

Ref No.: EW/Sec/2017/735

December 20, 2017

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

Dear Sirs,

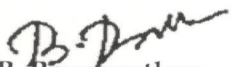
Ref.: Symbol - EDELWEISS

Sub: Investor Presentation

Please find enclosed Investor Presentation for your information and record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited


B. Renganathan

Executive Vice President & Company Secretary

Encl: a/a



Acquisition of Religare's securities business

December 20, 2017

Transaction Overview



Acquisition of Religare's securities business

Transaction

- On December 20, 2017, Edelweiss announced the acquisition of Religare's securities business by Edelweiss Wealth Management
- We will acquire the AUM, pan-India branches, client base and all employees of Religare Securities Ltd. and Religare Commodities Ltd., and depository participant services
- This will be a **slump sale of select assets**, and not an entity purchase

Consideration

- We have agreed to pay a premium of Rs. 125 cr. over the adjusted tangible net worth which will be determined after the necessary regulatory approvals have been obtained
- Based on current estimates, the adjusted tangible net worth is expected to be around Rs. 125 cr.
- **Actual payout is therefore expected to be in the region of Rs. 250 cr.**
- We expect the transaction to close in Q4 of FY18 subject to receipt of approvals necessary in a transaction of this nature

Overview of Religare's securities business



- One of India's largest non-bank retail broking platforms
 - Includes equity broking (derivatives and cash), commodity broking, currency broking and depository services
 - Serves a customer base of more than 1 million
 - Operates a network of 90+ branches and more than 1,100 business partners
 - Nationwide footprint that covers 415+ cities in India
 - Banking tie ups with 12 banks
- **Customer segment:** Various categories of retail investors including HNI individuals, family offices, high-volume traders and arbitrageurs, mass affluent investors and occasional investors
- **Product proposition:** Ranges from personalized full service offerings for HNI to execution-only services for occasional investors who do not require face-to-face contact
- For FY17, the business reported PAT of Rs. 24 cr. *(based on carve out financials prepared by Religare's management for the business being acquired)*

Overview of Edelweiss Affluent Wealth Management



- **Edelweiss Wealth Management has two segments with a total AUA of Rs. 76,300 cr. as on Sep 30 2017**
 - Of this Rs. 59,900 cr. is part of the **UHNI segment** which caters to established wealthy families, foundations and individuals
 - The balance Rs. 16,400 cr. is part of the **Affluent segment** which is increasingly a very significant revenue and PAT contributor to the Global Wealth Management business
- Our target clients in the Affluent segment are engaged in wealth creation – e.g. first generation entrepreneurs, directors, senior employees with stock option plans etc.
- Our high quality Affluent wealth advisory business platform focuses on providing a full range of products and services ranging from advice, broking, financing as well as access to financial products like insurance, funds and structured products
- Our RMs are assisted by investment in technology to make them more productive and the client experience uniformly high
- The tech-enabled RM gives us a greater understanding of client life stage and helps us innovate and offer appropriate and suitable products

Comparison of the Businesses



Particulars	Edelweiss Wealth Management (Sep 17)	Religare securities business (Mar 17)
AUM/AUA	Rs. 76,300 cr.*	~ Rs. 30,000 cr.
Clients	0.42 million	> 1.0 million
Employees	~1,600	~2,150
Branches	63	90+
Business Partners/ Franchisees	~1,040	~1,100 +
Banking tie-ups	N/A	12
PAT FY 2017	Rs. 71 cr.	Rs. 24 cr. ¹
PAT HI FY18	Rs. 53 cr.	N/A

- Religare is a pure retail broking play currently – as reflected in the comparative profitability
- The Edelweiss range of products and services will help step up the profitability of the franchise significantly

*Edelweiss Wealth Management AUA as on March 2017 was Rs. 60,300 cr.

¹ Based on carve out financials prepared by the Religare's management for the business being acquired

Transaction Rationale



- This transaction will **triple our client base** to nearly ~1.4 million clients
- It will **more than double the talent pool** with which we can serve our clients with our wider range of products and services
- It will **more than double our reach** by increasing our branch count (now 63) and our franchisees (now ~1,040)
- In addition, Religare has multiple banking channel tie-ups (12) that will further strengthen our distribution strength
- We believe the full range of services that we offer our current clients has helped us in generating a superior client experience that translates into better profitability
- **We expect a significant expansion in revenue and profitability from the increase in client base, geography and talent pool combined with our range of products and services**

The transaction is a major strategic fit since it catapults us into being the largest non-bank wealth advisor in India