Gross national savings above 30 per cent of GDP

- In 2016, India’s Gross National Savings (GNS), as a percentage of GDP, is estimated at 31.24 per cent. If compared favourably with other developed nations such as the US with GNS of 18.73 per cent & emerging countries including Brazil, Russia & China having GNS of 16.36 per cent, 23.35 per cent & 46 per cent, respectively.

India’s HNWI population to double by 2020

- India has 2083 ultra high net worth individuals having net wealth of USD50 million & 940 people in India hold more than USD100 million assets

Robust AUM growth

- Mutual fund industry AUM recorded a CAGR of 12.61 per cent over FY07–17. India is considered one of the preferred investment destinations globally

Notes: HNWI – High Net Worth Individual, NBFC – Non-Banking Financial Company, AUM – Assets Under Management
Growing demand

• Rising incomes are driving the demand for financial services across income brackets
• Financial inclusion drive from RBI has expanded the target market to semi-urban & rural areas
• Investment corpus in Indian insurance sector can rise to USD1 trillion by 2025

Innovation

• India benefits from a large cross-utilisation of channels to expand reach of financial services
• Maharashtra will be the 1st state, to launch its mobile wallet facility allowing transferring of funds from other mobile wallets.
• Airtel recently got the payments bank license from the RBI & is starting its pilot services across 12000 outlets in Karnataka in supplement to Andhra Pradesh & Telangana.

Growing penetration

• Credit, insurance & investment penetration is rising in rural areas
• HNWI participation is growing in the wealth management segment
• Lower mutual fund penetration of 5–6 per cent reflects latent growth opportunities
• SEBI (Security & Exchange Board of India), to allow digital wallets for the transaction of mutual funds worth USD 763.82.
• In January 2017, Central Government inaugurated the INX (International stock exchange), subsidiary of BSE Ltd., in the International Finance Services Centre, Gujarat.

Policy support

• NRFIP aims at providing comprehensive financial services to excluded rural households by 2015
• Government has approved new banking licenses & increased the FDI limit in the insurance sector
• Gold Monetization Scheme, 2015, Atal Pension Scheme, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana
• From April 2017, SEBI to allow instant credit into bank accounts, after redemption of mutual funds.


For updated information, please visit www.ibef.org
SEGMENTS OF THE FINANCIAL SERVICES SECTOR

Financial services

- Capital markets
  - Asset management
  - Broking
  - Wealth management
  - Investment banking

- Insurance
  - Life
  - Non-life

- NBFCs
  - Asset finance company
  - Investment company
  - Loan company

Note: NBFC - Non Banking Financial Company
The asset management industry in India is among the fastest growing in the world.

As of FY16, 42 asset management companies were operating in the country.

In September 2016, the assets under management of the mutual fund industry stood at USD 244.42 billion, showing a 12 per cent growth over the last quarter.

In 2016, the country registered a record inflow of mutual funds at USD 29.74 billion per annum & in systematic investment plans, investments crossed USD 594.97 million per annum.

Source: AMFI, TechSci Research
Notes: AUM – Assets Under Management
C ORPORATE INVESTORS ARE BY FAR THE LARGEST INVESTOR IN MUTUAL FUNDS CATEGORY

* In 2016, Corporate investors account for around 46.9 per cent of total AUM in India, while HNWIs & retail investors account for 28.6 per cent & 22.3 per cent, respectively

* The share of corporate investors stood at 46.6 per cent in FY16 (till September 2015) from 49 per cent in FY14, while that of HNWIs increased to 28.9 per cent in FY16 (till September 2015) from 27 per cent, in FY14

Leading AMCs in India (as of March 2016)

<table>
<thead>
<tr>
<th>Top 5 AMCs in India</th>
<th>AUM (USD billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential Asset Management Co. Ltd.</td>
<td>26.87</td>
</tr>
<tr>
<td>HDFC Asset Management Co. Ltd.</td>
<td>26.85</td>
</tr>
<tr>
<td>Reliance Capital Asset Management Ltd.</td>
<td>24.20</td>
</tr>
<tr>
<td>Birla Sun Life Asset Management Co. Ltd.</td>
<td>20.85</td>
</tr>
<tr>
<td>SBI Funds Management Private Limited</td>
<td>16.31</td>
</tr>
<tr>
<td>UTI Asset Management Company Ltd</td>
<td>16.24</td>
</tr>
</tbody>
</table>

Investor breakup (as of March 2016)

- Corporates: 1.21%
- HNWI: 22.37%
- Retail: 28.62%
- Banks/FI: 46.95%
- FII: 0.85%

Source: AMFI, TechSci Research, Money Control
Notes: HNWI - High Net Worth Individuals, AMC - Asset Management Company
BROKING: EQUITY MARKET TURNOVER INCREASED SIGNIFICANTLY IN RECENT YEARS

* Steadily rising turnover in financial markets has led to rapid expansion of the brokerage segment

* Between FY96 and FY16, the annual turnover value in NSE witnessed growth at a CAGR of 19 per cent reaching a value of USD647 billion in FY16

* The number of companies listed on the NSE rose from 135 in 1995 to 1,811 in June 2016

Listed companies on major stock exchanges in Asia-Pacific countries (June 2016)

<table>
<thead>
<tr>
<th>Exchange</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian SE</td>
<td>2201</td>
</tr>
<tr>
<td>Hong SE</td>
<td>1925</td>
</tr>
<tr>
<td>Kong Exchange</td>
<td>2068</td>
</tr>
<tr>
<td>Shanghai Stock Exchange</td>
<td>1153</td>
</tr>
<tr>
<td>Taiwan SE</td>
<td>881</td>
</tr>
<tr>
<td>NSE India</td>
<td>1811</td>
</tr>
</tbody>
</table>

Turnover on NSE (Capital markets segment) in USD billion

CAGR: 19%

Source: National Stock Exchange, SEBI, TechSci Research
Notes: CAGR – Compounded Annual Growth Rate; NSE – National Stock Exchange
Notes: 1 - Data is for FY15, 2 – Data till June 2016, 3 - Data is for FY17
RAPID INCREASE IN BROKERAGE COMPANIES DUE TO RISING TURNOVER

* The number of listed companies on NSE and BSE increased from 6,445 in FY10 to 7,719 in FY16

* In FY16, net investment by FPIs was recorded at around USD2.14 billion in equities & USD0.61 billion in debt securities. The total cumulative net investments by foreign investors was recorded at USD169.11 billion in FY16.

* The brokerage market has become more competitive with the entry of new players & increasing efforts of existing players to gain market share.

Companies listed on NSE and BSE

Registered sub-brokers

Source: SEBI, TechSci Research

Between 2011 and 2016, number of HNWIs in India has seen a steady rise at a CAGR of 13.8 per cent.

High net worth households would grow at an even faster rate till 2019 growing at a CAGR of about 21.5 per cent.

By the end of 2025, global HNWI wealth is estimated to grow to over USD100 trillion.

Advisory asset management & tax planning has one of the highest demand among wealth management services by HNWIs; this is followed by financial planning.

INSURANCE: THE LIFE INSURANCE SEGMENT HAS GROWN SIGNIFICANTLY IN RECENT YEARS

- The life insurance market has grown from USD10 billion in FY02 to USD56.05 billion in FY16
- Over FY02–16, life insurance premiums witnessed growth at a CAGR of 13.10 per cent
- Business of life insurance companies from first year premium stood at USD 15.38 billion for the year period ended 30th November, 2016

Major private players in the life insurance segment (as of FY16)

<table>
<thead>
<tr>
<th>Name</th>
<th>Total premiums (USD billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential</td>
<td>2.85</td>
</tr>
<tr>
<td>HDFC Standard</td>
<td>2.42</td>
</tr>
<tr>
<td>SBI Life</td>
<td>2.35</td>
</tr>
<tr>
<td>Bajaj Allianz</td>
<td>0.87</td>
</tr>
<tr>
<td>Max Life</td>
<td>1.37</td>
</tr>
</tbody>
</table>

Life insurance segment (USD billion)

CAGR: 13.10%

Source: IRDA, Swiss Re, TechSci Research
Notes: YoY – Year on Year
Figures mentioned are as per latest data available
The non-life insurance market grew from USD2.6 billion in FY02 to USD13.4 billion in FY16.

During FY02–16, increase in non-life insurance premiums witnessed at a CAGR of 12.4 per cent while premiums generated by private players surged at a CAGR of 34.1 per cent & premiums from public sector companies increased at a CAGR of 8.0 per cent during the same period.

During FY16, number of insurers grew at a strong 8.6 per cent in comparison to FY15.
INSURANCE: MOTOR AND HEALTH SEGMENTS DRIVING NON-LIFE PREMIUMS

Motor insurance accounted for 39.04 per cent of the gross direct premiums earned till November 2016 (down from 41 per cent in FY06) & stood at USD4.87 billion till November 2016

At USD2.95 billion (till November 2016), the health segment seized 23.63 per cent share in gross non-life insurance premium

Major private players are ICICI Lombard, Bajaj Allianz, IFFCO Tokio, HDFC Ergo, Tata-AIG, Reliance, Cholamandalam, Royal Sundaram & other regional insurers

Segment-wise breakup for Non-life insurance premiums (upto November 2016)

- Motor: 39.04%
- Health: 23.63%
- Fire: 7.68%
- Marine: 2.50%
- Engineering: 1.80%
- Aviation: 0.36%
- Others: 20.61%

Source: IRDA, TechSci Research
Notes: CAGR – Compounded Annual Growth Rate
NBFCs are rapidly gaining prominence as intermediaries in the retail finance space

NBFCs finance more than 80 per cent of equipment leasing and hire purchase activities in India

As of March 31, 2015, there were 11,842 NBFCs registered with the RBI, of which 220 were deposit-accepting (NBFCs-D) & 11,622 were non deposit accepting (NBFCs-ND), while around 2094 NBFC’s registered companies certification has been cancelled (As of September 2014)

Growth in AUM of top-10 non-specialised NBFCs (in USD billion)

Source: FICCI, CRISIL, Dun and Bradstreet, ICRA, TechSci Research
Notes: AUM - Assets Under Management; NBFC - Non Banking Financial Company
Insurance Sector

• New distribution channels such as bancassurance, online distribution & NBFCs have widened the reach & reduced operational costs

• The life insurance sector has witnessed the launch of innovative products such as Unit Linked Insurance Plans (ULIPs)

• Most general insurance public companies are planning to expand beyond Indian markets, especially in South-East Asia & the Middle East

• Government announced to divest USD1.63 billion worth of stake in PSU general insurance companies to execute the steep disinvestment target of USD10.78 billion, next fiscal year.

Mutual Fund

• During FY07-16, India’s AUM grew at a CAGR of 12.4 per cent, with the country’s overall AUM reaching USD206.8 billion as of FY16

• In FY09, SEBI removed the entry load to bring about more transparency in commissions, encouraging longer-term investment

• In its effort to encourage investments from smaller cities, SEBI allowed AMCs to hike expense ratio up to 0.3 per cent on the condition of generating more than 30 per cent inflow from these cities

• During December 2016, mutual fund equity schemes attracted a net inflow of USD 1.50 billion
NOTABLE TRENDS IN THE FINANCIAL SERVICES SECTOR

• NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities & microfinance

• NBFCs aspire to emerge as a one-stop shop for all financial services

• The sector has witnessed moderate consolidation activities in recent years, a trend expected to continue in the near future

• New banking licence-related guidelines issued by RBI in early 2013 place NBFCs ahead in competition for licenses owing largely to their rural network

• New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms & enhanced disclosure requirements are expected to benefit the sector in the long run

• As of June 2017, the financial services industry is expecting credit growth rate of 15-20% for NBFCs in the next 8-10 years.
## PORTER’S FIVE FORCE ANALYSIS

### Competitive Rivalry
- Competitive rivalry between big players is intense in the industry
- Financial services companies often compete on the basis of offering lower financing rates, higher deposit rates and investment services

### Threat of New Entrants
- Stringent regulatory norms prevent new entrants
- Customers prefer to invest their money with a reputed financial services company offering a wide range of services

### Substitute Products
- Low threat of substitutes
- Less number of substitutes available for financial products

### Bargaining Power of Suppliers
- Low bargaining power of suppliers as the industry is highly regulated by RBI

### Bargaining Power of Customers
- Medium bargaining power of customers. Although customers do not have much bargaining power, they can easily switch to another company based on the terms and quality of services provided

---

[For updated information, please visit www.ibef.org](www.ibef.org)
In July 2016, Society for Innovation & Entrepreneurship (SINE) at IIT Bombay entered into an agreement with SBI to promote innovation by start-ups in the financial sector.

In May 2017, financial services company JM Financial Ltd. voiced plans to extend its real estate lending business and set up an affordable housing finance unit - JM Financial Home Loans Ltd. The company is expected to secure the licence for the new unit from National Housing Bank (NHB) in a period of six months.

In insurance industry, several new & existing players have introduced innovative insurance-based products, value add-ons & services. Few foreign companies have also entered the domain, including Tokio Marine, Aviva, Allianz, Lombard General, AMP, New York Life, Standard Life AIG & Sun Life.

In March 2017, Kotak Mahindra Bank is planning to sell its share to raise capital of around USD1.49 billion for a possible buyout of Mahindra Financial Services Ltd.

As of March 2017, HDFC raised USD504 million via rupee-denominated bonds for funding its business expansion. This was the largest issuance of rupee-denominated bonds out of India.

In March 2017, I Squared Capital raised USD 4 million for its 2nd infrastructure fund, to invest for development of infrastructure in the country & worldwide.

In April 2017, the shareholders of Aditya Birla Group firms Grasim Industries Ltd & Aditya Birla Nuvo Ltd, have approved a planned merger between the 2 companies, with an aim to create a USD 9.2 billion manufacturing & service business.

In May 2017, TimesPro collaborated with Vishwa Vishwani Institute of Systems & Management (VVISM) to launch PGDM program in Banking & Financial Services.

Rising penetration of technologies such as cloud computing and increasing pace of convergence & interconnectivity have led the financial services industry to ramp up investments in Information Technology (IT) to better serve their customers.

The inclusion of internet banking has made banking operations easier & user friendly. As per Gartner Inc, insurance sector is estimated to spend about USD2.15 billion on IT products & services in 2016, up 9.6 per cent from 2015.
GROSS NATIONAL SAVINGS TO CONTINUE GROWING AT A HEALTHY PACE

* Gross national savings are estimated to increase from USD669 billion in 2015 to USD940 billion in 2019, growing at a CAGR of 8.87 per cent

* India's HNWIs wealth is likely to expand at a CAGR of 19.7 per cent & reach around USD3 trillion by 2020

* As per Union Budget 2017-18, government has allocated USD1.48 billion for recapitalisation of Public Sector Banks in the country

Gross national savings (USD billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>620</td>
<td>632</td>
<td>683</td>
<td>648</td>
<td>669</td>
<td>715</td>
<td>765</td>
<td>846</td>
<td>940</td>
</tr>
</tbody>
</table>

Source: IMF, Reserve Bank of India, Deloitte Center for Financial Services
Note: F – Forecasts, E – Estimated

For updated information, please visit www.ibef.org
CONTINUED GROWTH IN EQUITIES AND INNOVATIVE PRODUCTS

- The Indian equity market is expanding in terms of listed companies & market cap, and widening the playing field for brokerage firms.
- With the increasing retail penetration there is immense potential to tap the untapped market. Growing financial awareness is expected to increase the fraction of population participating in this market.
- As of February 2017, National Payments Corporation of India (NPCI) is planning to make Hyderabad as its hub. The company will set up its office & data centre in the city.
- ChrysCapital, a private equity firm, raised its 7th funding worth US$ 600 million, in February 2017, from various investors such as Harvard Management Company & Singapore Investment Corporation (GIC).

Number of listed companies - NSE

<table>
<thead>
<tr>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1069</td>
<td>1228</td>
<td>1381</td>
<td>1432</td>
<td>1470</td>
<td>1574</td>
<td>1646</td>
<td>1666</td>
<td>1688</td>
<td>1736</td>
<td>1808</td>
</tr>
</tbody>
</table>

Growth in turnover for derivatives segment (USD billion)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>464</td>
<td>567</td>
<td>1089</td>
<td>1625</td>
<td>3253</td>
<td>2398</td>
<td>3726</td>
<td>6418</td>
<td>6539</td>
<td>5806</td>
<td>6339</td>
<td>9225</td>
<td>10254</td>
</tr>
</tbody>
</table>

Source: National Stock Exchange, TechSci Research
With a fast rising economy, the investable wealth of HNWI segment is rising, creating a need for wealth services. The fraction of management services is growing, with a current estimated level of 20 per cent HNWIs who use wealth management.

Remittances from Non-Resident Indians (NRIs) and People of Indian Origin (PIOs) totalling to USD65.5 billion in FY16, adds to the size of the segment.

The HNWI population in India is estimated to double by 2020 adding to the addressable market of wealth management.

Source: World Bank – Migration and Development Brief
Notes: Figures mentioned are as per latest data available.
FINANCIAL SERVICES

INSURANCE TO BENEFIT FROM WIDENING REACH ACROSS SEGMENTS

Only 1 per cent population covered currently, suggesting that the vast market is yet to be tapped. Health insurance accounts for 1.2 per cent of total healthcare spend

Targeted at rural segment, potentially addressing two-thirds of Indian population policy incentives are driving growth

Passenger car sales in the country grew at a YoY of 7.2 per cent in FY16, in comparison with previous year

Increasing number of insurance registered for passenger cars and for construction activities will rise with India’s infrastructure growth plans

Demand for agricultural and livestock insurance growing on the back of rising awareness among rural population

Source: The Society of Indian Automobile Manufacturers, Economic Times
Notes: YoY – Year on Year

For updated information, please visit www.ibef.org
FAVOURABLE POLICY MEASURES HAVE AIDED THE SECTOR

Budgetary Measures

• The government has proposed simplification of procedures & prescribing uniform registration & other norms for the entry for foreign portfolio investors. It has been proposed to allow stock exchanges to introduce a dedicated debt segment on the exchange.

• The composite cap on Foreign Direct Investment (FDI) in the insurance segment has been increased to 49 per cent from 26 per cent currently.

• Union budget 2017-18 has promised to allot a capital infusion of USD1.48 billion in PSBs. The government also proposed to tax interest receivable on actual receipt instead of accrual basis in respect of NPA accounts of all non-scheduled cooperative banks also at par with scheduled banks.

• As the goods & services tax (GST) comes into effect from 1st July, tax on financial services transactions like banking transactions, mutual funds, insurance and stock market will increase from the current 15 per cent to 18 per cent.

Tax incentives

• Insurance products are covered under the EEE (exempt, exempt, exempt) method of taxation. This translates to an effective tax benefit of approximately 30 per cent on select investments (including life insurance premiums) every financial year.

• Reduction in securities transaction tax from 0.125 per cent to 0.1 per cent on cash delivery transactions and from 0.017 per cent to 0.1 per cent on equity futures.

• Indian tax authorities plan to sign a bilateral advance pricing agreement with a number of companies in Japan, to avoid conflicts with multinational companies over sharing of taxes between India and the countries where these firms are based.

Other initiatives

• SBI & FTSE Russell, the arm of the London Stock Exchange, announced plans to jointly develop a Bond Index for global investors to benchmark Indian bond market, against that of its competitors.

Source: Dun and Bradstreet, TechSci Research; Note: QFI – Qualified Foreign Investors
Guidelines on the Fee for Granting Written Acknowledgement of the Receipt of Notice of Assignment or Transfer of a Policy of Insurance

- An Insurer is permitted to collect the following fee for granting a written acknowledgement of the receipt of notice of assignment or transfer.
  - In respect of those policies that are issued in electronic form as specified by the regulations under the provisions of Section 14 (2) of the Insurance Act as modified from time to time, the fee collected shall not exceed Rs 50 (Rupees fifty only) inclusive of all applicable taxes, while the above the fee collected shall not exceed Rs 100 (Rupees Hundred Only) inclusive of all applicable taxes.
  - No other fee shall be collected for rendering any other services such as, recording the fact of the transfer or assignment or any other services connected to the assignment or transfer prescribed in Section 38 of the Insurance Act as modified from time to time.

Guidelines for Charging the Fee from the Holder of a Policy of Life Insurance for Registering Cancellation or Change of Nomination

- Every Life Insurer is permitted to collect the fee for registering the cancellation or change of the nomination by the holder of a policy of Life Insurance on his own life in respect to those policies that are issued in electronic form (As mentioned in Section 14 (2) of the act
- The nomination effected by a policyholder at the inception of the policy through the proposal form & recorded by the Insurer on the face of a policy document shall be considered as a valid acknowledgement by the Insurer.

Source: IRDA, TechSci Research
Guidelines On Appointment Of Insurance Agents, 2015

**THE INSURANCE LAWS (AMENDMENT) ACT, 2015**

- Appointment of Insurance Agent by the Insurer:

- An applicant seeking appointment as an Insurance Agent of an Insurer shall submit an application in Form I-A to the Designated Official of the Insurer

- The Designated Official of the insurer, on receipt of the application, shall satisfy himself that the applicant has furnished the application and complete in all aspect & has submitted PAN details along with the Agency Application Form

- Has passed the insurance examination & does not suffer from any of the disqualifications

- Has the requisite knowledge to solicit & procure insurance business; & capable of providing the necessary service to the policyholders;

- The Designated Official shall exercise due diligence in verifying the agency application and ascertaining that the applicant does not hold agency appointment for more than 1 life insurer, 1 general insurer, one health insurer & one of each of the monoline insurers and is not in the centralised list of blacklisted agents.

*Source: IRDA, TechSci Research*
FINANCIAL SERVICES

OPPORTUNITIES
HUGE UNTAPPED POTENTIAL AT THE ‘BOTTOM OF THE PYRAMID’ …

- Two-thirds of India’s population lives in rural areas where financial services have made few inroads so far. Rural India, however, has seen steady rise in incomes creating an increasingly significant market for financial services.

- There are several standalone networks of SHG, NGO’s & MFI’s in different parts of rural India. Cross-utilisation of these channels can facilitate faster penetration of a wider suite of financial services in rural India.

- Increasing use of technology to reach rural India is the paradigm-shifting enabler. Internet kiosk based channels are expected to become the bridge that connects rural India to financial services.

**Notes:** MFI – Micro Finance Institutions; NGO – Non Governmental Organisation; SHG – Self Help Groups

<table>
<thead>
<tr>
<th>Credit</th>
<th>Investments</th>
<th>Insurance</th>
</tr>
</thead>
</table>
| • Rural credit segment is a large market, which can be tapped by ensuring timely loans which are critical to agricultural sector.  
• Self Help Groups & NGOs are useful vehicles to make inroads into rural India. | • Safe investment options have a potential to tap into rural household savings.  
• Some private players are coming up with innovative products like 3rd party money market mutual funds to cater to rural investment needs. | • Agricultural, livestock & weather insurance are potentially large markets in rural India.  
• Harnessing existing networks of MFIs, NGOs can speed up the process.  
• Market size to reach USD350-400 billion by 2020. |
India is one of the fastest growing wealth management markets in the world

The HNWI population in India is young & therefore more receptive towards sophisticated financial products

India has over 286,000 households with net worth of more than USD1 million with assets close to USD584 billion

**Investor protection**
- The regulatory environment for fiduciary duties in wealth management is evolving; players will benefit greatly from quickly adopting new investor protection measures

**Brand building**
- Brand building coupled with partnership based model will improve the advisory penetration. Greater focus on transparency will speed up the process

**Innovation**
- Investment in required technologies, imbibing state-of-the-art best practices of advisory & creating customised & innovative products will enable growth
**FINANCIAL SERVICES**

**HNWI POPULATION TO DOUBLE BY 2020**

* HNWI population in India is expected to expand rapidly over the next 7 years
* Total wealth holdings by HNWI in India is estimated to be USD1.5 trillion & is expected to reach USD3 trillion by 2020
* In Asia-Pacific, India is among the top 5 countries in terms of HNWIs

<table>
<thead>
<tr>
<th>High-net-worth households in India (estimates)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net worth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD1–5 million</td>
<td>157,000</td>
<td>183,333</td>
<td>210,000</td>
<td>315,000</td>
<td>508,127</td>
</tr>
<tr>
<td>USD5–30 million</td>
<td>36,000</td>
<td>43,000</td>
<td>50,000</td>
<td>84,000</td>
<td>13,280</td>
</tr>
<tr>
<td>Above USD30 million</td>
<td>17,000</td>
<td>21,000</td>
<td>26,000</td>
<td>40,000</td>
<td>56,000</td>
</tr>
<tr>
<td><strong>Total wealth holdings of millionaires (USD billion)</strong></td>
<td>361.8</td>
<td>503.1</td>
<td>584.5</td>
<td>1,559.1</td>
<td>2,950.1</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services
Established in 2000, Kotak Mahindra Old Mutual Life Insurance Ltd offers life insurance products in India. It is a 74:26 joint venture between Kotak Mahindra Bank Ltd, its affiliates and Old Mutual Plc.

- **Plans** – Protection Plans, Savings and Investment Plans, Retirement Plans and Child Plans

- **Features** – Number of customers covered: 547,321
  - AUM: USD 1.5 billion
  - Number of branches: 214

![Net profit (USD million)](image)

*Source: Company website, TechSci Research*
Shriram Transport Finance Co Ltd

Shriram Transport Finance Co Ltd is India’s largest player in commercial vehicle finance, with a niche presence in financing pre-owned and small truck owners

- Services – Truck financing, passenger vehicle financing, farm equipment financing, construction vehicle and equipment financing
- Features – Number of customers covered: 1.1 million
  - AUM: USD11.12 million
  - Number of branches: 853

Net profit (USD million)

Source: Company website, TechSci Research
Muthoot Finance Limited

Muthoot Finance Ltd. is the largest gold financing company in India in terms of loan portfolio. The company provides personal & business loans secured by gold jewellery

- Divisions – Financing, Power Generation & FM Radio
- Features – Number of branches¹: 4,200+
  - Gold loans under management¹: USD3.8 billion
  - Number of employees¹: 23,070

Net profit (USD million)

Source: Company website, TechSci Research
Notes: ¹ – Data available till December 2015
INDUSTRY ASSOCIATIONS

Insurance Brokers Association of India (IBAI)
Maker Bhavan No 1, 4th Floor,
Sir V T Marg, Mumbai – 400 020
India
Phone: 91 11 22846544
E-mail: ibai@ibai.org

Association of Mutual Funds in India (AMFI)
One Indiabulls Centre,
Tower 2, Wing B, 701,
841 Senapati Bapat Marg,
Elphinstone Road, Mumbai – 400 013
India
Phone: 91 11 24210093 / 24210383
Fax: 91 11 43346712
E-mail: contact@amfiindia.com

Finance Industry Development Council (FIDC)
222, Ashoka Shopping Centre,
2nd Floor, L T Road, Near G T Hospital
Mumbai – 400 001
India
Phone: 91 11 2267 5500
Fax: 91 11 2267 5600
E-mail: info@fidcindia.com
**AUM**: Assets Under Management

**BSE**: Bombay Stock Exchange

**CAGR**: Compound Annual Growth Rate

**FII’s**: Foreign Institutional Investors

**GDP**: Gross Domestic Product

**HCV**: Heavy Commercial Vehicle

**HNWIs**: High-Net-Worth Individuals

**IRDA**: Insurance Regulatory and Development Authority

**LIC**: Life Insurance Corporation

**NBFCs**: Non Banking Financial Company

**NSE**: National Stock Exchange

**RBI**: Reserve Bank of India

**SEBI**: Securities and Exchange Board of India

**USD**: US Dollar
## Exchange Rates

### Exchange rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR equivalent of one USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.81</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.14</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.14</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.27</td>
</tr>
<tr>
<td>2008–09</td>
<td>46.14</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.62</td>
</tr>
<tr>
<td>2011–12</td>
<td>46.88</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.31</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.28</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.06</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17 (E)</td>
<td>66.95</td>
</tr>
</tbody>
</table>

### Exchange rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR equivalent of one USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>43.98</td>
</tr>
<tr>
<td>2006</td>
<td>45.18</td>
</tr>
<tr>
<td>2007</td>
<td>41.34</td>
</tr>
<tr>
<td>2008</td>
<td>43.62</td>
</tr>
<tr>
<td>2009</td>
<td>48.42</td>
</tr>
<tr>
<td>2010</td>
<td>45.72</td>
</tr>
<tr>
<td>2011</td>
<td>46.85</td>
</tr>
<tr>
<td>2012</td>
<td>53.46</td>
</tr>
<tr>
<td>2013</td>
<td>58.44</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016 (Expected)</td>
<td>67.22</td>
</tr>
</tbody>
</table>

Source: Reserve bank of India, Average for the year.

For updated information, please visit [www.ibef.org](http://www.ibef.org)
India Brand Equity Foundation (“IBEF”) engaged TechSci to prepare this presentation and the same has been prepared by TechSci in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of TechSci and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

TechSci and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither TechSci nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.