

# Avendus Wealth Management's CEO on Refining and Enhancing the Private Banking Model

Nitin Singh, Managing Director & CEO of India's Avendus Wealth Management, took the reins of the business in February 2020, just before the world went into Covid-19 meltdown. Clearly, that was not the easiest time to become the CEO of any business, big or small, but he reports that his teams have pulled together admirably to help keep driving the business forward, maintaining and enhancing their focus on client-centricity, and further refining and building out the proposition. Avendus is today a prominent and diversified financial services group in India; founded more than two decades ago, and since 2015 invested in by US-based private equity giant KKR and another private equity firm. It has since then powered into being amongst the top five wealth management firms in India for its preferred HNW and UHNW clientele, and Nitin has his sight set on being amongst the top three in those segments. We 'met' again with Nitin earlier this year to hear his updates on how the group is forging its private banking model centred on the upper tier of HNW and UHNW investors and how he and colleagues are increasingly leveraging the firm's extensive investment banking, lending and asset management capabilities to expand relationships and boost revenues through cross-fertilisation. On a personal level, he acknowledges that since he took the reins at the firm, the phase has been both an immensely challenging and also hugely rewarding in his career and his personal life, a phase that he says has inspired him as to the fortitude of the human spirit.

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## Avendus Wealth Management

(AWM) - the private banking arm of the larger Avendus Group, currently under Nitin's leadership, was launched in 2010, roughly a decade after the first business of the firm, investment banking, was founded. AWM, in its first 10 years, reached critical mass and especially in the last two years has become the second largest business in the wider Avendus Group. And Nitin reports that the mission is now to scale up the client offering and further boost brand prominence to be amongst the Top 3 players in their target segment.

intently on clients who have at least USD5 to USD10 million to invest, right up to UHNWIs with USD30 million investible wealth, and then all the way up. We also cater to family offices with upwards of USD100 million to invest." In fact, he reports that AWM has built a client base of ~ 1500 UHNW and UUHNW individuals, half of whom have more than USD100 million to invest.

He explains that the wealth management business is already comfortably within the top five in India and that the mission is to become one of the top three trusted advisors within the

well as a strong asset management operation and a significant lender, providing clients with loans centred on structured credit, buyout finance, and Lombard lending for the wealth segment.

"All these elements give us great access to numerous business owners and entrepreneurs across India, especially in new industries where so much wealth creation has been happening," he reports. "The IB focus is very much on growth segments such as digital technology, consumer, healthcare, electric vehicles, warehousing and other new business spaces. In asset management, we are also one of the pioneers of the hedge fund business in India, and we run the largest hedge fund in the country today, as well as being a major player in the late-stage private equity as well as structured finance where we run dedicated funds leveraging on Avendus' in-house expertise and access to exciting deals."

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## A full-service wealth platform

"We are a full-service wealth management platform, with products and advisory services across all asset classes, family office services, and lending capabilities; in short, we offer everything that you expect out of a private bank," Nitin reports. He adds that AWM is part of the Avendus Group that has enjoyed a major rise in prominence in the last two decades, and that is genuinely international in perspective, with global private equity giant KKR as majority shareholder since 2015.

"We do not compete in the mass affluent segment, instead focusing

country in the HNWI and UHNWI segments. He further notes that 2020 was a challenging yet rewarding year for the business. "The last year was a reboot year for us and we used this time team to dig deeper into our capabilities, assess gaps, and reset our business, keeping in mind the evolving needs and future expectations of our clients."

## Leveraging the powerful IB platform

He adds that aside from the private banking operation, the Avendus Group has a major investment banking presence - in fact, Nitin reports the firm is today the market leaders in IB in India - as

## Avendus pulls together

He also clarifies that Avendus pulls all its businesses together in the **"One Avendus"** proposition to better serve its clients. "Across all our businesses, our key effort is really to focus intently on entrepreneurs and take care of their entire lifecycle needs," he explains. "It became really important to us to look at a customer as one franchise, to help deliver leads internally from one business to another. We have roughly delivered about 50 introductions to the investment banking business over the course of the past year, and a similar number of referrals were received from them. As a result, clients increasingly see us in a whole new light."





**NITIN SINGH**  
Avendus

## AWM – punching its full weight

Nitin expands on the efforts he and his colleagues have made since he arrived. “We knew from the outset that although wealth management was more than 10 years old at Avendus, it had not really punched its full weight,” he explains. “It was still a niche business and had clearly not utilised the strength of brand Avendus or of KKR. I came in to power up the business, and the mission was to forge ever-closer and stronger ties as a trusted advisor for the upper HNW and UHNW segments, really focusing on delivering curated and quality solutions for them.”

He reports that the team has focused on several growth levers over the last year to lay a strong foundation for the times ahead. “When I arrived, the first mission really was to clean up shop, seeing the crisis as an opportunity to really look at our value proposition, what were we delivering, and what changes we had to make,” he elaborates.

“We have built a deep expertise in private assets and private

markets in the past several years and last year our market leading alternatives portfolio continued to scale new heights. In line with our goal to continue to be the leader in the alternatives space, we extensively curated and brought to the market several high quality and innovative deals in the private space, leading to the team raising somewhere near USD500 million, despite the pandemic and far more than in the five previous years. We have a healthy pipeline and are well on our way to meet the USD1 billion number.”

Another area where AWM has expanded its prominence is the firm’s investment solutions and

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advisory. Advisory in India has only been around for the last two years and is rapidly evolving amid changing regulations and customer preferences. “We managed to fully revamp & clean up our advisory offering during the year as we moved to the Non-Discretionary Portfolio management solutions (NDPMS) model. We have 45% of our AUM in this model, growing at about 150% Y-o-Y. We also reoriented our public market offering, focussing on best in class differentiated products and high-quality managers. We are seeing good initial traction.”

Another sphere of development was to scale up the family office, and the direct equity capabilities, with senior-level appointments

across those areas. “We have really made progress in these segments and are witnessing increased customer engagement around these offerings.”

AWM also launched their new growth lever of the wealth lending business which has produced vigorous growth. “Our new Lending proposition has seen an immediate uptake by clients as we help them meet their liquidity needs by crafting unique customised solutions, given our deep understanding in the listed and unlisted space. In a short span, we have already disbursed several loans to our key wealth customers.”

Nitin also notes that in a business that is often relationship driven, Covid-19 largely put a halt to in person meetings. “Despite the challenging times and near zero face to face time with our clients, we were able to add 450 families as our clients since 2020, while our existing families also saw their portfolios grow with us.”

He shares how client engagement has been at the heart of their endeavours, especially during Covid -19. “Effective, consistent communication is the bedrock of the advisor client relationship and with this strong belief we handheld every client through the volatility of last year. We also organised various knowledge webinars on relevant topics with leading





industry and our in-house subject matter experts.”

### Powering through the gears

Nitin reports that the wealth management industry is one of the few industries which had not only emerged through the pandemic relatively unscathed, but that has also seized the opportunity to grow, and in the case of AWM, exponentially, he says.

“We are seeing several trends emerge,” Nitin explains. “One is the rapid financialisation of savings, and another is the massive adoption of digital. At the same time, there has been a dramatic increase in interest, amongst our clients, in private assets, especially digital assets. Moreover, risk capacity has risen markedly since the worst moments of 2020 and continues to rise, including a shift within fixed income to higher yield assets, and from debt to equity, and within equity to greater diversification of holdings. It all comes together as part of the drive to enhance asset allocation and thereby returns for investors and activity levels for AWM.”

### Clients – increasingly demanding, and rightly so

Another fascinating development has been the rapid rise in both the sophistication and expectation of the client base, from their wealth management providers. “The clients want and demand value from us; they expect good advice, they might be entrepreneurs who have cashed out tens of millions from their start-ups, and they expect insights, a highly sophisticated approach, and they need to see that we offer genuine value-add.”

The result, he reports, is that the RMs and advisors really need to up their game. “The firm and our RMs together need to deliver the best ideas, concepts, superior products, approaches and outcomes,” he reports. “The RMs need to be multi-dimensional in approach across asset classes and across public and private markets. They need to be imaginative and innovative. In short, they need genuine talent and expertise to succeed with our increasingly sophisticated and discerning clientele.”

### Elevating the offering

And as a result, Nitin has since arrival been helping drive the Avendus Wealth Management proposition to a different level, nurturing team members and refining the product and advisory suite to suit the market’s evolution and stay ahead of the pack.

“The smaller, niche or boutique category of players are falling by the wayside, as clients are drawn to providers that can offer the combination of the best product, platform, processes and details,” he reports. “To offer those qualities and services at optimal levels, you need to be a significant and multi-faceted player across multiple disciplines. And that is what Avendus is all about.”

### Working ever closer with the bespoke client base

Nitin reports that the firm’s wealth management client base today comprises of ~ 1500 families, with roughly half of those controlling wealth of more than USD100 million each. “UHNI/HNI families all have different needs and circumstances and both family aspirations, as well as business goals need to be taken care of



while advising them". "Amongst these clients, we have seen that people have been increasingly focusing on the quality of life over the course of the last six to 12 months, because the affluent elite have ambitions that are not limited by geography, so we have also seen a significant rise in demand for alternative residency options," he reports. "Secondly, people have focused on how they can manage their international businesses from different locations. And at the same time, and linked to these two trends, a third trend has been towards greater offshore asset diversification, which is a good move for them given the performance of global markets in the past year-plus since the unfavourable conditions of 2020."

### Auto self-disruption – a fascinating trend

The fourth key trend, he reports, is the self-induced disruption by businesses in traditional segments of the economy in order to protect their business models.

"We hear more and more from traditional industries and owners that want to invest in enterprises that tie in with their core business, thereby creating an ecosystem that effectively disrupts them before other upstart disruptors do that from outside. This is done both through investing in funds that focus on consumer sectors and by making strategic investments/co-investments in select firm," he says. "It is a smart self-protection mechanism that we are seeing play out, and I can confirm this phenomenon of embracing imaginative new ways to ensure growth and potential of existing, traditional enterprises, for example, from many discussions with such owners."

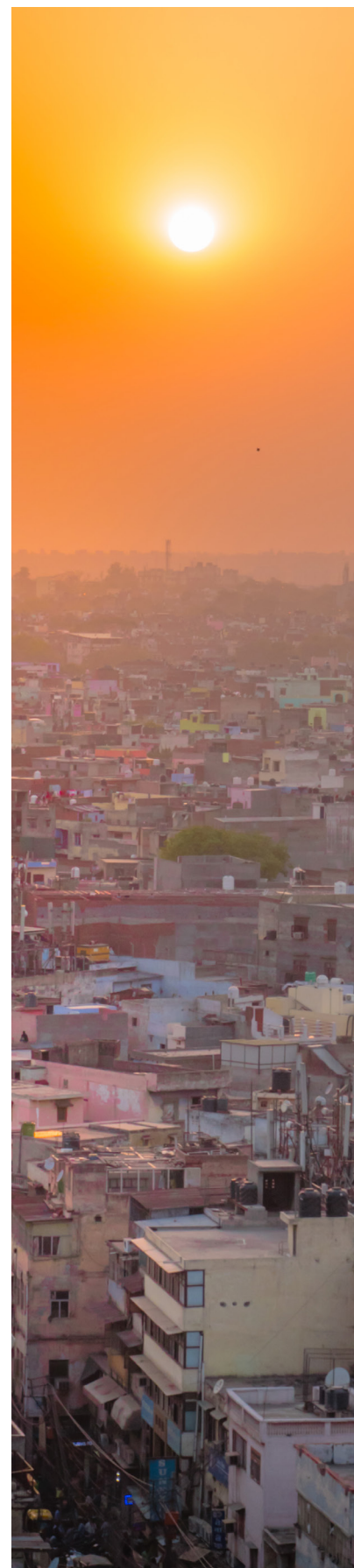
He notes that as a whole array of business and operational costs had been pared back in many of these companies since Covid-19 impacted the planet, they have been generating surplus cash, which is now going into both this expansionary, forward-focused auto self-disruption, and also in the form of remuneration to owners that is often then recycled into market investments across a wide array of assets.

### Applying both expertise and experience

Nitin joined Aventus in February, shortly before the world was turned upside down by the pandemic. He had enjoyed a 20-year career beforehand in wealth management, many of those years with Standard Chartered and HSBC Private Bank in London and in India. His last role before taking the helm at Aventus was as Managing Director & Head of the India Wealth Management business at Standard Chartered Bank. Prior to that, he was global head of fund selection for HSBC Private Bank, based in historic St. James, London, during which time he was almost weekly travelling to Switzerland as part of the job.

He reports that he had enjoyed both a challenging but also a fascinating and rewarding time since joining Aventus. "It has been inspiring in many ways, leveraging my experience and skills in this new role, rising to the challenges with my team, driving through changes that have helped us really reap the fruits of these efforts," he says. "It has been far from easy, but the results are really showing through."

He shares proudly that the efforts put in by the team received





validation from the industry and the peers; the firm was adjudged the **Best Independent Wealth Manager – India Domestic 2020** by **Asian Private Banker** and was also ranked amongst the **Top 2** in most categories in the **Euromoney Private Banking Survey 2021**. Most recently it was Highly Commended as the **Best Private Bank for UHNWIs at The Asset Triple A Private Capital Awards 2021**. “These accolades reflect our commitment, focus and perseverance over the years to build a strong wealth platform for delivering superior outcomes.”

### Boosting the talent pool, driving AUM growth

Nitin reports that the last piece of the jigsaw has been to boost the talent pool, organically and through new hires. “Upskilling my sales, advisory and product talent has resulted in delivery of sustainable AU and better revenue, which then translates to more money for our teams and greater satisfaction and longevity,” he says. “Since 2020, our team of 40 seasoned RMs is delivering best in class market productivity in terms of AUM and revenue.

The result, he reports, is that he believes AWM is the fastest growing wealth management firm in India, with AUM surging more than 60% in the year to the equivalent of more than USD5 billion, and revenues leaping up 2.5 times. Nitin continues to be on the lookout for high quality and experienced talent to scale the platform and make it India’s best.

### Challenging the status quo from within

He draws the conversation towards a close by focusing on

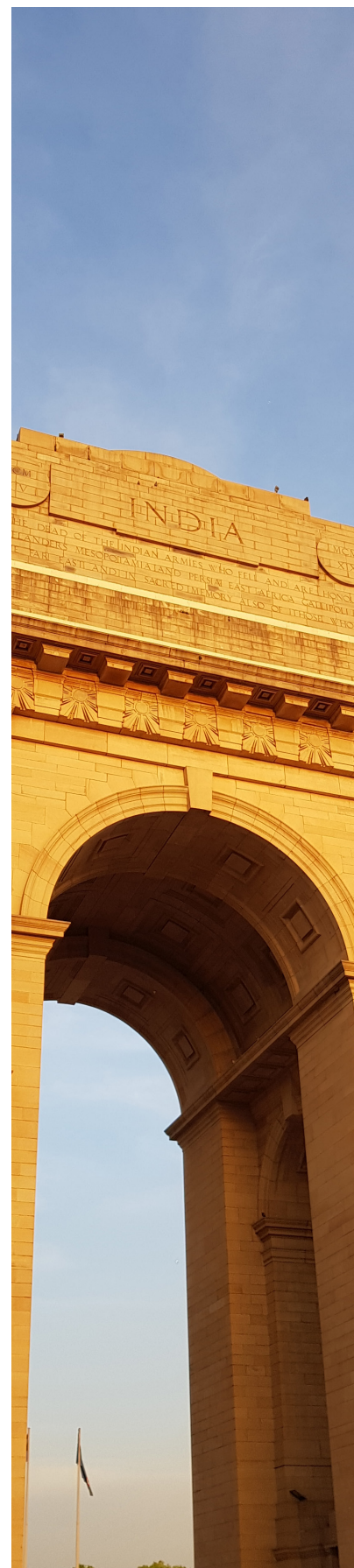
technology, which he observes is central to the future proposition, and to the firm’s own auto-disruption to protect against future competition.

“Technology is definitely set to be the next big disruption in this industry, with more and more tech driven processes & outputs coming into play. In the coming months, we launch a cutting-edge technology and operations stack that will really elevate the client experience, make user journeys seamless and truly improve our RM’s ability to serve clients,” he reports, enthusiastically.

“This will cover everything from back-office operations to digital onboarding, performance and portfolio analytics, to how we look at the client interface, how we warehouse our data, build management dashboards, and create a digital interface to external stakeholders during the year. In short, we are ourselves disrupting, boosting capabilities and enhancing expertise from a digital perspective to really take both customer experience as well as sales productivity to a different level.”

He further reports, “We now also work with the UK based firm Bridgeweave, which is helping us use artificial intelligence and machine learning to boost our investment knowledge and curate opportunities with Big Data, turbo-charging our expertise.”

In an expansionary move, Nitin has his eyes set on the offshore markets as well. “We are building an offshore platform to work with family offices, UHNWIs, multi-family offices in the US, Asia and Middle East,” he reports. “We will be delivering digital access to private equity funds and deals





in India. It is very exciting. And alongside that effort, we will be offering more new fund solutions in the next six months. We will also use this platform to give our Indian customers international diversification, which is in great demand right now."

Lastly, he shares "The Wealth Management space in India is at the cusp of change and as a firm we have put in all the ingredients of change together – product, people, technology and the might

of the Avendus franchise. It's going to be only upwards and onwards from here."

### The spirit to endure

His parting comment is somewhat more personal. "This has been an immensely challenging time for the world, for India and for people everywhere," he says. "For me, it has also come at a time of great challenge and excitement in my career, taking the reins of Avendus Wealth. On a personal

level, it has been a blessing to spend more time with the family since lockdown. My son is almost nine, and although maybe he sees it differently, from my perspective, it has been incredibly rewarding to spend so much time with him. And from a broader family and social perspective, we have all faced and overcome our own struggles – including sudden deaths in the family - and our collective strength and mutual support have inspired me as to the true resilience of the human spirit." ■

