

Motilal Oswal Financial Services Limited  
CIN : L67190MH2005PLC153397  
Reqd. Office: Motilal Oswal Tower,  
Rahimtullah Sayani Road, Opp. Parel SI Depot,  
Prabhadevi, Mumbai – 400025.  
Board: +91 22 7193 4200  
Fax: +91 22 5036 2365

May 11, 2019

BSE Limited  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai - 400001  
Security Code: 532892

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400051  
Symbol: MOTILALOS

**Sub: Investor(s)/Analyst(s) Presentation - Financial Performance for FY 2018-19**

Dear Sir/Madam,

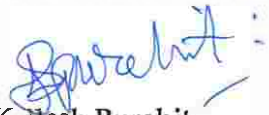
This is with reference to our earlier letter dated May 2, 2019 regarding Earnings Conference Call with Institutional Investor(s)/Analyst(s) for discussing FY2018-19 Financial Performance of the Company.

In this regard, please find enclosed herewith the Presentation to be made to Investor(s) /Analyst(s). Further, the said Presentation will be uploaded on the Company's website at [www.motilalgroup.com](http://www.motilalgroup.com).

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Motilal Oswal Financial Services Limited

  
Kallash Purohit  
Company Secretary & Compliance Officer

Encl.: As above

# **Motilal Oswal Financial Services Ltd**

## **Earnings Presentation | Q4FY19 & FY19**

**Businesses building scale**

**Annuity revenue driving visibility**

**All biz offer huge headroom for growth**



**Key Highlights**

**Financials**

**Businesses**

**Interesting Exhibits**



**Key Highlights**

Financials

Businesses

Interesting Exhibits

## Capital Markets

Broking business profits +18% YoY in FY19.

Distribution AUM stood at Rs 96 bn, +27% YoY.

Online platform gaining traction.

Share in high yielding cash segment remain stable.

Concluded 6 investment banking deals in FY19; deal pipeline remains robust.

## Asset Management

AMC AUM: Rs 389 bn, +9% YoY; EBITDA margin +700 bps to 40%. PAT +36% YoY.

Equity MF AUM share 2% in FY19; flow share 2.2% in FY19.

Strong growth in PE AUM (+36% YoY) Average IRR on exited PE investments: ~27%.

Wealth AUM: Rs 175 bn, +19% YoY in FY19.

Asset Management business profits +29% YoY in FY19 (ex-carry).

## Housing Finance

Strong improvement in collection efficiency

Zero delinquencies in new book generated in FY19.

Legacy loan book clean up will result into lower incremental credit cost

Provisioning including write offs stands at 70%

Name change to “Motilal Oswal Home Finance” to yield multiple benefits.

Disbursements are likely to pick up in coming quarters.

## Fund based Investments

Total quoted equity investment including MTM gains was Rs 14.4 bn as of FY19.

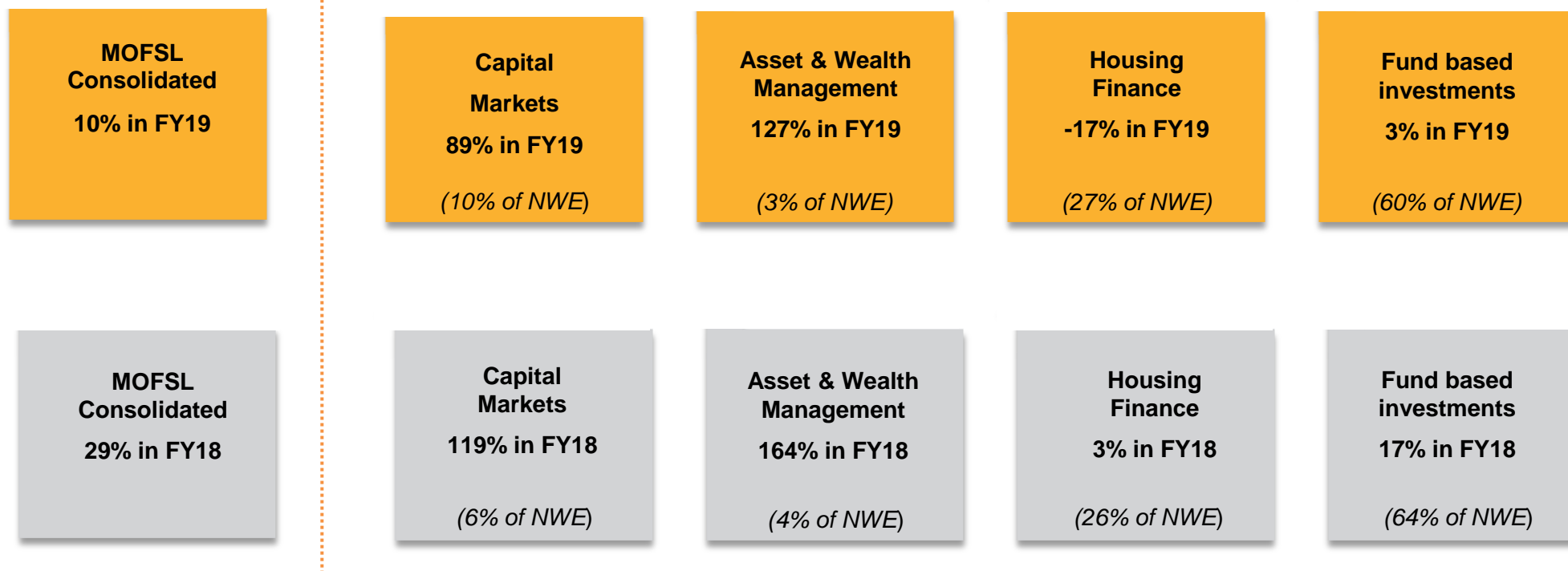
Cumulative XIRR of ~19% on quoted equity MF investments and ~27% on exited PE growth fund investments

Strong liquidity on Balance sheet with unutilised banking lines of Rs 13 bn. Net cash ex-Aspire Rs 3 bn.

FY19 dividend maintained at Rs 8.5 per share. Dividend payout up at ~50%.

## Group RoE

## Segment-wise RoE, with % of net worth employed (NWE)



### Notes:

- Fund based RoE was lower during the year on account of lower unrealised gains. However, cumulative XIRR of these investments is ~19%, which is the see-through RoE.
- Housing Finance ROE was lower on account of one-time higher credit costs.

# Awards and Accolades

MOFSL  
listed in top 20  
BFSI companies as a  
**Great Place to Work -  
India** three years in  
a row to work for

AHFCL wins the  
**"Digital Excellence in  
Urban Finance"**  
award at the Digital  
Customer Excellence  
Awards, 2019

AHFCL wins the  
**Customer Excellence  
Award** at the India  
CX Summit and  
Awards 2019

MOPWM wins  
**Best Boutique  
Wealth Manager India**  
at the Asset Triple A  
Awards 2018

MOFSL wins  
**"Best BFSI Campaign  
- Silver"** award at the  
Media 360 Summit  
and Awards 2018

MOFSL  
wins **Silver for  
Effectiveness in PR**  
at ACEF & netbiz,  
8<sup>th</sup> Global Customer  
Engagement Forum  
& Awards 2019

MOFSL wins  
**"Best Video Content  
in an ATL Campaign"**  
in BFSI Category at  
vIDEA 2019-Video  
Media Awards

MOFSL  
awarded as **Best  
Broking Business  
of the Year** at  
The Moneycontrol  
Wealth Creator  
Awards 2018



Key Highlights

**Financials**

Businesses

Interesting Exhibits



# Consolidated financials

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
Broking	2,809	3,199	-12%	2,701	4%	11,334	11,209	1%
Investment Banking	146	212	-31%	50	191%	381	1,116	-66%
Asset Management	1,396	1,605	-13%	1,368	2%	5,786	5,198	11%
Wealth Management	258	297	-13%	249	4%	1,088	981	11%
Private Equity (3)	356	216	65%	319	11%	1,104	1,656	-33%
Fund Based (1)	535	-845	163%	565	-5%	591	2,485	-76%
Housing Finance	1,612	1,660	-3%	1,545	4%	6,484	6,708	-3%
Total Revenues	7,112	6,344	12%	6,797	5%	26,769	29,354	-9%
Total Revenues after Intercompany adjustments	6,627	5,813	14%	6,304	5%	24,798	27,664	-10%
<b>Adjusted Revenues (2)</b>	<b>4,480</b>	<b>4,998</b>	<b>-10%</b>	<b>4,131</b>	<b>8%</b>	<b>17,634</b>	<b>17,364</b>	<b>2%</b>
EBITDA	3,347	1,691	98%	1,547	116%	9,367	14,091	-34%
PBT	1,976	214	824%	236	737%	3,959	8,432	-53%
Adjusted PAT-Ind-AS (2)	857	967	-11%	731	17%	3,579	3,294	9%
<b>Reported PAT as per Ind AS</b>	<b>1,465</b>	<b>139</b>	<b>955%</b>	<b>398</b>	<b>269%</b>	<b>2,943</b>	<b>6,222</b>	<b>-53%</b>

1. Fund based investments comprises of gains/loss on sponsor commitments and investments in Equity MFs, PE funds, Real estate funds, AIFs.

2. Adjusted revenues and PAT exclude Aspire Home Finance, fund based investments and lumpy share of profits on the exit of PE investments.

3. PE revenue include share of profit on exit of PE fund investments of Rs 88 mn in FY19 vs. Rs 1,107 mn in FY18

## Consolidated financials – PAT Mix after Ind-AS

PAT (Rs Mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
Broking	362	421	-14%	336	8%	1,734	1,436	21%
Investment Banking	55	149	-63%	-22	343%	81	595	-86%
<b>Capital Markets</b>	<b>417</b>	<b>570</b>	<b>-27%</b>	<b>314</b>	<b>33%</b>	<b>1,815</b>	<b>2,031</b>	<b>-11%</b>
Asset Management	344	317	9%	337	2%	1,476	1,103	34%
Private Equity	77	49	58%	102	-25%	301	808	-63%
Wealth Management	29	66	-56%	25	16%	140	213	-34%
<b>Asset &amp; Wealth</b>	<b>450</b>	<b>431</b>	<b>4%</b>	<b>464</b>	<b>-3%</b>	<b>1,917</b>	<b>2,124</b>	<b>-10%</b>
Fund Based	528	-609	-	563	-	612	2,025	-70%
Home Finance	81	-219	-	-947	-	-1,324	192	-
Adjusted PAT	857	967	-11%	731	17%	3,579	3,294	9%
<b>PAT after Intercompany adjustments</b>	<b>1,465</b>	<b>139</b>	<b>-</b>	<b>398</b>	<b>-</b>	<b>2,943</b>	<b>6,222</b>	<b>-</b>

### Notes:

1. Fund based profit excludes Other Comprehensive Income
2. Adjusted PAT excludes Aspire, fund Based and lumpy share of profits on the exit of PE investments
3. All PAT numbers are post minority.

## Consolidated financials – Opening PAT Reconciliation IGAAP to Ind-AS



Particulars (Rs mn)	Q4FY18	FY18
<b>Net profit after tax as reported under IGAAP</b>	<b>1,535</b>	<b>5,613</b>
<b>Adjustments increasing/(decreasing) net profit after tax as reported under IGAAP</b>		
Increase/(Decrease) in Interest income pursuant to application of effective interest rate method	-33	188
(Increase)/ Decrease in Borrowing cost pursuant to application of effective interest rate method	-325	-328
(Increase)/ Decrease in provision due to expected credit loss	142	-92
Gain/ (loss) on fair valuation of investments	-1,492	825
(Increase)/ Decrease in employee benefit expenses due to fair valuation of employee stock options	-32	32
Others	-1	0
Tax impact on above adjustments	344	-15
<b>Net profit after tax (before OCI) as per Ind-AS</b>	<b>139</b>	<b>6,222</b>
Other comprehensive income after tax	-122	1,112
<b>Total comprehensive income after minority as per Ind-AS</b>	<b>17</b>	<b>7335</b>

**Note:** OCI includes fair valuation on equity shares investments classified as fair value through OCI as per Ind-AS

# Consolidated balance sheet

<b>Particulars (Rs bn)</b>	<b>FY19</b>	<b>FY18</b>
<b>Sources of Funds</b>		
Networth	30.5	28.9
Loan Funds	51.1	51.2
Minority Interest	0.4	0.4
Deferred tax liability	1.3	1.5
<b>Total Liabilities</b>	<b>83.4</b>	<b>82.0</b>
<b>Application of Funds</b>		
Fixed assets (net block)	3.0	3.0
Investment	26.9	28.1
Long term loans and Advances	45.4	49.7
Net current assets	6.7	0.7
Deferred tax assets	1.4	0.6
<b>Total Assets</b>	<b>83.4</b>	<b>82.0</b>

**Notes :**

\* Loan Fund includes Borrowings of Aspire. Ex- Aspire borrowing is Rs 15 bn in Mar-19. Against this net borrowing, quoted investments are Rs 14 bn.

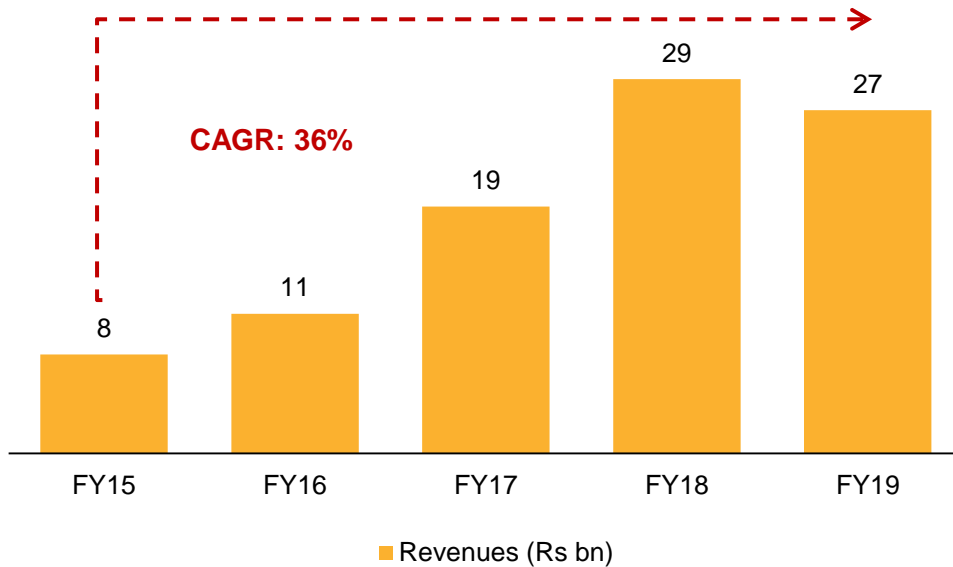
\*\* Long Term Loan & Advances includes loans given by Aspire Home Finance.

# Reconciliation of Net worth - IGAAP and Ind-AS

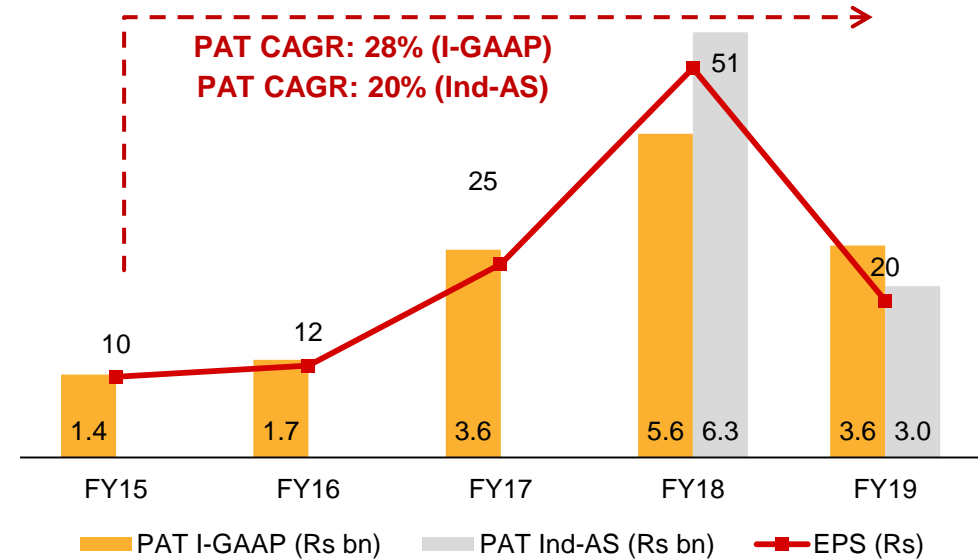
Particulars (Rs mn)	FY19	FY18
Net worth as per IGAAP	25,624	22,685
<b><u>Adjustments increasing/(decreasing) net profit after tax as reported under IGAAP</u></b>		
Gain/ (loss) on fair valuation of investments	6,675	7,496
Increase/(Decrease) in upfront (net) income pursuant to application of effective interest rate method	11	-303
(Increase)/ Decrease in provision due to expected credit loss	-722	-349
Others	-278	90
Tax impact on above adjustments	-739	-817
Deferred tax adjustments on account of Ind-AS	56	56
<b>Total Net worth impact</b>	<b>5,002</b>	<b>6,174</b>
<b>Net worth as per Ind-AS before minority interest</b>	<b>30,627</b>	<b>28,859</b>

# Financial performance

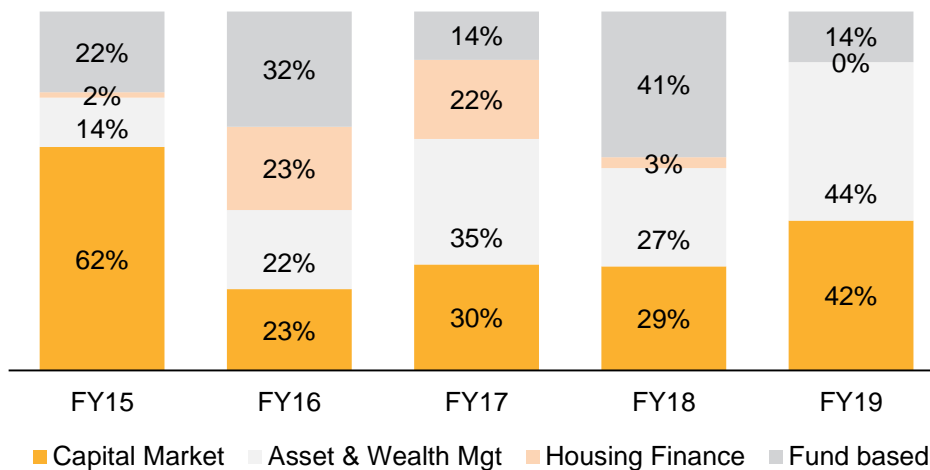
## Annual revenue trend



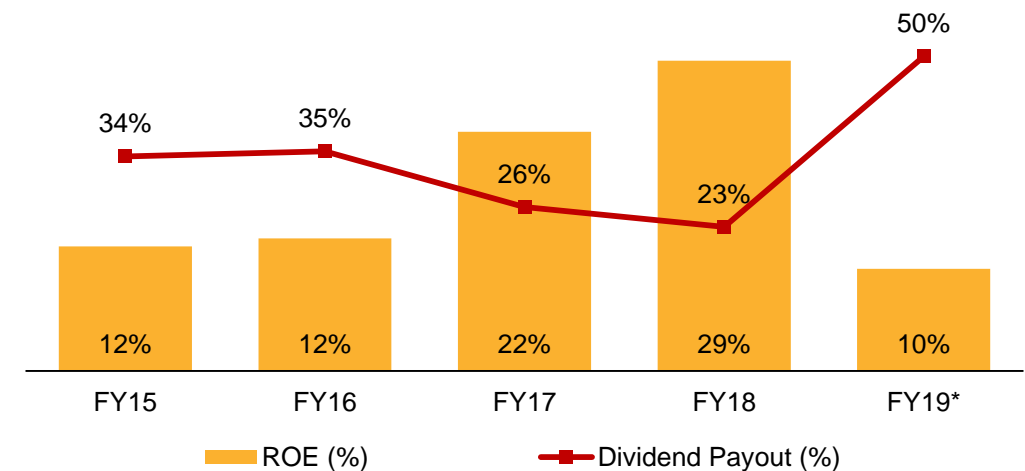
## Annual profitability trend



## Profitability mix



## RoE trend

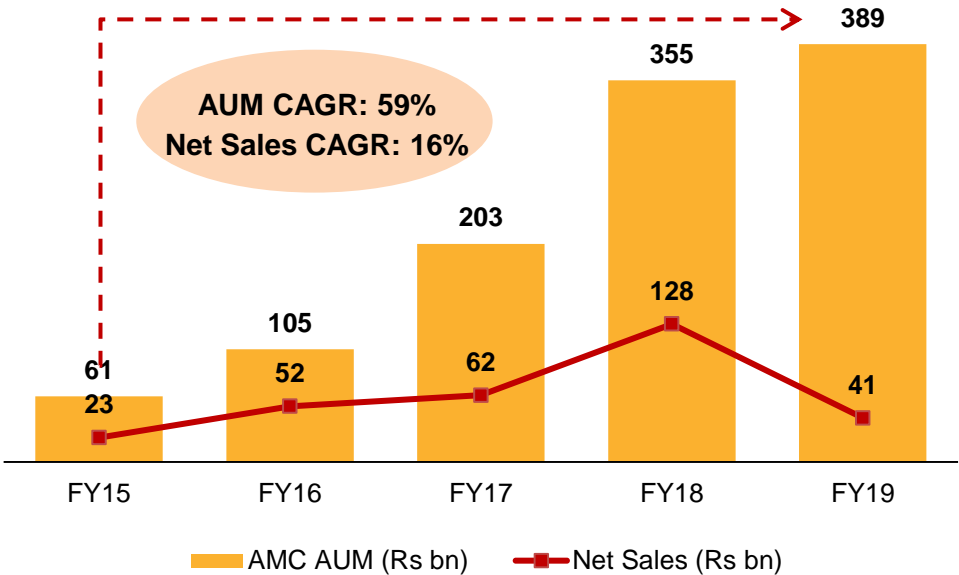


\*Dividend payout for FY19 calculated as per Ind-AS

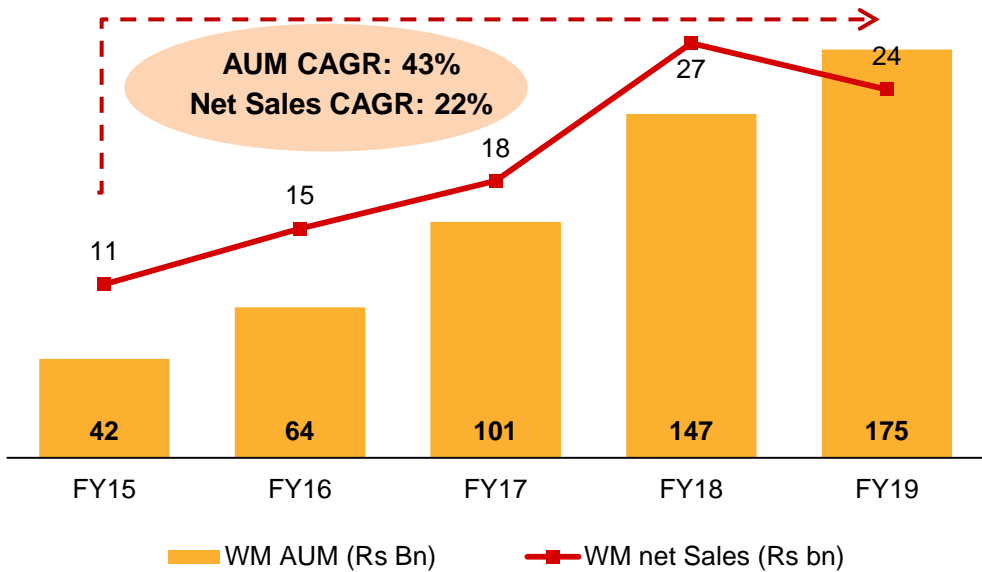
**Note:** Revenue, PAT and RoE are as per IGAAP from FY15 till FY17,

# Businesses building scale

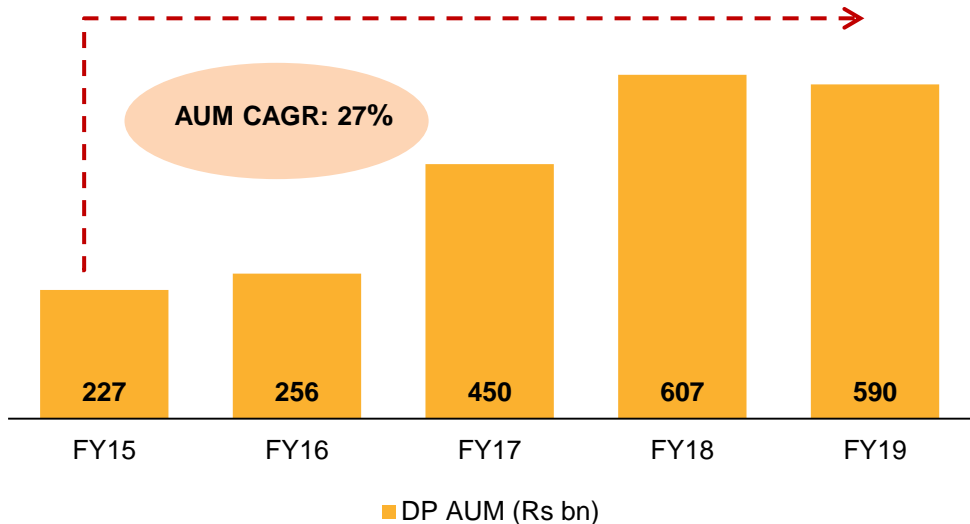
**AMC AUM and Net sales growth trend**



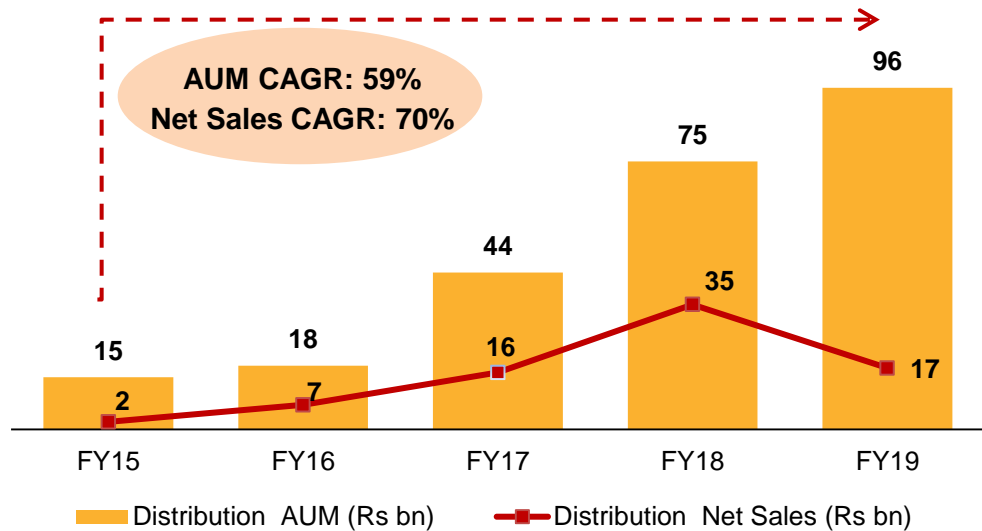
**Wealth AUM and Net sales growth trend**



**DP AUM growth trend**



**Distribution AUM and net sales growth trend**



## Broking & Distribution: Margins led by Distribution

- B&D profit for FY19 grew 18% YoY.
- Distribution AUM stood at Rs 96 bn, +27% YoY.
- Strong operating leverage with EBITDA margin of ~34% in FY19
- Share in high yielding cash segment is maintained.

## Wealth Management: Productivity to drive margins

- Revenues for FY19 grew 11% YoY to Rs 1.1 bn. Profit came in at Rs 140 mn.
- AUM grew 19% YoY to Rs 175 bn with net sales of Rs 24 bn in FY19
- Rise in RM productivity will aid margins, going forward

## Growth Drivers

## Asset Management: Strong operating leverage

- AMC revenue and profit for FY19 grew by 11% YoY and 36% YoY respectively.
- AMC AUM crossed Rs 389 bn, +9% YoY
- Equity MF AUM market share stood at 2% and Net Equity MF Flows market share stood at ~2.2% in FY19
- Operating leverage visible despite ongoing investment

## Housing Finance: Ample headroom for growth

- Zero delinquencies in new book generated in FY19.
- Strong improvement in collection efficiency
- Legacy loan book clean up done
- Loan book stood at Rs 43.6 bn
- Disbursements pick up visible

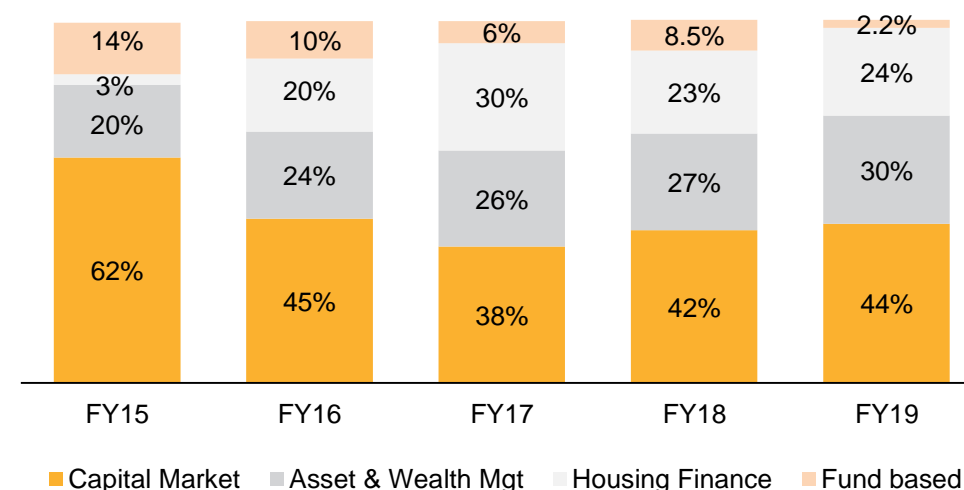
- **Adjusted revenue stood at Rs 17.6 bn up 2% YoY, whereas Adjusted PAT at Rs 3.6 bn up 9% YoY in FY19.**

- This revenue mix was contributed by the Capital Market business by 44%, Asset & Wealth Management business 30% and Housing finance 24%. Profit mix was contributed by Asset & Wealth Management 44% and Capital Markets business 42%. Asset and Wealth business was highest contributor to profit, ahead of capital market business for the first time

## Strong Balance Sheet

Strong liquidity, with ~Rs 14 bn as of Q4FY19 in near-liquid investments to fund future investments. Overall gearing remains conservative at 1.7x; ex-Aspire it is at 0.5x. Considering market value of investment and cash equivalents, effective gearing is zero.

## Diversified Revenue mix trend





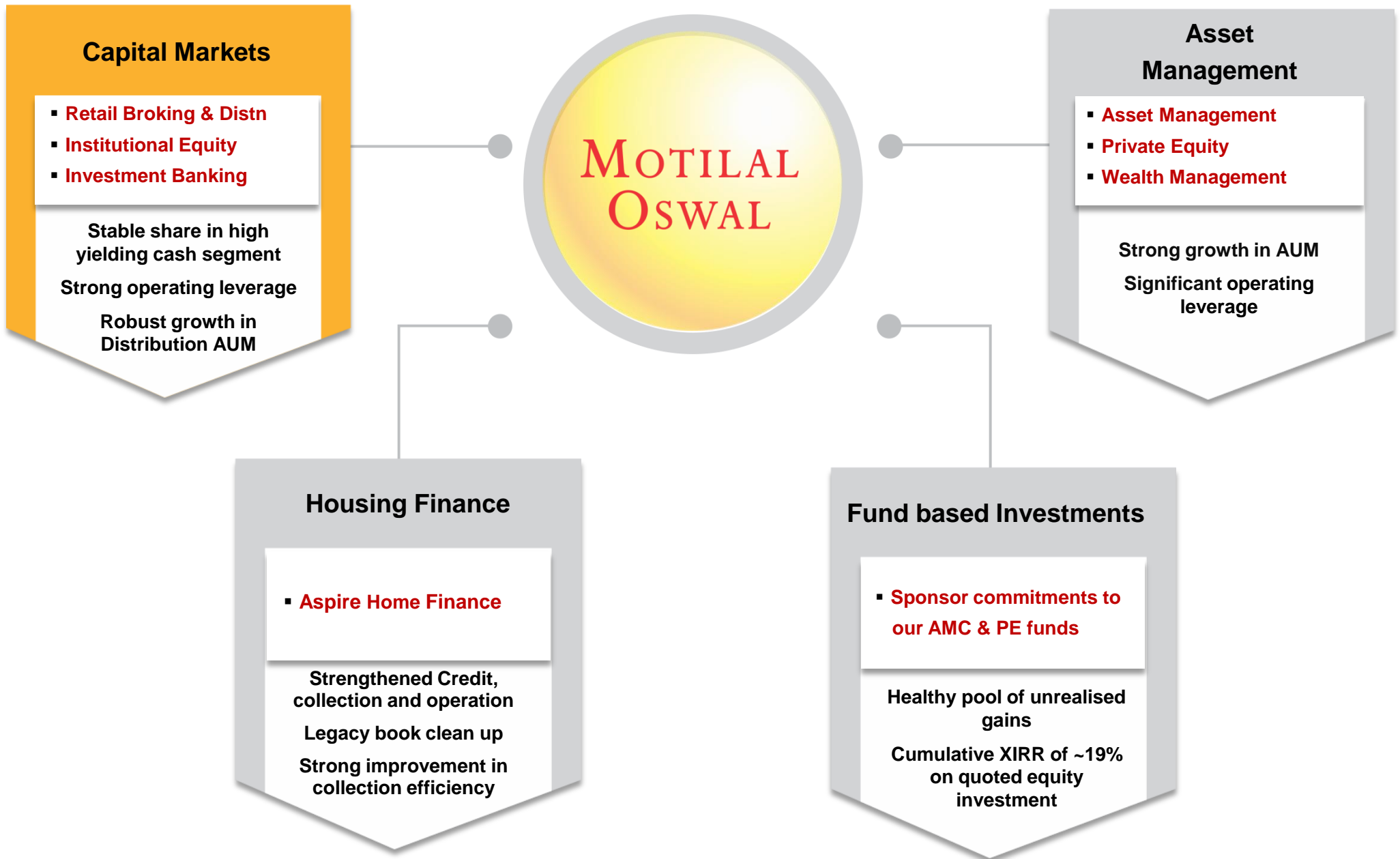


Key Highlights

Financials

**Businesses**

Interesting Exhibits



# Broking & Distribution– Strong FY19 performance

Healthy volume growth; stable share in high-yield cash segment

Strong operating leverage with EBITDA margin of ~34% in FY19

Distribution AUM picked up to Rs 96 bn, +27% YoY

Online penetration for clients (38%) and turnover (40%)

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
Total Revenues	2,809	3,199	-12%	2,701	4%	11,334	11,209	1%
Operating Costs	1,927	2,172	-11%	1,876	3%	7,495	7,616	-2%
EBITDA	882	1,027	-14%	825	7%	3,840	3,594	7%
EBITDA Margin	31%	32%	-	31%	3%	34%	32%	-
PBT	571	611	-7%	487	17%	2,488	2,130	17%
PAT as per Ind-AS	358	433	-17%	336	7%	1,734	1,467	18%
PAT as per IGAAP	263	357	-26%	340	-23%	1,594	1,185	35%

- In FY19, profit grew 18% YoY aided by improved EBITDA margins due to better operating leverage.
- EBITDA margin increase (+200 bps YoY) in FY19 was on account of better operating leverage on the higher and linear revenues.
- Distribution business AUM stood at Rs 96 bn, +27%. The distribution arm continued to focus on equity-related products. With only 16% on total client base and ~20% of our distribution network tapped, we expect meaningful increase in distribution AUM, as cross-sell increases.
- MOFSL's overall ADTO grew 27% YoY to Rs 174 bn in FY19. Market share in high-yield cash segment has been maintained in FY19. Overall market share stood at 1.7% in FY19. However, on the basis of ex-prop market volumes, the market share stands at 2.6%. Blended yield stood at ~2.3 bps in FY19, despite higher proportion of F&O volumes (97%) in market.
- Broking business also runs a margin funding business, with book size of ~Rs 6.6 bn as of Q4FY19.

# Broking & Distribution

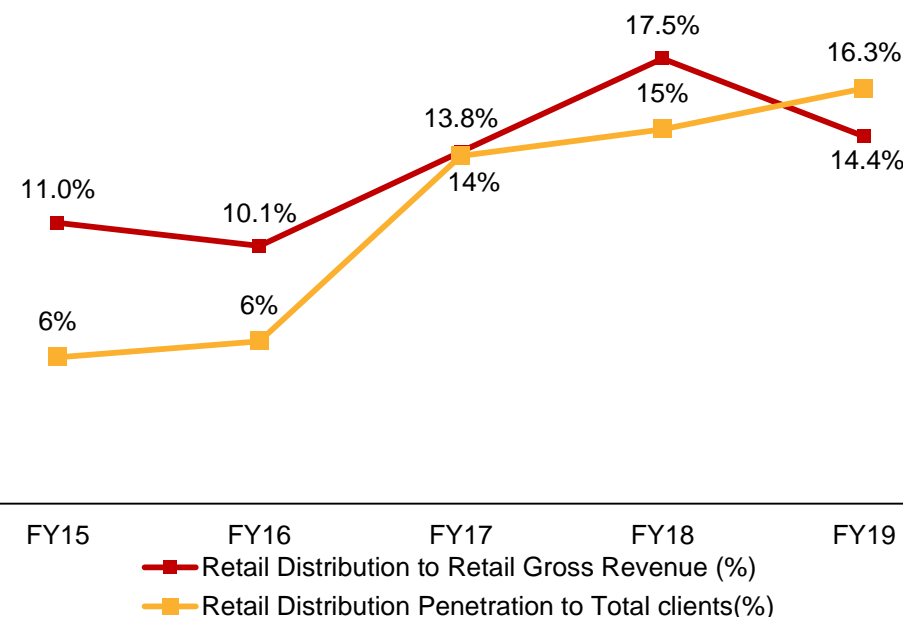
## Retail Broking & Distribution

- Traction in new client addition driven by Franchisee and retail channel i.e. ~1,50,000 clients in FY19.
- Online penetration gaining traction clients (38%) and turnover (40%).
- Distribution income at 14.4% of retail broking gross revenues, with just 16% of cross-sell penetration.
- Insurance distribution business started.
- Gained traction in SIP, with ~92,284 SIPs live as of Q4FY19, with average ticket size of Rs 3,800 per month.

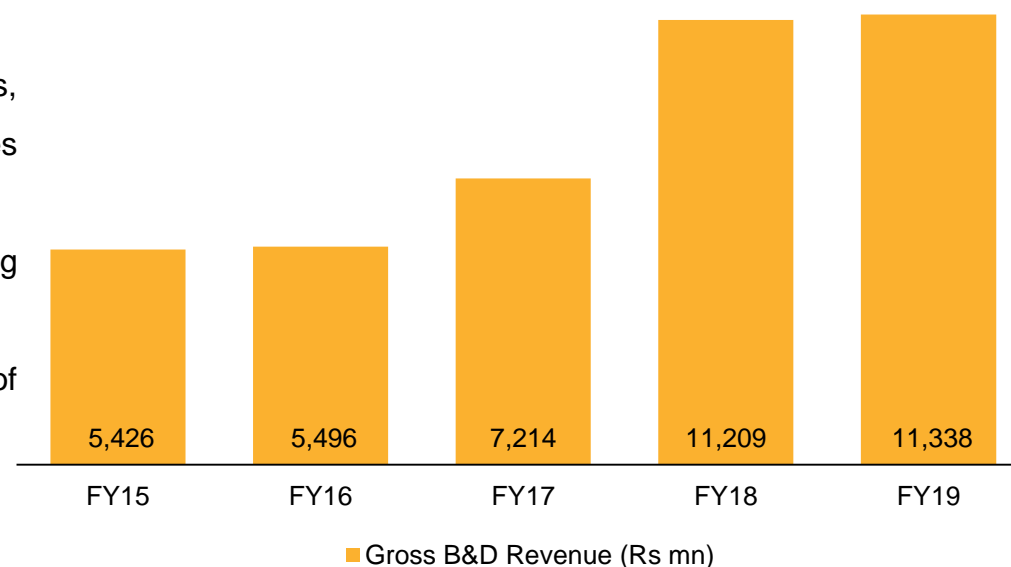
## Institutional Broking

- Empanelments continues to show traction with ~678 empanelments.
- Improvement in rank in almost every account, led by focused and broad-based team servicing
- Strong traction in Asia Money 2018 ranking. We ranked no.1 in events, conference and roadshows. We ranked 3 in three research categories, sales trading and overall sales.
- Differentiated research products with 250+ coverage and 750+ reports evincing client interest.
- Corporate access has been a high focus area during the year with execution of successful events like AGIC and many unique events in India.
- Launched our 1st Annual Edition of “India Ideation Conference” in 2019.

Distribution penetration (% of total client base of 1.2 mn)



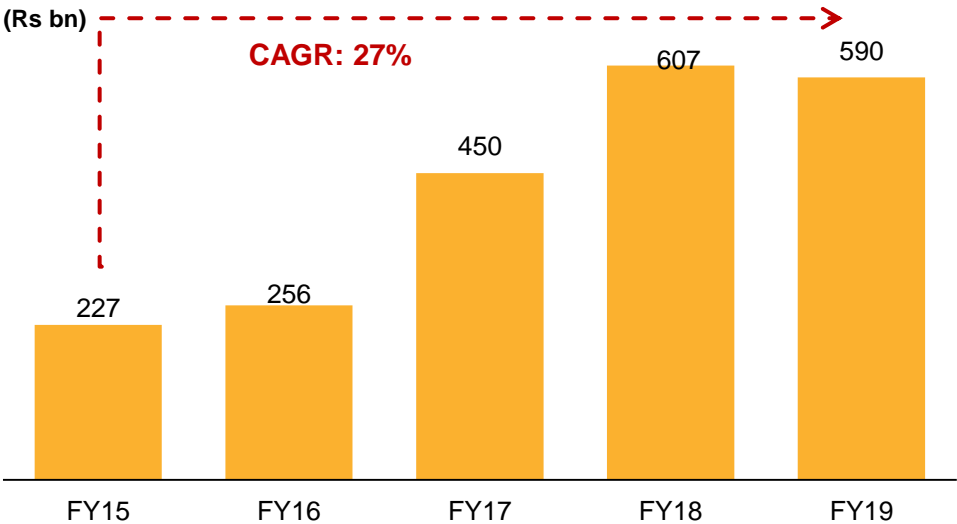
Trend in Broking & Distribution Revenues



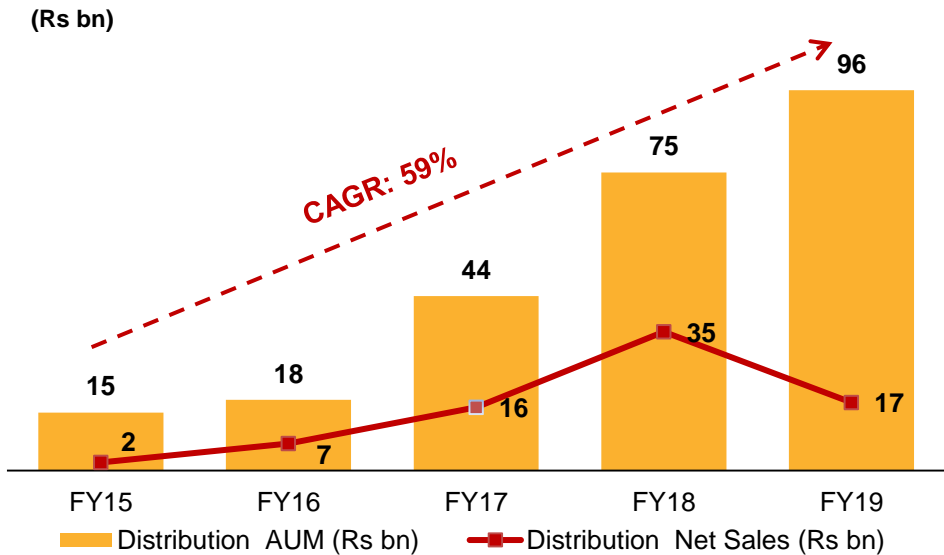
Note: Distribution penetration restated based on new methodology

# Broking & Distribution – Strong growth in Volume & Distribution AUM

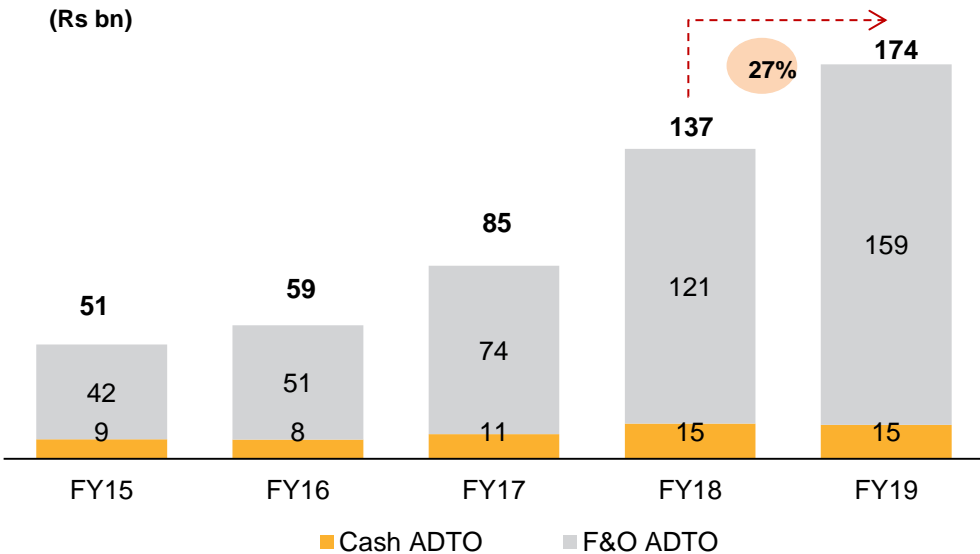
**DP AUM growth trend**



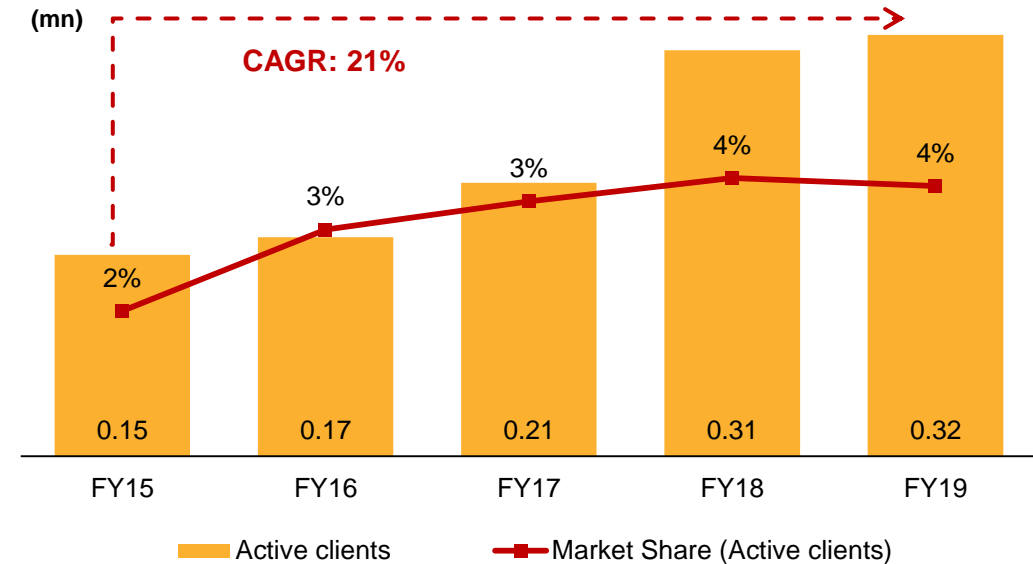
**Rising Distribution AUM**



**MOFSL Broking ADTO (Ex-prop)**



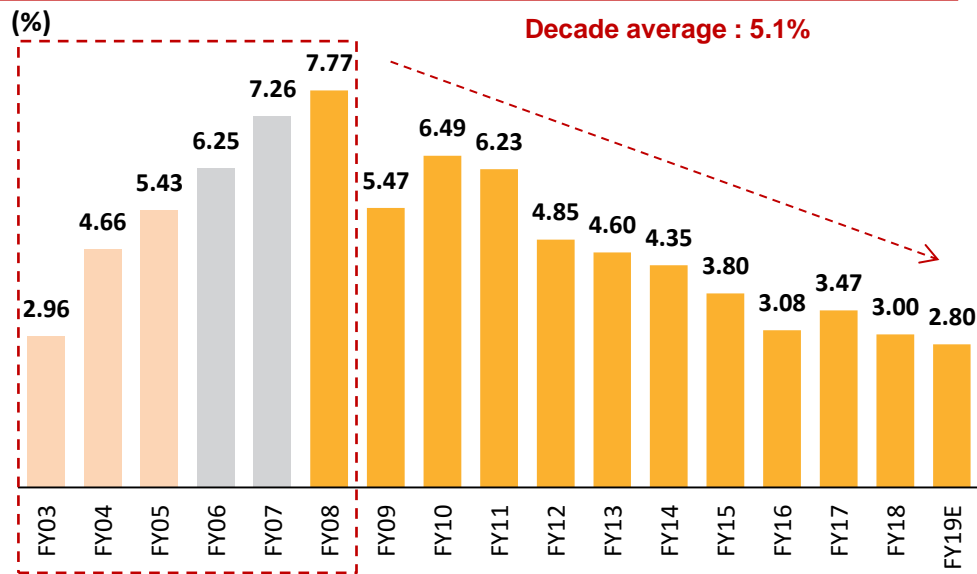
**Rising share of active clients**



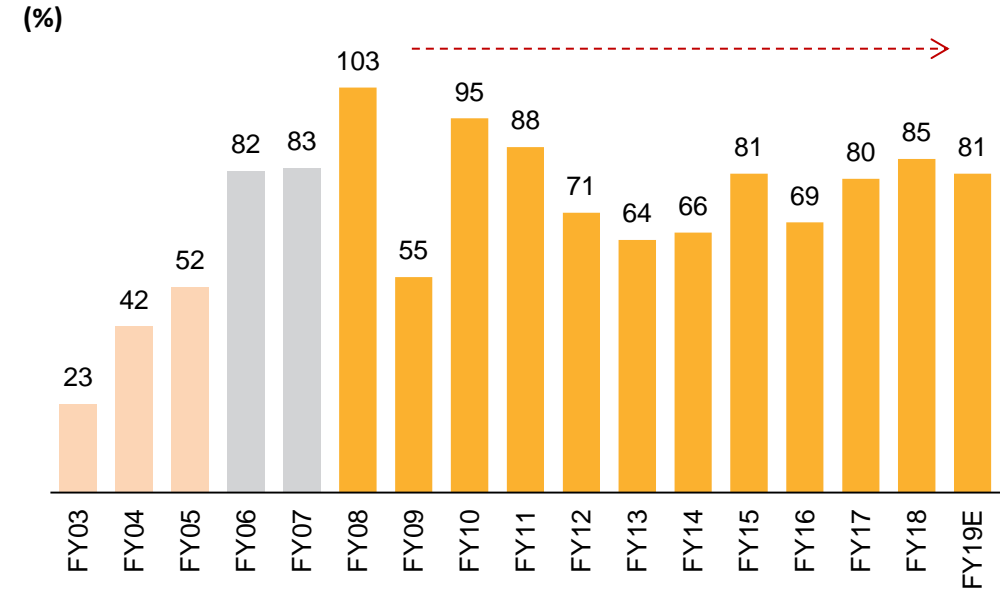
Source: NSE, BSE,

# Broking & Distribution – Potential levers

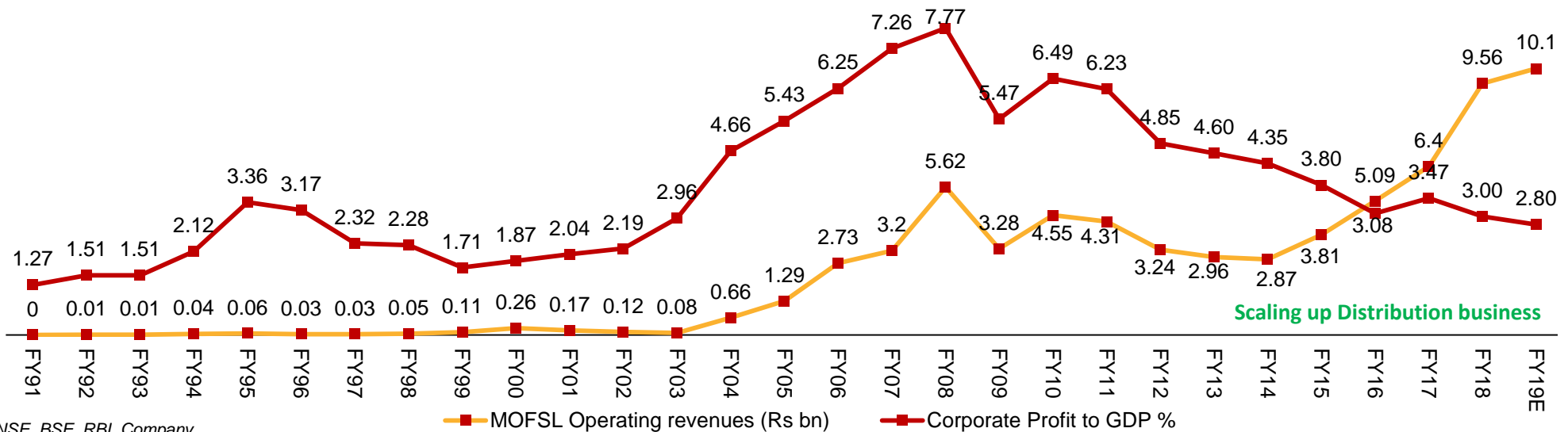
### Corporate profit to GDP trend



### Market cap to GDP trend



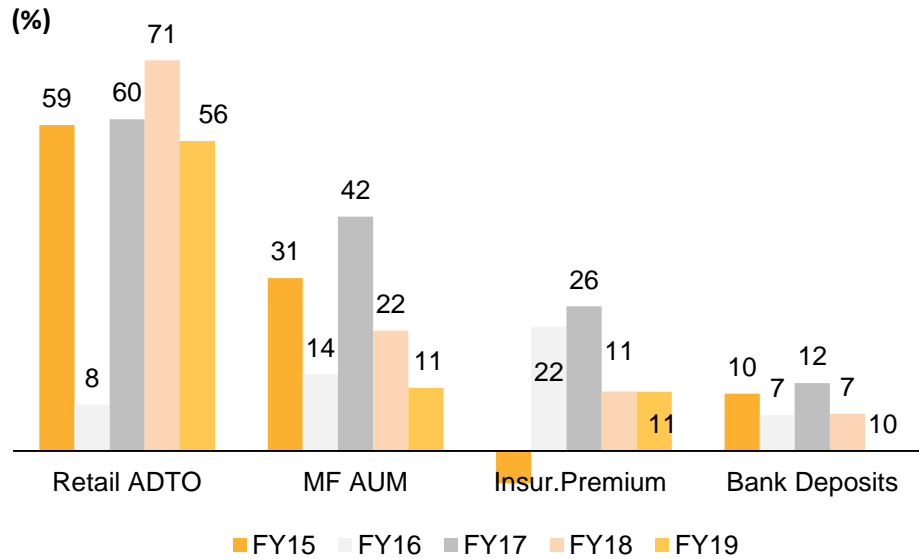
### Broking revenues in line with corporate profit to GDP ratio ; Trail income brings annuity



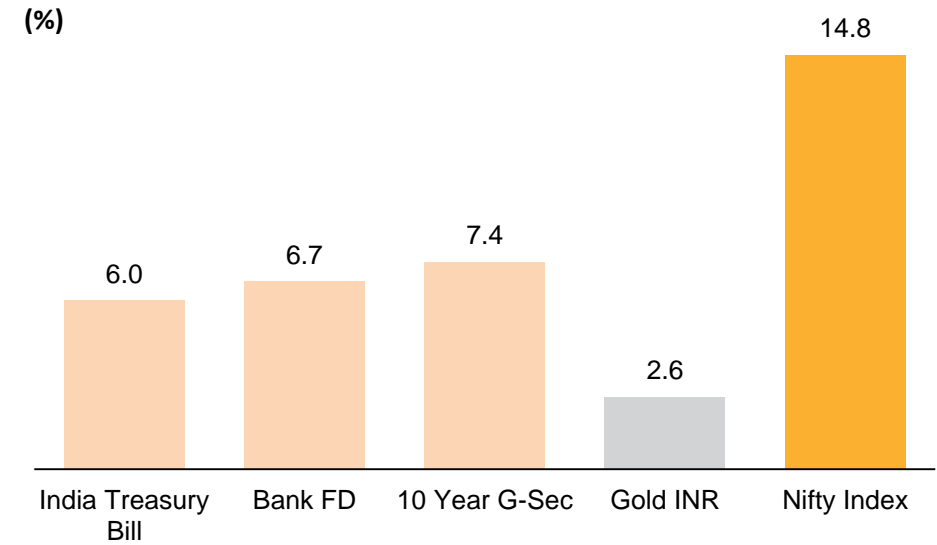
Source: NSE, BSE, RBI, Company  
Note: MOFSL Broking revenues are as of FY19

# Broking & Distribution – Potential levers

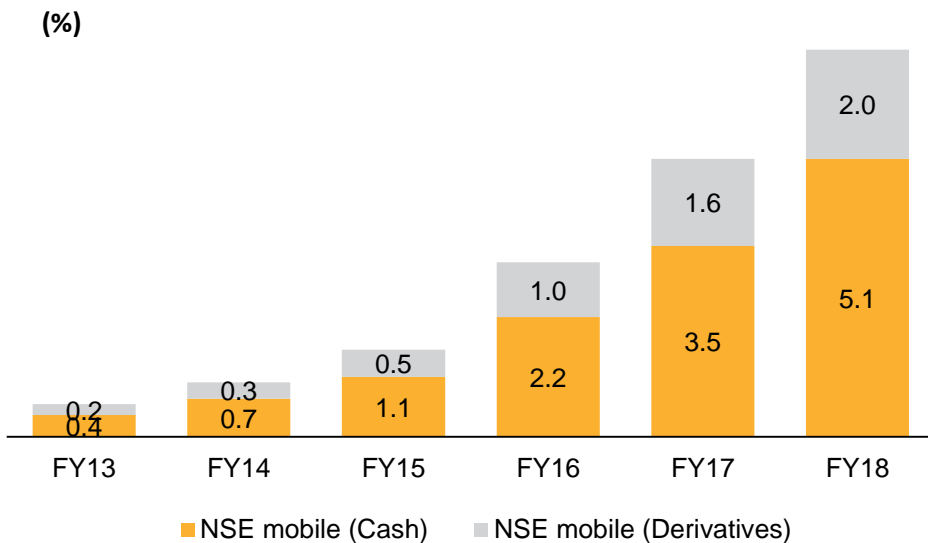
## Retail ADTO registered faster growth (%)



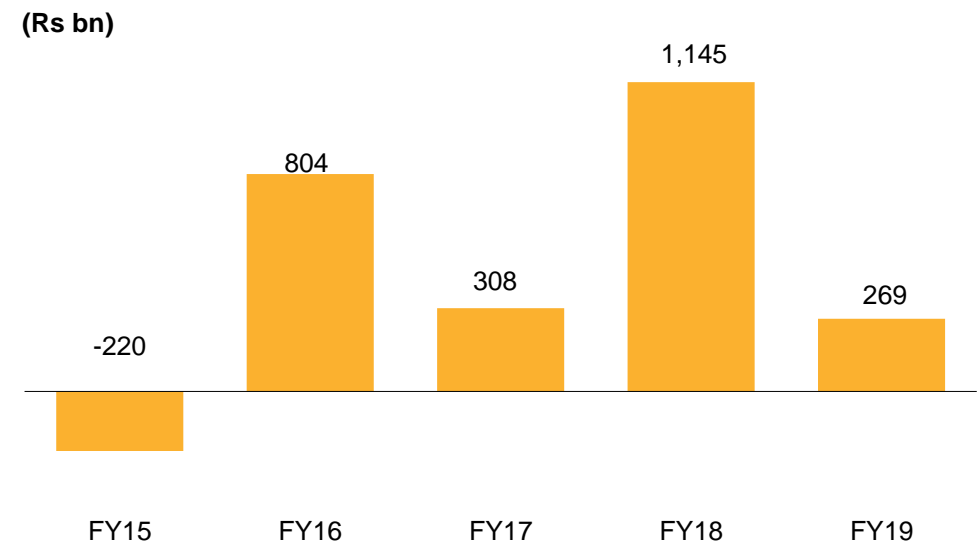
## Higher returns in equity asset class in FY19



## Increasing share of mobile trading



## DII flows trend



**FY19**



**M&A Advisory – Rs 8.3 bn**



**PE Advisory – Rs 2 bn**



**QIP – Rs 28 bn**



**IPO – Rs 18.4 bn**



**OFS – Rs 18 bn**

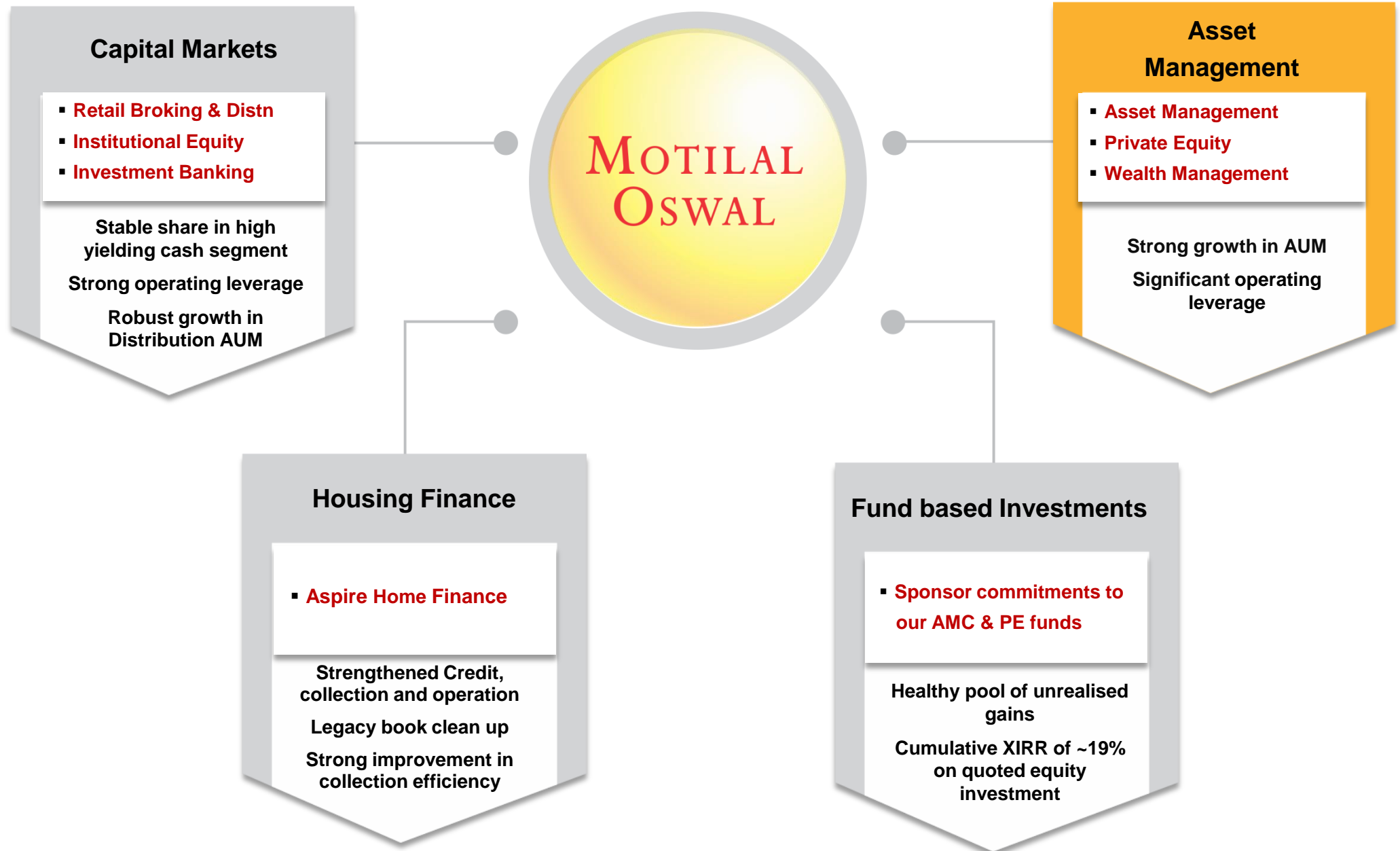


**Pref Issue – Rs 10 bn**

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
<b>Total Revenues</b>	<b>146</b>	<b>212</b>	<b>-31%</b>	<b>50</b>	<b>191%</b>	<b>381</b>	<b>1,116</b>	<b>-66%</b>
Operating Costs	76	4	-	80	-	272	282	-4%
PBT	70	209	-	-30		109	834	-
<b>PAT as per Ind-AS</b>	<b>55</b>	<b>149</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>81</b>	<b>595</b>	<b>-</b>
<b>PAT as per IGAAP</b>	<b>55</b>	<b>149</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>81</b>	<b>595</b>	<b>-</b>

- Secondary market activity and inflows from FIIs have been on a strong upward trajectory in Q4FY19 after several quarters of weakness.
- As a consequence, the Primary Markets, that have remained subdued for most of the financial year 2019, have started showing signs of activity in March and April 2019.
- We have a robust pipeline of deals ready to access the markets once it regains momentum after the general election period is over.
- While the primary markets have remained dull, we have continued to actively pursue private transactions. In Q4FY19, we advised the promoters of Aurangabad Electricals on the strategic sale to Mahindra CIE in a deal valued at Rs. 8.3 bn.





# Asset Management – Strong operating leverage

**AMC profit growth of 36% YoY in FY19**

**AMC AUM Rs 389 bn in FY19, +9% YoY**

**Rank 11 in Equity AUM March 2019**

**Market leader in PMS with 16% market share in AUM**

**Exiting run rate of Rs 20 bn of SIP flows**

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
AUM (bn)	389	356	9%	374	4%	389	356	9%
Net adds (bn)	2	31	-	8	-70%	41	128	-
<b>Total Revenues</b>	<b>1,396</b>	<b>1,605</b>	<b>-13%</b>	<b>1,368</b>	<b>2%</b>	<b>5,786</b>	<b>5,198</b>	<b>11%</b>
-Mutual Fund (Net)	337	342	-2%	341	-1%	1,457	1,043	40%
-Alternates (Net)	416	494	-16%	411	1%	1,774	1,662	7%
Distribution Costs	619	746	-17%	582	6%	2,452	2,408	2%
Other Costs	245	359	-32%	246	0%	1,023	1,082	-5%
EBITDA	532	499	7%	540	-1%	2,311	1,708	35%
EBITDA Margin	38%	31%	-	39%	-	40%	33%	
PBT	531	497	7%	539	-1%	2,305	1,702	35%
<b>PAT as per Ind-AS</b>	<b>355</b>	<b>317</b>	<b>12%</b>	<b>344</b>	<b>3%</b>	<b>1,499</b>	<b>1,104</b>	<b>36%</b>
<b>PAT as per IGAAP</b>	<b>344</b>	<b>316</b>	<b>9%</b>	<b>337</b>	<b>-</b>	<b>1,477</b>	<b>1,103</b>	<b>34%</b>

Note: Total Revenues are grossed up, except for MF. Distribution costs are related to alternate assets only

- AMC has shown strong performance, with 11% growth in revenue and 36% growth in profit in FY19. Operating leverage is visible, with significant improvement in operating margin to 40%, +700 bps in FY19.
- AUM across MF, PMS and AIF reached a milestone of Rs 389 bn (+9% YoY), with MF AUM at Rs 200 bn (+10% YoY), PMS AUM at Rs 160 bn (+7% YoY) and AIF AUM at Rs 28 bn (+14% YoY).
- SIP inflows in Q4FY19 remained stable at Rs 4.8 bn, implying an annual run rate of ~Rs 20 bn. Our average SIP at ~Rs 4,100 per month is higher than the industry average of Rs 3,070 per month. SIP market share and proportion to total inflows is rising.
- Despite pricing pressure on MF business led by regulatory changes we are able to maintain our overall net yields. This was mainly on account of our favourable mix of alternative AUM (50% of total).

- Market share in MF Equity Net Sales stood at 2.2%\* (including balance) in FY19 in a rising pool of equity flows. Fall in net sales was on account of higher redemption led by subdued equity market conditions.
- PMS continued to have a positive net inflow through out the year and able to maintain its leadership with 16% market share.
- We have become one of the largest AIF managers in India within a span of two years, with an AUM of Rs 28 bn in FY19 (Rs 24 bn in FY18). We have a steady pipeline for fund-raising, with tie-ups already in place.
- We are seeing initial interest in our offshore products; the offshore segment is 1.6x the institutionally-managed equity assets in India.

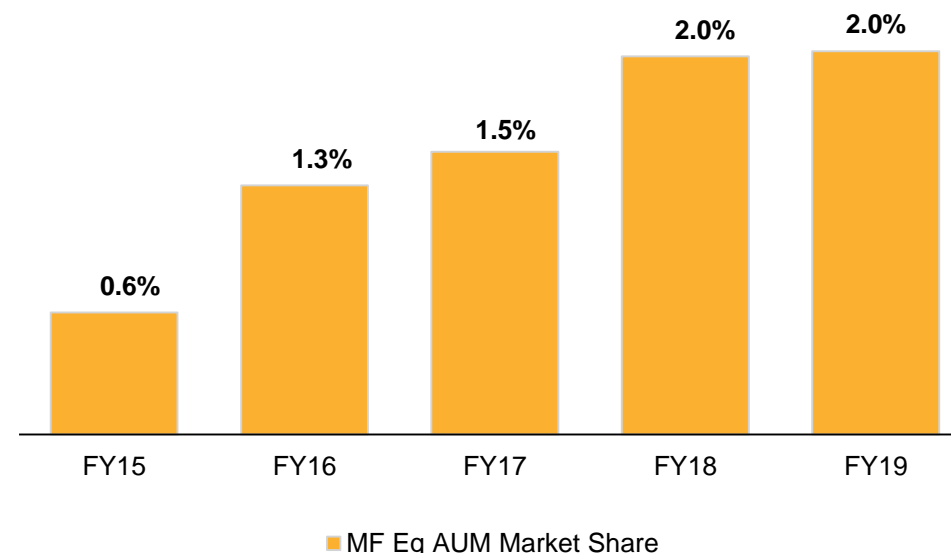
## Top Notch performance across product and categories

Product	Scheme	Strategy	Inception Date	Total Return (CAGR)	Alpha over Benchmark
PMS	Value	Large-Cap	25-Mar-03	22.5%	4.4%
PMS	NTDOP	Multi-Cap	11-Dec-07	16.7%	9.6%
PMS	IOP	Mid-Cap	15-Feb-10	12.8%	4.0%
Mutual Fund	F-25	Large-Cap	13-May-13	13.8%	2.0%
Mutual Fund	F-35	Multi-Cap	28-Apr-14	21.4%	8.4%
Mutual Fund	F-30	Mid-Cap	24-Feb-14	20.0%	1.8%

\* Read above fund performances with their corresponding Disclaimers in the funds' Fact Sheets, which are available in [www.motilaloswalmf.com](http://www.motilaloswalmf.com).

<sup>1</sup> Inception Date: 25/03/2003. These returns are of a Model Client as on 31<sup>st</sup> March 2019. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns shown are post fees and expenses. Benchmark is Nifty 50 Index

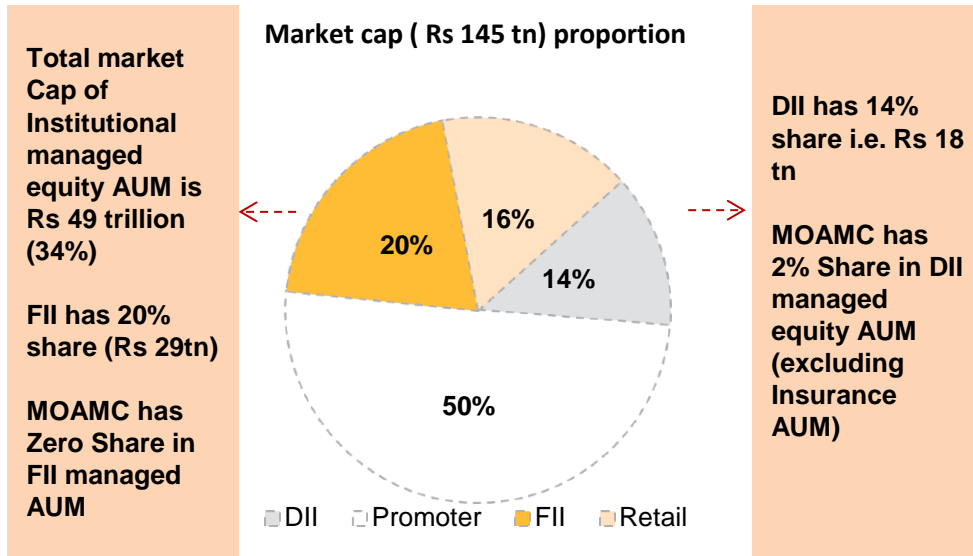
## Market share (%)



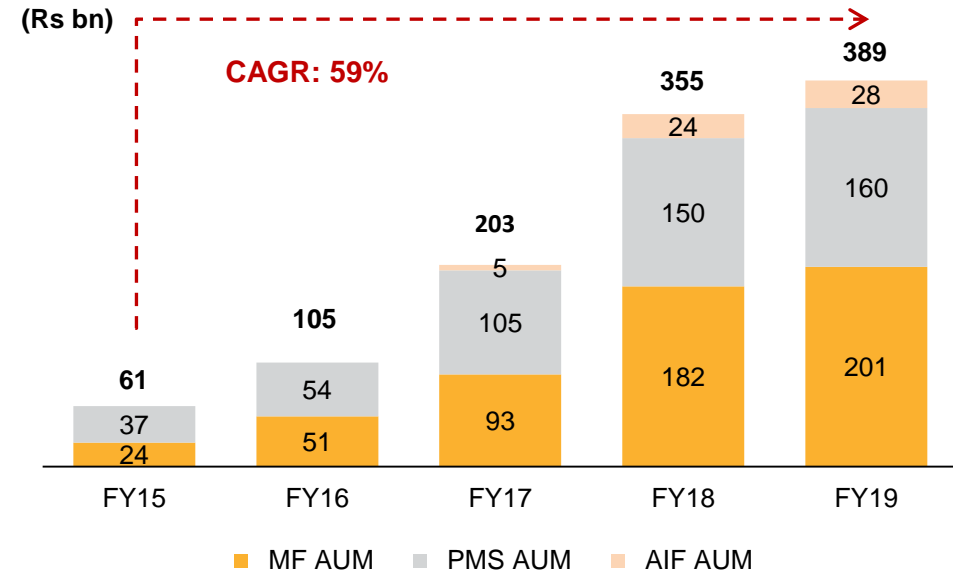
\*Note: Above data excludes arbitrage and MOFSL group prop

# Asset Management – Potential levers to scale business

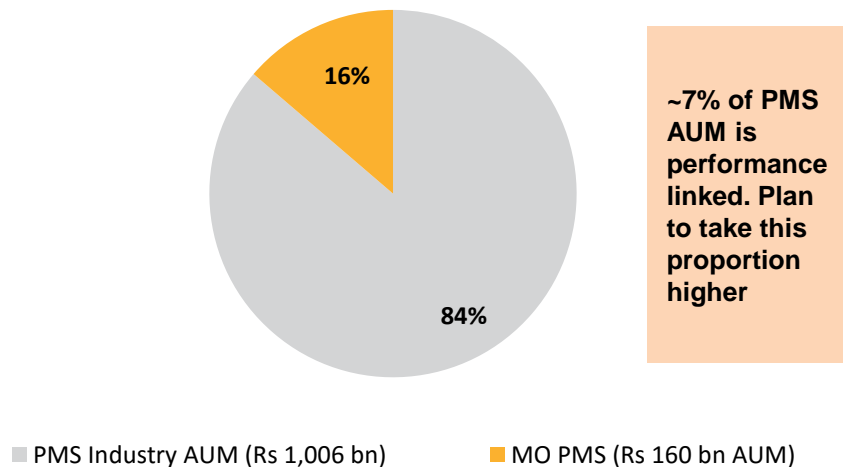
MOAMC's has "Zero" share in FII driven domestic equity market which is 1.6x of size of DII.



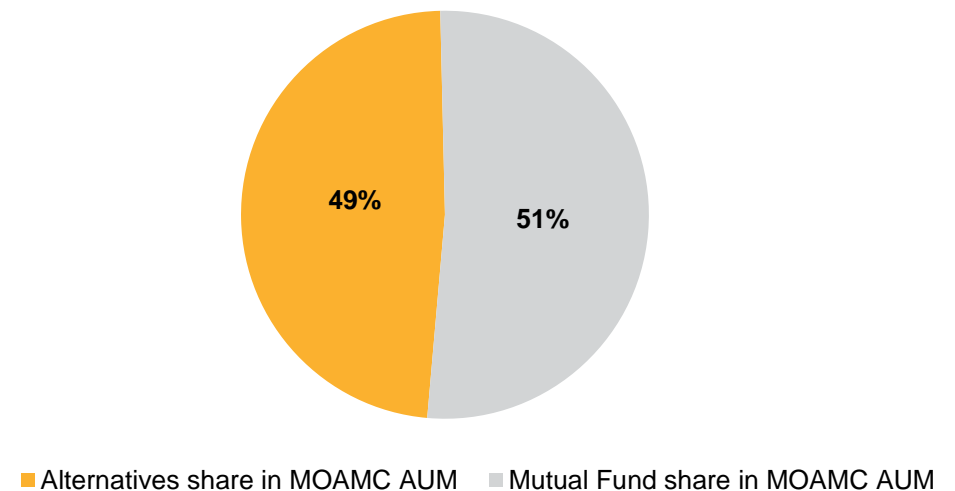
## MOAMC AUM breakup and growth trend



## MOPMS market share in Industry's Equity AUM



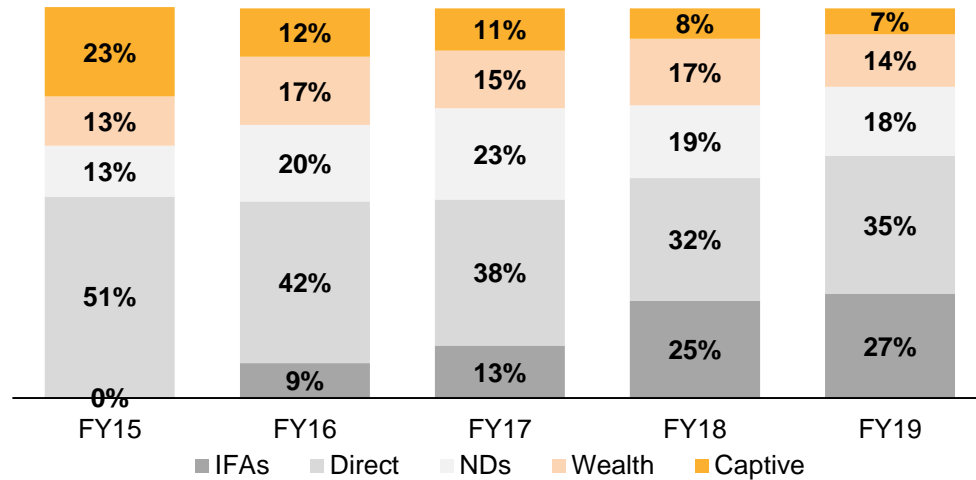
## Alternatives share in MOAMC AUM



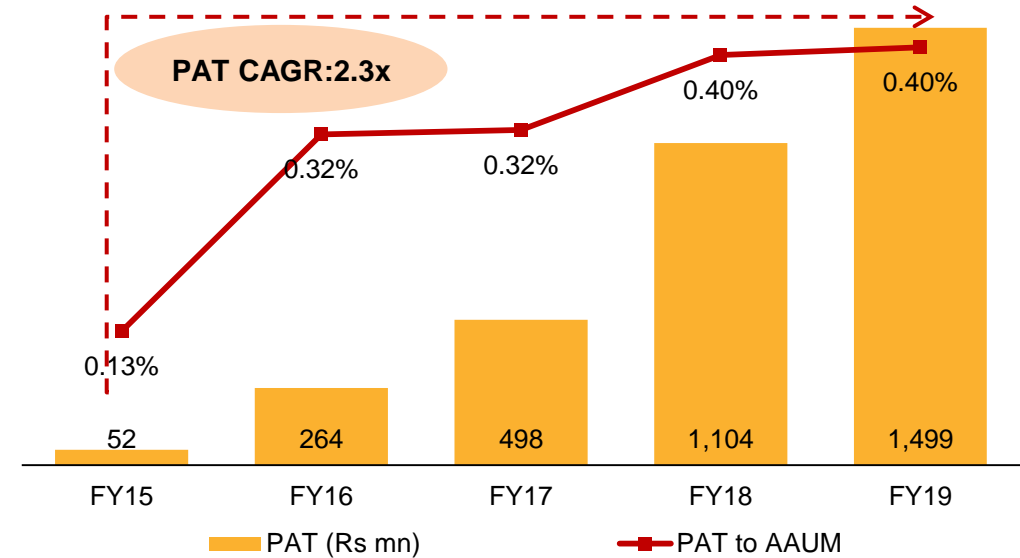
\*Alternatives includes PMS and AIF

# Asset Management – Potential levers to scale profitability

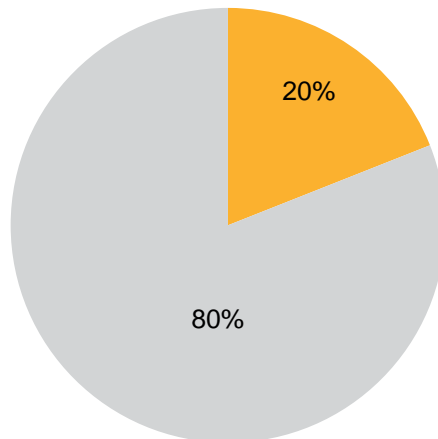
### MOMF Sourcing Mix on the basis of AUM



### MOAMC profitability trend

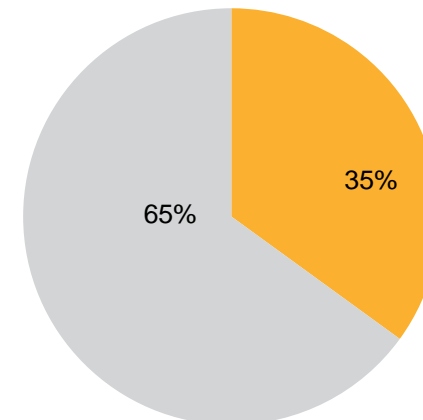


### Share of performance linked AUM in alternatives



■ Alternatives AUM - Performance linked    ■ Alternatives AUM - Fixed fee

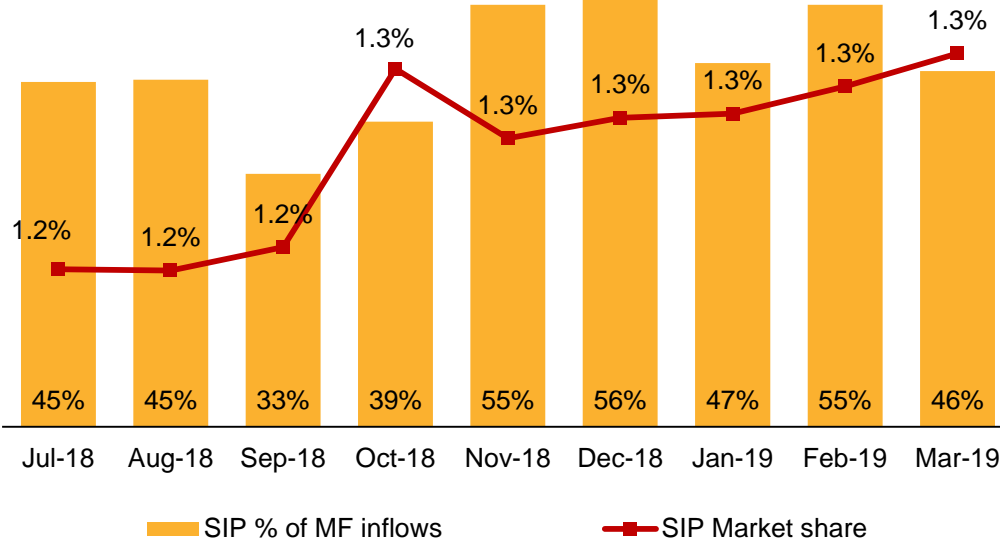
### MOMF AUM Mix



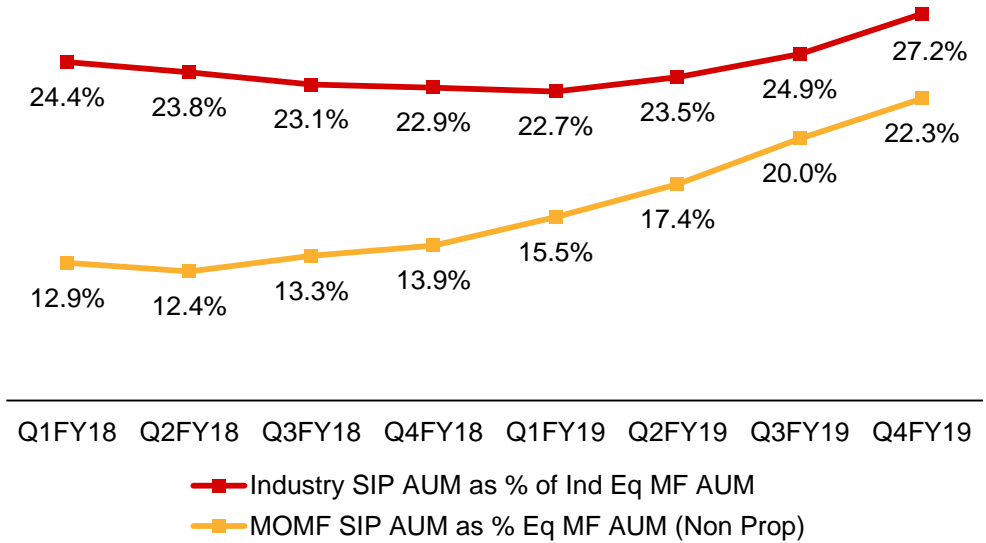
■ Share of Direct in MF Eq AUM    ■ Share of Regular in MF Eq AUM

# Asset Management – Granularity of MF AUM

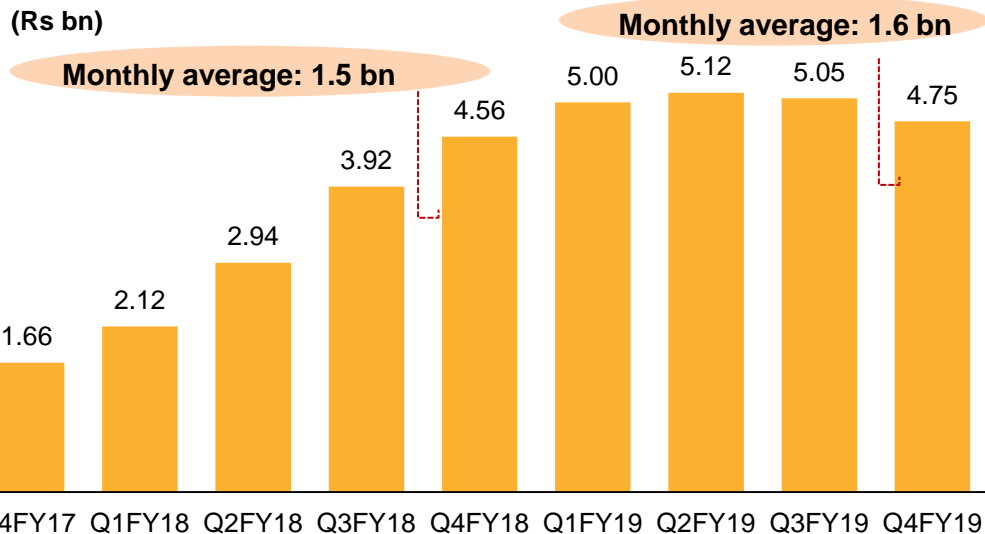
## MOMF SIP AUM and inflows market share



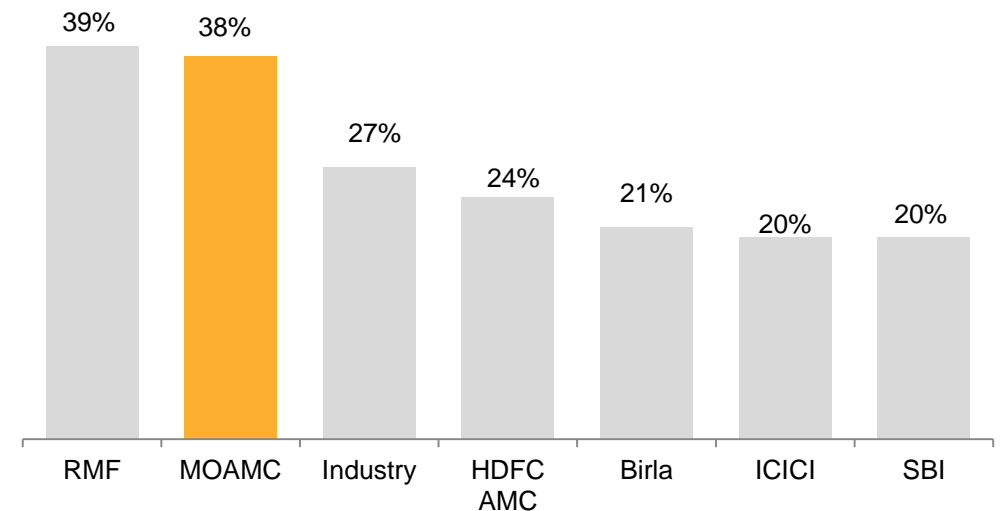
## MOMF rising SIP proportion



## Rising MOMF SIP flows

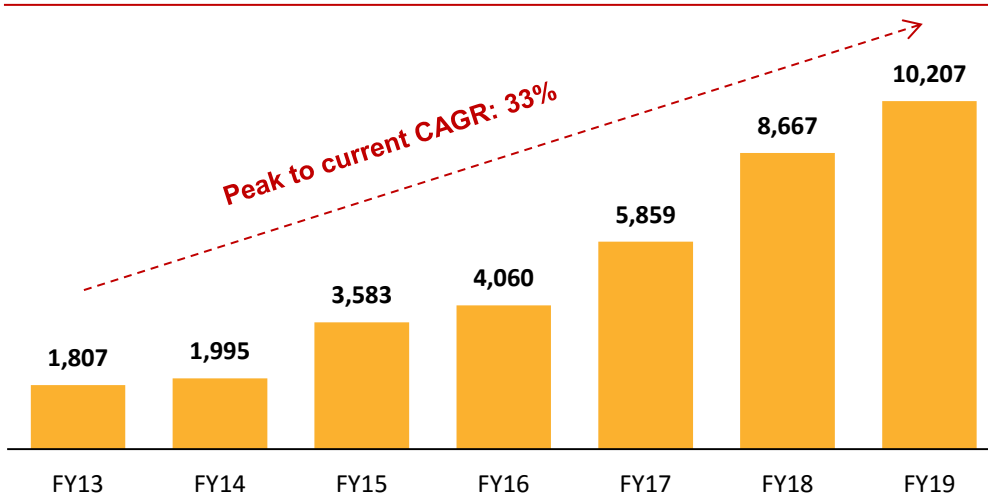


## Share of Retail AUM in total MF AUM

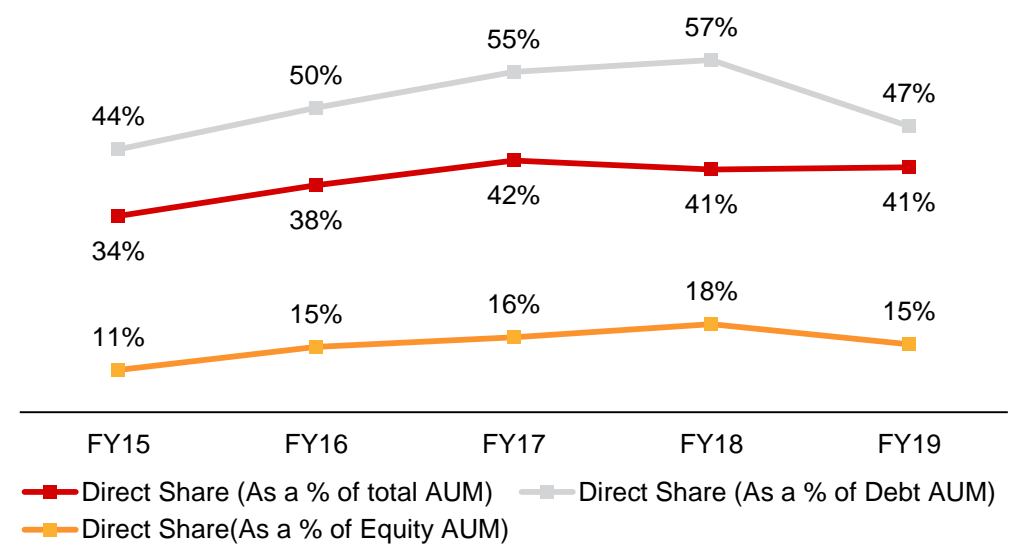


# Asset Management – Stickiness of MF flows to continue..

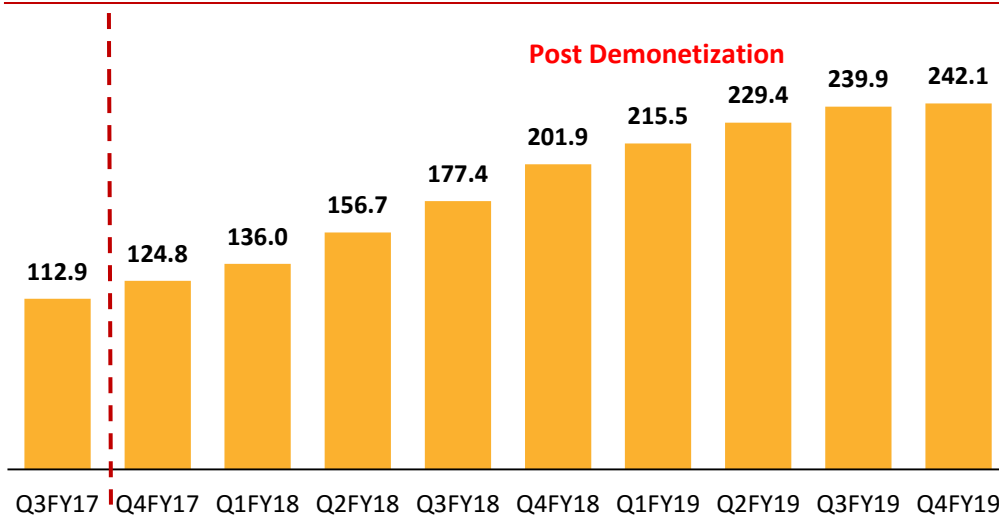
## Rising Industry's MF Equity AUM



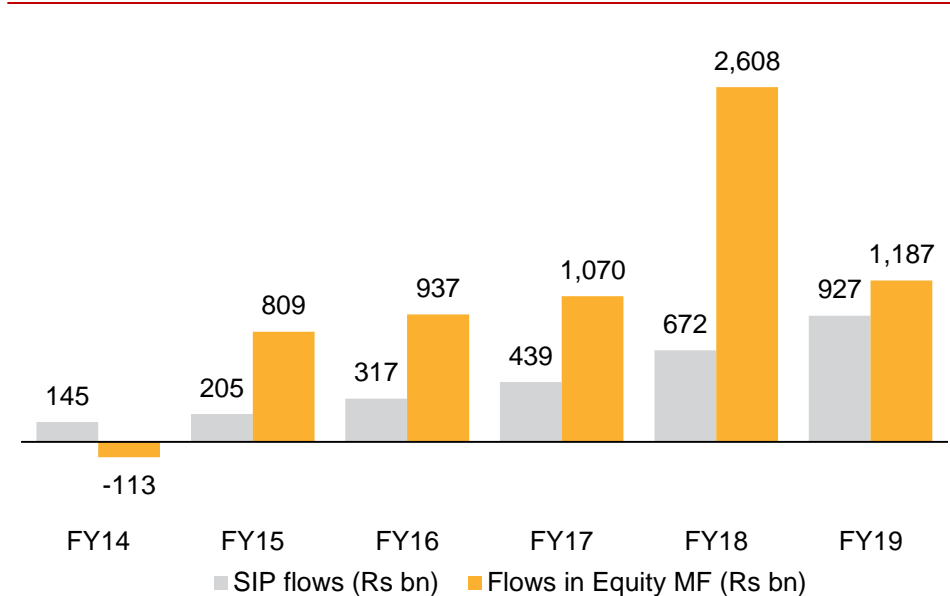
## Rising share of Direct proportion in Asset management industry



## Strong traction in Industry's SIP flows continues



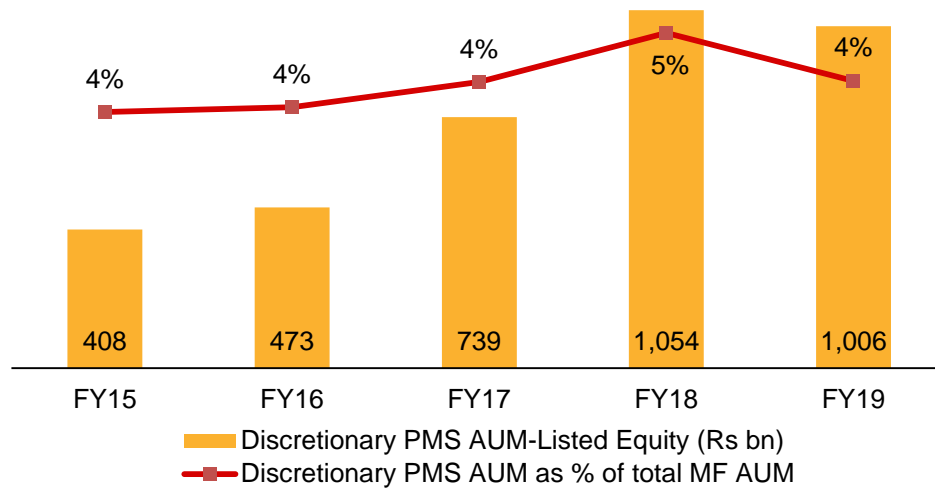
## SIP gaining share in rising Equity Industry AUM



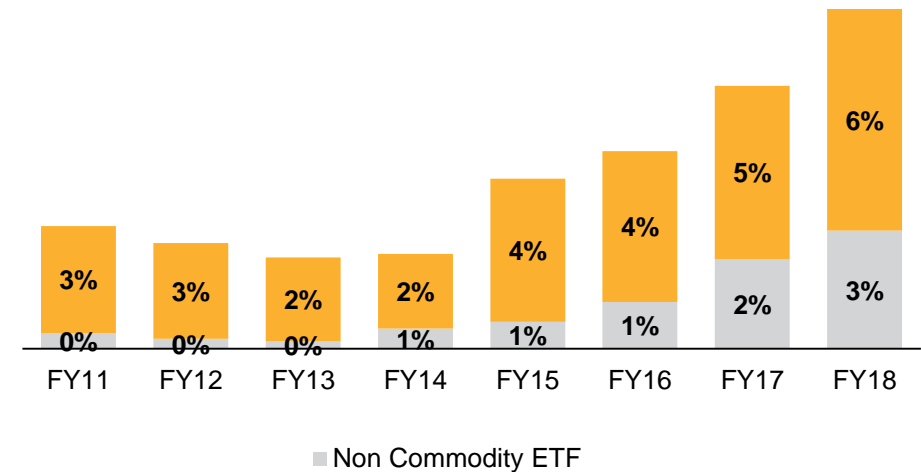
Note: Equity AUM excludes arbitrage and includes balanced for FY18 & FY19  
Source: AMFI

# Asset Management – Rising share of Alternatives

## Rising share of Alternatives in Industry AUM

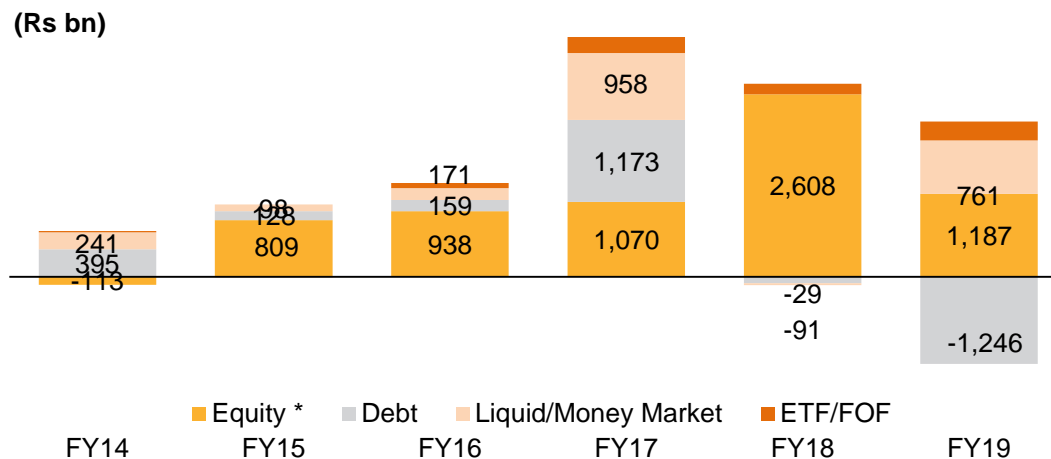


## Rising share of Alternatives in Industry AUM



Note: It includes Discretionary PMS (Listed Equity) and AIF under Category III

## Equity-oriented funds lead the charge in Industry net inflows



## India still at nascent stage in Alternatives penetration

Alternate Products	India	US
PMS	~8% of MF market	~10% of MF market
AIF	~2% of MF market	~30% of MF market

US markets data shows that for every \$100 in traditional fund products, there is \$40 in AIFs and PMS and traditional AMC's may or may not participate in the space.

Note: \* equity flows for FY19 excludes arbitrage and includes ELSS

Source: AMFI, McKinsey



# Private Equity – Strong growth in AUM

Total AUM of PE business stands at ~ Rs 64 bn , +36% YoY

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
Total Revenues	356	216	65%	319	11%	1,104	1,656	-33%
Operating Cost	216	141	53%	178	21%	633	597	6%
EBITDA	140	75	87%	141	-1%	471	1,059	-56%
PBT	138	70	98%	140	-1%	460	1,039	-56%
PAT as per Ind-AS	75	20	270%	103	-27%	300	808	-63%
PAT as per IGAAP	75	20	270%	103	-27%	300	808	-63%

IBEF III fund raised Rs 23 bn

Note: Revenue include share of profit on exit of PE fund investments of Rs 88 mn in FY19 vs. Rs 1,107 mn in FY18

- In FY19, PAT excluding lumpy share of profit on exits was Rs 224 mn, +133% YoY vs Rs 96 mn in FY18

IREF IV launched with target size of Rs 12 bn; raised Rs 8.5 bn

## Growth PE Funds

- MOPE Funds stand out with stellar performance. IBEF I has delivered a portfolio IRR of 27.3% and is expected to return over 6x MoC (Multiple of Cost) on a gross basis. Till date, 3.4x MoC has been returned for INR investors and 2.2x for USD investors.
- Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions and exits from fund will contribute, going forward.
- Strong performance and positioning has enabled MOPE to raise Fund III (“IBEF-III”) in very quick succession to Fund II. Fund III was launched in FY18 which, after exhausting its green-shoe option, stands fully raised at ~Rs 23 bn. Fund III has already deployed ~Rs 8.2 bn across 4 investments and has a robust deal pipeline for investments going forward

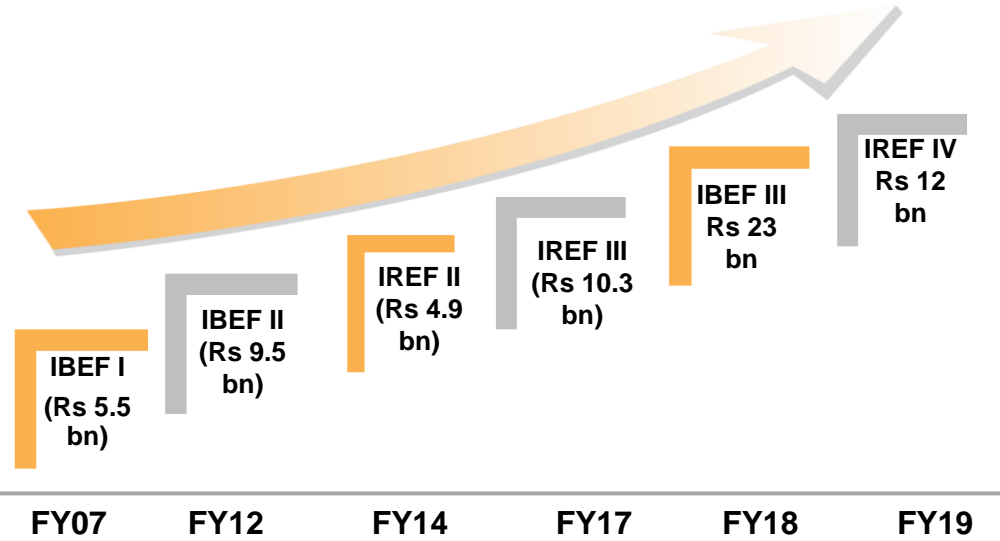
IBEF I exits could result in lumpy gains

## Real Estate Funds

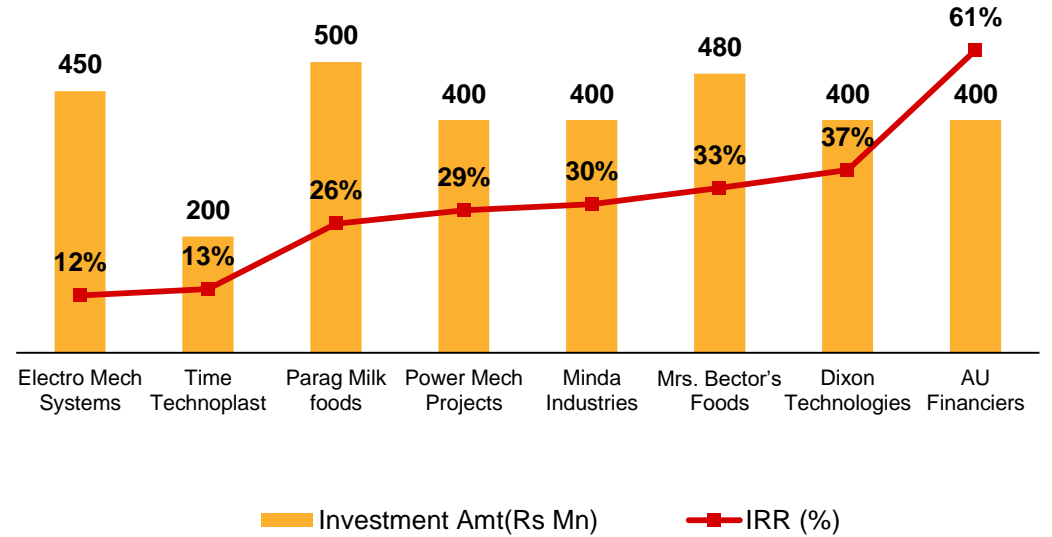
- IREF II is fully deployed across 14 investments. The Fund has secured 8 complete exits and 1 structured exit and has returned money equalling ~114.9% of the Fund Corpus back to the investors. Average IRR on exited investments is ~21.3%.
- IREF III is ~89% deployed across 20 investments. The Fund has secured 3 full exits and has returned income equalling ~17.7% of Funds Corpus back to the investors. Average IRR on exited investments is ~22.1%.
- IREF IV launched with a target size of Rs. 12 bn. has achieved 2nd close at ~Rs. 8.5 bn. The Fund has so far made 4 investments.

# Private Equity – Exits from 7 funds provides strong visibility over next decade

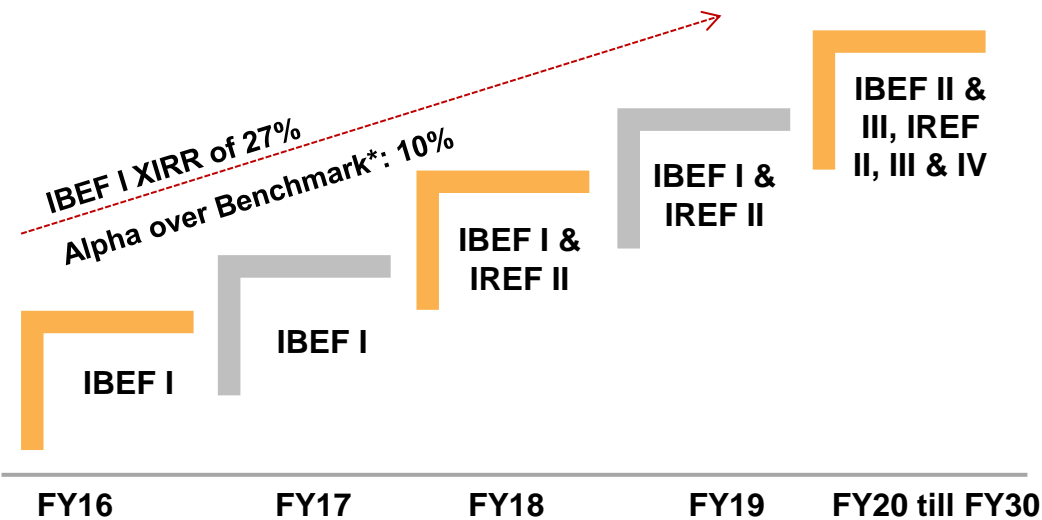
## Launch period of PE Funds



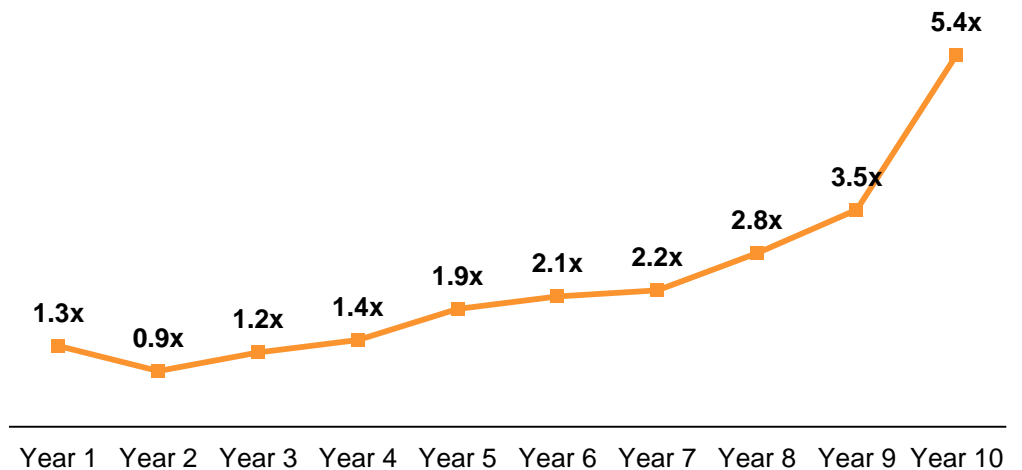
## QGLP investments delivering higher IRR



## Exit period of PE funds



## IBEF I exits delivering 5.4x return



Note : \* Benchmark : Emerging Markets PE and VC (upper quartile)

**Robust Net Sales  
at ~Rs 24 bn**

**Wealth AUM  
Rs 175 bn in FY19,  
+19% YoY**

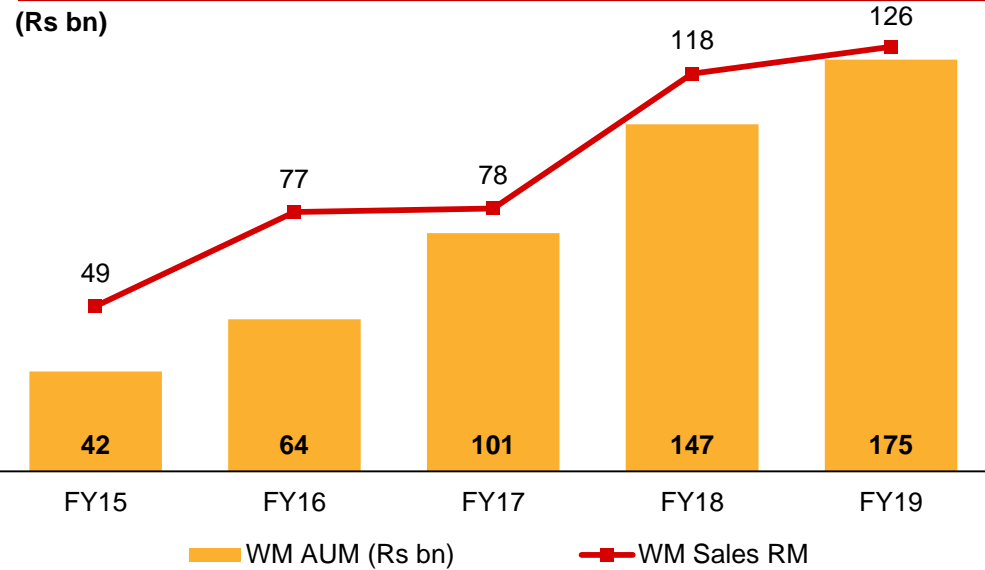
**Rising Number of  
Client Families,  
+19%**

**Deepening our client  
wallet-share & RM  
productivity**

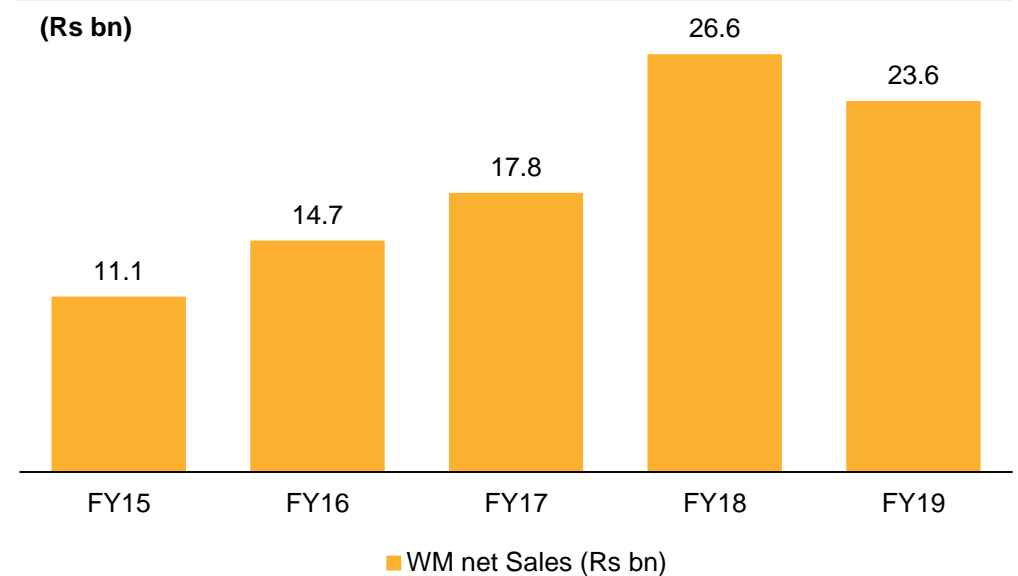
Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
AUM (bn)	175	147	19%	164	7%	175	147	19%
Net adds (bn)	2	3	-31%	5	-53%	24	27	-11%
<b>Total Revenues</b>	<b>258</b>	<b>297</b>	<b>-13%</b>	<b>249</b>	<b>4%</b>	<b>1,088</b>	<b>981</b>	<b>11%</b>
Operating Cost	210	199	5%	210	0%	878	662	33%
EBITDA	39	97	-60%	39	0%	210	319	-34%
PBT	43	95	-55%	36	18%	200	310	-36%
<b>PAT as per Ind-AS</b>	<b>30</b>	<b>66</b>	<b>-55%</b>	<b>25</b>	<b>17%</b>	<b>140</b>	<b>213</b>	<b>-34%</b>
<b>PAT as per IGAAP</b>	<b>20</b>	<b>70</b>	<b>-72%</b>	<b>30</b>	<b>-33%</b>	<b>150</b>	<b>229</b>	<b>-35%</b>

- Revenue growth continued to remain stable at 11% YoY in FY19. However, profit was lower on account of higher employee expenses due to full impact of higher RM additions (RM average count up 30% YoY) and incremental charge of Rs 69 mn for availing business support services as per the group transfer pricing policy.
- In FY19, PAT excluding intergroup transfer pricing was Rs 189 mn.
- RM productivity is rising in line with their rising vintage. Capacity to hire additional RM will increase, as existing RM vintage increases, which will help sustain growth and drive further operating leverage.
- Yield was at ~75 bps in FY19, with equity mix of ~62% in total AUM.
- AUM traction is driven by captive products and other products from strategic funds.
- Inclination to invest in financial assets remains high providing enormous headroom for growth in AUM and profit pool.

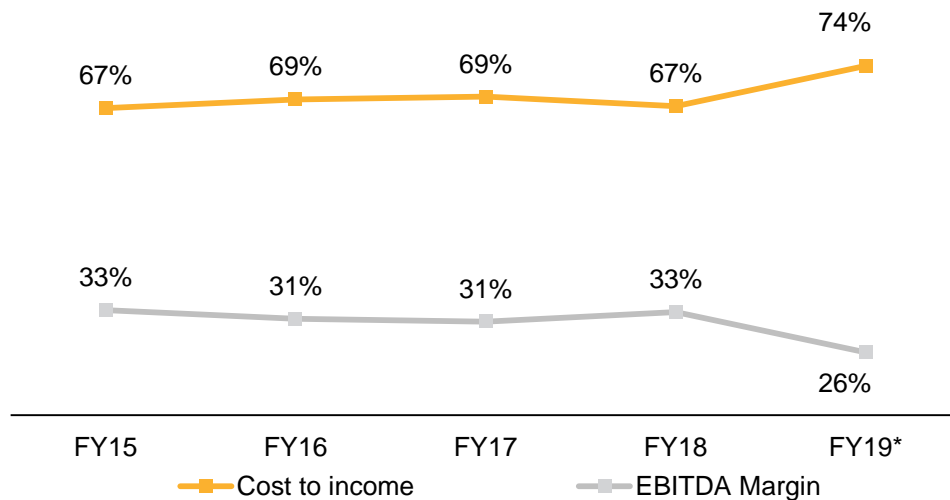
## Wealth AUM growth trend



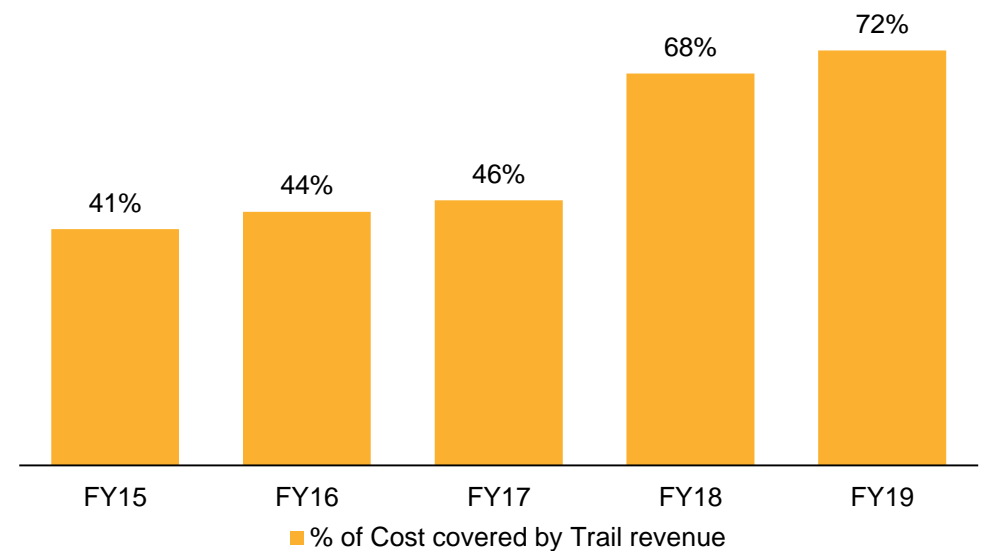
## Wealth net sales trajectory



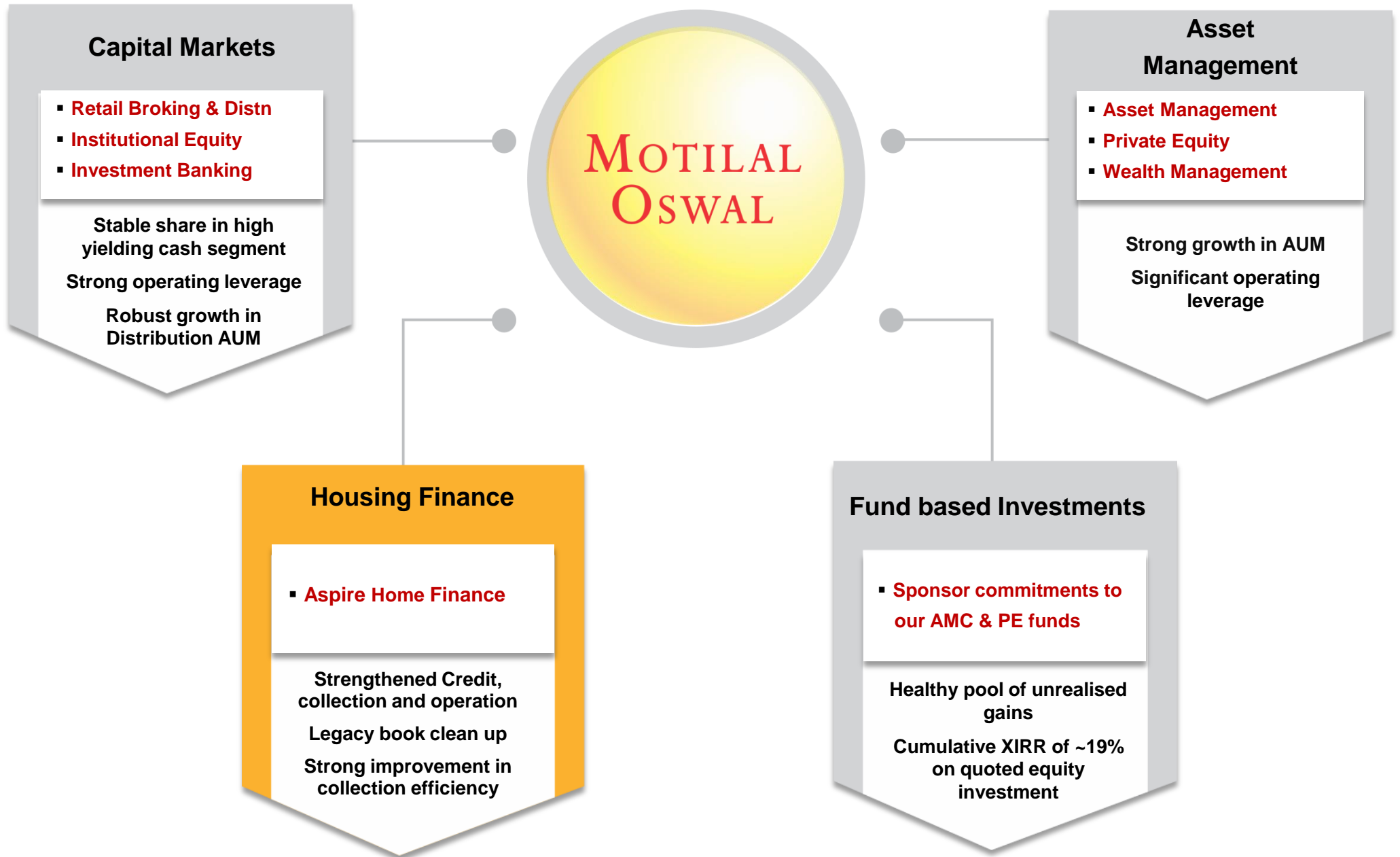
## Higher investment in RMs increases Cost to Income ratio

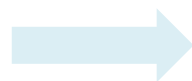


## Trail income will protect margin in downturn



\*EBITDA Margins are excluding the impact of transfer pricing





Name change to 'Motilal Oswal Home Finance' in process

Zero delinquencies in new book generated in FY19

Strong improvement in collection efficiency

Legacy loan book clean up will result into lower incremental credit cost

**NNPA: 7.18%**  
**PCR: 43%**  
**PCR incl. W/O: 70%**

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ%	FY19	FY18	YoY%
<b>Net Interest Income (NII)</b>	<b>514</b>	<b>567</b>	<b>-9%</b>	<b>523</b>	<b>-2%</b>	<b>2,311</b>	<b>2,383</b>	<b>-3%</b>
Other Operating Income	39	61	-35%	33	21%	133	222	-40%
<b>Total Income</b>	<b>553</b>	<b>628</b>	<b>-12%</b>	<b>556</b>	<b>0%</b>	<b>2,443</b>	<b>2,606</b>	<b>-6%</b>
Operating Cost	237	286	-17%	274	-13%	1,036	986	5%
- Employee Cost	150	155	-3%	175	-14%	637	503	27%
- Other Cost	87	132	-33%	99	-11%	399	483	-17%
<b>Operating Profit (Pre-Prov.)</b>	<b>316</b>	<b>342</b>	<b>-8%</b>	<b>282</b>	<b>12%</b>	<b>1,408</b>	<b>1,620</b>	<b>-13%</b>
Provisioning/Write off	223	651	-	1,778	-87%	3,523	1,372	-
<b>PBT</b>	<b>93</b>	<b>-309</b>	<b>-</b>	<b>-1,496</b>	<b>-</b>	<b>-2,116</b>	<b>248</b>	<b>-</b>
<b>PAT as per IND AS</b>	<b>81</b>	<b>-234</b>	<b>-</b>	<b>-970</b>	<b>-</b>	<b>-1369</b>	<b>192</b>	<b>-</b>

- Loan book stood at Rs 43.6 bn as of FY19. NII remained stable at Rs 2.3 bn in FY19.
- In FY19, we have repossessed assets under SARFAESI ACT, of Rs 156 mn from earlier written-off loans and Rs 185 mn out of NPA loans. Had the repossessed assets been recognised, PAT for Q4FY19 would have been Rs 175 mn. Also, GNPA and NNPA would have been lower by 36 bps and 29 bps, respectively.
- Provisions stood at Rs 3.6 bn in FY19, on account of higher write offs in Q2 and Q3 of FY19 to clean up the legacy book. There were no write-offs in Q4FY19. Further provision coverage has been stepped up to 70% including write-offs in FY19.
- Strong support from parent with capital infusion of Rs 2 bn in FY19, took the total capital infusion to Rs 8.5 bn.
- Asset quality deterioration in FY19 was on account of seasoning of legacy portfolio. However, proactive clean-up of the legacy book, expected positive trends in disbursements in coming quarters along with improvement in collection efficiency in FY19, augur well for future asset quality and profitability outlook.

## Opening PAT reconciliation from IGAAP to Ind-AS

Particulars (Rs mn)	FY18
<b>Net profit after tax as per Previous GAAP</b>	276
Adjustment due to fair valuation of Deposit & rent equalization	-0
Adjustment for unamortized upfront cost on borrowing	-287
Adjustment for EIR	188
Adjustment for ECL	-92
Adjustment for actuarial gain	-14
Deferred tax on above adjustment	115
<b>Net profit after tax as per Ind AS</b>	<b>192</b>
Other Comprehensive Income	9
<b>Net profit after tax as per Ind AS</b>	<b>201</b>

## Opening Net worth reconciliation from IGAAP to Ind-AS

Particulars (Rs mn)	FY18
<b>Networth as per IGAAP</b>	7,934
Adjustment for ECL	-349
Adjustment for EIR	-303
Adjustment due to fair valuation of Deposit and rent Equalization	-2
Adjustment for unamortized upfront cost on borrowing	-14
Reversal of DTL on special reserve	107
Deferred tax on above adjustment	240
<b>Total impact on networth</b>	<b>-320</b>
<b>Networth as per Ind-AS</b>	<b>7,614</b>

## ECL provisioning details

Particulars (Rs mn)	FY19
<b>Stage 3</b>	4,048
% portfolio in Stage 3	9.29%
Stage 1 & 2	40,061
% portfolio in stage 1 & 2	90.71%
<b>ECL Provision % Stage 1 &amp; 2</b>	<b>1.90%</b>
Total Assets	43,571
ECL Provision	1,749
<b>ECL Provision %</b>	<b>4.01%</b>
<b>Coverage Ratio % (incl. std. assets)</b>	<b>43%</b>
<b>Total coverage ratio % (Incl. write offs)</b>	<b>70%</b>

- **Positive trends in New loans sourced in FY19**

- Loan book sourced from FY19 had only a single case in 30+ and No case in NPA with average seasoning of 6 months.
- Bounce rate has substantially reduced to 7.5% from FY19 sourcing.
- In FY19, ~81% of disbursement was in less than Rs 1.5mn ticket size
- TAT for login to sanction has improved to 5 days from 7 days earlier.
- TAT for Sanction to disbursement has improved to 14 days from 21 days earlier.

- Disbursements in FY19 were Rs 2.9 bn. We expect disbursement to be much higher in FY20 driven by new Sales leadership, sales processes and a large branch footprint.

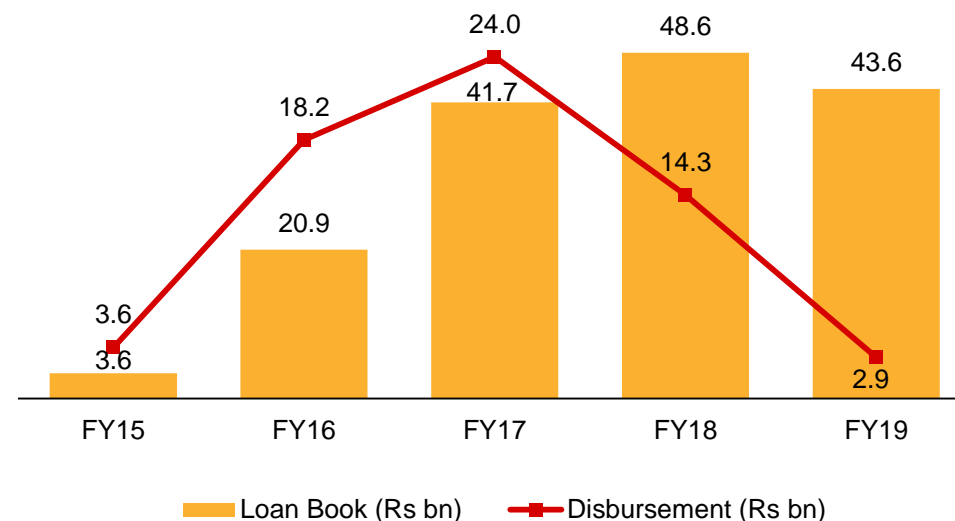
- Margins impacted by 10 bps YoY at 4.8% in FY19, led by marginally higher cost of funds.

- Our yield will improve by ~30 bps to based on rate revision effective from April '19.

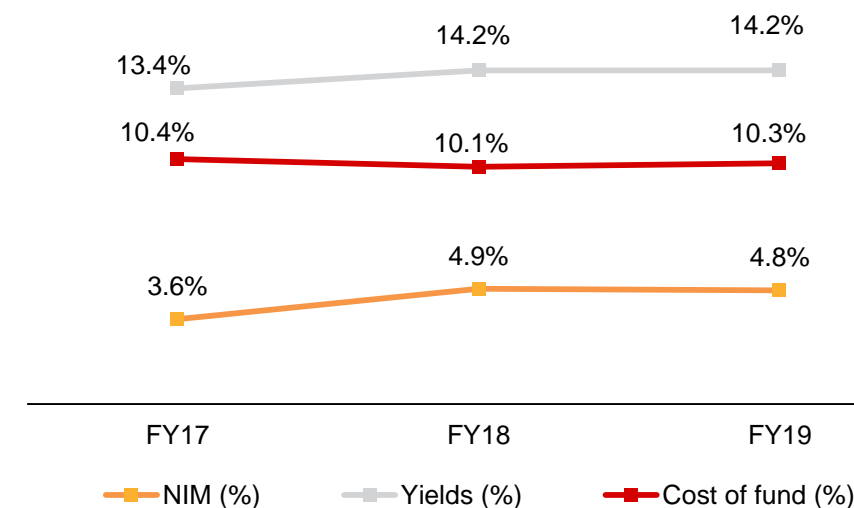
- Limited borrowing repayments till March 2020, equity infusion, strong undrawn borrowing lines and ALM places us in comfortable liquidity situation.

- Diversified liability profile - 57% from NCDs and 43% from bank loans with zero CPs. 27 banks/NBFCs extended credit lines and NCDs were allotted to 59 institutions as of Mar-19.

## Loan book and disbursement trend (Rs bn)



## Margins trajectory

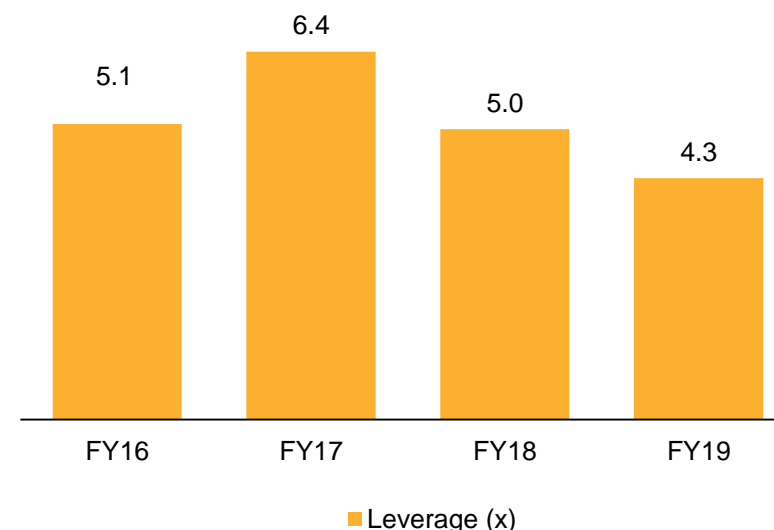


Note: FY18,19 calculations are as per Ind-AS

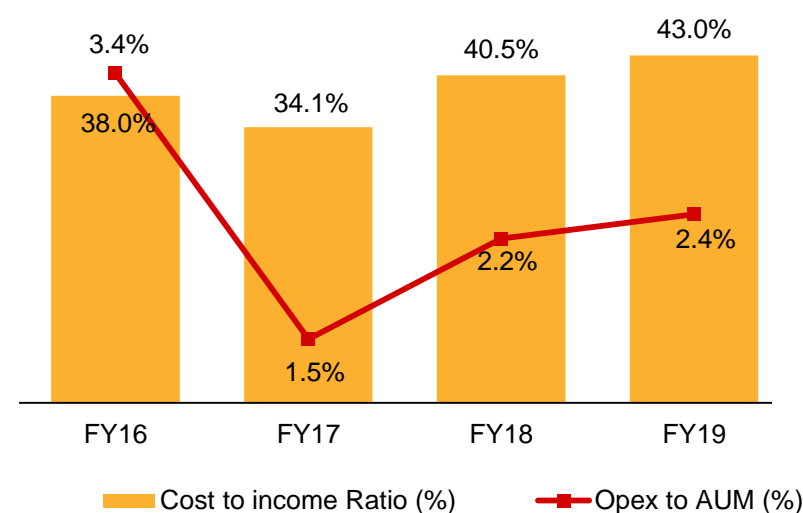


- Average ticket size is Rs 0.85 mn, with loans extended to more than ~52,500 families, as AHFCL is focused on the affordable housing segment.
- Organisation structure has been altered to move from a Branch banking model to a Vertical organisation with strong checks and balances to pursue a healthy growth.
- Senior management team with all key function heads is now in place.
- Increase in collection and legal headcount coupled with lower income resulted into elevated Cost-Income ratio of 43% in FY19. However, proactive cost measures, automation of processes and consolidation of branches resulted into lower other cost.
- Name change to “Motilal Oswal Home Finance” to yield multiple benefits.
- Credit ratings are CRISIL A+ Stable outlook and ICRA A+ Stable outlook. Gearing remains conservative and among the lowest at 4.3x.
- Capital infusion from sponsor was Rs 2 bn during the year taking total cumulative capital infusion from sponsor to Rs 8.5 bn resulting into lower leverage of 4.3x.

## Low gearing



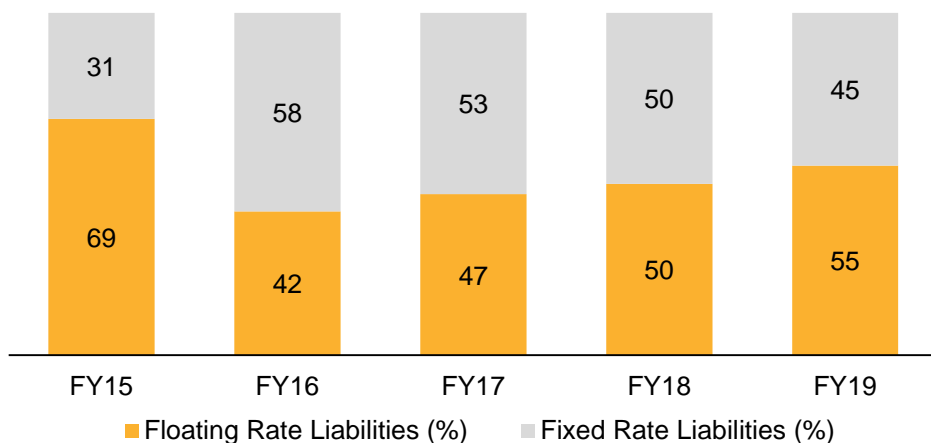
## Higher opex resulting from investment mode



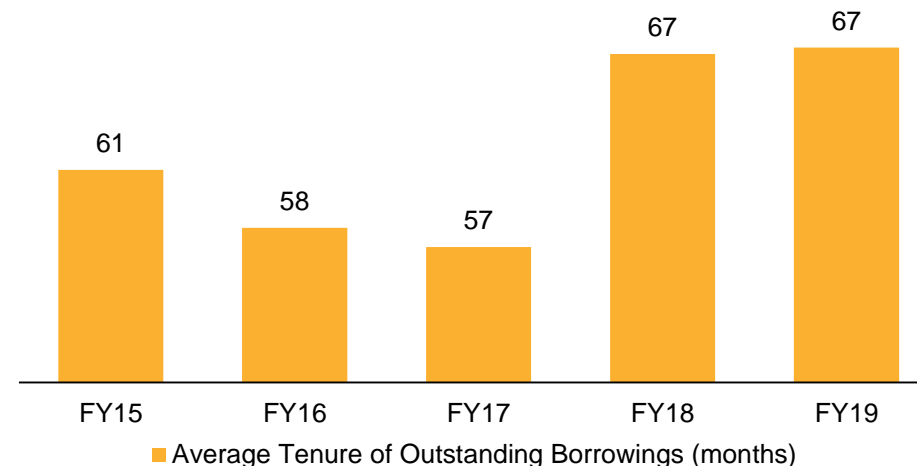
# Aspire Home Finance – Strong liability management



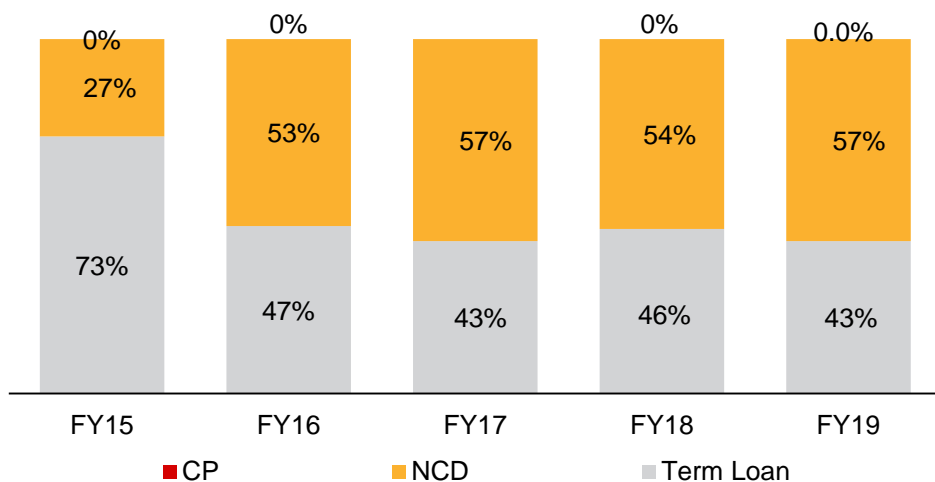
### Liability Mix based on rates (%)



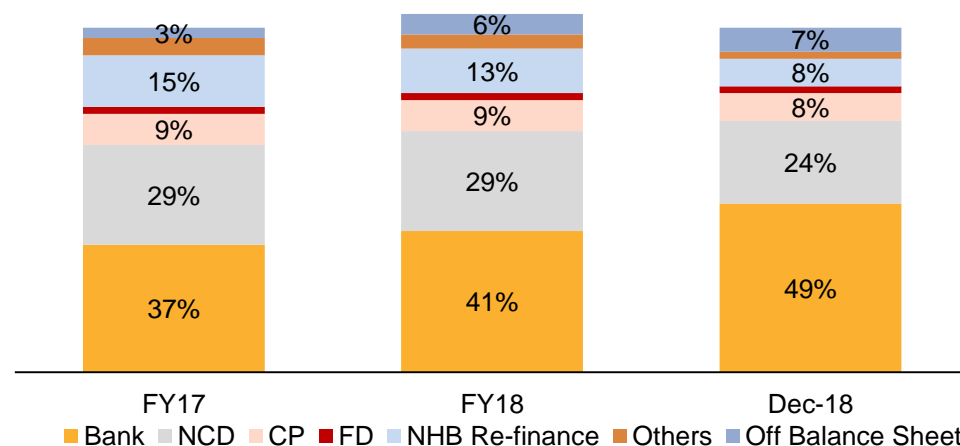
### Average tenor of outstanding borrowing (months)



### Diversified liability mix

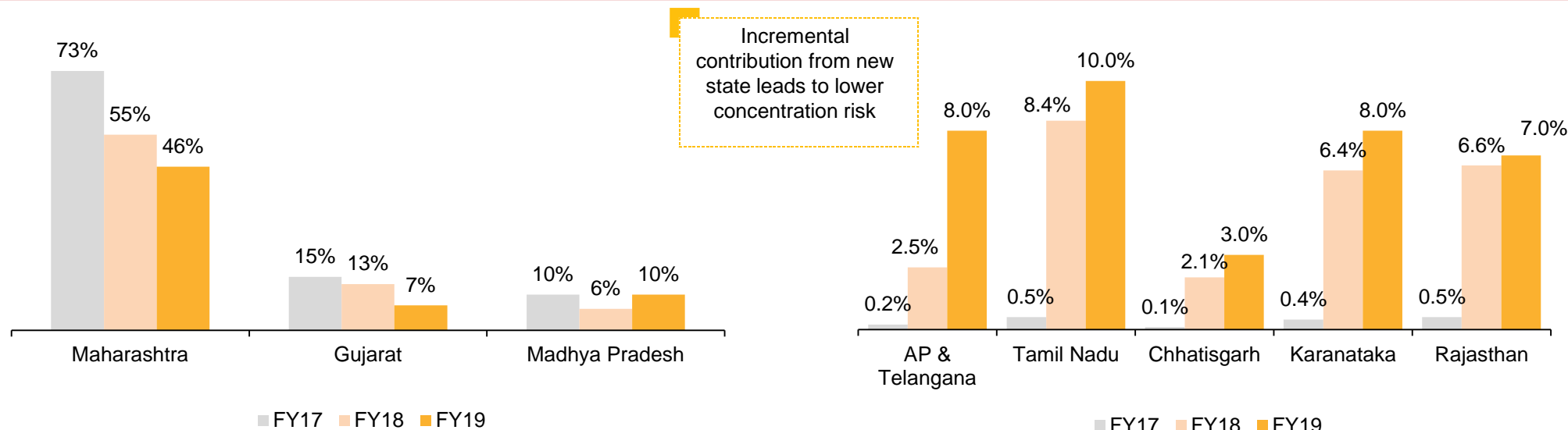


### Industry's Borrowings mix in All HFCs



# Aspire Home Finance – Geographical diversification

## State wise disbursement – Rising new state contribution in FY19

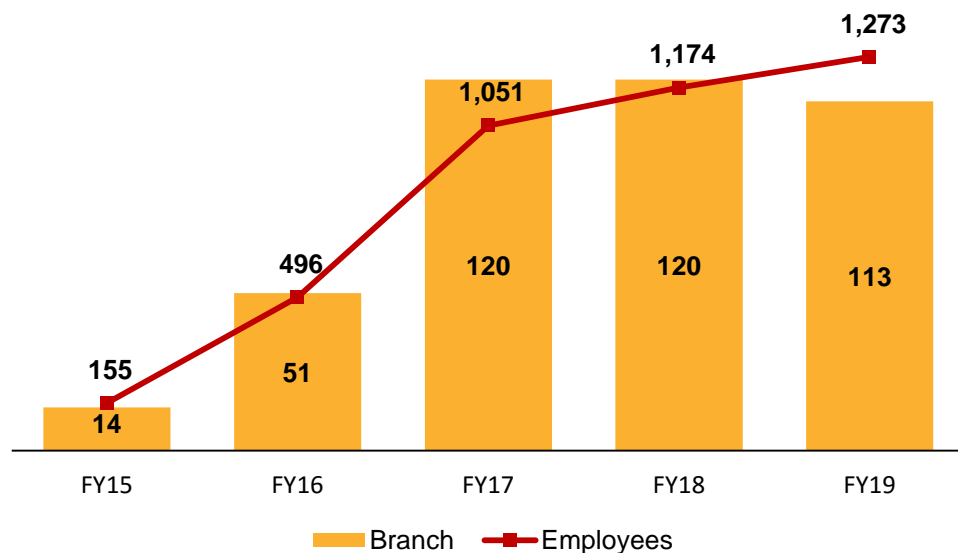


## Aspire’s geographic reach - Presence across 113 locations in 9 states

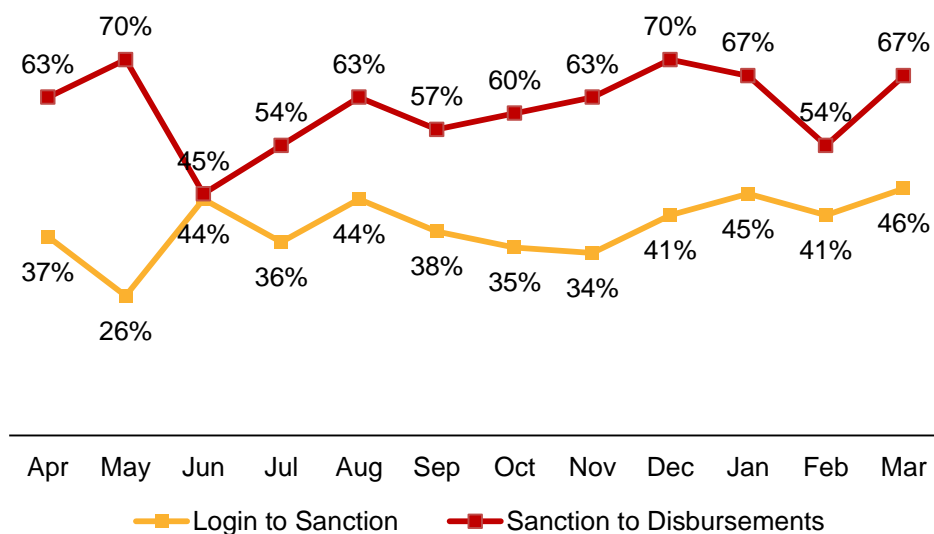
State	Nos. of Branches
Maharashtra	38
Gujarat	18
Tamil Nadu	15
Rajasthan	12
Karnataka	11
Madhya Pradesh	10
Andhra Pradesh	4
Chhattisgarh	3
Telangana	2



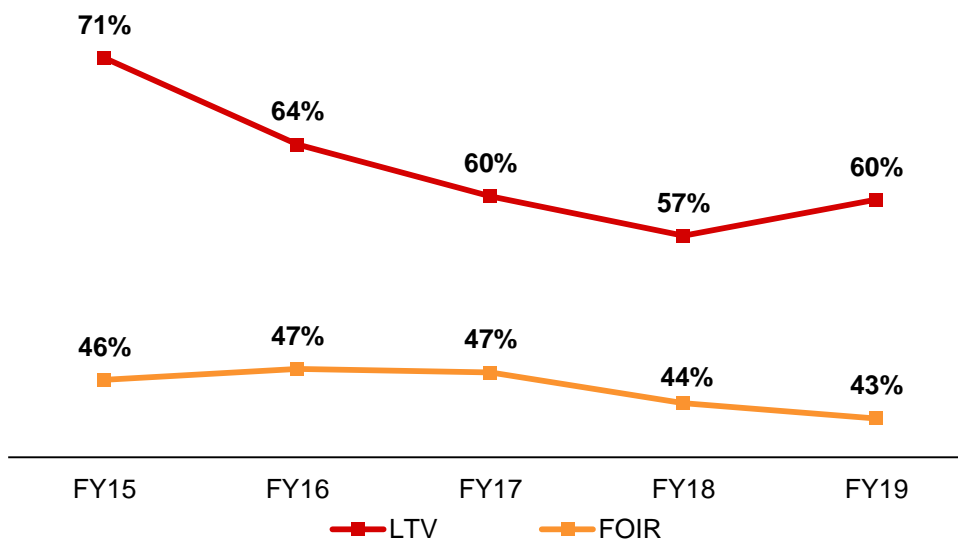
## Higher investment in manpower



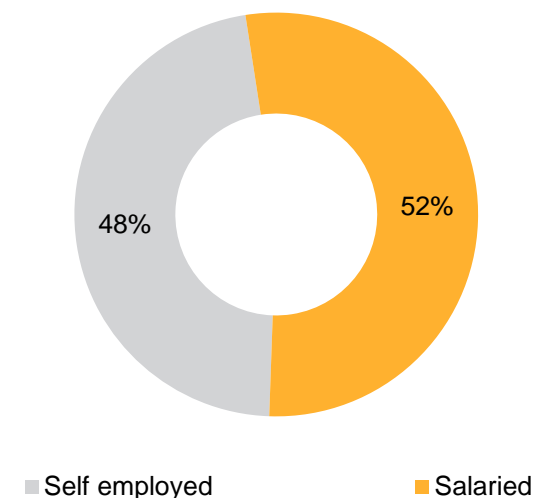
## Traction in Login to sanction ratio



## LTV of 60% and FOIR of 43%

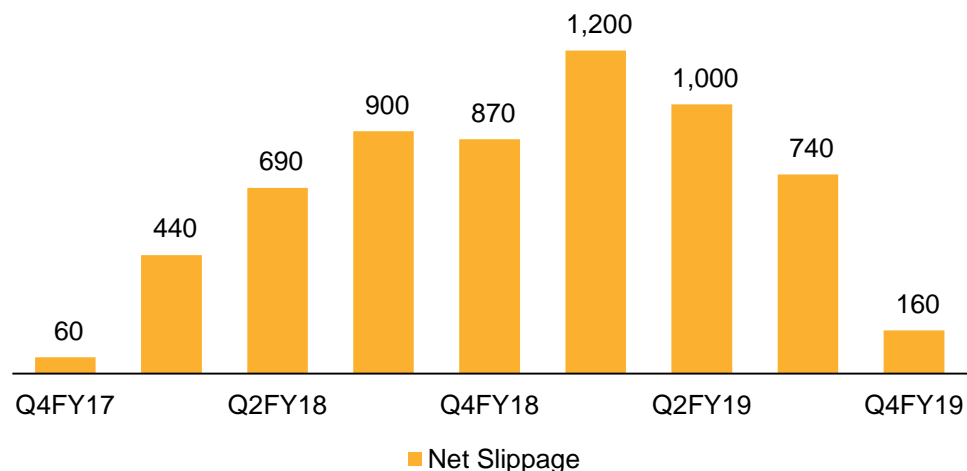


## Balanced customer mix (%)

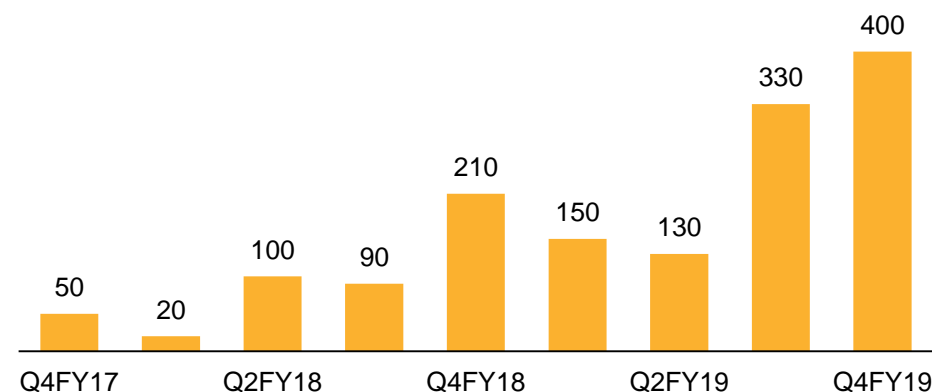


# Aspire Home Finance – Asset quality trend

## Net Slippages

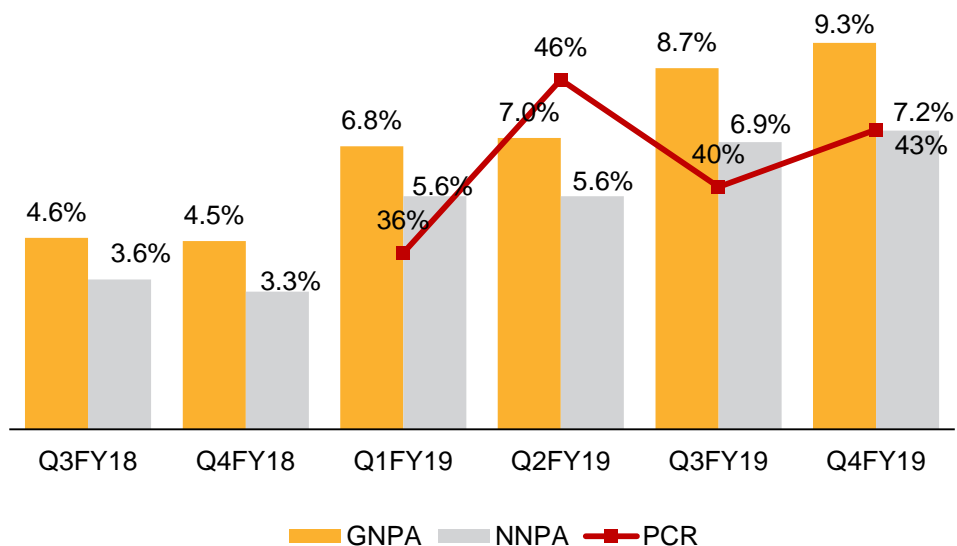


## Traction in recoveries

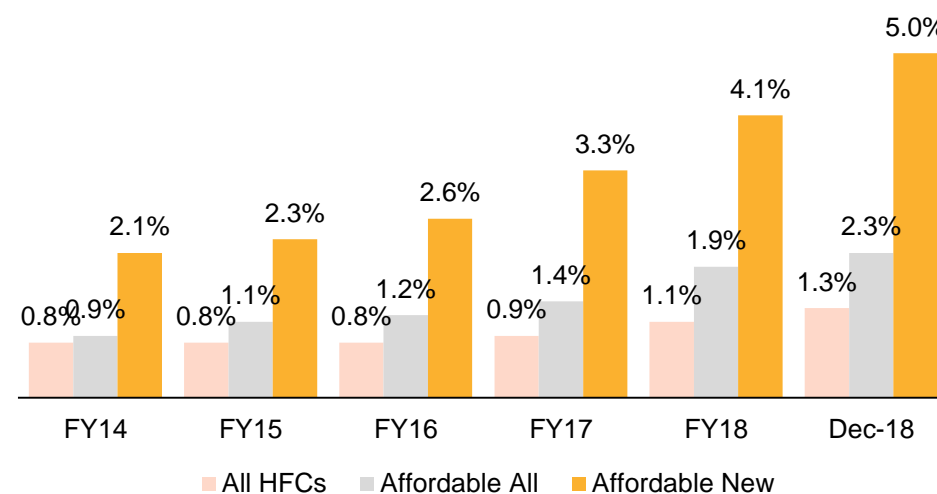


Recovery amount does not include repossession assets from written off and NPA book worth Rs 341 mn

## Aspire's GNPA and NNPA trend



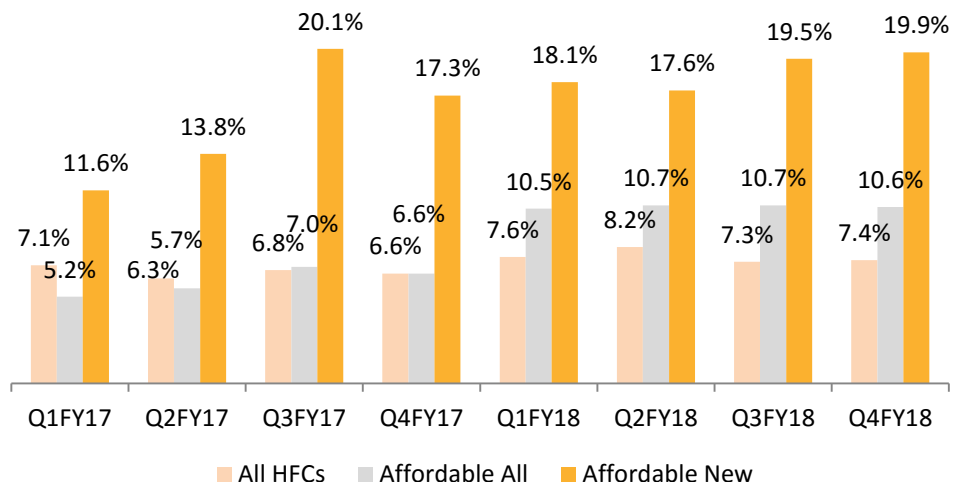
## Industry NPAs higher in New Affordable HFCs



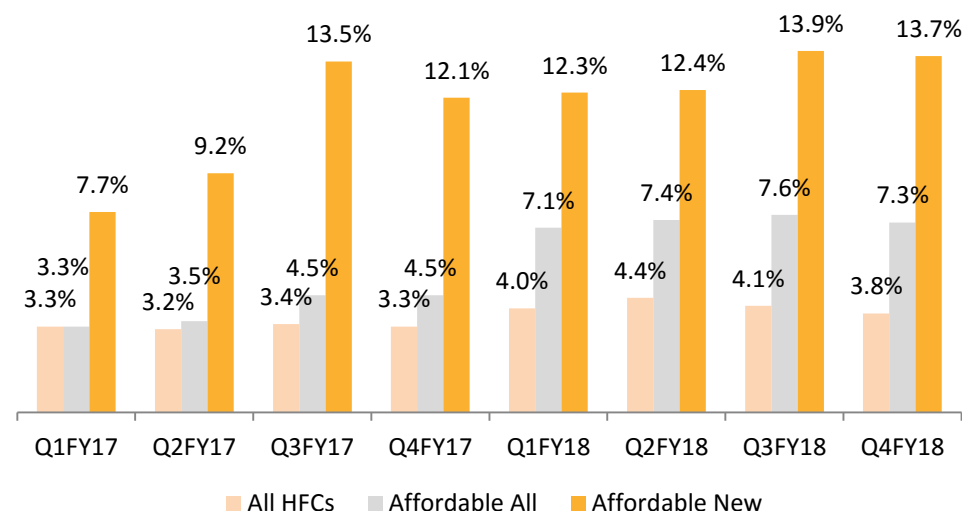
Note : Aspire's NPA in Q4FY19 is as per Ind-AS , PCR in including standard asset provisioning  
Affordable Housing new – HFC started operation post FY12 (total 18 HFCs considered) , Source: ICRA report March 19.

# Aspire Home Finance – Industry asset quality trend

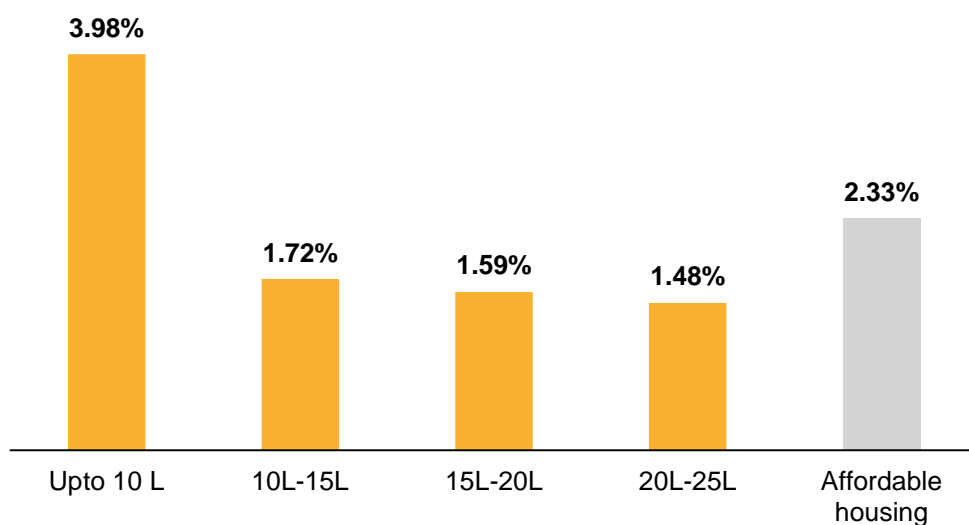
## Industry's delinquency trend : 0+ dpd



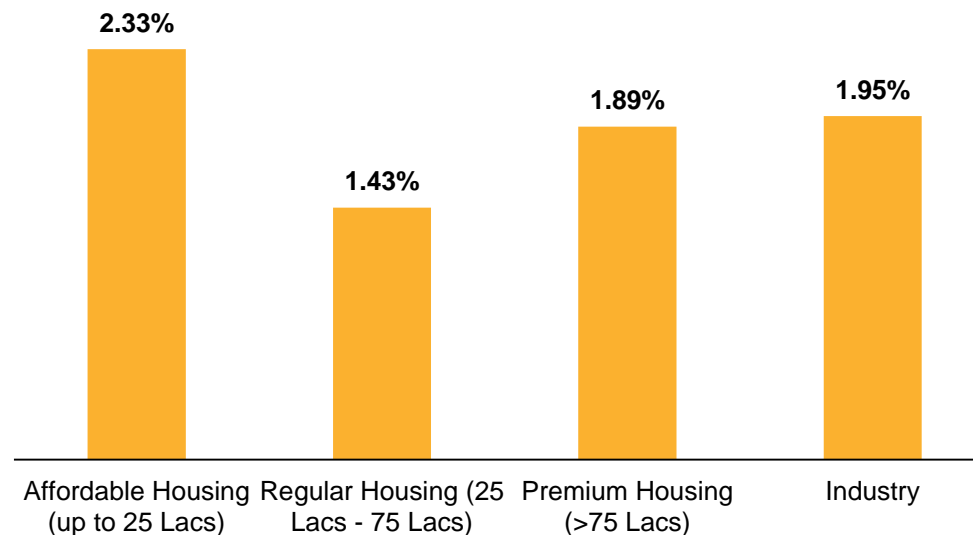
## Industry's delinquency trend : 30+ dpd



## Industry's NPA is highest in less than Rs10 Lakhs Ticket size



## Industry's NPA in Affordable segment is high



**Pursuing  
high quality  
growth**

**Rich understanding from 60,000 live accounts**

**Focus on Self employed / Self-construction / small ticket loans**

**No builder loans**

**100% In-house loan sourcing**

**Risk based pricing to ensure quality sourcing**

**Created in-house technical team. Captive team conducts 40% of all valuations and vets 100% of valuations**

**Verticalised organization structure from branch banking model**

**Enhanced risk control and focus on EWS model**

**Instituted RTRM mechanism to improve quality of credit underwriting**

**Resolving early warning signal cases and soft bucket cases promptly**

**Concurrent audit of pre & post disbursement. Starting online disbursement process**

# Aspire Home Finance – Strengthened credit, collection and processes



## Credit

**Cluster Credit**

Separated credit reporting from branch; cluster level credit layer created. State specific collateral policy rolled out

**Vertical Process**

Created 5 level credit appraisal process based on ticket sizes

**Risk based Pricing**

Rolling out risk based pricing model along with differentiated pricing model

**RCU**

Dedicated risk containment unit to minimize fraud related to income, profile and collateral.

**Legal and Technical**

Captive legal and technical team at cluster level.

**Defining radius**

Defined branch radius for loan sourcing

**Digitised credit**

Application scorecard, bureau Scorecard, KYC score and use of geo insides and look alike models for new to credit customers



## Collection

**In-house Collection and Legal**

Set up in-house collection and legal team of ~400 officers with vertical structure

**Collection app**

Rolled out collection app with geo tagging feature providing real time & periodic access to TLs

**Collection Tracking**

Real time update and capturing of collection data

**Collection Vertical**

Collection vertical is in place with zonal, cluster, regional collection heads

**Digital collection**

48% of collection happens via online mode

**Repair**

Resolving early warning signal cases and soft bucket cases promptly

**Legal Team**

Strengthened legal unit to pursue legal route aggressively such as SARFAESI, Section 138



## Process

**Digital Focus**

Rolled out Pre Sales app, Sales App, Collection App and Customer App

**Auto-mation**

Strengthen systems, process, operations by bringing IT enabled automations

**Customer Service**

Rolled out round the clock services for customers (12/7)

**In-house DMS**

In house data management system with better cost control, quality and features

**Payment Gateway**

Started online payment gateway for customers

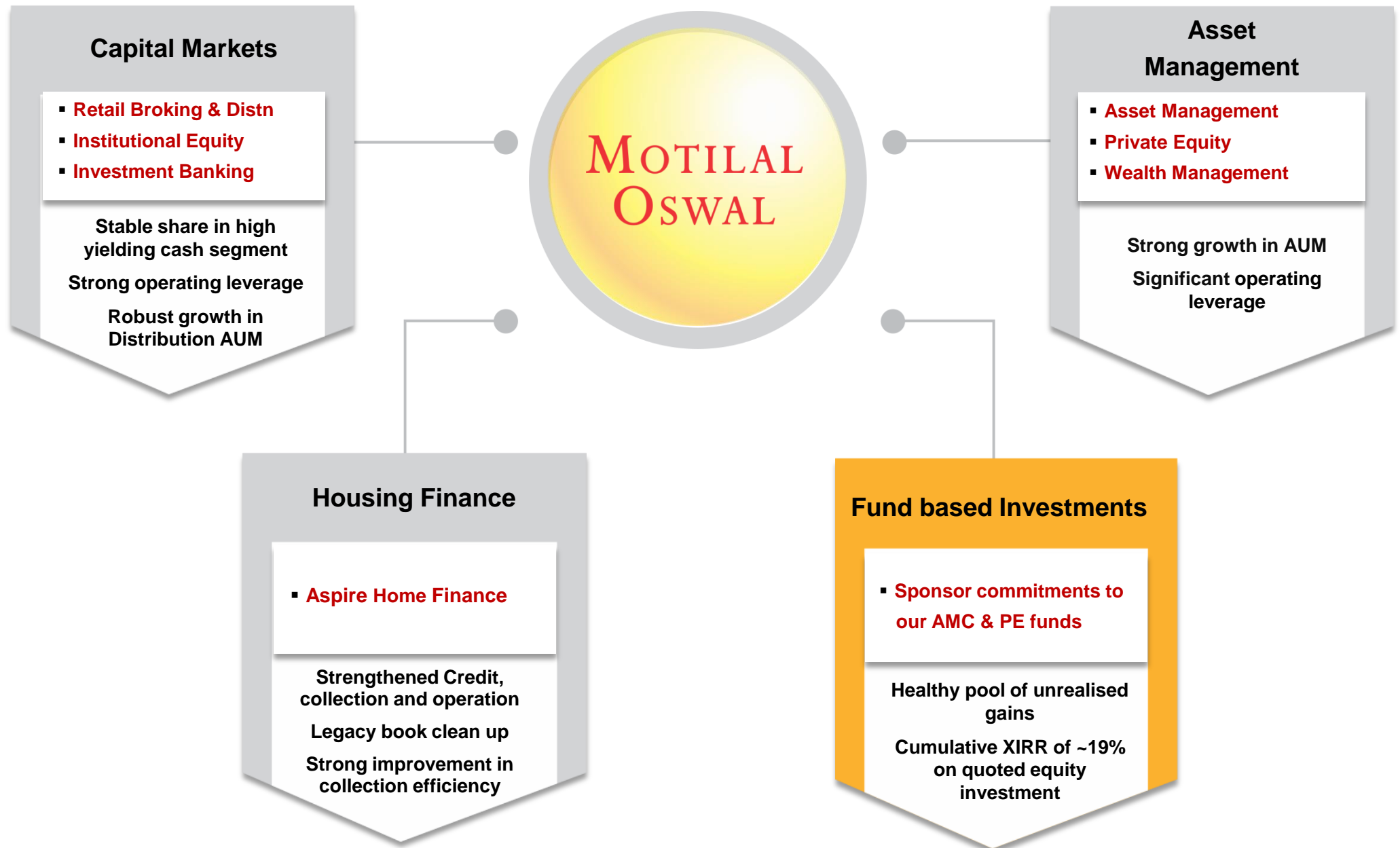
**Concurrent audit of pre & post Disb.**

Stronger control on pre and post disbursement documents with concurrent audit of every loan file

**NACH Process**

100% of accounts are registered for NACH





# Fund based Investments

**Total quoted equity investment including MTM gains was Rs 14.4 bn as of Q4FY19.**

Particulars (Rs mn)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QoQ (%)	FY19	FY18	YoY (%)
<b>Total Revenues</b>	<b>535</b>	<b>-845</b>	<b>163%</b>	<b>565</b>	<b>-5%</b>	<b>591</b>	<b>2,485</b>	<b>-76%</b>
<b>PAT as per Ind-AS</b>	<b>528</b>	<b>-609</b>	<b>187%</b>	<b>563</b>	<b>-6%</b>	<b>612</b>	<b>2,025</b>	<b>-70%</b>
<b>PAT as per IGAAP</b>	<b>336</b>	<b>753</b>	<b>-55%</b>	<b>694</b>	<b>-52%</b>	<b>1,295</b>	<b>1,683</b>	<b>-23%</b>

*Note: Fund based revenues and PAT excludes Other Comprehensive Income*

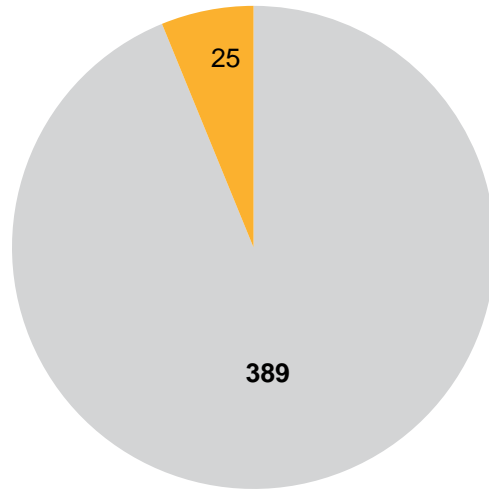
**Total unrealised gain on fund based investments at ~Rs 6.5 bn**

- In Q4FY19 revenues were higher on account of MTM fair valuation of investments under Ind-AS. During the quarter, revenue impact net gain (realised + MTM) on investments were Rs 0.5 bn vs Rs (1) bn in Q4FY18.
- Fund based book includes gains/loss on sponsor commitments cum investments in equity MF, PE funds, Real estate funds, AIF and strategic equity investments.
- Total quoted equity investment including MTM gains was Rs 14.4 bn as of March 2019, since MTM of these gains are now included in earnings under Ind-AS reporting.
- Cumulative XIRR on quoted equity investments is ~19% (since inception), validating the long-term performance track record of our QGLP philosophy.
- Pre-tax XIRR on exited private equity investments is ~27%.
- These investments have helped “seed” our new businesses, which are scalable, high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

**Cumulative XIRR of ~19% on quoted equity MF investments**

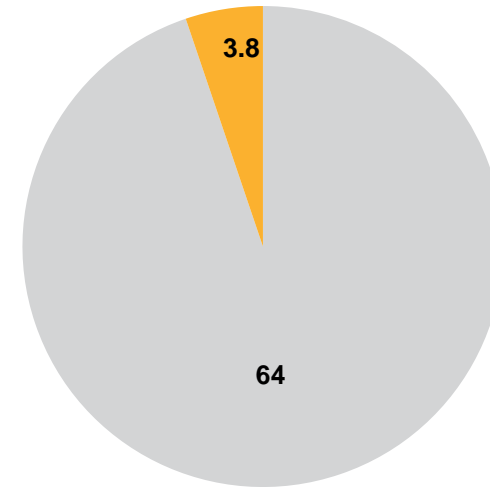
# Fund Based business – Skin in the game

## Skin in the game in AMC



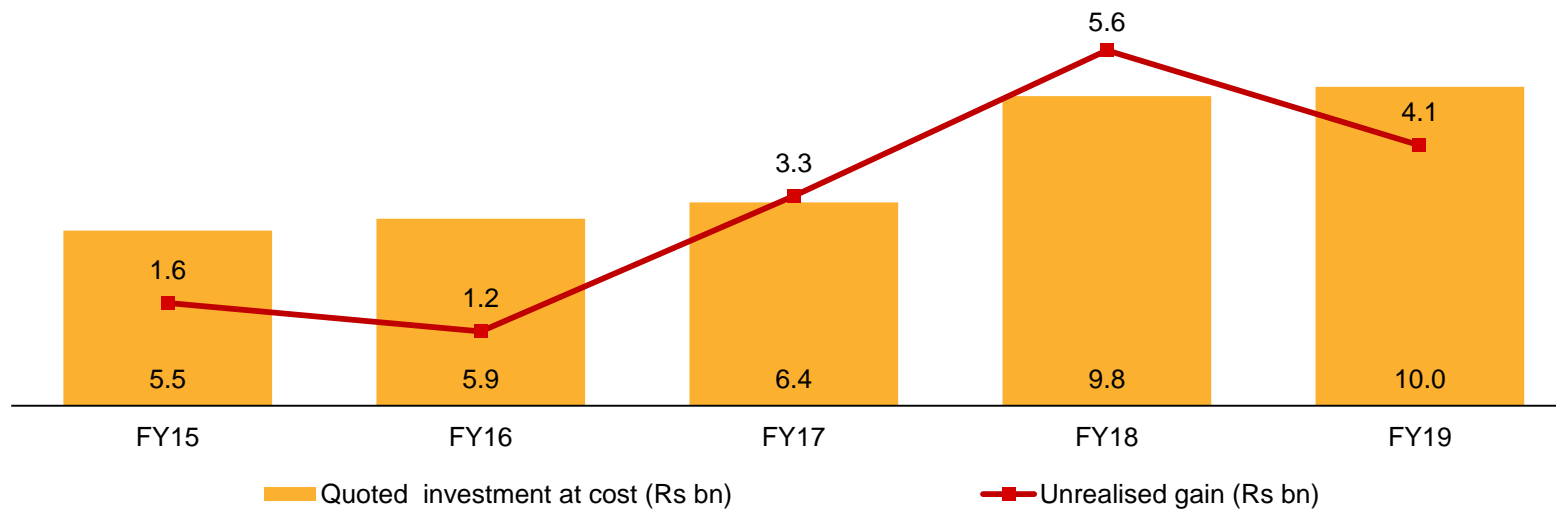
■ AMC AUM (Rs bn)    ■ Sponsor & Promoter AUM in AMC (Rs bn)

## Skin in the game in PE



■ PE AUM (Rs bn)    ■ Sponsor Commitment in PE (Rs bn)

## Unrealised gain from quoted equity investments



■ Quoted investment at cost (Rs bn)

■ Unrealised gain (Rs bn)

# Management team



## Motilal Oswal, Chairman and MD

A CA by qualification, Mr. Oswal started MOFSL along with Co-promoter, Mr Raamdeo Agrawal in 1987. He has served on the Boards of the BSE, Indian Merchant's Chamber (IMC), and on various committees of the BSE, NSE, SEBI and CDSL.



## Raamdeo Agrawal, Joint Managing Director

A CA by qualification, Mr Agarwal started MOFSL along with Mr Motilal Oswal in 1987. He is a Joint MD of MOFSL and also the co-founder of MOFSL. A keen believer and practitioner of the QGLP philosophy, his wealth creation insights and decades-rich experience have played a pivotal role in the growth of MOFSL.



## Navin Agarwal, Managing Director

Mr Agarwal is a CA, ICWA, CS and CFA by qualification. He was responsible for the Institutional Broking & Investment Banking business and has been instrumental in building a market-leading position for the Group in Institutional Broking. He has been with MOFSL since 2000.



## Rajat Rajgarhia , CEO – Institutional Equities

Mr Rajgarhia is a CA and MBA by qualification. He joined MOFSL in 2001 as a Research Analyst, went on to Head the Research team, and currently heads the Institutional Equities business.



## Ajay Menon , CEO – Retail Broking and Distribution

Mr Menon is a CA by qualification. He possesses over 15 years of experience in Capital Markets. He joined the Group in 1998. He is also a Whole time Director of MOFSL.



## Vishal Tulsyan, CEO – Private Equity

Mr Tulsyan is a CA (all-India rank holder). He has more than 15 years of experience in Financial Services. He has worked with Rabobank as a Director. He joined MOFSL in 2006 and is the founder MD& CEO, of Motilal Oswal Private Equity (MOPE).



## Aashish Somaiyaa, CEO – Asset Management

Mr Somaiyaa has done his MMS-Finance from NMIMS. He has varied experience of more than 18 years in sales and distribution, channel management and product development. He has worked with ICICI Prudential AMC and Bharti Axa Investment Managers. He joined the Motilal Oswal Group in 2013.



## Vijay Kumar Goel, CEO- Wealth Management

Mr Goel is a CA (rank holder) and a Cost Accountant. He has worked with the Aditya Birla Group and Dawnay Day AV Financial Services. He joined MOFSL in 2006 and currently Heads the Private Wealth Management business.



## Girish Nadkarni, CEO – Investment Banking

Mr Nadkarni brings with him over 23 years of rich experience in Investment Banking, ECM, and Institutional Equities. He is an MBA from IIM – Ahmedabad and a Member of ICWAI. He has worked with Avendus, ITC and ICICI. He joined MOFSL Group in 2014.



## Sanjay Athalye, CEO– Housing Finance

Mr Athalye has 20 years experience in Mortgage Finance Industry. He has varied experience in SME, Home Finance, Infrastructure, Construction Finance and Micro Finance. Prior to joining Aspire, he has worked with Indostar Capital Finance Ltd., as CRO



## Shalibhadra Shah, Chief Financial Officer

Mr Shah is a CA by qualification. He is a Finance professional with 17 years of experience spanning the entire gamut of Finance, Accounts, Taxation & Compliance. He joined MOFSL Group in 2006.

# Independent Directors



## Praveen Tripathi, Independent Director (MOFSL)

Mr Tripathi has done his PGDM from IIM, Ahmedabad and B. Tech (Electrical Engineering) from IIT, Kanpur. He is currently CEO of Magic9 Media and Consumer Knowledge Private Limited and has 30 years of rich experience from the brands like Starcom, Leo-Burnett and Lintas



## Sharda Agarwal, Independent Director (MOFSL)

She is PGDM from IIM, Bangalore and has worked with Johnson & Johnson, and Coca Cola India. She co-founded India's premier strategy business and marketing consulting firm in 2005. In addition, Mrs Agarwal also serves as an Independent Director in Future Lifestyles



## Vivek Paranjape, Independent Director (MOFSL)

Mr Paranjape has done his BSc (Hons) from Ferguson College, Pune and PGHD in Industrial Relations and Welfare from XLRI, Jamshedpur. He has worked with Reliance for 11 years and Hewlett Packard for 16 years, and has been the Honorary CEO for National HRD Network of India.



## Rekha Shah , Non-Exec, Independent Director (MOFSL)

Mrs Shah is the Founder of Analyze N Control. She has done her Business Management from JBIMS, and has worked with Indian business houses like the Tata Group and Intermediaries such as Vadodara Stock Exchange, and Kotak Securities, among others.



## Kanu Doshi , Independent Director (MOAMC)

Mr Doshi has over 49 years of varied experience. He specializes in Corporate Taxation and is known for his deep insights in financial matters. He is also a Director on the boards of various companies and has rich experience in educational field



## Ashok Jain Independent Director (MOAMC)

Mr Jain is the Whole-time Director and CFO of Gujarat Borosil. He has rich and varied experience of more than two decades in Corporate Management, particularly Finance .



## Abhay Hota, Independent Director (MOAMC)

Mr Hota has rich and varied experience of over 35 years in Regulatory and technical aspects, and Project Management. He has worked with the RBI as a central banker.



## Sanjay Kulkarni, Independent Director (AHFCL)

Mr Kulkarni is an Engineer from IIT Mumbai and has done his MBA from IIM Ahmedabad. He has over 40 years of experience in Banking and Financial services.



## Smita Gune, Independent Director (AHFCL)

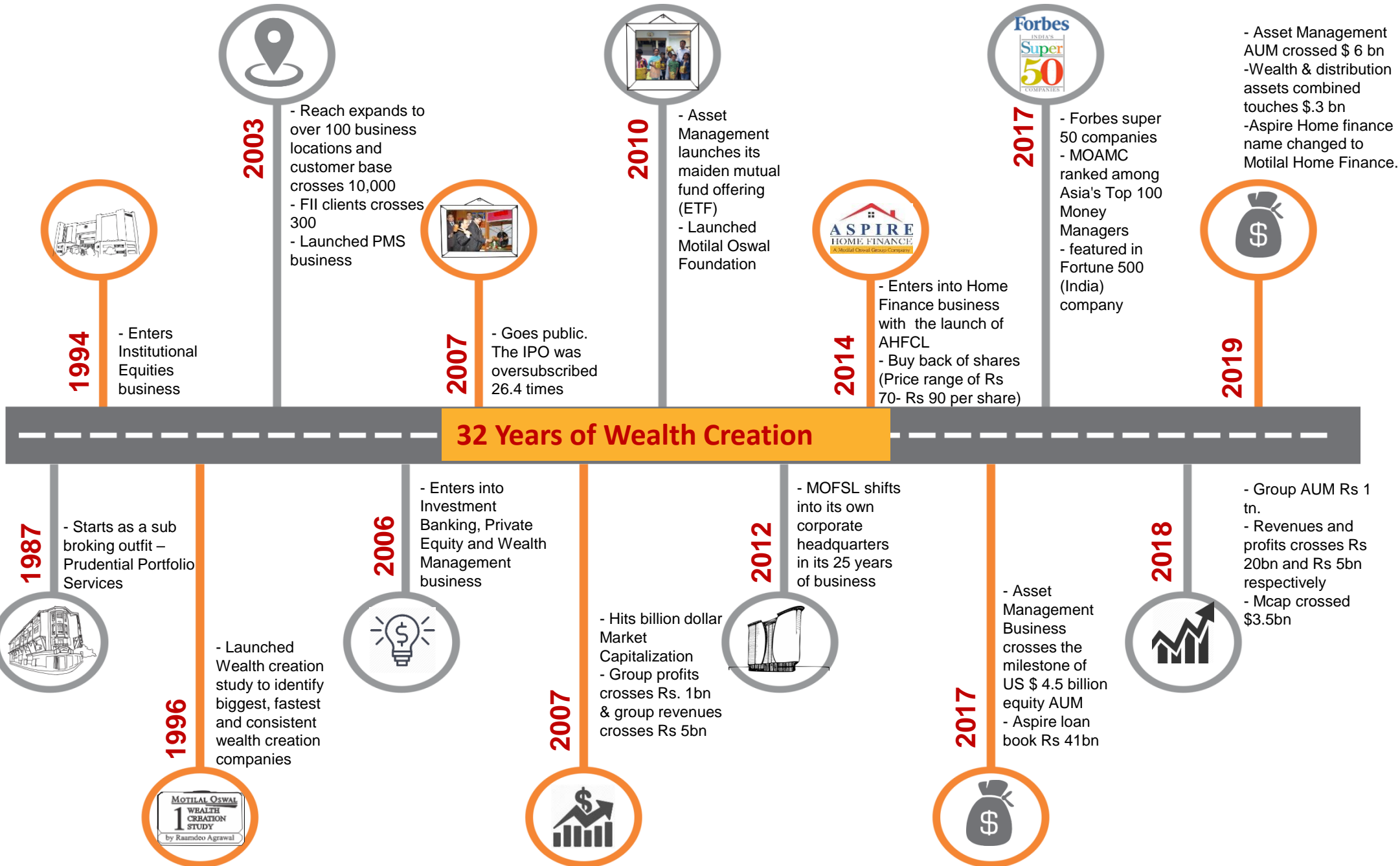
She is a Member of ICAI and Institute of Internal Auditors. She is a finance professional, with over 30 years of experience in Banking and Financial Services. She is currently heads Risk Management of ANB Consulting and has practised risk in ICICI Bank and Tata Finance earlier



## Gautam Bhagat, Independent Director (AHFCL)

Mr Bhagat is a finance professional with over 27 years of experience in the BFSI sector. He has served as a member of the Executive Management team at HDFC till 2016. He has also served as CEO of HDFC Sales Private Limited.

# MOFSL Journey





Key Highlights

Financials

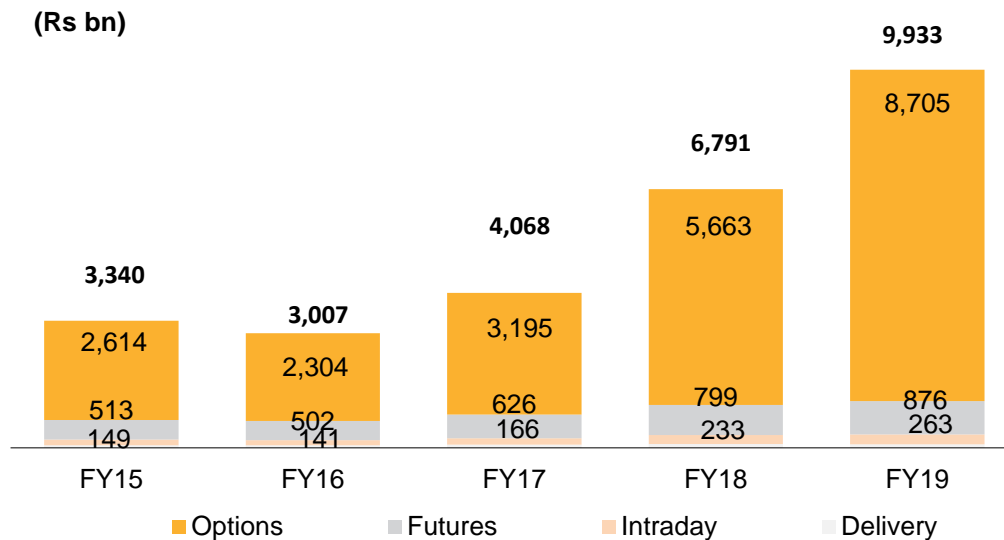
Businesses

**Interesting Exhibits**

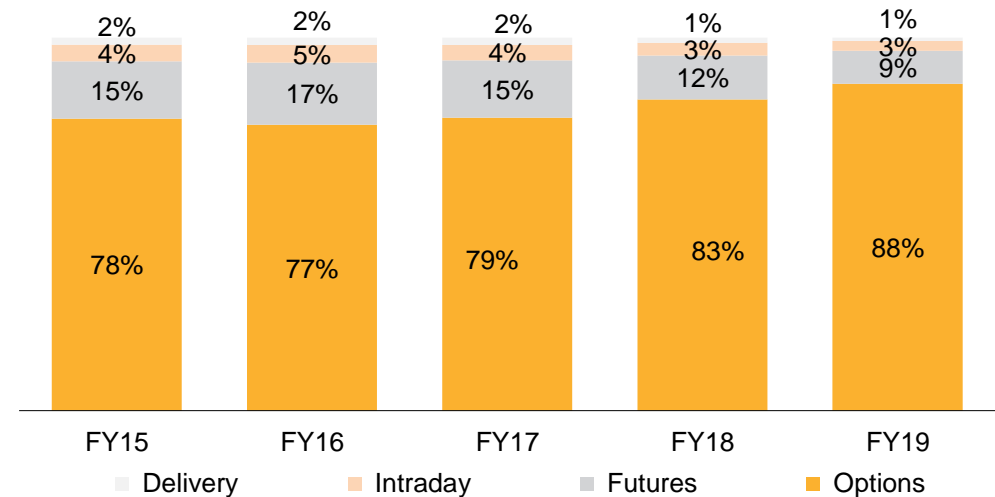


# Capital Market – Rising market share of top brokers in an earnings upcycle

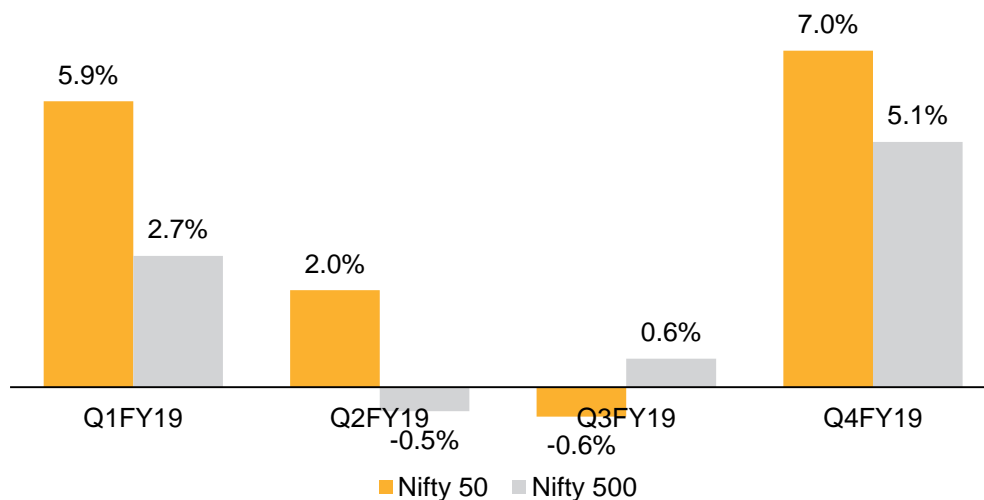
## Market ADTO is on a high YoY in FY19



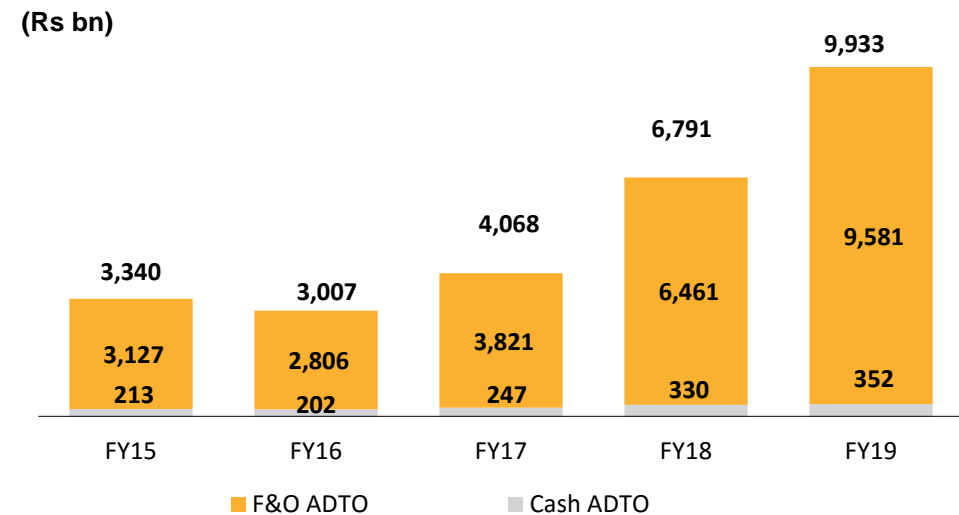
## Market ADTO break up



## Performance of benchmark index during FY19



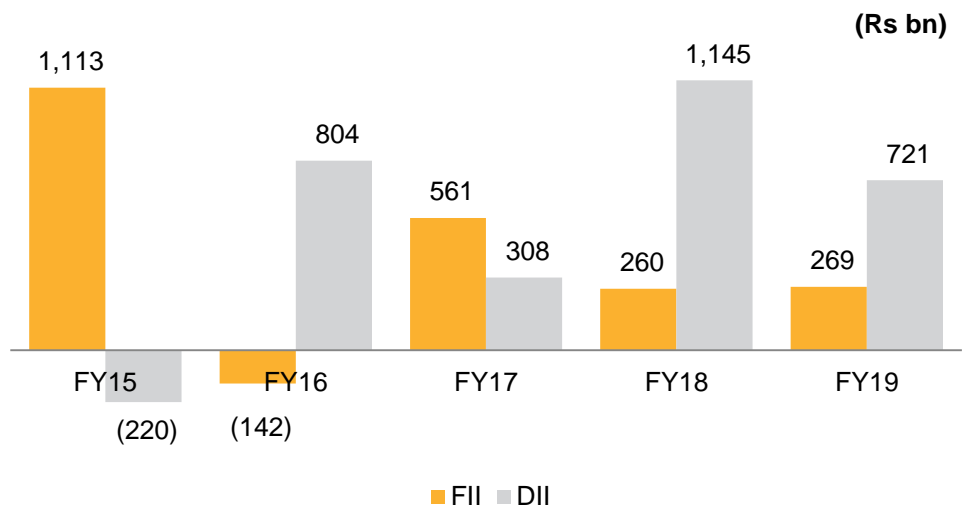
## Market ADTO – Cash and F&O



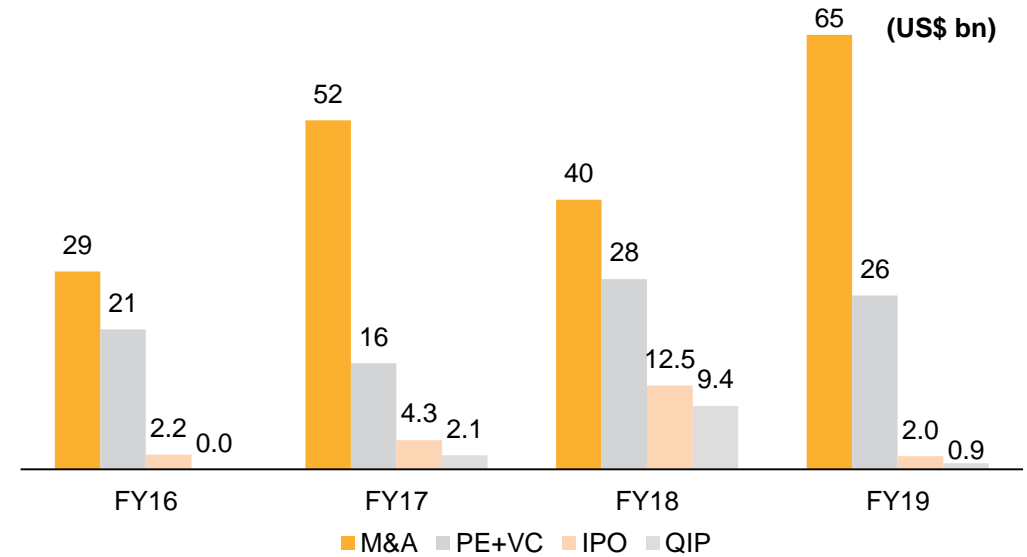


# FII-DIIs remain volatile in FY19; IPOs remain muted

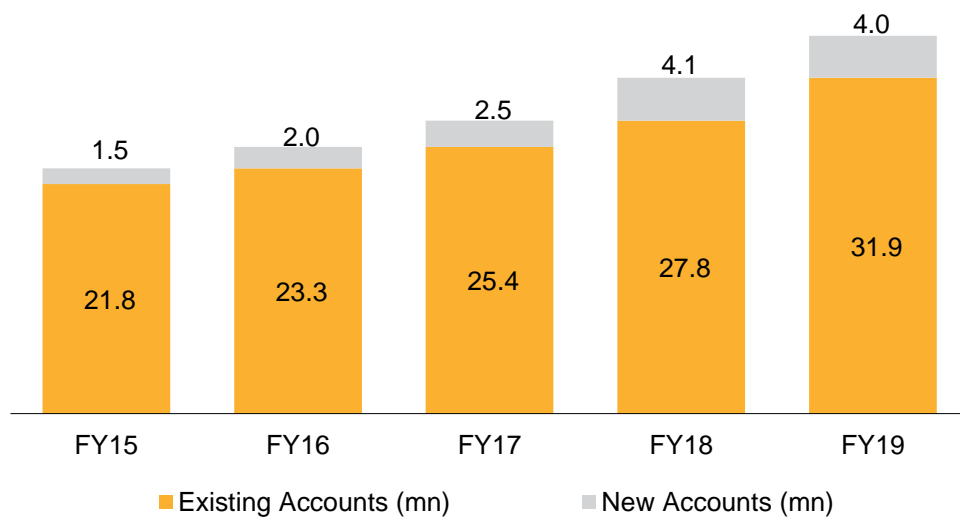
**FII & DII net inflows \***



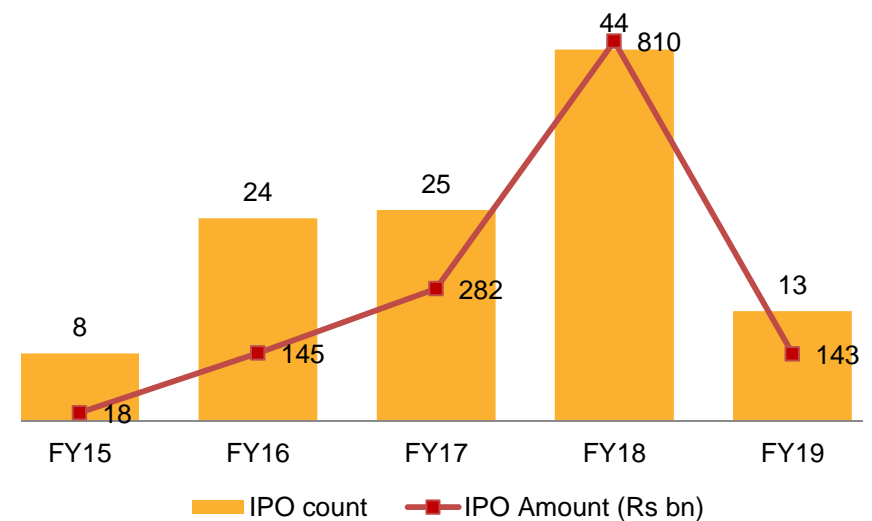
**Fund Raising – M&A, QIP, IPO**



**Incremental Demat accounts continued to grow at a healthy pace**



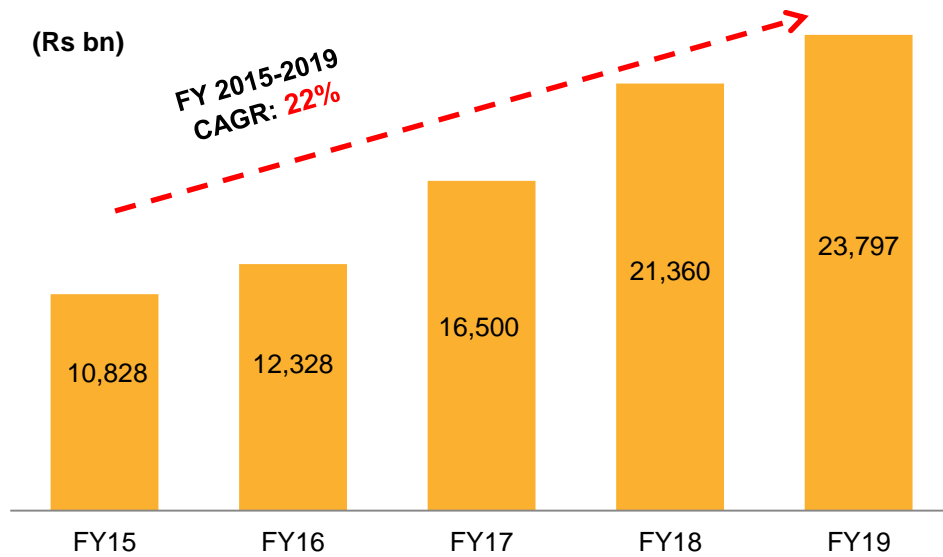
**Mainboard IPO saw a sharp dip in FY19**



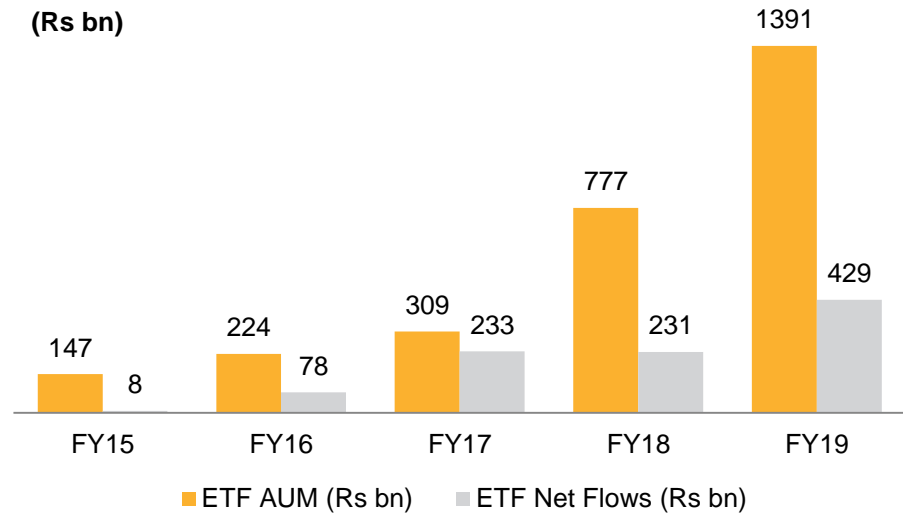
Source: NSE, BSE, CDSL, NSDL (\*only equities), Prime, VC Circle

# Asset Management – Strong AUM growth story

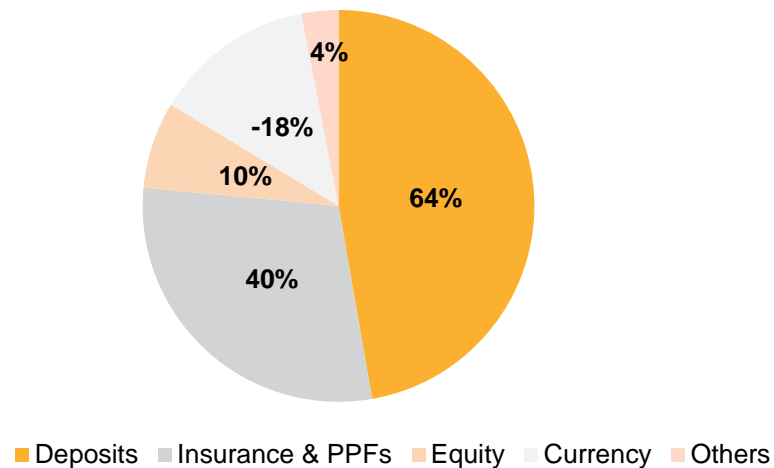
## MF AUM growth provides optimism



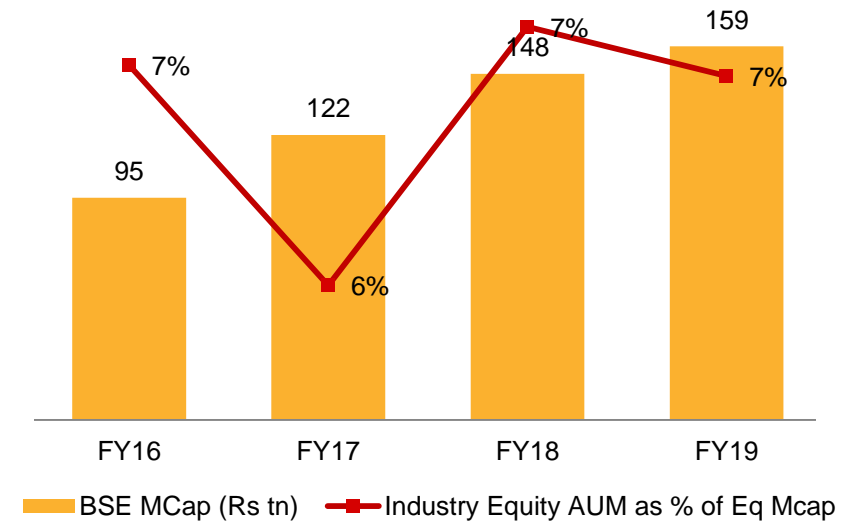
## ETF AUM has grown ~10x in past 3 years



## Equities are underpenetrated within Indian financial savings

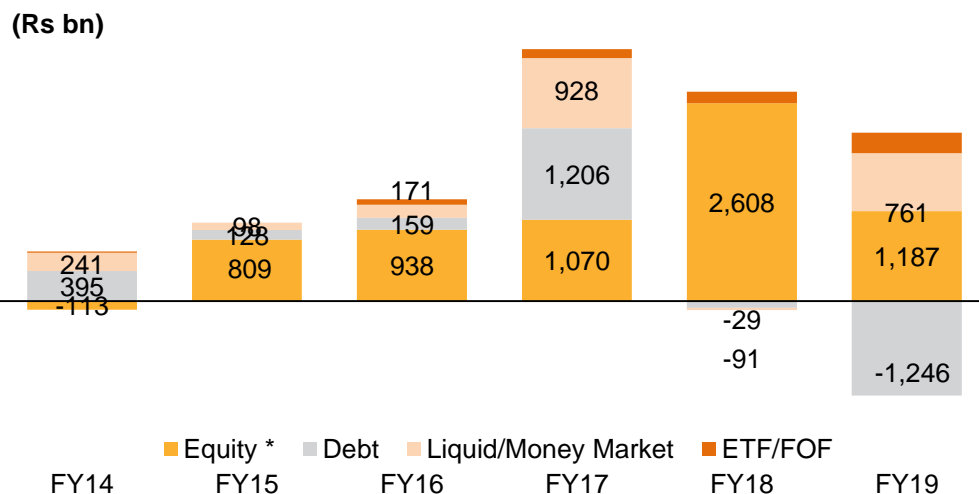


## Equity assets as a % of BSE Mcap on a rise

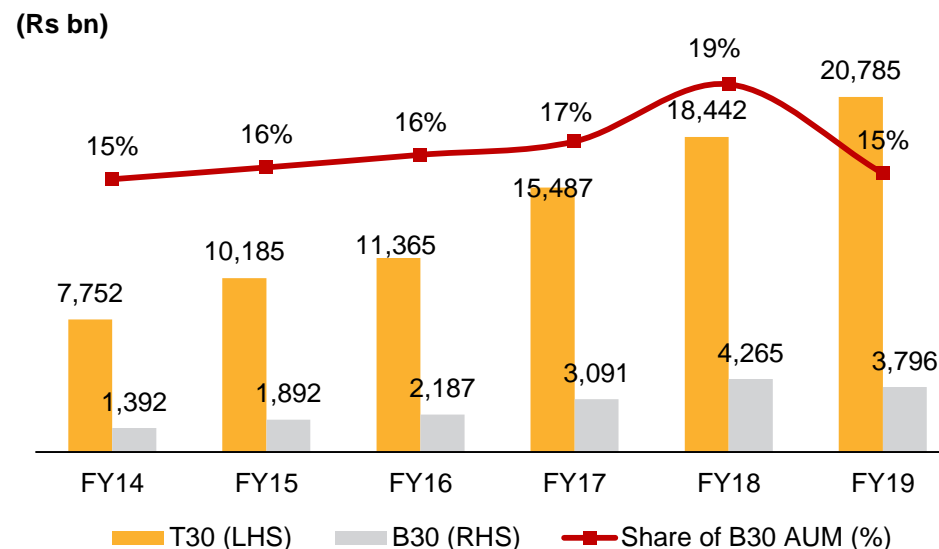


# Asset Management – Stickiness of Equity asset class

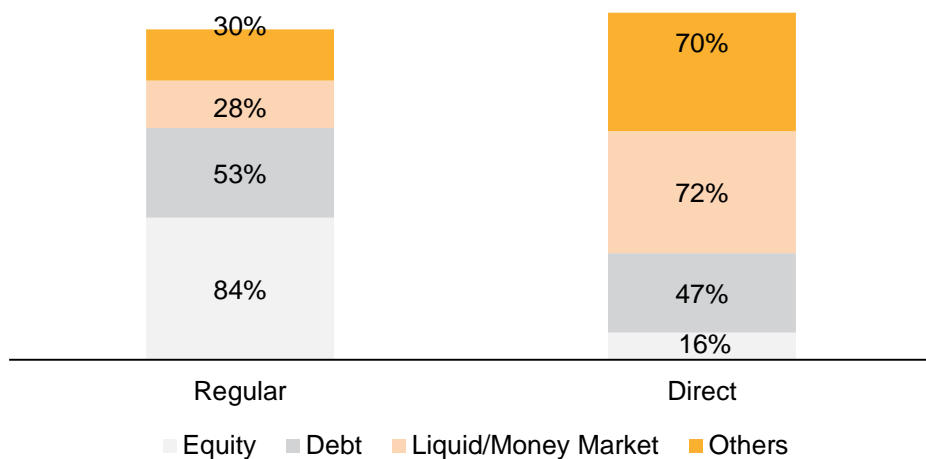
## Equity-oriented funds lead the charge in net inflows



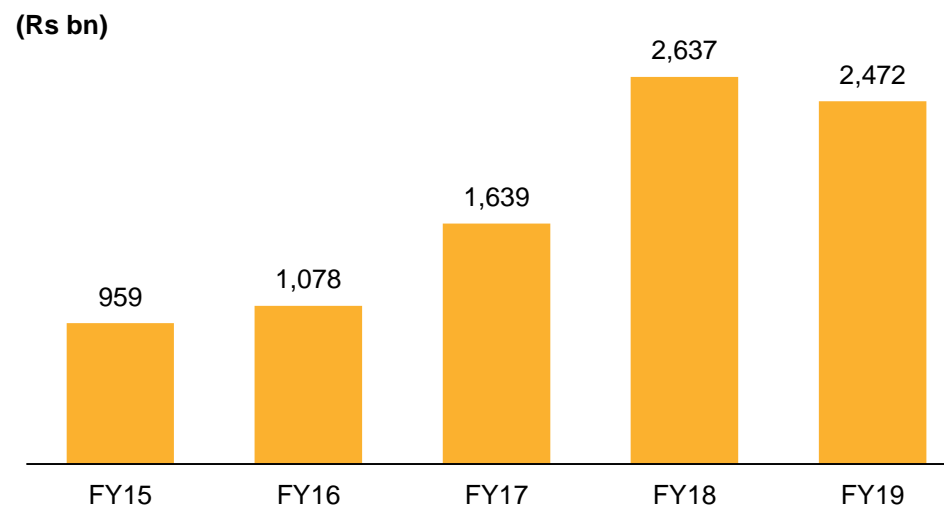
## Smaller cities picking up pace, with increasing A-AUM\*



## Regular plans constitute majority of equity assets



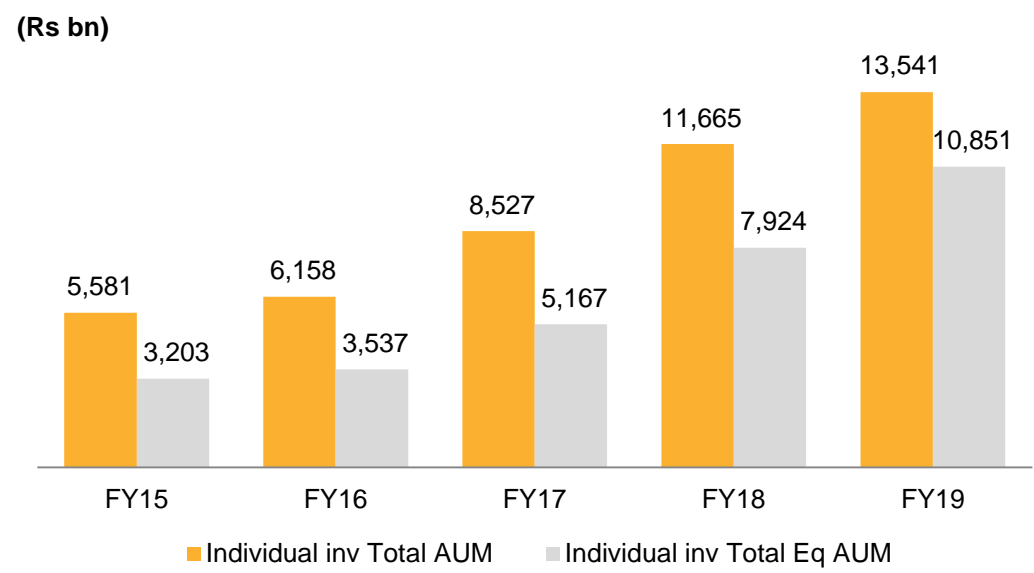
## B30 cities' equity assets on a rise over the years \*



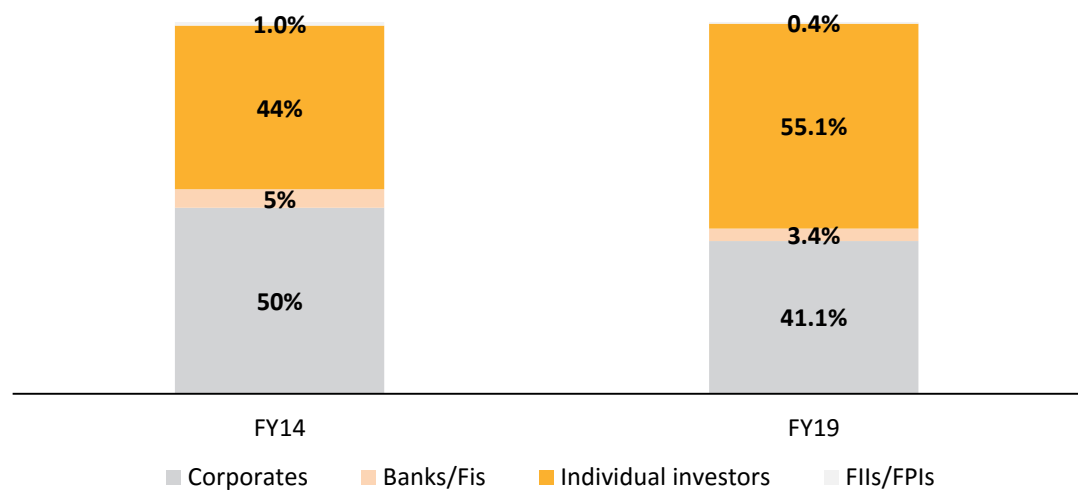
Source: AMFI  
 Note : Equity includes ELSS and balanced  
 \*Data for B-15 cities till FY18

# Asset Management – Stickiness of Individual (Retail + HNI) investors

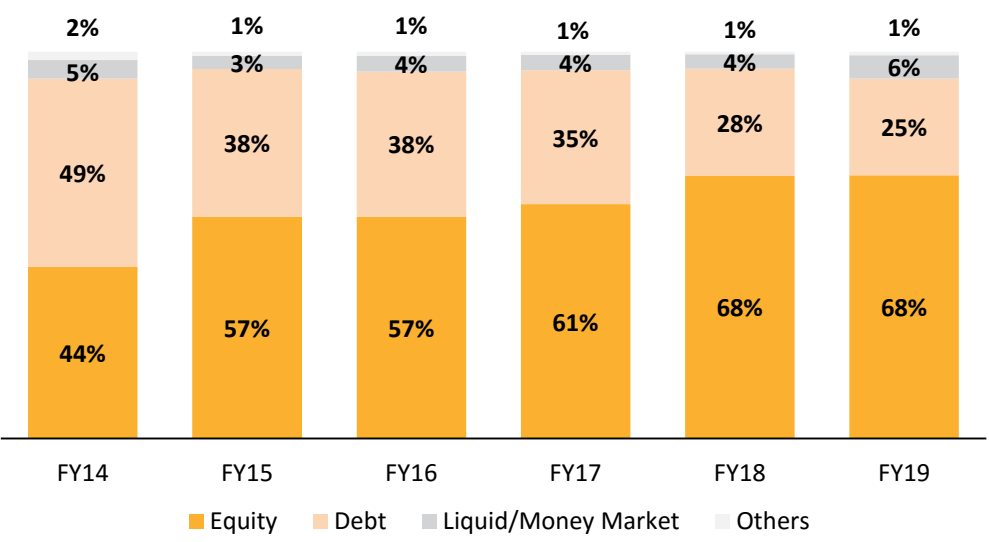
## Mutual fund assets of individual investors on the rise (AAUM)



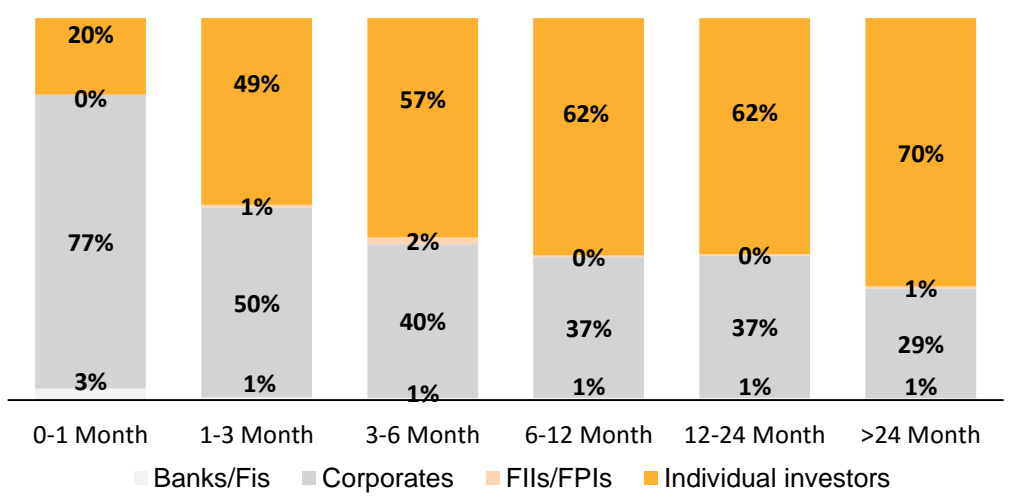
## Individual investors' assets claim a bigger share of the AUM pie



## Bulk of Individual investor assets are in equity-oriented funds



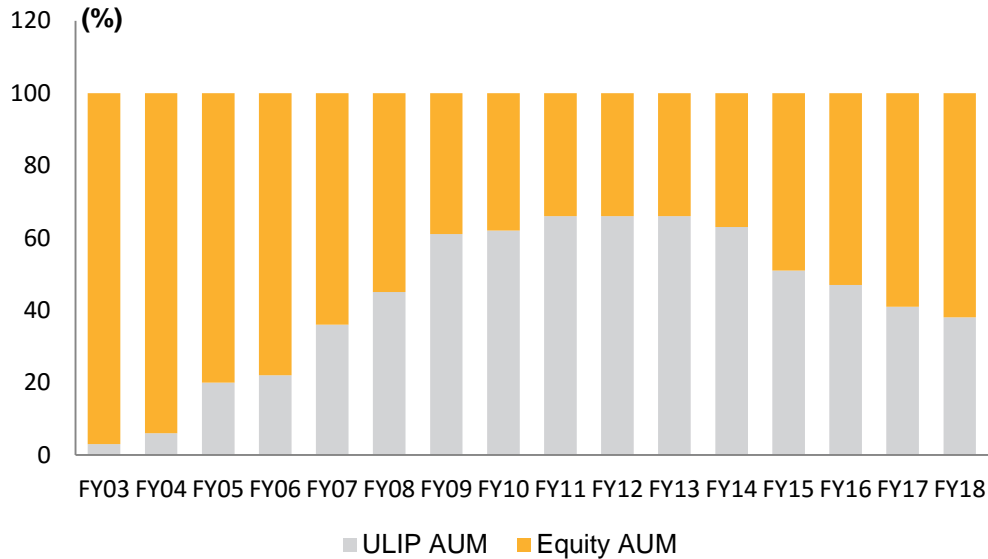
## Individual investors tend to remain invested longer



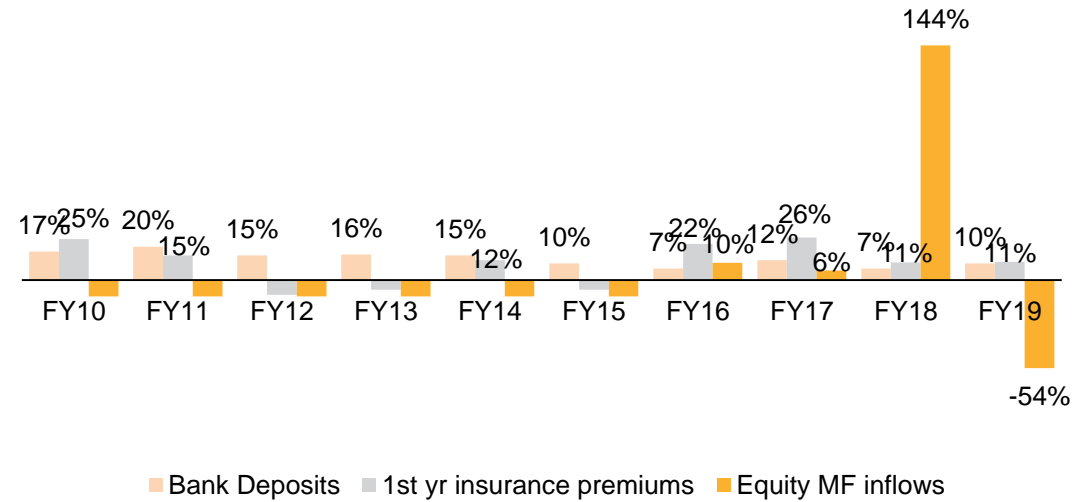
Source: AMFI

# Asset Management – Rising financialization of savings

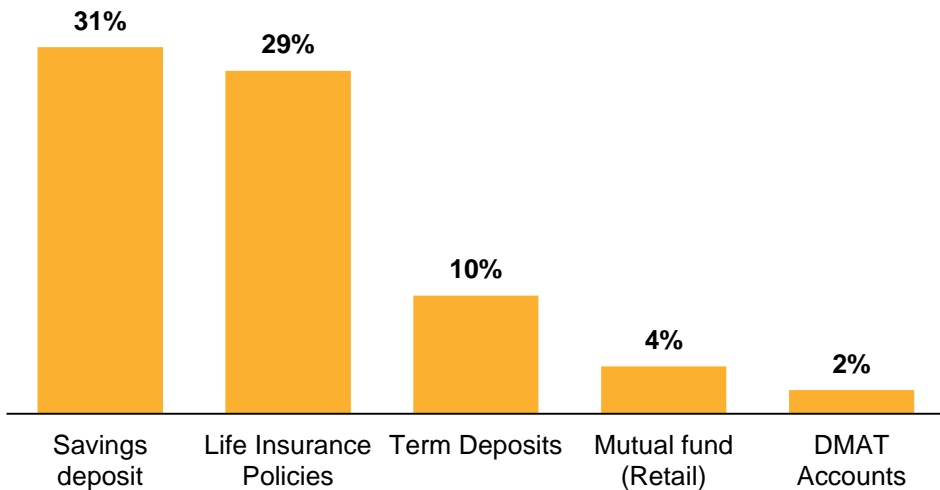
## Shift of financial savings from ULIP to Equity MF



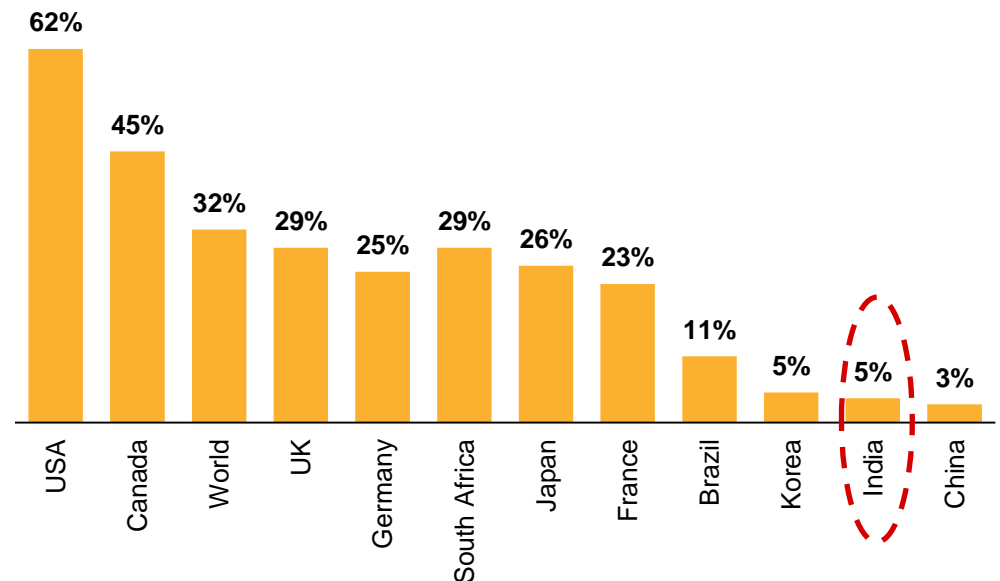
## Equity MF flows dipped in FY19 on Higher vase (growth YoY %)



## MF is the most underpenetrated savings instrument



## MF Equity AUM / GDP – Headroom for growth

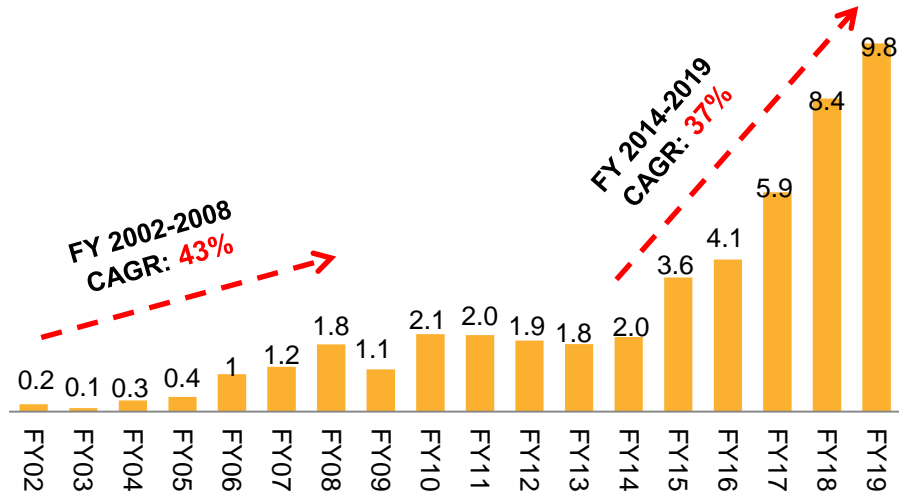


Source: AMFI, IRDA, RBI, World bank

# Asset Management – Current Equity MF uptrend is just like FY02-08 cycle

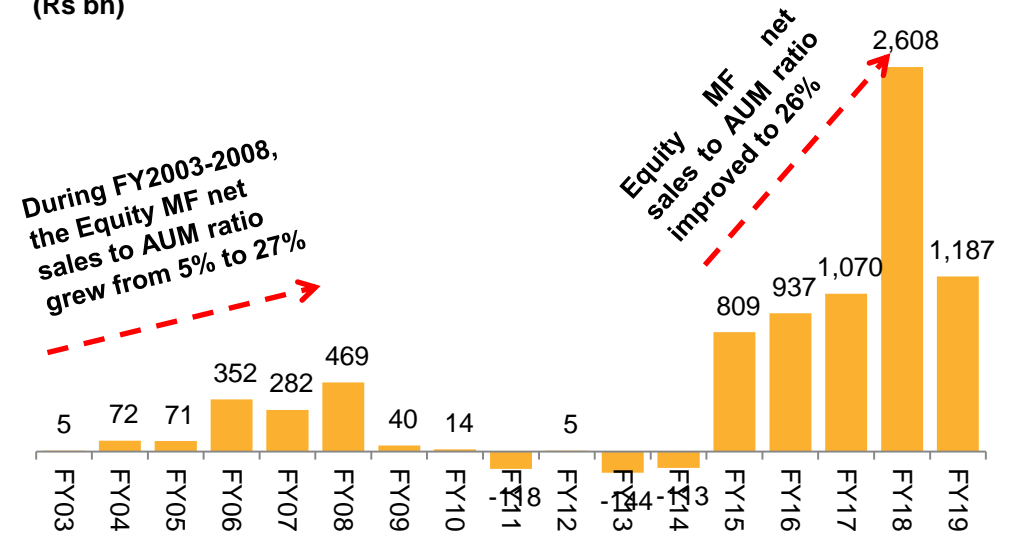
Significant inflows in Eq MF AUM in last up-cycle (FY02-08) ; same traction has been witnessed from FY14 onwards

(Rs tn)



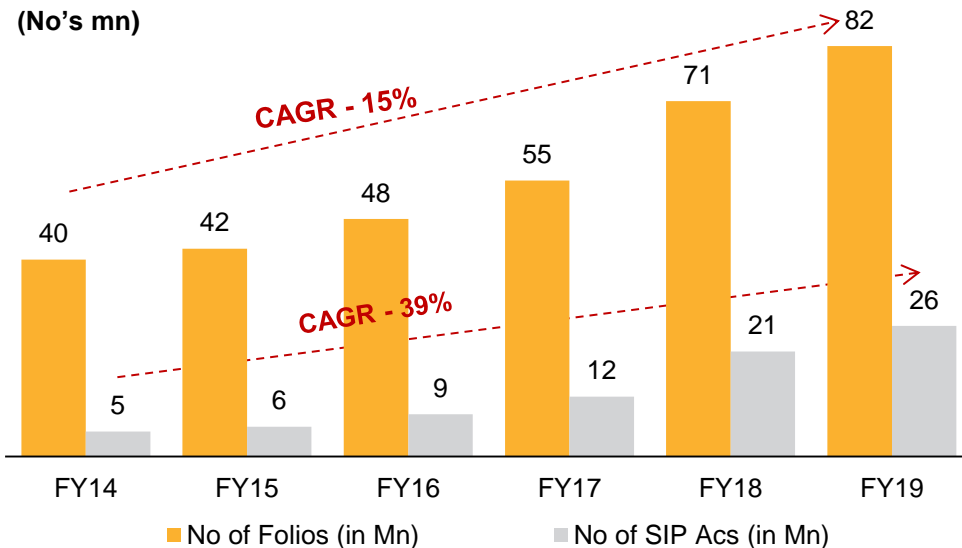
Market performance drives MF net flows, a repeat of the last cycle

(Rs bn)

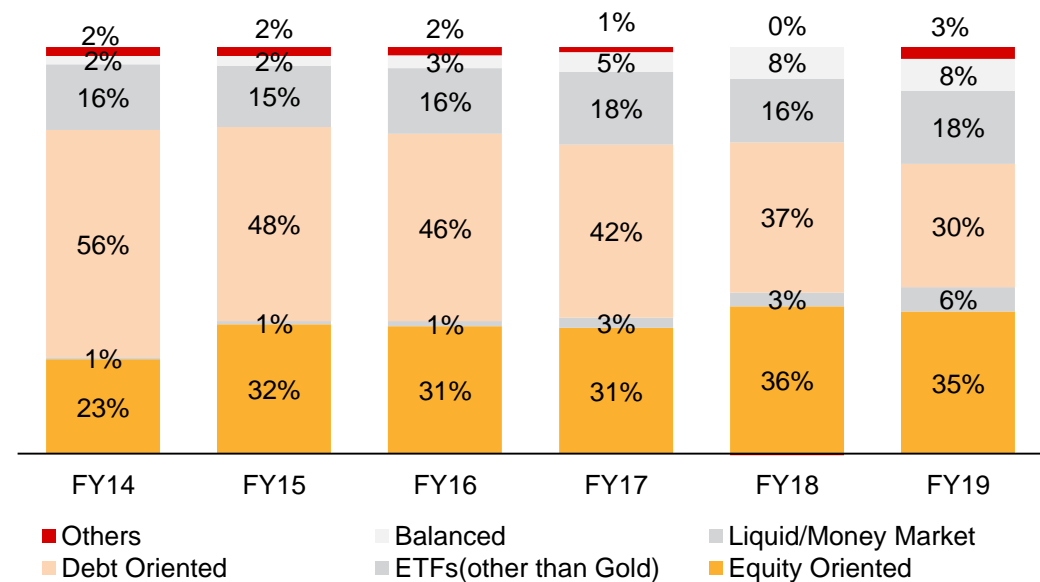


Investor A/Cs in MF industry took off since mid-2014

(No's mn)



Proportion of Equity in Industry MF AUM mix went up in 5 years

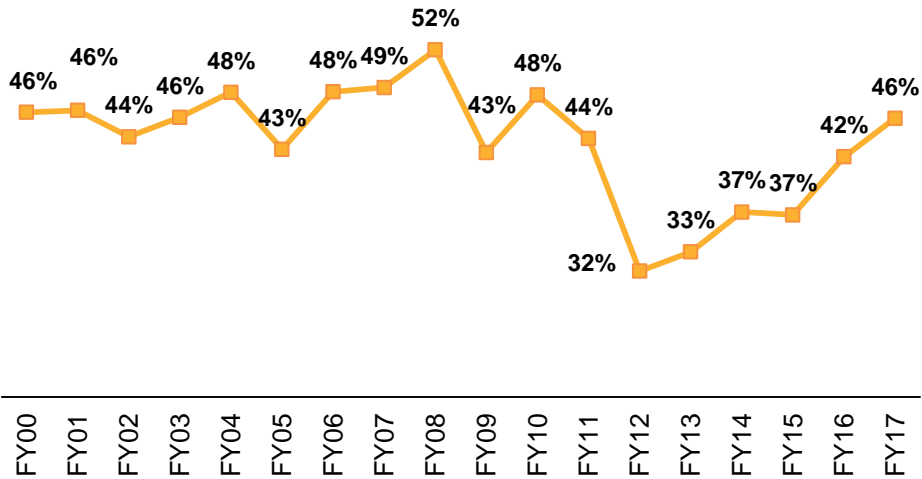


Source: AMFI

# Asset Management – Financialisation of savings wave...

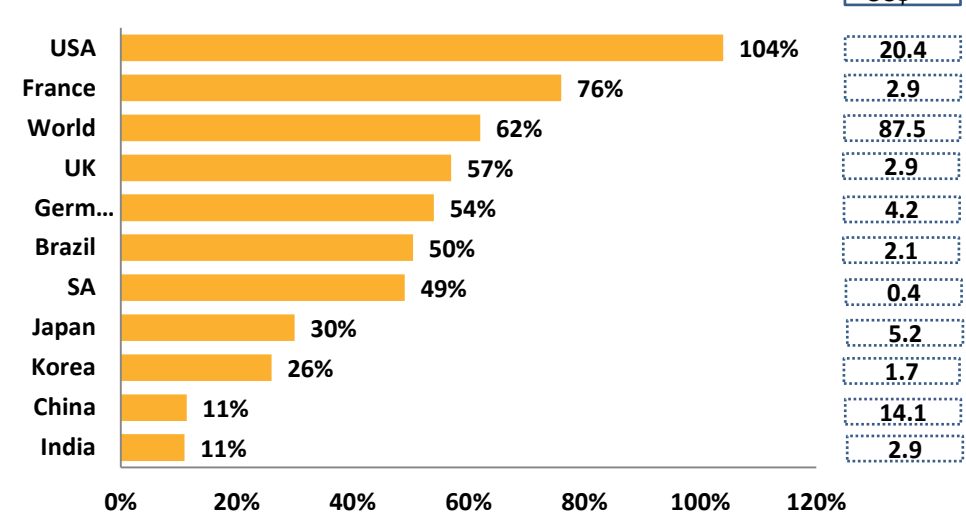
## Higher financial savings signifying opportunity for MFs

(% of household savings)

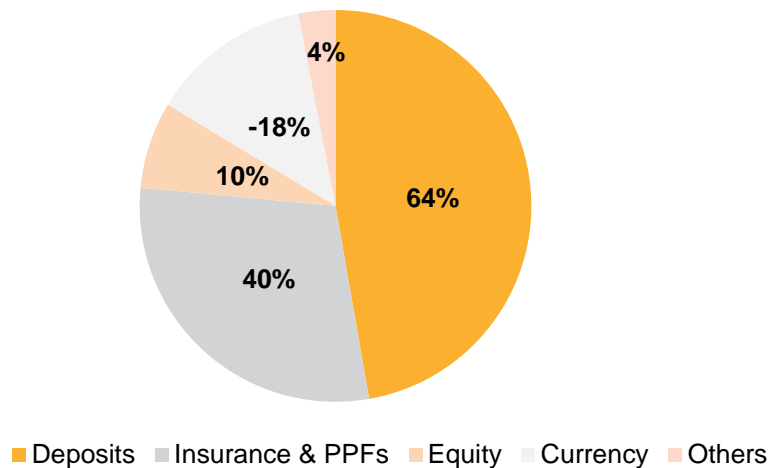


## Low penetration of MFs provides headroom for growth

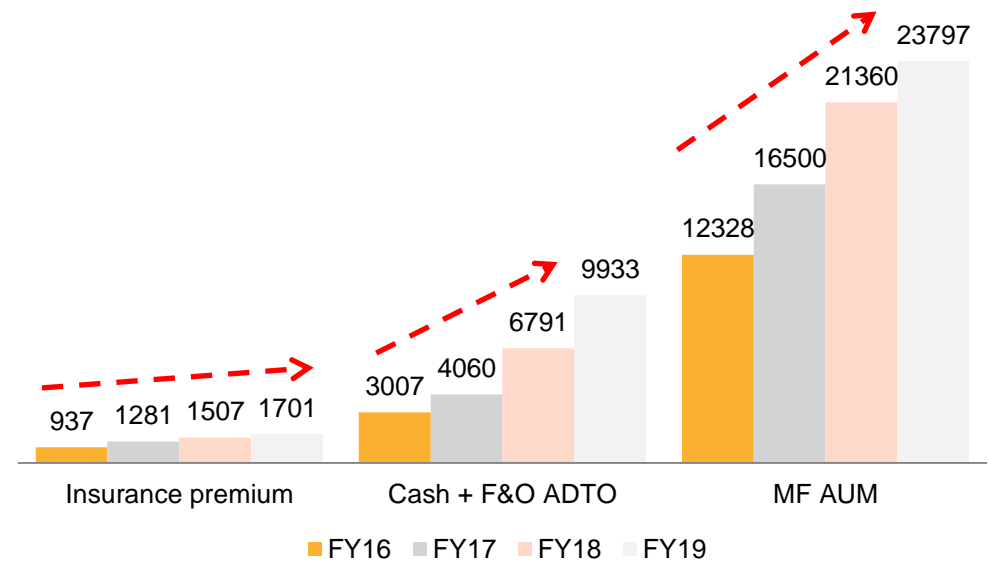
MF penetration (AUM/GDP%); Global AUM (\$Tn)



## Equities are underpenetrated within Indian financial savings



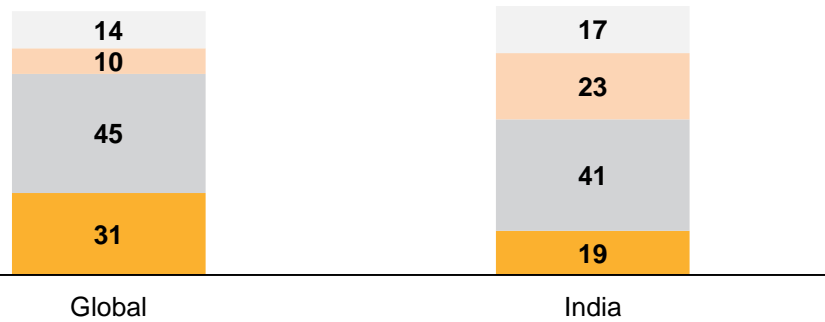
## Financial investments on a rise



# Wealth Management – HNI Wealth picking up; HNI assets in equity MFs growing

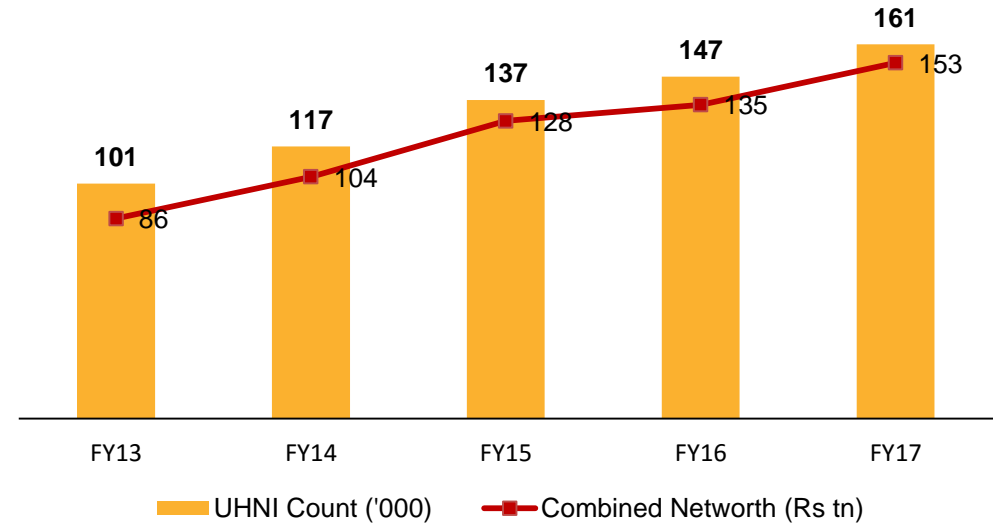
Individual Wealth distribution shows India has a higher share of Alternates, but lower share of Equity, to global averages

(%)

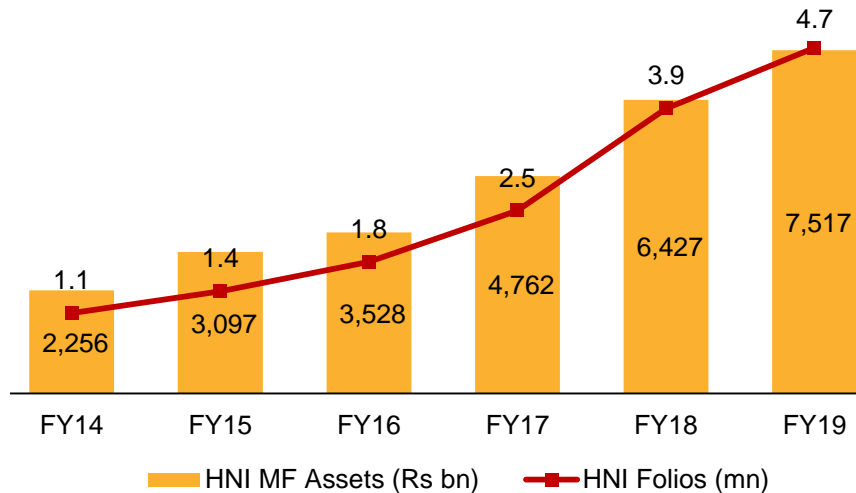


- Real estate
- Alternate Assets (including gold and other precious metals)
- Debt (including cash)
- Equity

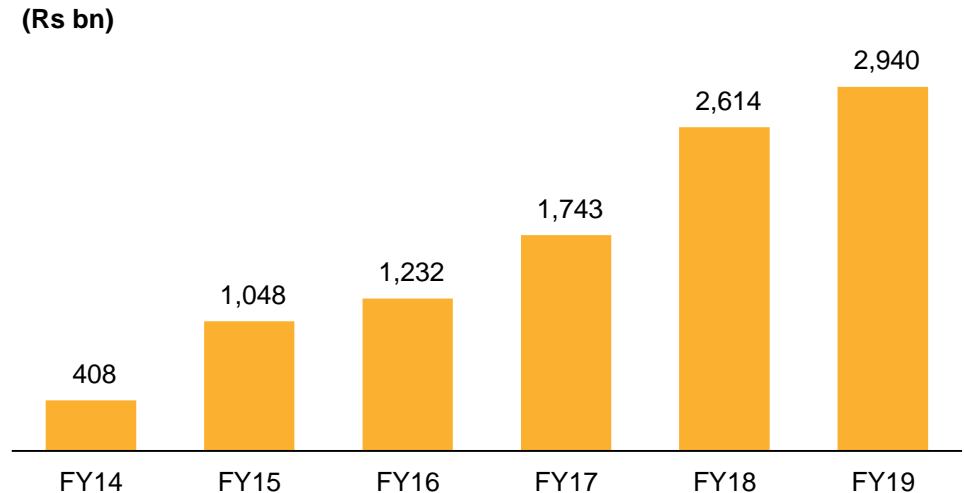
India is Home to ~0.3 mn HNIs, out of which ~0.16 mn are UHNIs; UHNI growth and count has seen steady growth last 6 years



HNI's Mutual Funds AUM grew at 27% CAGR in the last 5 years (Rs bn); Folios grew at 34% CAGR (mn)



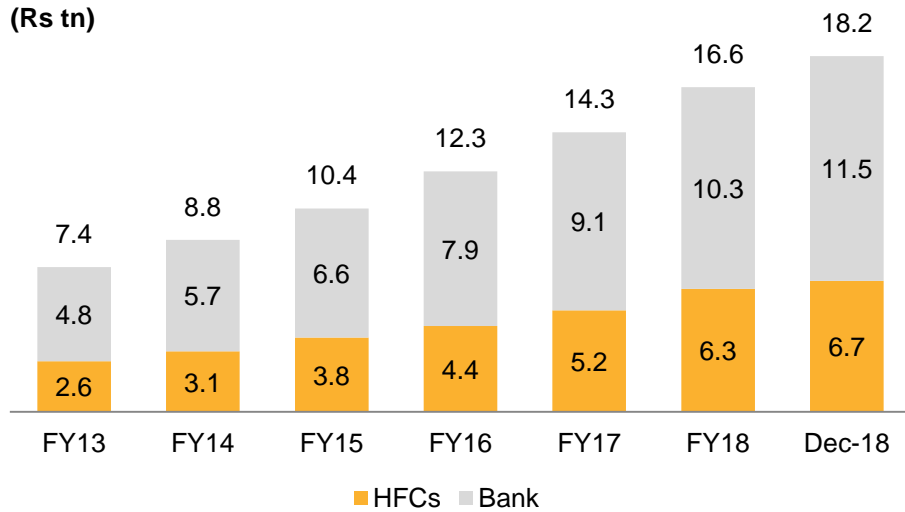
HNI's equity Mutual Funds AUM have picked up at a higher CAGR of 48% in the last 5 years



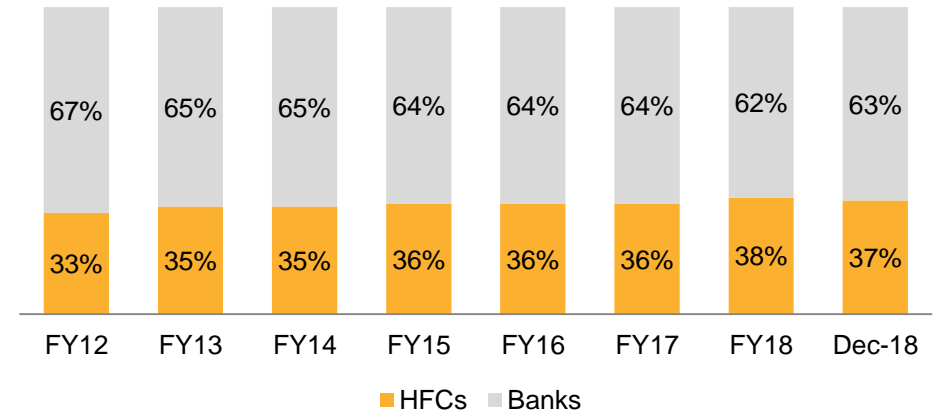


# Housing Finance holds ample potential; moving from Banks to HFCs

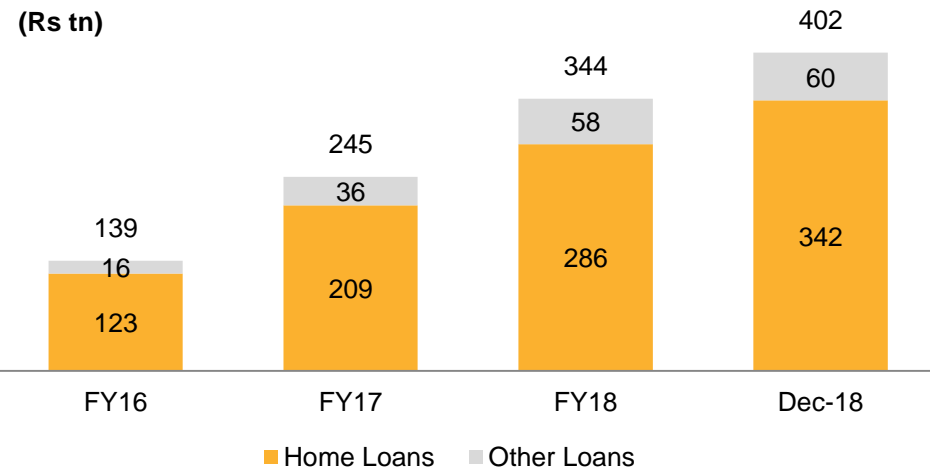
## India's housing credit growing significantly



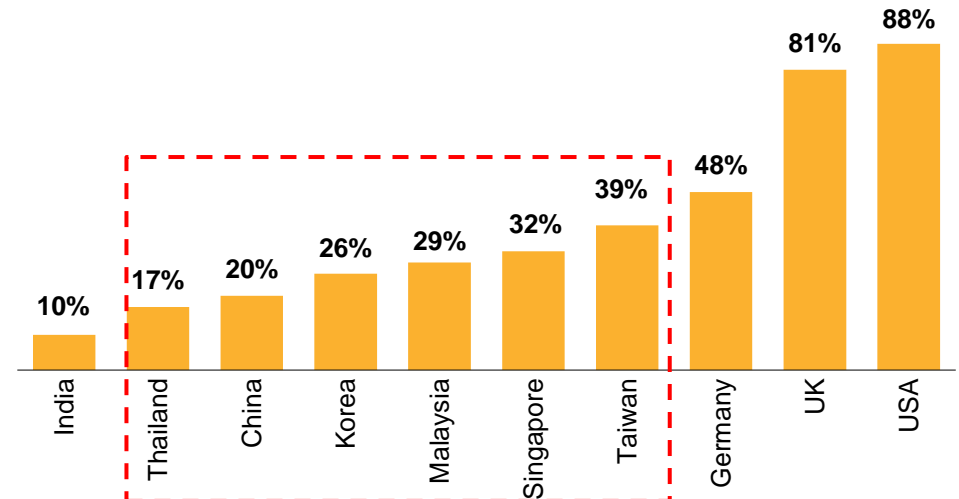
## HFCs gaining share from banks



## Affordable Housing space growth remains encouraging



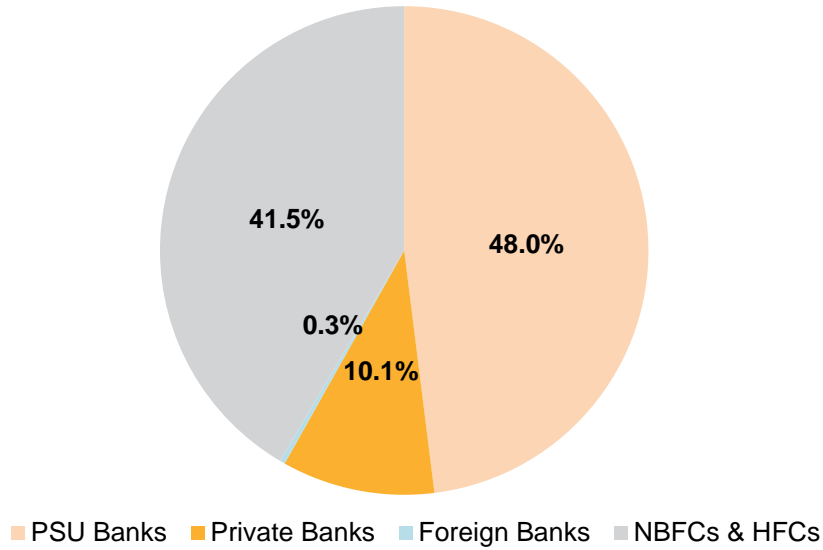
## Indian mortgage underpenetrated versus Asian peers (Mortgage to GDP)



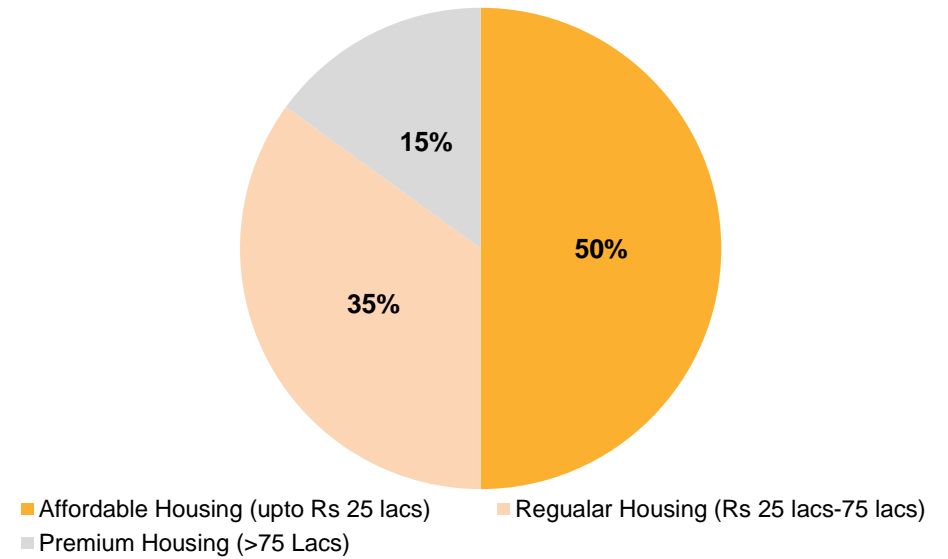
Note : \* Includes only retail mortgages; does not include LAP and Construction Finance

Source: ICRA, World Bank, RBI

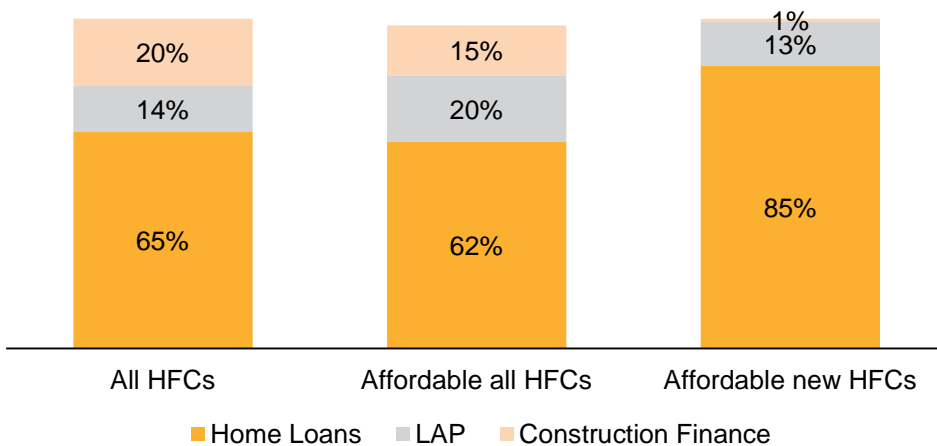
**Housing market Split in India – Dominated by Affordable Housing**



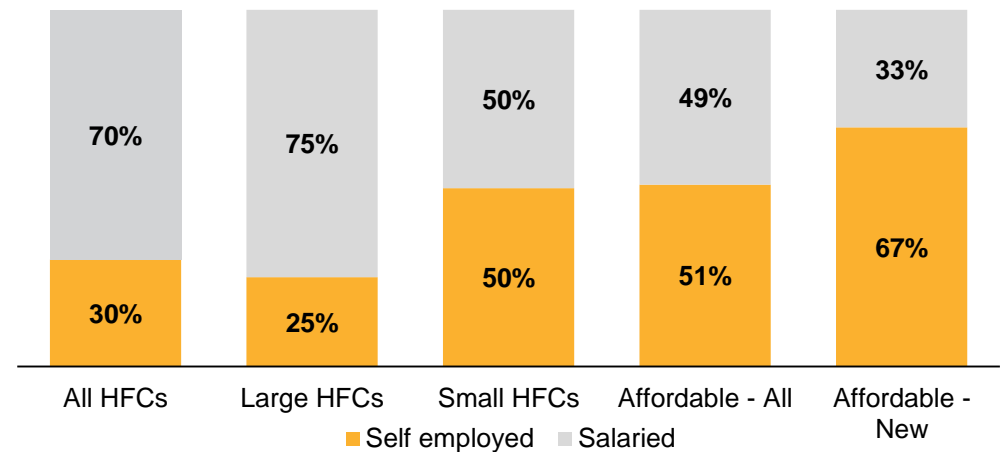
**Affordable Housing (up to Rs 25 lacs) lending pie**



**Loan Mix of HFCs – Affordable segment focusing on retail loans**

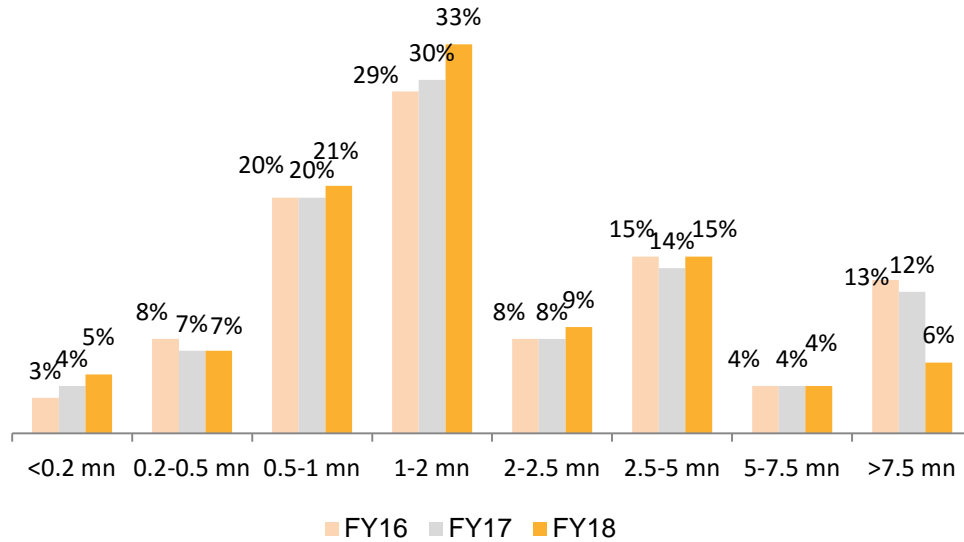


**Customer Mix – Affordable HFCs focuses on Self employed class**

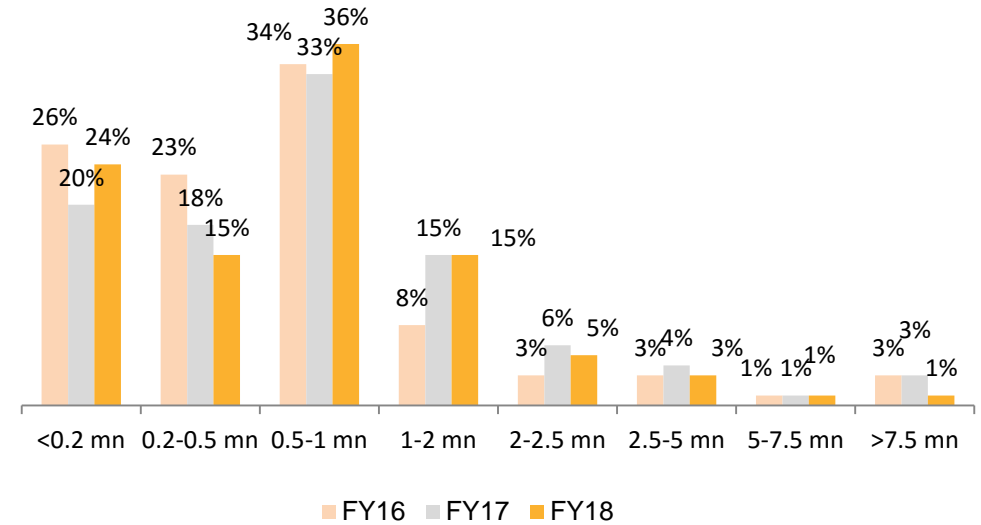


Source: CRIF

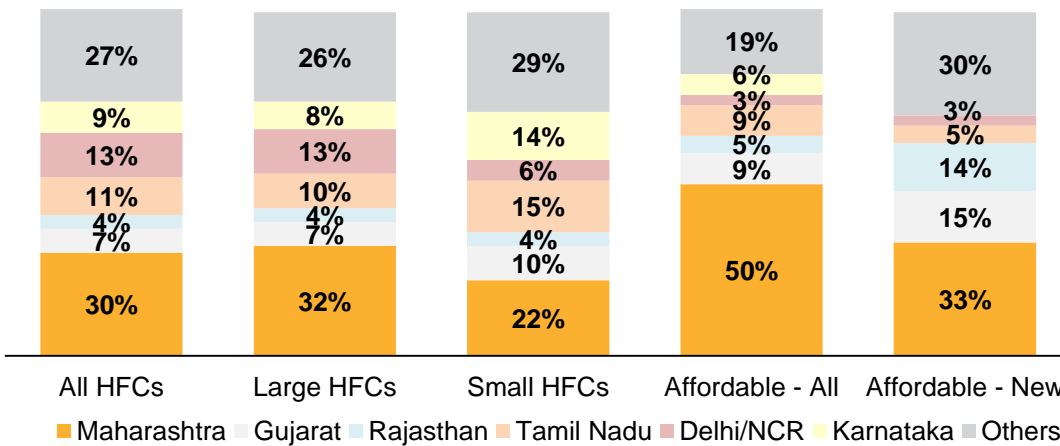
### Ticket size wise break-up of home loan book of Affordable All HFCs



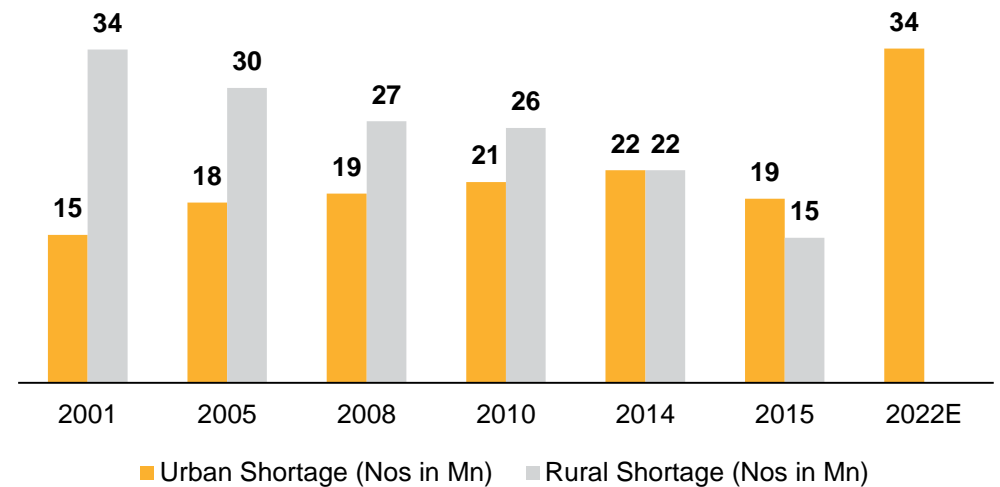
### Ticket size wise break-up of home loan book of Affordable New HFCs



### Affordable Housing concentrated in few states

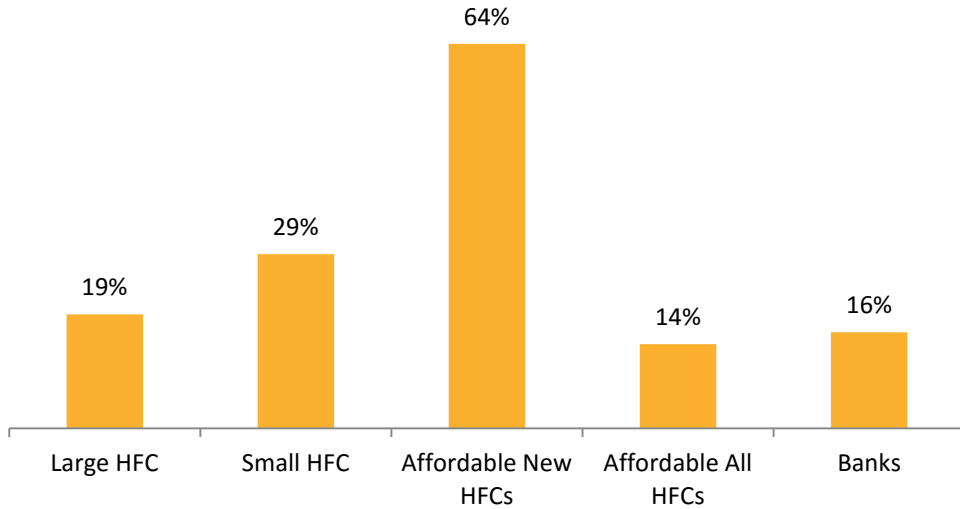


### Affordable Housing opportunity – Shortage of urban & rural housing

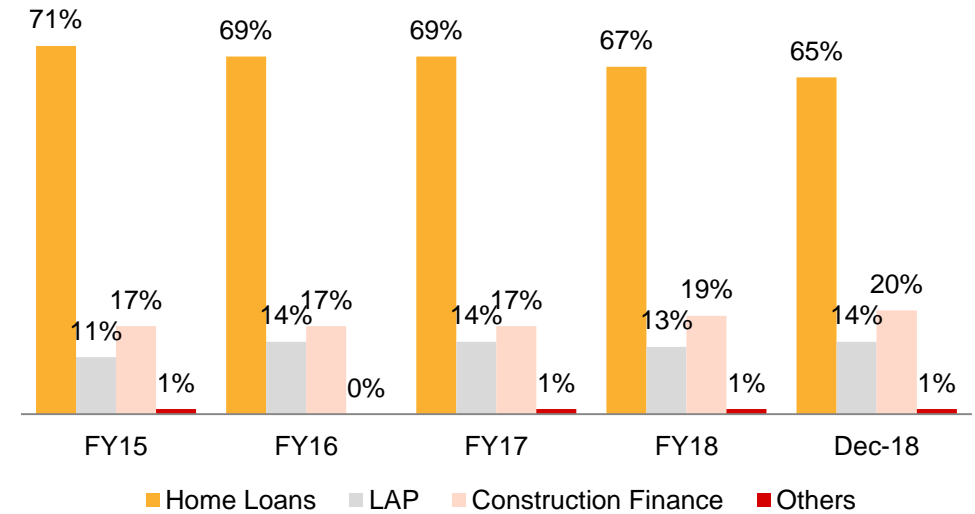


Source: RBI, MHUPA, Knight Frank, CRIF, ICRA report

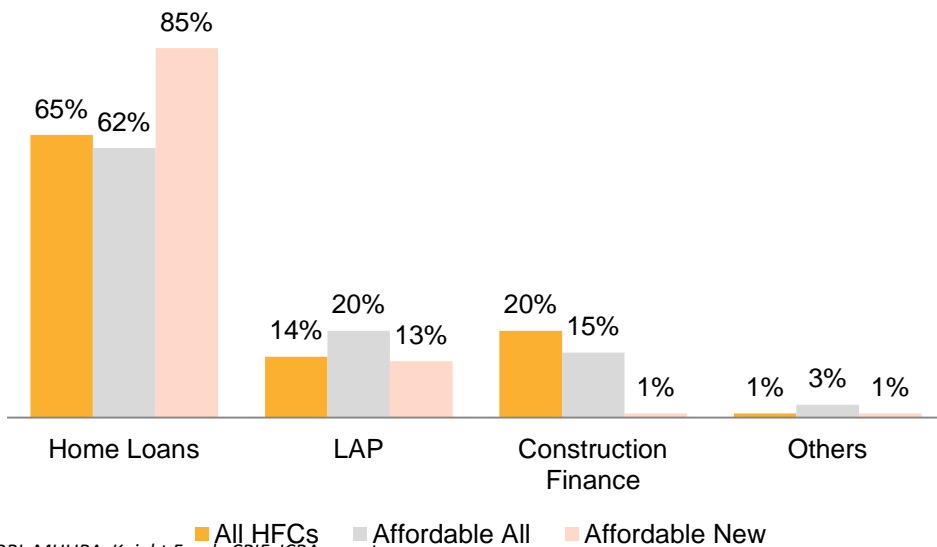
**Trends in Home loan CAGR (FY15- FY18) for various lender groups**



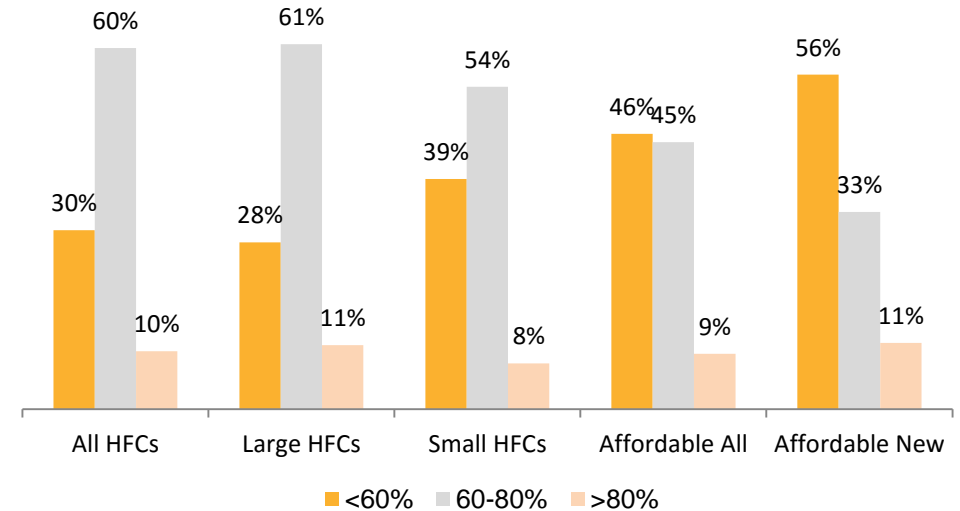
**Industry's loan book proportion trend**



**Comparison of portfolio compositions across HFC types**



**LTV wise break-up of portfolio across HFC categories a**



Source: RBI, MHUPA, Knight Frank, CRIF, ICRA report

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MOTILAL OSWAL



**For any query, please contact :**

**Shalibhadra Shah**

Chief Financial Officer

📞 91-22-71934917 / 9819060032

✉ [shalibhadrashah@motilaloswal.com](mailto:shalibhadrashah@motilaloswal.com)

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**Rakesh Shinde**

VP–Investor Relations

📞 91-22-71985510 / 9920309311

✉ [rakesh.shinde@motilaloswal.com](mailto:rakesh.shinde@motilaloswal.com)