

EW/Sec/2022/215

November 9, 2022

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

**Sub: Update on Nuvama Wealth Management (formerly known as Edelweiss  
Wealth Management) Business**

Please find attached an update in US Dollars on Nuvama Wealth Management (formerly known as Edelweiss Wealth Management) Business.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Edelweiss Financial Services Limited**

**Tarun Khurana**  
**Company Secretary**

Encl.: a/a

US \$ version



# 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

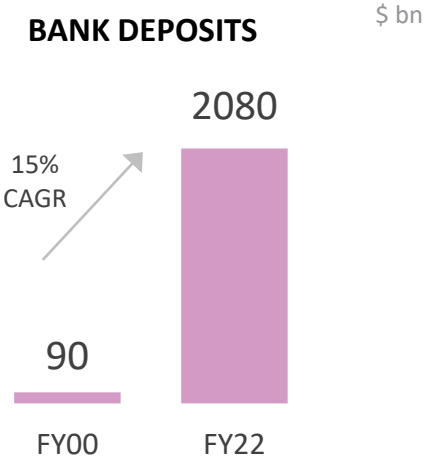
## Continued momentum across segments, a catalyst to growing wealth

WEALTH MANAGEMENT	ASSET MANAGEMENT	CAPITAL MARKETS	INSURANCE
<ul style="list-style-type: none"><li>○ Wealth will grow to reach <u>\$ 10+ 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>\$ 1+ tn</u> by FY26 (18% CAGR - 11 years)</li><li>○ Alternatives are now mainstream, will reach <u>\$ 130+ bn</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 \$ 610 bn and \$ 100 bn resp in FY21 (10% CAGR - 5 years)</li><li>○ Huge growth potential given low penetration of 4.2% (premium as % of GDP)</li></ul>

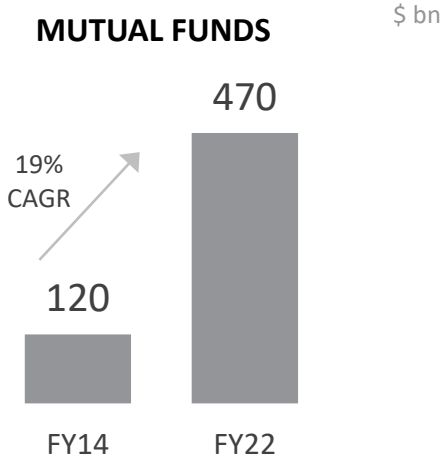
**Making “Wealth Management” a key beneficiary given its proximity to client relationships**

# Financial wealth would continue to grow rapidly

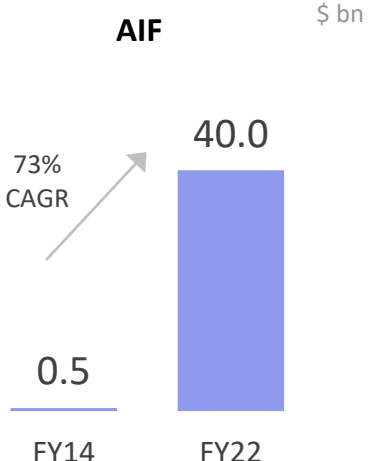
## Financial assets would reach \$ 6+ tn by FY25



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



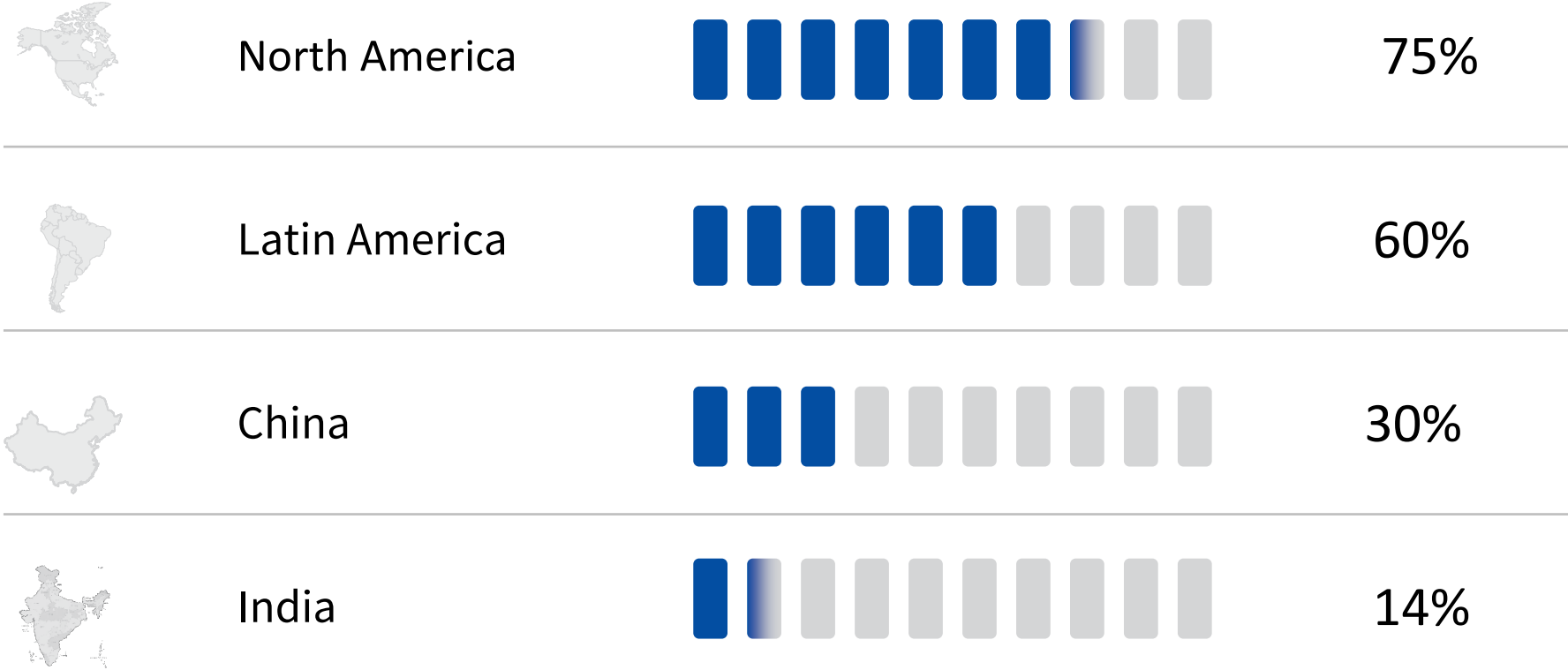
MF present size equivalent to 1/5<sup>th</sup> of \$ 2.5 tn, the estimated growth in financial assets by 2025



AIF present size equivalent to 1% of \$ 3.7 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

Wealth and Investment Management

with

Capital Markets



Amongst top 2 independent wealth management players



Fastest growing alternate investment management franchise

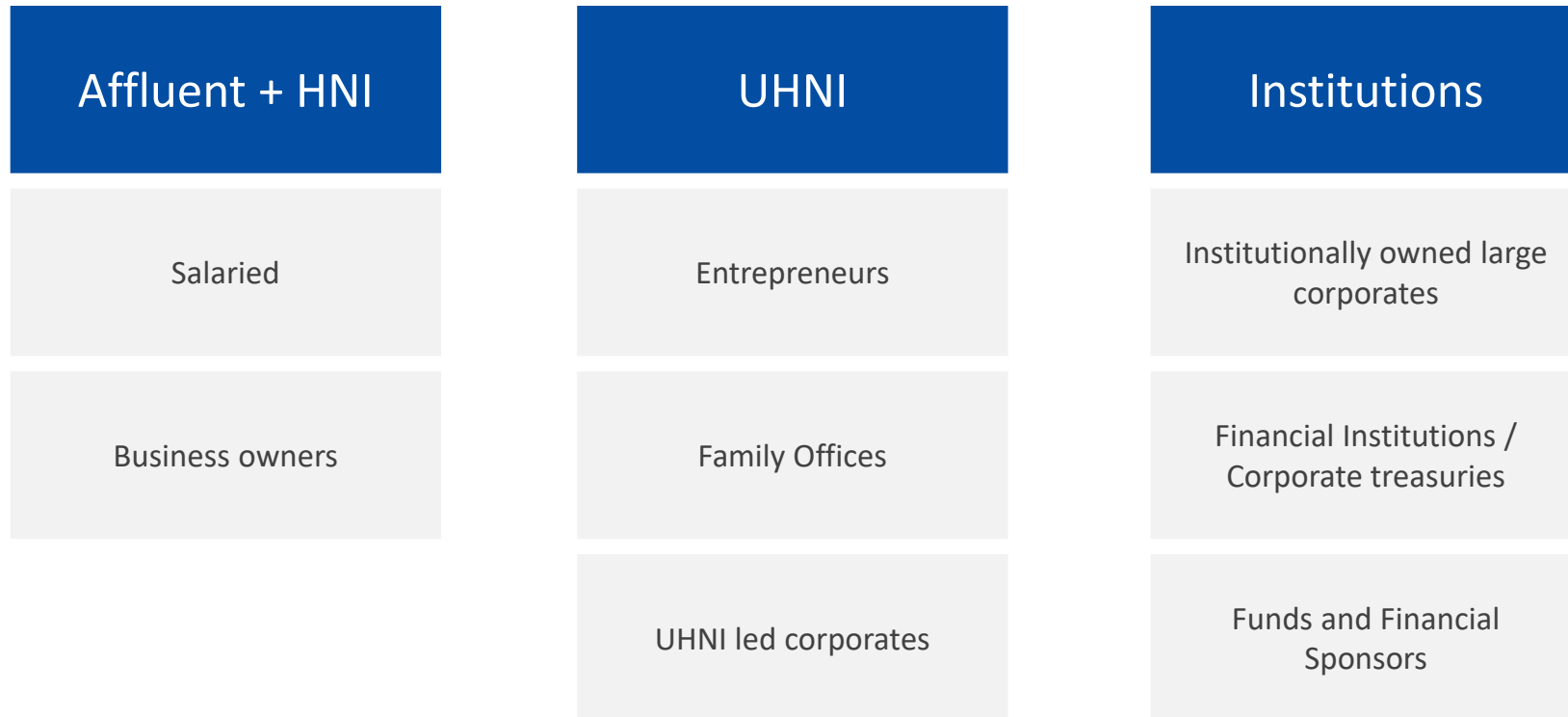


One of the largest Institutional domestic brokerage house



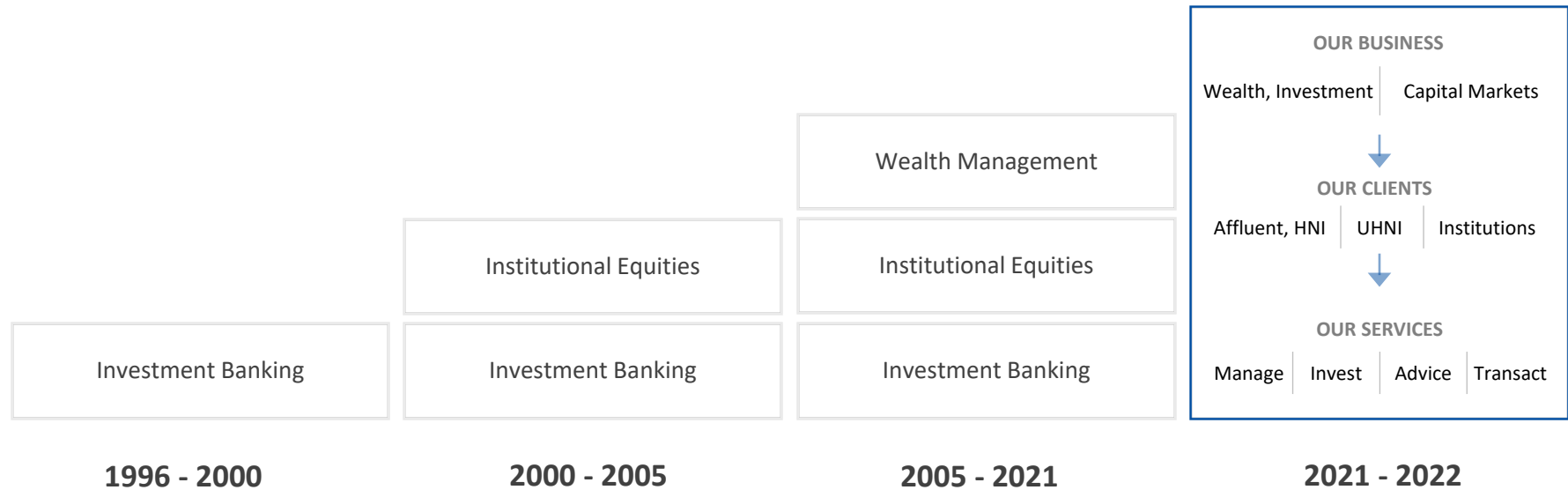
Advising capabilities across equity and debt solutions

# 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 ~\$ 290 mn in Mar 21 for majority stake

## 1. India Wealth Opportunity

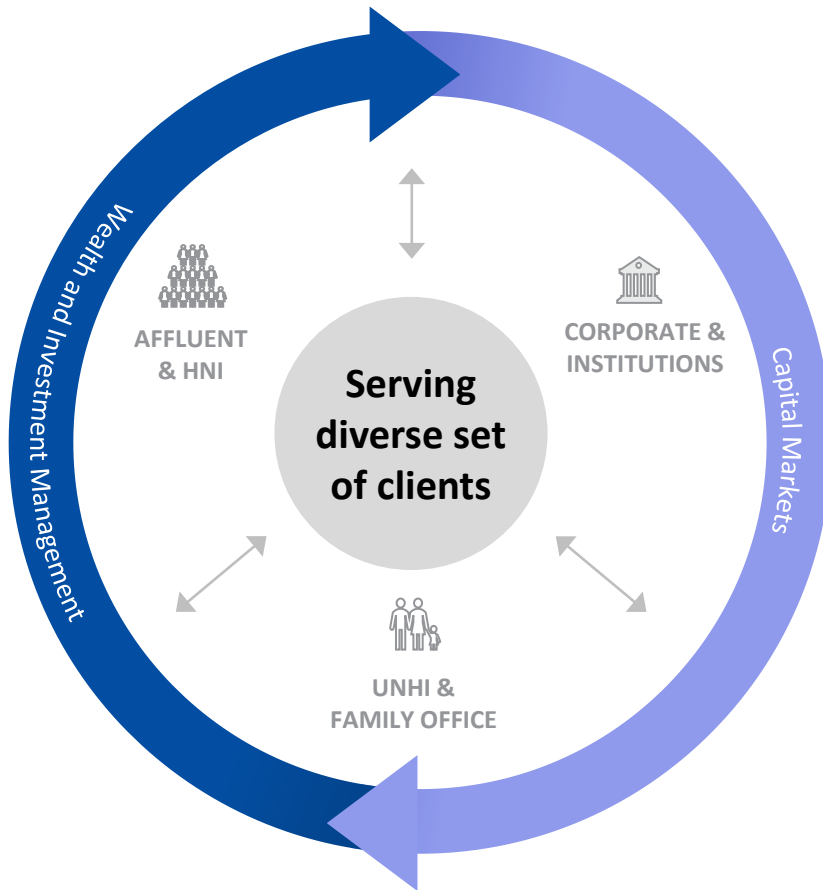
## 2. Who We Are

## 3. Our Edge

## 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

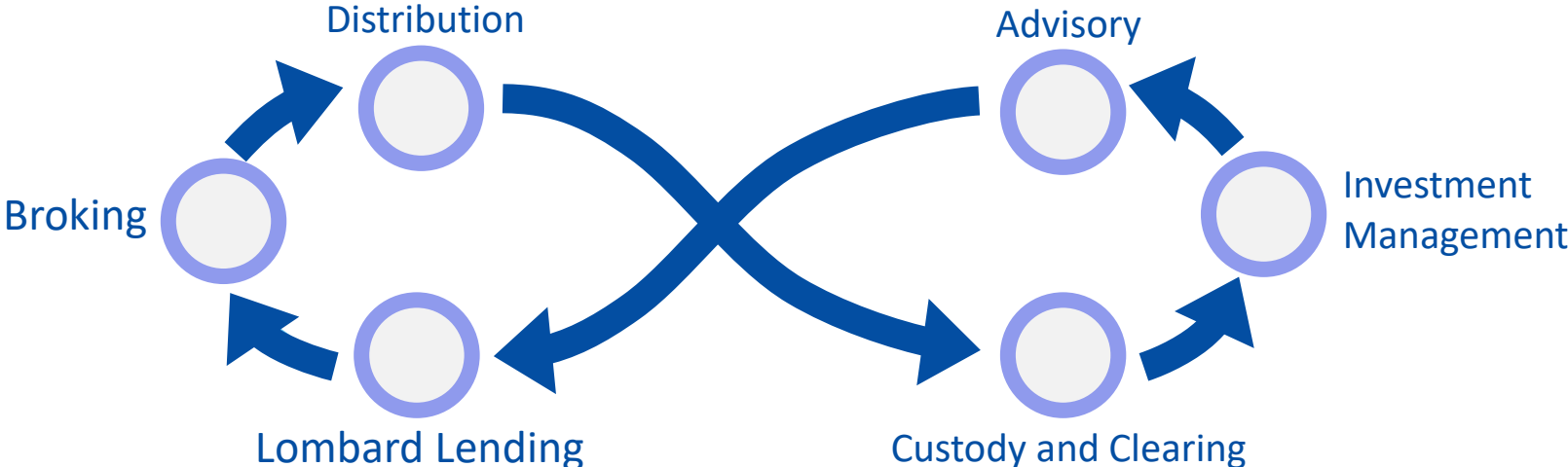
## Hybrid channel - Human + Technology

*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

**\$ 20,000**

AUM in mn

**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



# Our Business Segment: Capital Markets

## Market dominating franchise

**700+**

Institutional clients  
(Public-side)

**280+**

Companies under  
Research Coverage

**450+**

Custody  
Clients

**\$ 4,800**

AUC in mn

**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

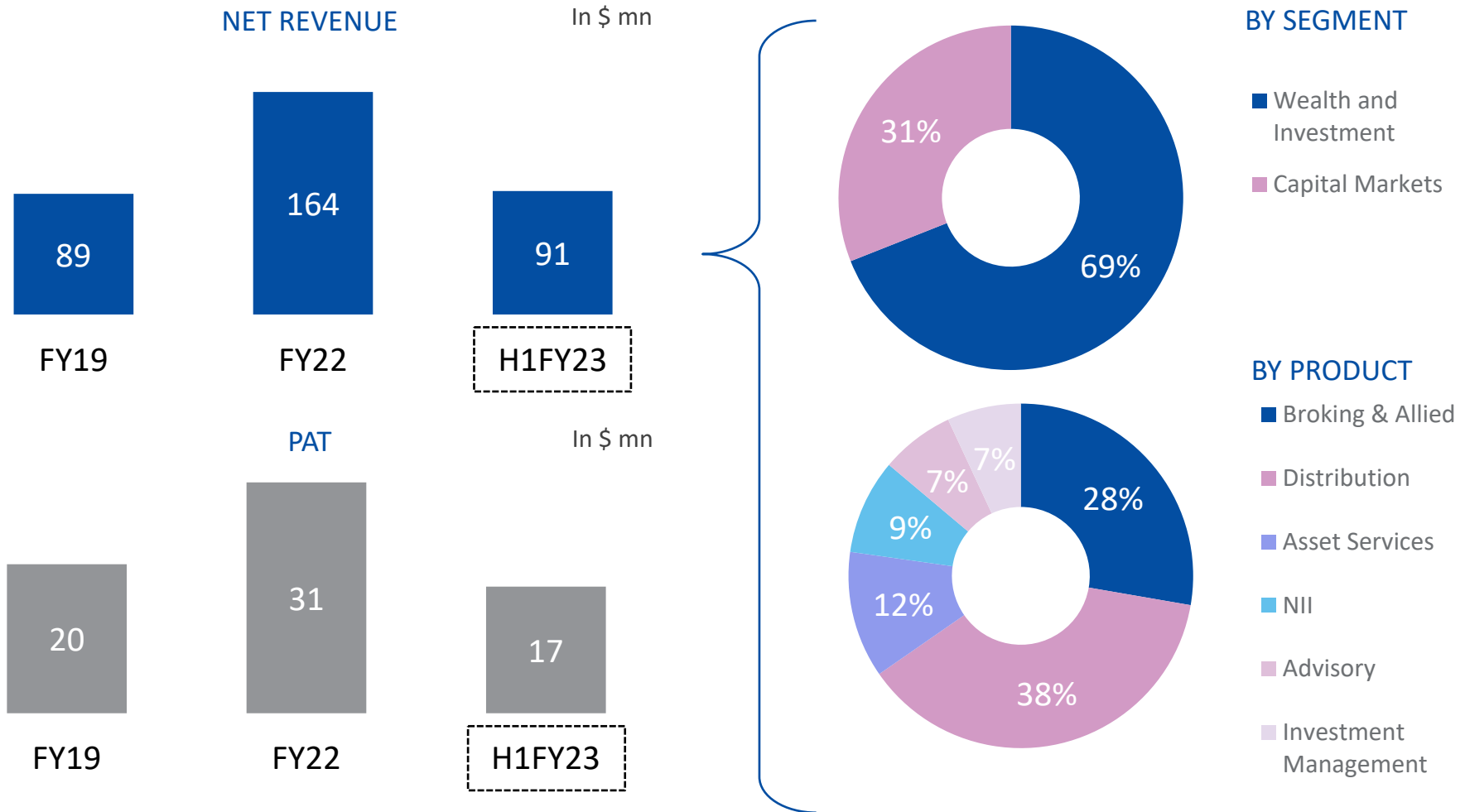
## CORPORATE AND INSTITUTIONS

AFFLUENT AND HNIs		UHNI AND FAMILY OFFICE		CORPORATE AND INSTITUTIONS	
FY22	5 YRS CAGR	FY22	5 YEARS CAGR	FY22	5 YRS CAGR
AUM in mn		AUM in mn		AUC in mn	
\$ 6,500	↑ 30%	\$ 13,000	↑ 15%	\$ 4,800	↑ 51%
NUMBER OF CLIENTS		NUMBER OF CLIENTS		INSTITUTIONAL EQUITY MARKET SHARE	
850K	↑ 14%	2,800	↑ 48%	~5%	-
NET PROMOTER SCORE		NET PROMOTER SCORE		ADVISORY DEAL CLOSURES	
84	↑ 50%	40	↑ 27%	49	↑ 28%

# Our Performance: Delivering best-in-class outcomes

HIGHER PRODUCTIVITY (Wealth Management)		LEADING RETURNS (Investment Management)	LEADING RESEARCH
AFFLUENT AND HNIs	UHNI AND FAMILY OFFICE		
<p>\$ ~7.5 mn</p> <p>AUM per RM</p>	<p>\$ ~430 mn</p> <p>AUM per team leader</p>	<p>Amongst top quartile</p>	<p>280+</p> <p>Companies under coverage</p>
<p>~250</p> <p>Active clients per RM</p>	<p>~90</p> <p>Families per team leader</p>	<p>IRR (30<sup>th</sup> Sep'22)</p> <p>Crossover I – 20.3%</p> <p>Crossover II- 32.3%</p> <p>Edge - 15.2%</p>	<p>Top 3 ranks</p> <p>in 19 out of 29 Categories</p>

# 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

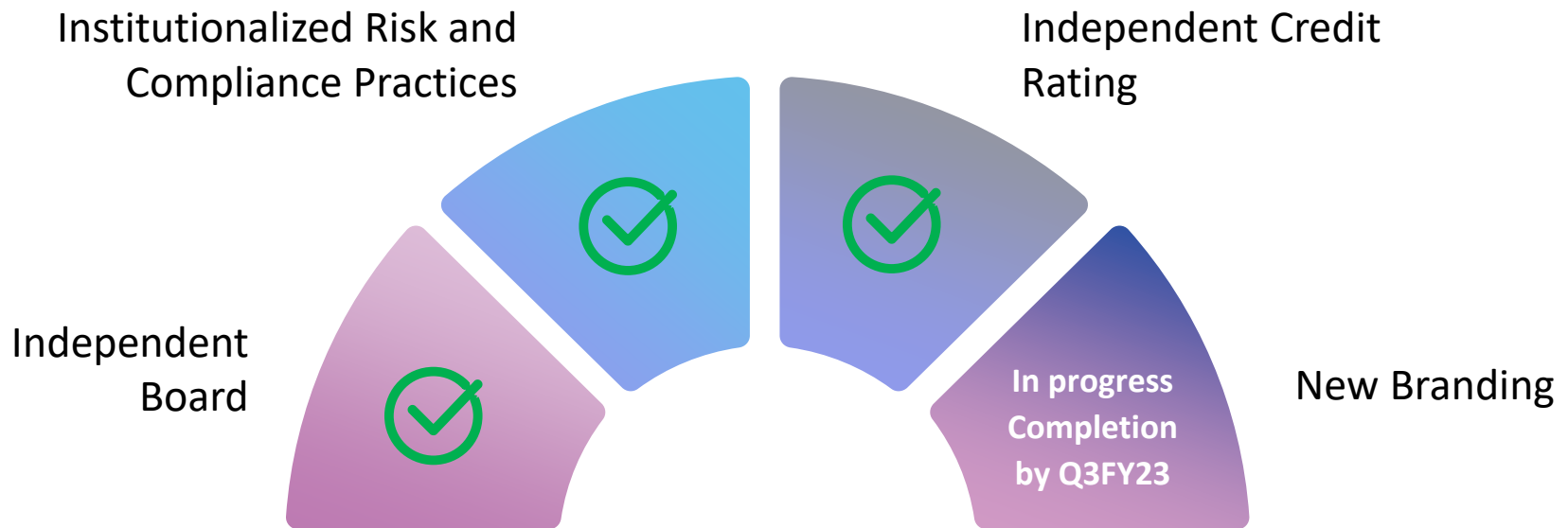
## 2. Who We Are

## 3. Our Edge

## 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 \$ 253 mn**

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**



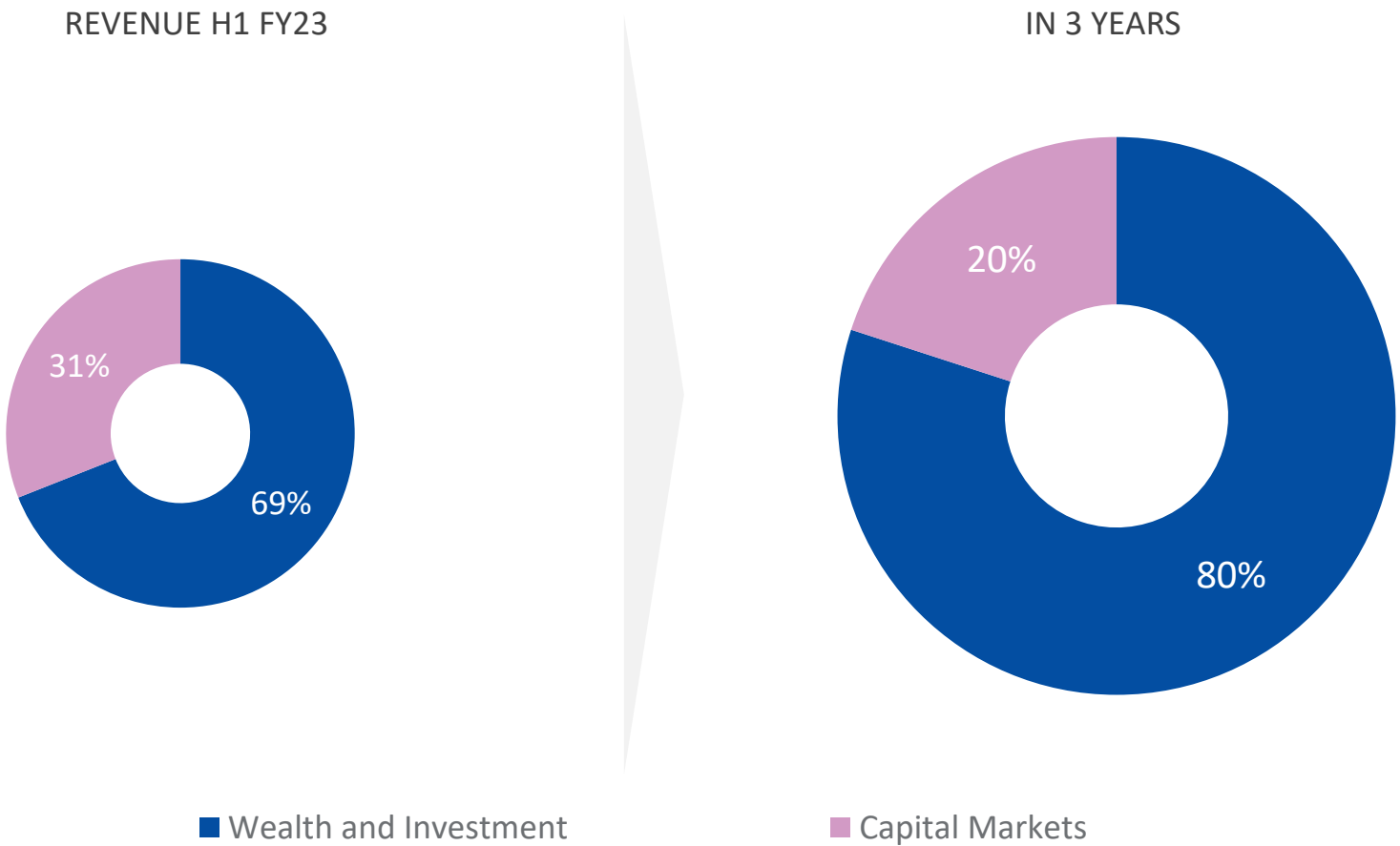
**Investment management assets**  
**Grow to ~5x**



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



# Wealth and Investment Management - key growth drivers

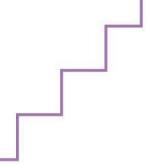


■ Wealth and Investment

■ 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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**Currency conversion:** Conversion rate of 1 USD equal to 81.55 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: 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

