

NWML/SEC/2027/14

May 18, 2026

The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001.
BSE Scrip Code: 543988

The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.
NSE Symbol: NUVAMA

Subject: - Transcript of earnings conference call

Dear Sir(s) / Madam(s),

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our intimation dated May 4, 2026, regarding the earnings conference call to discuss the Company's performance for the quarter and financial year ended March 31, 2026, please find enclosed herewith transcript of the aforesaid earnings conference call held on Tuesday, May 12, 2026.

The same is also made available on the website of the Company www.nuvama.com.

We wish to confirm that no unpublished price sensitive information was shared/discussed in the aforesaid earnings conference call.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Nuvama Wealth Management Limited

Sneha Patwardhan
Company Secretary and Compliance Officer

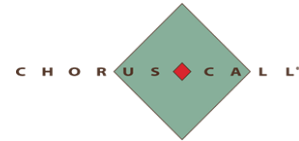
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“Nuvama Wealth Management Limited
Q4 and FY '26 Earnings Conference Call”
May 12, 2026

Disclaimer:

This document is subject to errors and may or may not contain words which have been included / omitted due to human error while transcribing the conference call. Any and all information should be verified with the company by the reader.



**MANAGEMENT: MR. ASHISH KEHAIR – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – NUVAMA WEALTH
MANAGEMENT LIMITED
MR. BHARAT KALSI – GROUP CHIEF FINANCIAL
OFFICER – NUVAMA WEALTH MANAGEMENT LIMITED
SGA, INVESTOR RELATIONS ADVISOR – NUVAMA
WEALTH MANAGEMENT LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Nuvama Wealth Management Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Kehair, MD and CEO for his opening remarks. Thank you, and over to you, sir.

Ashish Kehair: Thank you. Good afternoon, everyone. And thank you once again for joining this call. It's a pleasure to speak with you all again. As usual, I'm joined by Bharat, our Group CFO; SGA team, our Investor Relations Advisor.

We'll quickly cover the company performance for the quarter and the financial year and share some key updates and the progress around our priorities. And then following both mine and Bharat's remarks, we can jump into FAQ.

Just summarizing the results, I think it was really an interesting year for everyone. It started with the whole tariff drama and ended with the war, and I think many things happened in between. For us, it was a complete test of resilience this year. We navigated multiple moving parts, including something specific for us and overall macro uncertainty.

I think before we go into details, I'd like to take this opportunity to thank the entire Nuvama team and our clients for helping us navigate this time and emerge with a growth year even in these times.

Looking at our specific businesses, Wealth Management continues to grow. Overall Wealth Management in the cluster, I think both the segments are showing a very, very healthy momentum. Asset Management build-out is progressing steadily. I don't think that this business one should rush in because one bad performance here can have years of negative impact.

And I think we are building out steadily. Asset services was an important monitorable for us this year, specifically after what happened at the end of Q1, and I'm pleased to state that business has recovered fully and performed ahead of our expectations.

Capital market remained broadly aligned and witnessed some moderation this year. Overall revenues for the year were closer to INR3,100 crores and operating profit after tax was about INR1,050 crores. More importantly, as I said, composition of profits changed. Profits from wealth grew by about 23%.

And despite challenges, profit from asset services was around 14% year-on-year. Bit on market outlook and some industry trends. I think we've always maintained and we continue to maintain that organized wealth management represents a multiyear structural opportunity. We still believe

that the industry is in early stages. Some consolidation, of course, will happen because large number of players are coming in, like what happened with, let's say, private banking or NBFC over the last 3 decades.

But I think over time, a few scale players with fully diversified multiproduct platforms will scale as long-term leaders, and there'll be a long tail. And this is a representative of what happens in Wealth Management globally also.

A few themes, which are emerging across the industry, I think private equity interest in the industry is all-time high. There are early signs of consolidation within Asset management, specifically in mutual funds, we are seeing some transactions that are happening in the market where the smaller AMCs which have spent some time and is not fitting into the strategic priorities of the promoters are moving into stronger hands.

And there is a growing preference for full stack platform. So there will be a few niche single product or dual product platforms, which will remain. But I think their scale will remain a challenge. Multiproduct, which has wealth, asset management, banking, research, custody, all put in together, has a far more stronger client value proposition, resilience and, I think, a compelling opportunity for investors.

Industry models will evolve. I think over the next 5, 7 years, as the sector matures. Several global platforms, which we've seen in the past have transitioned from a stage of infancy to this mature multiproduct state. And I think India will move much faster than that.

Coming to our business highlights, starting with Nuvama Wealth, our focus area managed products and investment solutions or MPIS, as we call it. It continues to be core growth engine for Nuvama Wealth, almost full revenue growth for this year has been contributed by this product sub-segment.

The revenue stream, as I have alluded in the past, is a combination of managed products, which is AIF, PMS, MF, which are all annuity bearing and other investment products, which is fixed income, MLDS, insurance, etc., which are not annuity bearing.

Total MPIS revenue for the quarter now stands around INR150 crores which about 2, 3 years back was the full revenue of this business on a quarterly basis. This year, MPIS revenue has grown by about 38% on a full year basis. Assets have grown by 32%. Net flows have grown by 38%, representing about 30% over the opening assets. So I think it's a very, very robust and healthy growth we've been able to achieve.

Lending, if you recollect, over the past 2, 3 quarters, we've been talking about this that we will increase focus and it's now visible in the loan book. The loan book has grown by about 27% for the full year basis, and closing books stood at about INR4,900 crores, almost INR1,000 crores higher than the average book.

And NII continues to contribute about 20%-22% of the revenue. There is some upside still there in this. Net interest income for the year did not grow in line with the loan book, and that is very,

very specific because once whichever quarter or whichever time your loan book suddenly increases, there is a ECL provisioning that comes in, which is basis RBI norms.

And in the next quarter onwards, that gets normalized and the NII picks up. And second, in Q4, there was a specific phenomenon, there was extreme volatility in the market because of the West Asia crisis, which basically leads to a behaviour in our ESOP book where people don't sell, they exercise, but they don't sell because they wait for the prices to come back.

And what happens to us is when they sell our processing fees recognition gets accelerated because otherwise, the processing fees is over the life of the loan, which theoretically is 1 year but behaviourally, these loans don't last more than 3 months.

So I think once the markets are now back, so in Q1, we should see some acceleration of processing fees. So there could be a quarter lag between the loan growth and NII growth. But eventually, if you look at 12-month rolling, it will catch up. Coming to the RM franchise. I think the mandate here was what we are calling seniorization of the team because the quality of clients also is gradually improving.

Last 1-1.5 years, we've spent on that. A significant part of the team has been now become senior as compared to what we were about 2 years back. On a net basis, we added about 80 relationship managers in this cohort. And when I talk about productivity later, you'll actually see the impact of this happening.

A lot of work is happening on technology and AI front here. Foundational work is done. We are now implementing, implemented solutions for relationship managers across their value chain, which is acquisition, portfolio advisory, rebalancing, tax loss harvesting, the whole value chain or interaction value chain between RM and our client.

And we've seen the productivity improvement, which is flowing through because of usage of these tools. Earlier, we were restricting the tools only to training, which is now fully functional and rolled out.

Now we've moved into advisory also. So we've seen about a 25% per RM revenue jump in this segment. And I think a large portion also comes through the usage of AI, which, to my mind, will continue in the future.

On the solutions side, we've added something unique in this segment. We've launched a service called Virasat, this is nothing but a full-fledged estate and legacy planning tool for the clients in this segment. Earlier, this was thought to be a product which is needed more in the ultra-high net worth segment.

But I think even clients in the HNI segments, have now come to money, but they also have a reasonable amount of complexity because most of them will have children studying overseas, planning to settle overseas. So you need to now have a structure, which helps them transition the assets in the most tax-efficient manner considering that now there is offshore exposure also. I think Virasat is launched and we are very, very excited about this product.

Moving on to Nuvama Private. This segment also continues to witness a solid healthy growth momentum. Starting with again product, ARR. The revenue stream here consistently has grown by about 25-30% over the past few years. And I mean now steadily contributes about 60% of our revenues.

ARR assets about INR54,000 crores and yields are nearly between 0.85%-1%, this quarter being 1%. So I've always maintained that quarter-to-quarter 10-15 basis points can move. But on an average, we should end up somewhere around 90-95 basis points.

Our net flows continue to remain strong, about 22% of opening assets in line with our full year guidance. Even year-on-year, if I remove the one chunky flow that came last year, which was related to an M&A deal, we've grown the absolute value 20% Y-o-Y.

Alongside the growth in distribution assets, we've also seen expansion in our in-house advisory solutions. We now have a full-fledged nondiscretionary, discretionary PMS, we have advisory we have structuring. So I think that will all give an impetus to ARR growth in the future.

Coming to lending, here also lending has been in focus. But even now, it only contributes 10% to 12% of the revenues, there is scope to go up to 20-25% over the next few years. On the RM side here, just to give you a brief snapshot over the last 4 years, amidst this entire competition noise, multiple players coming in we've been able to add about 60% of our capacity.

We moved from 90 to about 150 now. We will continue to onboard talent selectively. And we have a stated compensation philosophy, and that is not only performance oriented. It rewards on merit progressively increases as people perform better, but it's extremely transparent and aligned with long-term value creation.

I think I wanted to leave a word of caution here for people that we've witnessed over the last 12-15 months, a large number of new players are making lofty promises to RMs of future valuations, which seem extremely stratospheric to us and no visible monetization signs.

I just want everybody to be thorough in their diligence before making any such plunge because of the last decade, we've seen only 2-3 platforms where people have actually realized value. Rest have either remained on paper or never realized. And in the process, unfortunately, many careers have been damaged.

In Nuvama Private also, I think we continue to invest a lot in our tech and AI. We've launched Agentic AI, which basically works alongside the RMs and doing again, portfolio analytics, performance tracking, product insights.

And again, here, we've seen our productivity jump by about 10% to 15% on revenue per RM. We've also launched an industry-first multicurrency module on portfolio reporting. Basically, we've maintained in the past that clients are increasingly allocating to offshore.

And if the Indian markets give 1 or 2 years of somewhat tepid performance, which has happened recently, that phenomena will only accelerate. And with that happening, you will need

technology to support a multi-country, multicurrency portfolio for clients to review, rebalance and basically, over a period of time, have control over the portfolio.

Moving to Asset Management. As I said in the beginning that we continue to steadily build our capabilities around asset classes here. I'll start with commercial real estate. Commercial real estate has been extremely successful this year. We've closed, I think, right now, the full fund is closed at about INR4,000 crores.

But as of end of quarter 4, we were about INR3,800 crores. We finished acquisition of 3 marquee assets, about 3.8 million square feet, 40% to 50% of our funds are deployed. Once we start touching 70%, we will launch a new fund. We are working on the thesis of the new fund.

I think second half of this year is where we should look to launch. Again, the target should be anywhere between INR3,000-INR3,500 crores, part of which, of course, will come in this year. Pre-IPO private equity, which is our oldest strategy in some sense.

We started to exit our first fund crossover 3. And we've launched a new fund crossover 4, the fund raise should be alive for the next maybe 6 to 10 months, and we should target to raise INR1,000-INR1,500 crores there.

We strengthened our leadership team here. We've hired Aditya Arora, as the CIO. He has more than 2 decades of experience in private market investing across forms. I've been talking about private credit as a strategy. Happy to state that we now have the CIO in place, Amit Kansal. He joined us from Aditya Birla that was his last assignment, has 25 years of experience in credit across the risk spectrum from performing to special situations to distress.

We are right now building the team, and we expect to launch our first fund. I think by end of Q2, again, maybe target about INR1,000 crores, INR1,200 crores or INR1,500 crores in the first fund, some part of it will come in this year.

This credit, I think, is an important expansion of the platform because not only does it augment asset management and takes us towards more exhaustive bouquet, but it also helps a lot in giving syndication transactions for our wealth clients and wealth business.

Coming to public markets. Public market, I think the year was extremely volatile. It was in line with what the industry saw at least in the HNI, ultra HNI segment, incremental allocation to equities did not come. We got gross flows, but we also saw redemptions.

So on a net basis, we are nearly flat. Hopefully, now once the market bottoms, and there is recovery we should be able to see that. But the key element here is we are in the process of getting the MF license.

Our final inspection has happened, and hopefully, if we get the license in another 2 months, maybe plus a couple of months from there, we should launch our SIF in which over a period of time, we will migrate our long-short strategy, which now has a 5-year track record with the quartile 1 performance. In this business, we've also strengthened our distribution team.

We have recently onboarded Nimesh Mehta as the Chief Business Officer. He comes with 27 years of distribution experience across forms like Motilal and ASK asset management and will play a key role in building and scaling our distribution capabilities.

Coming to asset services. I'm really happy to state that business is back on its growth trajectory following the loss of decline that happened in Q1. And we saw a drop of interest rates by 50 basis points.

So we've been able to overcome both of that Q4 revenues exceeded Q1 and full year revenues grew by about 12%. It's important to note, many at times, we've been asked this question, that is this business completely aligned to what happens to the markets or the flows of the market.

Now if you look at the current year, despite the headwinds, index not doing anything, volatility in the market, yield compression, loss of big clients, yet there is a near 15% profit growth, which basically signifies that this business characteristic is different from your core capital markets business.

Volatility is far lesser. The drivers are very different. So we should not end up equating the same in terms of what will drive this and those businesses needs to be kept separate. This is more market infrastructure like business.

Our focus here remains around increasing our market share and product value enhancements. On the international side, we are aggressively working with what is called GC-LC tie up (Global Custodian - Local Custodian), and we are on the verge of signing one of them globally.

On the domestic segment, I have highlighted before that we are building out the RTA and trusteeship services. These offerings are expected to go live by middle of Q3, and this will help us further increase our market share in the domestic clients. We are currently at 22% of our chosen segments.

Lastly, coming to capital markets. I think secondary market activity moderated through most of FY '26, equity cash ADT declining by about 6% and futures ADT declining 14%. Options although remained strong at 8% Y-o-Y growth. Q4 witnessed a rebound of activity, but that, I think, was mostly led because of the volatility of West Asia crises. Coming to the primary market activity, I think the year was still okay.

Record IPO mobilization across more than 100 main board IPOs despite market conditions. Although in H2, I think the story changed a bit. Retail participation went down. The quality of IPOs changed. There were certain large IPOs where the fee pool was smaller.

So overall, I think we were able to maintain our market share or slightly inch our market share up from 18% to 19% in terms of value, and we were 15% in terms of deals. But I think the market saw a reduction overall in the QIP volumes, which had an impact on this business.

Coming to fixed income within capital markets, we had a healthy growth of about 35% year-on-year. We maintained number 1 ranking in public issues and in private placements, we are

between 3 or 4, in one quarter, we could end up 3 and the other quarter, we could end up at a fourth position. Most of the others who are above us are large banks in the balance sheet. I think that sums up from my side.

I would now like to hand over the call to Bharat to take you through the financial numbers in detail, and then we can cover the questions which you have. Thank you. Over to you, Bharat.

Bharat Kalsi:

Thank you, Ashish. Good afternoon, everyone, and a warm welcome to all the participants on the call. Ashish anyway has covered the broader business environment as well as our own strategic initiatives and the market context. I will now jump on directly to the main numbers for the firm.

I'm pleased to share our quarter 4 and FY '26 results where we have seen a steady growth across all our key businesses. Ashish did allude to the fact that our IB and IE was subdued in this quarter. But otherwise, all key businesses, whether it was wealth, private or asset services saw a decent and stable growth year-on-year and quarter-on-quarter as well.

If you look at the headline number, we have crossed the operating profit margin number of INR1,000 crores in this year, this is a big achievement for us. And similarly, if you look at on the dividend side, we have again declared a dividend of INR14 for H2 FY '26 that takes it to roughly 50% of our profit being paid as dividend which is consistent with our dividend distribution policy.

Having said that, if you look at on the overall client asset basis, our total firm level client assets were at 4.5 lakh crores, helped by the flows across the businesses, including asset services, wealth and private, but there was a mark-to-market impact on the headline numbers. That's where the impact on the client assets is reflected.

In terms of the revenue, the quarter 4 revenue was around INR 825 crores, which is a 7% Y-o-Y growth. But if we remove IE and IB businesses for the quarter, our revenue grew by 13% in quarter 4. And if you look at on a full year basis, excluding IE and IB, our revenue grew by 17%, with wealth and private showing a 20% YoY growth.

And now wealth and private put together contributes 55% of the firm revenue, which was almost 49% last year. So the share of wealth and private has gone up. Even if I go further down, if you add wealth, asset management and asset services, now they contribute roughly 80% of the revenue for the firm, which was 74%.

I'm highlighting these numbers because this gives the predictability of the earnings in the coming quarters and years because these businesses are more recurring in nature compared to maybe IE and IB, which can have a cyclical impact on a year-on-year basis or on a quarter-on-quarter basis.

If you look at the total cost for the firm for the quarter, the total cost, when I say total cost, it's employee plus opex, has gone up by 9%. And on a full year basis, it has gone up by 10% only. The reason for calling this out is, it reflects the variability in our cost, that in a year when the

revenue growth is lower, our cost can be controlled or can be reflective of the overall performance. Maybe as a reference to the fact that if you look at our FY '25, our revenue went up by 41% and our cost was up by 24%.

And in this year, as the revenue has slowed down, so our cost has been controlled to that extent. Multiple reasons for the revenue slowdown were discussed during Ashish opening remarks.

And if you look at Q4 cost versus Q3, you will see a growth in the number, but that's typically a seasonality impact, which happens in Q4. I would say you compare Q4 FY '26 with Q4 FY '25, you will see that the cost has only gone up by 8% to 10%. Opex is up by 7% and employee cost is up by 10-11%. It's the seasonality which plays in Q4 if compared with Q3.

Within costs, our opex is around 27% of the cost. That on quarter-on-quarter, will see a growth of 27%. But if you compare it with previous year, quarter 4, the growth is only 7%. This is just about the seasonality of the cost. Similar trend, you will see on the employee cost side.

So to that extent, we are comfortable with what is happening on the cost side. Just a word of upfront disclaimer that maybe in FY '27, we will have some incremental costs coming in our asset management business.

As Ashish also alluded to the fact that we are launching the new strategies and obviously for our mutual fund license as we are moving towards the SIF business, there will be an incremental cost, which will come, but that's more like an investment, not really a so-called cost in isolation to be seen.

On an overall basis, happy to share that the wealth management segment, when I say wealth management segment, wealth and private put together, the cost-to-income ratio has come down by 80 basis points compared to previous year.

And even if I look at asset services and IE and IB, the cost-to-income ratios has improved by 100 basis points, just because wealth and private composition has gone up in the overall firm contribution, that is why you will see that the cost to income at a firm level has moved from 55% to 56%, but this is just a composition issue. Otherwise, the operating leverage in both the business is being reflected in the cost income ratio being lower than previous year.

Operating PAT, again, if you look at quarter 4, it was INR269 crores, which is a 5% Y-o-Y growth. Wealth segment grew by 23% and asset services grew by 12-13% in quarter 4, even on a full year basis, is a similar trend where wealth and private has gone up by 23-24% and asset services is up by 13-14% in that range. Our ROE has been healthy at 28% for FY '26.

Ashish covered a lot of details in terms of the individual businesses, but if I have to take headline numbers on the Nuvama Wealth, the clients' assets are at around 1.1 lakh crores, which is a 14% Y-o-Y growth despite the mark-to-market impact coming in the last quarter.

Our MPIS assets now stood at around INR39,000 crores, and we have registered a net new money of around INR8,900 crores during the year, which is a 30% growth on the opening MPIS

assets, which is where we've been steadily communicating that the wealth should have anything upward of 25% to 30% on the opening MPIS as net new money.

The revenue was at INR960 crores, which is a growth of 18% and the retention remains stable at 90 basis points or so. Again, if you look at the data book, you will find that the cost-to-income ratio for wealth business has improved by 135 basis points compared to previous year.

Now it is running at, whatever, 65.7% but the operating leverage has started playing in. This is reflected in the cost to income and the operating PBT went up by 22% for wealth.

In terms of the private, again, the numbers across the key parameters, whether it is the overall client assets or whether it is the ARR, which has gone up by 22%.

The net new money, which is again up by 24% and the revenue has also gone up by 24%. ARR revenue as of now touched 60% of the total revenue for private, which is where we feel comfortable at 60-65% of the revenue coming from ARR side. So I think we are on the right trajectory. Overall, retention again remained in our guided range of 85 to 90 basis points.

We deliberated on the RM expansion, how we have actually added the people over the 4 years and in this year, particularly, the PBT for this business also was up by 24%.

Asset Management, we discussed, and Ashish alluded to the leadership hiring, which we have done for our private equity and private credit business as well as hiring on the business side.

So, I think that piece is taking the right shape. Otherwise, if you look at our management fees, income, it's up by 31% on a Y-o-Y basis. So I think this is where we are heading.

In terms of asset services, we did around INR209 crores in Q4, and we did around INR193 crores in Q1. This business has done better than what we expected for quarter 4, despite the interest rate going down. Our earnings are basically fixed deposit earnings on the margin money given by the clients. Despite this, the business has come up well. On the IE and IB side, the revenue, if you look at compared to quarter 3 it is broadly there, INR138 crores versus INR135 crores.

And we did discuss about how the market in the quarter 4 has played in more specifically on the ECM side. One more thing which I want to highlight, is the fixed income, which is part of the IB business, which has grown 34% on a Y-o-Y basis, and now it contributes almost 50% of the IB top line.

And this business is more structural in nature can see a compounding growth of 20-25%. It has seen it in the past and it can continue to see a growth of 20-25% compounding in the years to come. ECM, obviously, you guys understand this is more linked to the market activity. That is where the volatility or a quarter-on-quarter seasonality can play. But otherwise, this business has been doing decent for us.

Overall, PBT for asset services and capital market was around INR830 crores. And I think if principally, we look at our various businesses, it seems that businesses are on the right track,

and our focus businesses are performing relatively much better than what we initially planned for. And I think that's where we are.

I hand over to the moderator in terms of the Q&A now.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Manas Agrawal from Bernstein.

Manas Agrawal: I have a couple of questions. I'll start with the relatively easier ones. ECM, there are a couple of large IPOs that are coming. How should we think about our market share on revenue for the year? Are we present -- active in those deals or not?

And second, from a regulation perspective, 1st of April, Mutual funds have cut commissions. So what is the impact for the business or the consol from that perspective? On the asset services business, I wanted to just understand. On yield trajectory because I understand yields were elevated and now rates have come down. So you've seen some amount of contraction going ahead? How do we think about that?

The last question is on wealth. You talked about a 25% increase in revenue per RM. Is that all AI productivity? Is that including MTM flows, etc., how to think about number of clients per RM in a steady state? Those are the questions?

Ashish Kehair: So let's start with asset services first. I think broadly, when we do the numbers on yield, unless and until we have a client, which becomes extremely large and the ratio of collateral shifts, I think the yield should remain at this level. I don't think the yield will compress because we've seen a decline in the overall interest rates happen and that flow-through has largely happened.

Maybe in the next 12 to 15 months Manas, we will see a reverse of this happening. If the inflation stickiness is there because of fuel prices or the war situation being there. And if the Central Bank is forced to increase the rates, then I think we will see further upward trend in yields that will play out as and when our deposits get repriced.

On ECM side, I think our overall pipeline right now. We have about 40 to 45 live mandates across, largely across ECM and some in advisory. So the pipeline remains healthy. I think Q4 was when things got pushed a bit and which we should see the recovery happen in the coming quarters. And even in advisory, we have certain large deals which are there.

Hopefully, we will have a good year in investment banking this year. Fixed income anyway, continues to move at a very, very rapid pace there. On the wealth side, 25% increase in productivity is a combination of actually 2 things. One is the seasoning of the vintage of the RM. If you see last year, less than 1 year cohort was around 40-45%.

This year, it's fallen to about 33%. So which means that the RMs of higher vintage have increased in terms of cohort. So that contributes some increase in productivity. And second, of course, the contribution comes from the various initiatives you've taken improving the learnability and improving efficiency of people, which is where AI plays a role. Net new money itself doesn't

lead to increase. It's an outcome. It's not the cause. The causes are actually these, net new money and productivity increase is basically the outcome of that.

Manas Agrawal:

Understood. Any indication on the mutual fund commission cut impact?

Ashish Kehair:

I don't think we will go through that. I mean it's not a topic which got discussed very frankly, internally. So I'm not sure how important it is for us because anyways in IE revenues for us, mutual fund is less than 20%. And the pass-through that happened because whatever initially was proposed and what finally came through and the net margins which we get, I think, is similar to what came through. So there is hardly any impact on us.

Moderator:

Thank you. Our next question comes from the line of Dipanjan Ghosh from Citi.

Dipanjan Ghosh:

So 3 questions. First, if I were to think of FY '27. And obviously, there's a lot of geopolitical uncertainty that still persists. Now on that backdrop, if you were to think of the transactional revenues ex of broking majorly in Nuvama Private and maybe to a certain extent in Nuvama Wealth also. Just wanted to get some sense of the deal pipeline that you envisage or in terms of market activity, what is the sense that you're getting in terms of the transaction revenues? Because FY '26 was a relatively good year for the company on that front.

My second question is on the Nuvama Wealth business. Now if I look at the 4Q yields, normally, it tends to be a little bit affected on the managed products and Investment Solutions because of the insurance revenues, but if I look at 4Q to 4Q, I mean the yields have held up fairly well. Despite the backdrop that one was expecting maybe some moderation post the ITC changes.

So just wanted to get some sense of your insurance commissions. I mean, how has that really held up or was it, or was there some upfronting of CAT I, CAT II, AIF led commissions out there?

And the third question is on the overall wealth piece. Basically, if you were to look at the new incoming customers that you're getting, maybe more from the perspective of Nuvama Private and to a certain extent, maybe the high-quality customers in Nuvama Wealth.

Would this be more from smaller cities, low ticket size, generational wealth or first generation customers or it will be like poaching from erstwhile bank service customers? I mean if you can give some color on the customer quality or demographics out there. And I have 2 data keeping questions, which maybe I can ask at the end?

Ashish Kehair:

So Dipanjan transactional revenue overall in FY '26 for private, the jump was about 14%. So it was significantly lower than actually the ARR revenue. ARR revenue was 32%. I think if you look at both the businesses and if you look at the decomposition of the transactional revenue for us. Like you said, broking is a large component. And then there is fixed income, which is again a flow business. Which actually improves in times when geopolitics goes through this zone.

Third, so I think between these two, if we add in Nuvama Wealth, at least, this would constitute about 90-95% and 5% would be some transactions or deals, and that also, I mean, unlisted for

us is reasonably small and hopefully with NSE listing for everybody, it becomes small because we've considerably reduced the exposure to unlisted over the last 2-3 years. It's not a large sum for us.

So whatever deals happen, they will happen more in high yield credit transactions where we are co-investing with some fund or in commercial real estate, if any. So those are really not impacted by the geopolitics.

For us, actually, except broking, which is more linked to market volumes, rest everything is reasonably insulated and actually works better when the equity markets don't do well. So both for private and wealth, we don't see that as an impact playing through. I think it could only benefit. From a yield perspective, I think right now, the insurance yield impacts have been negligible for us. It has not led to that impact.

In fact, the overall volume of insurance growth was also not like historically, we would grow by 50%, 50%. I think it's stabilized more to 25-30%. But the yield impact is not there. Yes, a bit of category two may be higher this year because, again, reason being that if equity markets don't do well, then more money flow will happen in yield-based products, which actually sit in category 2.

So there is some amount of first year commission, which is about 30% of the life commission. So about 10% extra is what you make, which can insulate the yield a bit. New customers actually remain the same. I don't think there is any change in demographic -- migration from banks is a continued phenomenon and that will continue to happen.

In Nuvama Wealth, beyond Tier 1, Tier 2, actually is 35-40% of our business. In private still, I would say the top 8-10 cities constitute about 80-85%, 15% would be below that because the density of this thing is still lower. I mean there are people there.

But if you compare it to, let's say, Mumbai, Delhi, Bangalore, Hyderabad, Chennai, Bangalore, the density of wealth is far, far, far higher. Maybe another 2-3 years' time that 15-20% could reach to a 30% level.

Dipanjan Ghosh: Got it. And just 2 data keeping questions. One is for FY '26 and 4Q '26, if you can break up the IB, IE between IB and IE. And the second question is, what would be your distributed mutual funds within the overall cohort of distributed MF, PMS, AIF. I mean whether you put the overall wealth together or private and wealth segregated out there?

Ashish Kehair: About INR8,000 crores to INR9,000 crores.

Dipanjan Ghosh: Sorry, sir, this would be your overall distributed MF, right?

Ashish Kehair: Distributed MF. Yes, a border line INR9,000 to INR10,000, correct.

Dipanjan Ghosh: And if I can give the data on IB, IE.

Ashish Kehair: IB and IE broadly, right now, the split would be 30-70. 30 being IB and 70 being IE.

Moderator: Thank you. Our next question is from the line of Lalit Mohan Deo from Equirus Securities.

Lalit Mohan Deo: Sir, I have 2 questions. So firstly, if we look at the cost to income ratio for both the wealth segments for FY '26, it's remained around in the range of around 66% to 67%. So how should we look at this number for the next 2 years, incrementally given that we are seeing improvement in the RM productivity as well?

And secondly, on the asset services business, if you just do a back of the envelop calculation, it suggests that our cash collateral within the asset under custody, asset under clearing has increased to more than 40% over the last 2-3 quarters. Just wanted to understand what would have driven those things?

Will that be one of the reasons why we are seeing some pickup in the yields also? And just one data keeping question, sir. Like within the MPIS revenue in the Nuvama Wealth segment for full year '26. What would be the split between recurring and the transactional revenues?

Ashish Kehair: So cost to income, just quickly covering that, Nuvama Wealth, we've seen a 130-150 basis points compression this year. And that always will remain, I mean, a toggle between productivity improvement and how much we want to reinvest back in adding capacity because if we get growth I mean we could have spent that entire 150 basis points in adding more RMs, which we chose not to.

But I'm saying productivity improvement led growth is 150 basis points in 1 year. In private on the other hand, whatever productivity improvement happened, we reinvested in adding capacity. So this will keep moving. But broadly, like we keep saying over a 3- 4-year period, you can see a 100 basis point reduction every year.

Obviously, we can choose to change if we want to add capacity at more aggressive pace because there is growth to be had. When many such players are coming into the market and operating at a loss-making business, I think we don't want to let the field get captured by others. So we will continue to grow.

And we will continue to toggle between how much of the productivity gains, which we will reinvest back into adding capacity because that gives us future growth. I think the second question was on the yield of asset services.

Yes, the cash component would have gone up. That is the reason why the yield has gone up, and that is because when we launch that large client, their cash component used to be lower given the size of their collateral.

That was replaced with large number of smaller clients. So their ratios would be different. As I keep saying, as the client collateral size goes up, your ratio could change and cash would come down. But broadly, you will either be at 70-30 or 75-25 at a portfolio level. The main trend or the impact on yield going forward could be how the interest rates move if the inflation remains sticky.

I you think that there is a 50% upside in, let's say, RBI will hike rates over the next 12 months. Then a flow-through of that will happen in deposit pricing, and we will see the yields go up if that happens. In MPIS, about 60% to 70% would be maybe 60% annuity and 40% transaction.

Moderator: Thank you. Our next question is from the line of Abhijeet Sakhare from Kotak Securities.

Abhijeet Sakhare: Okay. So this was an industry question, taking the lead from your opening remarks. For incumbents, when we think about the ultra-HNI business, it's obviously a compensation problem, but at the same time, like you say, new entrants do not have a large platform as us. But from a client's point of view, how are they looking at all of these new entrants? Are they starting to kind of giveaway part of the wallet share and that's why the industry is kind of getting more fragmented?

Ashish Kehair: So part of it, I think, will happen. That fragmentation, if you look at wealth management, is a global phenomenon. I mean even if you look at players like maybe UBS and all which are world leaders, they have a 2% market share in the global wealth management AUM. I think India will be more skewed in that sense.

There will be maybe 3, 4 large players but there will always be a long tail. And what happens if you have a large platform or a multiproduct platform that you will be able to retain or you will be able to get a significant proportion of the client portfolio because they also don't want to go through the hassle of having multiple advisers unless there is some genuine value add and genuine value-add in client size could be an access to a transaction or access to a product, which, let's say, you cannot provide, but somebody else is providing.

Typically, the way industry structure will evolve that large clients will have, let's say, 1 or 2 core wealth managers, where bulk of their portfolio sits. So most of the annuity income and most of the transaction -- large part of the transactional income will sit there.

And then there will be smaller players who will have access to some deals, transactions where there will be a long tail. Obviously, in these smaller platforms, also there will be certain exceptional RMs who will move, they will be able to move some relationships. There is no question about it.

But I think it will be a struggle because every large clients wants a lending line, for example, Abhijeet. Now let's say, if you already have a lending line with an institution where your products which are not so easily marginable, AIF, illiquid products, it's difficult for a smaller platform to extend. There are single borrower limits, there are group borrower limits. Then to be able to set up a vehicle offshore to move money.

So I mean there are significant number of investments in the platform that will be required to be done, capital investment that will be required to be done for some players to start becoming meaningful in this process. INR10,000 crores, INR20,000 crores, INR30,000 crores AUM, few RMs, a few initial client successes, one-odd unlisted deal, one-off credit transaction.

All this will continue to happen and create a lot of noise but on a systematic basis to attract flows, attract people, the kind of platform and infrastructure that is needed to invest and maintain. I find it very difficult to see that all these new incumbents will be able to do it easily.

Abhijeet Sakhare: Got it. That's very helpful. The second question was -- if you could clarify on the point that you made on the GC LC tie-up. How does it play out? And what are the benefits?

Ashish Kehair: So basically, when FPIs are investing globally, there are certain categories of investors, which are like large long-only funds, who then work with large global custodians, which are multi-country presence. So somebody like a State Street or somebody like a Citi will have a multi-country custodian presence, so they will be able to offer their relationships.

But somebody like us who is a single country, single currency, custodian does not have appeal for such clients. So how do we counter that? We can counter that by having a strategic tie-up with a global custodian which does not have presence in India. So it adds for them a new service or a new client segment which they can go after.

And for us, we get access to clients, which we would otherwise don't have. So this is something which exists globally, and we are aggressively pursuing. So we have 1 or 2 tie ups, which are in the works. Once we are able to close, that'll basically open up a new set of clients, which we were not able to access earlier.

Abhijeet Sakhare: Got it. And just one last data question. In the Ultra HNI business, around 4,500 families that we have, if you could give some further color on what is the distribution in terms of, let's say, more than INR5 crores or INR10 crores relationships?

Ashish Kehair: I think more than INR10 crores, which is -- if you see the vintage and intersection AUM, more than INR10 crores would basically be, I think, the third of the clients which contribute more than 70-75% of the AUM. And this phenomenon is consistent across the top 2-3 leading players in the market.

As per our study of data, families which have spent more than 3 to 4 years, start graduating towards higher AUM per family and then that becomes a larger proportion and rest would be WIP. So I think about one-third to 40% would fall more than INR10 crores.

Moderator: Thank you. Our next question is from the line of Mohit Mangal from Centrum.

Mohit Mangal: My first question is to the asset management business. Now if I look at '26, we had about INR1,800 crores of net inflows, obviously distorted by public markets now in '27 you have...

Ashish Kehair: INR1,000 crores, net inflows.

Mohit Mangal: INR1,800 crores, right?

Ashish Kehair: No, INR1,000 crores of net inflows.

Mohit Mangal: Okay. Understood. Now if I look in terms of '27 where your SIF and private credit is expected to be launched -- so I just wanted to know basically how do you see '27? What are the reasonable estimates that we can expect from the segment?

Ashish Kehair: Let's go strategy by strategy. Private equity, we've launched our fourth fund. We are currently sitting at about INR250-INR275 crores. We target to do maybe anywhere between INR1,000 crores to INR1,500 crores. Let's take the conservative side if we end up at INR1,000 crores, 1,200 crores.

So that adds up about INR1,000 crores there. Private credit, again, as I said, the launch will be somewhere around H2 and the first fund could target may be INR1,500 crores. Part of it, which will come this year. I can't certainly say how much, but maybe half of it comes this year.

Commercial real estate, our next fund also gets launched this year. That would be INR3,000 crores to INR4,000 crores. Again, maybe 30-40% starts coming in this year. And on the SIF and public market side, maybe once we launch and we start seeing the flows happen. Next quarter, we could discuss the numbers. And by that time, maybe the volatility levels of the market also should settle down.

Mohit Mangal: Understood. This is very helpful. My second question is towards the Wealth division. I mean, if I look at the external wealth managers. I think we have added about 1,000 over the last 12 to 15 months.

Now we have about 8,000 external wealth managers. And our own RMs are pretty stable at about 1,100. So do you see this kind of business model evolving more towards EWM rather than your own RMs, although I understand the economics kind of remain the same but just wanted to understand the business model here?

Ashish Kehair: No, not really. We will grow both and even on RMs. So what has happened in the own RMs right now is that, though the number may look steady. But as I said in my initial remarks that we're doing the process of seniorization. So your individual RM that is going out and the one that is coming in, the one that is coming in we are getting more senior variety, higher fixed pay variety.

So even if the productivity level in terms of x times salary. So the way industry looks at productivity is very simple. If I give somebody a salary of INR100, what multiple of that comes in as a revenue. So let's say, if you were having an RM of INR100 and that person was generating 3x, INR300 of revenue. Now we have an RM of INR200, and he is also generating 3x, which is INR600 of revenue.

The contribution to the company increases substantially because your other cost per RM do not increase at the same pace. You understood. So that phenomena also adds to productivity and operating leverage.

Mohit Mangal: Understood. Just lastly on attrition, I mean, have we had any kind of a regret attrition during the year? And any loss of AUM because of that?

Ashish Kehair: You don't typically lose lots of AUM because the number of hooks are large. Regret attrition in private maybe a range of 1%, 2%. And in wealth, maybe with maybe 3% to 4%.

Moderator: Thank you. Our next question is from the line of Saurabh Dhole with Fyers Assets.

Saurabh Dhole: I just have 2 questions. First is on your private assets front, what exactly is causing the yields to kind of be so strong? I understand there is a mix component here where transactional assets versus ARR is improving. But is there any other color that you can provide for the yields? That is question number one.

The second one is when you look at your ARR composition or ARR share improving to what extent do you think this is happening because some of the transactional assets are moving to ARR?

Ashish Kehair: Actually, for us, the second element has still not started playing out. This is a huge opportunity, which we discuss internally, and we are yet to crack it where we basically have this mechanism of moving transactional to ARR, which will happen in somewhere around next 12-15 months because now we have the nondiscretionary PMS, the discretionary PMS, all the enabling vehicles are in place.

We need to orient the team and start going out and demonstrating the benefits to the client so that migration will happen. Right now, that's not happening. It's purely business fresh flows that are coming into ARR. Actually, when we look at the yields, the product-wise yields, there is no change. Its basically composition led.

So as I said, between 80 basis points to 1% it will range depending on the composition change on a quarter-to-quarter basis. We've looked at it multiple times. There is nothing more to read into that.

Saurabh Dhole: So given the fact that ARR is growing much faster than transactional, does it mean that there is more headroom to yields from here?

Ashish Kehair: Actually, our yield which we publish here is only ARR yields. That's not a composite yield.

Moderator: Thank you. Our next question is from the line of Sanidhya Agarwal from Unicorn Assets.

Sanidhya Agarwal: So first question is on the asset services business. So given the RBI bank guarantee norms would kick in. Do we see any impact on the yields from the services business perspective? And like do we see any changes on the ROCE basis of Nuvama capital employed?

Second, so we are seeing on the capital market or asset services combined business. So we are seeing upside in the FPI derivatives turnover on BSE and the HFT contribution in terms of participation on the BSE particularly?

So how do we see as a trend for our business going forward, given the incremental client addition that we are also seeing in our book and also on the exchange side, we are seeing a good

momentum there? And lastly, just if you could highlight anything -- any updates on the PAG side? That would be all?

Ashish Kehair:

So the bank guarantee thing, we've done the incremental borrowing and all. Basically, for us, we did the math that has an impact net of deposit costs of maybe some INR10 crores, INR15 crores a year. So not much should get covered in. In terms of increase in volume, that, of course, will have a positive rub off on the asset services business because if the volumes increase, I'm assuming that the profit pool for players will increase and they will deploy more capital. Deployment of more capital basically means more collateral and therefore, more earnings come to us.

On the PAG side, as we have maintained that they've spent about now 5 years with the asset, they have seen reasonable returns at -- and they are a private equity fund. So they will exit at some point in time. Right now, there is no process that is on whenever something happens, I mean, you will also come to know right now it is just as is....

Sanidhya Agarwal:

Okay. And impact on ROCE basis we are seeing from the...

Ashish Kehair:

Not really. For with INR15 crores, INR20 crores of...

Sanidhya Agarwal:

Yes, that would be negligible.

Ashish Kehair:

Yes.

Moderator:

Ladies and gentlemen, we have no further questions at this time. I would now like to hand the conference over to the management for closing comments. Over to you.

Ashish Kehair:

Thank you. Thank you all for coming again. I think we'll see you again after the end of Q2, hopefully, by then the geopolitical situation would have resolved, and we'll have something to cheer about. Thank you.

Bharat Kalsi:

Thank you so much.

Moderator:

Thank you. On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.