

EW/Sec/2019/315

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: Press Release – “Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2019”

Enclosed is the press release pertaining to the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2019.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited


B. Renganathan
Executive Vice President & Company Secretary

Encl: a/a

Edelweiss Financial Services Limited**Q2FY20 Unaudited, Limited Reviewed Results****Total Income INR 2,405 Cr****Ex-Insurance Profit After Tax INR 93 Cr**

Edelweiss Financial Services Limited, India's leading diversified financial services company, declared its unaudited, limited reviewed results for the quarter ended 30th September, 2019 today.

Q2FY20 Highlights:

- **Total Revenue INR 2,405 Cr** (INR 2,676 Cr for Q2FY19)
- **Ex-Insurance Pre Provision Operating Profit INR 373 Cr** (INR 677 Cr for Q2FY19)
- **Ex-Insurance Profit After Tax INR 93 Cr** (INR 322 Cr for Q2FY19)
- **Ex-Insurance RoA for the quarter at 1.0 % and RoE 5.1 %**
- **Consolidated Profit After Tax INR 51 Cr** (INR 272 Cr for Q2FY19)
- **Group Gross Networth INR 9,870 Cr** which includes CDPQ investment in equity convertible instrument
- **Debt Equity reduced further to 3.4x** (5.2x for Q2FY19)

Edelweiss is a diversified financial services firm with presence in India's most scalable and profitable sectors. Our various businesses address the needs of multiple client segments and demographics. During the last few years, several of Edelweiss' "young" businesses have gained ground, while the mature businesses have scaled up into sustainable business models, with increased market share in their respective segments.

The **diversified model** has helped us in this tough environment as Capital Light businesses anchored the profits this quarter.

Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Financial Services Limited said:

"Q2 has been an eventful quarter for us. Close on the heels of the Government's announcement of a Rs. 25,000 Cr. fund for stalled realty projects, we have announced the launch of our first completion financing platform and the first fund of its kind in the private sector in partnership with the South Korean firm Meritz Financial Group. Also as stated in the last quarter, we are well on our way to completing the investment cycle in our investment advisory business with Sanaka Capital partnering us. Our strategy to create three well-capitalised verticals in Credit, Insurance and now Advisory, with independent governance and great growth potential is complete. This quarter we also signed three Co-origination agreements with SBI, Central Bank of India and Punjab National Bank enabling us to expand our SME and home loans businesses.

We are the only firm to have raised equity thrice over the last challenging year; and the first tranche of funding from investors has been received. This shows the confidence that investors have reposed in us and our business model. We now have sufficient firepower to enable us to scale up our existing businesses in Retail Credit, Wealth Management and Alternatives Asset Management significantly.

Our six businesses across three verticals are a blend of dominance (ARC, Wealth Management, Alternatives Asset Management, Capital Markets), growth (Retail Credit, Life Insurance, General Insurance) and maturity (Corporate Credit). Each one of them is now well-capitalised to benefit from the tailwinds of the India opportunity. We have repeatedly shown agility in how we capture

the opportunity based on market conditions, and our conviction in the India growth story – and in ours – remains undimmed.”

Business Highlights:

Operations of Edelweiss are organized around **Credit, Asset Reconstruction, Advisory and Insurance businesses.**

Credit Business:

Credit business of Edelweiss offers the following products:

- **Retail Credit** comprises of Retail Mortgage, SME and Business Loans, ESOP and Margin Financing, Agriculture and Rural Finance.
- **Corporate Credit** comprises of Structured Collateralized Credit and Wholesale Mortgages.

Brief highlights of business performance are as under:

- At the end of Q2FY20, Retail Credit book was INR 15,111 Cr and Corporate Credit book was INR 16,178 Cr
- Gross NPAs at 2.73 % and Net NPAs at 1.66%
- Edelweiss has entered into a co-lending partnership with State Bank of India, Central Bank of India and Punjab National Bank in addition to Bank of Baroda signed last quarter
- Launched, Edelweiss Smart Desk, an innovative solution for SMEs and Corporates. It is a customized portal offering one stop financial solutions & exciting value add services for business owners and their employees in just a few clicks

Asset Reconstruction:

Edelweiss ARC continues to be the largest Asset Reconstruction Company in the country. We are excited about the ARC opportunity, as it helps in releasing productive assets for the nation's economy and reduces burden on commercial banks. Focus of this business continues to be on acquiring large, viable, operating and EBITDA earning assets, that are financially broken.

- Asset Reconstruction business has AUM of INR 47,029 Cr, capital employed of INR 8,765 Cr and recoveries stand at INR 827 Cr for Q2FY20

Advisory Business:

Advisory businesses include **Wealth Management, Asset Management and Capital Markets.**

- Received first tranche of \$25 Mn (~ INR 175 Cr) of \$ 75 Mn from Kora Management in EGIA (Edelweiss Global Investment Advisors)
- Launched completion financing platform for the real estate sector and closed the first fund of \$425 Mn with Meritz Financial Group

1. Wealth Management:

- The AuA of the Wealth Management business grew to ~INR 107,800 Cr at the end of Q2FY20

2. Asset Management:

- Asset Management business comprises Alternative Asset Management and Mutual Fund
- Leading player in the Private Debt space, with funds across Real Estate Credit, Distressed Credit and Structured Debt
- The total AuM of Asset Management business stood at ~INR 35,905 Cr at the end of Q2FY20

3. Capital Markets:

- **Institutional Broking** business continued to be among the market leaders and performed in line with the industry. Research covers 258 stocks across 30 sectors
- Edelweiss continued to be a major distributor in public issues of equities and debt

Life Insurance:

Edelweiss Tokio Life Insurance is one of the fastest growing life insurance companies in India. It continues to scale up its business, with the objective of enhancing quality of business and focus on customer.

The company follows the agency-led multi-channel distribution approach with emphasis on productivity and on building direct capability, specifically online.

It continues to expand its distribution footprint across agency and alternate channels with presence across **121** branches in **93** locations and the agency channel force of **~46,300** Personal Financial Advisors.

Insurance Broking:

US-based Arthur J. Gallagher & Co. (Gallagher) – one of the world's largest insurance brokerages and risk management services firms – has acquired a minority stake by way of primary equity infusion in Edelweiss Insurance Brokers Limited (EIBL), post approval from the Insurance Regulatory and Development Authority of India (IRDAI).

Liquidity and Balance Sheet Management:

- We continue to maintain liquidity at ~17% of balance sheet
- Overall Liquidity maintained at ~INR 8,400 Cr
- Strengthening our Capital Base - The consolidated Capital Adequacy Ratio for Edelweiss Group is 21.1% as on 30th September 2019
- D/E (Ex Treasury Assets) declined further to 3.4x

EdelGive Foundation, with the mission to empower non-profit organizations towards achieving sustainable social change, has so far financially supported over **95 NGOs**, with financial commitments of over **INR 231 Cr** in the social sector.

Updates and Awards:

Edelweiss bagged the prestigious **National CSR Award 2018**. Rashesh Shah, Chairman and CEO, Edelweiss Group and Vidya Shah, CEO, EdelGive Foundation received the award from Hon'ble President of India Shri Ram Nath Kovind, in the presence of Ms. Nirmala Sitharaman at Vigyan Bhawan.

Rashesh Shah, Chairman & CEO, Edelweiss Group was also honored with the prestigious HeForShe pin by the UN Women, the United Nations' entity for gender equality & empowerment of women.

Other Awards

- Effective Use of Marketing Communication Award (Asset Management Ltd.)
National Awards for Marketing Excellence
- Global Award for Excellence in Quality Management & Leadership (PWM COO Unit)
7th World Quality Congress & Awards
- Best NBFC in SME Finance of the Year (SME Lending)
India NBFC Summit & Awards 2019
- IT Genius Award for Cloud Excellence (Biztech)
CIO Crown Awards
- Best Private Bank, India (Private Wealth Management)
Finance Asia Country Awards 2019
- The Disruptive 100 Award
CIO100 Awards 2019
- Best Affordable Housing Finance Company of The Year (Mortgages)
CMO Asia BFSI Excellence Award
- Best Wealth Manager
AIWMI India Wealth Awards 2019

- Best Wealth Manager, India
Asset AAA Alternate Investment & Investment Banking Awards
- Best Private Bank, India
Global Finance Best Private Bank Award 2020

About Edelweiss Financial Services

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. Its businesses are broadly divided into **Credit Business** (Retail Credit comprises of Retail Mortgage, SME and Business Loans, ESOP and Margin Financing, Agriculture and Rural Finance and **Corporate Credit** comprises of Structured Collateralized Credit to Corporates and Wholesale Mortgages),

Asset Reconstruction Business, Advisory Business (Wealth Management, Asset Management and Capital Markets) and **Insurance** (Life and General Insurance). Edelweiss has a Balance Sheet of INR 49,734 Cr, as of 30th September, 2019. The Group had revenues of INR 11,165 Cr and PAT of INR 995 Cr for FY19.

The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. The group has sizeable presence in the large retail segment, through its businesses such as Life Insurance, Housing Finance, Mutual Fund and Retail Financial Markets. Together with strong network of Sub-Brokers and Authorized Persons, Edelweiss group has presence across all major cities in India.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. Edelweiss stock is covered by sell side research analysts of Morgan Stanley, Citi Research, SBI Cap Securities, ICICI Securities, Maybank Kim Eng Securities, Haitong International, Credit Suisse Securities and Emkay Global Financial Services.

To learn more about the Edelweiss Group, please visit www.edelweissfin.com.

Edelweiss Financial Services Limited **Corporate Identity Number:** L99999MH1995PLC094641

Edelweiss Social media handle:



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Safe Harbour

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