

# Mirae Asset Nifty Bank ETF (NSE:BANKETF BSE:543944)

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

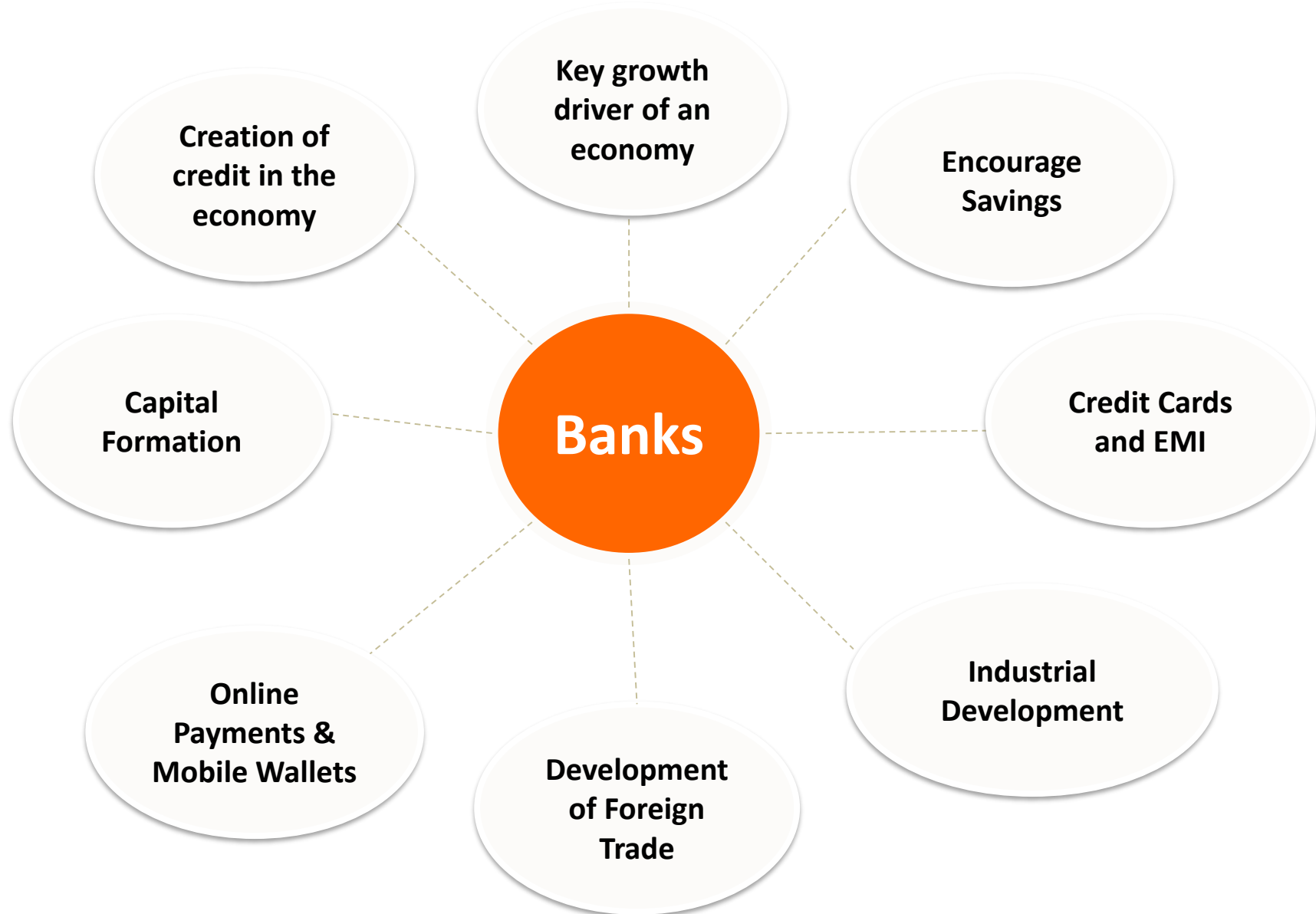
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30 June 2024

Why participate in the sector ?

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# Why banks?



## Snapshot of banking industry in India

Total Deposits  
₹204.0L Cr.

Net Interest  
Income  
₹7.8L Cr.

PAT  
₹3.2L Cr.

Total Net  
Advances  
₹163.4L Cr.

Total Income  
₹21.6L Cr.

Retail  
Advances  
₹55.6L Cr.

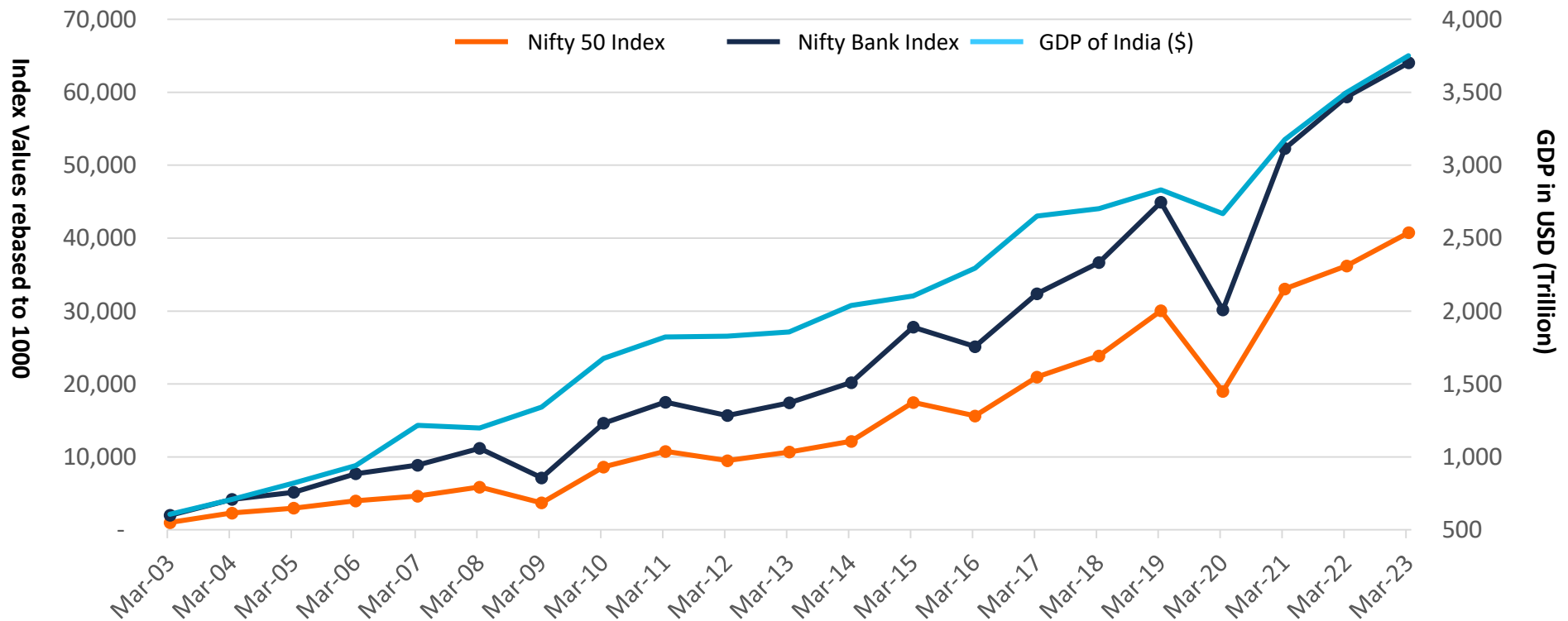
CASA  
39.7%

GNPA  
2.8%

ROA  
1.3%

# Correlation between Banking & Financial Services Sector and GDP

- The Financial Services sector has been one of the major driver of economic growth
- Historically, money invested in the financial services sector has grown more than the broad market benchmarks
- As India progresses from being a developing economy to a developed economy, the Financial Services Sector may be a key contributor to overall growth of the economy.

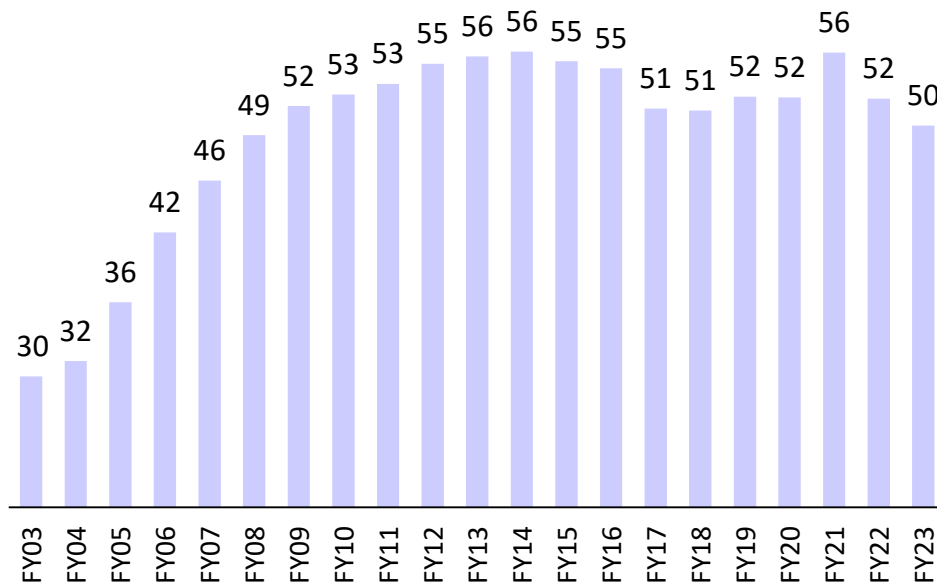


Source : Bloomberg, Macrotrend, Forbes; Latest data available as on March 31, 2023. **Past performance may or may not sustain in future.** The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. GDP stands for Gross Domestic Product.

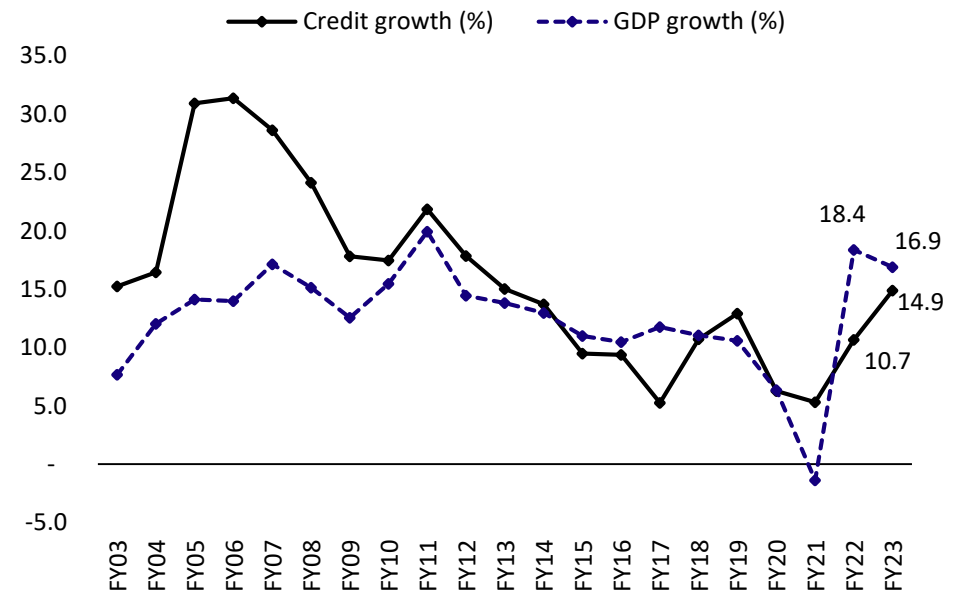
# Credit in India – Growing fast as penetration improves

- Credit to GDP ratio has almost doubled in the last 2 decades
- Credit growth is a multiplier of nominal GDP growth
- Private consumption has increased steadily in line with the retail credit growth
- Growth in household income and consumption promotes overall demand for credit

Credit to GDP Ratio in India (%)



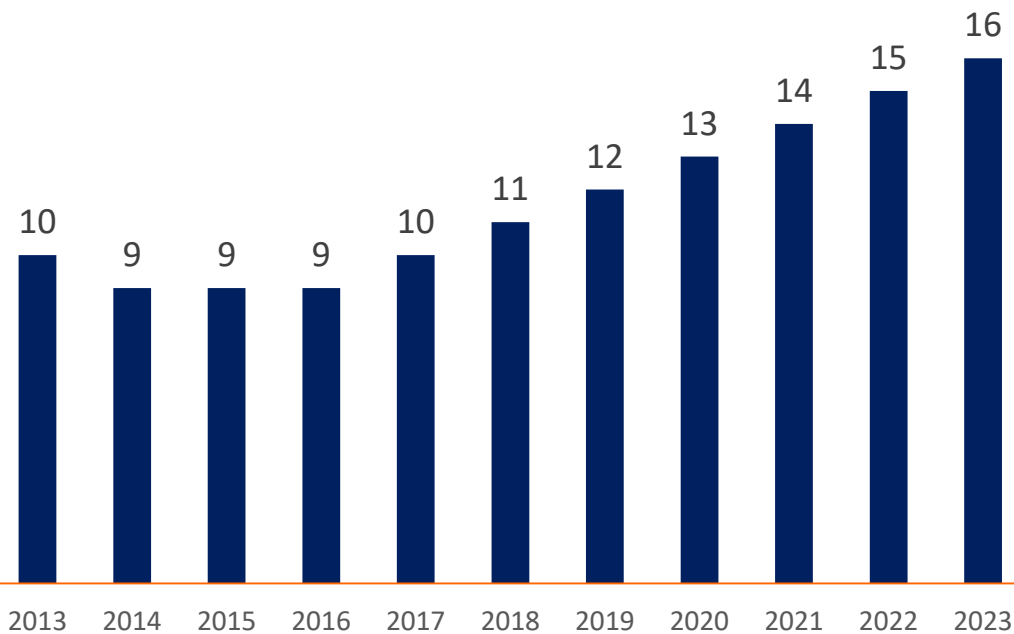
Credit growth & Nominal GDP growth Trends



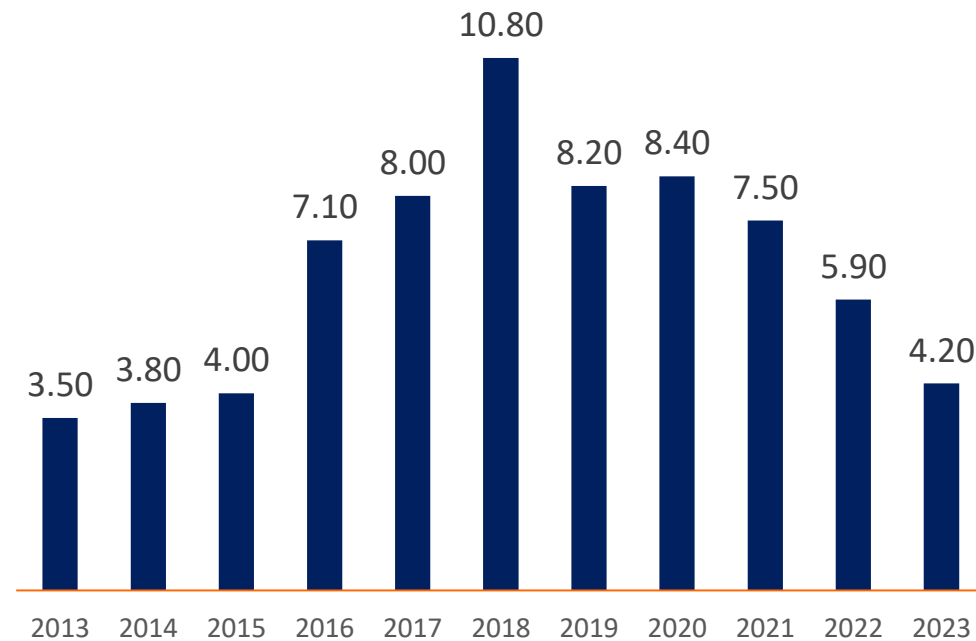
## Banks – Well capitalised, Improving asset quality

- Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at 15% in FY22
- Significant reduction seen in the Non-Performing Assets levels from the peak of 2018 and along with higher provisioning coverage of >65%. Asset quality held up despite 2 shock waves of COVID-19 pandemic, slippages & credit cost normalization underway

Tier-1 capital positioning of Banks (%)



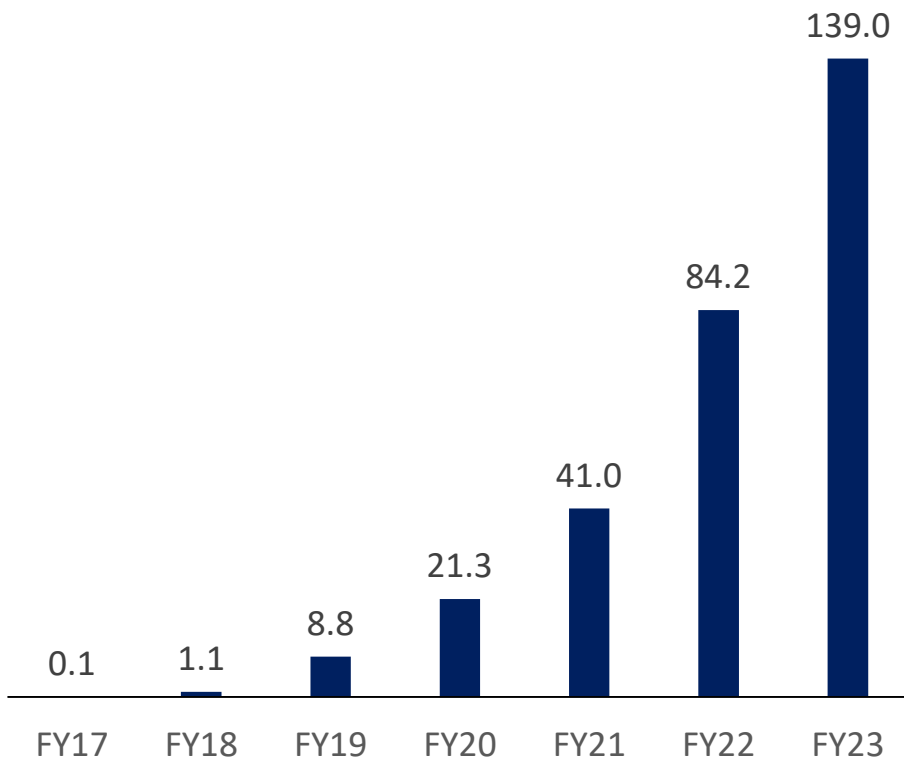
Gross NPA trend of Banks (%)



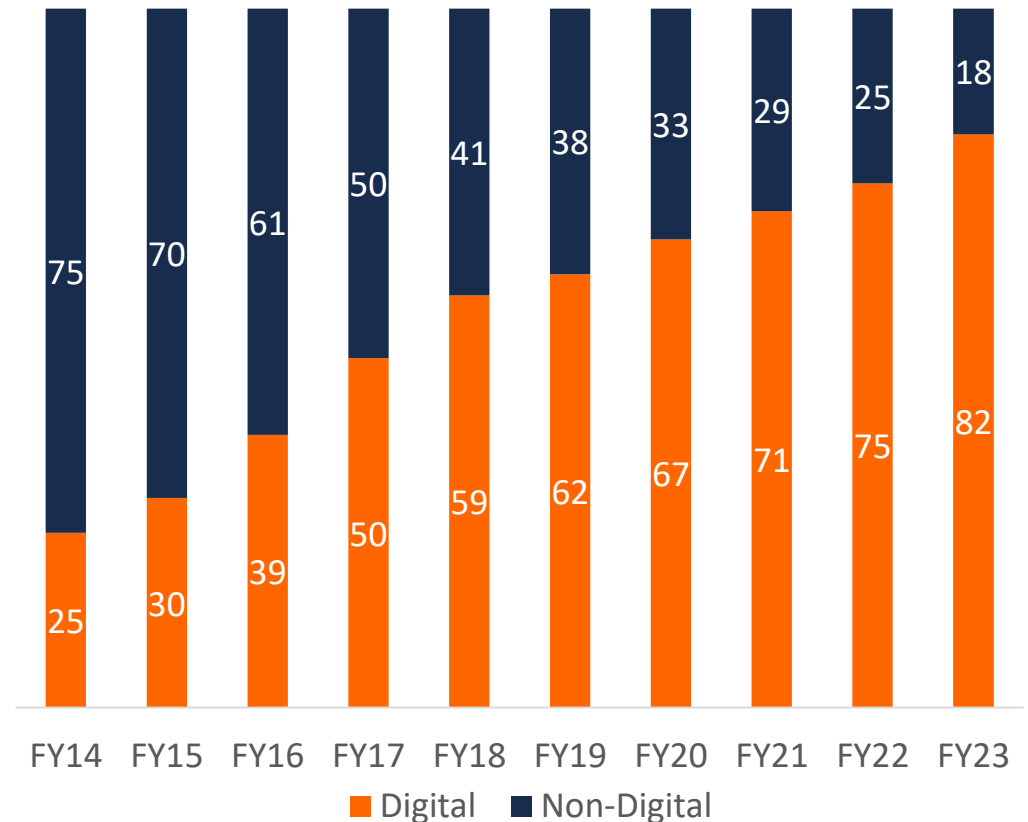
## Emerging Trends – Digital & FinTech evolution gathering pace

- Digital banking services picked up in last five years promoting mobile based banking (UPI etc).
- Digital transformation has just begun with banks collaborating with Fintech to leverage technological gains.
- Banks profitability improvement will be driven by better cost efficiencies / productivity with shift from physical to digital.

Unified Payments Interface (Rs Trillion)



Share of digital transactions moving up





# Why Mirae Asset Nifty Bank ETF?

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# About Nifty Bank Index

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The Nifty Bank Index comprises of the most liquid and large Indian Banking stocks. The Index comprises of maximum 12 companies listed on National Stock Exchange of India (NSE).

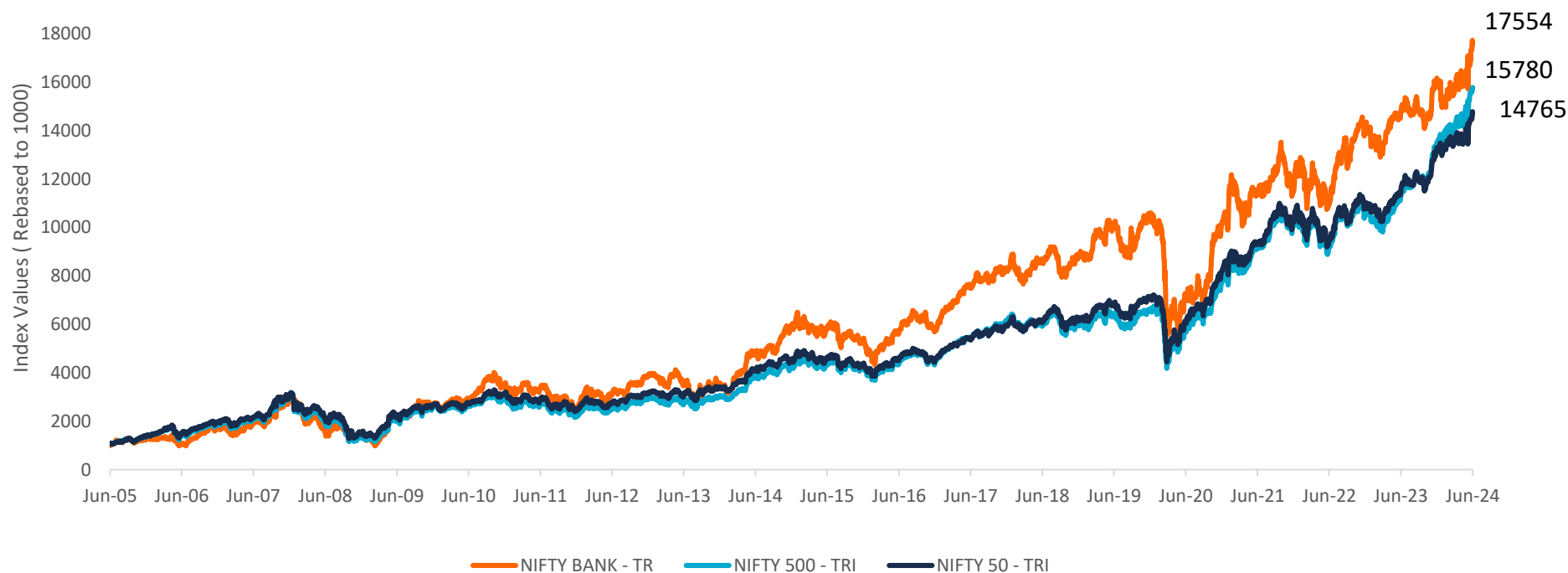
## Eligibility Criteria for Selection of Constituent Stocks:

- i. Companies should form part of Nifty 500 at the time of review.
- ii. Companies should form a part of the Banking sector.
- iii. The company's trading frequency should be at least 90% in the last six months.
- iv. The company should have a listing history of 6 months. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.
- v. Companies that are allowed to trade in F&O segment are only eligible to be constituent of the index.
- vi. Final selection of 12 companies shall be done based on the free-float market capitalization of the companies.
- vii. Weightage of each stock in the index is calculated based on its free-float market capitalization
- viii. No single stock shall have weightage of more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

# Nifty Bank Index has outperformed with reasonable correlation

## Nifty Bank Index Correlation (Since Inception)

Nifty 50 Index (Total Return Index)	0.87
Nifty 500 Index (Total Return Index)	0.87



**Nifty Bank Index has historically outperformed Nifty 50 Index and Nifty 500 Index with reasonable correlation**

Source: NSE, as on June 30, 2024 Returns of period more than 1 year are CAGR returns. **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. The above graph denotes index values rebased to 1000 from May 31, 2003 to June 28, 2024

## Nifty Bank Index : Calendar-year performance

Period	Nifty 50 Index	Nifty Bank Index	Nifty 500 Index
YTD 2024	11.29%	9.08%	16.73%
2023	21.3%	13.3%	26.9%
2022	5.7%	<b>22.1%</b>	4.2%
2021	25.6%	13.9%	31.6%
2020	16.1%	-2.8%	17.9%
2019	13.5%	<b>18.9%</b>	9.0%
2018	4.6%	<b>6.8%</b>	-2.1%
2017	30.3%	<b>41.4%</b>	37.7%
2016	4.4%	<b>8.5%</b>	5.1%
2015	-3.0%	-8.9%	0.2%
2014	32.9%	<b>66.2%</b>	39.3%
2013	8.1%	-7.7%	4.8%
2012	29.4%	<b>58.4%</b>	33.5%
2011	-23.8%	-31.7%	-26.4%
2010	19.2%	<b>32.0%</b>	15.3%
2009	77.6%	<b>83.5%</b>	91.0%
2008	-51.3%	-48.5%	-56.5%

**Nifty Bank Index has outperformed Nifty 50 Index in 9 out of 17 calendar years respectively.**

Source: NSE, as on June 30, 2024 Returns of period more than 1 year are CAGR returns. **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.

## Nifty Bank Index: Return profile

Period	Nifty Bank Index	Nifty 50 Index	Nifty 500 Index
Since Inception	16.06%	15.02%	15.42%
15 Years	14.81%	13.38%	14.46%
10 Years	14.0%	13.7%	15.29%
7 Years	12.9%	15.6%	16.69%
5 Years	11.6%	16.7%	19.78%
3 Years	14.9%	16.3%	19.83%
2 Years	25.8%	24.5%	30.72%
1 Year	19.13%	28.12%	39.98%
6 Months	8.60%	11.05%	16.91%
3 Months	11.78%	8.13%	11.79%

**Since Inception returns for Nifty Bank Index is Comparatively higher than Nifty 50 and Nifty 500 Index.**

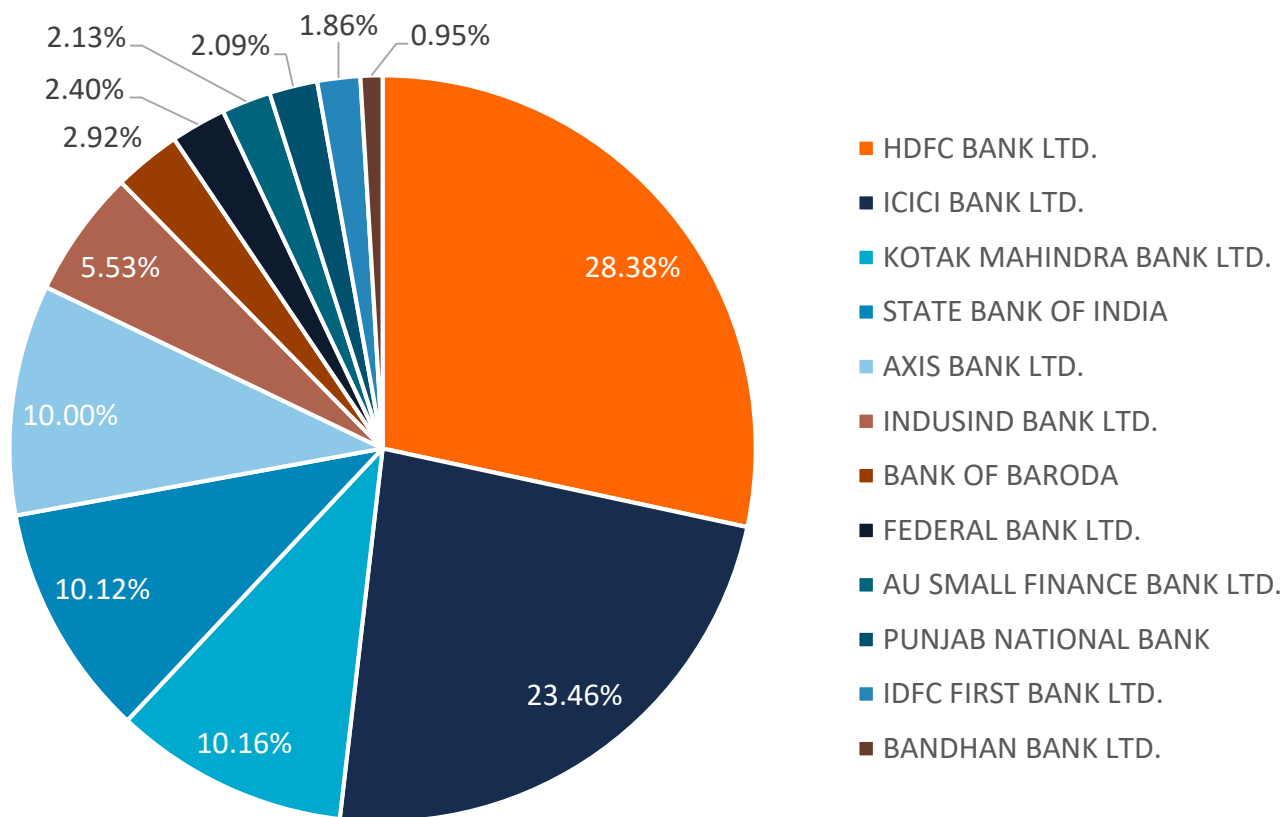
## Nifty Bank Index : Rolling returns

Period	1 Year Investment Horizon			3 Years Investment Horizon		
	Nifty Bank Index	Nifty 50 Index	Nifty 500 Index	Nifty Bank Index	Nifty 50 Index	Nifty 500 Index
SI	19.5%	16.4%	17.1%	14.8%	12.4%	12.6%
15 Years	20.1%	15.8%	17.4%	15.0%	12.2%	12.7%
10 Years	18.3%	15.5%	17.4%	15.2%	14.0%	15.1%
7 Years	15.5%	16.0%	16.9%	13.3%	13.7%	14.2%
5 Years	14.3%	16.6%	18.6%	12.0%	14.6%	14.8%
3 Years	19.3%	18.9%	22.3%	14.8%	17.9%	19.7%
1 Year	14.5%	20.0%	26.6%	18.2%	18.0%	20.9%

**1 year & 3 year average rolling returns of Nifty Bank Index is relatively better than Nifty 50 Index and Nifty 500 Index over investment horizon of 10 years and above**

Source: NSE, as on June 30, 2024. **Past performance may or may not sustain in future.** 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 Bank Index Portfolio



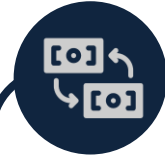
PORTFOLIO COMPANIES	WEIGHTAGE(%)
HDFC BANK LTD.	28.4
ICICI BANK LTD.	23.5
KOTAK MAHINDRA BANK LTD.	10.2
STATE BANK OF INDIA	10.1
AXIS BANK LTD.	10.0
INDUSIND BANK LTD.	5.5
BANK OF BARODA	2.9
FEDERAL BANK LTD.	2.4
AU SMALL FINANCE BANK LTD.	2.1
PUNJAB NATIONAL BANK	2.1
IDFC FIRST BANK LTD.	1.9
BANDHAN BANK LTD.	1.0

# Mirae Asset ETF Advantages



## Continuous liquidity

Provided by Authorized Participants on exchange at all times around latest real time NAV (iNAV).



## Low spread on exchange

Lower effective spread after considering Securities Transaction Tax (STT) and brokerage. For large order, the AP can quote at negotiate price around with effective spread of ~0 bps



## Dedicated ETF team

to expedite all processes



## Relatively Low cost

to trade in Mirae Asset ETFs



## Our Fund House view on banking sector

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- Credit growth remains healthy and is broad based across segments. Private capex is expected over the next few years, government's focus on "Make in India" with PLI and thrust on domestic manufacturing should bode well for the banking segment.
- Asset Quality remains benign with NPA cycle largely behind us helping banks register decadal high return ratios.
- While the rate cut has traditionally been positive for the sector with reduced funding cost aiding growth, however, linking of retail loans with the external benchmark rate (mainly Repo rate) may cap margins for banks. Having said that, the negative impact on margins is already built into the consensus earnings to a large extent and hence, we may not see any significant adverse implication on account of this.
- The valuations of the sector remain quite reasonable with steady earnings outlook going forward. We expect the valuations to catch up with the earnings momentum over the medium term.
- Overall, the long-term drivers for the sector may remain healthy and broad-based growth to sustain along with benign asset quality resulting in steady and consistent return ratios.

## Why invest in Mirae Asset Nifty Bank ETF ?

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- Tracks the Nifty Bank Index which constitutes relatively most liquid and large Indian banking stocks
- Opportunity to participate in the sector which is essential for the overall growth of the economy.
- Nifty Bank index has outperformed Nifty 50 index in last 9 out of 17 calendar years (slide 11)
- Low cost option to participate in the banking sector.
- Valuations of banking sector are still relatively below long-term averages compared to other key sectors of India.

# Mirae Asset Nifty Bank ETF

- ✓ Opportunity to invest in most liquid and large Indian banking stocks.
- ✓ Relatively low cost option to participate in banking segment of market



**Benchmark:**  
Nifty Bank TRI



**Expense Ratio:**  
9 bps



**Authorized Participants:**  
Mirae Asset Capital Markets (India)  
Private Limited  
Kanjalochna Finserve Private Limited  
East India Securities  
Parwati Capital Markets Private Limited



**ETF Units:**  
Creation Unit Size = 10,000 units  
NAV: Rs. 526.6013 (As on June 28,  
2024)



**Allotment Date:**  
20<sup>th</sup> July 2023



**Listing:**  
NSE: BANKETF  
BSE: 543944

**THANK YOU**

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# Disclaimers

**DISCLAIMER OF NSE:** As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref No: NSE/LIST/5577 dated May 12, 2023 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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- i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- ii) warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or
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**Mutual fund investments are subject to market risks, read all scheme related documents carefully.**

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

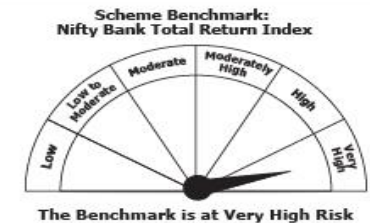
**Please consult your financial advisor or mutual fund distributor before investing**

## PRODUCT LABELLING

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

- **Returns that commensurate with performance of Nifty Bank Total Return Index, subject to tracking error over long term.**
- **Investments in equity securities covered by Nifty Bank Total Return Index**

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



**Statutory Details:**

Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

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An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.