Strictly Private and Confidential

Edelweiss Financial Services Limited

Q4FY13 Earnings Update

May 2013

Edelweiss
Ideas create, values protect

Contents

1. Financial Highlights

Environment: Improving Outlook

- Improving macro-economic environment
  - Global liquidity comfortable; risk appetite improving
  - Calibrated easing rate cycle
  - Inflation declining gradually; supply side constraints remain
  - Softer Commodities prices; positive for Current Account Deficit
  - FII inflows robust; Dollar-Rupee stable though downside remains
  - Capital Markets activity subdued; revenue pool static/shrinking
- Political uncertainty overshadowing reforms process and growth
- Controlling CAD & Fiscal Deficit, revival of Capex cycle and continuation of reforms - key for resumption of growth

FY13 Performance: Key Takeaways

- Consistent improvement in operating matrics QoQ in the last six quarters despite challenging environment – result of diversification strategy
- Focused approach to improving capital and operating efficiency leading to sustainable growth in profitability
- Significant uptick in profitability parameters excluding the impact of insurance business; 66% YoY growth in FY13 PAT ex-Insurance
- Achieving non-linear growth – BS growth 10%, PAT growth 66% (ex-Ins)
- Insurance scale up and burn as per the Plan; Retail Capital Markets and Retail Finance businesses break even
- Liabilities side strengthening continues with lower dependence on short term borrowings; matched ALM profile - a key focus area
- Continue to strengthen organisation, adopt new technologies, enhance risk management practices, build leadership and instill customer centricity

FY13 - Financial Highlights

₹ *in million*	FY12	FY13
Revenue	16,707	21,840
Profit After Tax	1,277	1,785
Profit After Tax – Ex-Insurance	1,458	2,432
Tangible RoE – Ex-Insurance	7%	11%

66% Growth in PAT Ex-Insurance

Notes: All numbers are Management Estimates

Tangible Equity does not include Goodwill, Deferred tax assets and shares owned by employee trust

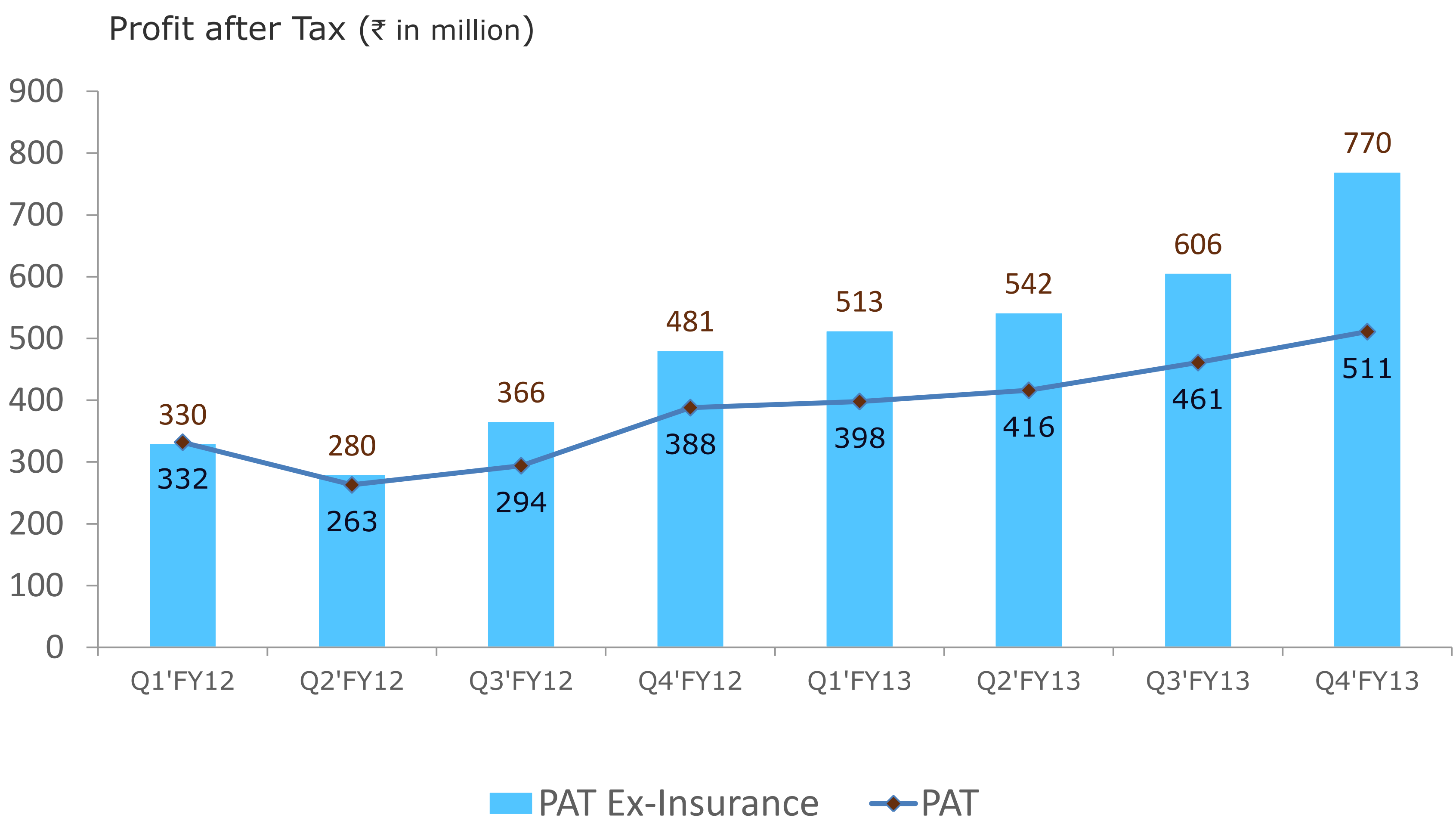
Consolidated Results – a Snapshot

₹ in million	Q4FY13 (unaudited)			
	EFSL Ex-Insurance	EFSL Ex-Insurance YoY Growth	EFSL Consolidated	EFSL Consolidated YoY Growth
Total Revenue	5,580	**22%**	5,999	25%
Profit Before Tax	1,001	**48%**	742	26%
Profit After Tax and Minority Interest	770	**56%**	511	32%
Tangible Equity#	21,991	-	26,550	-
Return on Tangible Equity	14%	-	8%	-

Core Business Operations Robust

#Does not include Goodwill, Deferred tax assets and shares owned by employee trust

Sustained Growth in Profitability



6 Quarters of Consistent Growth QoQ

Non-Linear Growth in Profitability

Ex-Insurance (₹ in million)	FY12	FY13	YoY Growth
Revenue	16,175	20,858	29%
Profit After Tax	1,458	2,432	66%
Balance Sheet	127,680	140,720	10%

10% Balance Sheet growth resulted in 66% growth in Profitability

Consolidated Results

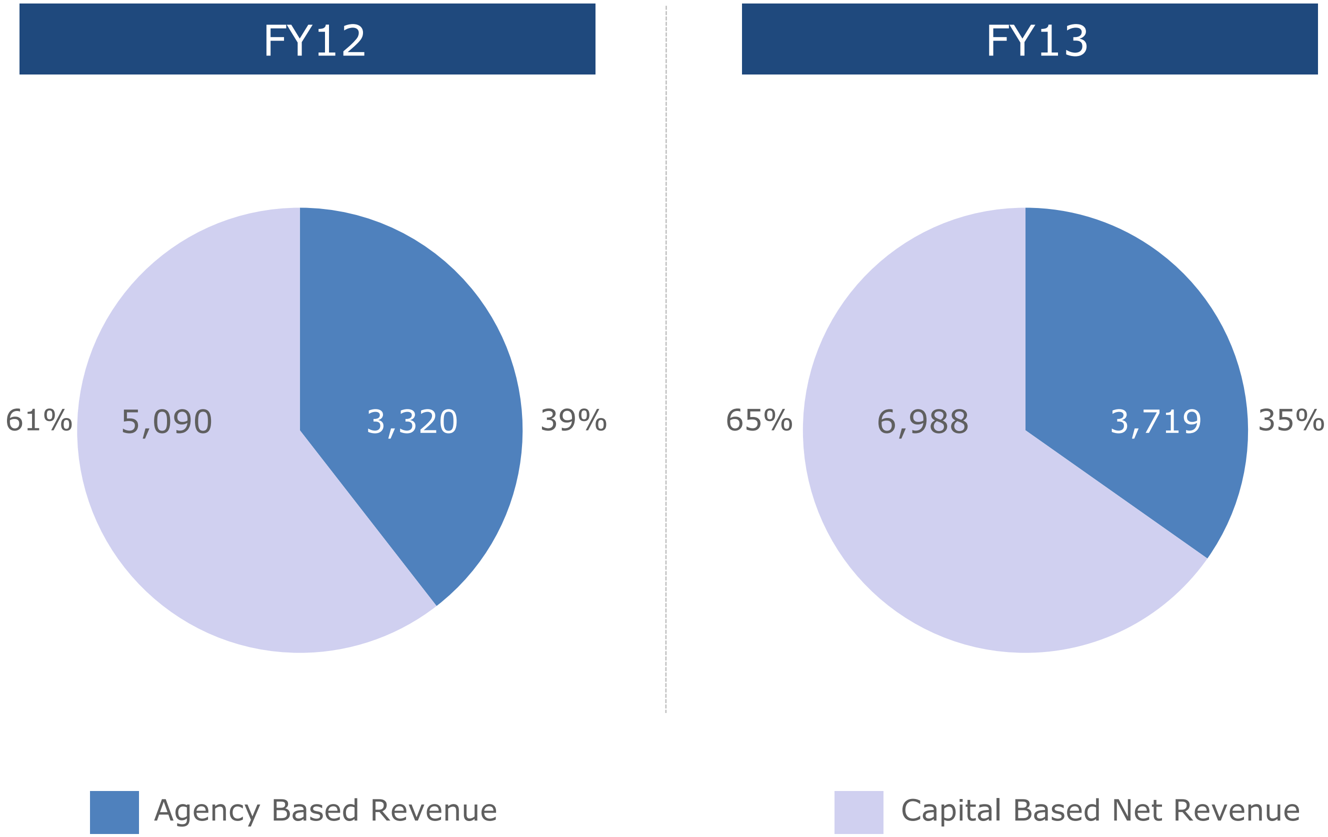
₹ in million	FY13	FY13	FY12	FY13	FY12
	Q4	Q3	Q4	Annual	Annual
Fee and Commission Income	900	828	923	3,194	3,213
Interest and Treasury Income	4,710	4,388	3,695	17,811	13,195
Premium from Life Insurance Business	323	104	75	525	107
Other Operating Income	51	55	41	243	110
Other Income	15	25	56	67	82
Total Revenue	**5,999**	**5,400**	**4,790**	**21,840**	**16,707**
Employee Benefits Expense	1,046	976	781	3,639	2,712
Financial Costs	2,908	2,649	2,346	11,133	8,297
Depreciation & Amortization	143	133	156	514	422
Change in life ins. policy liability - actuarial	217	67	41	315	58
Other expenses	943	896	878	3,646	3,232
Total Expenses	**5,257**	**4,721**	**4,201**	**19,247**	**14,720**
Profit Before Tax	**742**	**679**	**589**	**2,593**	**1,987**
Tax Expenses	288	222	226	881	681
Profit After Tax	**454**	**457**	**363**	**1,712**	**1,306**
Share of Minority Interests in Profits	(57)	(3)	(25)	(73)	29
Profit After Tax and Minority Interest	**511**	**460**	**388**	**1,785**	**1,277**
Diluted EPS# (in ₹) (FV ₹ 1)	0.66	0.59	0.50	2.31	1.66

Focus on improving efficiency and productivity in FY14

#Qtly EPS not annualised
Prior period figures have been regrouped/reclassified wherever necessary

Balanced Revenue Growth & Business Mix at Net Revenue Level

(₹ in million)



Balanced Mix at Net Revenue Level

Prior period figures have been regrouped/reclassified wherever necessary

Capital Based Revenue

₹ in million	FY12	Q4FY13	FY13
Interest Income	**10,661**	**4,220**	**15,355**
Interest on Loans	4,338	2,014	7,057
Interest on Debt Instruments	2,127	844	3,221
Interest on Fixed Deposits & Others	4,196	1,362	5,077
Income from Treasury	**2,534**	**490**	**2,456**
Other Operating Revenue	**110**	**51**	**243**
Other Income	**82**	**15**	**67**
Total Capital Based Revenue	**13,387**	**4,776**	**18,121**
Less: Interest Expense	8,297	2,908	11,133
Net Capital Based Revenue	**5,090**	**1,868**	**6,988**
Net Capital Based Revenue as a % of Net Revenue	61%	60%	65%

Interest Spreads Stable during FY13

Prior period figures have been regrouped/reclassified wherever necessary

Agency Based Revenue

₹ in million	FY12	Q4FY13	FY13
Agency Fee & Commission	**3,213**	**900**	**3,194**
Income from Securities Broking	1,401	414	1,394
IB, Advisory & Other Fees	1,670	442	1,632
Income from Commodities Broking	142	44	167
Premium from Life Insurance	**107**	**323**	**525**
Total Agency Based Revenue	**3,320**	**1,223**	**3,719**
Agency Based Revenue as a % of Net Revenue	39%	40%	35%

Insurance business gaining scale and supporting fee & commission income; Securities Broking Income 6.4% of Revenue in FY13

Prior period figures have been regrouped/reclassified wherever necessary

2. Balance Sheet and ALM

- Balance Sheet

Edelweiss
Ideas create, values protect

Balance Sheet and ALM Highlights

- Continue to diversify sources of borrowings
- Net Gearing (excluding asset backed borrowings against FDs and GSecs) of 2.8x
- Significantly improved liability profile as a result of lower dependence on short term borrowing over the last six quarters
- Cost of borrowing for Q4FY13 lower at 9.7% (9.9% in Q3FY13)
- Active asset liability management to ensure matched ALM profile across all tenors by modifying liability profile in sync with changes in asset profile
- The holding company (EFSL) and five subsidiaries enjoy highest short-term rating of CRISIL A1+; long-term rating of CRISIL AA-/ICRA AA- with Stable outlook

Summary Balance Sheet

₹ in million	As on Mar 31 '12 (Audited)	As on Mar 31 '13 (Audited)
Equity and Liabilities		
Shareholders' Funds	26,360	27,617
Minority Interest	2,388	2,333
Borrowings	104,140	115,335
TOTAL	**132,890**	**145,285**
Assets		
Goodwill	1,395	1,404
Fixed & Non-Current Assets	33,426	43,640
Net Current Assets (CA-CL)	98,069	100,241
TOTAL	**132,890**	**145,285**

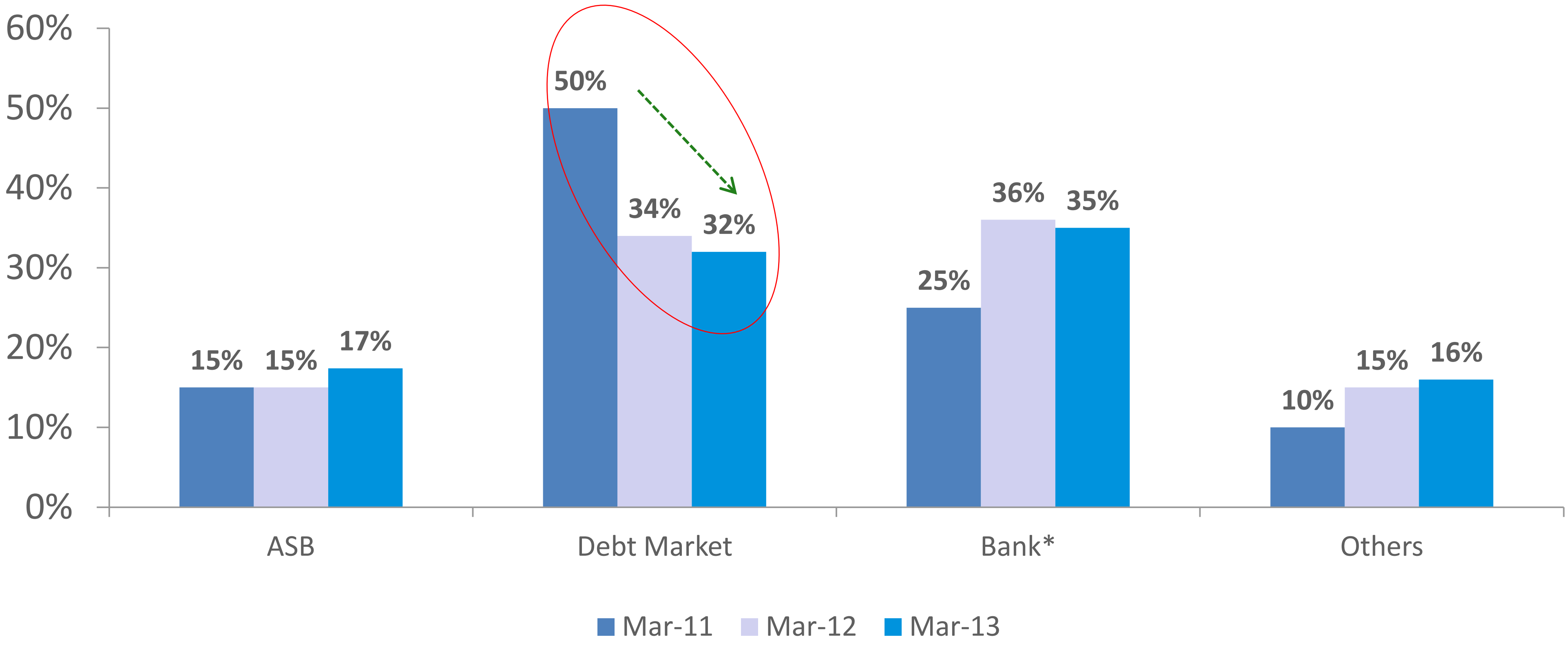
Strong and Liquid Balance Sheet with a Comfortable Leverage

Balance Sheet and ALM

* ALM

Balance Sheet Strategy: Sources of Borrowings

Mar'11 - ₹ 78.58 bn | **Mar'12- ₹ 104.14 bn** | **Mar'13 - ₹ 115.33 bn**

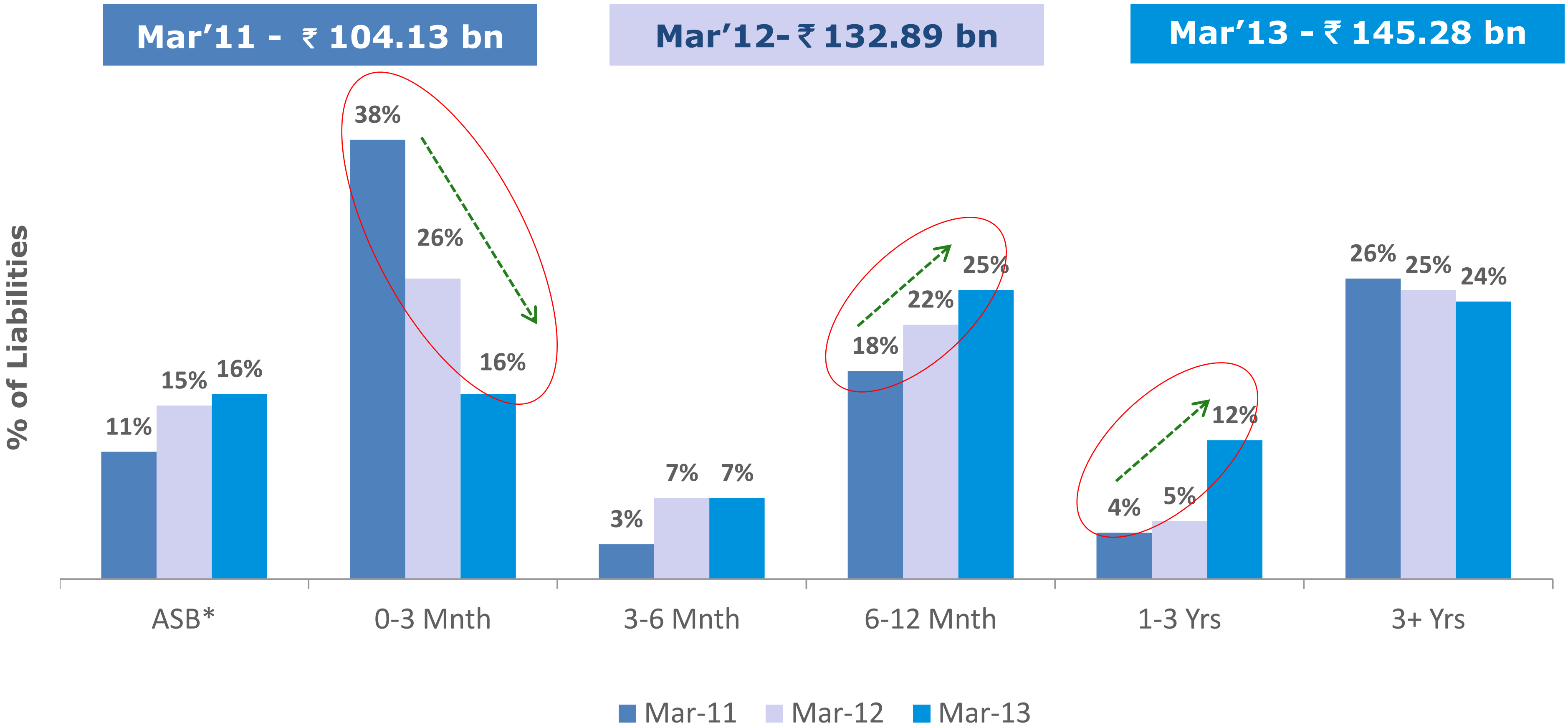


Diversified Sources of Funding with lower dependence on Debt Markets

** Unutilized bank lines of ₹3.73 bn in FY12 and ₹6.83 bn in FY13 not included*

Note: ASB – Asset Specific Borrowing

Balance Sheet Strategy: Liability Maturity Profile

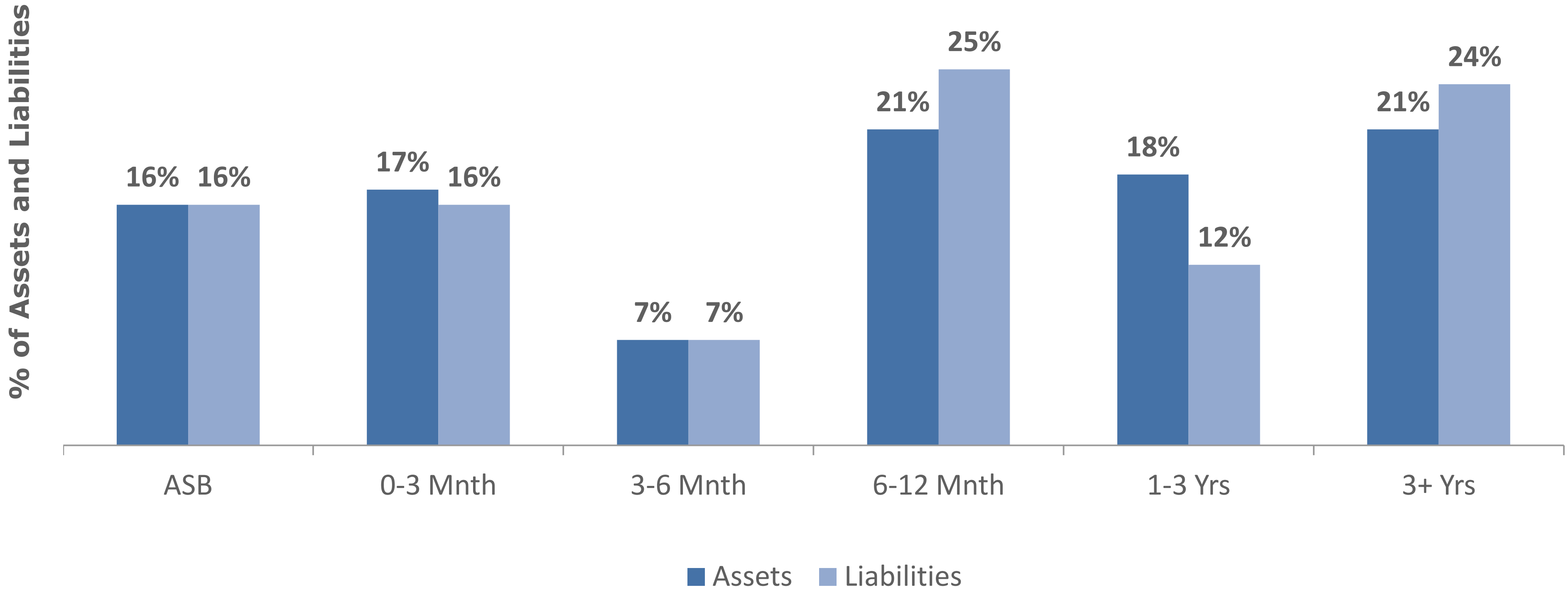


Increase in duration of Liabilities
Significantly lower dependence on short term liabilities in 0-3 months bucket

*Note: *ASB – Asset Specific Borrowing; Liabilities include Networth*

Balanced Asset Strategy: ALM Profile

March '13 - ₹ 145.28 bn

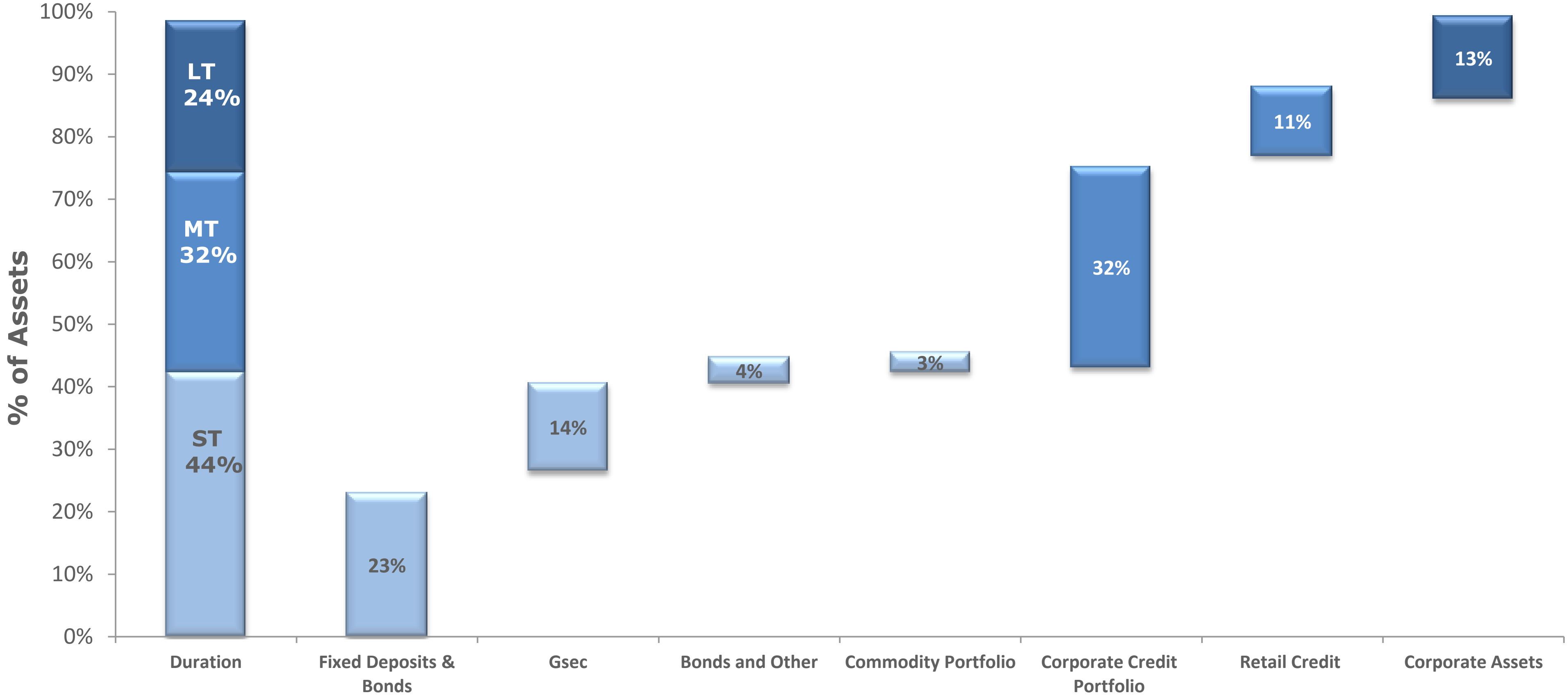


Balanced Asset & Liability Profile upto 12 months duration
ALCO manages, monitors and controls Interest Rate Risk & Liquidity

Notes: ASB – Asset Specific Borrowing

Balanced Assets Strategy: Diversified Asset profile

March '13 - ₹ 145.28 bn



Diversified Asset Profile: Spread across FDs, Fixed Income, Credit and Commodities

Business Highlights

Edelweiss Operating Structure

CREDIT

Collateral based lending
Housing Finance
SME Finance
Debt Capital Markets

CAPITAL MARKETS & ASSET MANAGEMENT

Investment Banking
Institutional & Retail Broking
Wealth Management
Alternative Investment Funds
Mutual Funds

Edelweiss
Ideas create, values protect

INSURANCE

Life Insurance business through a JV with Tokio Marine Holdings

COMMODITIES

Sourcing , distribution and dealing of agri commodities and precious metals

Footprint covering key financial services segments

Business Presence

- Strong **~450,000 clients/accounts** base across businesses

•211 offices in 106 cities

•Touch points include 4,000 Authorised Persons and Sub-brokers in ~545 cities **including ~280 Tier 3 to 6 towns**

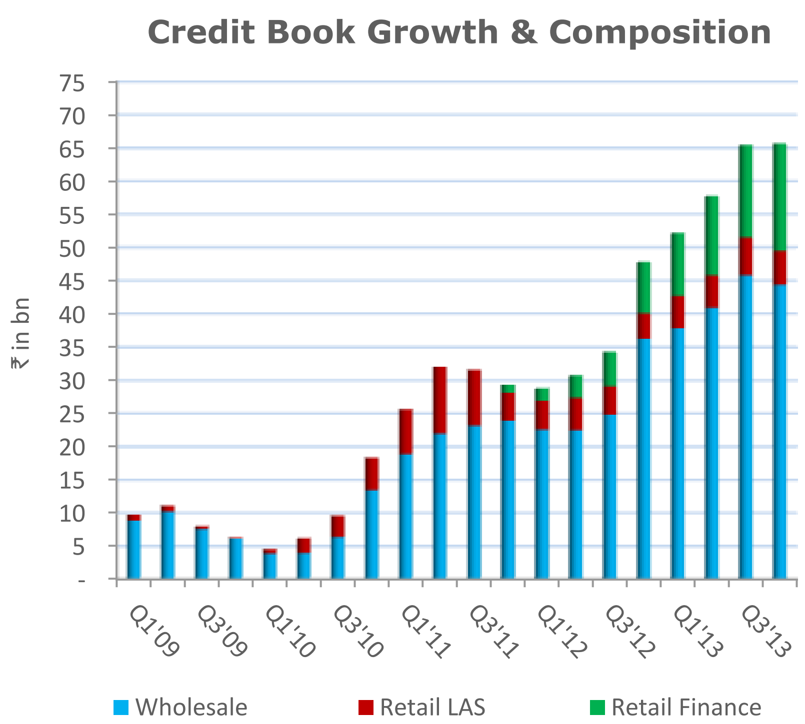
Credit

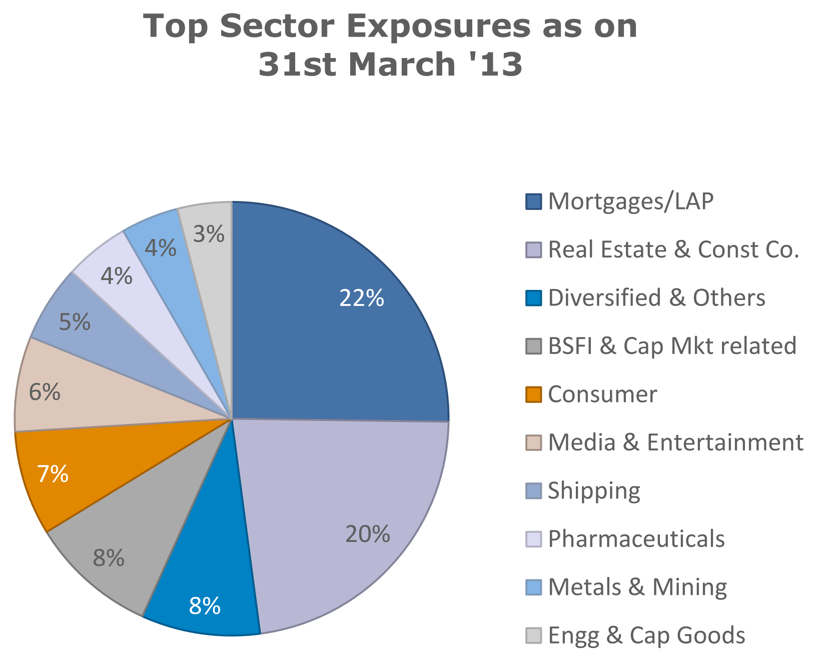
₹ in million	Mar 31, '12	Mar 31, '13
Total Credit Book	**47,847**	**65,716**
Corporate finance	36,255	44,371
Retail finance & LAS	11,592	21,345
Average collateral cover on Wholesale finance book	2.6x	2.4x
Number of Retail finance clients	1,200	2,400
Housing finance & LAP portfolio LTV	55%	56%

Retail finance diversified into small-ticket home loans

Prior period figures have been regrouped/reclassified wherever necessary

Credit Book Growth and Exposures





Retail loans constitute 32% of the total book

A well diversified credit book with robust risk management approach

Credit Book: Good Asset Quality

₹ in million	Mar 31 ’12	Mar 31 ’13
Total Credit Book	47,847	65,716
Gross NPLs	226	285
Gross NPL %	0.47%	0.43%
Net NPLs %	0.14%	0.11%
Total Provision Held#	263	372
Total Provision Cover#	116%	131%

Robust Risk Management ensuring good asset quality

Total Provision includes General Loan Loss Provision on Standard Assets

Debt Capital Markets – Leading Player in the Country

- Over 400 active clients among Banks, MFs, Ins. Cos., PDs and PFs
- **10 transactions** across DCM in Q4FY13 with 9.6% market share#
- **39 transactions in FY13** (30 transactions in FY12)#

Credit	Capital Markets & AM	Commodities	Life Insurance

#Source: Prime Database

- **Investment Banking** – FY13 witnessed one of the lowest levels of activity in the recent past
  - Continuing to build relationship with financial sponsors and mid-cap to large clients
  - Closed 3 transactions in Q4FY13 despite challenging environment; Total 7 transactions in FY13

City Union Bank Limited	Coastal Projects Limited	PI Industries Limited
₹ 2,579.8 million Rights Issue	Divestiture of Wind Energy Assets	₹ 1,173 million Qualified Institutions Placement
January 2013	February 2013	February 2013
Sole Lead Manager	Sole Financial Advisor	Sole Global Co-ordinator and Book Running Lead Manager
Edelweiss	Edelweiss	Edelweiss

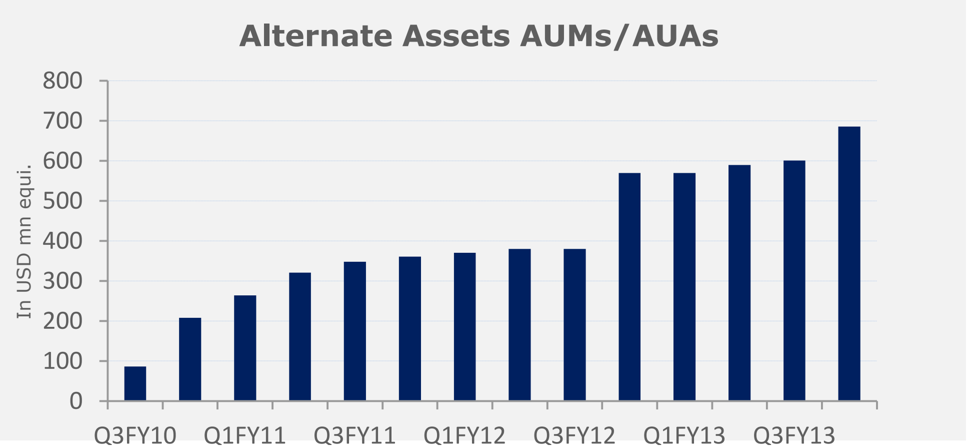
Broking and Wealth Management

₹ in billion	FY12 / Mar 31 ‘12	Q4FY13/ Mar31 ‘13	FY13 / Mar 31 ‘13
Average Daily Volumes (ADV)#	53.30	66.15	57.35
Market Share#	3.7%	3.7%	3.4%
Clients ADV	25.90	35.60	29.40
Average Broking Yield (Gross)	3.8 bps	2.8 bps	3.1 bps
Stocks under Research Coverage	183	187	187
Number of Retail Broking Clients	372,100	403,900	403,900
Wealth Management - AUAs	30	32	32

Cross-sell of Edelweiss products – a new focus area for Retail Capital Markets Group

On BSE and NSE, including Clients and Treasury operations; excludes our turnover under BSE Incentive Scheme

* **Alternative Assets Management** AUMs/AUAs US$ 685 mn equivalent through 6 funds & Structured Products
* Recently announced first close of E-STAR Fund
* Leading issuer of Structured Products



* **Mutual Fund** average AUMs of ₹ 2.6 bn in Q4FY13
* Over 9,000 active investors
* Focus on building investment track record and developing product portfolio
* Part of our long-term retail strategy

Commodities – Strategically Important Business

* Increased financialization of Commodities in India to be a growth driver
* Sources, distributes and deals in agri commodities and precious metals
* Significant investments in building backend and network of market intermediaries for agri procurement and distribution over the last 2 years
* Building infra at key mandis and trading centres to develop a sourcing platform
* Network of 400 clients and intermediaries spread across key agri producing regions
* Continuing to invest in Precious Metals business – client network of over 450, and delivery centres at 13 locations
* Focus on operations, inventory and collateral risk management for commodities business
* Assets ₹ 23.47 bn including FDs and stocks at the end of the quarter

* **Life Insurance** business with JV partner Tokio Marine Holdings, Inc.
  - Business launched in Q2FY12
  - To expand Edelweiss’ retail footprint
  - ₹ 5.5 bn start-up equity infusion in the company by the JV partners
  - Gross Written Premium ₹ 525 mn and 23,058 policies in FY13

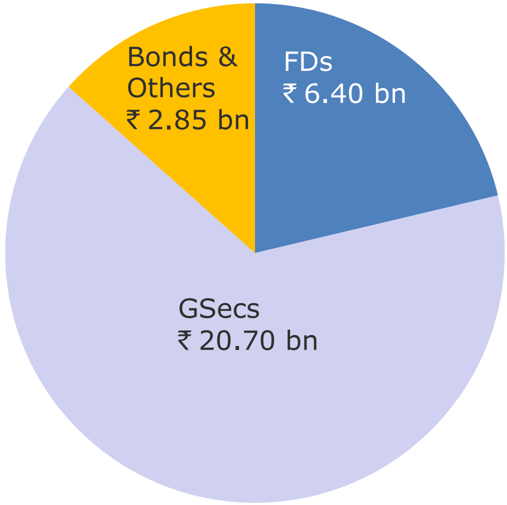
    (₹ 107 mn and 6,599 policies in FY12)

As on	Mar 31 ’12	Mar 31 ’13
Solvency Ratio	241%	196%
No. of Personal Financial Advisors	825	3,401
No. of Branches	29 in 22 cities	45 in 38 cities

Strong uptick in operating footprint; Burn as per the Plan

Treasury

- Focus on:
  - Balance sheet management
  - Liquidity management
  - Capital preservation with optimum returns
- Treasury allocation continues to be a function of:
  - Capital requirement of businesses
  - Opportunities in the markets
  - Liquidity management needs; maintain a liquidity cushion of ₹ 5 bn
- Treasury assets 20.6% of effective Balance Sheet size



Treasury Assets ₹ 29.95 bn

Multi-asset class Treasury operation

4. Enterprise Updates

Key HR Metrics

		FY12	FY13
End of Period Head Count		3,108	3,907
Senior Attrition		14%	13%
Learning & Development	Training man days	3,579	7,235
	Employees Covered	2,053	2,616

Building Leadership Capability through a four-tier Leadership Structure for future growth

HR | EdelGive | Shareholding

Corporate Social Responsibility - EdelGive Foundation

Philanthropic initiative to drive sustainable social change

Impacted over 1,25,000 lives

Current portfolio of 17 non- profit organisations

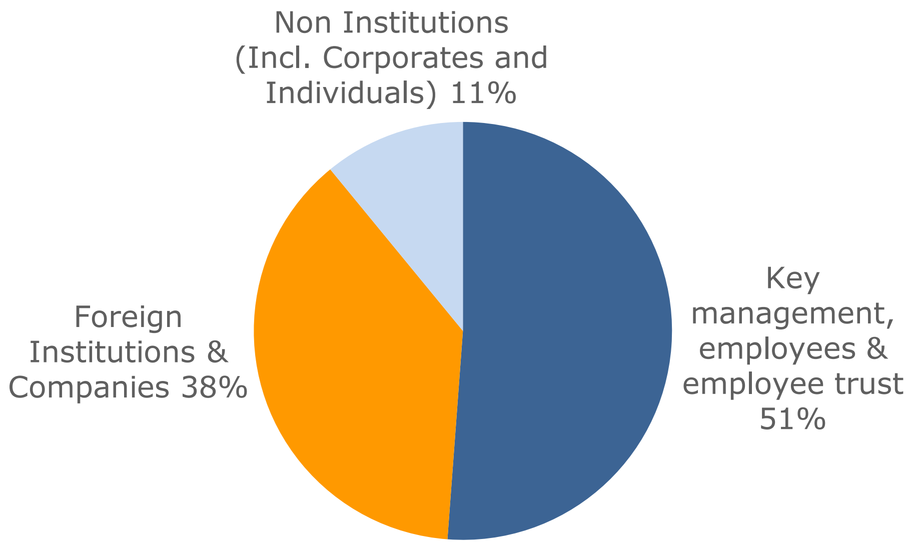
Committed ₹ 202 mn till date

Over 6000 hours of pro-bono support

Focus on Education, Livelihoods and Womens' Rights

Empowering Women and Girl Child

Shareholding Pattern



Top Institutional Shareholders above 1%#
As on 31st Mar, 2013

	Name	Percent	First Invested
1	Govt. of Singapore	8.2%	Pre-IPO
2	Carlyle	7.8%	Q3FY12
3	BIH SA	5.8%	Pre-IPO
4	Greater Pacific Capital	5.1%	Pre-IPO
5	Fidelity	3.2%	Q3FY08
6	Amansa Investments	1.6%	Q2FY10
7	Argonaut Ventures	1.5%	Q3FY08
8	SAIF Advisors	1.4%	Q3FY12
9	Sequoia Capital	1.0%	Pre-IPO

Stable Institutional Ownership

(#) Holding of known affiliates have been clubbed together for the purpose of this information
IPO in December 2007

Safe Harbor

This presentation and the discussion in this document may contain certain words or phrases that are forward - looking statements, based on current expectations of the management of Edelweiss Financial Services Ltd. or any of its subsidiaries and associate companies (“Edelweiss”). Actual results may vary significantly from the forward-looking statements contained in this presentations due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as the ability to implement its strategy. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market data and other information from sources believed to be reliable or are its internal estimates, although its accuracy or completeness cannot be guaranteed. The presentation relating to financial performance of various businesses of Edelweiss herein is based on Management estimates.

This presentation is for information purposes only and does not constitute an offer or recommendation to buy or sell any securities of Edelweiss. This presentation also does not constitute an offer or recommendation to buy or sell any financial products offered by Edelweiss. Any action taken by you on the basis of the information contained herein is your responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such action taken by you. Edelweiss and/or its directors and/or its employees may have interests or positions, financial or otherwise, in the securities mentioned in this presentation.

For more information, please visit www.edelweissfin.com or drop us an e-mail on ir@edelweissfin.com.