

# WEALTHINSIGHT

Connect to Wealth Through Intelligence

## 2020 Foresight: Non-Resident Indians

[www.wealthinsight.com](http://www.wealthinsight.com)

## About WealthInsight

The WealthInsight Intelligence Center Database is an unparalleled resource, and the leading database of its kind. Compiled and curated by a team of expert research specialists, the database comprises dossiers on over 60,000 HNWIs from around the world.

The Intelligence Center also includes tracking of wealth and liquidity events as they happen, and detailed profiles of major private banks, wealth managers and family offices in each market.

With the Database as the foundation for its research and analysis, WealthInsight is able to obtain an unsurpassed level of granularity, insight and authority on the HNW and wealth management universe in each of the countries and regions it covers.

### Contact:

#### [Ouliana Vlasova]

Head of Content, WealthInsight

Ouliana.Vlasova@wealthinsight.com

+44 (0)20 7406 6711

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# 1 Introduction

## 1.1 What is this report about?

This report focuses on the Indian diaspora, which is the largest among non-resident South Asians. The report examines non-resident Indians' investment attitudes and behavior, sources of wealth and demographics. The report provides extensive analysis on the key growth drivers of the wealth management market for non-resident Indians, along with key market trends and growth opportunities.

The report analyses non-resident Indians' investment trends and drivers, and the marketing and growth strategies adopted by various banks and wealth management service providers to increase their shares in the non-resident Indian wealth management sector.

The report includes market and forecast data for non-resident Indians from WealthInsight's proprietary wealth model. The review period is 2008–2012 and the forecast period is 2013–2017.

## 1.2 Definitions

'Indian diaspora' is a term used to classify people who have emigrated from India, including both non-resident Indians (NRIs) and persons of Indian origin (PIOs).

The term high net worth individuals (HNWIs) refers to individuals with wealth of US\$1 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.

The ultra-high net worth individuals (UHNWIs) wealth group comprises the billionaire, centimillionaire and affluent millionaire wealth bands. It represents those individuals with wealth of US\$30 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.

Investable assets include all assets except business interests, whereas 'liquid assets' are defined as all assets that can be cashed in immediately.

Wealth management is defined as the provision of banking services to wealthy individuals and their families. It generally involves the management of trusts and inheritance, and the allocation of client funds.

A private bank is defined as a division of a banking group that provides wealth management services.

A wealth manager is defined as a specialist wealth management service provider.

A family office is defined as a wealth management company that focuses on a single HNWI or a small group of selected HNWI clients.

## 2 Executive Summary

As of May 2012, the population of overseas Indians, including NRIs and PIOs, stood at around XX.X million, with the population of NRI millionaires reaching approximately XXX,XXX in 2012. The US accounted for the largest proportion of NRI millionaires, followed by the UK, the UAE, Canada, Hong Kong, Singapore and Indonesia. The value of the worldwide wealth management market for NRI millionaires valued US\$XXX billion in 2012. This value is expected to increase from US\$XXX billion in 2013 to US\$X.XXX trillion in 2017, at a CAGR of XX.XX% over the forecast period (2013–2017).

### **Gulf countries accounted for the largest share in remittances sent to India**

The value of inward NRI remittances increased from US\$XX billion in 2008 to US\$XX.X billion in 2012, registering a CAGR of X.X% during the review period (2008–2012). Gulf countries held the largest share (XX.X%) in sending remittances to India, followed by the US (XX.X%). The rising incomes of migrants in Gulf countries due to rising oil prices are the main reason behind the increasing inward remittance from Gulf Cooperation Council (GCC) countries.

### **Strong economic growth was the key driver for NRI investment in India during the review period**

India's strong economic growth was the key driver for the increasing investment of wealth by overseas Indians in India. Backed by the increased investment and consumption, India's GDP recorded a review-period CAGR of X.XX% to reach a value of US\$X.XX trillion in 2012. Furthermore, the Indian government has undertaken several initiatives to stimulate the country's overall economic growth, which included infrastructure development, reforms in the country's power generation industry, and investment in strengthening the country's telecommunications and internet networks. A suitable investment environment and strong economic growth made the country a preferred destination for NRI investment during the review period.

### **Depreciation of Indian Rupee against US dollar expected to increase investment from NRIs**

The steady depreciation of the rupee against the US dollar is expected to encourage NRIs to invest in India. The value of the rupee against the US dollar depreciated from INRXX.XX in January 2012 to INRXX.XX in July 2013. This has created an opportunity for NRI investors who want to invest and remit funds to India. The key sectors NRIs are expected to increase their investments in include realty and healthcare.

### **Indian banks showing keen interest in NRI wealth management**

Although the NRI wealth management sector is currently dominated by foreign banks such as Citibank and HSBC, Indian banks such as ICICI, HDFC and SBI are gradually showing an increased interest in the market. Indian banks are also expanding their presence overseas in an attempt to take advantage of the growing NRI market. This increase in competition is expected to help serve the varying demands of the NRI population, and increase market penetration.

**Indian government proactively formulating policies to encourage NRI investments**

The Indian government has undertaken several initiatives to encourage NRIs to invest in India. It has formulated a proactive FDI policy which allows 100% foreign ownership in a large number of industries, and majority ownership in all industries except banks, insurance companies and airlines. The government has also created The Ministry of Overseas Indian Affairs (MOIA), dedicated to Indian nationals settled abroad. The MOIA is tasked with forming partnerships with overseas Indian investors to encourage them to invest in India, and offers a wide range of services to this group, including diaspora, financial, emigration and management services. The ministry also seeks to ease the process of overseas Indians to carry out business in India, including the provision of appropriate advisory services through knowledge partners, and helping to form partnerships between Indian companies and overseas Indian businesses.



### 3 About WealthInsight

WealthInsight provides detailed data and insightful analysis on the world's HNWI and wealth sector. With decades of experience providing business information, WealthInsight helps organizations to make informed decisions and win new business.

At WealthInsight's core is its proprietary HNWI Database of the world's wealthiest individuals. Around this database WealthInsight has built a number of valuable research-based products and services that make WealthInsight much more than just a rich contact list.

WealthInsight works with and provides solutions for:

- Wealth managers
- Private banks
- Family offices
- Technology providers
- Professional services – consultants, accountants, lawyers and real estate professionals
- Fund managers, hedge fund managers, asset managers, venture capitalists
- Non-profit and educational institutions

WealthInsight's corporate headquarters are located in London, with offices in New York, San Francisco, Sydney, Seoul and Hong Kong.

For more information on WealthInsight please visit [www.wealthinsight.com](http://www.wealthinsight.com)

#### Reports

WealthInsight publishes high-quality research reports focused on the wealth sector. The reports provide comprehensive analysis of countries, regions and special topics.

With the HNWI Database as the foundation for its primary research and analysis, WealthInsight is able to obtain an unsurpassed level of granularity, insight and authority on the HNWI universe in each of the countries and regions covered.

All reports are available as a part of the WealthInsight Intelligence Centre. Reports can also be purchased on a subscription or one-off basis.

Every WealthInsight report is uniquely formulated for the region, country or topic covered. Key features of the reports include:

- Market sizing
- Forecasting
- Benchmarking
- HNWI asset allocation
- Behavioral mapping
- Family offices

**Methodology**

WealthInsight's teams of in-house analysts devise and collect data over a historical period of five years, and develop forecasts for a five-year forecast period. All WealthInsight wealth reports are rigorously sourced and created according to a comprehensive methodological process:

**Internal audit**

- Review of in-house databases to gather existing data:
  - Historic market databases and reports
  - HNW Database
  - Wealth management, private bank and family office database
  - Financial deals and news archive

**Secondary research**

- Collection of the latest market-specific data from a wide variety of industry sources:
  - Government statistics
  - Industry associations
  - Company filings
  - Broker reports
  - International organizations

**Primary research**

- Review of the latest wealth management and private banking industry trends
- Surveys using panels compiled from across the wealth sector:
  - Wealth management and private banking professionals
  - Financial services experts
  - HNWIs

**Expert opinion**

- Collation of opinion taken from WealthInsight interviews of leading industry experts
- Analysis of third-party opinion and forecasts:
  - Broker reports
  - Industry associations
  - Wealth management and private banking media
  - Official government sources
  - Leading academic research and commentary

**Data consolidation and verification**

- Consolidation of data and opinion to create historical datasets
- Creation of models to benchmark data across sectors, asset classes and geographies

**Market forecasts**

- Feed of forecast data into market models:
  - Macroeconomic indicators
  - Industry-specific drivers
- Analysis of the WealthInsight HNWI Database and Wealth sector company databases to identify key trends:
  - Latest wealth trends
  - Key drivers of the wealth management industry

**Report writing**

- Analysis of market data
- Discussion of company and industry trends and issues
- Integration of survey results
- Annual review of financial deals and wealth management trends
- Standardization of market definitions using recognized industry classifications

**Quality control**

- Peer review
- Senior-level QC
- Random spot checks on data integrity
- Benchmark checks across databases
- Market data cross-checked for consistency with accumulated data from:
  - Internal databases
  - Company filings

**Contributors to this report:**

**[Ouliana Vlasova]**

Head of Content, WealthInsight

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The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that WealthInsight delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such WealthInsight can accept no liability whatever for actions taken based on any information provided herein.

## CONTACT US

### HEAD OFFICE

John Carpenter House  
7 Carmelite Street  
London  
EC4Y 0BS  
UK

Telephone: +44 20 7936 6400  
Email: [info@wealthinsight.com](mailto:info@wealthinsight.com)

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To gain access to WealthInsight's suite of research products and bespoke services, contact our subscription team.

Tel: +44 20 7936 6400  
Email: [sales@wealthinsight.com](mailto:sales@wealthinsight.com)

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