



# **Nuvama Wealth Management**

*Formerly Edelweiss Wealth Management*

## **Business Update**

# 1. India Wealth Opportunity

## 2. Who We Are

## 3. Our Edge

## 4. Future Aspirations

- India's financial services sector is poised to transform
  - Financial wealth would continue to grow rapidly
  - Investment asset class will grow even faster
  - Rising formal penetration will multiply the opportunity
- Making India's wealth industry a structural and scalable opportunity

# India's financial services sector is poised to transform

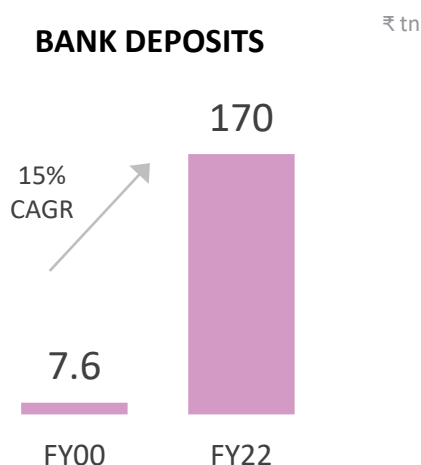
## Continued momentum across segments, a catalyst to growing wealth

| WEALTH MANAGEMENT   | ASSET MANAGEMENT   | CAPITAL MARKETS   | INSURANCE  |
|---|--|---|--|
| <ul style="list-style-type: none"><li>○ Wealth will grow to reach <u>₹ 800+ tn</u> by 2025 (11% CAGR - 10 years)</li><li>○ # HNIs/UHNI estimated to grow 1.7x in 5 years (2020-25)</li><li>○ India to be the <u>4<sup>th</sup> largest</u> private wealth market globally by 2028</li></ul> | <ul style="list-style-type: none"><li>○ AUM will grow to reach <u>₹ 90+ tn</u> by FY26 (18% CAGR - 11 years)</li><li>○ Alternatives are now mainstream, will reach <u>₹ 11+ tn</u> by FY26 (CAGR 32% - 11 years)</li></ul> | <ul style="list-style-type: none"><li>○ Multiple reforms developing deeper and robust capital markets</li><li>○ India to be the <u>5<sup>th</sup> largest</u> stock market globally by 2024</li></ul> | <ul style="list-style-type: none"><li>○ Continued growth in AUM and premiums reaching ₹ 50 tn and ₹ 8.3 tn resp in FY21 (10% CAGR - 5 years)</li><li>○ Huge growth potential given low penetration of 4.2% (premium as % of GDP)</li></ul> |

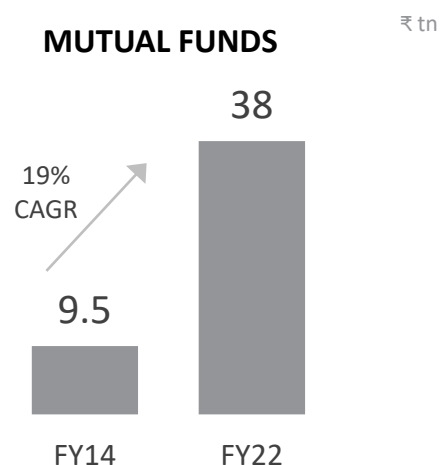
**Making “Wealth Management” a key beneficiary given its proximity to client relationships**

# Financial wealth would continue to grow rapidly

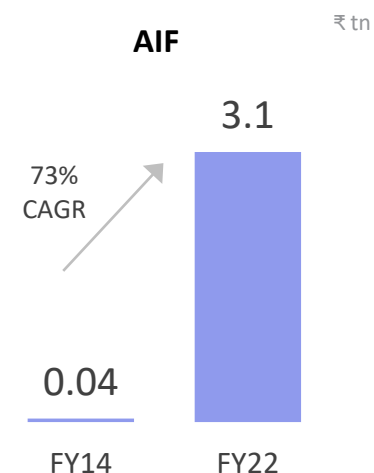
## Financial assets would reach ₹ 500+ tn by FY25



Bank deposits have doubled every ~4.5 years over last 2 decades



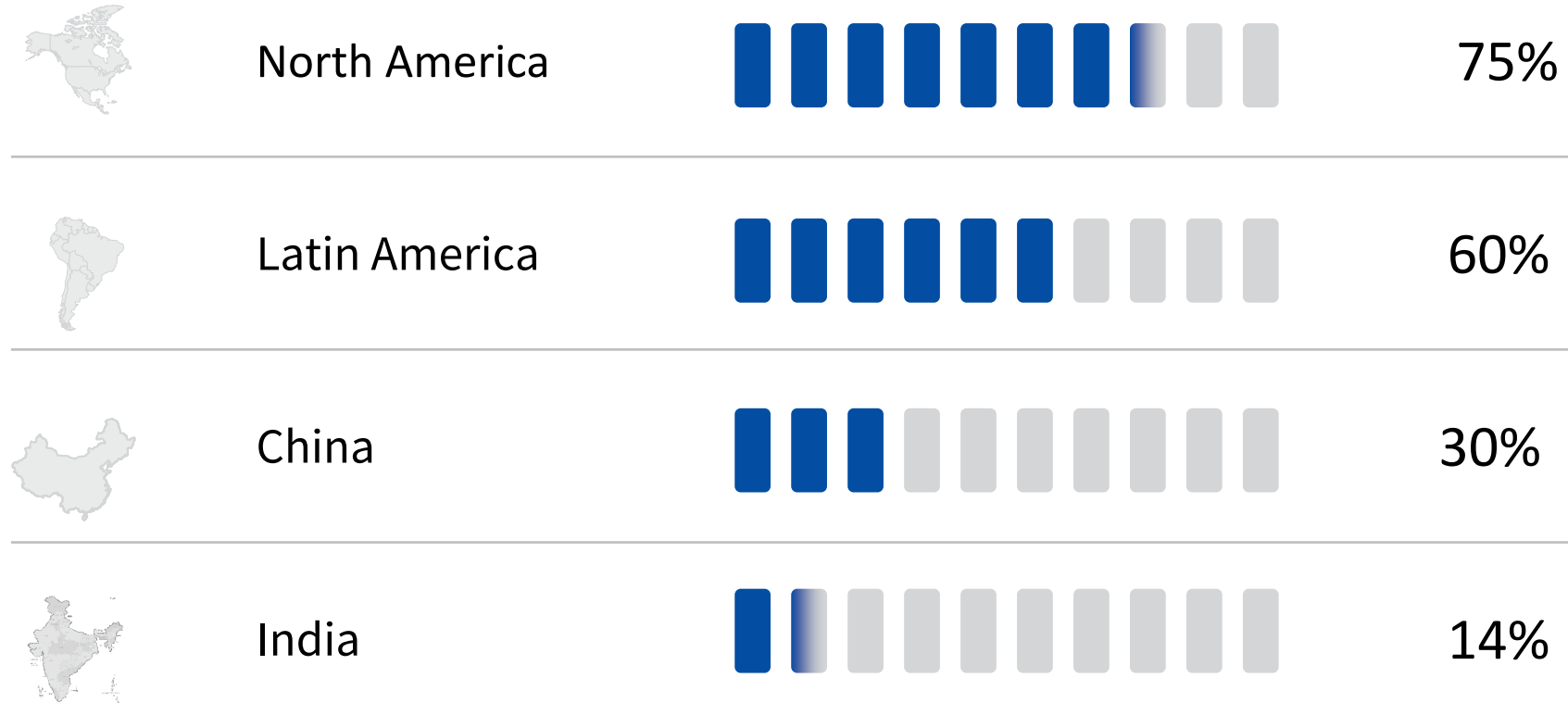
MF present size equivalent to 1/5<sup>th</sup> of ₹ 200 tn, the estimated growth in financial assets by 2025



AIF present size equivalent to 1% of ₹ 300 tn, the present size of total financial assets

**Investment asset class will grow even faster driven by “value-migration” and has a “long-runway”**

## Rising formal penetration will multiply the opportunity



**Organized players in India have ~14% penetration  
vis-à-vis developed nations at ~75%**

# Making India's wealth industry a structural and scalable opportunity



## Greater Growth

- Demographics and rising affluence
- Critical to client

**AUM of Top 3 players as % of GDP: USA-40% vs India-5%**



## Strong Economics

- Low capital requirements - High RoE
- Concentration of wealth - High operating leverage

**80% of the financial wealth in hands of 0.7% of households**



## Foreseeable Consolidation

- Increasing product complexity
- Enhanced regulatory focus
- Technology disruptions

**Rising India formal wealth penetration (Present: India-14%, US-75%)**

1. India Wealth Opportunity

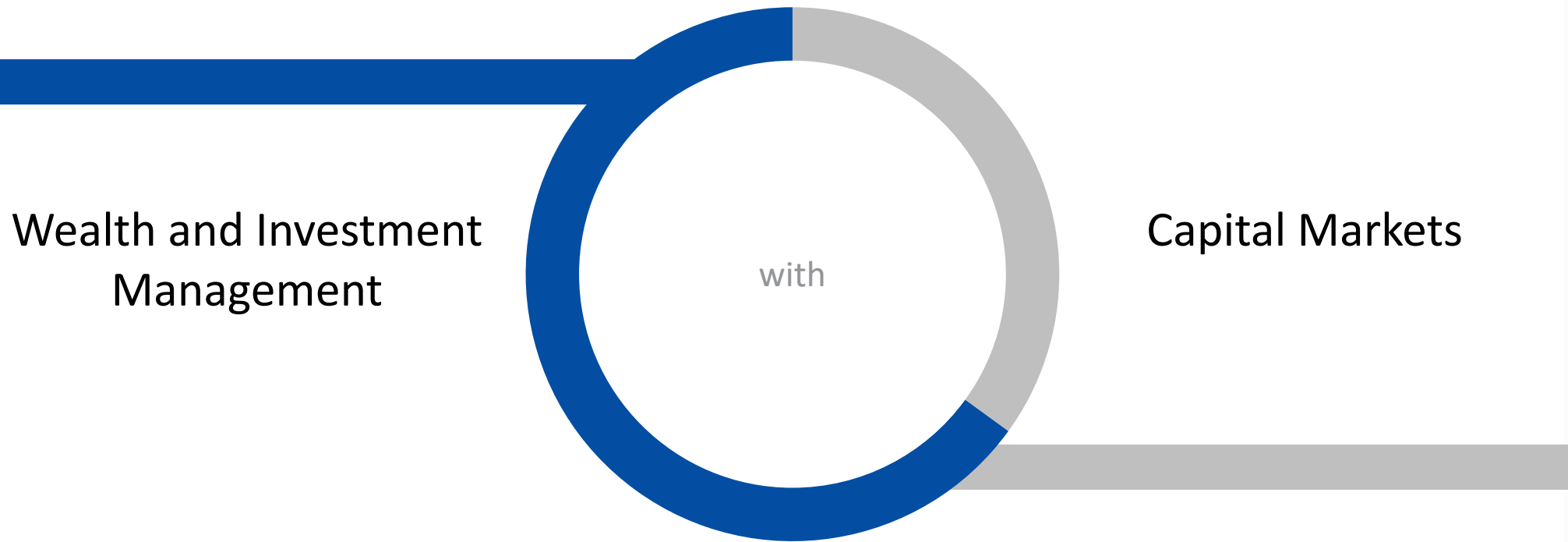
**2. Who We Are**

3. Our Edge

4. Future Aspirations

- Integrated platform: Wealth & Investment Management with Capital Markets
- Market dominant and scaling fast
- Proven execution capabilities across diversified clientele
- Transformed from individual businesses to a platform

# Our Business: Market dominant and scaling fast



Amongst top 2  
independent wealth  
management players



Fastest growing  
alternate investment  
management franchise



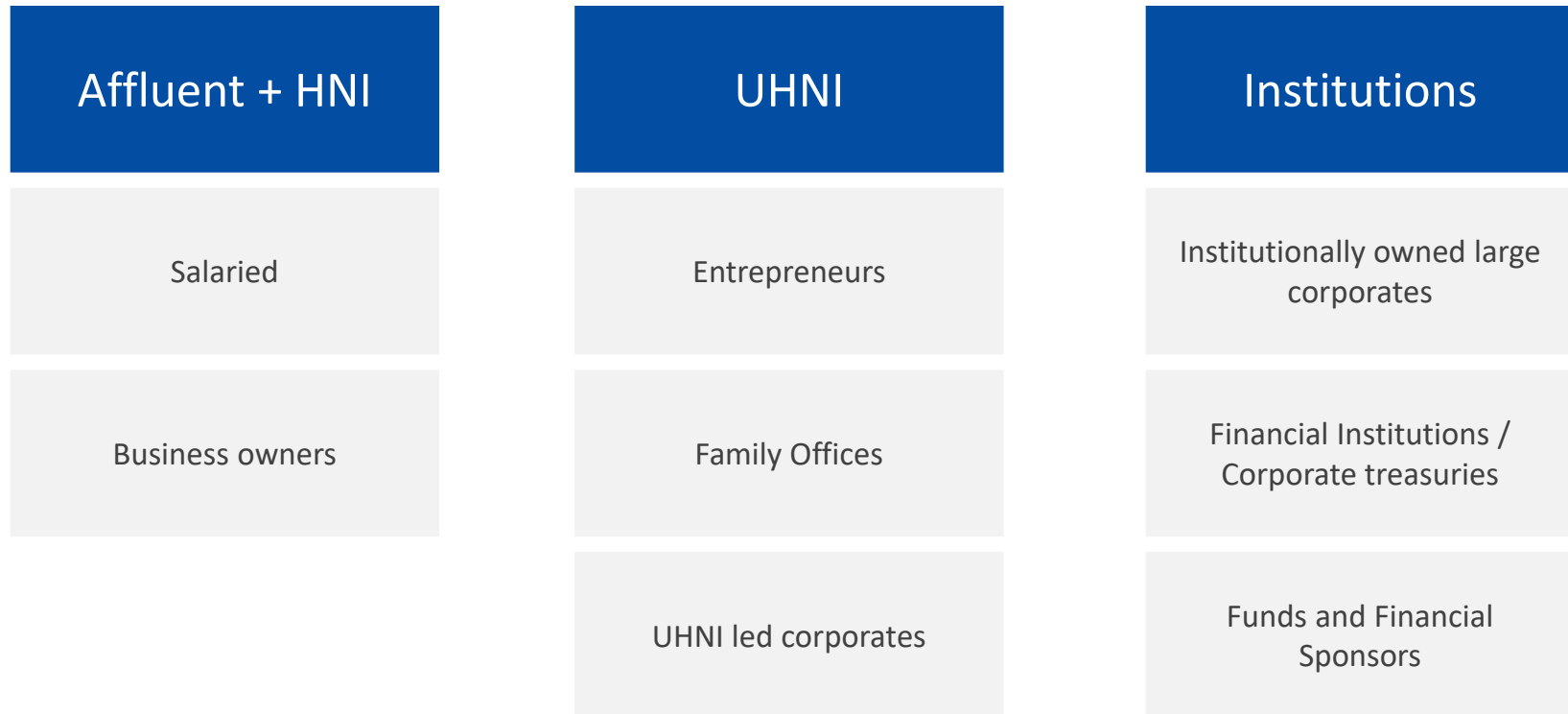
One of the largest  
Institutional domestic  
brokerage house



Advising capabilities  
across equity and debt  
solutions

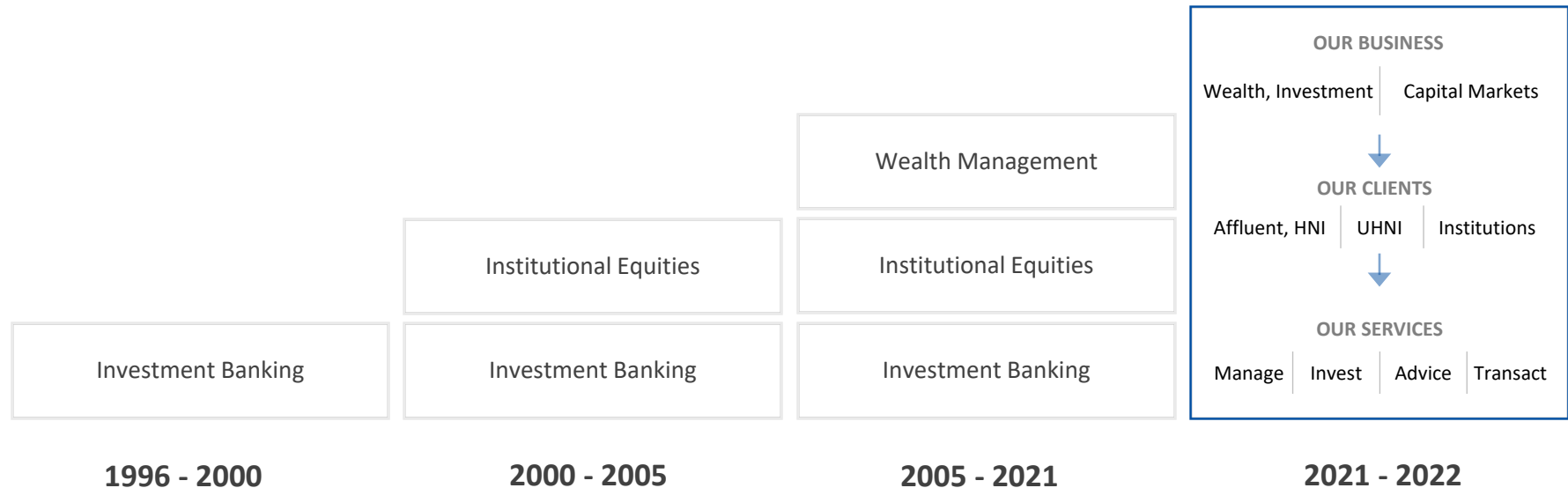


# Our Clients: People, Businesses and Institutions



**Proven execution capabilities across diversified clientele**

# Our Journey: Individual businesses to a platform



## BACKED BY HIGH-QUALITY PARENTAGE

### EDELWEISS

A strong presence across financial services

## GLOBAL PARTNERSHIP VALIDATING PLATFORM STRENGTH

### PAG

Invests ~INR 2,366 crores in Mar 21 for majority stake

## 1. India Wealth Opportunity

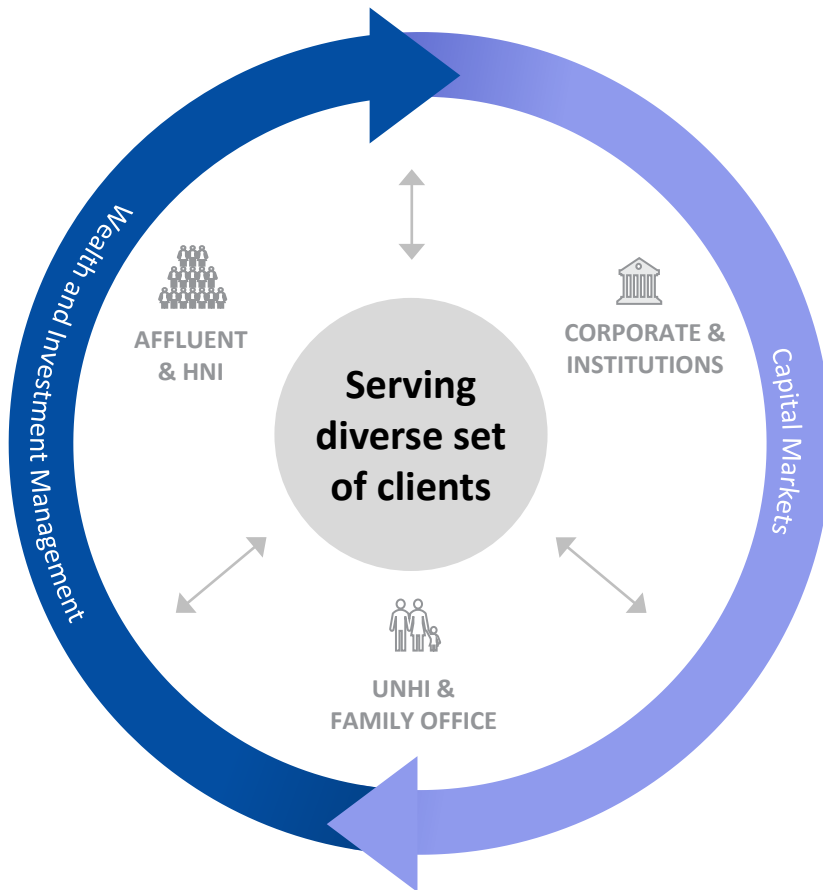
## 2. Who We Are

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## 4. Future Aspirations

- Integrated ecosystem driving superior client experience and synergistic growth
- Deep and differentiated product platform
- Scaled client segments in this large and growing market
- Superior earnings and strong performance

## Superior product capabilities + Ready client access = Synergies



*Capital market led access to  
liquidity events for wealth  
management*

*Wealth management led rapid  
scale-up of investment  
management*

*Capital market led access to  
high-quality research and  
services for wealth management*

*Lending access to meet financing  
needs for wealth management  
(LAS, ESOP, etc.)*

# Our Product Platform: Deep and Differentiated

1

## Differentiated client delivery

*Added many industry 1<sup>st</sup> and unique solutions for customer clusters*

2

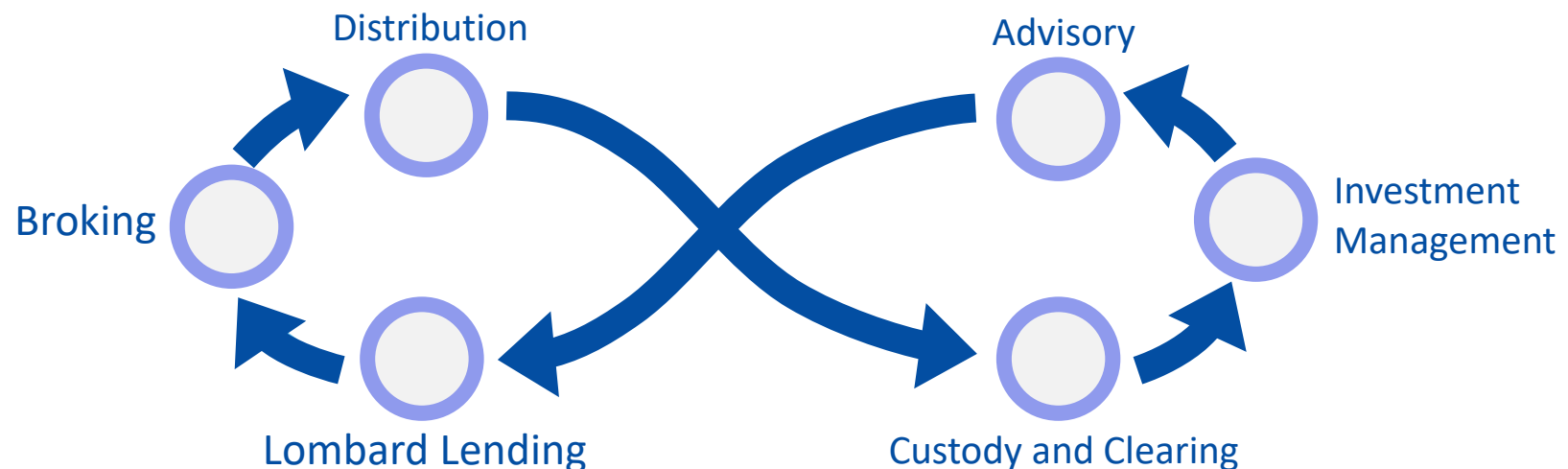
## Hybrid channel - Human + Technology

*Scaling efficiently and enriching client experience*

3

## Superior and Multi-product mix

*Fulfilling all client goals and greater monetization opportunity*



# Our Business Segment: Wealth and Investment Management

## Significant presence across the large and growing opportunity

**₹ 163,000**

AUM in Cr

**850K+**

Affluent, HNI  
Clients

**2800+**

UHNI Clients and  
Family Offices

**23,000+**

Partner  
Network

**450+**

Locations

**1000+**

Relationship  
Managers

1. Broad based play covering “Affluent and above” client segments, constituting ~80% of total financial wealth with huge growth opportunity in India
2. Largest player in affluent segment, leveraging capabilities (technology + network + people) established over a decade, a fast-growing category with high barriers to scale and succeed
3. Best-in-class digital capabilities; ‘*Edelweiss Mobile Trader*’ - highest rated app in google play store, ‘*edelweiss.in*’ - most comprehensive multiproduct digital web platform

# Our Business Segment: Wealth and Investment Management

4. Fastest growing player in Investment Management, a segment at the cusp of exponential growth
  - a) Multiple strategies - Pre IPO and private equity, long short, capital protected long only, venture debt
  - b) Complete digital platform for onboarding and servicing - Industry first
  - c) Differentiated and synergistic play with wealth management - Rapidly scaled raising ~4k cr in 12m

## Market dominating franchise

**700+**

Institutional clients  
(Public-side)

**280+**

Companies under  
Research Coverage

**450+**

Custody  
Clients

**₹ 39,000**

AUC in cr

**250+**

Investment Banking  
Deal Closures

1. Leading institutional equity platform, strong distribution capability, reach across NA, EU, ME, SEA & India
2. World class custody and clearing services with fast growing market share
3. Full-service advisory capability, across equity and debt solutions, serving through-out business life cycle



# Our Performance: Strong client addition and enhanced engagement

## AFFLUENT AND HNIs

## UHNI AND FAMILY OFFICE

## CORPORATE AND INSTITUTIONS

FY22

5 YRS CAGR

AUM in cr

₹ 53,000

↑ 30%

FY22

5 YEARS CAGR

AUM in cr

₹ 1,06,000

↑ 15%

FY22

5 YRS CAGR

AUC in cr

₹ 39,000

↑ 51%

NUMBER OF CLIENTS

850K

↑ 14%

NUMBER OF CLIENTS

2,800

↑ 48%

INSTITUTIONAL EQUITY MARKET SHARE

~5%

-

NET PROMOTER SCORE

84

↑ 50%

NET PROMOTER SCORE

40

↑ 27%

ADVISORY DEAL CLOSURES

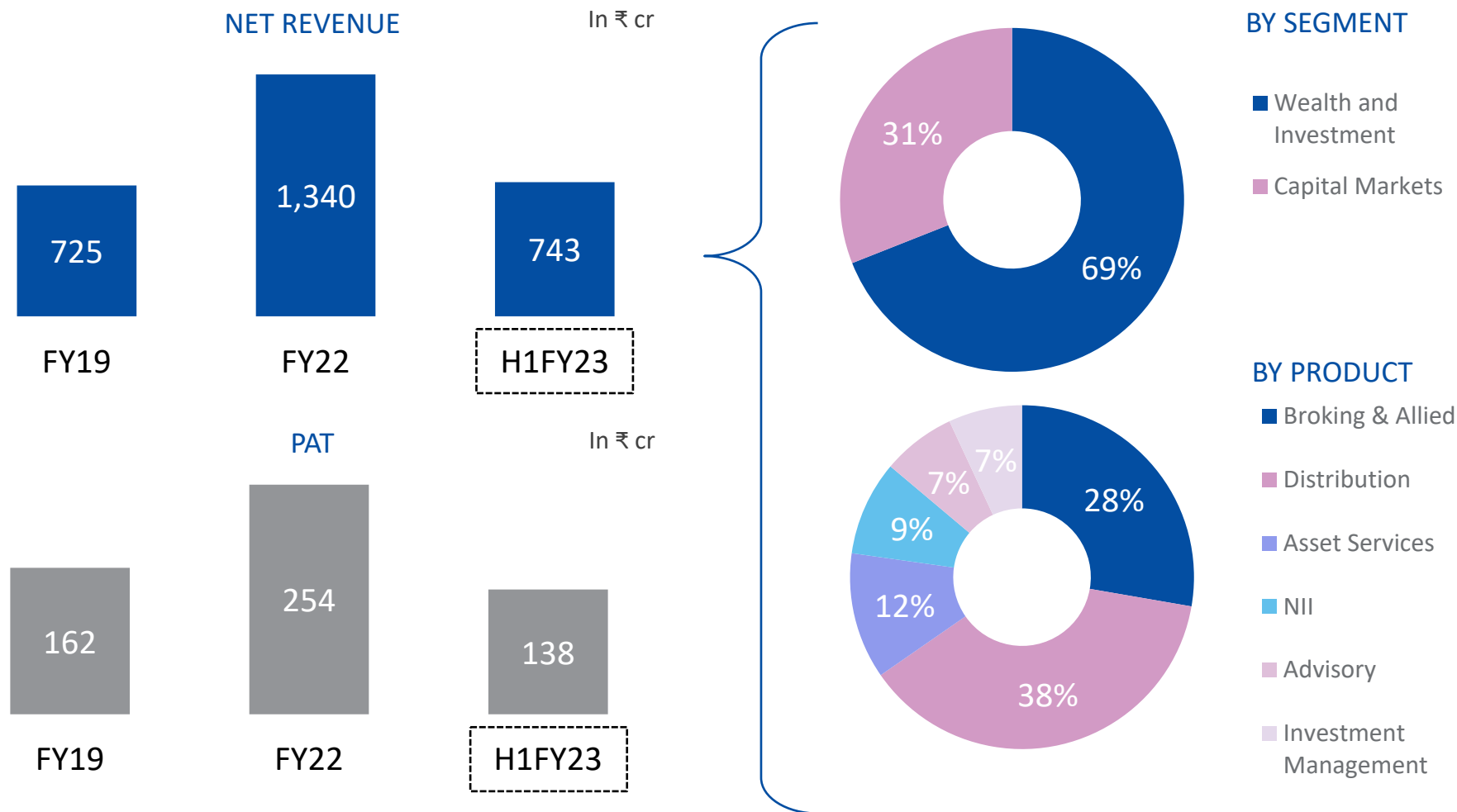
49

↑ 28%

# Our Performance: Delivering best-in-class outcomes

| HIGHER PRODUCTIVITY (Wealth Management) |   | LEADING RETURNS<br>(Investment Management)   | LEADING RESEARCH                                 |
|---|---|--|--|
| AFFLUENT AND HNIs                       | UHNI AND FAMILY OFFICE                    |  |  |
| ₹ ~60 cr<br><br>AUM<br>per RM           | ₹ ~3,500 cr<br><br>AUM<br>per team leader | Amongst top<br>quartile<br><br><br>IRR (30 <sup>th</sup> Sep'22)<br><br>Crossover I – 20.3%<br><br>Crossover II- 32.3%<br><br>Edge - 15.2% | 280+<br><br>Companies<br>under coverage          |
| ~250<br><br>Active clients<br>per RM    | ~90<br><br>Families<br>per team leader    |  | Top 3 ranks<br><br>in 19 out of 29<br>Categories |

# Our Performance: Superior and diversified earnings



**Stable growth and on track to deliver PAT growth of 20%+ YoY**

# Our Performance: Won accolades across credible platforms

## **Best Private Bank - India**

Global Private Banking Innovation Awards – 2022

## **Best Broker - India**

FinanceAsia Country Awards – 2016, 2017, 2018, 2020, 2021, 2022

## **Best Private Bank for Family Offices, India**

Asiamoney Asia Private Banking Awards – 2020, 2021, 2022

## **Best Wealth Manager, India**

The Asset Triple A Private Capital Awards 2021

## **Best Broker - India**

FinanceAsia Country Awards – 2016, 2017, 2018, 2020, 2021

## **Top Rankings in Asia Money Brokers Poll 2021**

Rated #1 in 6 categories, Rated #1 for ESG three years running, Rated top 3 in 19 categories

## **Leading India Custodian**

Global Custodian ABEM Survey – 2017, 2018, 2019, 2020, 2021

## **Outstanding Wealth Management Offerings for High Net Worth clients**

Global Private Banking Innovation Awards – 2021 by Global Private Banker & The Digital Banker

## **Best Private Bank**

Global Finance Magazine – 2018, 2019, 2020, 2021

1. India Wealth  
Opportunity

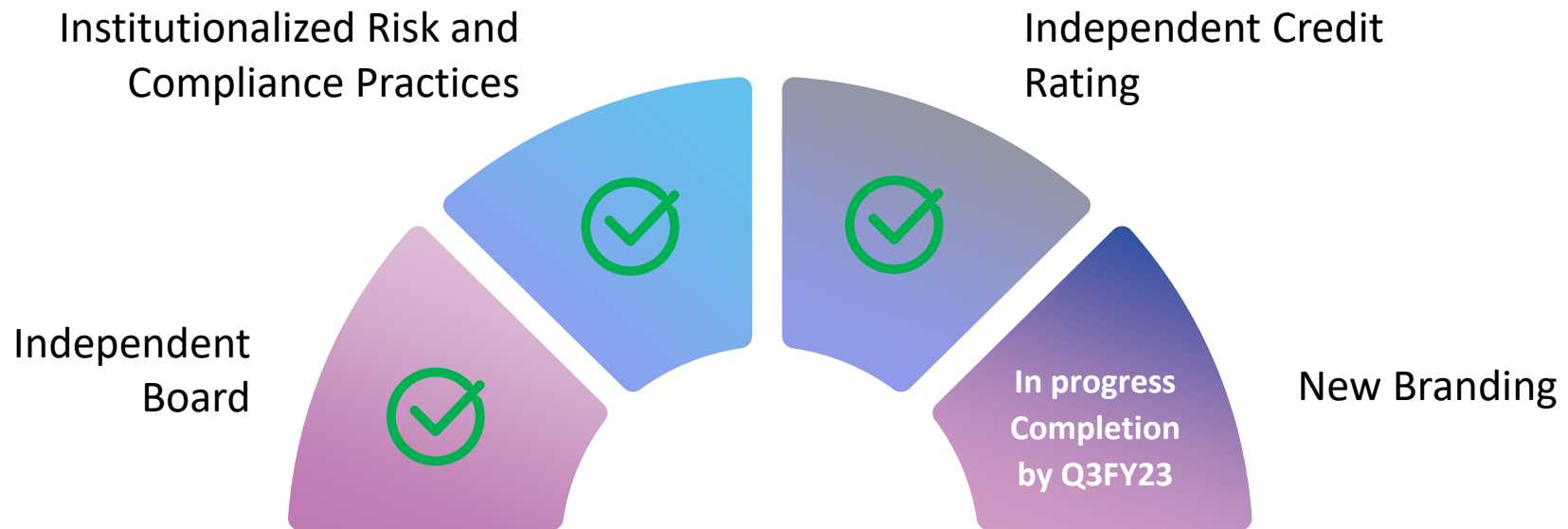
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**4. Future Aspirations**

- Transitioning smoothly to operate independently
- Scale meaningfully and efficiently
- Wealth and Investment Management to drive growth

# Transitioning smoothly to operate independently as a listed entity



**Robust operating framework and strong governance**

# Significant growth momentum over next 3 years

**Necessary fundamentals in place to grow**  
**Adequately capitalised with strong networth of ₹ 2,065 crore**

1. Grow Wealth Management

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2. Significantly Scale Investment Management

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3. Maintain Leadership in Capital Markets

**Wealth clients and client assets**  
**Grow to ~2x**



**Investment management assets**  
**Grow to ~5x**



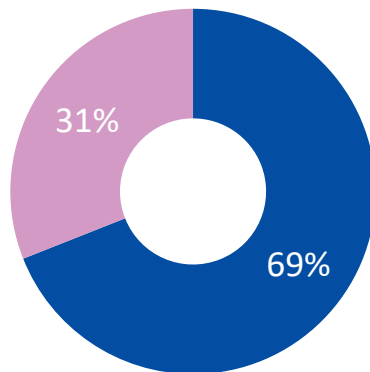
TODAY

IN 3 YEARS

**Operating leverage to deliver significant improvement in cost to income ratio**

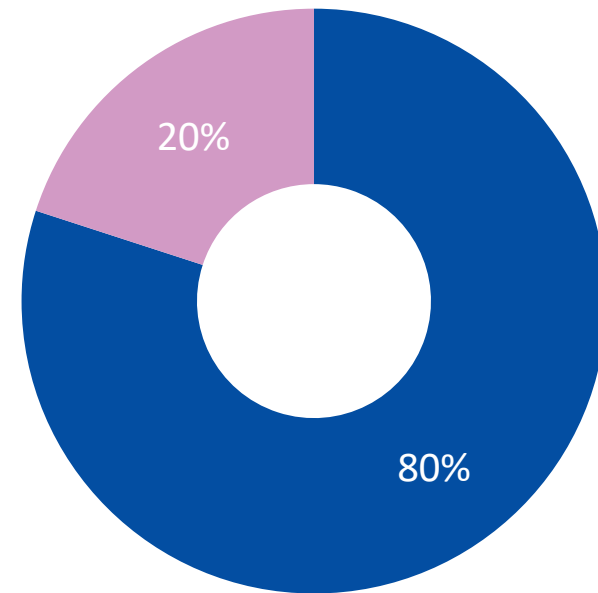
# Wealth and Investment Management - key growth drivers

REVENUE H1 FY23



■ Wealth and Investment

IN 3 YEARS



■ Capital Markets



### **Poised to capture the structural and scalable wealth management opportunity:**

1. One amongst the two scaled wealth management platforms in the country
2. Robust value proposition - diversified platform across client segments
3. Embedded growth lever - Investment Management
4. Strong leadership with proven track record and focused execution plan

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## NOTES:

- Slide 1: Edelweiss Wealth Management has been now rebranded to Nuvama Wealth Management
- Slide 3: Source: Karvy Wealth Reports, Knight Frank Wealth Report 2021, India Brand Equity Foundation September 2021
- Slide 4: Source: RBI and SEBI and Karvy Wealth Reports, Investment assets includes Insurance, Direct Equity, Mutual Fund, Unlisted Equity, Alternative Investments and International Assets
- Slide 5: Source: Asian Private Banker, Credit Suisse Global Wealth Reports, Statista and Internal estimates
- Slide 6: Source: World bank, Asian Private banker, Kotak Wealth Report, Karvy Wealth Report, McKinsey Wealth Reports, Investor Presentation of WM players in India / globally and Internal EWM estimates
- Slide 8: Rankings stated are based on following parameters: Amongst top 2 independent players basis AUM does not include banks, Fastest growing alternate investment management franchise is basis AUM raised, Largest Institutional domestic brokerage house basis revenue market share
- Slide 14 to 23: EWM data and metrics presented are for period as specified and may have been rounded off for presentation purposes.
- Slide 19: Net revenue and PAT incorporates impact of phase 3 demerger to include merchant banking and advisory services businesses. Net Revenue is calculated by reducing finance cost and variable business expenses from gross revenue