards breakeven • Focus on cross-sell and digital delivery model	• Building source of long - term annuity income

New phase in our journey of building sustainable diversified institution

Retail Credit

Key Metrics

H1FY20	INR Cr
Capital Employed	15,111
Equity	2,502
PAT	78

Business Strategy

- Continue our focus on growing in niche segments especially in SME and Affordable Housing Loans in partnership with banks
- Move from Tech-enabled to Tech-first approach – revamp of customer outreach and delivery model
- Business is still in growth investment phase
- Growth in book will result in efficiency in scale, reduce C/I thereby improving RoA
- Steady state RoA target of ~2-2.5% in next 2-3 years from current levels

Retail Credit will constitute 75% of the book by FY23

EOP Equity and PAT numbers are Pre MI

Corporate Credit

Key Metrics	
H1FY20	**INR Cr**
Capital Employed	16,178
Equity	3,358
PAT	70

Business Strategy

- Book is going through a down cycle and is expected to reverse in next 3-4 quarters
- Asset Management vehicles have proved to be a better source of long term stable and flexible capital for non-granular, high yield credit opportunities in the longer term
- This will come from global investors and domestic HNIs looking for duration and yielding assets
- We are hence accelerating the move of Corporate Credit from NBFC to fund form
- Current drag on profitability is due to higher credit costs which will continue to impact profits for next 3-4 quarters

We expect the corporate book to come down by ~50-60% in the next 2 years

EOP Equity and PAT numbers are Pre MI

Asset Management & Asset Reconstruction Business

Key Metrics

H1FY20	INR Cr
AUM	82,900
Equity	2,306
PAT	208

Business Strategy

- We manage ~INR 83,000 Cr of combined customer assets with our capital contribution of ~INR 10,000 Cr
- Continue to maintain dominance in Asset Reconstruction business with the opportunity in mid market /retail NPAs with NBFC and banks
- Will consolidate our market leadership in alternatives – as we intend to raise and deploy $1 bn every year
- With the establishment of our performance track record, sponsor commitments will progressively reduce to 5%
- Investments will happen for next 3-4 years in Mutual Fund business to scale it further

Our key differentiator is our investment expertise and our large operating team capability

EOP Equity and PAT numbers are Pre MI

Wealth Management and Capital Markets

Key Metrics

H1FY20	INR Cr
AUA	1,07,800
AUC	21,500
Equity	144
PAT	91

Business Strategy

- Achieved leadership position especially in affluent segment which is one of the fastest growing segments
- Strong technology platform and product capabilities already built
- Ability to scale up credit book for WM clients as well as focus on advisory and distribution products
- Significant synergies with Capital Markets business especially in HNI client coverage and delivery of full suite of capabilities

We see significant opportunity in using technology to lower the cost of delivery of our services

EOP Equity and PAT numbers are Pre MI

Insurance

Life Insurance

H1FY20	INR Cr
Equity	832
PAT	(128)
Embedded Value	1,462

Life Insurance Business Strategy

- Increase Protection and Non Par products share to boost margins
- Multi-channel distribution strategy while ramping up proprietary channels like Direct and Agency
- Our 51% JV with Tokio Marine ensures both growth capital and specialist knowledge
- We plan to achieve EV breakeven by 2022 in Life insurance business

General Insurance

H1FY20	INR Cr
Equity	113
PAT	(26)

General Insurance Business Strategy

- Started operations in February 2018 to strengthen the retail offering
- Our current distribution strategy focuses on using our platform for cross-sell and upsell
- People- light approach to operations while leveraging technology prowess
- We plan to breakeven in another 6-7 years

EOP Equity and PAT numbers are Pre MI

Addendum to Q2FY20 Earnings Update

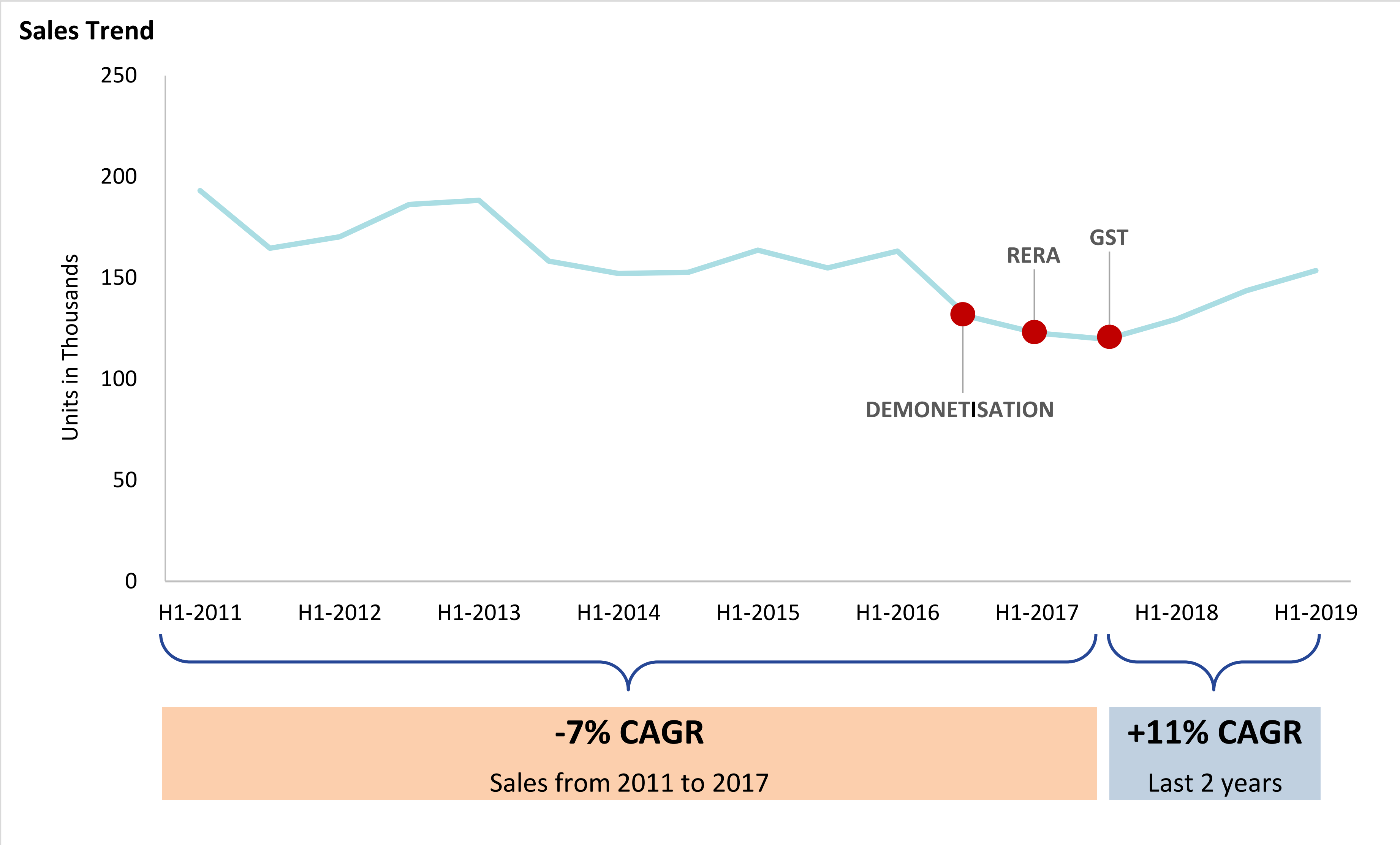
Indian Real Estate Snapshot

There is Significant Pessimism Around Real Estate..

1. Liquidity squeeze has created a severe cash crunch for most developers
2. Many projects are stuck for lack of last-mile financing
3. Undelivered homes, along with one or two cases of fraud, have created a very negative perception in the market
4. General view is that the sector is under severe stress

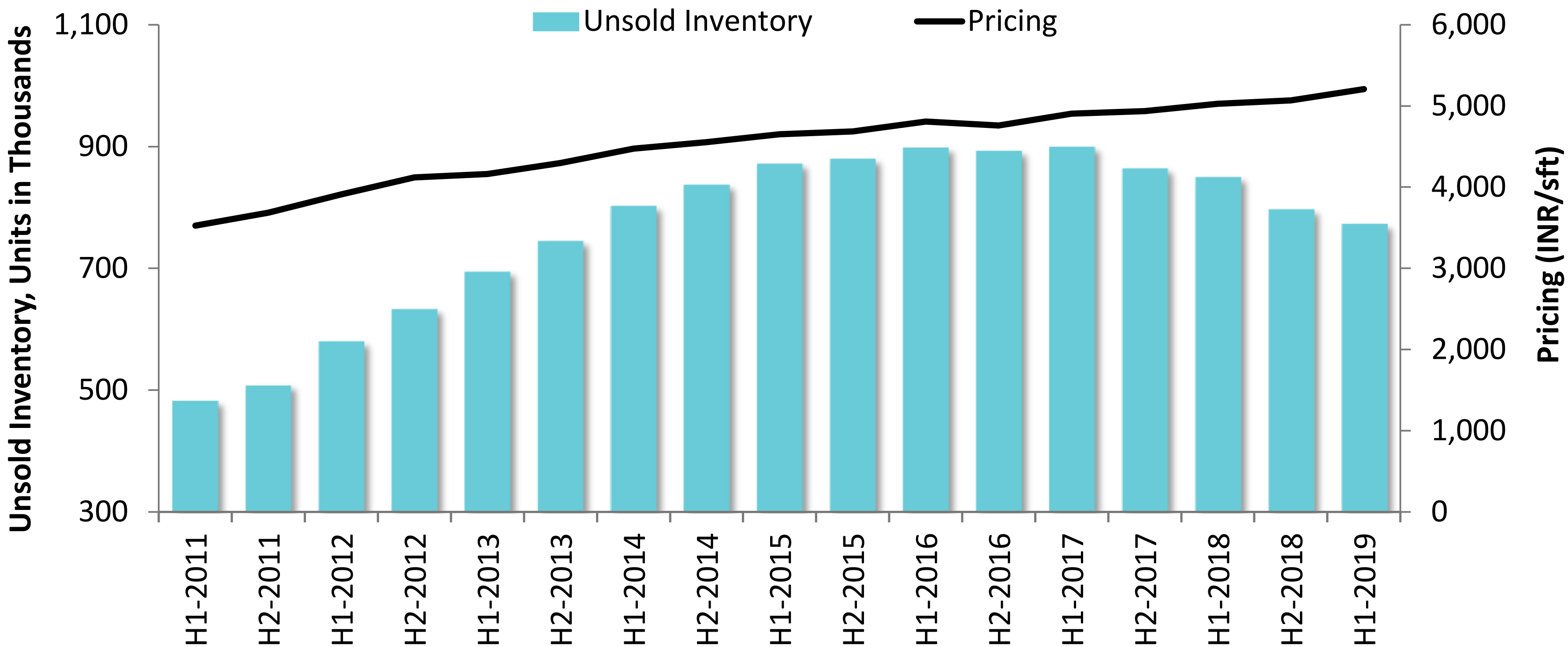
…but data shows that things are actually improving

Reform-led Revival in Sales Volumes...



...has Rationalized Inventory Levels, Helped by Flat Pricing Trends

Selling Price and inventory levels

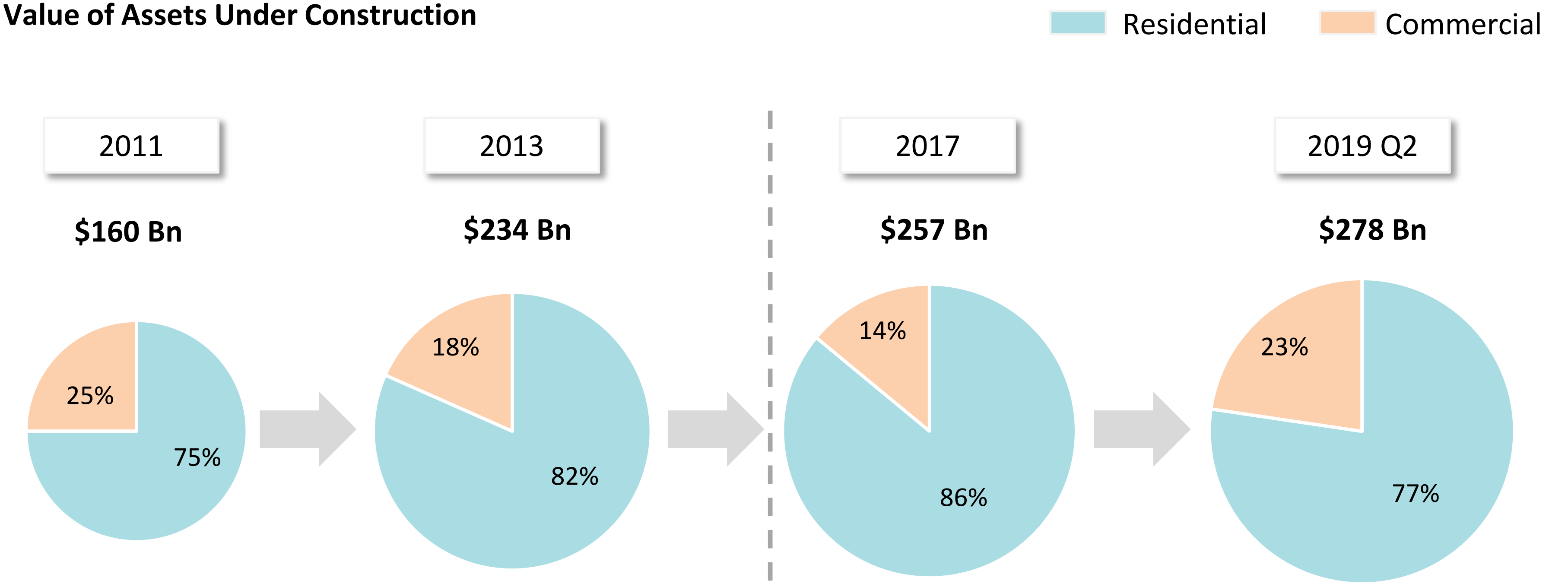


- Inflation-adjusted prices have remained flat, leading to improved affordability
- 15% decline in piled up inventory since beginning of reforms

Sources: JLL Intelligence

Balance Restored in Residential vs Commercial RE Asset Class Mix

Value of Assets Under Construction



2011 - 2013

- Rapid growth in Residential RE, led largely by institutional funding
- Mix between Commercial and Residential changed from 1:3 (2011) to 1:4 (2013)

2017 - Present

- Investment in Commercial RE has caught up in light of economic activity – low vacancy levels
- Restoration of a mix of 1:3 between Commercial and Residential RE

Sources: JLL Intelligence

Assets under watch is only ~2x of current stressed debt

Developer Financing (Total Book)	'000 Cr
Banks	330
NBFCs	200
Total	**530**

- Estimated stress of ~15% translates to a book of INR 80,000 Cr
- INR 80,000 Cr of total stressed debt would need ~40% of completion financing - ~INR 32,000 Cr
- Government and other private funds should be able to bridge this gap

Sources: Citi Research, internal research and analysis

Safe Harbour

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NOTES:

Slide 5, 40 :	Embedded value (EV) is calculated on market consistent basis
Slide 11 :	Balance sheet is on net basis; General insurance loss of INR 14 Cr in Q2FY20
Slide 12,18,19 :	RoE is calculated excluding equity convertible instrument of CDPQ of INR 1,040 Cr
Slide 6,20 :	GNPA is as per RBI prudential norms; Stage 3 Credit Book and ECL Provision correspond to GNPA and specific provision taken respectively
Slide 14,24,25,26,27,31:	AUM, AUA and AUC is rounded off to nearest 100
Slide 19,24,30,38 :	Business wise financial performance numbers are on fully loaded cost basis with allocation of Group Enterprise costs
Slide 51 :	Risk weighted assets is 88.7% of Gross Assets of INR 60,121 Cr
Slide 56 :	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information