

# Mirae Asset Nifty Financial Services ETF

(NSE: BFSI BSE:543323)

(An open-ended scheme replicating/tracking Nifty Financial Services Total Return Index)

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As on 30<sup>th</sup> June, 2025.

Financial Services sector: Close to our life and economy

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# Financial Services sector – It's not just Banks

## Bank



Public  
Sector  
Banks

Private  
Banks

Small  
Finance  
Banks

Foreign  
Banks

Regional  
rural  
banks

## Financial Services

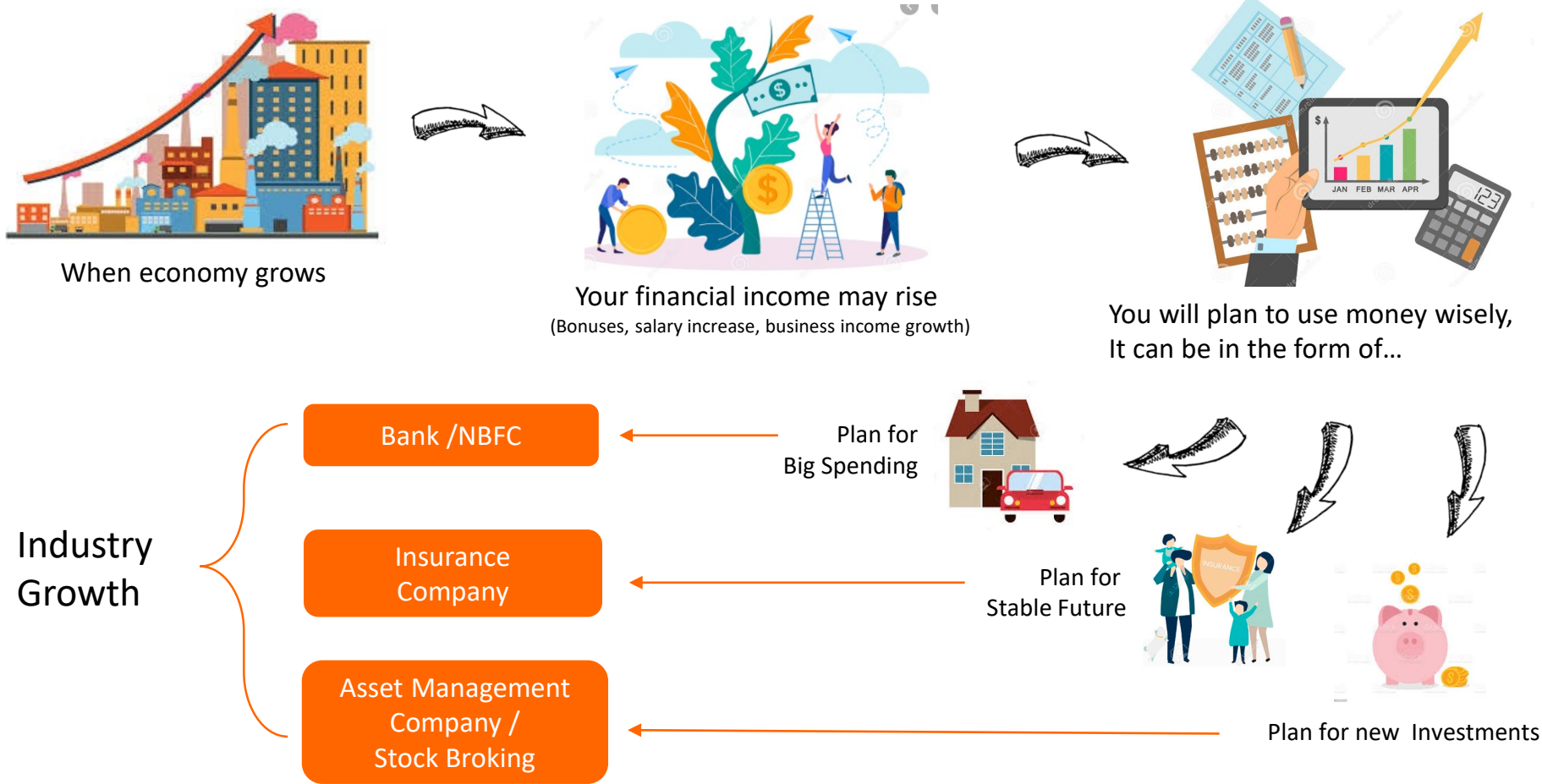


**Capital Markets:** Asset Management, Broking, Exchanges, Rating agencies, Wealth Management

**Insurance:** Life / Non life Insurance

**NBFCs:** Housing, Vehicle, Gold, Consumer, Microfinance, Fintech

# How Financial Services sector relates to life and economy



# How Financial Services sector is related to your life



SIP : Systematic Investment Plans (SIP)

# Why participate in the sector ?

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# Why Banking & Financial Services Now ?

## Attractive Valuation

- Valuation still not reflecting the improvement in Return on Equities (RoEs).
- The sector trades at ~1 SD (Standard Deviation) above Long Term Average scope for further re-rating
- Risk-Reward still favourable from a longer term perspective.

## Fintech – Innovation is here to stay

- Increased penetration of financial services as a result of better digital adoption through fintech.
- Many fintech companies have emerged over the last few years which may get listed soon, thereby creating a sector of their own.

## Its close link to the company

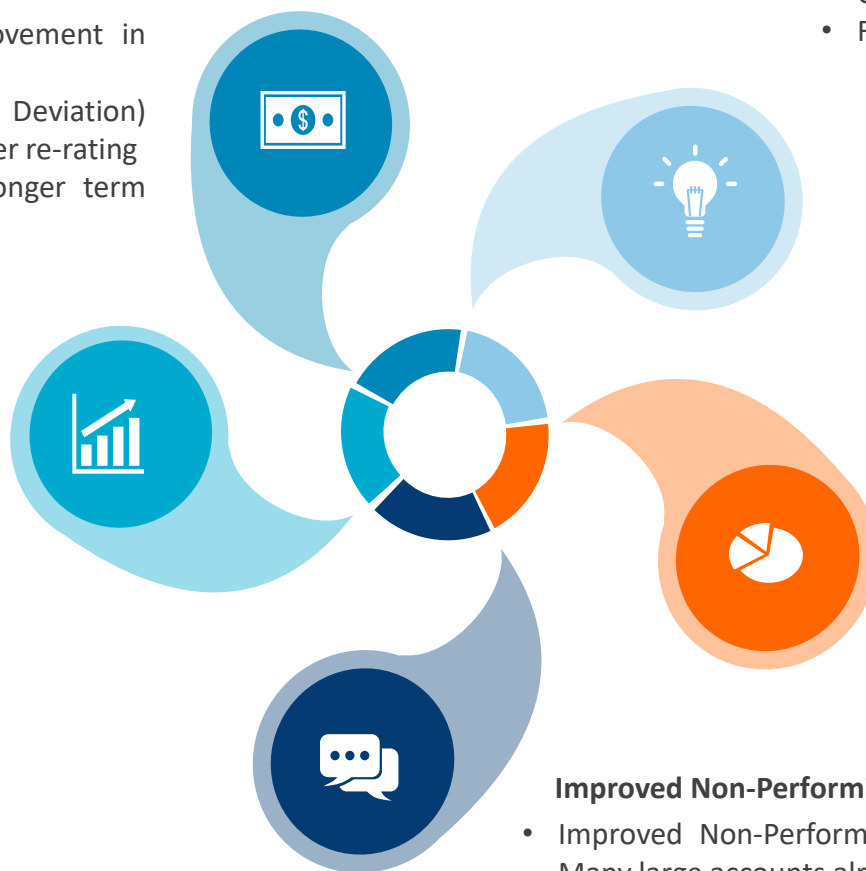
- Contributes to the GDP Growth
- Financialization of savings

## Return On Equity improving towards >15%

- Private Banks to see improvement in core profitability with improved digitization.
- Normalization in corporate cycle may drive credit cost lower leading to ~15% RoEs for PSU Banks.

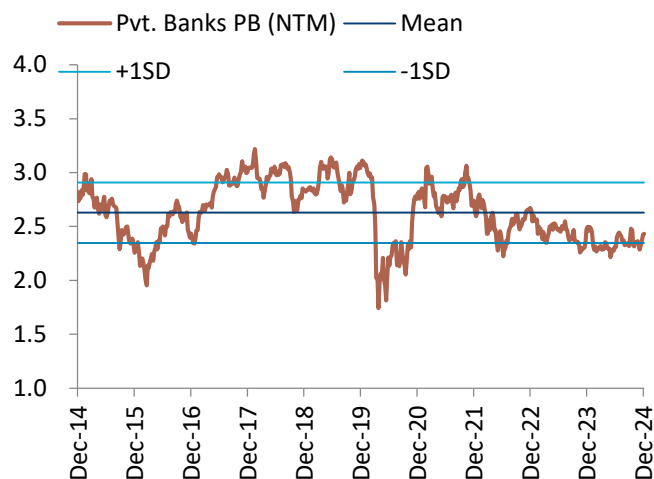
## Improved Non-Performing Assets Cycle

- Improved Non-Performing Asset Ratio. Many large accounts already written off.
- Resolutions in National Company Law Tribunal to smoothen incremental provision.

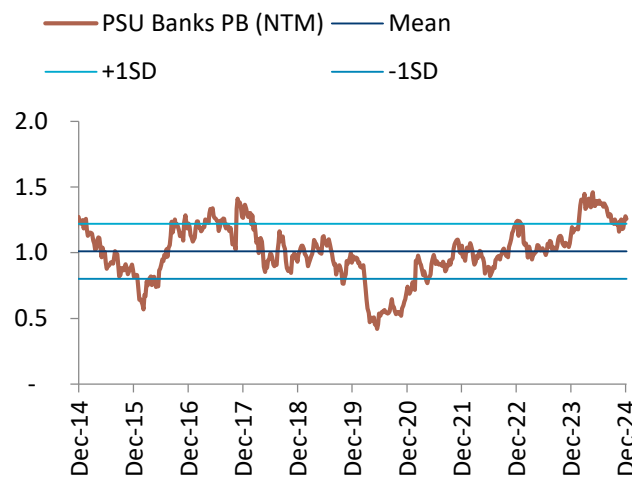


# Valuation remains reasonable from a longer term perspective

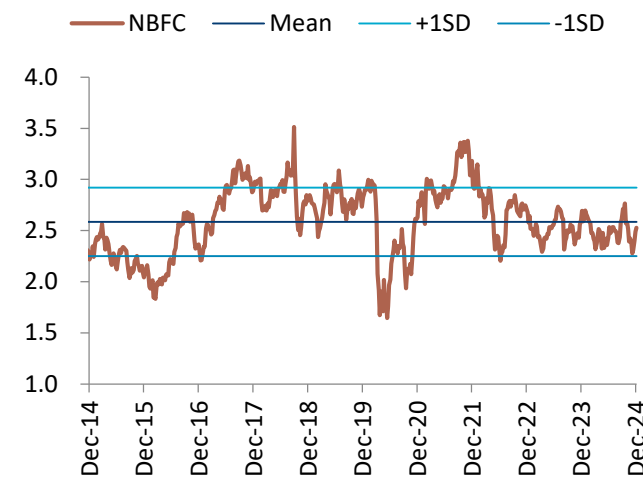
## Current Valuation of Private Bank Index



## Current Valuation of PSU Banks Index



## Current Valuation of NBFCs

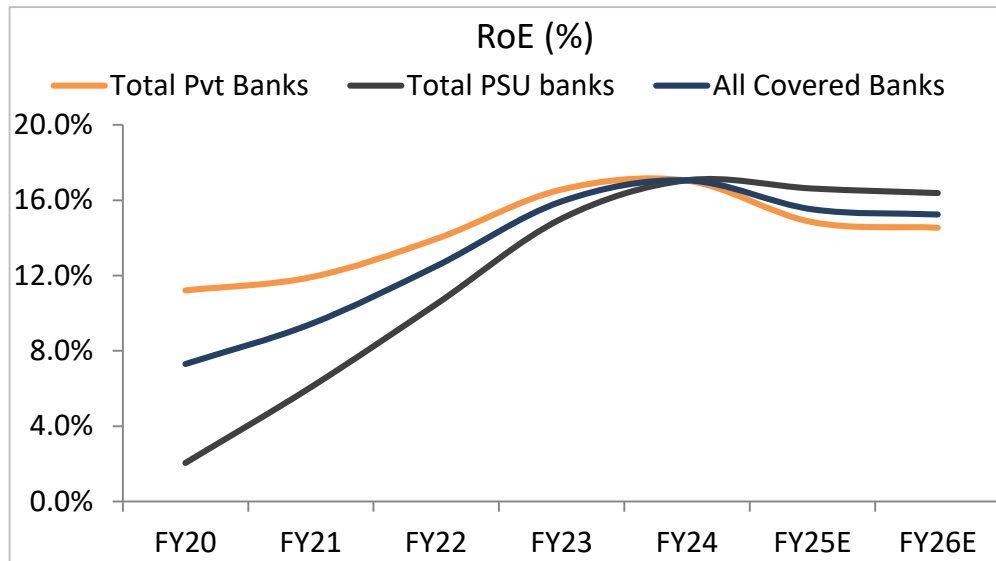


While Private Banks are trading below their long term average valuations, PSU Banks are trading above their long term average valuations and NBFCs are trading very close to mean. From hereon, growth & earnings outlook may drive stock performance.

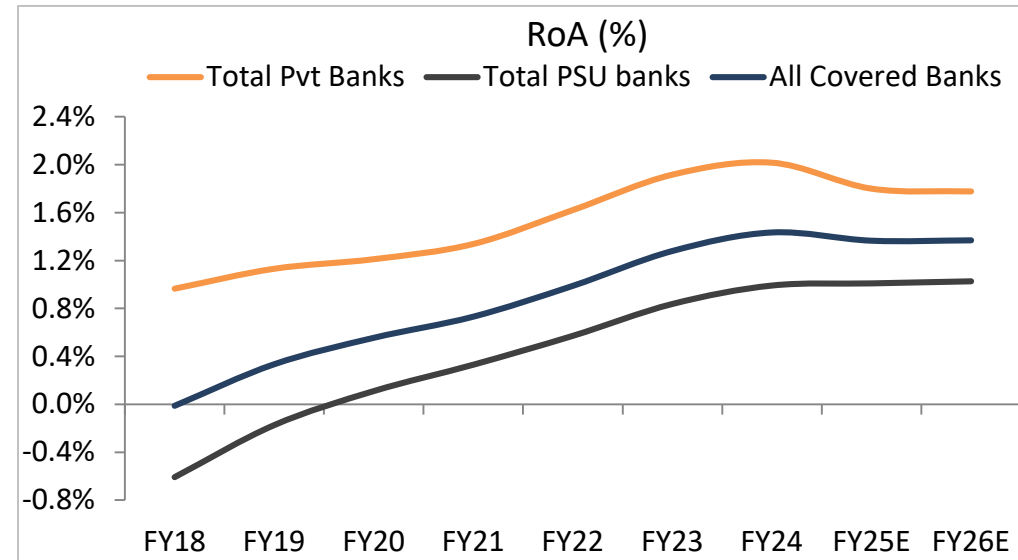


# Valuation driven by improvement in RoA / RoE

**ROE trajectory improving towards 15% for banks**



**ROAs inching closer to 1.4% for the sector**

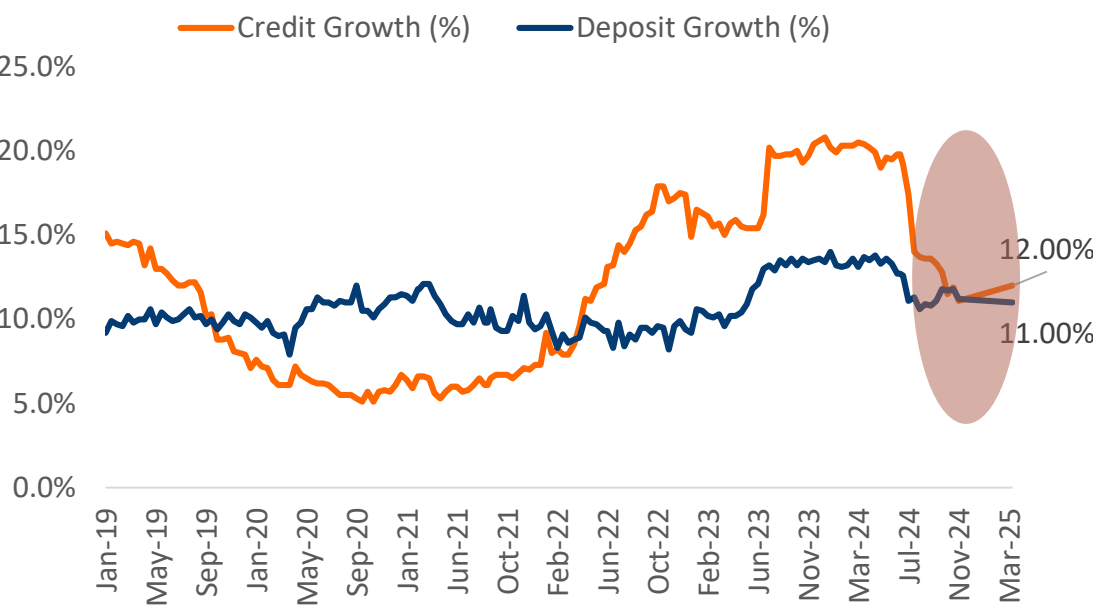


The valuations are also driven by underlying Return on Assets / Return on Equity (RoA/RoE) metrics that are suggesting significant improvement over the next few years vs a few years back for both Private and Public Sector Undertaking (PSU) banks.

# Valuation driven by improvement in RoA / RoE

- ❖ In FY 23 & 24 Credit growth has taken a lead which brings the incremental CD ratio at 110%; however, in past ~10 years, CD ratio stands at maximum of 80% till FY 24.
- ❖ There seems to be resilient demand and economic activity coupled with a relatively cheaper loan availability in global terms.
- ❖ The recent liquidity in economy and credit growth spike seems to be converging.
- ❖ The Preference of Alternate Avenues has gained momentum with market rate of returns.

SCBs Aggregate Deposit & Credit Growth (YOY%) is narrowing  
(as of 31<sup>st</sup> Mar. 2025)



SCBs Aggregate Deposit & Credit Growth  
(as of 30<sup>th</sup> Nov. 2024)

Year	Aggregate Deposits			Bank Credit			Incremental CD Ratio	CD Ratio
	Level O/S (Rs Lakhs Crore)	Growth (Rs Lakhs Crore)	YOY%	Level O/S (Rs Lakhs Crore)	Growth (Rs Lakhs Crore)	YOY%		
FY 14	87	11	14.2%	67	9	14.9%	80%	77%
FY 15	98	10	12.0%	75	7	10.9%	70%	76%
FY 16	108	10	10.4%	82	7	9.7%	71%	76%
FY 17	121	12	11.4%	88	6	7.8%	52%	73%
FY 18	130	9	7.5%	95	7	7.5%	74%	73%
FY 19	141	12	8.9%	108	13	13.7%	113%	77%
FY 20	155	14	9.9%	118	10	9.4%	73%	76%
FY 21	172	17	11.0%	125	7	5.9%	41%	73%
FY 22	189	17	9.7%	134	9	7.1%	53%	71%
FY 23	207	18	9.5%	153	19	14.3%	107%	74%
FY 24	234	27	13.0%	183	30	19.3%	110%	78%
FYTD 25	127	14	12.0%	101	14	16.2%	103%	79%

Source: Bloomberg, Internal as on 30<sup>th</sup> Nov '2024. Latest Data available - \*SCB - Scheduled Commercial Banks. E: Estimated CD Ratio : Cash Deposit Ratio, YoY – Year on Year

# Mirae Asset Nifty Financial Services ETF offering

# Nifty Financial Services Index : About Index

Nifty Financial Services Index is designed to reflect the behavior and performance of large companies in financial service sector. It comprises of 20 stocks listed on the National Stock Exchange (NSE).

## Eligible Universe



- ❖ Securities are forming part of Nifty500 Index representing Financial Service such as banks, financial institutions, housing finance and other financial services etc.
- ❖ Within the eligible universe, weights of each subsector based on average free float market capitalization is calculated.
- ❖ Companies will be included if average free-float market capitalization is 1.5 times the average free-float market capitalization of the smallest index constituent.

## Selection Criteria

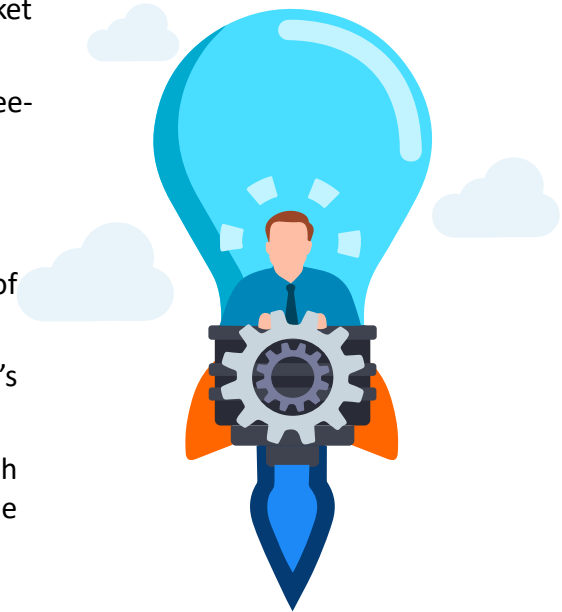


- ❖ Selection of 20 companies from each sub-sector is made in such a manner that weightage of selected constituents closely matches with the weightage of the sub-sector as explained earlier.
- ❖ A preference within each sub-sector is given to companies that are available for trading in NSE's F&O Segment.
- ❖ Weightage of each stock in the index is calculated based on its free float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

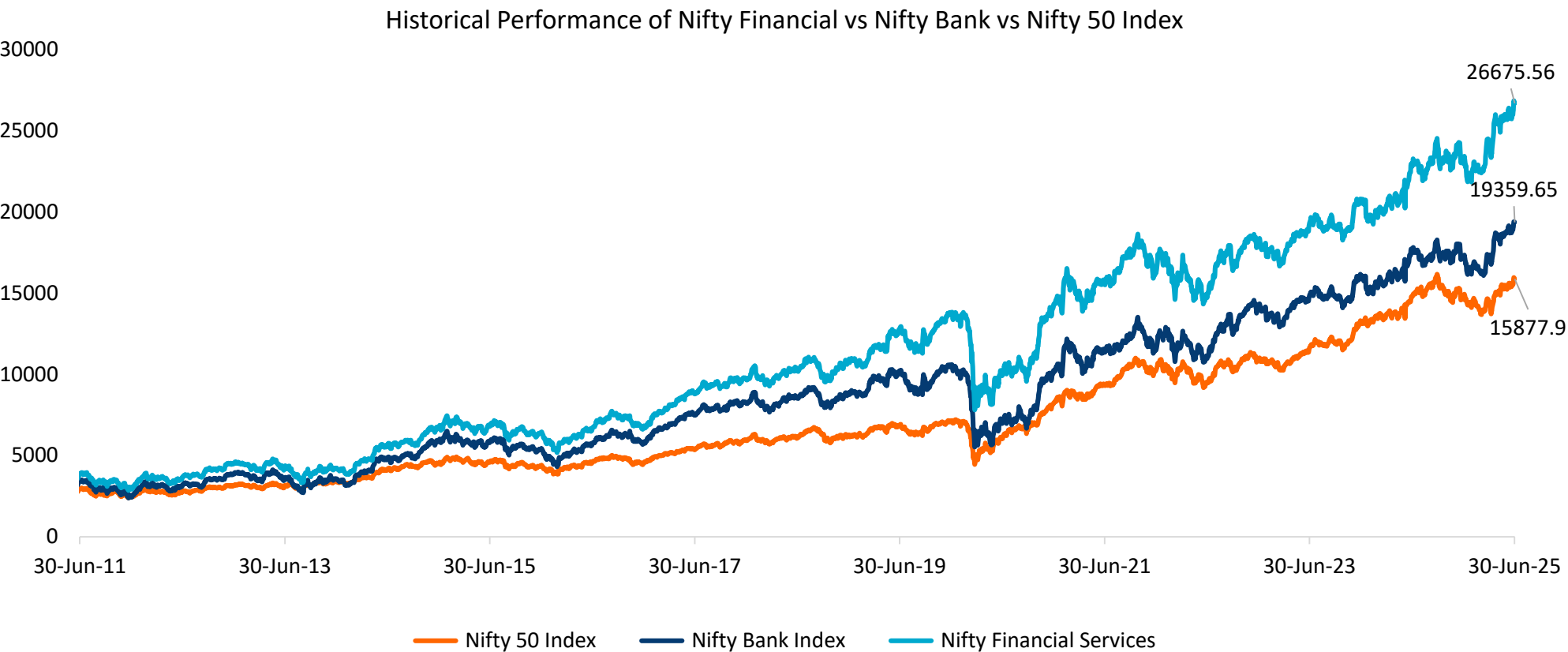
## Index Rebalancing & Weighing



- ❖ Index is reviewed on semi-annual basis. Cut off date is Jan 31 and July 31 of each year.
- ❖ At time of review, average data for six months ending the cut-off date is considered. Four week prior notice is given to market from the date of change.



# Nifty Financial Services Index : Relatively Better Performer



Nifty Financial Service Index has historically outperformed Nifty 50 Index and Nifty Bank Index

Source NSE; Data as on 30 June, 2025. **Past performance may or may not sustain in future.** The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. The Index values have been rebased to 1,000.

## Nifty Financial Services Index : Periodic Performance & Volatility

Periodic Performance			
Period	Nifty 50 Index	Nifty Bank Index	Nifty Financial Service Index
Since Inception	14.4%	15.8%	17.6%
10 Years	13.2%	12.8%	14.6%
7 Years	14.6%	12.4%	14.6%
5 Years	21.4%	22.6%	21.8%
3 Years	18.7%	20.7%	21.7%
1 Years	7.5%	10.3%	17.1%
6 Months	8.7%	13.2%	16.3%
3 Months	9.0%	11.7%	8.9%

Periodic Volatility			
Period	Nifty 50 Index	Nifty Bank Index	Nifty Financial Service Index
Since Inception	21.1%	27.9%	27.0%
10 Years	16.5%	22.2%	21.3%
7 Years	17.8%	24.0%	23.1%
5 Years	14.6%	20.0%	18.9%
3 Years	12.7%	15.8%	15.5%
1 Years	14.2%	15.6%	16.1%
6 Months	14.7%	17.4%	18.2%
3 Months	16.8%	22.6%	24.7%

Nifty Financial Service Index has generated historically higher returns for period of one & five year along with lower volatility than Nifty Bank Index

## Nifty Financial Services Index : Calendar Year Returns

Calendar Year	Nifty 50 Index	Nifty Bank Index	Nifty Financial Service Index
2005	39.3%	27.6%	36.5%
2006	41.9%	35.1%	41.8%
2007	56.8%	66.1%	84.8%
2008	-51.3%	-48.5%	-54.6%
2009	77.6%	83.5%	91.3%
2010	19.2%	32.0%	31.3%
2011	-23.8%	-31.8%	-28.3%
2012	29.4%	58.4%	54.1%
2013	8.1%	-7.7%	-6.1%
2014	32.9%	66.2%	59.1%
2015	-3.0%	-9.0%	-4.5%
2016	4.4%	8.5%	6.2%
2017	30.3%	41.4%	42.7%
2018	4.6%	6.8%	11.3%
2019	13.5%	18.9%	26.4%
2020	16.1%	-2.8%	4.7%
2021	25.6%	13.9%	14.6%
2022	5.7%	22.1%	10.5%
2023	21.3%	13.3%	14.3%
2024	10.1%	6.3%	10.5%

Nifty Financial Service Index has outperformed Nifty Bank Index in 11 / 20 Calendar Years

Source:: NSE Indices Limited, data as on **Calendar Year** Data as on Dec 31, 2024; **Past performance may or may not sustain in future.** The index return are in Total Return Variant. The data shown above pertains to the index and does not in manner indicate performance of any scheme of the Fund. Highlighted portion indicates times of financial distress. Latest Available data

# Nifty Financial Services Index : Rolling Returns

Investment Horizon of 3 Years			
Period	Nifty 50 Index	Nifty Bank Index	Nifty Financial Services Index
10 Years	13.5%	14.2%	15.4%
7 Years	14.4%	13.2%	15.0%
5 Years	15.6%	12.6%	13.8%
3 Years	17.0%	16.0%	14.5%
1 Years	13.8%	13.5%	12.9%

Investment Horizon of 5 Years			
Period	Nifty 50 Index	Nifty Bank Index	Nifty Financial Services Index
10 Years	13.0%	13.6%	15.2%
7 Years	13.6%	13.1%	15.3%
5 Years	14.9%	12.5%	14.8%
3 Years	15.5%	12.4%	13.7%
1 Years	18.7%	15.2%	15.5%

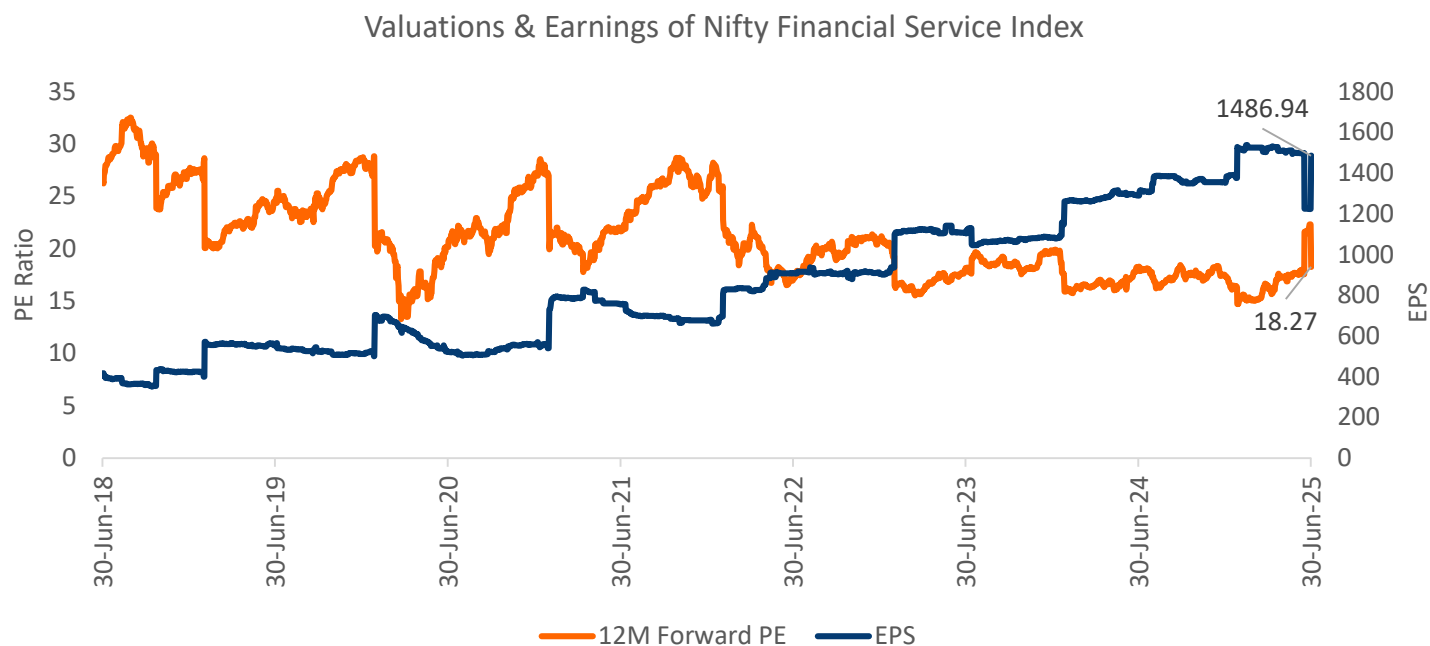
Over Investment horizon of more than 3 Years – Nifty Financial Services Index is consistently better than Nifty Bank Index & Nifty 50 Index for 3 year & 5 year average rolling returns.

Source: NSE, as on 30 June, 2025. **Past performance may or may not sustain in future.** The above returns are calculated on rolling return basis for different period for instance - 3 year rolling return in five year period provides the return which investor has realized in last 5 years (daily average), with investment horizon/period of 3 years. The above is performance of the Index and does not in any manner indicate the performance of any individual scheme of Mutual Fund



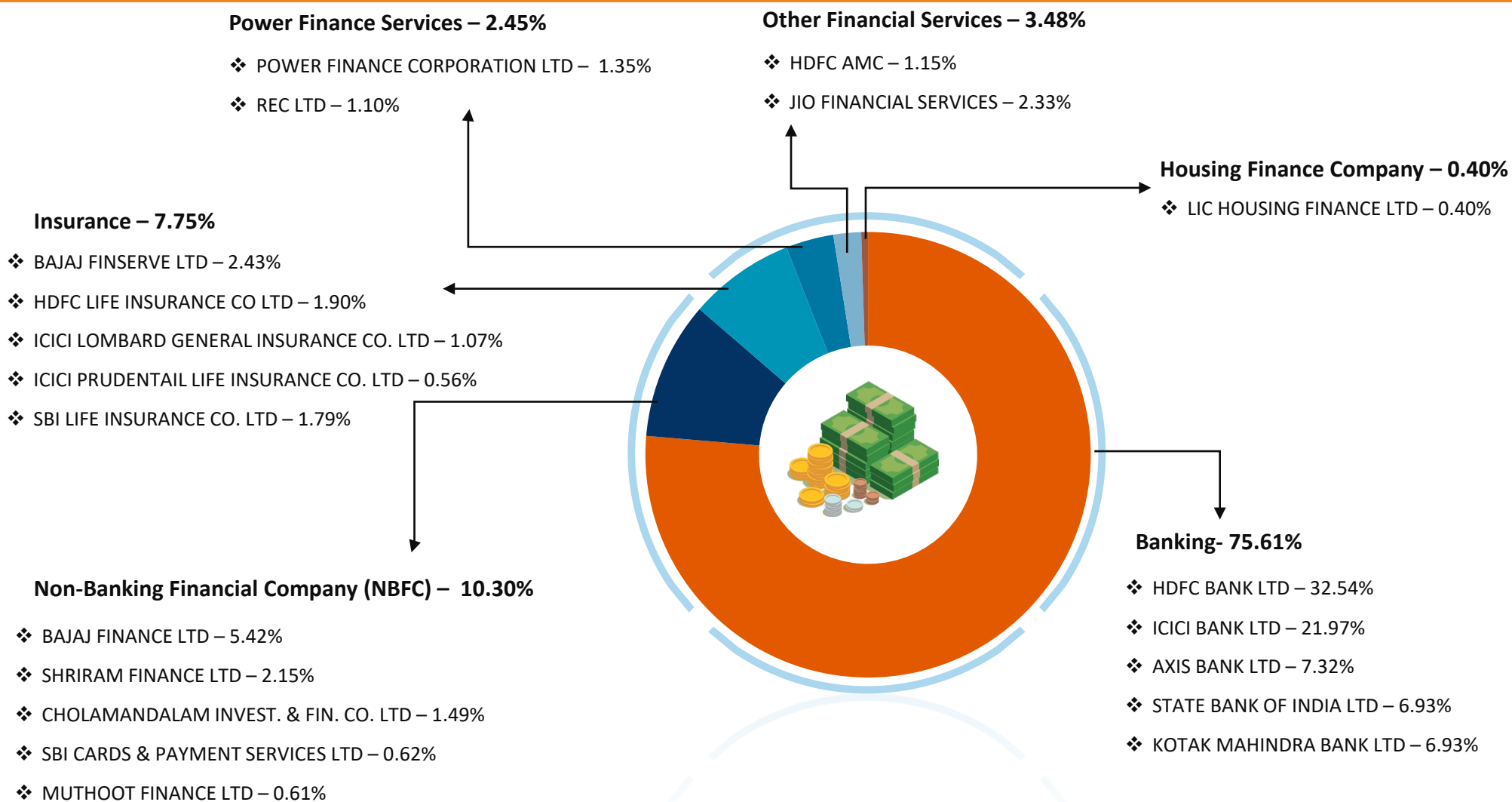
# Nifty Financial Services Index : Valuations

Valuations					
Particulars	Current 12M forward P/E	3 Yrs. Avg 12M forward P/E	5 Yrs. Avg 12M forward P/E	10 Yrs. Avg 12M forward P/E	Premium/Discount compared to 5 Yrs. Average
Nifty Index	22.10	19.67	20.30	19.32	9%
Nifty Bank Index	18.11	14.26	15.58	17.47	16%
Nifty Financial Services	18.51	17.06	18.88	19.83	-2%



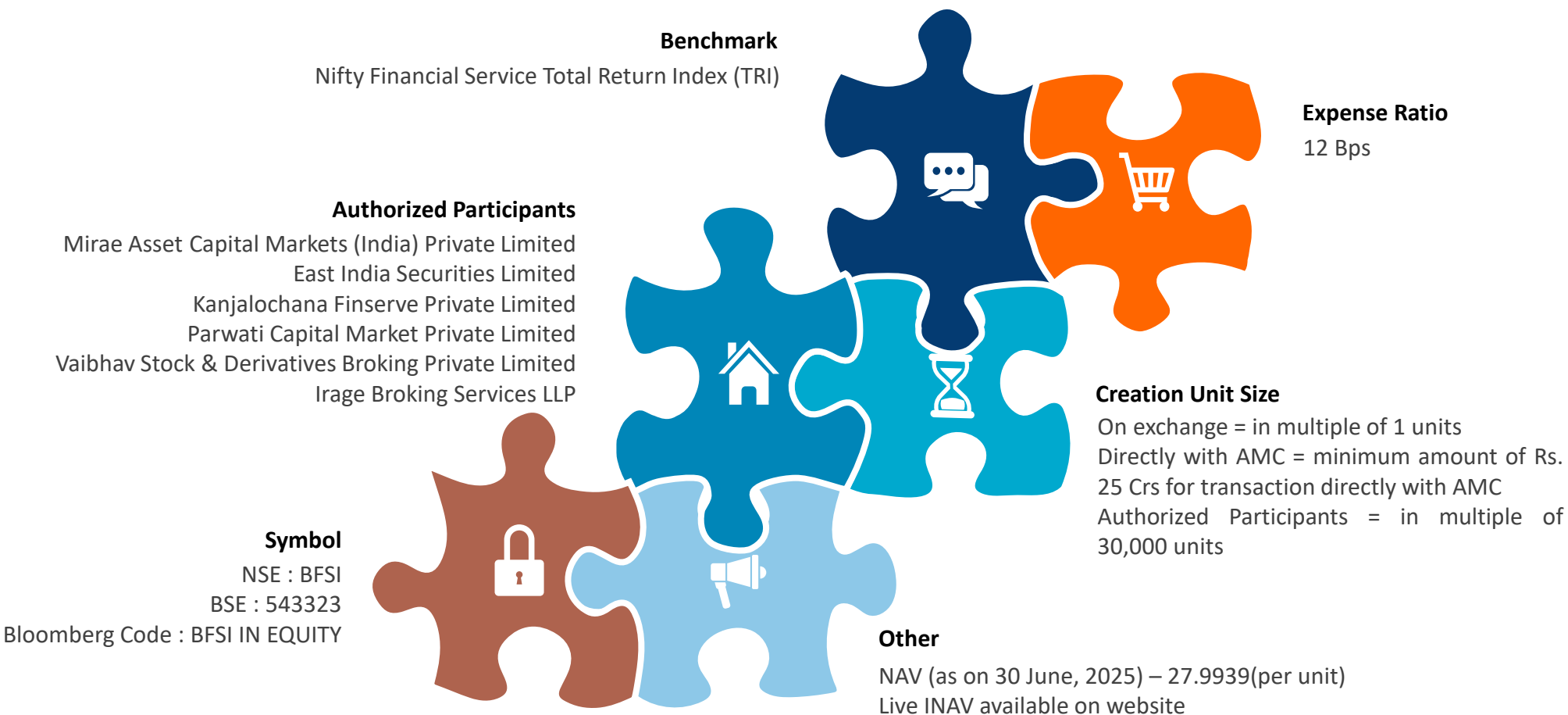
Source: NSE. & Bloomberg Data. Valuations & Earnings for the year has been given Period: 30 Jun'18 to 30 Jun'25. **Past performance may or may not sustain in future.** The above is performance of the Index and does not in any manner indicate the performance of any individual scheme of Mutual Fund. 12 Month Bloomberg Est. P/E implies historical forward P/E calculated using Bloomberg estimates over the past 1 year.

# Nifty Financial Services Index Portfolio



# Mirae Asset Nifty Financial Services ETF

- ❖ Invest in the sector which is one of the essential factor for overall growth of the economy.
- ❖ Financial Services encompasses not only banks but also other segments such as Non- Banking Financial Company (NBFC), Insurance, Capital Markets etc. which are currently under penetrated among masses



# Disclaimers

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For further information about other schemes (product labeling and performance of the fund) please visit the website of the AMC: [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)

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

further information about

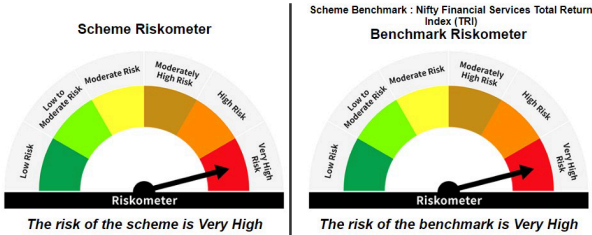
[www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)

## PRODUCT LABELLING

**Mirae Asset Nifty Financial Services ETF**  
This product is suitable for investors who are seeking\*

- Return that are commensurate with the performance of Nifty Financial Service Total Return index, subject to tracking error over long term
- Investments in equity securities covered by Nifty Financial Services Total Return index

\*Investors should consult their financial advisors if they are not clear about the suitability of the product.



# THANK YOU

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