Press Release

NSE India ETF Conference 2018

Debt, Equity ETF AUMs witness 10 fold jump in 3 years to INR 89,515 crore as October 31, 2018
Nifty Indices command 76% market share in ETF AUM

Mumbai, December 03, 2018: National Stock Exchange of India Limited (NSE) India's leading stock exchange, today organized the 'India ETF Conference 2018' in Mumbai. The objective of this conference is to bring together various stake holders from the ETF space, including domestic & international experts, to exchange thoughts and help facilitate growth of the Indian ETF industry.

Shri Atanu Chakraborty, Secretary, DIPAM, Government of India, in his keynote address said, ''We appreciate NSE's efforts in creating awareness about ETFs. With such efforts, retail investors' participation in ETFs is expected to rise further. ETF route shall now be increasingly used by various stake-holders including by the government to continue monetising their holdings in Public Sector Enterprises and also by PSUs to raise debt in a more cost-effective manner.''

Speaking on the occasion, Mr. Vikram Limaye, MD & CEO, NSE said, "NSE is positive on the growth prospects of ETFs in India and is closely working with all stakeholders to further develop ETF market in India. ETF is a low cost investment product and provides easy diversification. We believe that education and awareness amongst retail investors about these benefits of investing through ETFs will increase their participation in this product. NSE has organized more than 2,500 Investor awareness programs for retail investors across different cities through-out the year. Many such programs were organized in association with the capital markets regulator SEBI."

"Likewise, availability of relevant market representative indices plays a pivotal role in furthering ETF growth. It has been our endeavor to develop innovative indices representing various investment strategies covering multiple asset classes. NIFTY indices are the most preferred benchmarks for ETFs in India. Government's initiative to use ETFs for disinvestment and EPFO's investment in equity through ETFs have been the key enablers for the growth of this low cost investment product in the country. We expect the Indian ETF asset size to grow multi-fold over the next few years and cross INR 1 Lakh cr before December 2018 end'' Mr Limaye said.

The First ETF in India was launched in December 2001 which was benchmarked to the NIFTY 50 index, India's flagship index. From there, ETF market in the country has witnessed a strong growth trajectory both in terms of total AUM and number of ETFs. The Asset under Management (AUM) of Domestic Equity & Debt ETFs has grown at a stellar rate of ~28% per annum over the last 11 years. Over the same period, number of Debt and Equity ETFs have increased 10x from 6 to 60. Growth post 2014 has been extra-ordinary where the AUM has grown 19x. In Oct 2018, equity and debt ETF AUM in India was INR 89,515 crs - a staggering 62% growth from September 2017 when it was INR 55,166 crs and a 10x growth from September 2015 when it was INR 8,920 cr. Global ETF AUM has grown at a rate of 19% per annum between 2009–2017 crossing USD 5 trillion recently.

In the domestic ETF space, NIFTY Indices have 76% market share in AUM of equity and debt ETFs. As on October 31, 2018, there are 43 ETFs based on 17 NIFTY Indices with an overall AUM of INR 68,409 cr. Of these, NIFTY 50 is the most popular index with total ETF AUM of INR Rs. 51,703 cr. Further, as of November 30, 2018, 10 ETFs linked to NIFTY indices are listed on 17 global exchanges across 15 countries including USA, UK, Europe, Hong Kong, Taiwan, Japan, South Korea, Singapore etc.

Mr. Atanu Chakraborty, Secretary, Department of Investment and Public Asset Management (DIPAM) was the key-note speaker for the conference. Other dignitaries who were present on this occasion included Mr Abdel Bizid, Head of iShares Product, Platform and Markets, Asia Pacific; Mr Matthieu Guignard, Global head of product development and capital markets, Amundi; and various other industry leaders and practitioners.

There were two panel discussions during the conference – the first one focused on "Indian ETF industry: Growth Trajectory, Challenges and Way Forward". The second panel emphasized on "Smart Beta ETFs: Global landscape and growth potential in India".

About National Stock Exchange of India Limited (NSE):

The National Stock Exchange of India Ltd. (NSE) is the leading stock exchange in India and the second largest in the world by nos. of trades in equity shares from January to June 2018, according to World Federation of Exchanges (WFE) report. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully-integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

For more information, please visit: www.nseindia.com

About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. NIFTY equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on NIFTY indices have been developed within India and abroad. These include index based derivatives traded on NSE, NSE IFSC, Singapore Exchange Ltd. (SGX) and Taiwan Futures Exchange (TAIFEX) and a number of index funds and exchange traded funds. The flagship 'NIFTY 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

Disclaimer: National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 28, 2016 ("DRHP") with Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of SEBI as well as on website of the Managers, Citigroup Global Markets India Private Limited at http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, JM Financial Institutional Securities Limited at www.jmfl.com, Kotak Mahindra Capital Company Limited at http://www.investmentbank.kotak.com, Morgan Stanley India Company Private Limited at http://www.morganstanley.com/about-us/global-offices/india/, HDFC Bank Limited at www.hdfcbank.com, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at www.iiflcap.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" beginning on page 19 of the DRHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

For any clarifications please contact:

Kumar Kartikey
Senior Manager, Corporate Communication
Mobile: +91-9819549984
Email id: kumark@nse.co.in