

NFO PERIOD
20th Nov - 04th Dec

DSP Banking & Financial Services Fund

Invest in THE Structural Story!

An open ended equity scheme investing in banking and financial services sector

Banking & Financial Services isn't just another theme or sector

It's been here for thousands of years!

Over 3700 YEARS AGO...

Anyone borrowing money shall, on the day of settlement, repay the same to his creditor, with interest, according to the memoranda of his contract

Excerpt from 'Code of Hammurabi'
(dated 18th Century BC)



Over 2200 YEARS AGO...

In India, during the Maurya period, an instrument similar to cheque 'Adesa' was used to order the banker to pay money to a third person

Evidenced from 'Arthashastra'
(dated 3rd Century BC)

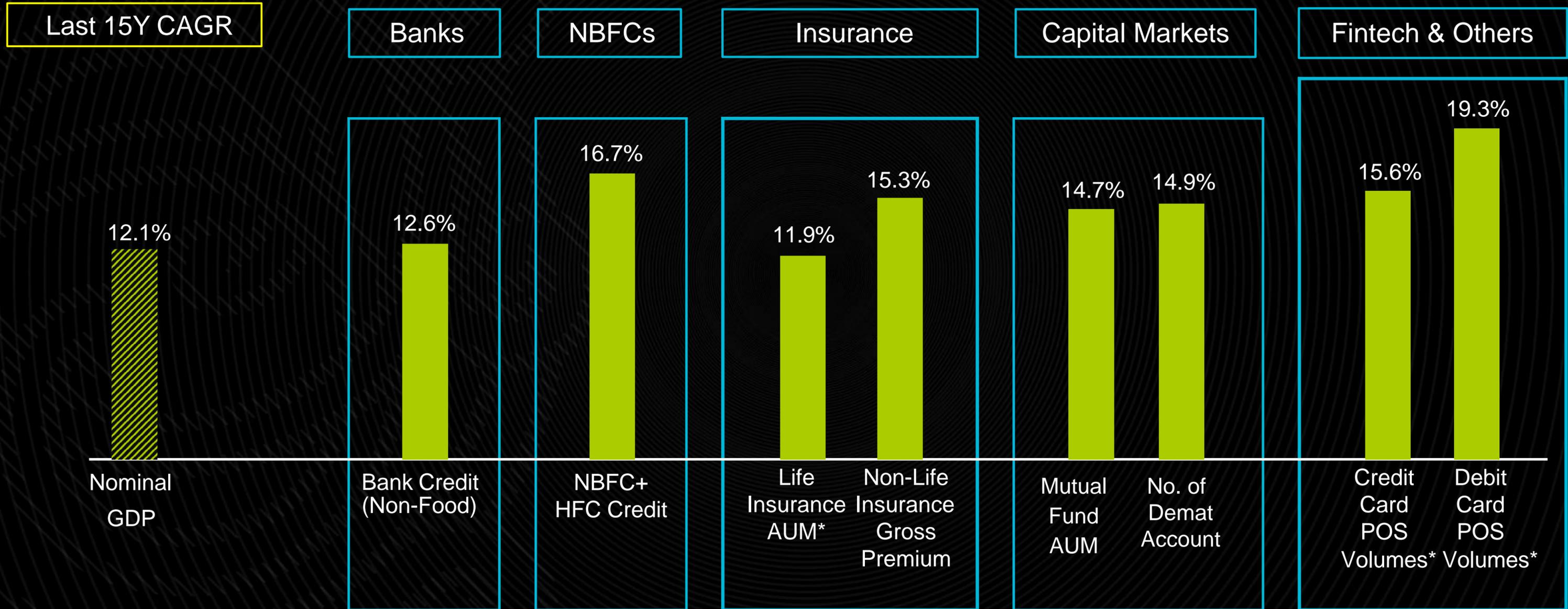


**While other sectors and technologies come and go,
Banking and Financial Services continues to be a growth opportunity!**

Banking & Financial Services
is not just a structural story,

it is THE Structural Story!

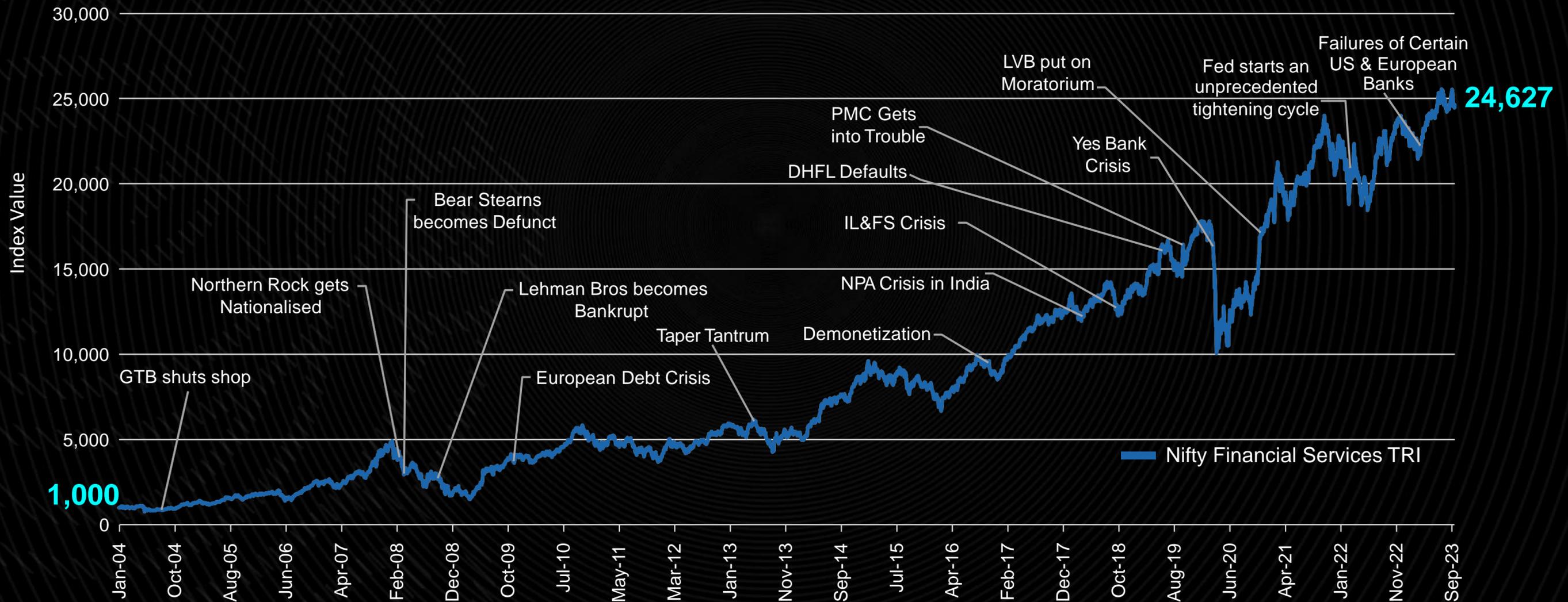
BFSI has largely grown at a pace superior to the economy



Source: CMIE, Kotak Securities, IRDAI, Investec, CDSL, NSDL. 15Y CAGR for the period FY08 to FY23. *Life Insurance AUM and Card POS Volume CAGR is for the period FY12 to FY23. BFSI – Banking, Financial Services & Insurance. CAGR – Compound Annual Growth Rate. NBFCs – Non-Banking Financial Companies. HFC – Housing Finance Companies. POS – Point of Sale. AUM – Assets Under Management.

BFSI – challenging yet rewarding

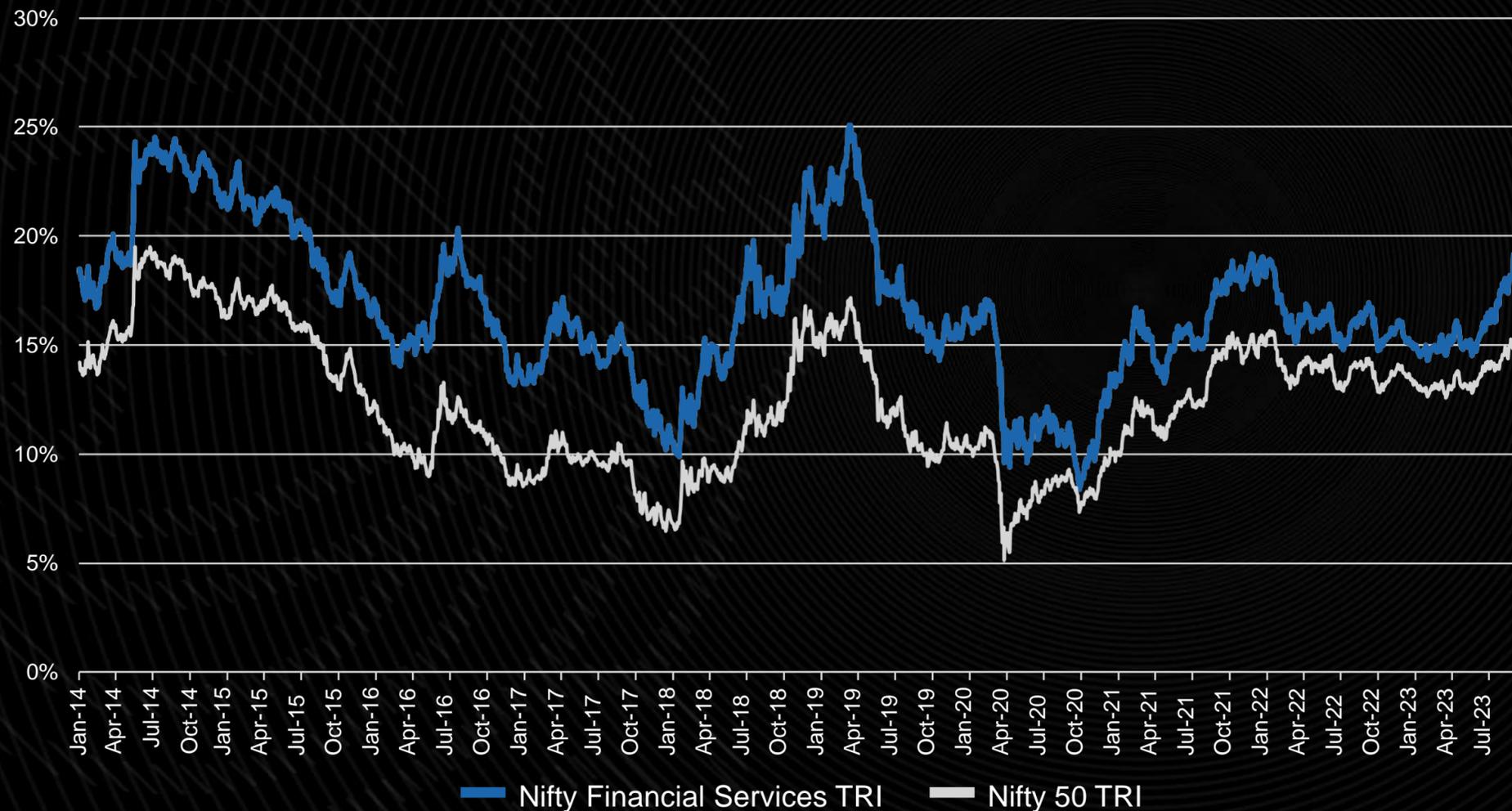
Annualized Returns (01-Jan-04 to 30-Sep-23): **17.6%**



Source – Internal. Index Values from MFI Explorer. Data for the period 01 Jan 2004 to 30 Sep 2023. BFSI – Banking, Financial Services & Insurance. Nifty Financial Services Index is taken as a proxy for BFSI sector. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/model and do not in any manner indicate the returns/performance of this scheme.**

BFSI Sector has Outperformed Nifty 50 Index on all 10-Year Periods

Nifty Financial Services TRI vs Nifty 50 TRI - 10 Year Rolling Returns



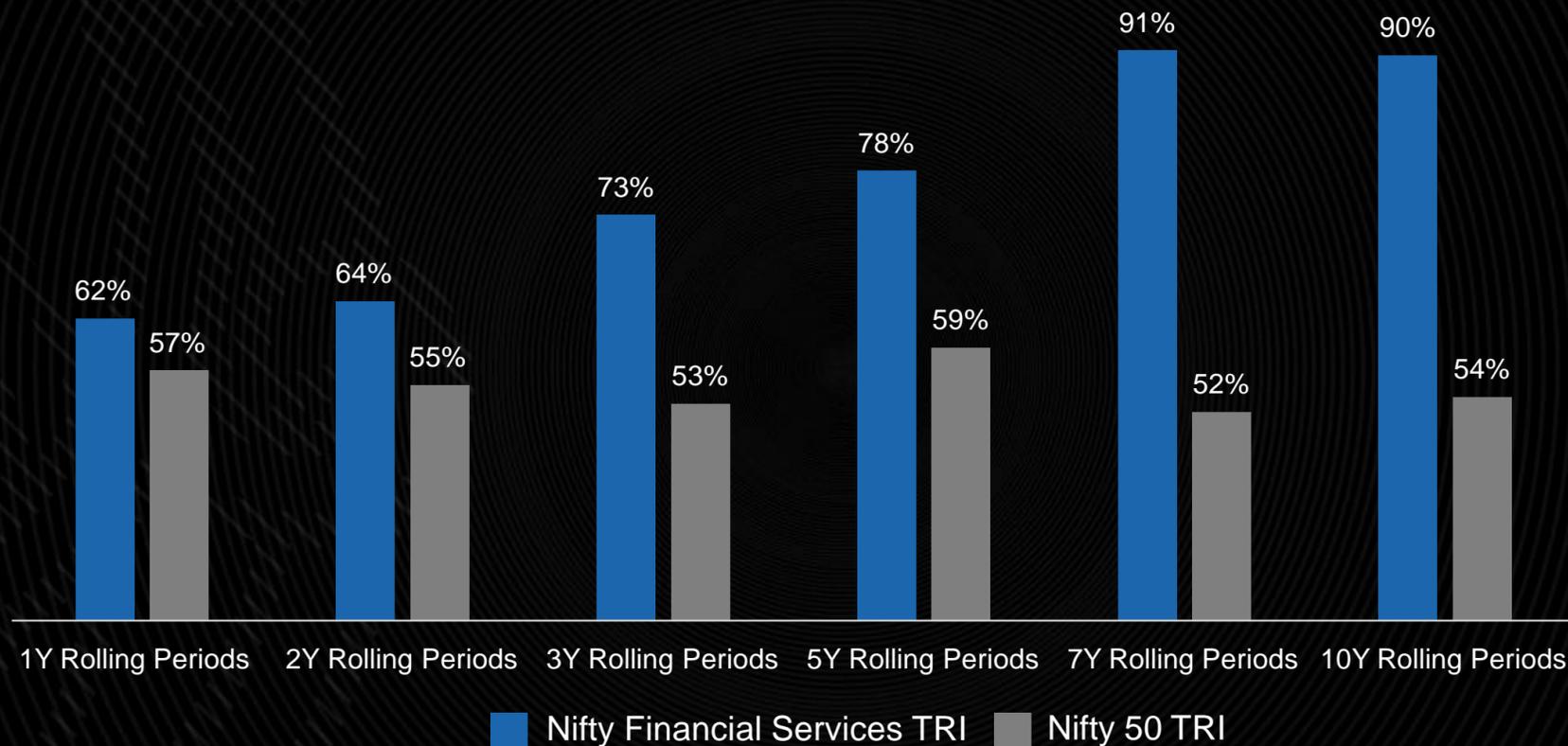
100%

of the times Nifty Financial Services TRI has outperformed the broader Nifty 50 TRI

Source – Internal. Index Values from MFI Explorer. Data for the period 01 Jan 2004 to 30 Sep 2023. BFSI – Banking, Financial Services & Insurance. Nifty Financial Services Index is taken as a proxy for BFSI sector. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/model and do not in any manner indicate the returns/performance of this scheme.** There is no assurance of any returns/capital protection/capital guarantee to the investors in the Scheme. The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds, thus one should take controlled exposure to such funds.

BFSI returns have been more consistent compared to broader index

% Times Returns Were Greater than 12%



90%

of the times Nifty Financial Services TRI has delivered returns over 12% over a 7+ Year timeframe (vs 52% for Nifty 50 TRI)



Timing matters less in BFSI!

Source – Internal. Index Values from MFI Explorer. Data for the period 01 Jan 2004 to 30 Sep 2023. BFSI – Banking, Financial Services & Insurance. Nifty Financial Services Index is taken as a proxy for BFSI sector. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/model and do not in any manner indicate the returns/performance of this scheme.** There is no assurance of any returns/capital protection/capital guarantee to the investors in the Scheme.

Banking and Financial Services – Thematic But Diversified

Banks

₹2.5tn | 11%

- Improving Credit Growth
- Benign Asset Quality
- Rising RoE
- Reasonable Valuations

NBFCs incl. HFCs

₹1.2tn | 13%

- Strong Growth Momentum
- Benign Asset Quality
- Improving RoE

Life Insurance

₹500bn | 24%^

- Low Market Penetration
- Private gaining market share
- Improving Margins & Return Ratio
- Reasonable Valuations

Non-Life Insurance

Loss | NA

- Very low Market Penetration
- Private gaining market share
- High competition may put pressure on profitability & returns

AMC

₹82bn | 22%

- Beneficiaries of Financialisation of Savings
- Big becoming Bigger
- Regulatory changes pose risk on profitability

Exchanges

₹78bn | 21%

- Duopoly market structure
- Long growth runaway led by rising market participation
- At scale, high margin and high RoE business models

Depositories

₹5bn | 21%

- Proxy play on capital markets
- Digitization play on financial infrastructure
- High margin and high RoE businesses

₹4Tn+
Profit Opportunity

■ Approximate Profits in FY23 ■ Approximate 10-Year PAT CAGR

Source – RBI, Kotak Securities, Morgan Stanley Estimates, Investec, Spark Capital Research, Internal. Note: ^Value of New Business CAGR for the period FY18-23 is shown for life insurance (listed private players only). Non-life Insurance data excludes reinsurance. NBFCs – Non-Banking Financial Companies. HFC – Housing Finance Companies. AMC – Asset Management Companies. RoE – Return on Equity. CAGR – Compound Annual Growth Rate. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Banking & Financial Services in India - Still a long way to go...

	India	US	China	Japan	Germany	UK
Total Credit to Private Non-Financial Companies as % of GDP	90	151	227	185	126	149
Total Credit to Households as % of GDP	37	74	62	68	54	82
Life Insurance Premium as % of GDP	3	3	2	6	2	8
Non-Life Insurance Premium as % of GDP	1	9	2	2	4	2
Mutual Fund Assets as % of GDP	16	140	18	48	75	78
Credit Card Ownership as % of Adult Population	5	67	38	70	57	62
Credit Card Spending as % of PFCE	6	29	--	28	0.5	12

Source – World Bank, BIS, Swiss Re Sigma World insurance report No 3 /2023, Kotak Securities, Internal. Total Credit to Households as % of GDP and Total Credit to Private Non-Financial Companies as % of GDP data are as of Q1 CY23. Life/Non-Life Insurance Premium to GDP is as of 2022. MF Assets to GDP is as of 2020. Credit Card penetration data are as of 2021. Adult population considers people aged 15 and above. Credit Card Spending as % of PFCE data for China is not available. PFCE – Private Final Consumption Expenditure.

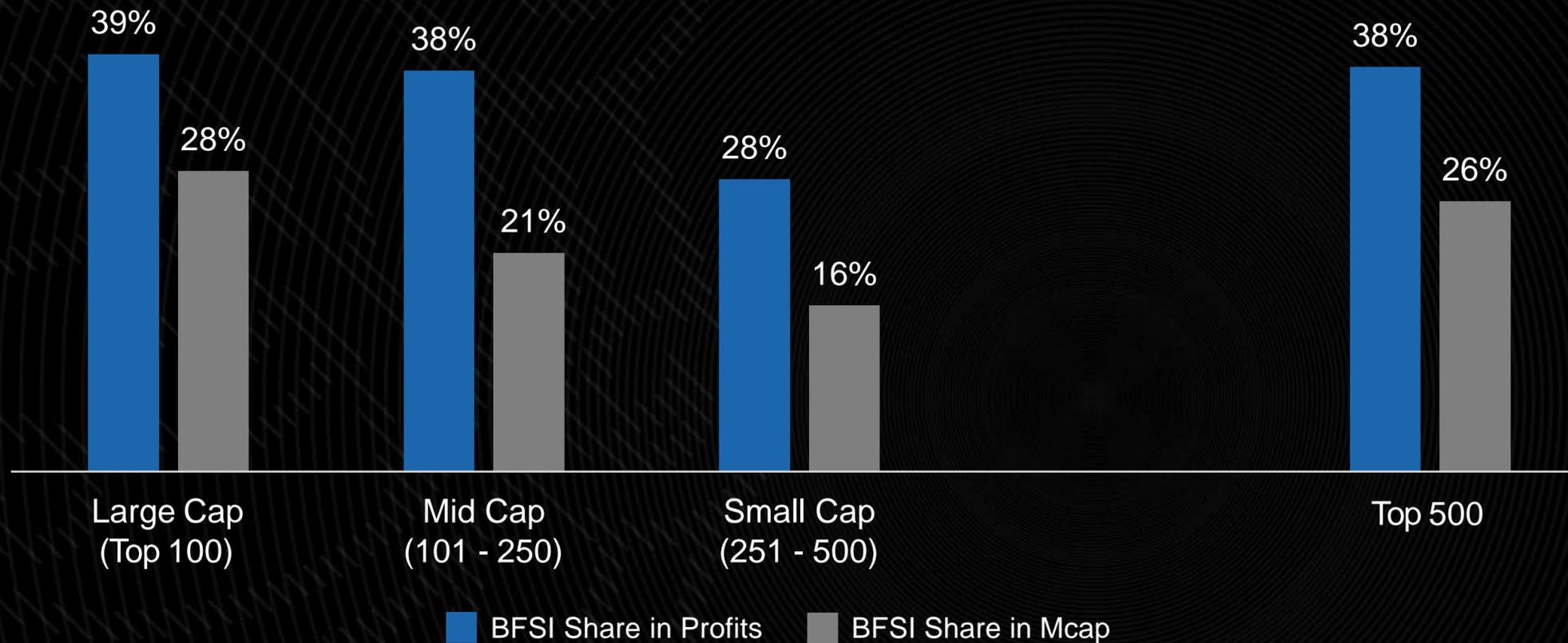
Why Banking and Financial Services Now?

Underperformance
versus Nifty 50 TRI
in the last four years
– Possibility of a
reversal

Reasonable
valuations

Stronger
Balance Sheets

Share in Market Cap is not commensurate with the Share in Profits



BFSI forms 38% of the profit pool of the Top 500 companies but is **just 26%** of the market cap

Last 10 Year Profit Growth

BFSI

17%

Top 500 Ex. BFSI

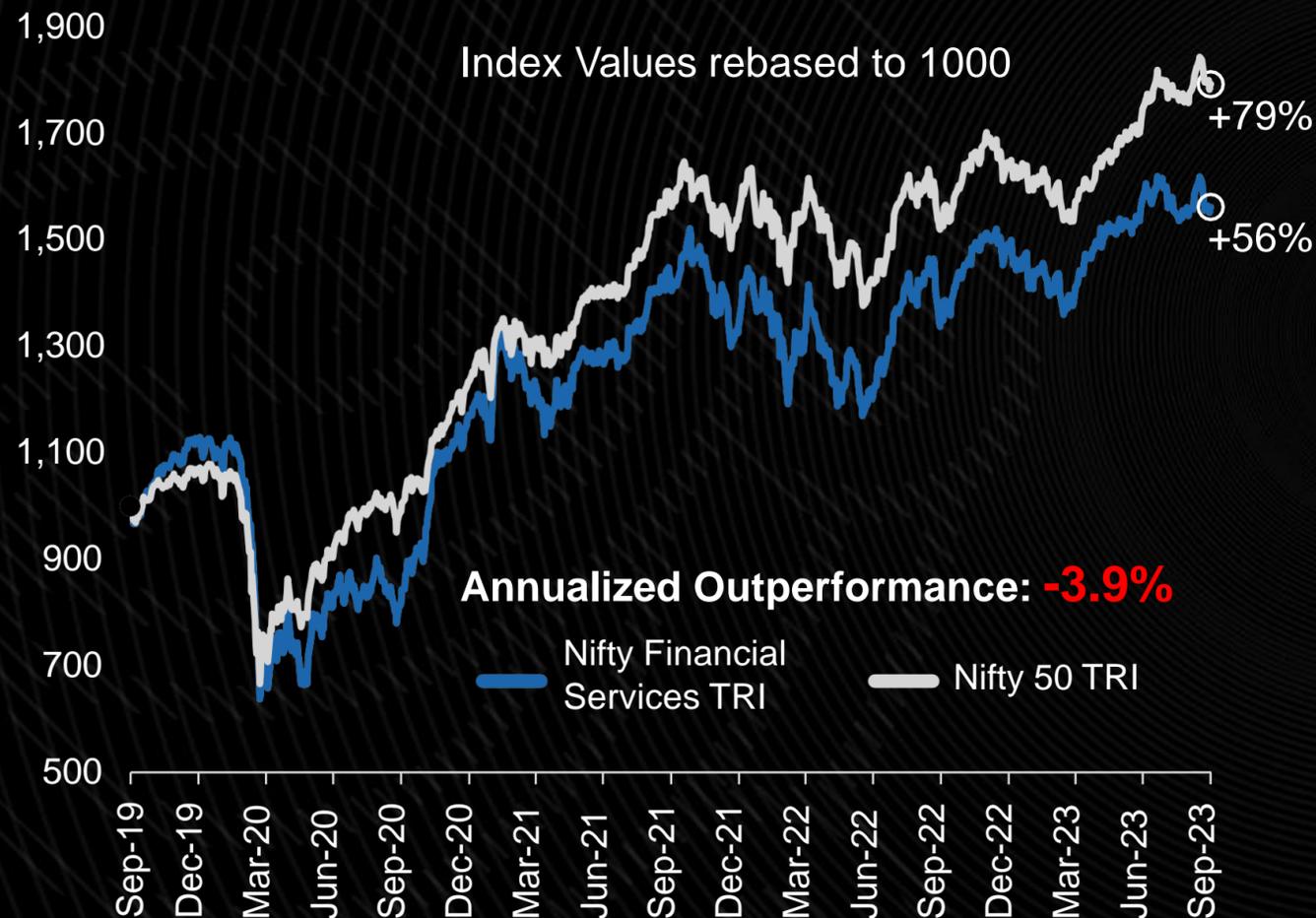
10%

And the profitability has been growing at a faster pace!

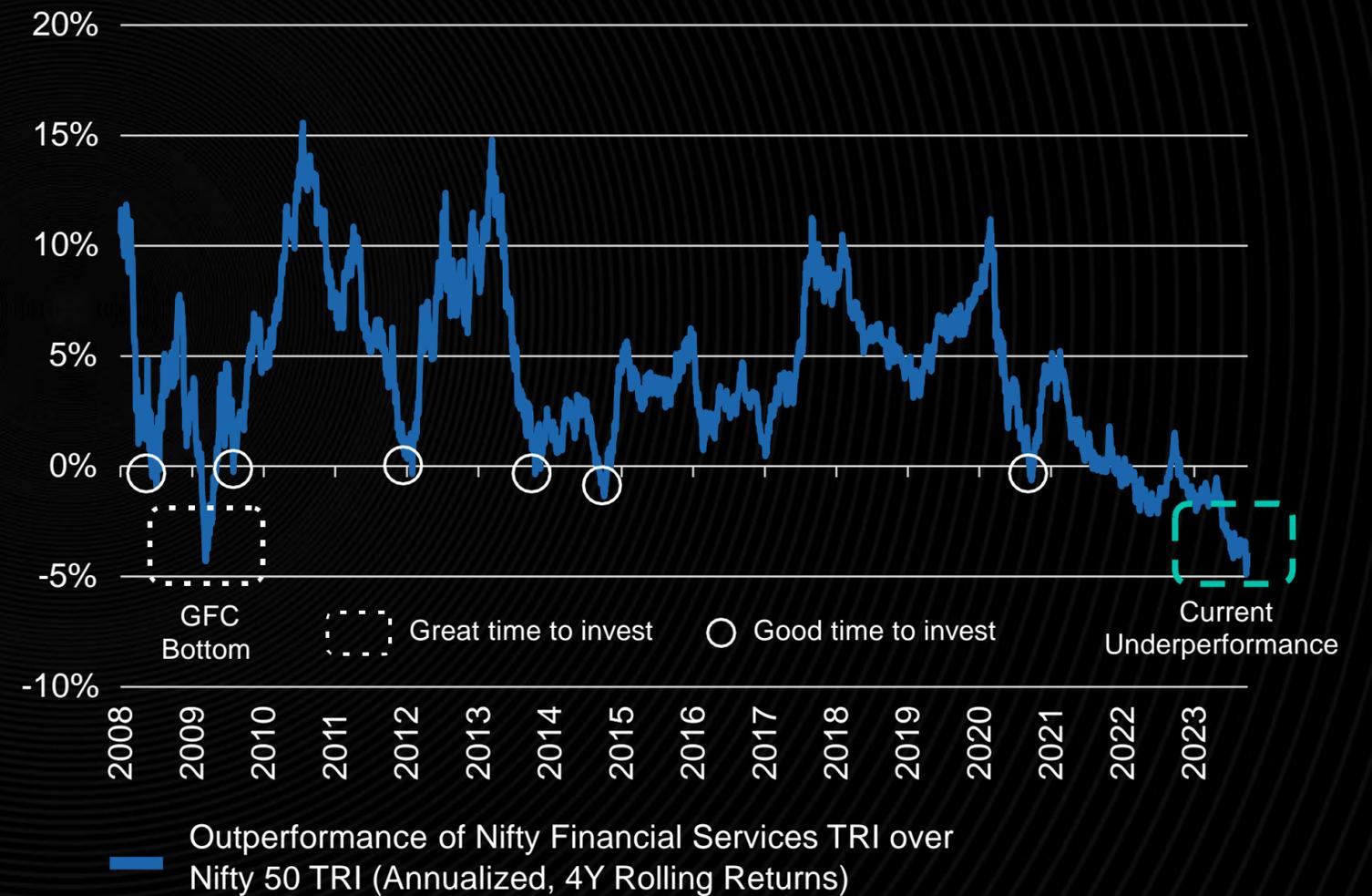
Source: Kotak Securities, Internal. Top 500 companies based on total market cap is considered for this analysis. BFSI – Banking, Financial Services & Insurance. TTM – Trailing Twelve Month. Current MCap is as on 30 Sep 2023 and the 10Y Prior is based on 30 Sep 2013. Current PAT is based on TTM net income as on 30 Jun 2023 and 10Yr Prior PAT is based on TTM net income as on 30 Jun 2013. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** There is no assurance of any returns/capital protection/capital guarantee to the investors in the Scheme.

Underperformance in Last 4 Years – Possibility of a turnaround

BFSI has underperformed Nifty 50 Index since Sep-19

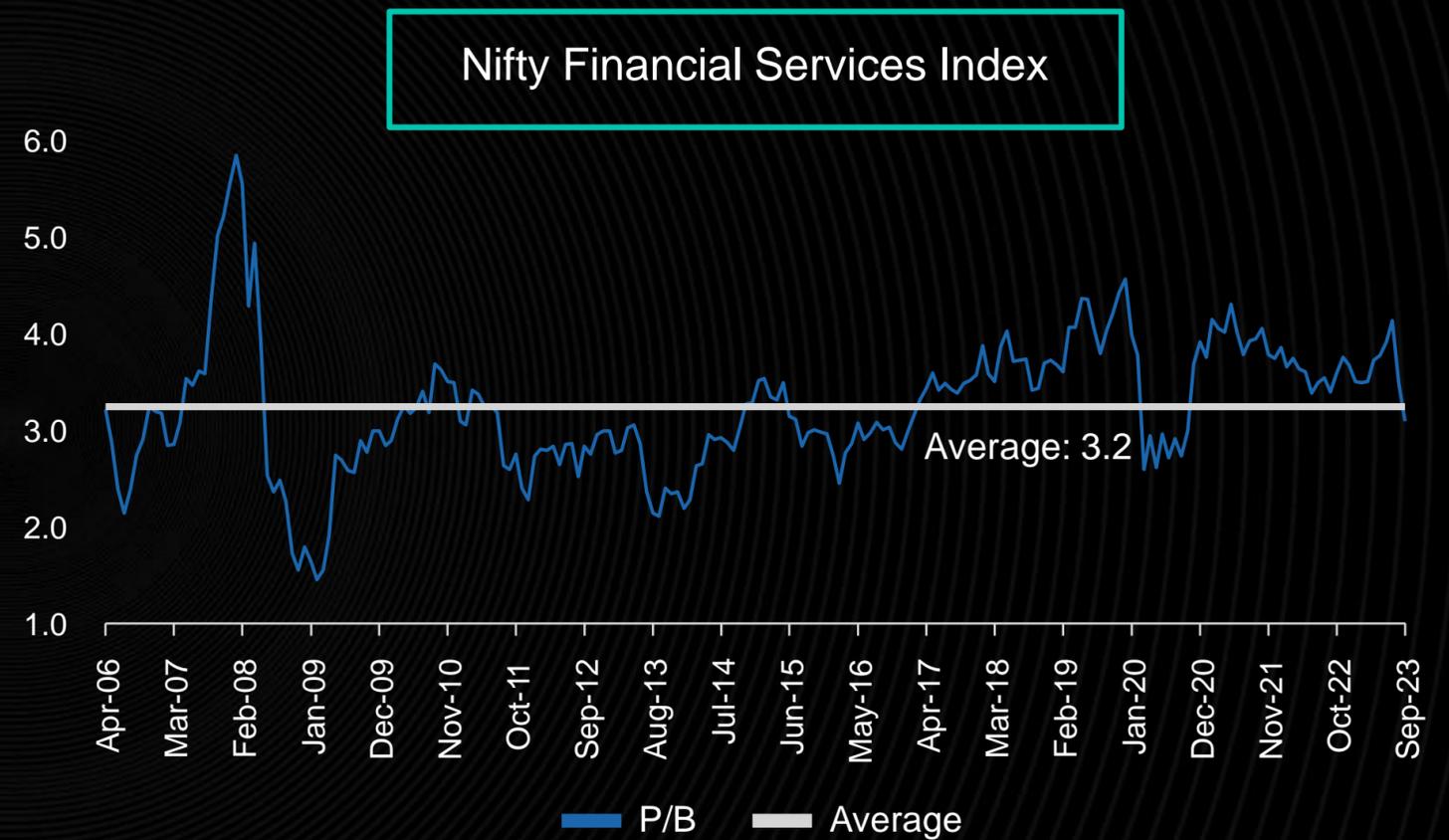
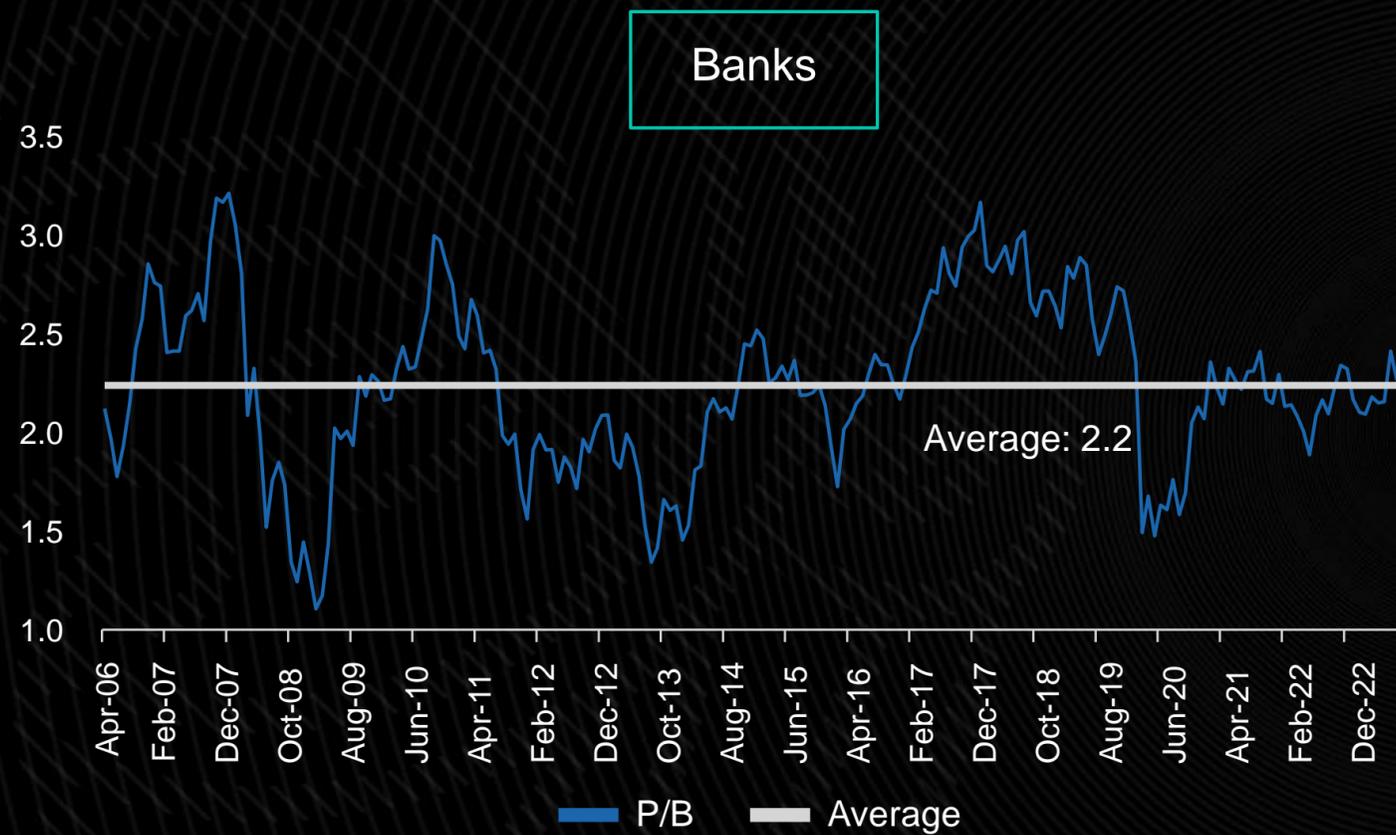


Current Underperformance Vs Nifty 50 Index is near GFC bottom levels



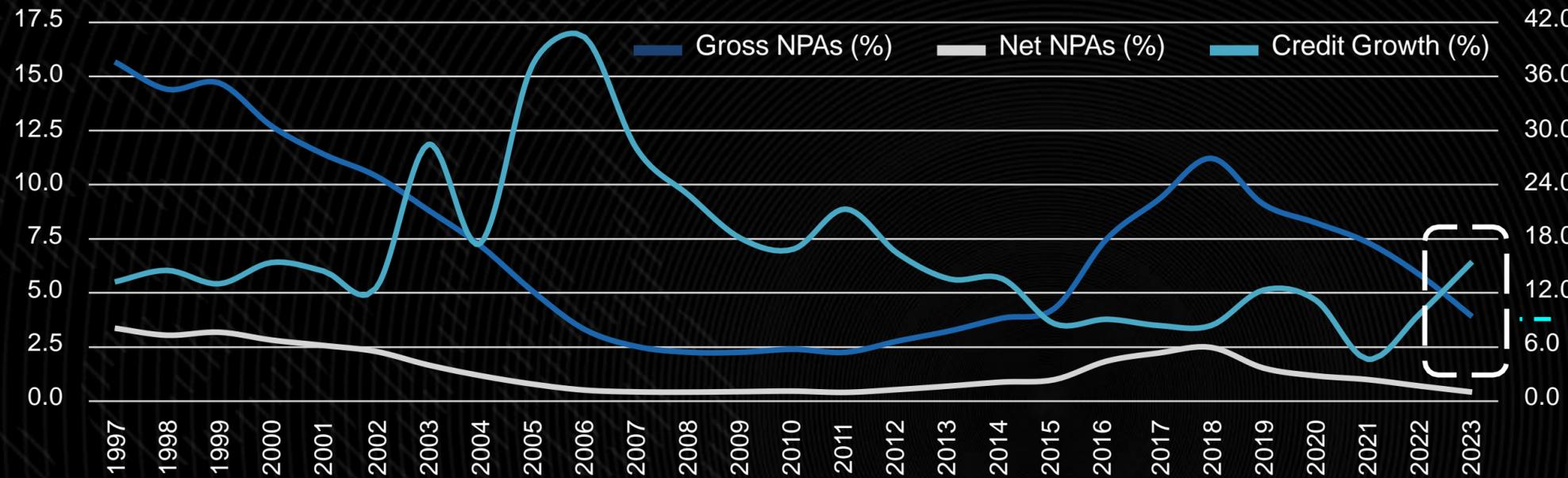
Source – Internal. Index Values from MFI Explorer. Data for the period 01 Jan 2004 to 30 Sep 2023. BFSI – Banking, Financial Services & Insurance. GFC – Global Financial Crisis. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/Model and do not in any manner indicate the returns/performance of this scheme.**

Valuations are reasonable



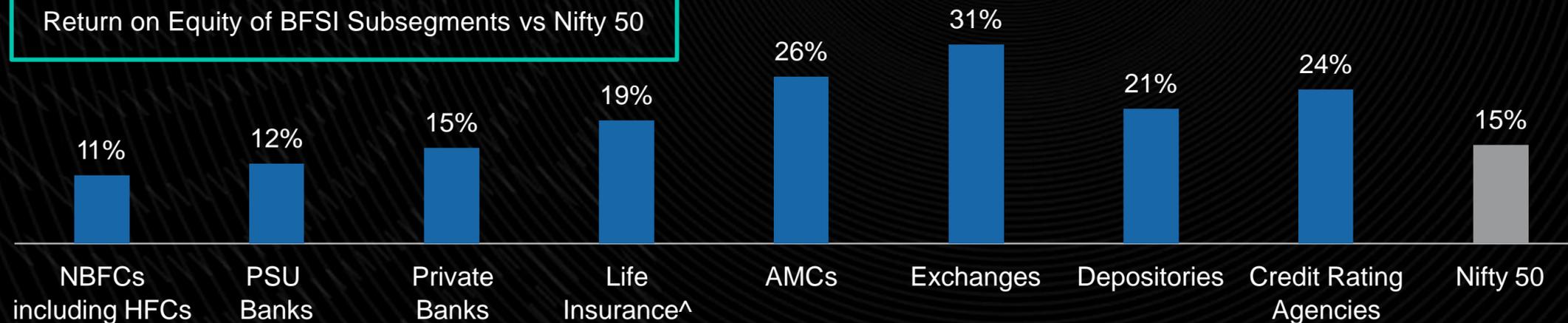
Source: Kotak Securities, NSE, Internal. P/B – Price to Book Value. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

System NPAs close to all time lows; Decent to High Return ratios



Bank balance sheets stronger with lower NPAs; this could aid sustained pick-up in credit growth

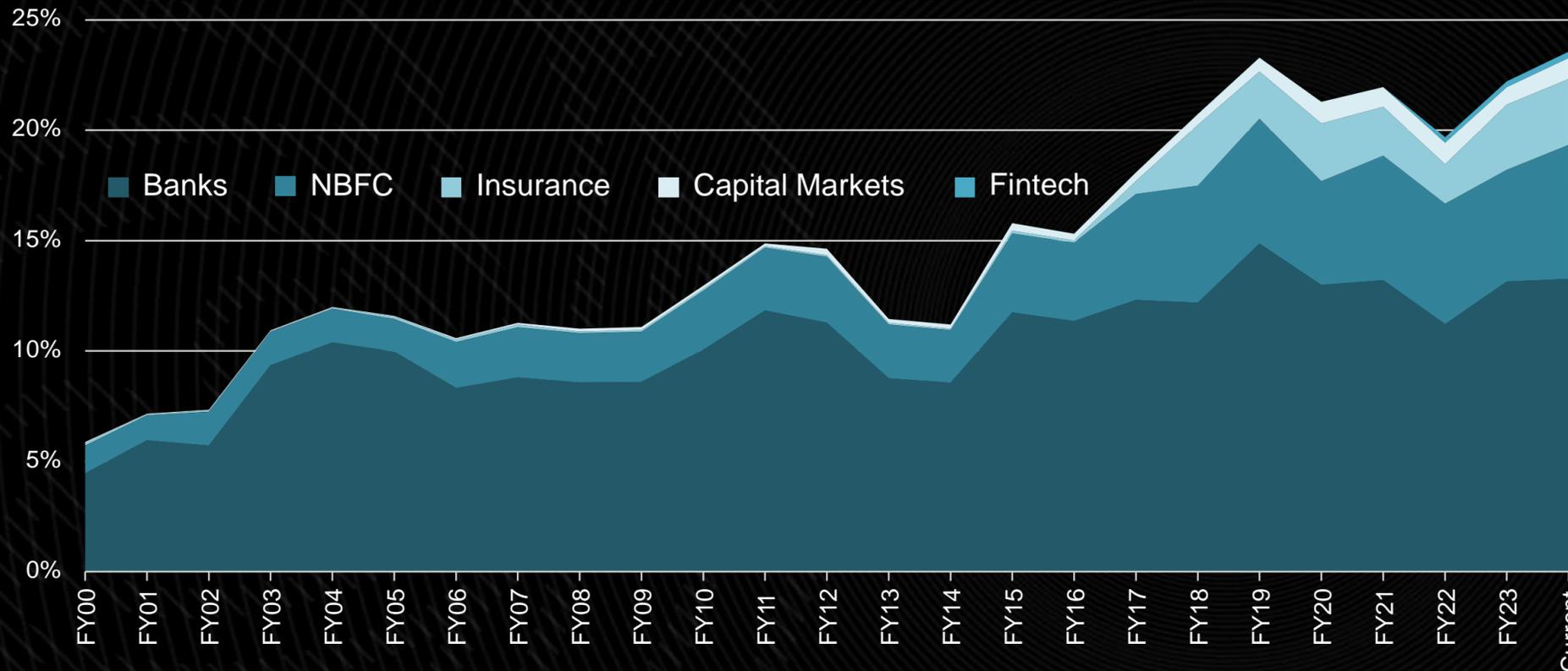
Return on Equity of BFSI Subsegments vs Nifty 50



Source: RBI, Kotak Securities, Morgan Stanley, Internal. Data as of 31 Mar 2023. NPA – Non Performing Assets. BFSI – Banking, Financial Services & Insurance. Note: NPA data is only for banks. ^For life insurance, Return on Embedded Value is taken and the number shown considers only private sector listed players (public sector listed insurer’s RoEV data is not available). The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Beyond Banks - New Opportunities are Emerging in BFSI space

Market Cap of BFSI continues to grow – but the mix is changing



A median Flexicap fund holds 70%* of the financial services investments in banks.

Therefore for a better participation in opportunities outside of banks, a BFSI Fund can help!

New / Upcoming Opportunities in Listed Space



MF & Insurance Broking Platforms



Payment Processors



Stock Broking & Wealth Management



Loan DSAs (Direct Selling Agents)



Insurance Third Party Administrators



Digital Infrastructure In BFSI Space

Source: Citi, Internal. * Flexicap Funds portfolio as of Aug-23 was considered to arrive at the weightage of banks as a percentage of financial services. BFSI – Banking, Financial Services & Insurance. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds, thus one should take controlled exposure to such funds.

Why DSP Banking & Financial Services Fund?

Stock-specific approach
that attempts to have
high active share

Flexibility for
Global Investments

Delivered Stock Selection
Alpha in Banking &
Financial Services in the
last 3 years in our active,
diversified funds

Fund Structure

DSP BANKING & FINANCIAL SERVICES FUND

Banking

Private
Banks

Public
Sector
Banks

Financial Services

NBFCs

Insurance

Capital
Markets

FinTech
& Others



Global[^]

[^]Scheme is enabled to take exposure in global financials as and when opportunities emerge. NBFCs – Non-Banking Financial Companies. Capital Markets include Brokerages, Asset Management Companies, Exchanges, Depositories etc. The investment approach / framework/ strategy / portfolio / other data mentioned herein are proposed to be followed by the scheme and the same may change in future depending on market conditions and other factors. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Unconstrained Banking & Financial Services Fund



Stock-Specific approach

- Business Fundamentals over market outlook
- Allocation to Large, Mid & Small caps can vary widely based on business fundamentals



Active Share

- Fund can have high active share compared to benchmark (Average active share of funds in the BFSI category is only 40%)
- Concentrated Approach: The portfolio is likely to have ~20 stocks reflecting high conviction strategy of fund manager



International Business

- Fund Manager can participate in selective fundamentally sound businesses internationally which are not available in India

Positive view on BFSI also reflected in our active funds positioning

We are launching BFSI fund based on our conviction on the sector. This is also reflected in the Financial Services overweight positioning of our active diversified equity funds.

Fund Name	Benchmark	Fund Weight in BFSI sector	Benchmark Weight in BFSI sector	Overweight / Underweight
DSP Top 100 Equity Fund	S&P BSE 100 TRI	42%	33%	+9%
DSP Focus Fund	Nifty 500 TRI	39%	31%	+8%
DSP Equity Opportunities Fund	Nifty Large Midcap 250 TRI	33%	28%	+5%
DSP Flexi Cap Fund	Nifty 500 TRI	34%	31%	+3%
DSP Tax Saver Fund	Nifty 500 TRI	34%	31%	+3%

DSP Active Funds - Stock Selection Alpha in Financial Services sector

We have delivered alpha in BFSI investments made in active diversified equity funds in the last 3 years

Fund Name	Average Weight to BFSI sector in last 3 years	Stock Selection Weighted Alpha in BFSI sector (Absolute) over fund's benchmark allocation in last 3 years
DSP Tax Saver Fund	37%	+10.3%
DSP Equity Opportunities Fund	34%	+8.6%
DSP Focus Fund	31%	+4.4%
DSP Top 100 Equity Fund	38%	+2.1%
DSP Flexi Cap Fund	35%	+1.7%

Source – Internal, Factset. Data from 30 Sep 2020 to 30 Sep 2023. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Fund Manager & Investment Team

FUND MANAGER



DHAVAL GADA

Vice President - Banking and Financial Services

- >13 years of investment experience across major market cycles
- Joined DSP in Sep 2018 as a Research Analyst tracking Banking & Financial Services sector
- Promoted to Fund Manager in Sep 2022 managing DSP Flexicap Fund, DSP Equity & Bond Fund and DSP Dynamic Asset Allocation Fund
- Previously worked with Sundaram AMC, Motilal Oswal Securities as analyst tracking BFSI Sector
- PGDM - Finance from Welingkar Institute of Management



JAY KOTHARI

Senior Vice President & Fund Manager for Overseas Investments

- 18 years of experience across equities and global fund raising
- MBA in Finance from Mumbai University, Bachelor of Management Studies (Finance & International Finance) from Mumbai University

INVESTMENT TEAM SUPPORTING THE FUND MANAGER



VINIT SAMBRE (25)

Senior Vice President
Head - Equities



ROHIT SINGHANIA (22)

Senior Vice President
Co-Head – Equities
Metals sector

PORTFOLIO MANAGERS / ANALYSTS / SECTOR RESPONSIBILITIES



RESHAM JAIN, CFA (18)

VP, Small & Mid Caps,
Agri inputs, Textiles,
Chemicals, Retail



ABHISHEK GHOSH (15)

AVP, Small & Mid Caps,
Transportation



CHARANJIT SINGH (12)

VP & Fund Manager,
Capital Goods, Infra,
Power Utilities,
Consumer Durables



ATUL BHOLE (16)

SVP, Portfolio Manager



CHIRAG DAGLI (15)

VP & Fund Manager,
Healthcare



ABHISHEK SINGH (14)

VP, Portfolio Manager



CHAITRA NAYAK (6)

Senior Manager,
ESG Analyst



ANIKET PANDE (9)

AVP, Tech, Telecom, FMCG

Note: The numbers in brackets indicate the respective fund manager's experience in years

Risk Factors



Concentration Risk

- The fund provides exposure only to the Banking & Financial Services sector, leading to sector-level concentration risk
- This fund attempts to have only ~20 stocks, thereby leading to stock level concentration risk



High Volatility & Drawdown

- This fund can potentially exhibit higher volatility & drawdowns as compared to diversified equity funds



Underperformance

- This fund can underperform diversified equity funds in the short-term

Asset Allocation

Under normal circumstances, the asset allocation of the Scheme will be as follows:

Instruments	Indicative Allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
A. Equity and equity related securities of companies engaged in banking and financial services sector	80%	100%	Very High Risk
B. Equity and equity related securities of other companies	0%	20%	Very High Risk
C. Debt and Money Market Instruments*	0%	20%	Low Risk to Moderate Risk
D. Units issued by REITs & InvITs	0%	10%	Very High Risk

*Includes only government securities, treasury bills, reverse repos in government securities, tri-party repos and other like instruments as specified by the Reserve Bank of India/ SEBI from time to time.

For scheme specific risk factors, asset allocation details, please read the Scheme Information Document and Key Information Memorandum of the scheme available at the Investor Service Centers of the AMC and also available on www.dspim.com.

Scheme Features

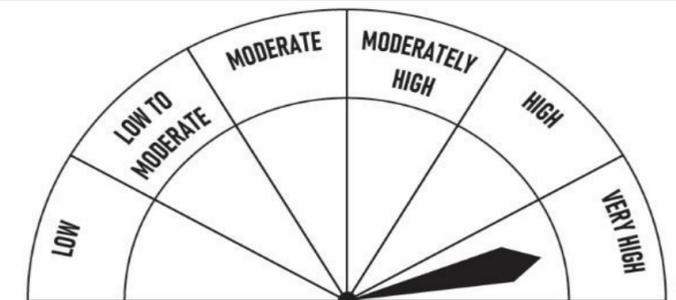
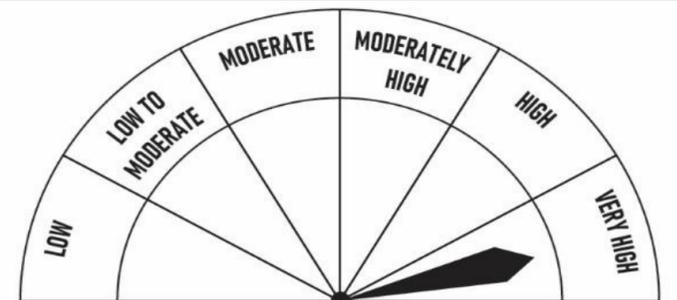
Name of Scheme	DSP Banking & Financial Services Fund
Type of Scheme	An open ended equity scheme investing in banking and financial services sector
Category	Thematic / Sectoral
Plans	- Regular - Direct
Options	- Growth - Income Distribution cum Capital Withdrawal (IDCW) – Payout & Reinvestment option
Minimum Application Amount	₹100/- and any amount thereafter
Exit Load	Nil
Fund Managers	Equity Portion – Dhaval Gada, International Portion - Jay Kothari
Benchmark	Nifty Financial Services TRI
SIP/STP/SWP	Available
Minimum instalment for SIP/SWP/STP	₹100/- and any amount thereafter
Taxation	Equity taxation
Expense Ratio*	Regular plan – Upto 2.25% Direct plan – Upto 0.5 to 1.0%

*Expense ratio is subject to change based on various factors

Disclaimer & Product Labelling

This presentation / note is for information purposes only. It should not be construed as investment advice to any party. In this material DSP Asset Managers Pvt. Ltd. (the AMC) has used information that is publicly available, including information developed in-house. Information gathered and used in this material is believed to be from reliable sources. While utmost care has been exercised while preparing this document, the AMC nor any person connected does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The recipient(s) before acting on any information herein should make his/their own investigation and seek appropriate professional advice. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on prevailing market conditions / various other factors and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the schemes of DSP mutual fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). Large-caps are defined as top 100 stocks on market capitalization, mid-caps as 101-250 , small-caps as 251 and above. Data provided is as on Sep 30, 2023 (unless otherwise specified) The figures pertain to performance of the index and do not in any manner indicate the returns/performance of the Scheme. It is not possible to invest directly in an index. All opinions, figures, charts/graphs and data included in this presentation are as on date and are subject to change without notice. For complete details on investment objective, investment strategy, asset allocation, scheme specific risk factors and more details, please read the Scheme Information Document, Statement of Additional Information and Key Information Memorandum of respective scheme available on ISC of AMC and also available on www.dspim.com. The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds, thus one should take controlled exposure to such funds. There is no assurance of any returns/capital protection/capital guarantee to the investors in above mentioned Scheme. The presentation indicates the strategy/investment approach currently followed by the above mentioned Scheme and the same may change in future depending on market conditions and other factors.

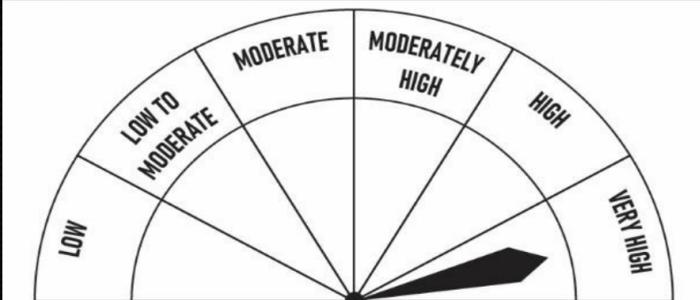
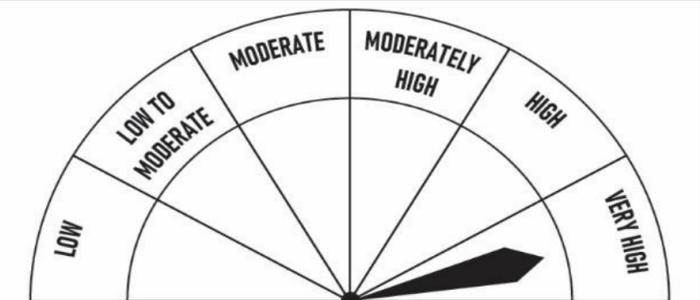
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

<p>DSP Banking & Financial Services Fund (An open ended equity scheme investing in banking and financial services sector)</p>	<p>This scheme is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long term capital growth • Investment in equity and equity related securities of banking and financial services companies <p>*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</p>	<p>SCHEME RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p>BENCHMARK^ RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>
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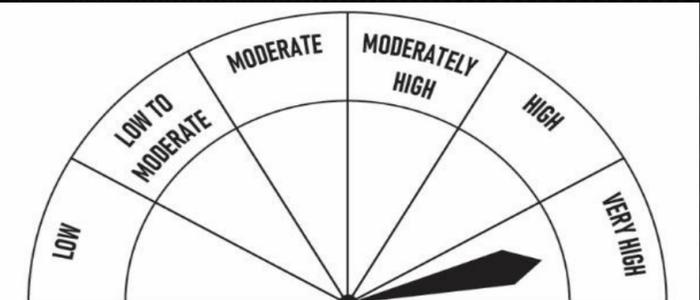
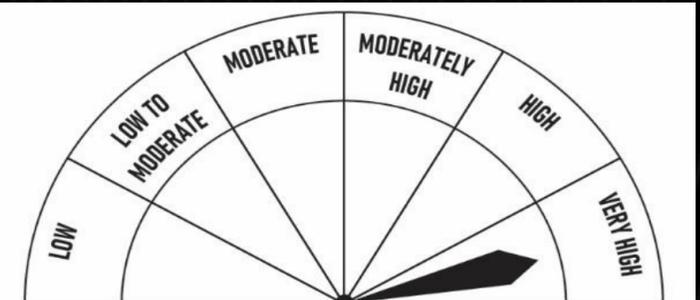
^ Benchmark - Nifty Financial Services TRI.

The product labelling assigned during the New Fund Offer ('NFO') is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

Product Labelling

<p>DSP Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)</p>	<p>This Open Ended Scheme is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long-term capital growth • Investment in equity and equity-related securities to form a diversified portfolio <p>*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.</p>	<p>SCHEME RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p>BENCHMARK^ RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>
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^ Benchmark - Nifty 500 TRI

<p>DSP Equity Opportunities Fund (An open ended equity scheme investing in both large cap and mid cap stocks)</p>	<p>This Open Ended Scheme is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long-term capital growth • Investment in equity and equity-related securities predominantly of large and midcap companies <p>*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.</p>	<p>SCHEME RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p>BENCHMARK* RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>
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* Benchmark - Nifty Large Midcap 250 TRI

Product Labelling

DSP Focus Fund

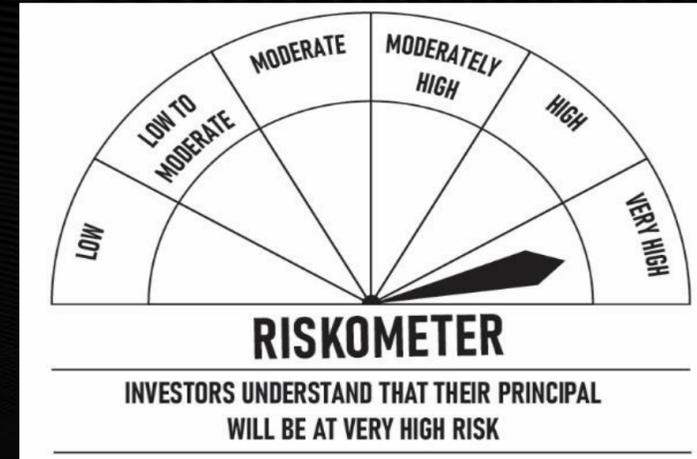
(An open ended equity scheme investing in maximum 30 stocks. The Scheme shall focus on multi cap stocks.)

This Open Ended Equity Scheme is suitable for investors who are seeking*

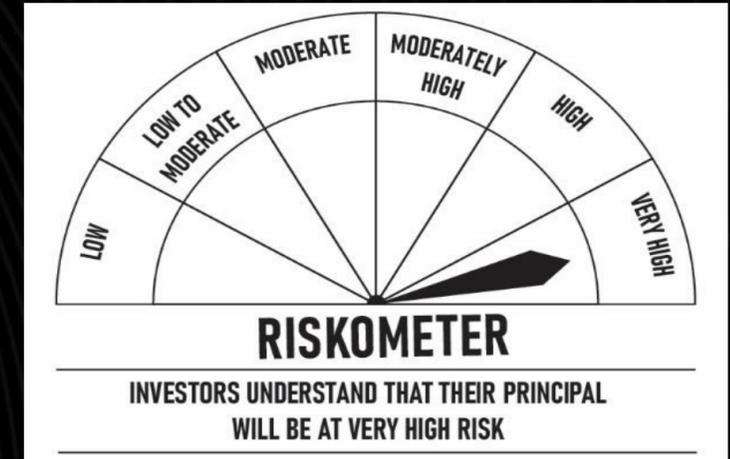
- Long-term capital growth with exposure limited to a maximum of 30 stocks from a multi cap investment universe
- Investment in equity and equity-related securities to form a concentrated portfolio

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

SCHEME RISKOMETER



BENCHMARK^ RISKOMETER



^ Benchmark - Nifty 500 TRI

DSP Top 100 Equity Fund

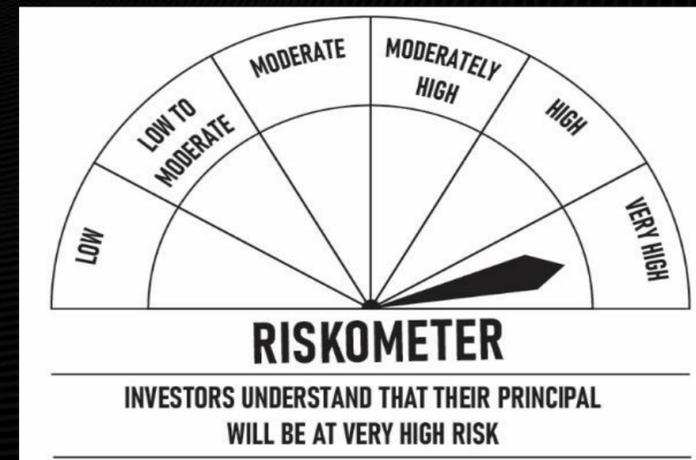
(An open ended equity scheme predominantly investing in large cap stocks)

This Open Ended Scheme is suitable for investors who are seeking*

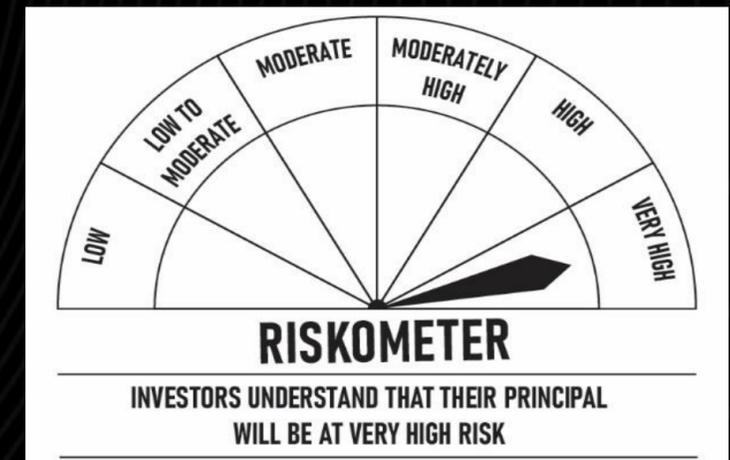
- Long-term capital growth
- Investment in equity and equity-related securities predominantly of large cap companies

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

SCHEME RISKOMETER



BENCHMARK* RISKOMETER



* Benchmark - S&P BSE 100 TRI

Product Labelling

DSP Tax Saver Fund

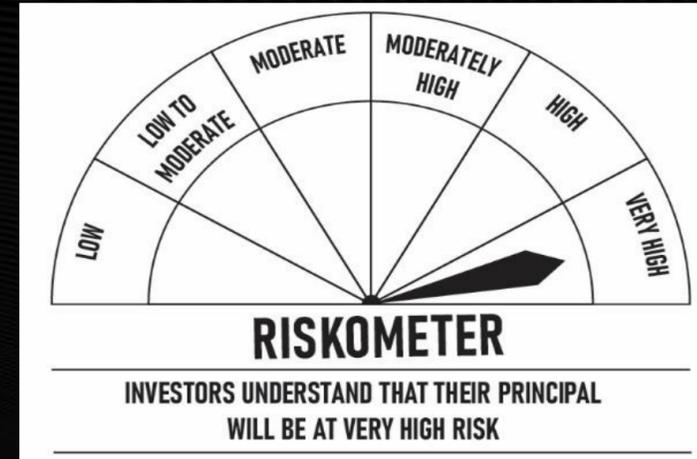
(An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit.)

This Open Ended Equity Linked Saving Scheme is suitable for investors who are seeking*

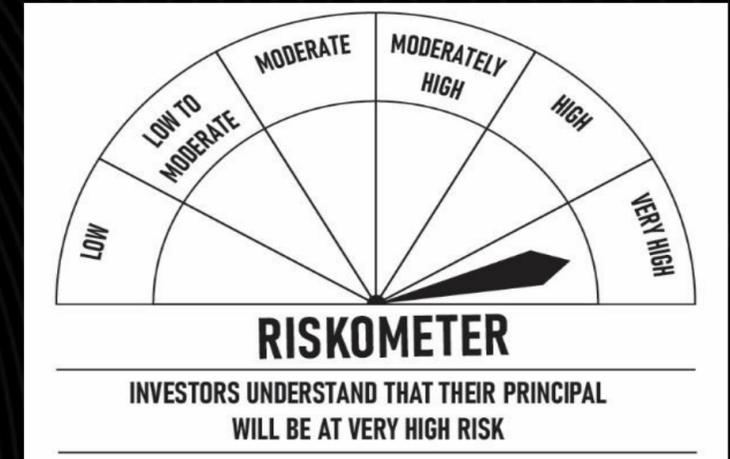
- Long-term capital growth with a three-year lock-in
- Investment in equity and equity-related securities to form a diversified portfolio

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

SCHEME RISKOMETER



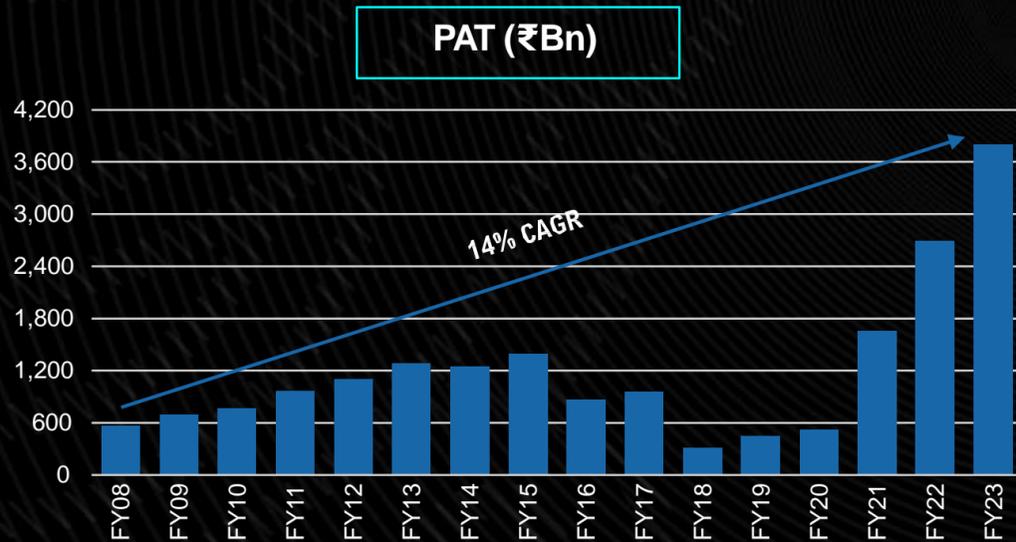
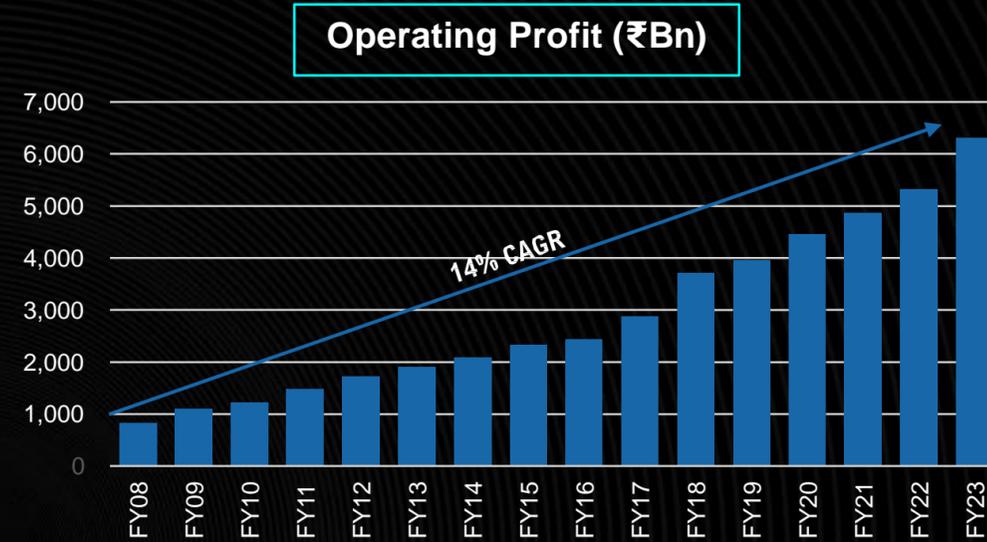
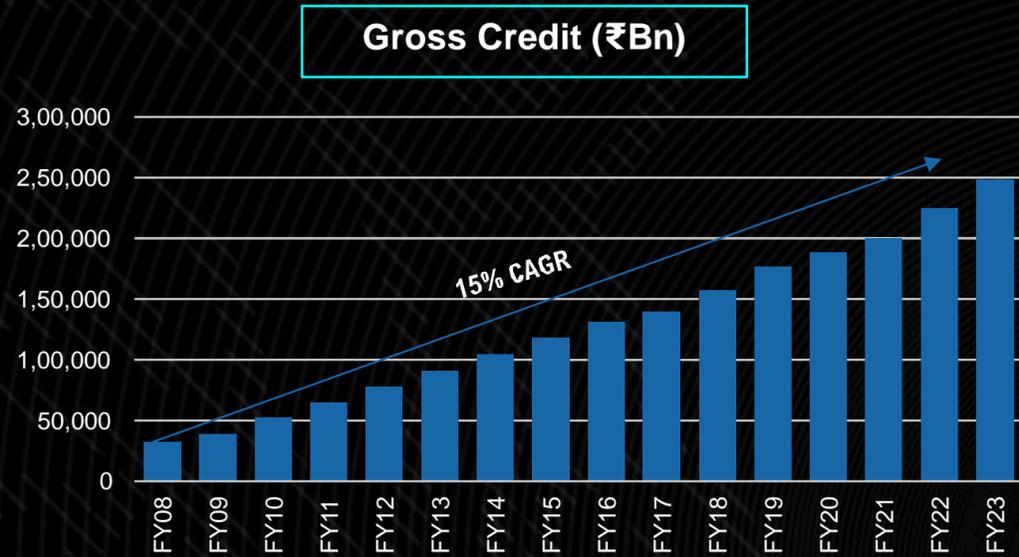
BENCHMARK^ RISKOMETER



^ Benchmark - Nifty 500 TRI

Annexure – BFSI Overview

Lending business is INR 3.8tn+ profit pool



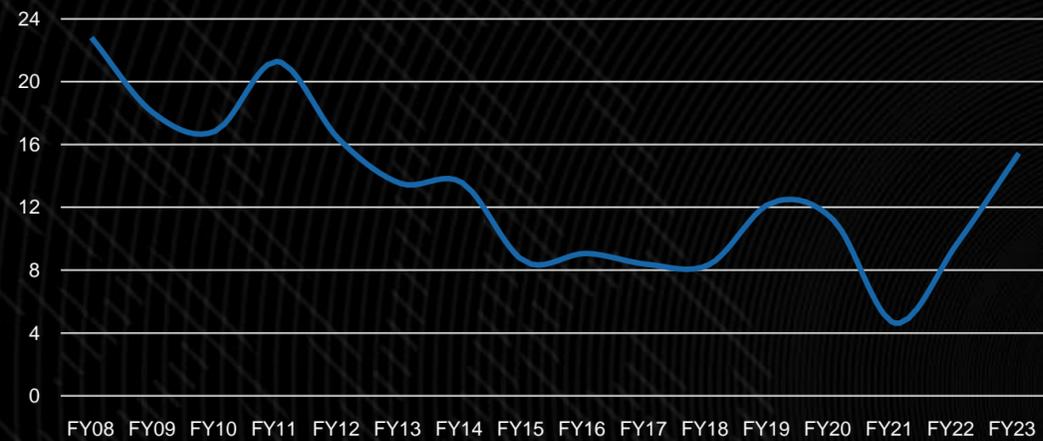
Banks and NBFCs went through some rough times between 2015 and 2020 led by Demonetization, NPA Crisis, IL&FS Default and Covid-19 Pandemic.

But all these are in the past and we are now in an upcycle!

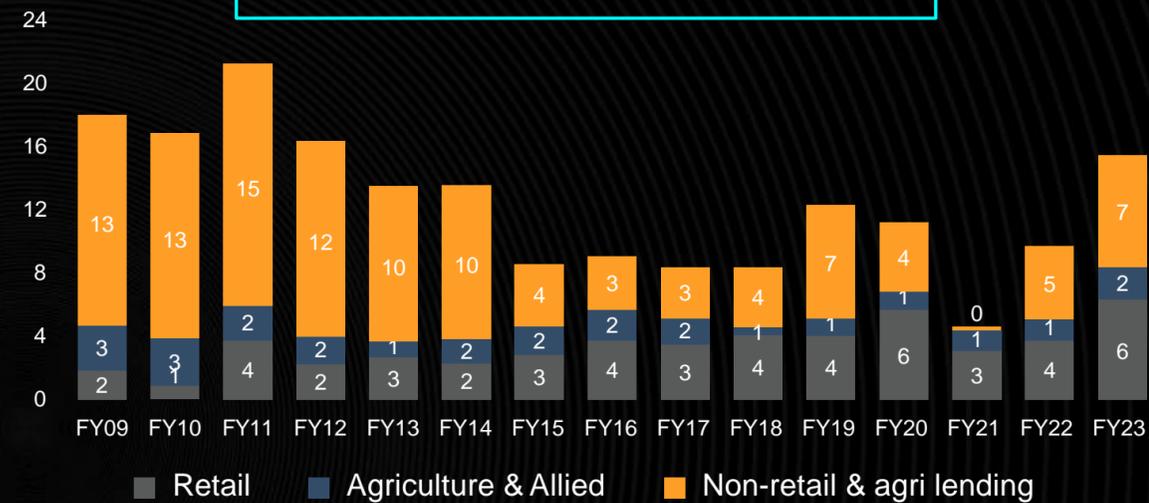
Source: RBI, Kotak Securities, Morgan Stanley Estimates, Internal. Data as on 31 Mar 2023. Note: The above operating profit data is for banks and NBFCs including HFCs. Gross credit includes lending by Scheduled Commercial Banks, NBFCs including HFCs, Corporate Bonds, External Resources.

Bank Credit Growth at 10 Year High; Pick-up in Private Capex to help

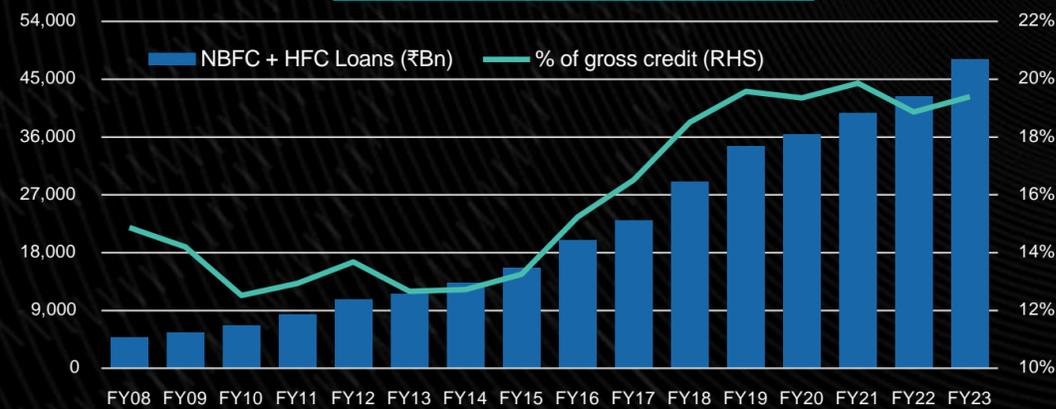
Banks: Non-food credit growth (%)



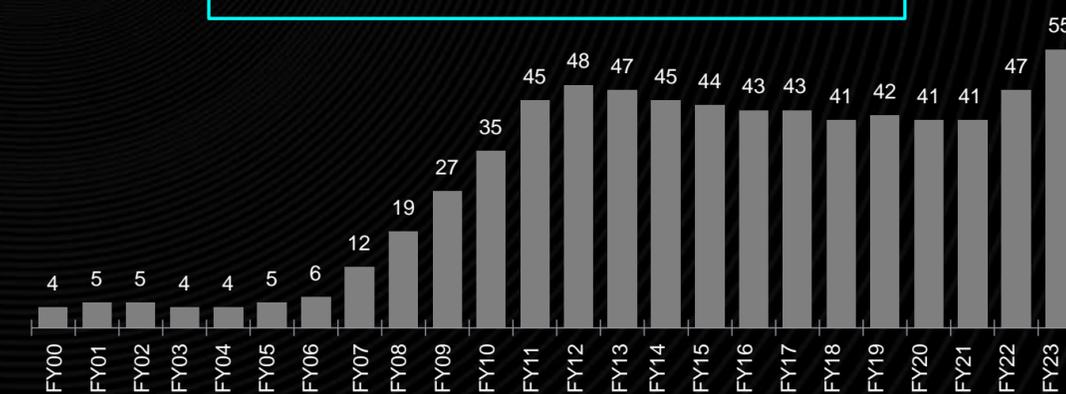
Credit growth contribution (%)



NBFC Credit Growth

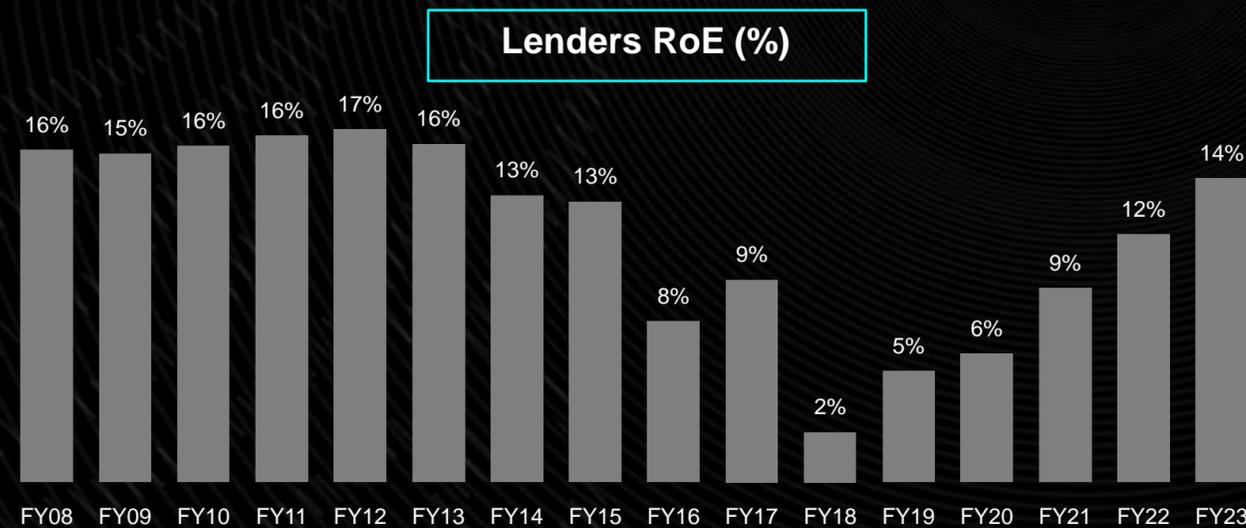
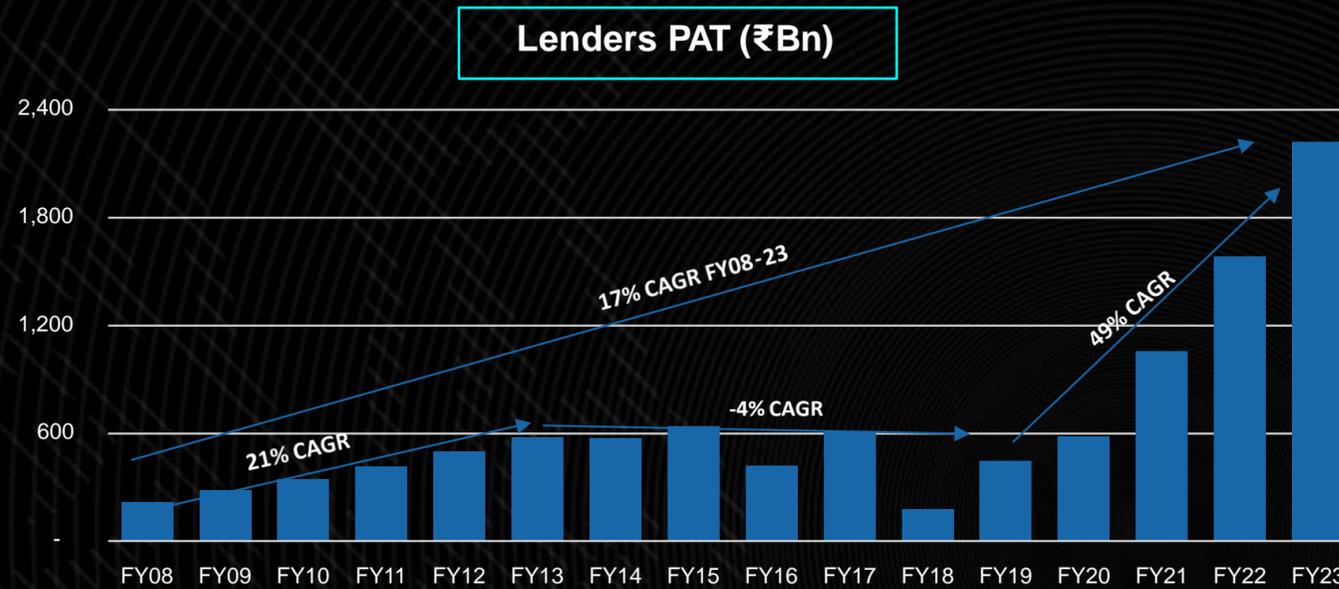


Projects under Implementation (₹Tn)



Source: RBI, Kotak Securities, Morgan Stanley Estimates, Spark Capital, Internal. Data as on 31 Mar 2023. Gross credit includes lending by Scheduled Commercial Banks, NBFCs including HFCs, Corporate Bonds, External Resources.

Banks & NBFCs earnings back on long term growth track



Earnings have made a comeback with ~17% CAGR in the last 15 years despite several macro events and credit cycles

Insurance – 5th Largest economy but ranked 10th in terms of market size

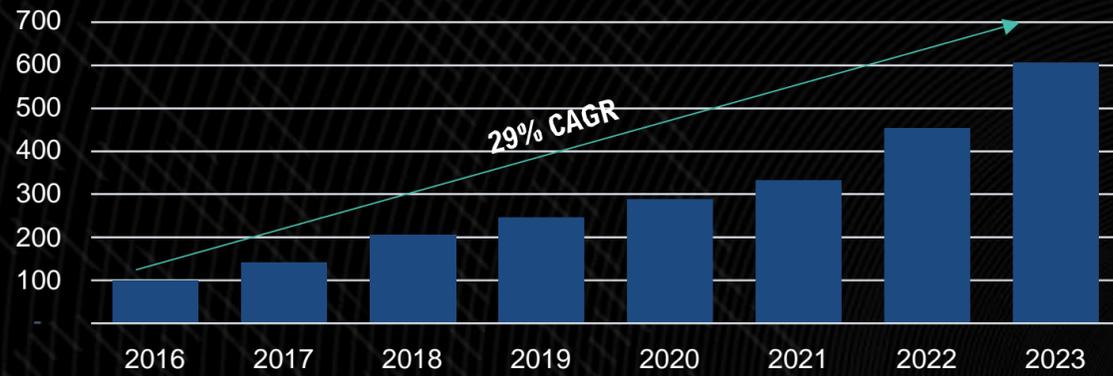
Rank	Market	Total Premium Volumes (USD bn)			Global Market Share (%)		Insurance Penetration (%)		
		2022	2021	% change	2022	2021	Total	Life	Non-life
1	US	2,960	2,725	9%	43.7%	40.3%	11.6	2.6	9.0
2	China	698	696	0%	10.3%	10.3%	3.9	2.0	1.9
3	UK	363	374	-3%	5.4%	5.5%	10.5	8.1	2.4
4	Japan	338	398	-15%	5.0%	5.9%	8.2	5.9	2.3
5	France	261	293	-11%	3.9%	4.3%	8.7	5.5	3.3
6	Germany	242	272	-11%	3.6%	4.0%	5.9	2.4	3.5
7	South Korea	183	193	-5%	2.7%	2.9%	11.1	5.4	5.8
8	Canada	171	166	3%	2.5%	2.5%	8.0	3.3	4.6
9	Italy	160	192	-17%	2.4%	2.8%	8.0	5.8	2.2
10	India	131	123	7%	1.9%	1.8%	4.0	3.0	1.0
11	Taiwan	86	113	-24%	1.3%	1.7%	11.4	8.2	3.1
12	Netherlands	84	92	-9%	1.2%	1.4%	8.5	1.2	7.3
13	Brazil	76	63	21%	1.1%	0.9%	4.0	2.1	1.9
14	Australia	72	72	0%	1.1%	1.1%	4.2	0.9	3.3
15	Hong Kong	69	73	-5%	1.0%	1.1%	19.0	16.7	2.4
16	Spain	68	73	-7%	1.0%	1.1%	4.9	2.0	2.8
17	Switzerland	56	58	-3%	0.8%	0.9%	6.9	3.0	4.0
18	Sweden	54	59	-8%	0.8%	0.9%	9.3	7.5	1.8
19	Singapore	47	45	4%	0.7%	0.7%	9.2	7.4	1.8
20	South Africa	46	50	-8%	0.7%	0.7%	11.3	9.1	2.2
	Top 20 markets	6,165	6,131	1%	91.0%	90.7%			
	World	6,782	6,765	0%			6.8	2.8	4.0

Overall penetration levels are lower than world average

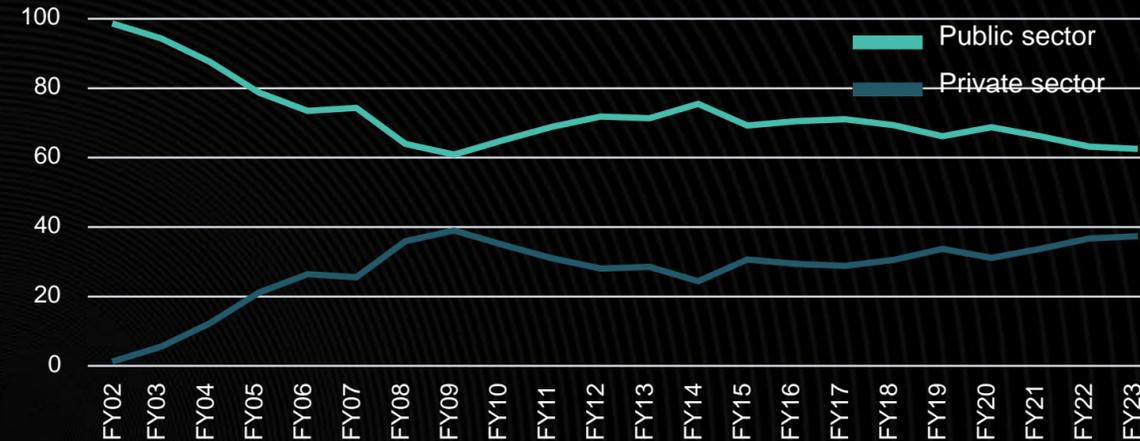
Non-life penetration levels are lowest amongst top 20 markets globally

Insurance - Private players gaining market share

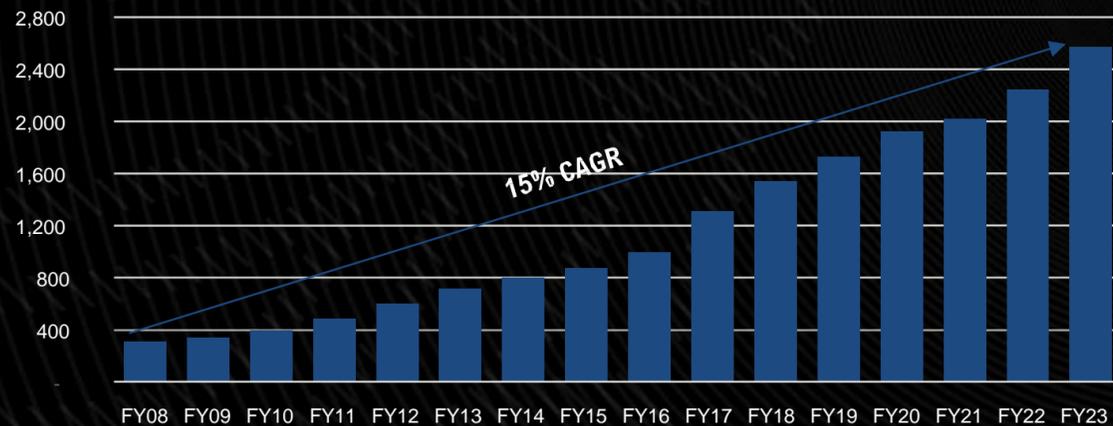
Listed Private Life Insurers Value of New Business (Indexed to 100)



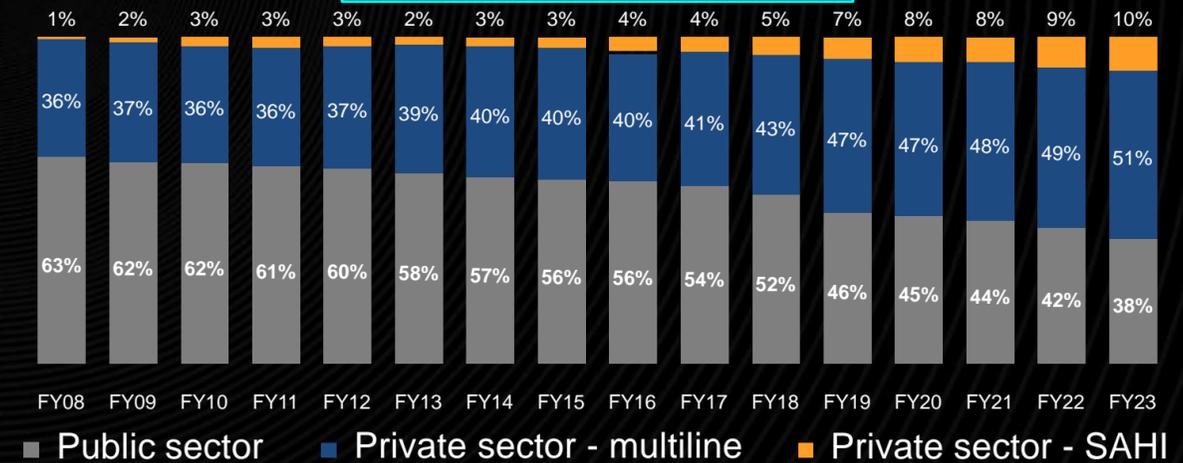
Life insurance New Business market share (%)



Non-Life Gross premium (₹Bn)

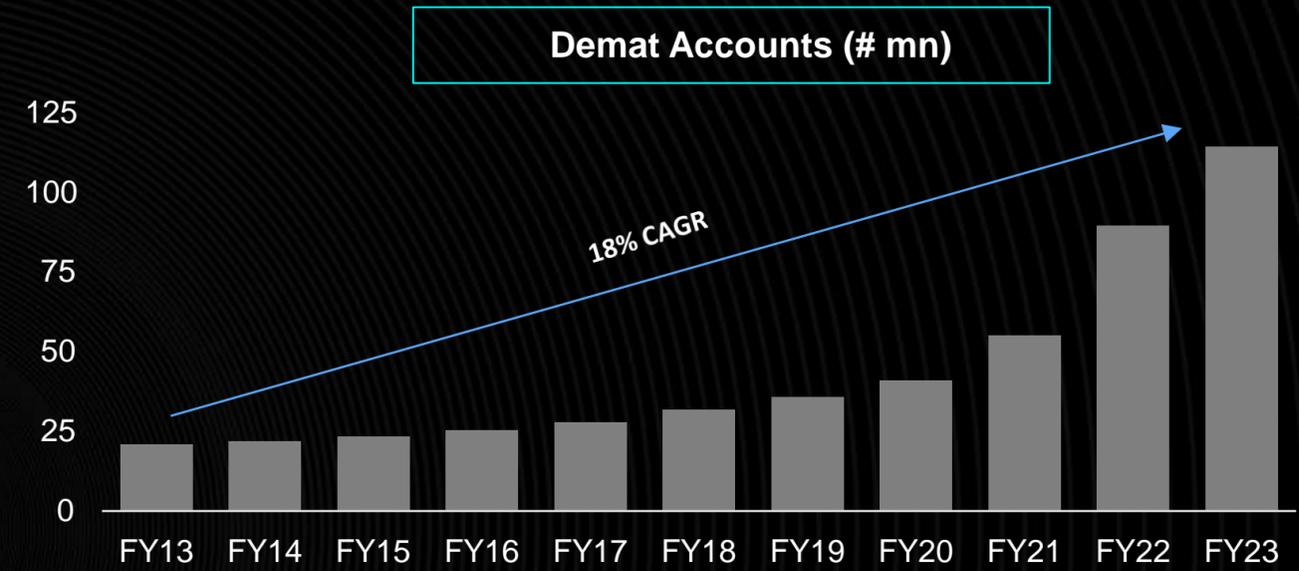
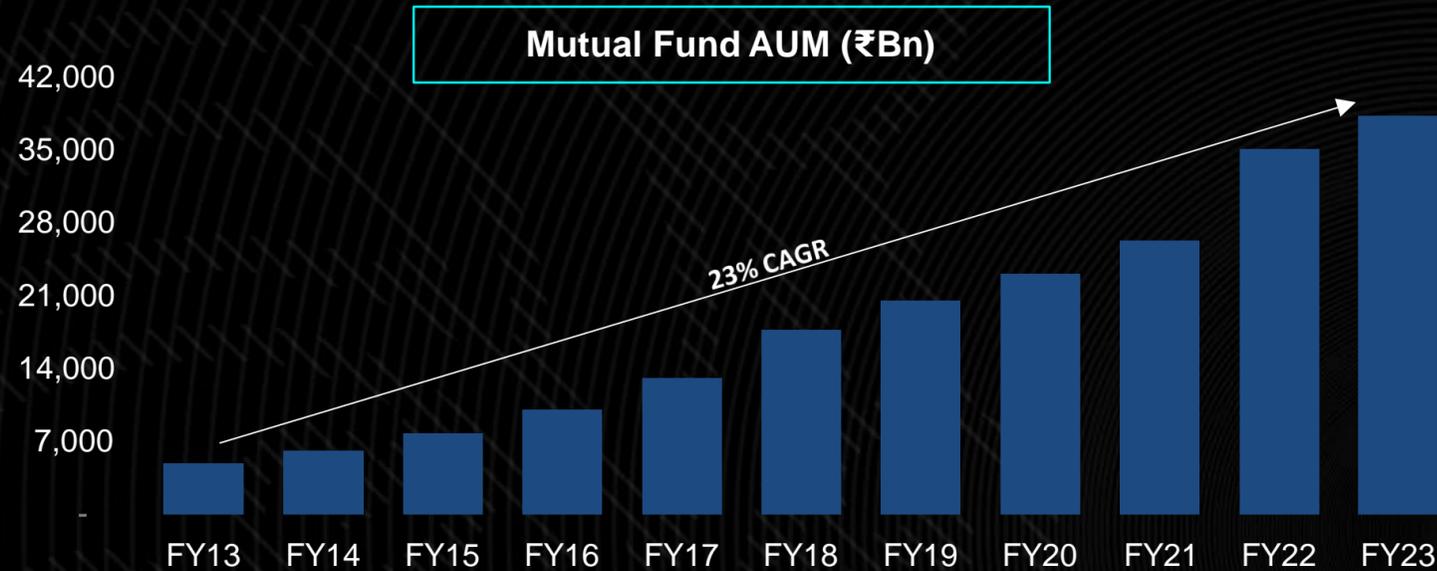


Non-Life Market share (%)



Source: IRDAI, Life Insurance Council, Investec, Spark Capital, Internal. Note: We have not considered public sector new business data due to limited availability. SAHI is Standalone Health Insurance company. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Capital Markets – Strong growth in last 10 years



	AMC	Exchanges	Depositories	RTAs
Revenue Pool (Rs Bn)	178	141	16	17
Revenue Last 10Y CAGR	14%	17%	22%	10%*
PAT Last 10Y CAGR	22%	21%	21%	27%*

Source: Kotak Securities, Capitaline, Investec, Ace Equity, CDSL, NSDL, CAMS DRHP, Internal. CAGR – Compound Annual Growth Rate. RTA - Registrar and Transfer Agents. *RTA CAGR is for last 5 years (FY19 to FY23). Note: The AMC data is based on 28 AMCs which constitute 90%+ of industry AUM.

Technology to accelerate financialization

	What is it?	What is in it?	When was it launched?	Achievement			
India Stack	Credit layer -OCEN	Democratizing credit		2020	Launched new open interface for digitising all aspects of lending value chain	Credit bureaus	
	Consent layer -Account Aggregator	Data empowerment & protection architecture		2016/2020*	RBI regulates account aggregator NBFCs which will work as data sharing platform		
	Cashless layer -Unified Payment Interface (UPI)	Electronic payment system which democratizes payments		2016/2010	UPI Volumes (bn) UPI Transaction Value (Rs tn)	FY18 → FY23 1.0 → 83.8 1.2 → 139	+ GST platform
	Presence less & Paperless layer -Aadhaar	Unique universal digital biometric identity with open access & digital record keeping / documentation		2009	No. of Aadhaar cards (bn) No. of smartphone users (mn) Population (15yrs+) with bank accounts (%)	FY14 → FY23 0.6 → 1.38 85 → 650 49 → 91	Regulatory framework

This can solve five key challenges of the Indian ecosystem: customer identity, digitizing paperwork, shift away from physical cash leading to formalization, data protection and access to credit.



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