

EW/Sec/2023/26

January 31, 2023

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: EDELWEISS
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Dear Sir/Madam,

Sub: Update on Nuvama Wealth Management Business

Please find attached an update in US Dollars on Nuvama Wealth Management Business.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above

NUVAMA

Strategic Overview

January 2023

Contents

1



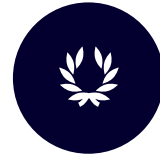
**WHO WE
ARE**

2



**INDIA WEALTH
OPPORTUNITY**

3



**OUR
BUSINESSES**

4



**OVERALL
PERFORMANCE**

5



**WAY
FORWARD**

1. WHO WE ARE

- Integrated wealth management platform

2. INDIA WEALTH OPPORTUNITY

- Built on strong foundation of Client-first

3. OUR SEGMENTS

- Only established player straddling across Affluent to UHNI client segments

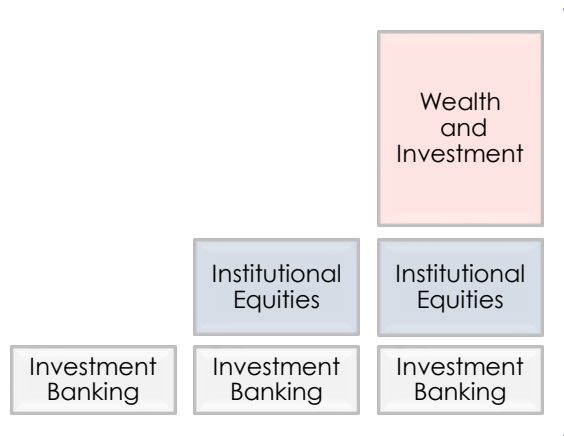
4. OVERALL PERFORMANCE

- Solution oriented approach with the exhaustive suite of offerings

5. WAY FORWARD

Our Evolution: Individual businesses to a **publicly listed, independently governed company**

BUILT BUSINESSES - BACKED BY HIGH-QUALITY PARENTAGE



1996 - 2000 2000 - 2005 2005 - 2021

GLOBAL PARTNERSHIP VALIDATING PLATFORM STRENGTH

Wealth Management business
caved out by Edelweiss



PAG investment into business,
buys a controlling stake

2021

TRANSITIONED SMOOTHLY TO OPERATE INDEPENDENTLY

Independent Board	✓
Independent Credit Rating	✓
Tech transition & investments	✓
Strengthened governance	✓
New Brand and Location	✓
Demerge and List	Apr-May 2023



2022 - 2023

LISTED, BOARD GOVERNED INDEPENDENT COMPANY

NUVAMA

Integrated ecosystem driving superior client experience and accelerating business growth

2023 ➡

Pursuant to demerger scheme shareholders of **Edelweiss Financial Services Limited** will become shareholders of **Nuvama Wealth Management Limited**

Client-first foundation

Our vision is to provide our clients with comprehensive and tailored wealth management solutions and advice

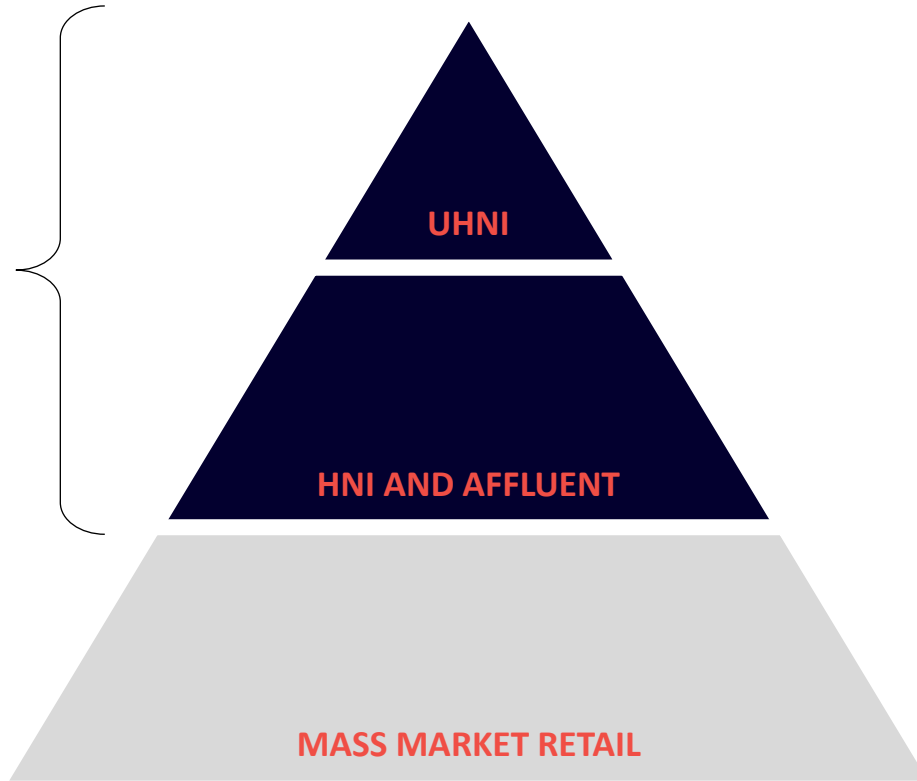
WE SERVE

ULTRA HIGH NETWORTH
AFFLUENT AND HNI
CORPORATES AND INSTITUTIONS

WE PROVIDE ACCESS TO

1. PRODUCTS		2. ADVISORY		3. CAPITAL MARKETS	
3 rd Party Product Distribution	Proprietary (In-house manufactured products)	Wealth Advisory	Institutional Investor Access	Broking	Investment Banking
4. CAPITAL		5. INTEGRATED TECHNOLOGY PLATFORM			
Lending against Securities		Digital Onboarding	Transactions and Reporting		

Amongst **established wealth managers** covering client segments constituting ~80% of wealth



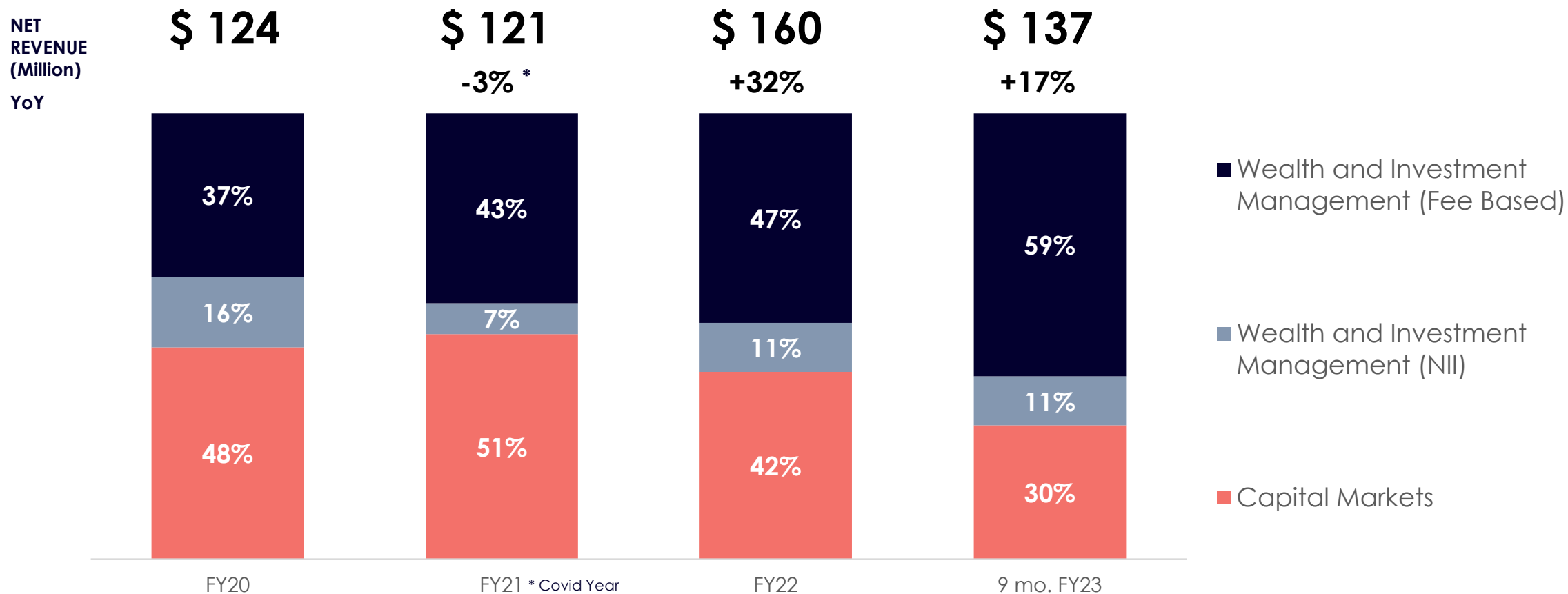
Total

INDIA WEALTH LANDSCAPE

# HOUSEHOLDS (~ In lakhs)	FINANCIAL WEALTH FY20 (~ \$ tn)
0.2	1.7
23.3	0.7
3,330	0.7
3,350	3.2



A high growth company with diversified and superior quality of earnings



1. WHO WE ARE

2. INDIA WEALTH OPPORTUNITY

3. OUR SEGMENTS

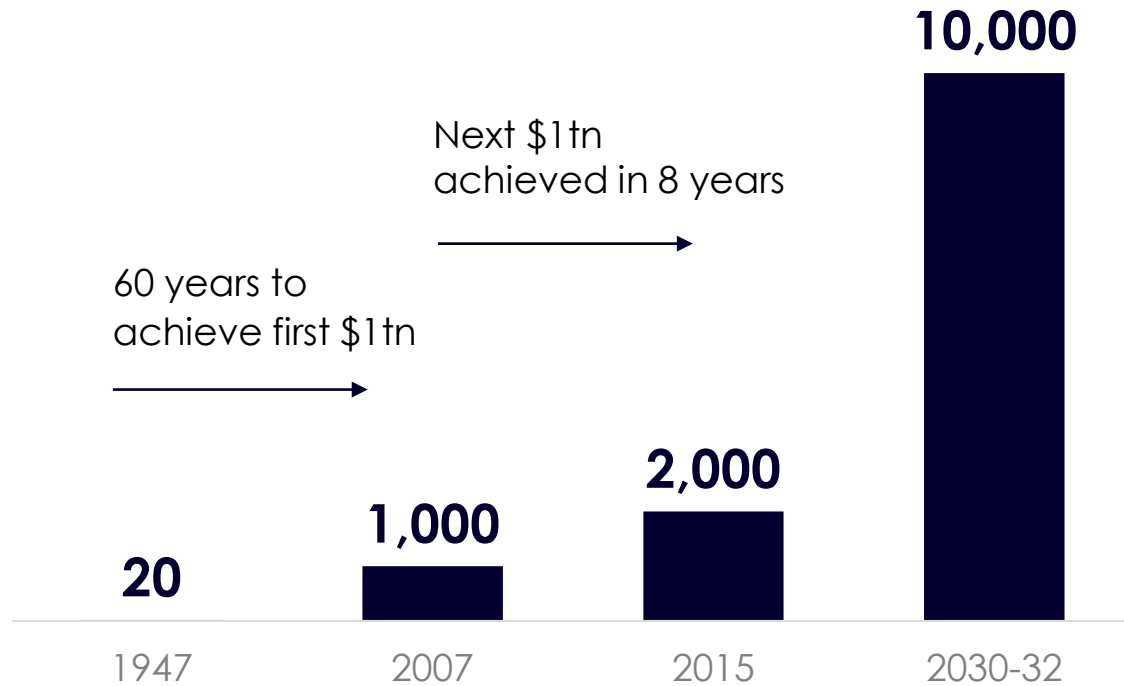
4. OVERALL PERFORMANCE

5. WAY FORWARD

- 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 economic growth is at an inflection point

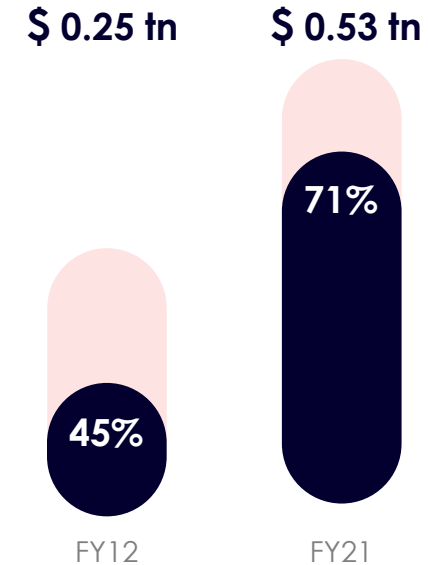
Poised to grow to US\$ 10 tn by end of decade



India GDP - US\$ billion

“Financialization” a key drive to propel this growth

Gross Household Financial Savings Ratio



Total savings doubled in 9 years;
financial savings grew from 45% to 71%

India's financial services sector is poised to transform

Continued momentum across segments, a catalyst to growing wealth

WEALTH MANAGEMENT

- Wealth will grow to reach **\$ 9.7 tn** by 2025 (11% CAGR - 10 years)
- # HNIs/UHNI estimated to grow 1.7x in 5 years (2020-25)
- India to be the **4th largest** private wealth market globally by 2028

ASSET MANAGEMENT

- AUM will grow to reach **\$ 1.1 tn** by FY26 (18% CAGR - 11 years)
- Alternatives are now mainstream, will reach **\$ 0.13 tn** by FY26 (CAGR 32% - 11 years)

CAPITAL MARKETS

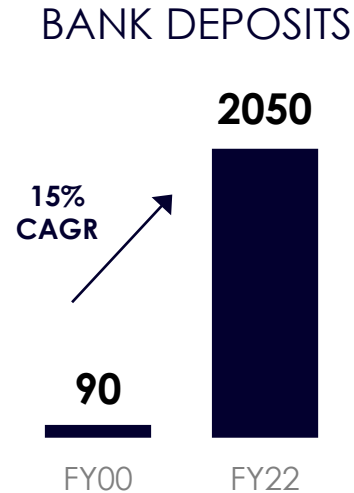
- Multiple reforms developing deeper and robust capital markets
- India to be the **5th largest** stock market globally by 2024

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

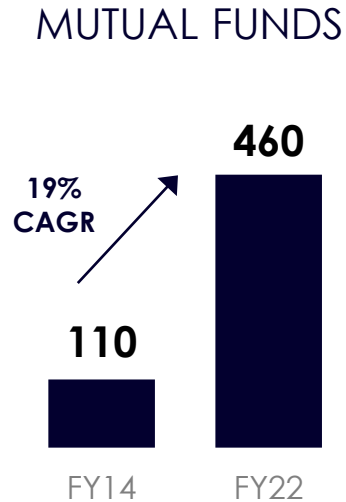
Financial wealth would continue to grow rapidly

Financial assets would reach \$ 6+ tn by FY25

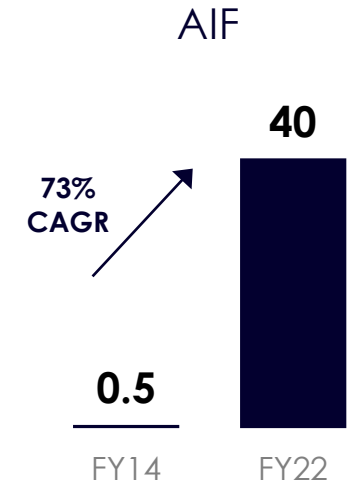
Figures are in \$ bn



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



MF present size equivalent to 1/5th of \$ 2.4 tn, the estimated growth in financial assets by 2025



AIF present size equivalent to 1% of \$ 3.6 tn, the present size of total financial assets

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

Making India's wealth industry a structural and scalable opportunity



Consolidation

- Enhanced regulatory focus
- Technology disruptions
- Increasing product complexity

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



Greater Growth

- Demographics and rising affluence
- Critical to client

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



Attractive Economics

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

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

1. WHO WE ARE

2. INDIA WEALTH OPPORTUNITY

3. OUR SEGMENTS

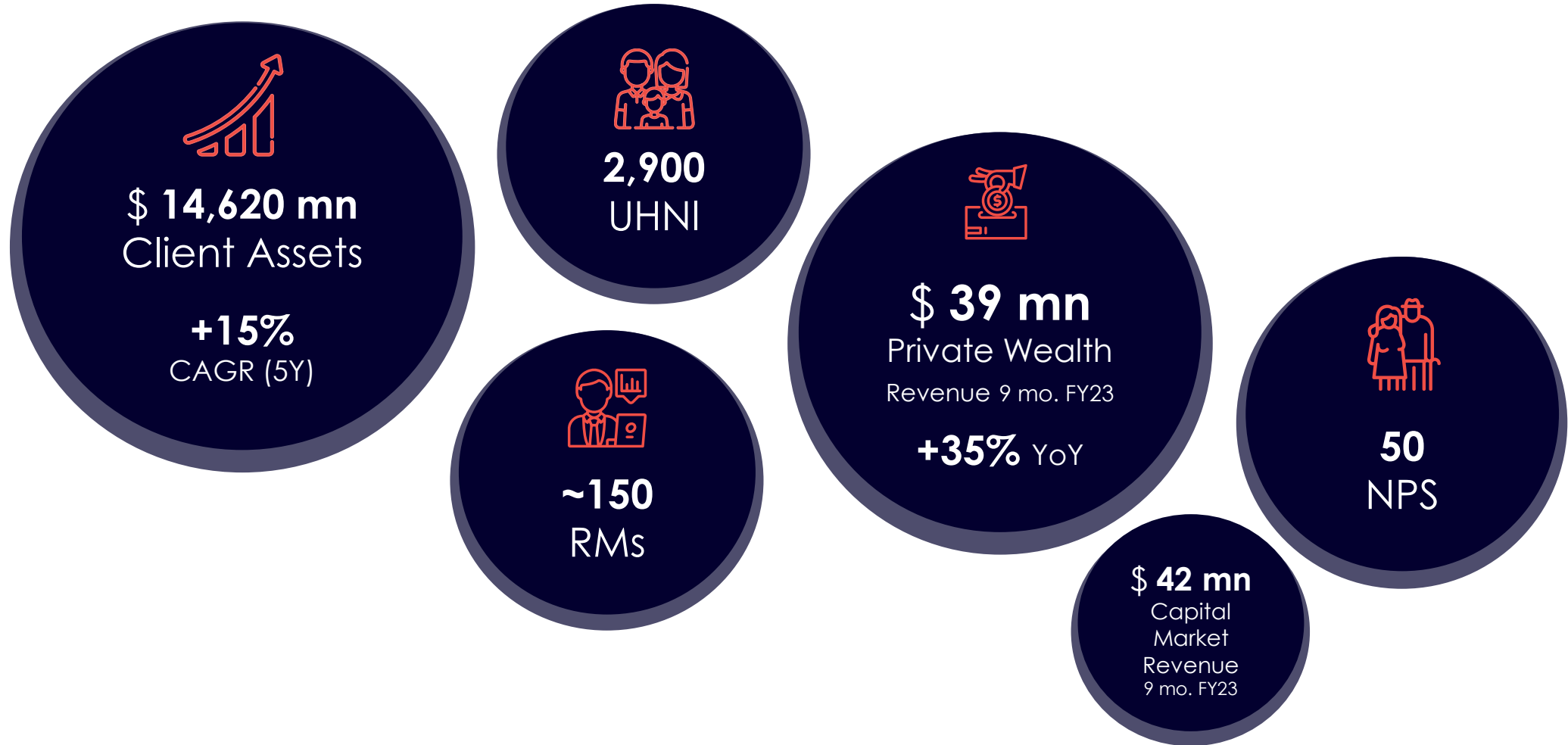
4. OVERALL PERFORMANCE

5. WAY FORWARD

- Ultra High Networth and Family Offices
- High Networth and Affluent
- Investment Management

Ultra High Networth and Family Offices

Amongst top 2 private wealth players in the country



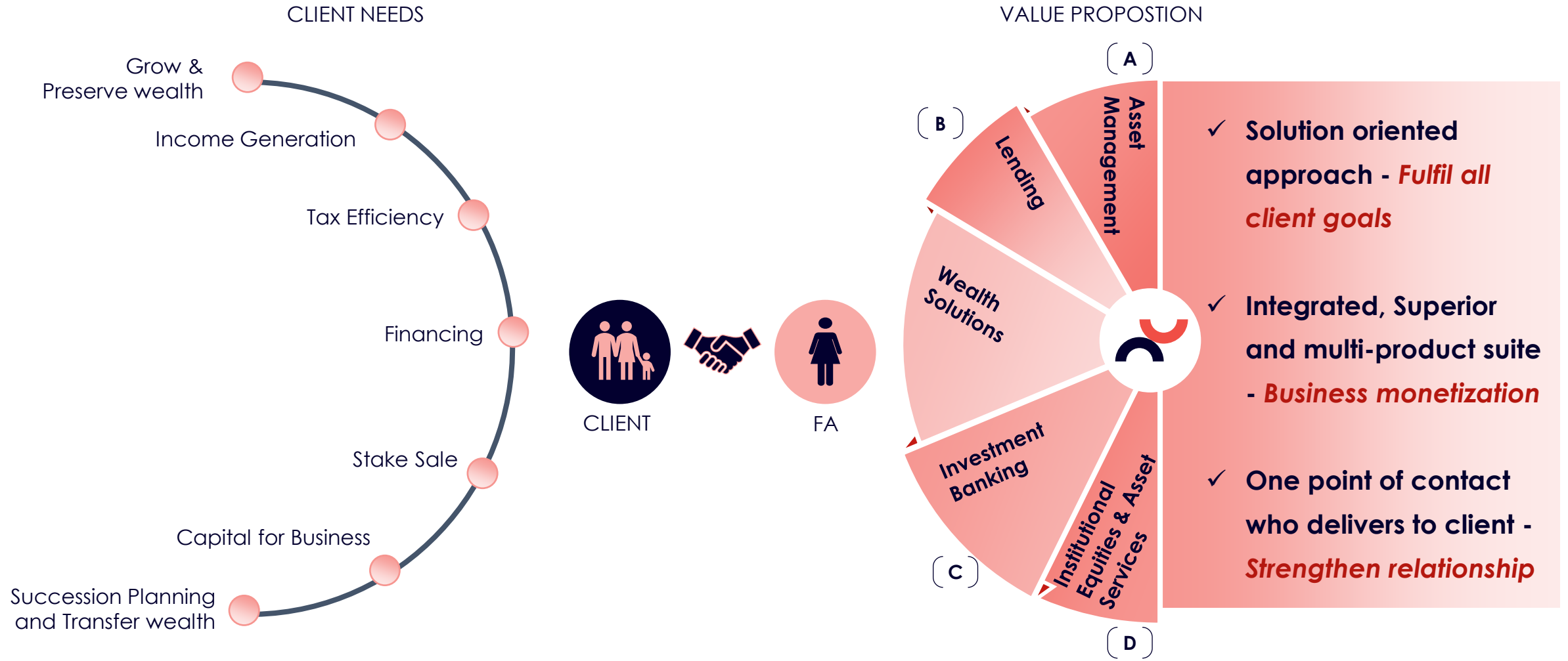
Our Strategic Advantage

1. Differentiated Platform to gain clients mind share



2. Well scaled and high-quality team

Value creation through enabling ecosystem



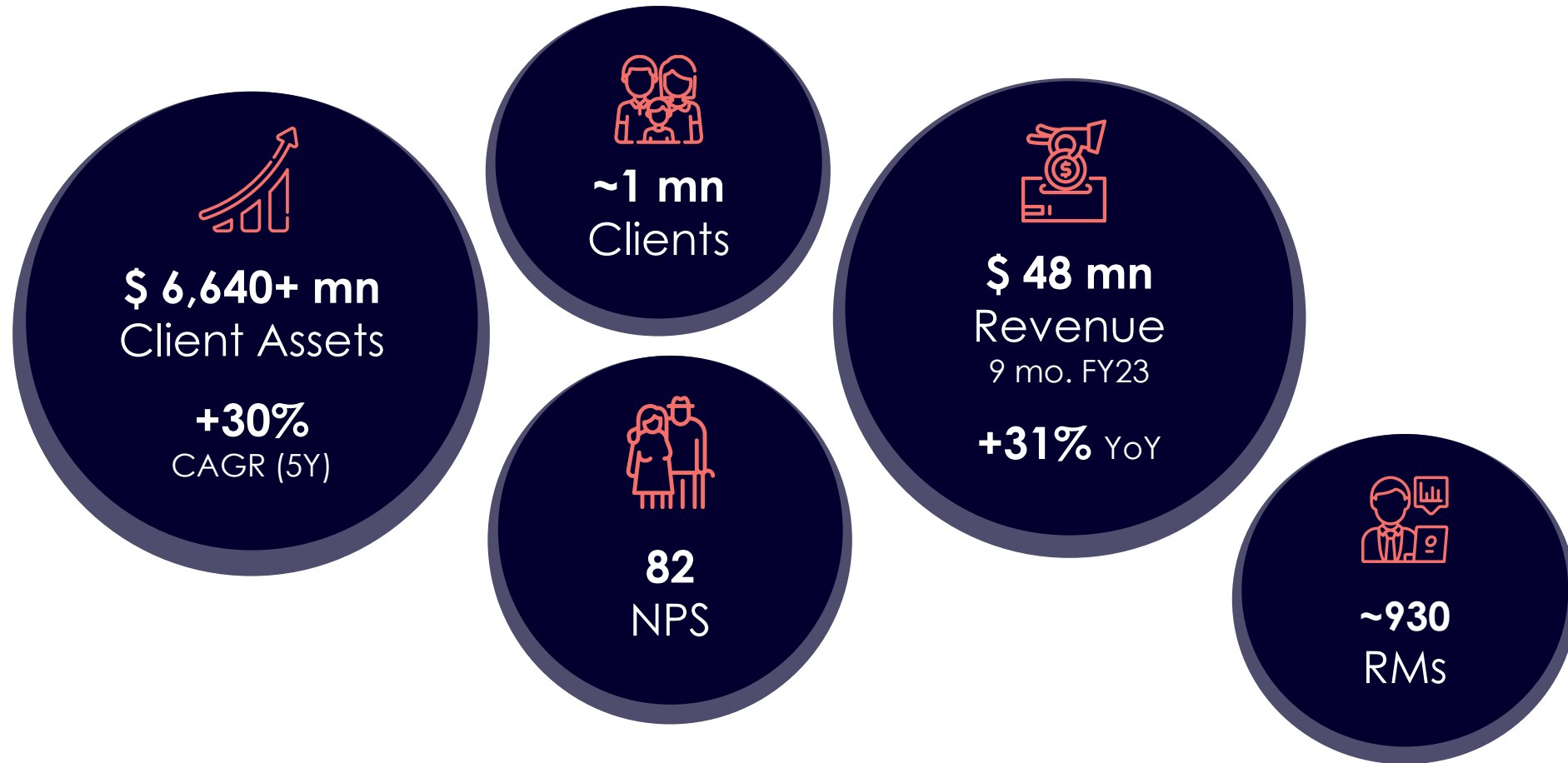
Market dominating capital market franchise

700+	280+	450+	\$ 5,310	450+
Institutional clients (Public-side)	Companies under Research Coverage	Custody Clients	AUC and CUC in mn	Investment Banking Deal Closures

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

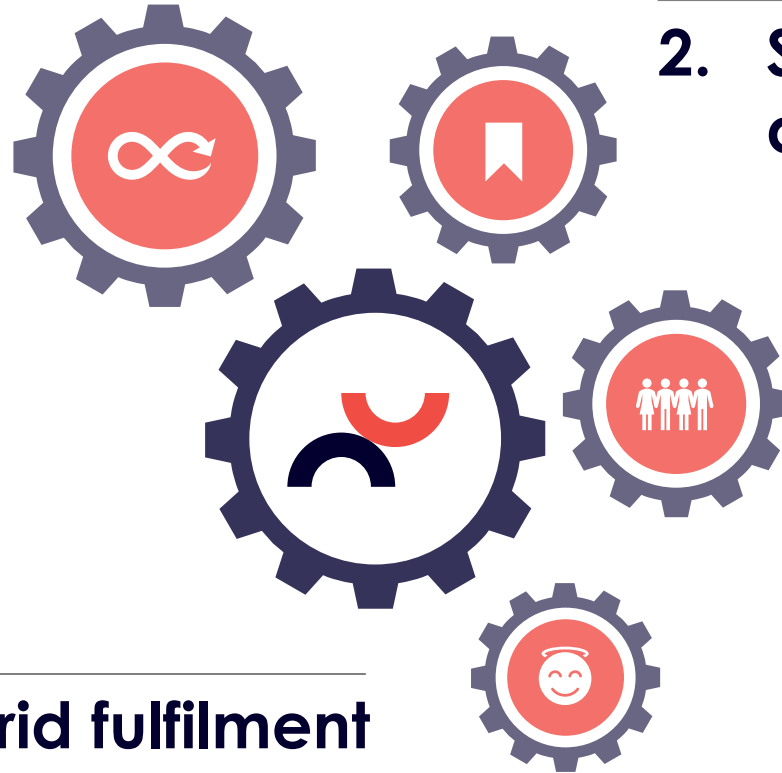
High Networth and Affluent

Leading pure wealth management player in HNI and Affluent client segment



Our Strategic Advantage

1. Large and under serviced client segment



2. Scaled and differentiated platform

3. Proven engine for RM acquisition and growth

4. Unique hybrid fulfilment model of technology + RMs

Scaled and differentiated platform

While numerous players are now competing for this segment, a category with high barriers to scale and succeed, we are one of the leading pure wealth managers catering to these clients

Well Scaled

~1 mn
Customers

\$ 6,640+
Client Assets in
mn

14%
CAGR (5Y)

30%
CAGR (5Y)

Multi Product Suite


Breadth
of
offerings

Access to
seasoned
products

40+ products across
asset classes
(14 in FY17)

Combination of third-
party products + inhouse
manufactured products

Hybrid Delivery Channel

"Human based" 

A hybrid advisory and
servicing channel
combining best elements
of technology and
human based advice

 "Technology based"

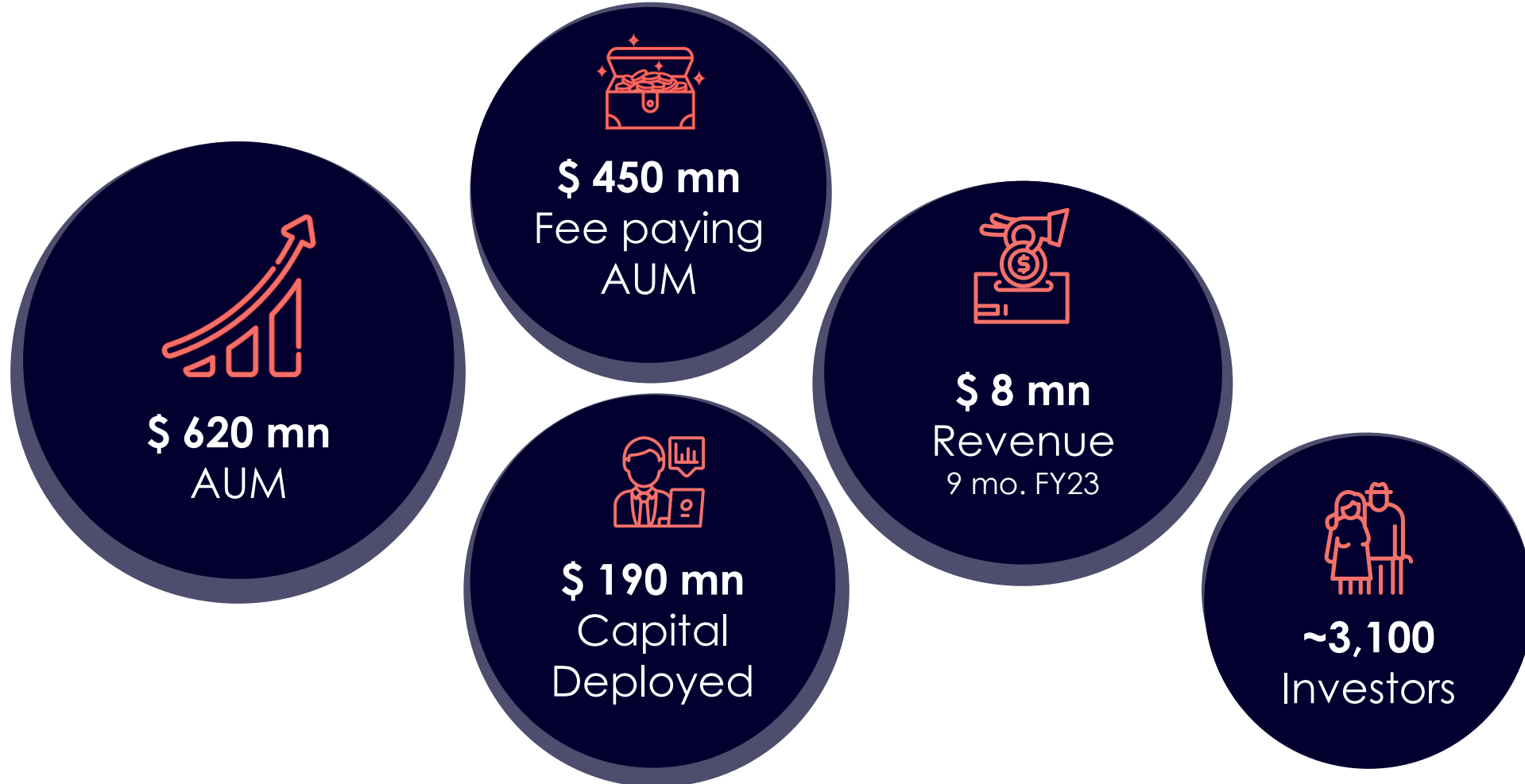
Access Across Wide Geography

450+
Locations

23,000
Partner
Network

Investment Management

Focused and high-performing alternatives investment management business



Our Strategic Advantage

01 Customer Insights	02 Ability to Scale with Speed	03 Proven Execution Capabilities	04 Digital Platform
<ul style="list-style-type: none">▪ Differentiated products powered by deep insights from wealth management, e.g. Crossover, EDGE, VDF▪ Bespoke solutions through in-house and experienced structured product team	<ul style="list-style-type: none">▪ Wealth management led rapid scale-up of asset management practice, raised \$ 480 mn in 12 months▪ Scale begets scale, in-turn increases 3rd party distribution	<ul style="list-style-type: none">▪ Best-in-Class performance<ul style="list-style-type: none">○ #1 performance amongst major indices for Cross over and Edge fund○ Market leaders in structured products	<ul style="list-style-type: none">▪ Infinity platform: Bespoke and end to end solution▪ Significant operating leverage: Complete digital platform for onboarding and servicing - Industry first

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4. OVERALL PERFORMANCE

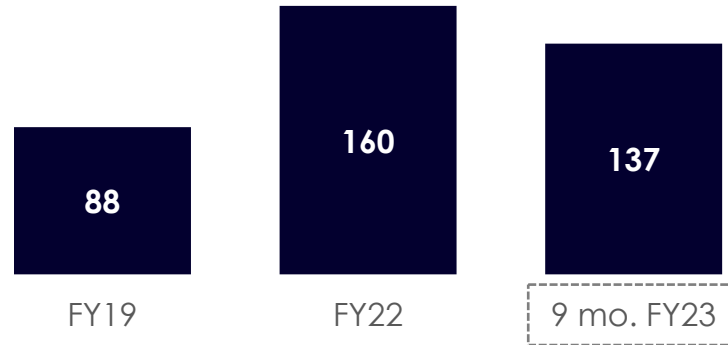
5. WAY FORWARD

- Delivered strong performance over years
- Diversified and resilient revenue streams
 - Wealth and Investment Management today constitutes ~70% of earnings
 - Distribution product income accounts for majority of wealth management earnings

Delivered strong performance over years

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

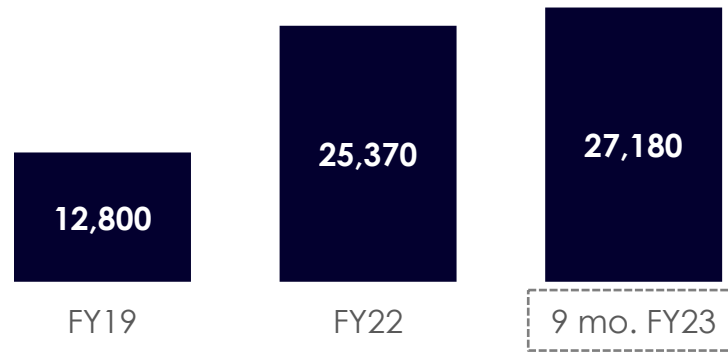
NET REVENUE (\$ mn)



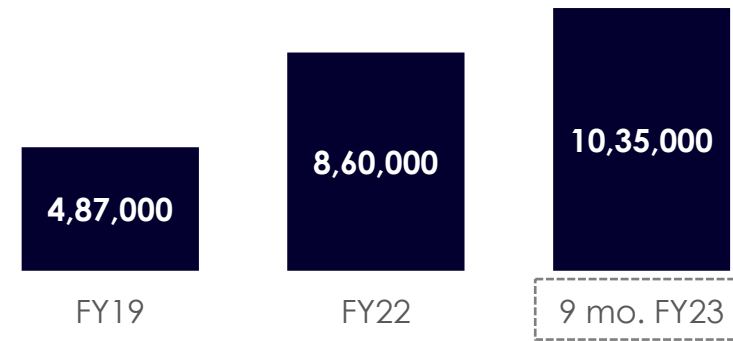
OPERATING PAT (\$ mn)



CLIENT ASSETS (\$ mn)

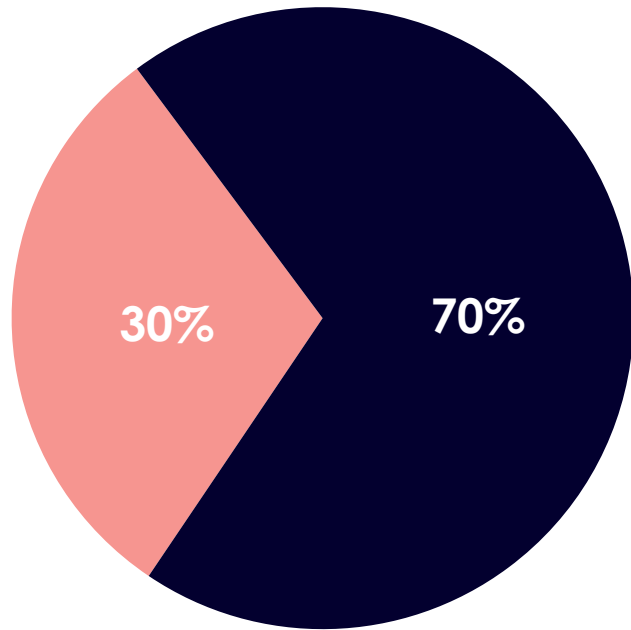


CLIENTS (Count)



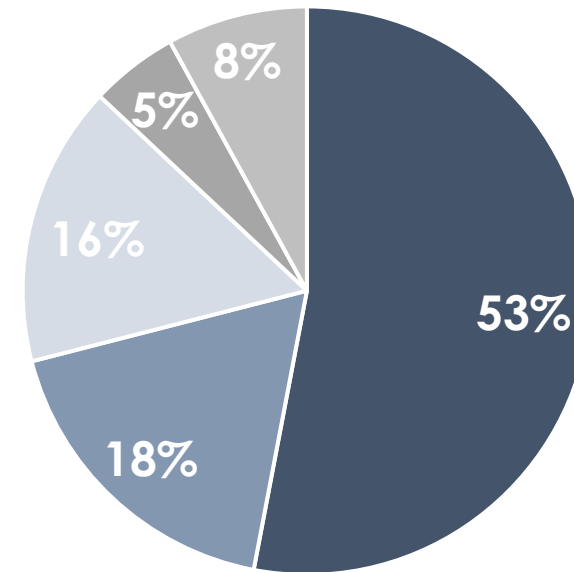
Diversified and resilient revenue streams

**WEALTH AND INVESTMENT MANAGEMENT EARNINGS
TODAY (9 mo. FY23) CONSTITUTES ~70% OF TOTAL**



■ Capital Markets ■ Wealth and Investment Management

**DISTRIBUTION ACCOUNTS FOR MAJORITY
OF WEALTH AND INVESTMENT MANAGEMENT EARNINGS**



■ Distribution ■ Wealth Broking
■ NII ■ Wealth Float
■ Investment Management

Strong client addition and enhanced engagement

AFFLUENT AND HNIs		UHN AND FAMILY OFFICE		CORPORATE AND INSTITUTIONS	
9 mo. FY23	CAGR SINCE FY17	9 mo. FY23	CAGR SINCE FY17	9 mo. FY23	CAGR SINCE FY17
Client Assets in mn		Client Assets in mn		AUC and CUC in mn	
\$ 6,640	27 %	\$ 14,620	15%	\$ 5,310	46 %
Number of Clients		Number of Clients		Institutional Equity Market Share	
1035 K	16 %	2,900	41 %	~5 %	-
Net Promoter Score		Net Promoter Score		Advisory Deal Closures	
82	42 %	50	28 %	60	30 %

Delivering best-in-class outcomes

HIGHER PRODUCTIVITY (Wealth Management)		LEADING RETURNS	LEADING RESEARCH
AFFLUENT AND HNIs	UHNI AND FAMILY OFFICE	Investment Management	
<p>\$ 7.2 mn</p> <p>Client Assets per RM</p>	<p>\$ 480 mn</p> <p>Client Assets per team leader</p>	<p>Amongst top quartile</p> <p>Fund Returns</p> <p>Crossover I – IRR 20.1%</p> <p>Crossover II – IRR 30.9%</p> <p>Edge – CAGR 17.3%</p>	<p>280+</p> <p>Companies under coverage</p>
<p>~250</p> <p>Active clients per RM</p>	<p>~100</p> <p>Families per team leader</p>		<p>Top 3 ranks</p> <p>in 19 out of 29 Categories</p>

Won accolades across credible platforms

Select Awards and Recognitions

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. WHO WE ARE

2. INDIA WEALTH OPPORTUNITY

3. OUR SEGMENTS

4. OVERALL PERFORMANCE

5. WAY FORWARD

- Necessary fundamentals in place
- Adequately capitalized to achieve future goals
- Well defined trajectory for each segment

Long-term objectives



Wealth and Investment Management to be key drivers and would constitute 80-90% of earnings



Operating leverage to deliver significant improvement in cost to income ratio



Be client-first in everything we do

Well defined trajectory for each segment

LONG TERM STRATEGY	FOCUS AREAS	EXECUTION MARKERS	OUTCOME				
<p>1. Grow Wealth Management</p>	<table border="1"> <tr> <td data-bbox="721 401 970 558">Scale Efficiently</td> <td data-bbox="970 401 1220 558">Add New Target Segments</td> </tr> <tr> <td data-bbox="721 558 970 715">Yield Improvement</td> <td data-bbox="970 558 1220 715">Cross-Sell</td> </tr> </table>	Scale Efficiently	Add New Target Segments	Yield Improvement	Cross-Sell	<p>In 3 years grow clients and client assets to 1.7 - 2 x</p>	 <p>80%</p> <p>20%</p>
Scale Efficiently	Add New Target Segments						
Yield Improvement	Cross-Sell						
<p>2. Significantly Scale Investment Management</p>	<table border="1"> <tr> <td data-bbox="721 825 970 982">Product Pipeline</td> <td data-bbox="970 825 1220 982">Distribution Capabilities</td> </tr> <tr> <td data-bbox="721 982 970 1139">Barbell type product basket</td> <td data-bbox="970 982 1220 1139">Leverage Ecosystem</td> </tr> </table>	Product Pipeline	Distribution Capabilities	Barbell type product basket	Leverage Ecosystem	<p>In 3 years grow assets to 5 x</p>	<ul style="list-style-type: none"> ■ Wealth and Investment Management ■ Capital Markets
Product Pipeline	Distribution Capabilities						
Barbell type product basket	Leverage Ecosystem						

Safe harbour

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For more information, please visit www.nuvama.com

Currency conversion: Conversion rate of 1 USD equal to 82.7862 INR has been used. Values in the INR version of the Investor Presentation have been converted to dollar for convenience. Due to rounding off, numbers presented in this presentation may not add up to the totals provided and/or correlate with the growth and contribution percentages provided. Data provided in the INR version of the Investor Presentation shall prevail in case of disparity

NOTES:

- Slide 1: Nuvama formerly know as Edelweiss Wealth Management
- Slide 6: Kotak Wealth Report, Karvy Wealth Report, Mckinsey Wealth Reports | 2017-2019 and company estimates
- Slide 9: Source for data points are CMIE and World Bank and estimated number is basis predictions by various economic bodies
- Slide 10: Source: Karvy Wealth Reports, Knight Frank Wealth Report 2021, India Brand Equity Foundation September 2021
- Slide 11: Source: RBI and SEBI and Karvy Wealth Reports, Investment assets includes Insurance, Direct Equity, Mutual Fund, Unlisted Equity, Alternative Investments and International Assets
- Slide 12: Source: World bank, Asian Private banker, Kotak Wealth Report, Karvy Wealth Report, McKinsey Wealth Reports, Investor Presentation of WM players and Internal estimates
- Slide 27: Net revenue and Operating 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. Operating PAT excludes one time non operating expenses.
- Slide 1 to 34: Nuvama data and metrics presented are as on end of or for period 9 months ending Dec'22 or as specified and may have been rounded off for presentation purposes