

Motilal Oswal Financial Services Limited

CIN : L67190MH2005PLC153397

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October 30, 2018

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: MOTILALOFIS

Sub: Investor(s)/Analyst(s) Presentation - Financial Performance for Q2 FY 2019

Dear Sir/Madam,

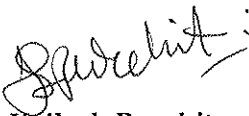
This is with reference to our earlier letter dated October 22, 2018 regarding Earnings Conference Call with Institutional Investor(s)/Analyst(s) for discussing Q2FY2019 Financial Performance of the Company on October 31, 2018 at 11:00 a.m.

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.motilaloswalgroup.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Motilal Oswal Financial Services Limited



Kailash Purohit
Company Secretary & Compliance Officer

Encl.: As above

Motilal Oswal Financial Services Ltd

Earnings Presentation | Q2FY19 & H1FY19

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

Capital Market business profits +24% YoY in H1FY19.

Broking business profits +73% YoY in H1FY19.

Strong growth of +40% YoY in Distribution AUM to Rs 85 bn.

Online platform gaining traction.

Share in high yielding cash segment up strongly.

Concluded 4 marquee investment banking deals in H1FY19; deal pipeline remains robust.

Asset Management

AMC AUM: Rs 364 bn, +26% YoY; EBITDA margin up strongly at 33%.

Equity MF AUM share 2% in H1FY19 vs 1.7% in H1FY18; flow share 2.9% in H1FY19.

Average IRR on exited PE investments: ~28%.

Wealth AUM: Rs 155 bn, +20% YoY.

Asset Management business profits +70% YoY in H1FY19.

Housing Finance

MD & CEO with career credit & risk background on boarded.

Disbursements to pick up in H2FY19.

Legacy loan book clean up leads to higher write offs.

Provisioning including write off stands at 66%

Strong support from parent with further capital infusion of Rs 1 bn in Q3FY19 and another Rs 1 bn is proposed during H2FY19.

Positive trends in collection efficiency.

Fund based Business

Total quoted equity investment at cost of Rs 11 bn and unrealised gains of Rs 4.8 bn as of Q2FY19.

Cumulative XIRR of ~18% on quoted equity MF investments and ~28% on exited PE growth fund investments

Strong liquidity on Balance sheet with unutilised banking lines of Rs 17 bn.

Awards and Accolades



Motilal Oswal **Wealth Management** won the prestigious The Asset Triple A Award 2018 in a '**Best Boutique Wealth Manager India**' category at the Asset Triple A 2018 awards.



MOAMC Wins '**Best Portfolio Management Service Product**' at India Wealth Awards 2018. **MORE** Wins '**Best Real Estate Product**' at India Wealth Awards 2018.



Motilal Oswal Wins 2 Stevies at the International Business Awards 2018. 2018 Stevie Gold for **Marketing Campaign of the year** and 2017 Stevie Bronze for **Communications Department of the year**.



Received prestigious "**Brand of the Year**" award by CNBCTV18-Indian Business Leader Award (IBLA) across sectors and categories.



The "Think Equity. Think Motilal Oswal." campaign received **three ABBYs – the Oscars** of the Indian Ad-world. This award is presented by The Advertising Club and Advertising Agencies Association India.



Mr. Motilal Oswal received the "**Outstanding Institution Builder**" award by the All India Management Association for his contribution to the Indian BFSI sector.



Motilal Oswal Financial Services Limited completed the assessment conducted by **Great Place to Work** Institute and was recognized as a **Top 15** place to work in the BFSI space.



Key Highlights

Financials

Businesses

Interesting Exhibits

Consolidated financials

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Broking	2,957	2,663	11%	2,922	1%	5,879	5,034	17%
Investment Banking	34	223	-85%	151	-77%	185	455	-59%
Asset Management	1,901	1,468	30%	1,846	3%	3,748	2,787	34%
Wealth Management	319	263	21%	264	21%	580.58	440	32%
Private Equity	247	956	-74%	182	36%	430	1,040	-59%
Fund Based (1)	-578	1,253	-146%	69	-935%	-510	1,912	-127%
Housing Finance	1,724	1,845	-7%	1,603	8%	3,327	3,427	-3%
Total Revenues	6,605	8,671	-24%	7,037	-6%	13,640	15,095	-10%
Total Adjusted Revenues (2)	7,473	6,925	8%	7,055	6%	14,526	13,090	11%
EBITDA	1,653	4,750	-65%	2,820	-41%	4,473	7,737	-42%
PBT	293	3,349	-91%	1,455	-80%	1,747	4,985	-65%
Reported PAT as per Ind AS (Pre-minority)	46	2,437	-98%	1,044	-96%	1,090	3,704	-71%
Adjusted PAT as per Ind AS (2)	741	1,160	-36%	1,061	-30%	1,801	2,239	-20%
Adjusted PAT as per Ind AS (ex-Aspire)	1,099	879	25%	1,160	-5%	2,259	1,900	19%

1. Fund based book comprises of gains/loss on sponsor commitments and investments in Equity MFs, PE funds, Real estate funds, AIF and strategic equity investments. In Q2FY19, pre-tax gains/(loss) MTM fair valuation of investments unrealised were Rs (894) mn vs Rs 888 mn in Q2FY18.

2. Adjusted revenues and PAT excludes fair valuation of unrealised gains in fund based business, and lumpy profit share on exit of PE fund investments which were Revenue of Rs 26 mn in Q2FY19 vs. Rs 858 mn in Q2FY18 and PAT of Rs. 26 mn in Q2FY19 vs. Rs 462 mn in Q2FY18, respectively.

Consolidated financials – PAT Reconciliation IGAAP to Ind-AS



Particulars (Rs mn)	Q2FY19	Q2FY18	Q1FY19	H1FY19	H1FY18
Net profit after tax as reported under IGAAP	865	1,495	1,163	2,028	2,511
Adjustments increasing/(decreasing) net profit after tax as reported under IGAAP					
Increase/(Decrease) in Interest income pursuant to application of effective interest rate method	52	101	40	92	106
(Increase)/ Decrease in Borrowing cost pursuant to application of effective interest rate method	-2	-1	-2	-4	0
(Increase)/ Decrease in provision due to expected credit loss	-102	-49	-176	-278	-237
Gain/ (loss) on fair valuation of investments	-837	1,000	-7	-844	1,335
(Increase)/ Decrease in employee benefit expenses due to fair valuation of employee stock options	-15	-15	-19	-34	81
Others	-10	-10	-1	-10	-6
Tax impact on above adjustments	81	-167	49	130	-176
Net profit after tax (before OCI) as per Ind-AS	42	2,354	1,038	1,080	3,612
Other comprehensive income after tax	-237	697	116	-121	1,118
Total comprehensive income after minority as per Ind-AS	-195	3,050	1,154	959	4,518

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

Consolidated financials – PAT Mix after Ind-AS

Particulars (Rs Mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Broking	478	367	30%	558	-14%	1,036	598	73%
Investment Banking	-16	126	-113%	65	-125%	49	277	-82%
Capital Markets	462	494	-6%	623	-26%	1,085	875	24%
Asset Management	391	230	70%	404	-3%	795	467	70%
Private Equity	79	463	-83%	43	85%	122	475	-74%
Wealth Management	59	69	-14%	25	136%	84	104	-19%
Asset & Wealth	530	762	-31%	472	12%	1,001	1,046	-4%
Fund Based (1)	-524	910	-158%	40	-	-484	1,448	-133%
Home Finance	-358	281	-227%	-100	259%	-458	339	-235%
Reported PAT as per Ind-AS	42	2,354	-98%	1,038	-96%	1,080	3,612	-70%
Adjusted PAT as per Ind-AS (2)	741	1,160	-36%	1,061	-30%	1,801	2,239	-20%
Adjusted PAT as per Ind AS (ex-Aspire)	1,099	879	25%	1,160	-5%	2,259	1,900	19%

Notes:

1. Fund based income excludes Other Comprehensive Income
2. Adjusted PAT as per Ind-AS excludes fair valuation of unrealised gains in fund based business and lumpy profit share on exit of PE fund investments.
3. All PAT numbers are post minority.

Consolidated balance sheet

Particulars (Rs bn)	H1FY19	H1FY18
Sources of Funds		
Networth	30.1	26.8
Loan Funds*	54.6	55.2
Minority Interest	0.3	0.3
Deferred tax liability	0.6	1.5
Total Liabilities	85.5	83.9
Application of Funds		
Fixed assets (net block)	3.0	3.0
Investment	24.4	21.2
Long term loans and Advances**	46.4	48.1
Net current assets	11.7	11.6
Total Assets	85.5	83.9

Notes :

* Loan Fund includes Borrowings of Aspire. Ex- Aspire net borrowing is Rs 9.4 bn in Sept-18. Against this net borrowing, quoted investments are Rs 16 bn.

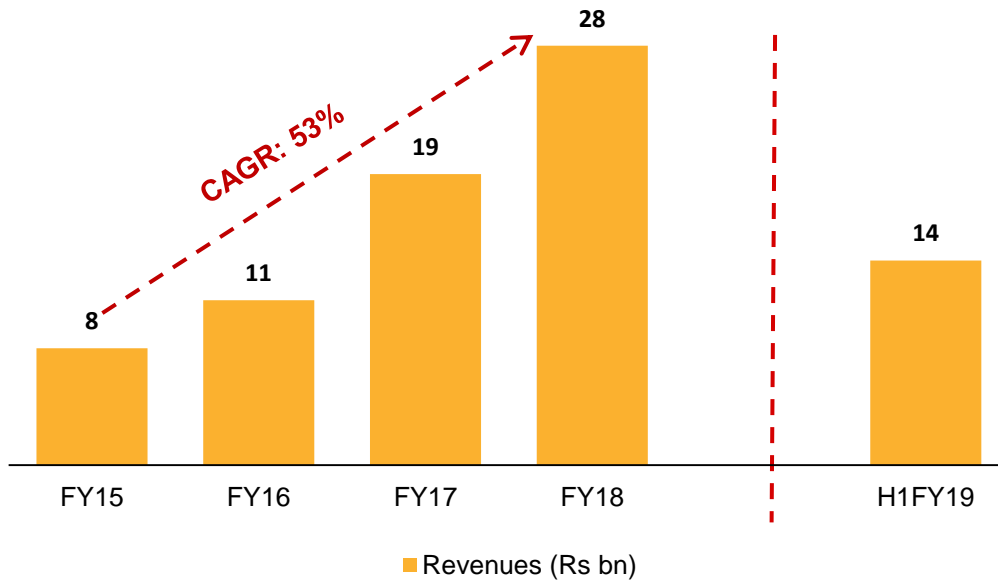
** Long Term Loan & Advances includes loans given by Aspire Home Finance.

Reconciliation of Net worth - IGAAP and Ind-AS

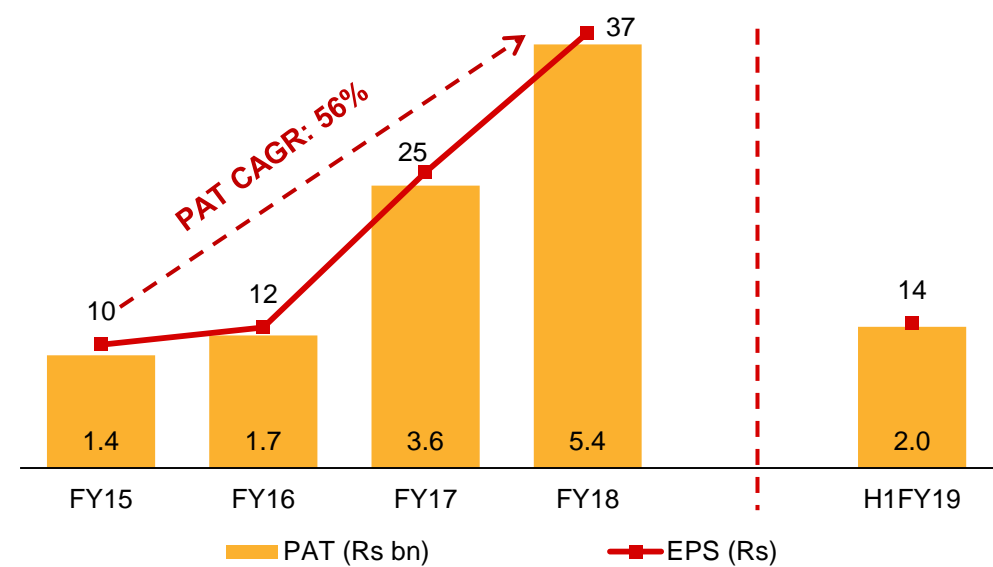
Particulars (Rs mn)	Q2FY19
Net worth as per IGAAP	24,788
<u>Adjustments increasing/(decreasing) net profit after tax as reported under IGAAP</u>	
Gain/ (loss) on fair valuation of investments	6,544
Increase/(Decrease) in upfront (net) income pursuant to application of effective interest rate method	-179
(Increase)/ Decrease in provision due to expected credit loss	-627
Others	-12
Tax impact on above adjustments	-506
Deferred tax adjustments on account of Ind-AS	63
Total Net worth impact	5,285
Net worth as per Ind-AS before minority interest	30,072

Financial performance

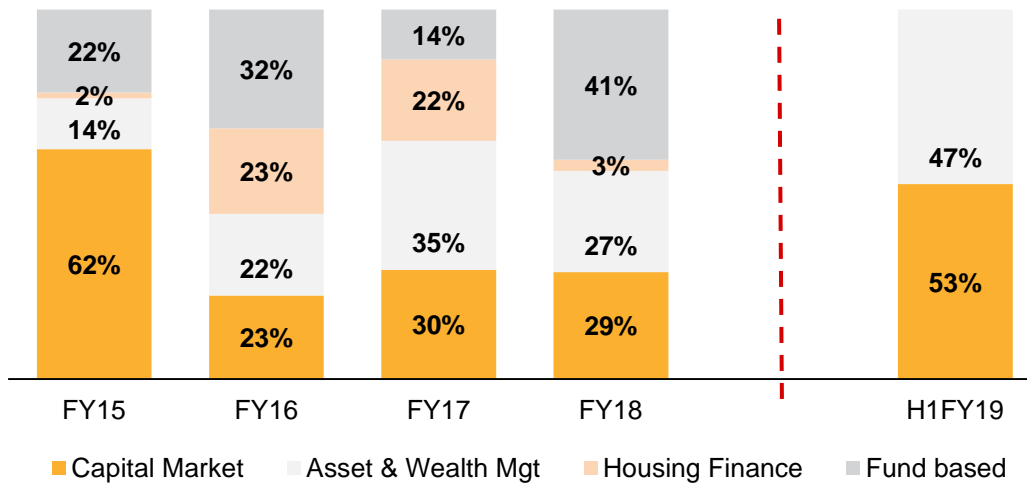
Annual revenue trend



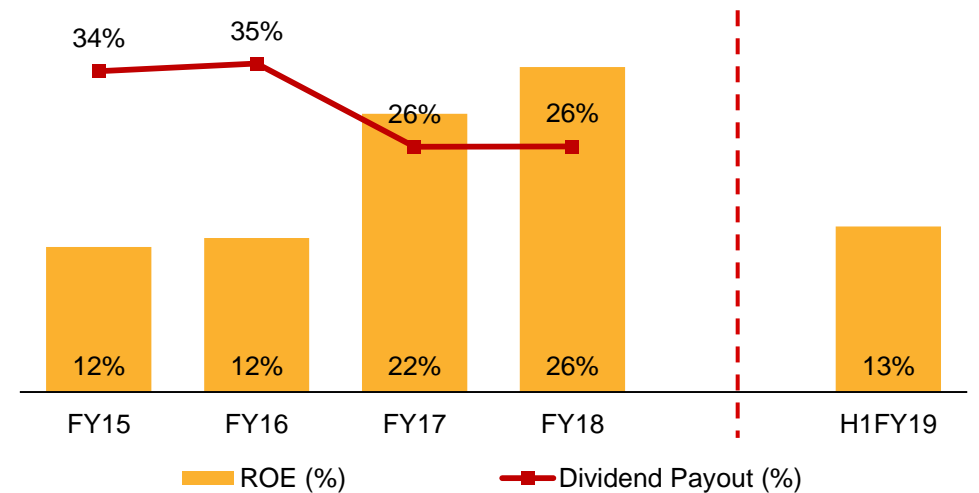
Annual profitability trend



Profitability mix



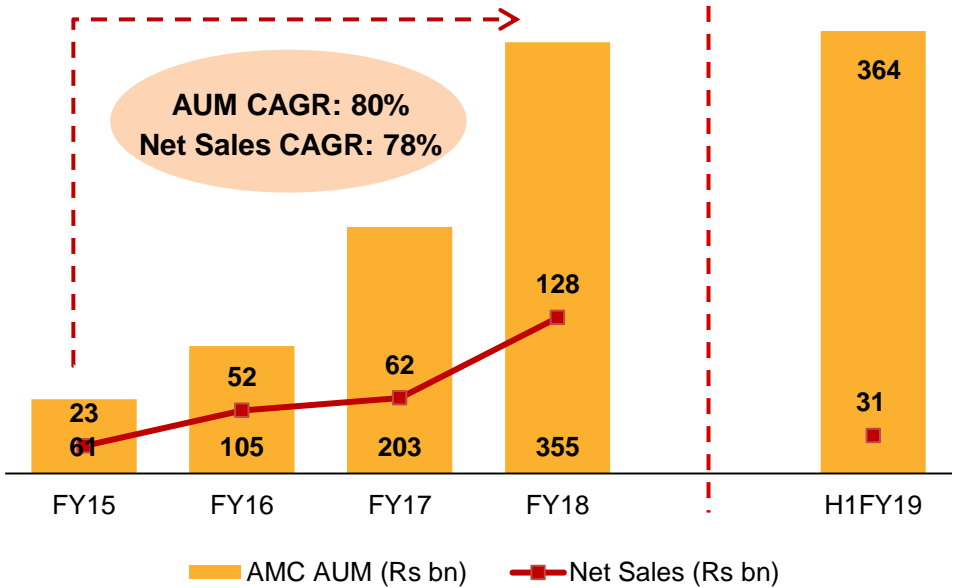
Strong return trajectory



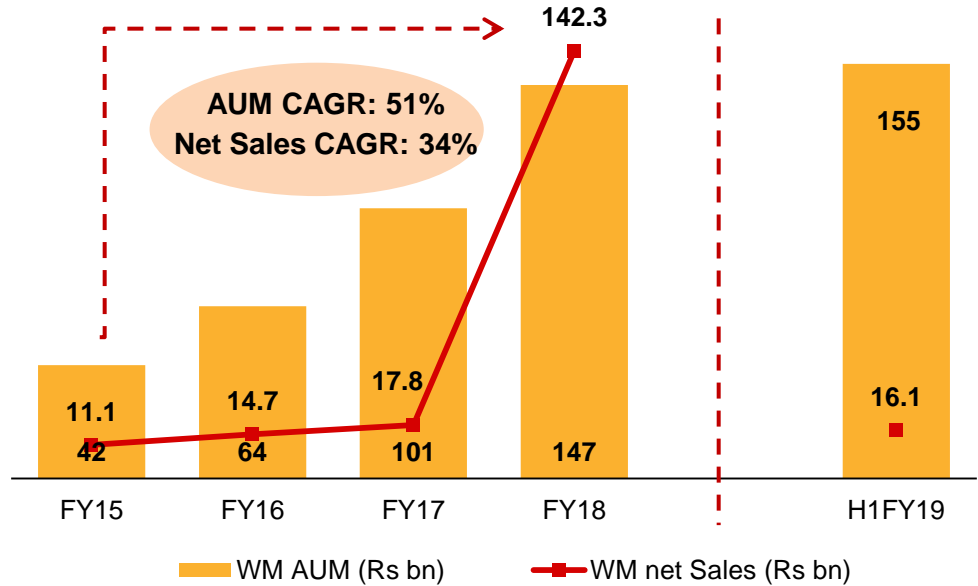
Note: Revenue, PAT and RoE are as per IGAAP

Businesses building scale

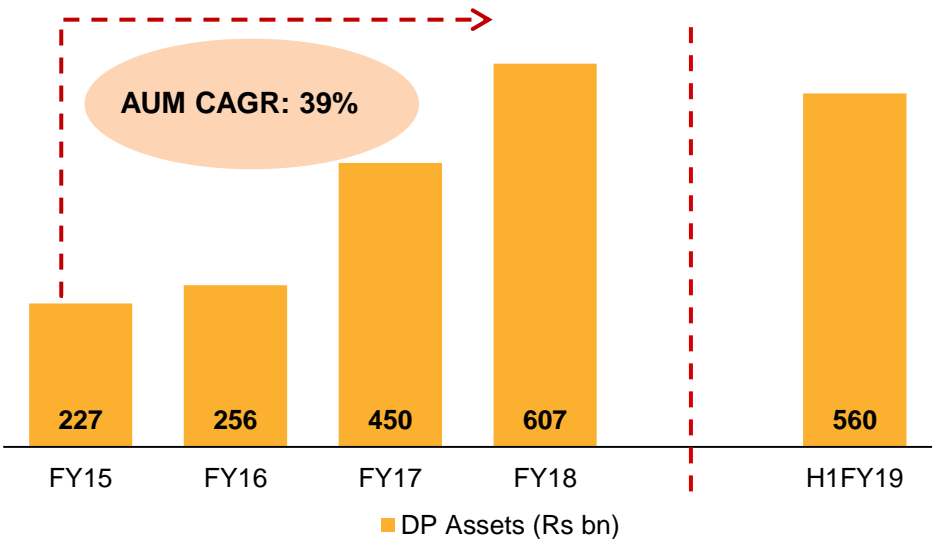
AMC AUM and Net sales growth trend



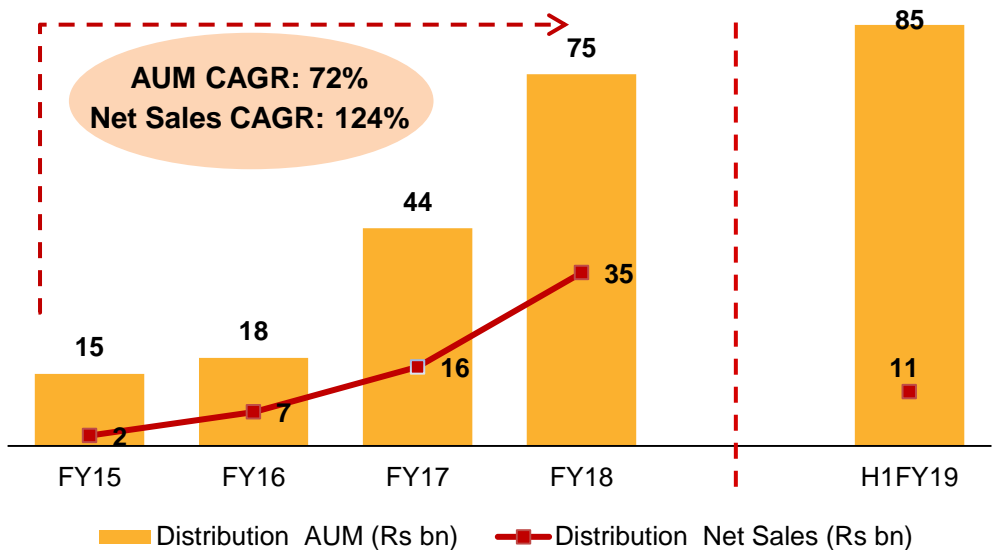
Wealth AUM and Net sales growth trend



DP AUM growth trend



Distribution AUM and net sales growth trend



Broking & Distribution: Margins led by Distribution

- B&D revenue and profit for H1FY19 grew 17% YoY and 73% YoY, respectively.
- Strong growth in Distribution AUM of +40% YoY to Rs 85 bn led by strong net sales of Rs 11 bn in H1FY19 .
- Share in high yielding cash segment up strongly.

Wealth Management: Profitability inflection commenced

- Revenues for H1FY19 grew 32% YoY to Rs 581 mn.
- AUM grew 20% YoY to Rs 155 bn with net sales of Rs 16 bn, +26% YoY in H1FY19
- Strong RM addition coupled with rising RM productivity

Growth Drivers

Asset Management: Market share gains to drive s growth

- AMC revenue and profit for H1FY19 grew by 34% YoY and 71% YoY respectively.
- AMC AUM crossed Rs 364 bn, +26% YoY
- Equity MF AUM market share improved to 2% and Net Equity MF Flows market share stood at ~3% in H1FY19
- Operating leverage visible despite ongoing investment

Housing Finance: Ample headroom for growth

- MD & CEO on boarded
- Loan book stood at Rs 46 bn
- Disbursements pick up started
- Legacy loan book clean up

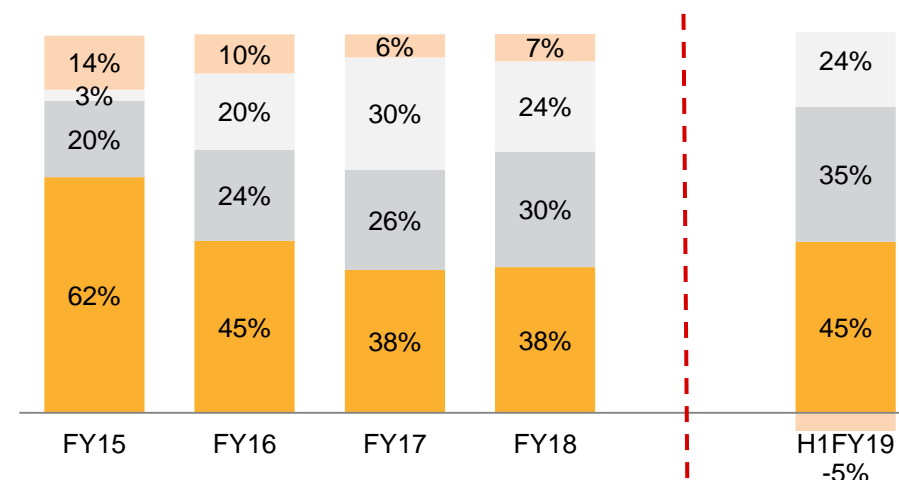
Revenue at Rs 14.5 bn, +11% YoY and PAT at Rs 2.3 bn, +19% YoY in H1FY19

- This revenue mix was contributed by the Capital Market business by 45%, Asset & Wealth Management business 35% and Housing finance 24%. Profit mix was contributed by Asset & Wealth Management 47% and Capital Markets business 53%.

Strong Balance Sheet

Strong liquidity, with ~Rs 16 bn as of Q2FY19 in near-liquid investments to fund future investments. Overall gearing remains conservative at 1.8x; ex-Aspire it is at 0.5x. Considering market value of investment and cash equivalents, effective gearing is zero.

Diversified Revenue mix trend



■ Capital Market ■ Asset & Wealth Mgt ■ Housing Finance ■ Fund based

Note: Revenues and PAT excludes fair valuation of unrealised gains in fund based business and lumpy profit share on exit of PE fund investments. PAT is ex-Aspire

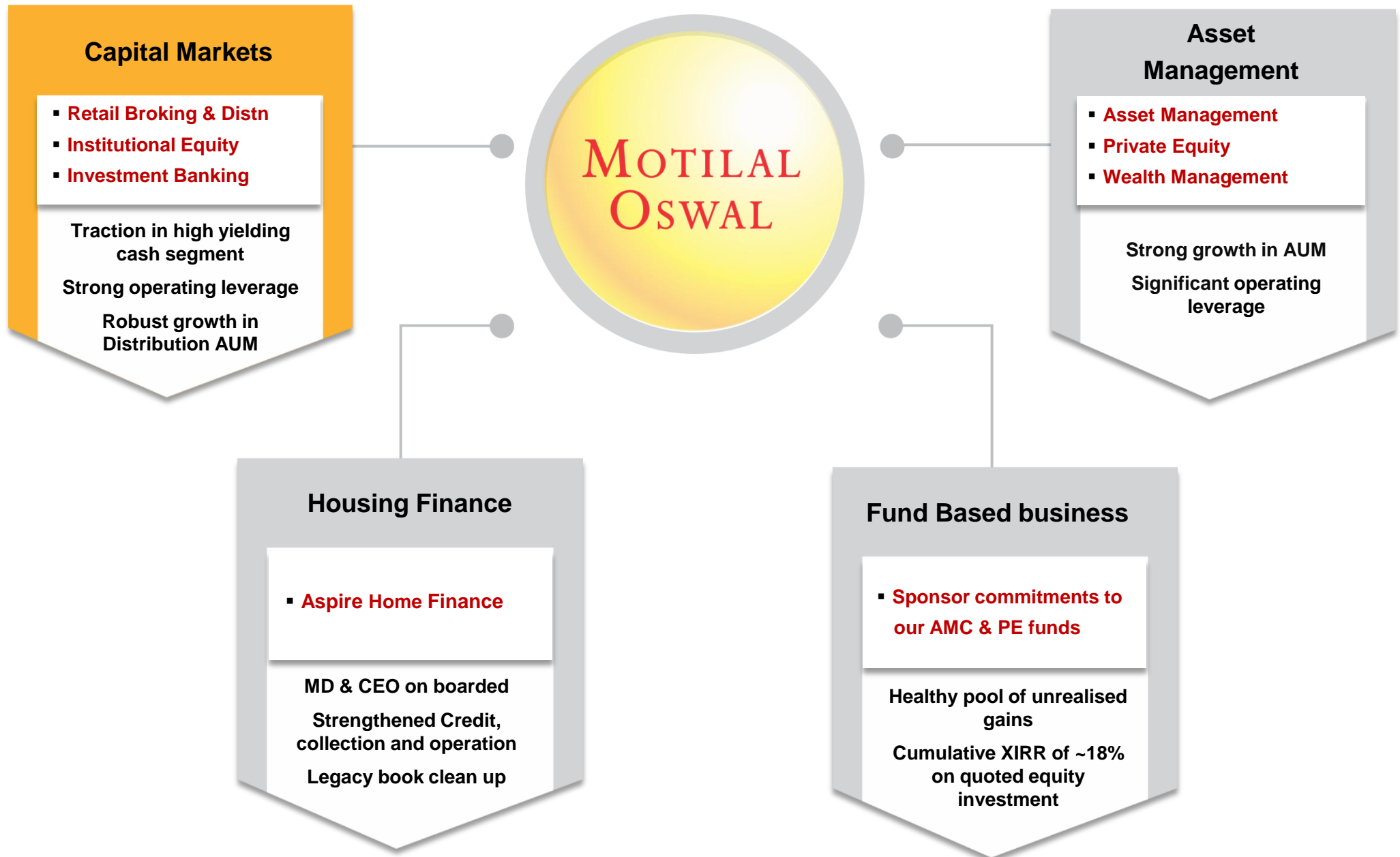


Key Highlights

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Interesting Exhibits



Broking & Distribution– Strong and sustained performance

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

Strong operating leverage with EBITDA margin of ~36% in H1FY19

Distribution AUM picked up strongly to Rs 85 bn, +40% YoY

Online penetration highest ever for clients (38%) and turnover (43%)

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Total Revenues	2,957	2,663	11%	2,922	1%	5,879	5,034	17%
Operating Costs	1,892	1,767	7%	1,828	4%	3,720	3,469	7%
EBITDA	1,065	897	19%	1,094	-3%	2,159	1,564	38%
<i>EBITDA Margin</i>	36%	34%	-	37%	-4%	36%	30%	-
PBT	701	513	37%	730	-4%	1,431	849	68%
PAT as per Ind-AS	478	367	30%	558	-14%	1,036	598	73%
PAT as per IGAAP	460	304	51%	455	1%	1,008	530	90%

- In H1FY19, revenue grew 17% YoY and profit grew 73% YoY aided by strong volume growth and operating leverage. Further, this strong profit growth was also aided by lower sustainable tax rate for broking business post merger of MOSL with MOFSL.
- EBITDA margin increase was on account of better operating leverage on the higher and linear revenues.
- Distribution continues to witness strong traction, with net sales of Rs 5.8 bn in Q2FY19, led by higher sales of equity-focused captive products. AUM was Rs 85 bn, +40%. With only ~11% of our 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 44% to Rs 190 bn in Q2FY19. Market share in high-yield cash segment has improved on sequential basis. Overall market share stood at 1.8% in Q2FY19. Blended yield stood at ~2.3 bps in Q2FY19, despite higher proportion of F&O volumes (96%) in market.
- Broking business also runs a margin funding business, with book size of ~Rs 5.9 bn as of Q2FY19.

Broking & Distribution – Strong performance



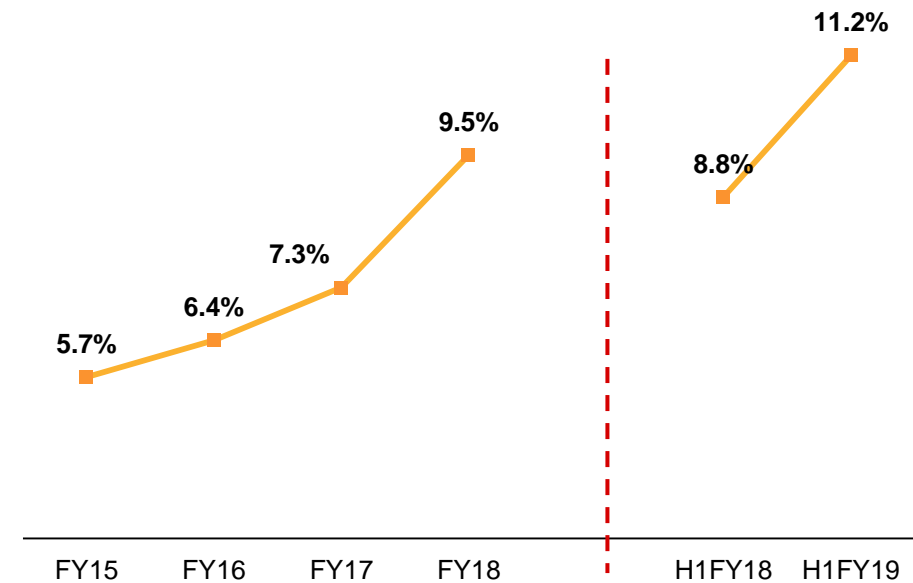
Retail Broking & Distribution

- Traction in new client addition driven by Franchisee and retail channel i.e. 39,500+ clients in Q2FY19.
- YTD Market share has increased in Commodity (2.25%) and Currency (3.96%).
- Online penetration highest ever for clients (38%) and turnover (43%).
- Distribution income at 16% of retail broking gross revenues, with just 11% of cross-sell penetration.
- Corporate insurance distribution license received.
- Gained traction in SIP, with ~86,000 SIPs live as of Q2FY19, with average ticket size of Rs 5,000 per month.

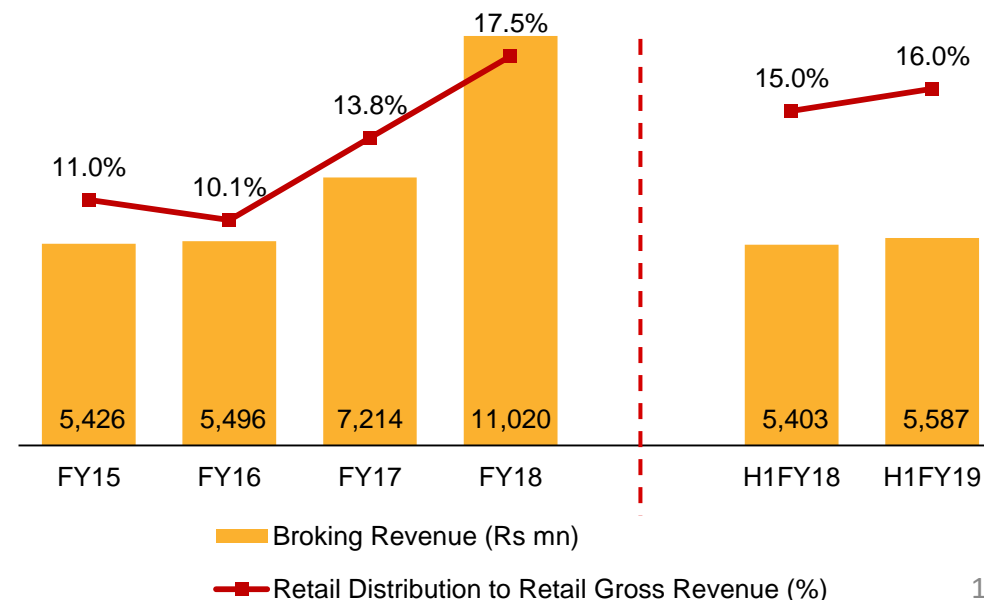
Institutional Broking

- Empanelments continues to show traction with ~678 empanelments
- Focus to raise client votes given the rising AUMs. Significant jump in analyst roadshows.
- Improvement in rank in almost every account, led by focused and broad-based team servicing
- Differentiated research products with 270+ coverage and 750+ reports evincing client interest.
- Corporate access has been a high focus area during the quarter with execution of successful events like AGIC and many unique events in India. Also engaged with several sectoral experts for domestic events.

Distribution penetration (% of total client base of 1 mn)



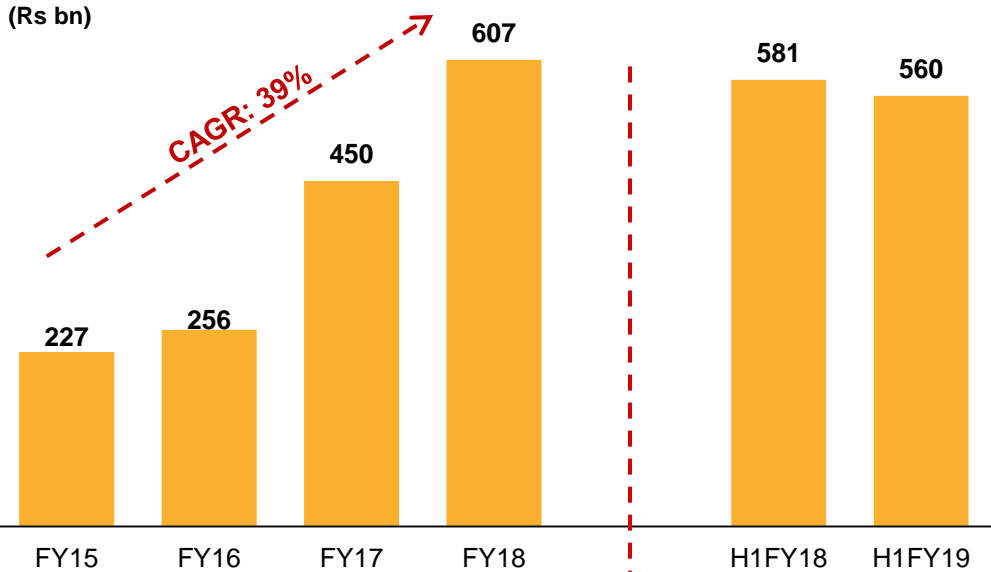
Trail-based annuity income picking up



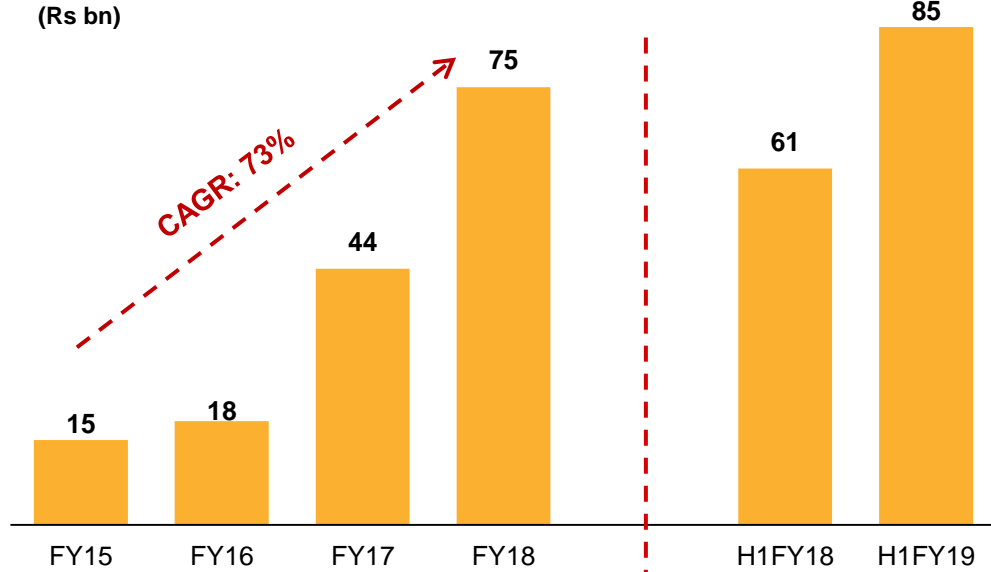
Broking & Distribution – Strong growth in Volume & Distribution AUM



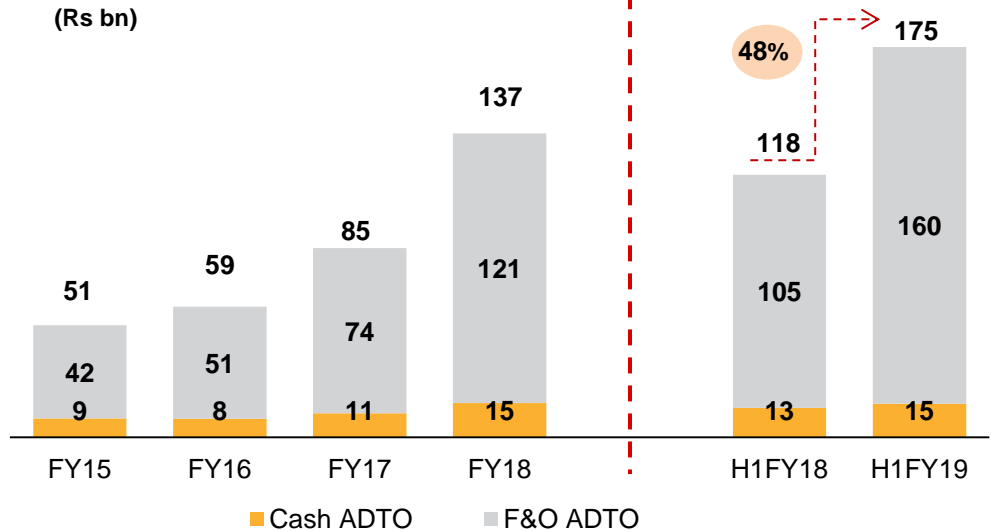
DP AUM growth trend



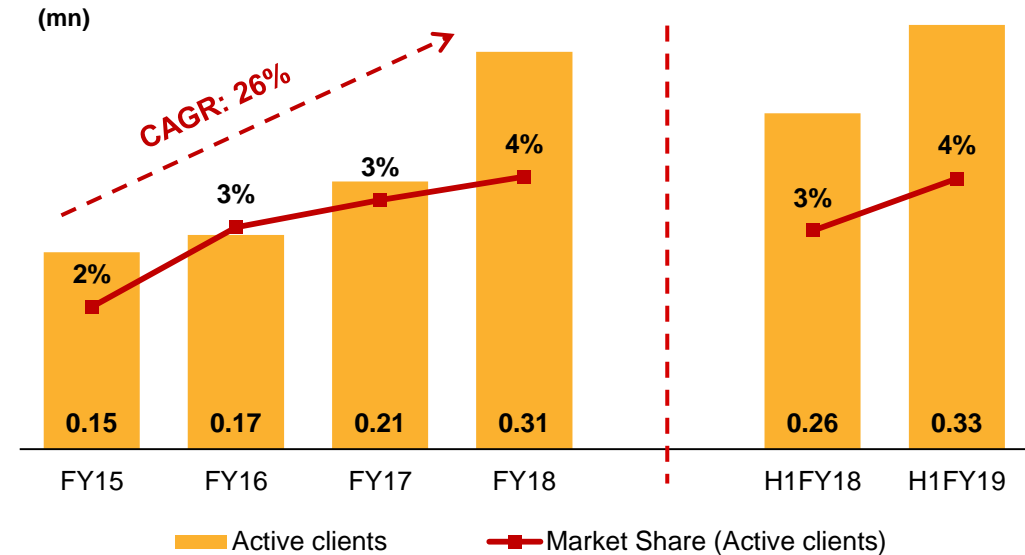
Rising Distribution AUM



MOSL Broking ADTO (Ex-prop)



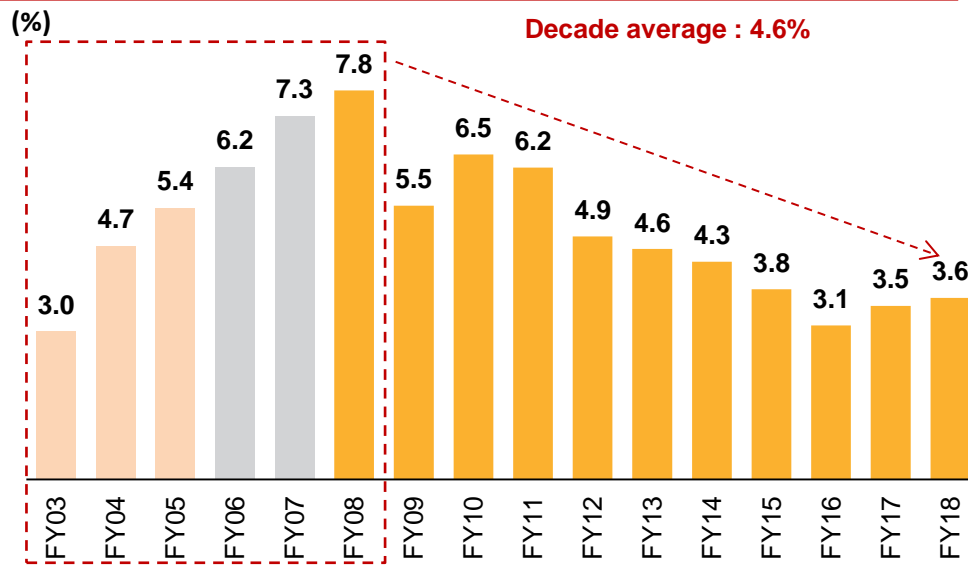
Rising share of active clients



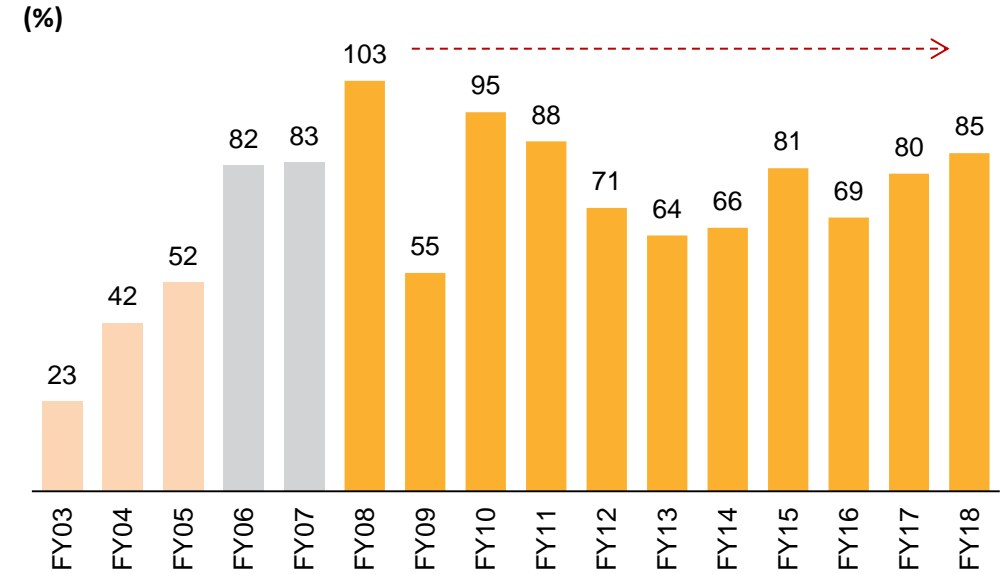
Source: NSE, BSE,

Broking & Distribution – Potential levers

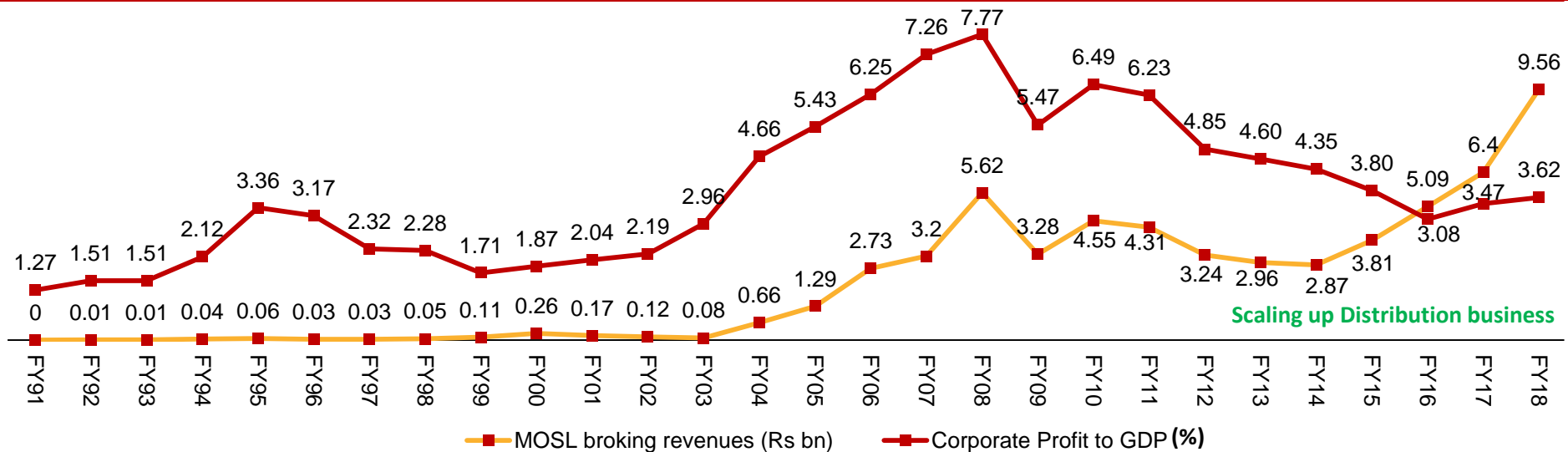
Corporate profit to GDP trend



Market cap to GDP trend

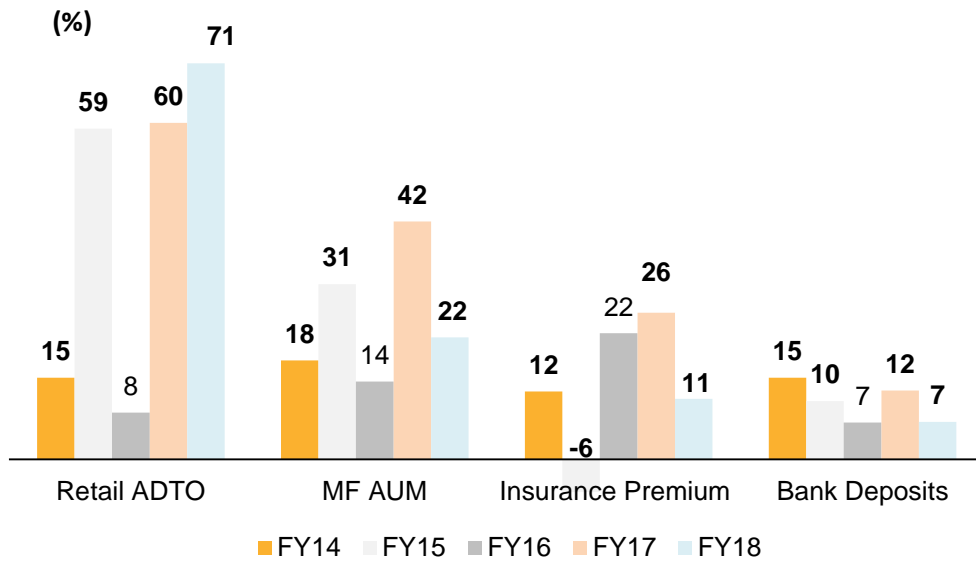


Broking revenues in line with corporate profit to GDP ratio ; Trail income brings annuity

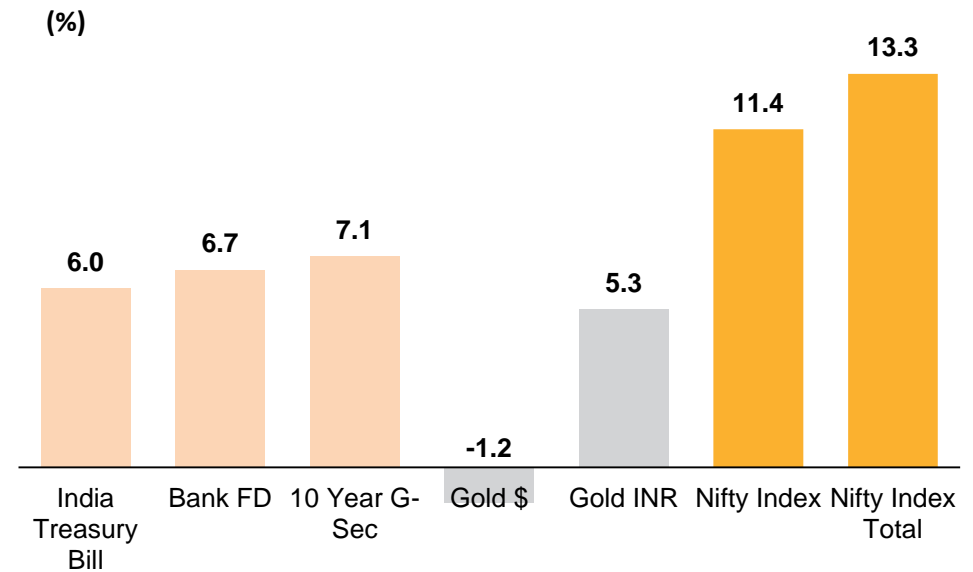


Broking & Distribution – Potential levers

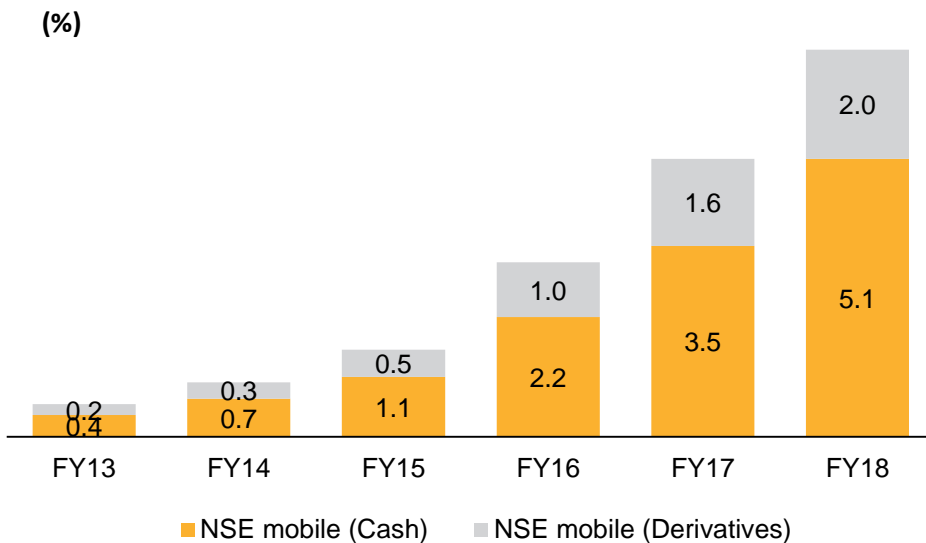
Retail ADTO registered faster growth (%)



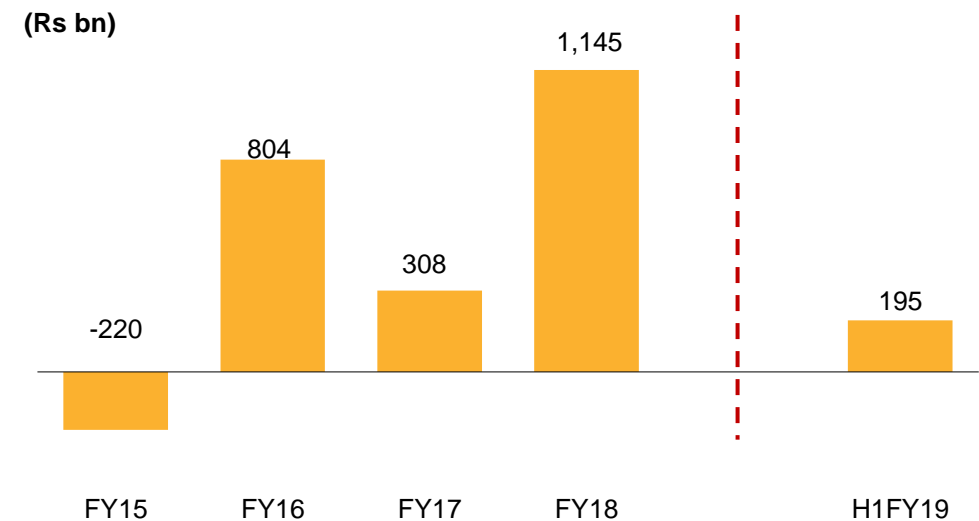
Higher returns in equity asset class in FY18



Increasing share of mobile trading



DII flows highest in a decade



H1 FY19



QIP - Rs 28 bn



IPO - Rs 18.4 bn



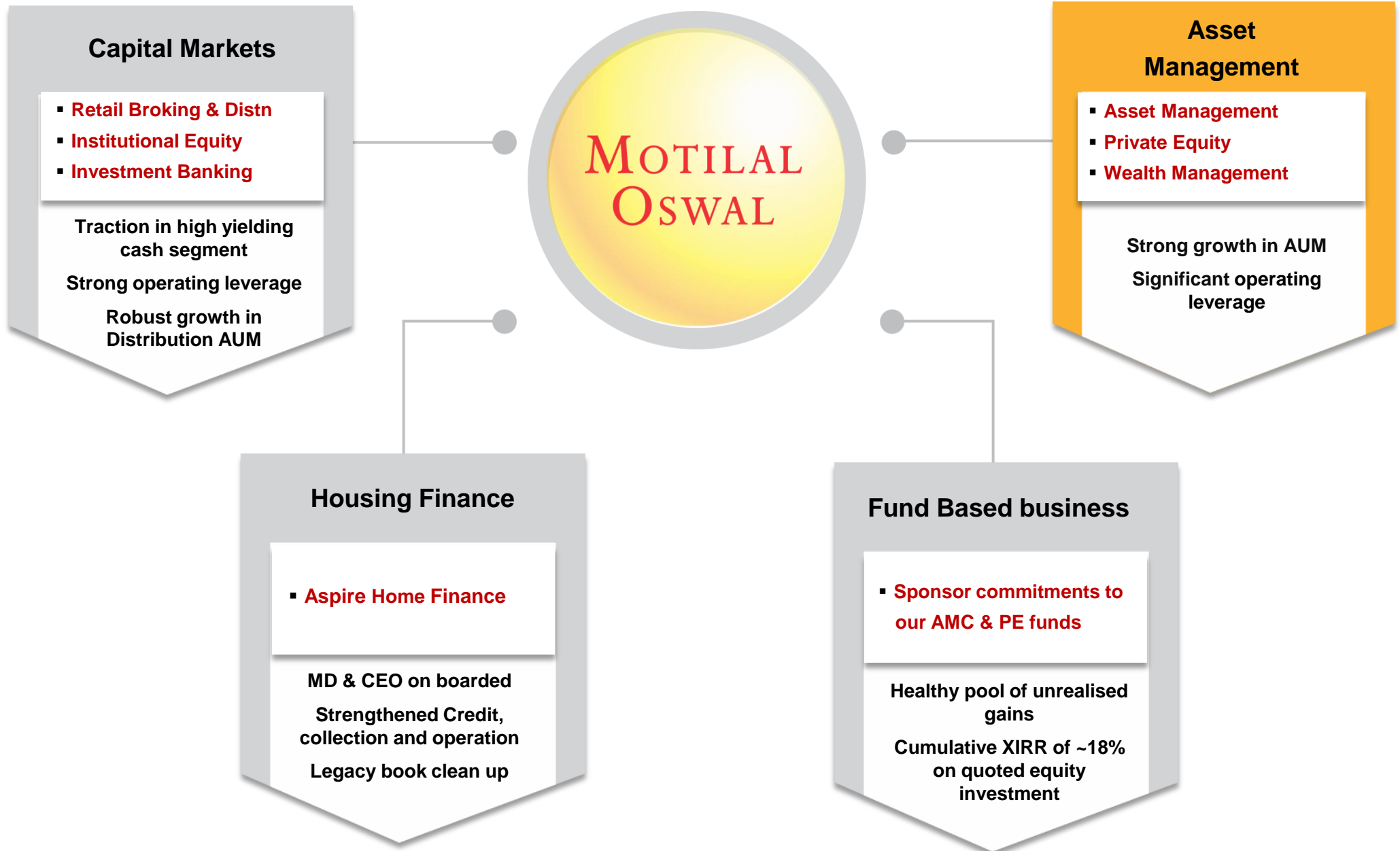
OFS - Rs 18 bn



Pref Issue - Rs 10 bn

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Total Revenues	34	223	-85%	151	-77%	185	455	-59%
Operating Costs	54	45	21%	57	-5%	112	110	2%
EBITDA	-20	178	-111%	94	-121%	74	345	-79%
EBITDA Margin	-58%	80%	-	62%	-	40%	76%	-
PBT	-22	177	-	92	-	70	344	-80%
PAT as per Ind-AS	-16	126	-	65	-	49	277	-82%
PAT as per IGAAP	-16	126	-	65	-	49	283	-83%

- The slowdown in capital markets activity that we witnessed in Q1FY19 continued to impact the markets in Q2FY19 as a consequence of weak investor sentiment and reduced appetite for new issuances. Total fund raising in the capital markets (in the form of IPOs and QIPs) was Rs 174 bn in H1FY19, as compared to Rs 574 bn in H1FY18 and Rs 859 bn in H2FY18.
- Despite market challenges, the Investment Banking business has remained engaged in some significant transactions that were completed in the quarter.
- We acted as BRLM for the QIP of HDFC Bank and acted as broker to the offer for sale of shares of L&T Infotech by Larsen & Toubro.
- While the primary capital markets remain challenging at the current moment, we have a strong pipeline of both capital markets and advisory transactions leading into the second half of FY2019.



Asset Management – Robust growth; strong operating leverage



AMC profit growth of 71% YoY in H1FY19

AMC AUM Rs 364 bn in H1FY19, +26% YoY

Rank 9 in Equity AUM Sept 2018

Market leader in PMS with 15% market share in AUM

Eq. MF Market Share ~3% in Net Flows

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
AUM (bn)	364	289	26%	376	-3%	364	289	26%
Net adds (bn)	12	36	-66%	19	-37%	31	61	-49%
Total Revenues	1,901	1,468	30%	1,846	3%	3,748	2,787	34%
Operating costs	1,287	1,111	16%	1,222	5%	2,509	2,073	21%
EBITDA	614	357	72%	624	-2%	1,239	714	74%
<i>EBITDA Margin</i>	32%	24%		34%	-	33%	26%	-
PBT	612	355	72%	623	-2%	1,235	711	74%
PAT as per Ind-AS	396	231	72%	404	-2%	800	467	71%
PAT as per IGAAP	396	231	71%	405	-	801	461	74%

- AMC has shown strong performance, with 30% growth in revenue and 72% growth in profit in Q2FY19. Profit for H1FY19 grew by 71% YoY at Rs 800 mn. Operating leverage is visible, with significant improvement in operating margin to 33% in H1FY19.
- AUM across MF, PMS and AIF reached a milestone of Rs 364 bn (+26% YoY), with MF AUM at Rs 189 bn (+32% YoY), PMS AUM at Rs 148 bn (+10% YoY) and AIF AUM at Rs 26 bn (+127% YoY).
- MOAMC's MF has witnessed lower redemption rate at 36%; the industry average was 57% in H1FY19.
- SIP inflows in Q2FY19 remained strong at Rs 5.1 bn, +74% YoY. SIP AUM is growing qualitatively and profitably; our average SIP at ~Rs 4,200 per month is higher than the industry average of Rs 3,165 per month. SIP market share and proportion to total inflows is rising.

Asset Management – Strong business performance

- Market share in MF Equity Net Sales continued to remain strong at 2.9% (including balance) in H1FY19 in a rising pool of equity flows. This is driven by MOAMC's niche equity focus, process-oriented (QGLP) approach and solid performance track record.
- We have become one of the largest AIF managers in India within a span of two years, with an AUM of Rs 26 bn in H1FY19 (Rs 11.4 bn in H1FY18). 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.

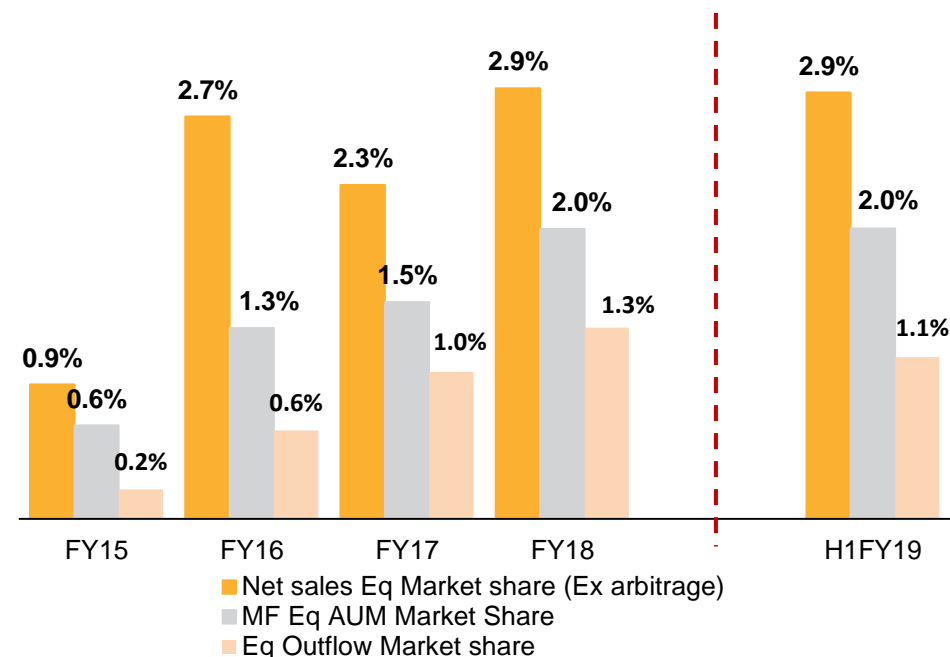
Top Notch performance across product and categories

Product	Scheme	Strategy	Inception Date	Total Return	Alpha over Benchmark
PMS	Value	Large-Cap	25-Mar-03	22.8%	6.3%
PMS	NTDOP	Multi-Cap	11-Dec-07	17.3%	11.8%
PMS	IOP	Mid-Cap	15-Feb-10	12.5%	5.6%
Mutual Fund	F-25	Large-Cap	13-May-13	14.3%	0.9%
Mutual Fund	F-35	Multi-Cap	28-Apr-14	22.5%	8.2%
Mutual Fund	F-30	Mid-Cap	24-Feb-14	21.0%	0.6%

* Read above fund performances with their corresponding Disclaimers in the funds' Fact Sheets, which are available in www.motilaloswalmf.com.

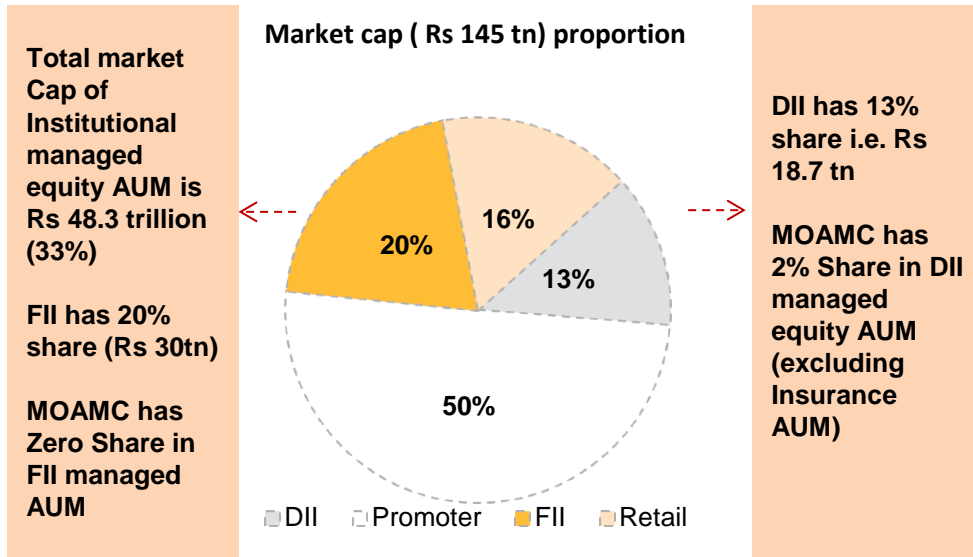
¹ Inception Date: 25/03/2003. These returns are of a Model Client as on 30th Sept 2018. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns shown are post fees and expenses. Benchmark is Nifty 50 Index

Higher equity MF net sales market share would pull equity MF AUM share up eventually

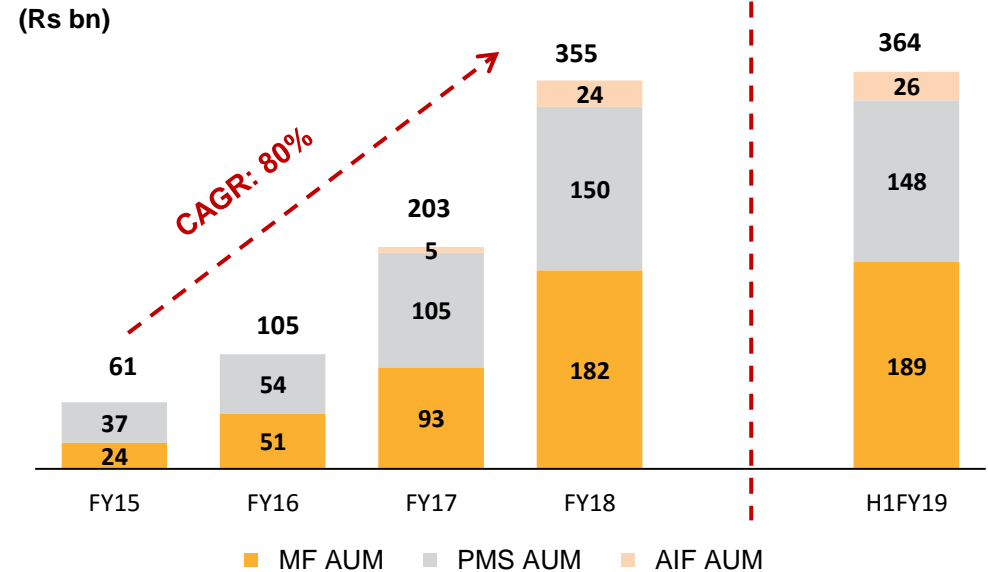


Asset Management – Potential levers to scale business

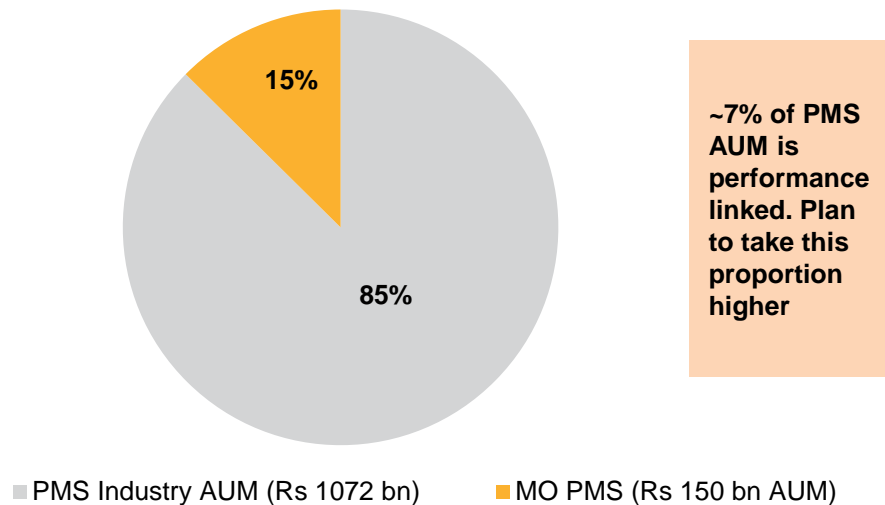
MOAMC's has "Zero" share in FII driven domestic equity market which is 1.6x of size of DII.



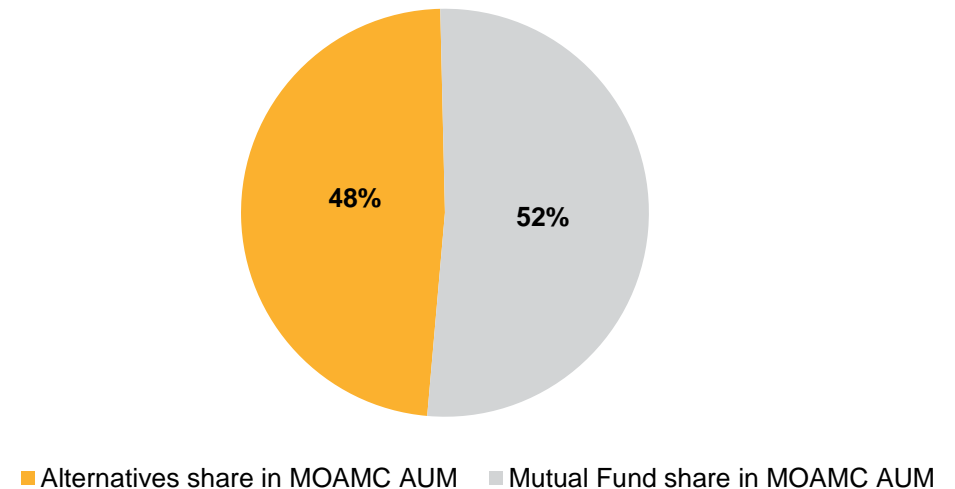
MOAMC AUM breakup and growth trend



MOPMS market share in Industry's Equity AUM



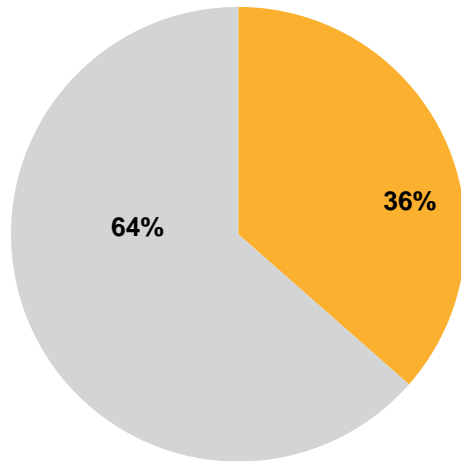
Alternatives share in MOAMC AUM



*Alternatives includes PMS and AIF

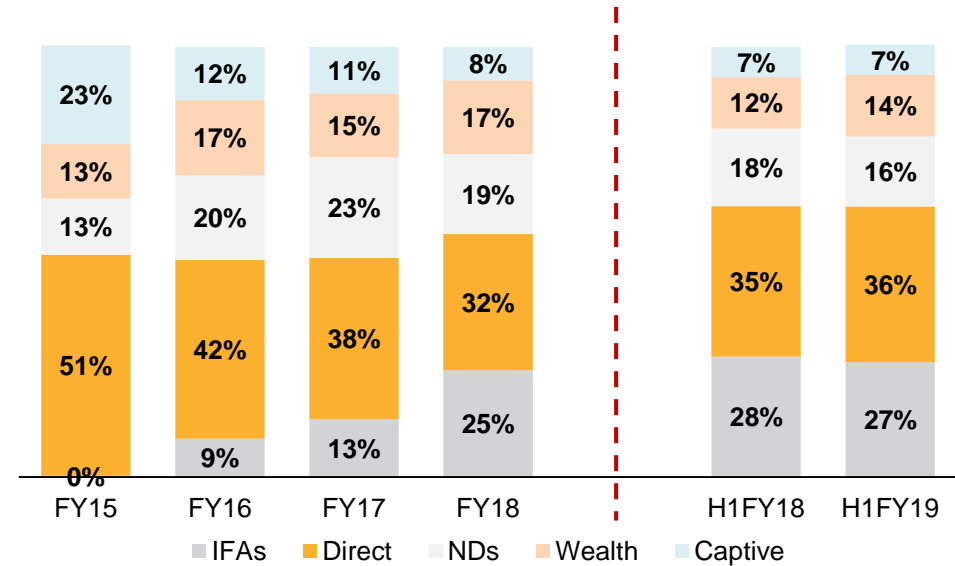
Asset Management – Potential levers to scale profitability

Share of Direct in MF Equity AUM

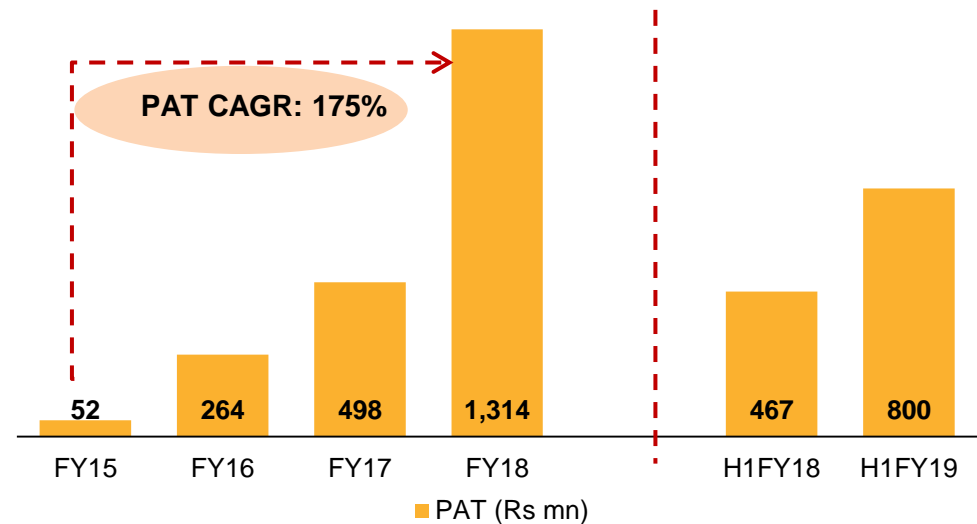


■ Share of Direct in MF Eq AUM ■ Share of Regular in MF Eq AUM

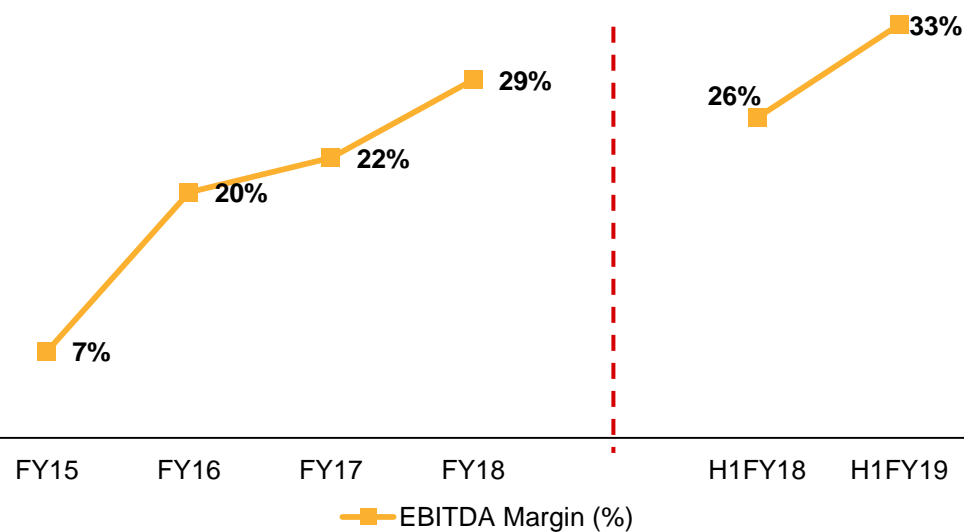
MOMF Sourcing Mix on the basis of AUM (Ex Prop)



MOAMC profitability trend

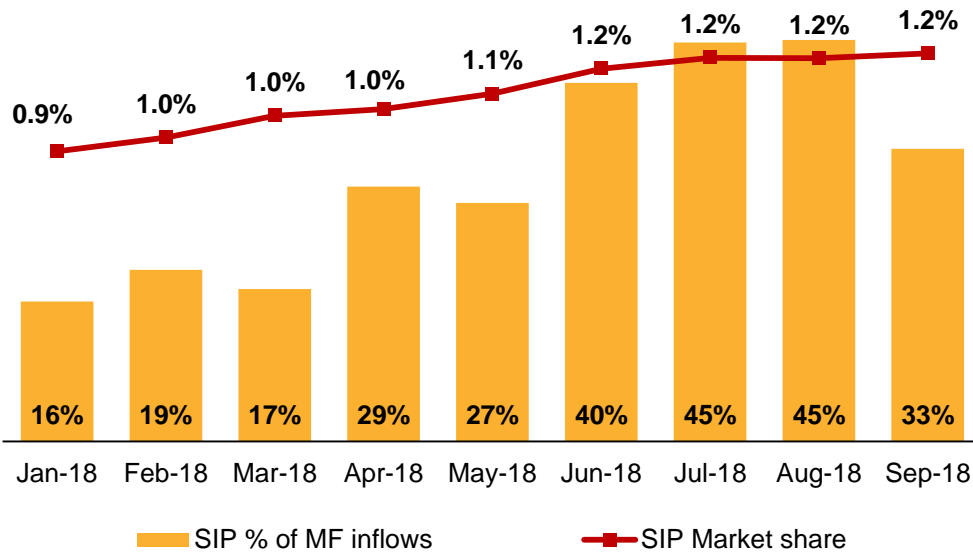


EBITDA margin trajectory

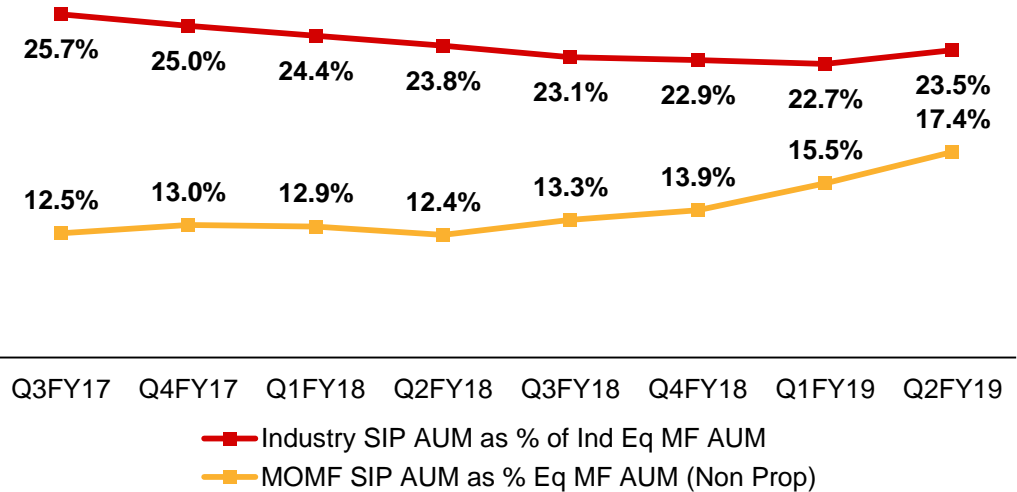


Asset Management – Granularity of MF AUM

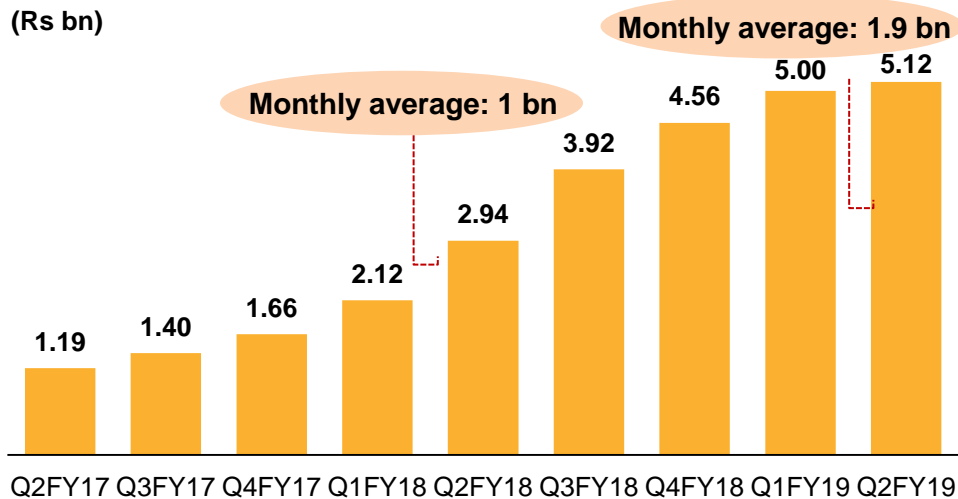
MOMF SIP AUM and inflows market share



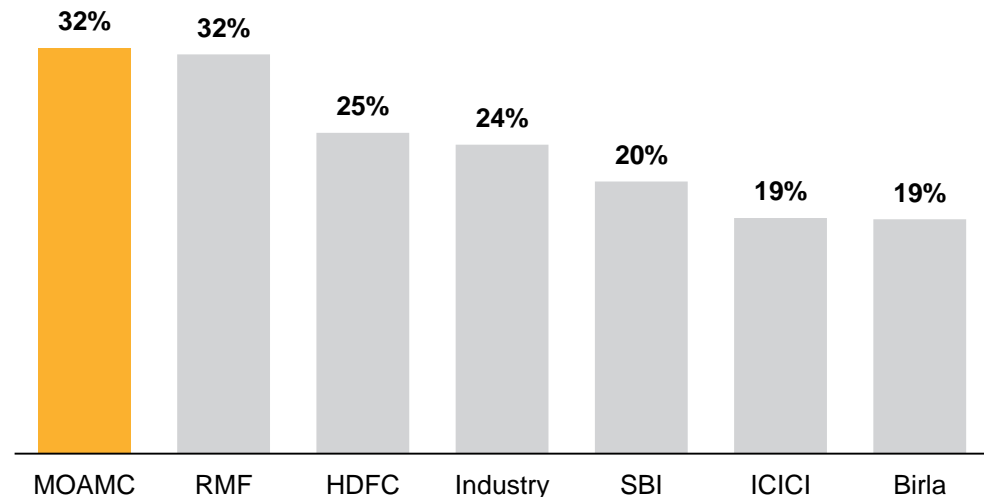
MOMF rising SIP proportion



Rising MOMF SIP flows

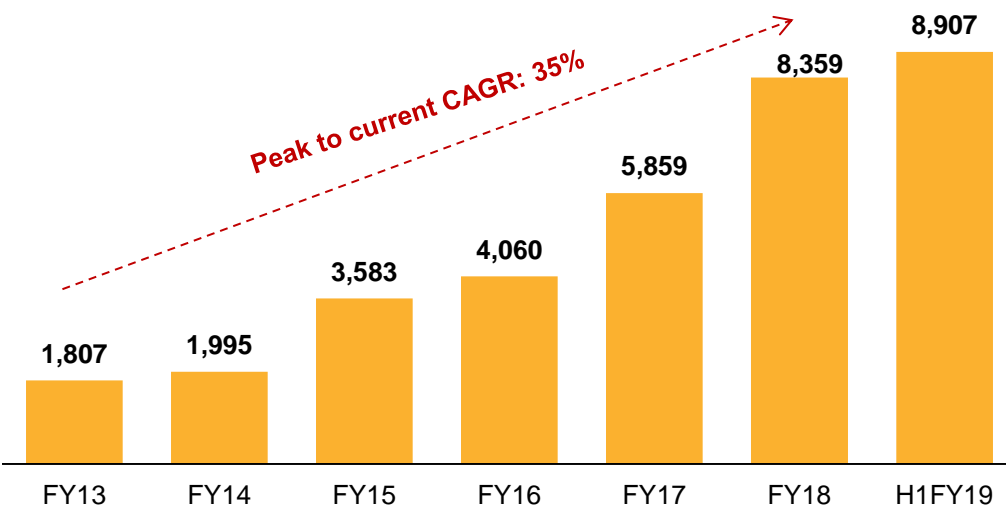


Share of Retail AUM in MF Equity AUM

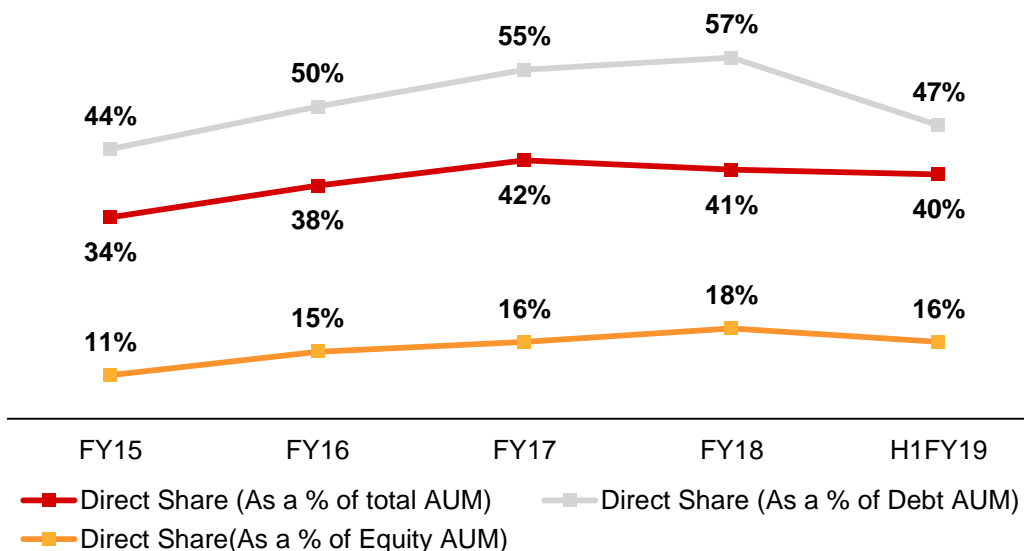


Asset Management – Stickiness of MF flows to continue..

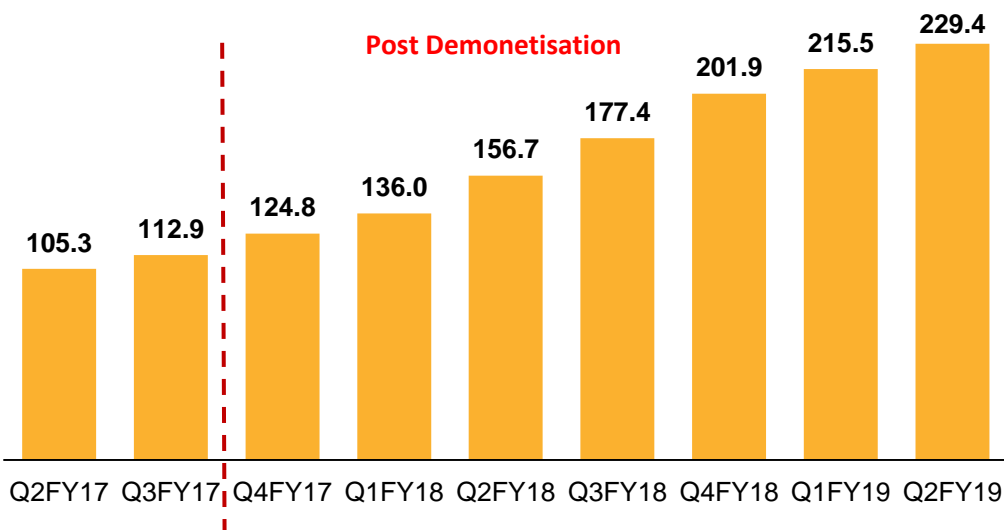
Rising Industry's MF Equity AUM



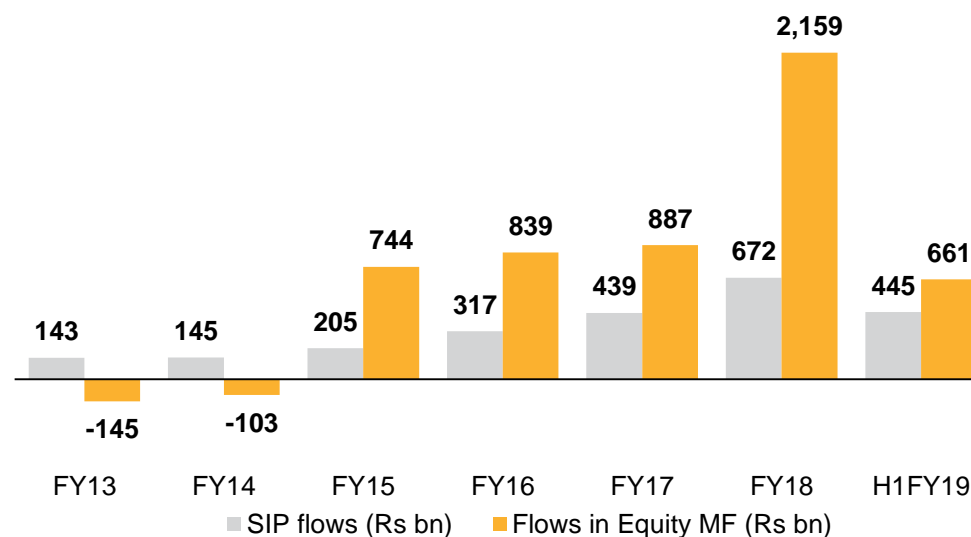
Rising share of Direct proportion in Asset management industry



Strong traction in Industry's SIP flows continues

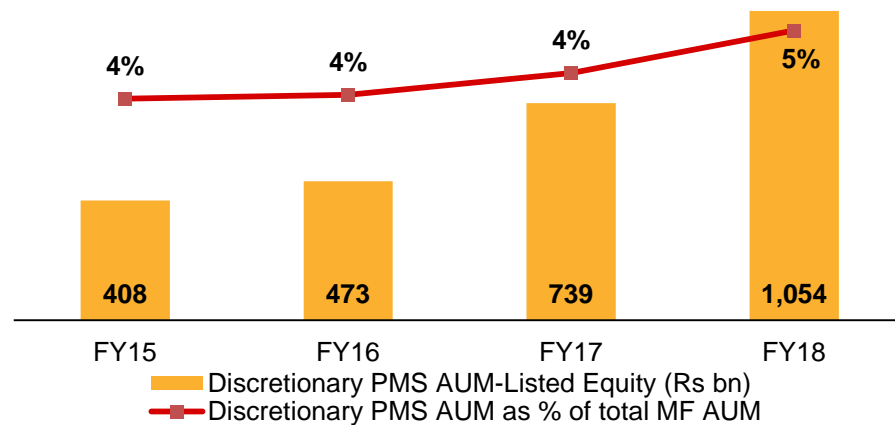


SIP gaining share in rising Equity Industry AUM

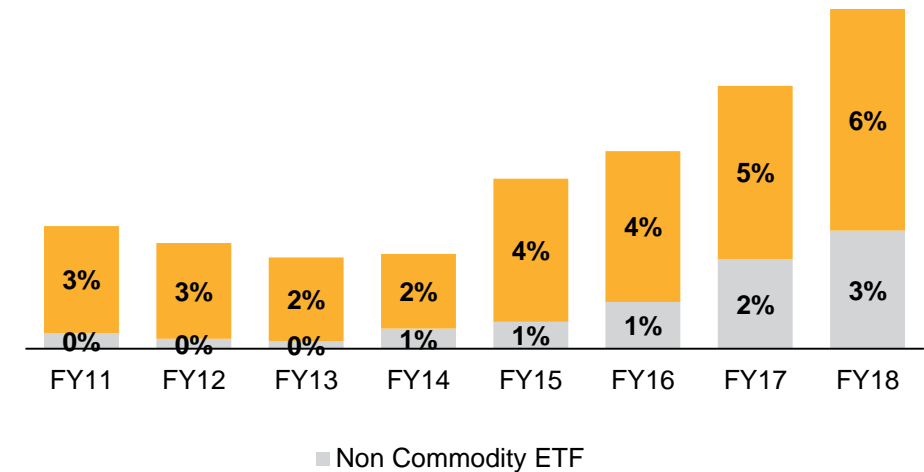


Asset Management – Rising share of Alternatives

Rising share of Alternatives in Industry AUM

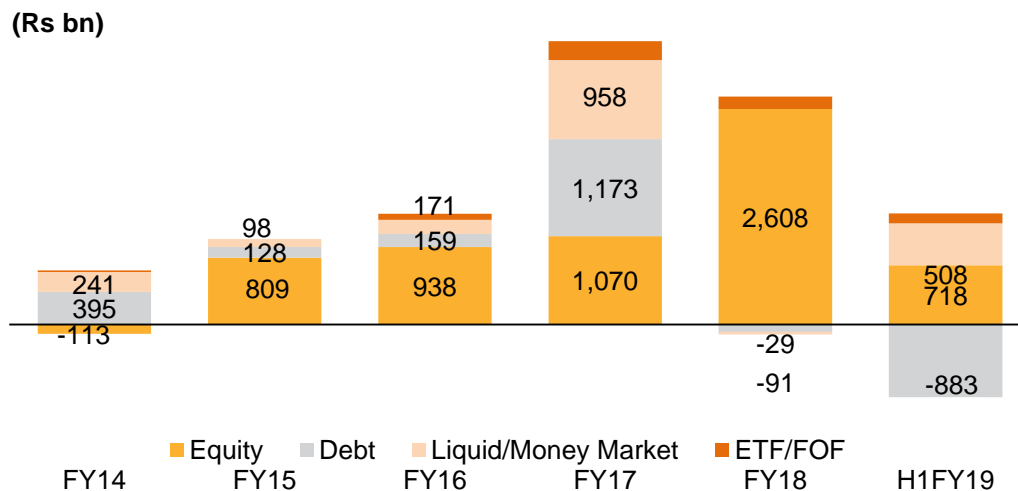


Rising share of Alternatives in Industry AUM



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; MOAMC has been a PMS and AIF player at early stage, while Indian AMC's are yet to realise this potential.

Private Equity – Steady exits at high IRRs provides strong annuity

Total AUM of PE business stands at ~ Rs 61 bn

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Total Revenues	245	999	-75%	182	35%	427	1,082	-61%
Operating Cost	129	343	-63%	109	18%	237	395	-40%
EBITDA	116	655	-82%	73	59%	190	688	-72%
PBT	113	650	-83%	70	61%	183	677	-73%
PAT as per Ind-AS	79	463	-83%	43	84%	122	475	-74%
PAT as per IGAAP	80	464	-83%	43	85%	123	477	-74%

Note: Revenue and PAT includes share of profit on exit of PE fund investments of Rs 26 mn in Q2FY19 vs. Rs 858 mn in Q2FY18 and profit of Rs. 26 mn in Q2FY19 vs. Rs 462 mn in Q2FY18, respectively.

IBEF III fund raised Rs 23 bn

Growth PE Funds

- MOPE Funds stand out with stellar performance. IBEF I has delivered a portfolio IRR of 27.7% and is expected to return over 6x MoC (Multiple of Cost) on a gross basis. Till date, 3.3x 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 3.9 bn across two investments and has executed definitive documentation for deploying ~Rs 4.5 bn in two more investments.

IBEF I exits could result in lumpy gains in FY19

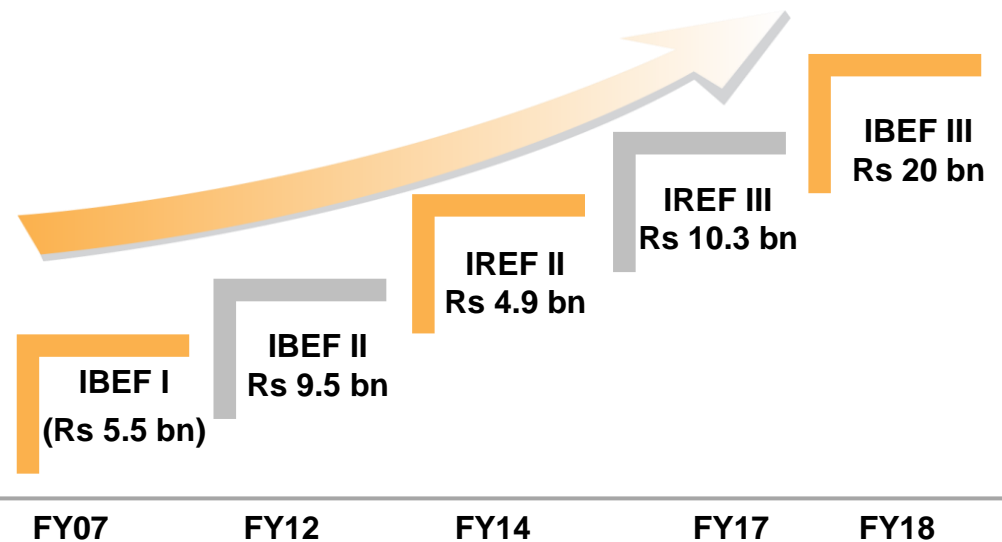
Real Estate Funds

- IREF I has fully exited from all 7 investments, translating into ~120% capital returned to investors.
- IREF II is fully deployed across 14 investments. The Fund has secured 6 complete exits and 1 structured exit and has returned money equalling ~82% of the Fund Corpus back to the investors. Average IRR on exited investments is ~22%.
- IREF III is ~65% deployed across 15 investments. The Fund has secured 2 full exits and has returned money equalling ~25% of Investible Funds back to the investors. Average IRR on exited investments is ~22.2%.
- IREF IV launched with a target size of Rs. 15 bn has achieved 1st close in the month of August at ~Rs. 5.6 bn.

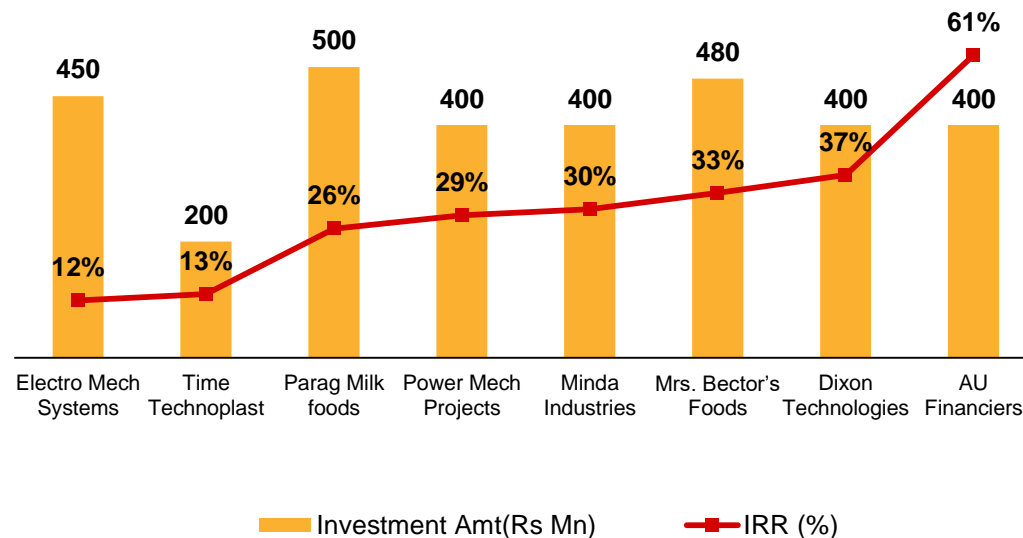
IREF IV launched with target size of Rs 15 bn

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

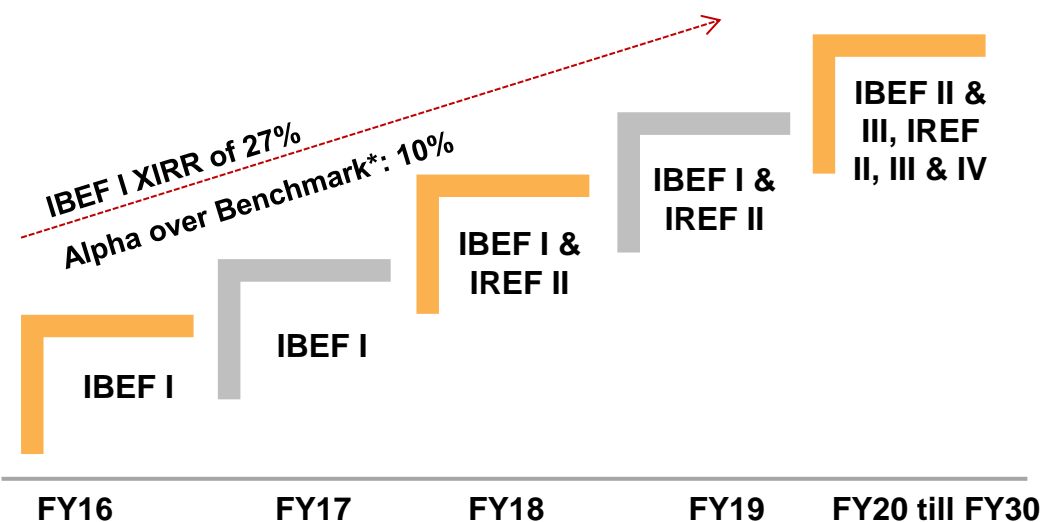
Launch period of PE Funds



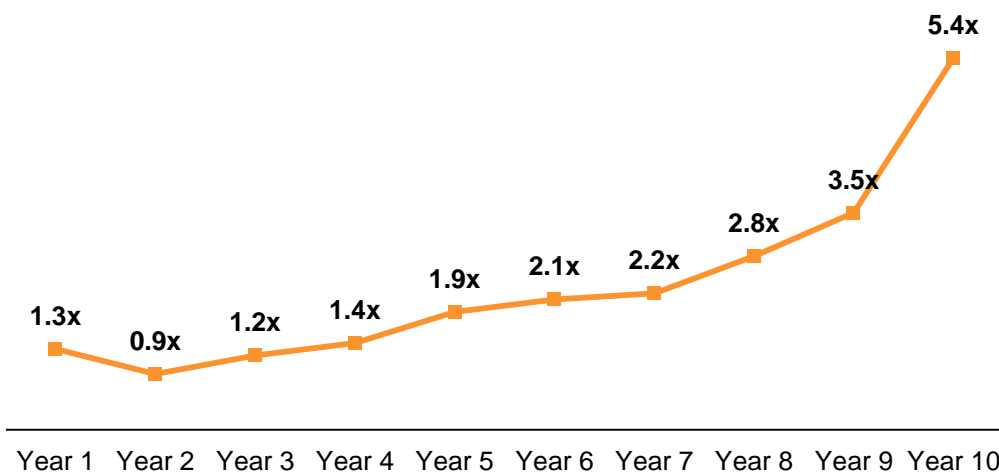
QGLP investments delivering higher IRR



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 16 bn,
+26% YoY in H1FY19**

**Wealth AUM
Rs 155 bn in
H1FY19,
+20% YoY**

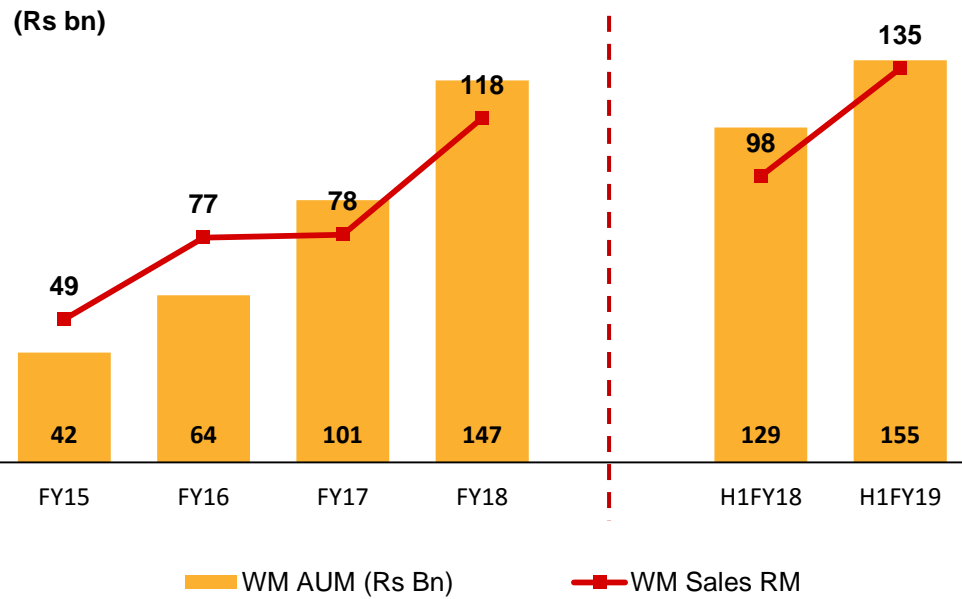
**Rising Number of
Client Families,
+43%**

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

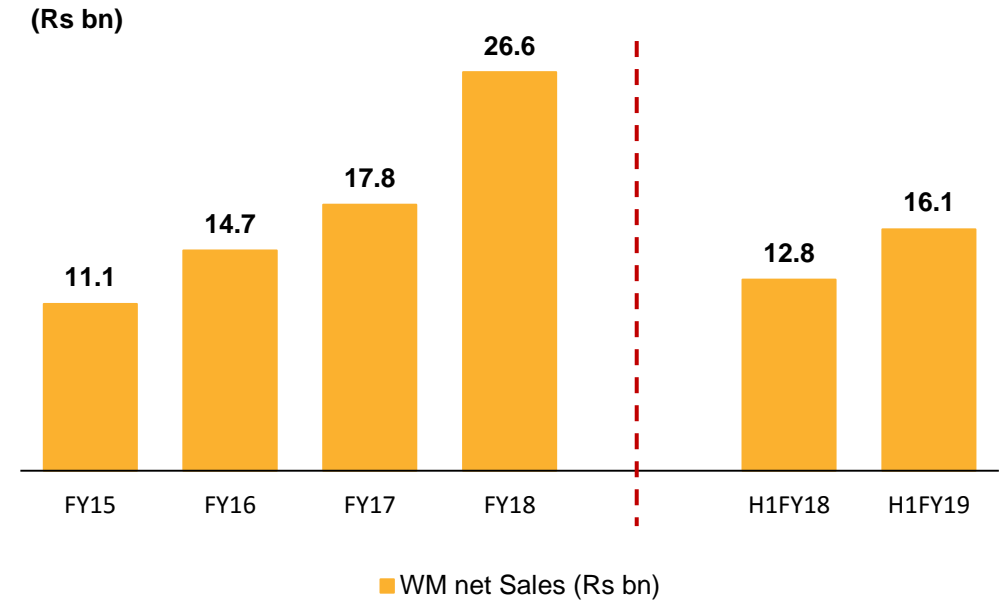
Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
AUM (bn)	155	129	20%	153	1%	155	129	20%
Net adds (bn)	6	9	-31%	10	-37%	16	13	26%
Total Revenues	319	263	21%	264	21%	581	440	32%
Operating Cost	237	162	46%	220	8%	457	284	61%
EBITDA	83	102	-19%	44	88%	124	156	-20%
PBT	81	100	-19%	39	107%	120	151	-21%
PAT as per Ind-AS	58	69	-15%	25	133%	84	104	-19%
PAT as per IGAAP	67	76	-12%	32	109%	99	114	-13%

- Wealth Management has shown strong traction in Net sales with growth of 26% YoY at Rs 16 bn in H1FY19.
- Revenue growth was robust at 32% YoY in H1FY19. However, profit was impacted on account of – 1. Higher employee expenses due to full impact of higher RM additions, (+38% YoY) 2. ESOP cost impact of Rs 20 mn under Ind-AS reporting, 3. Incremental charge of Rs 33 mn for availing business support services as per the group transfer pricing policy.
- 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 ~82 bps in Q2FY19, with equity mix of ~65% in total AUM.
- AUM traction is driven by captive products and other products from strategic funds.
- Inclination to invest in financial assets remains high and headroom for growth in AUM and profit pool is enormous.

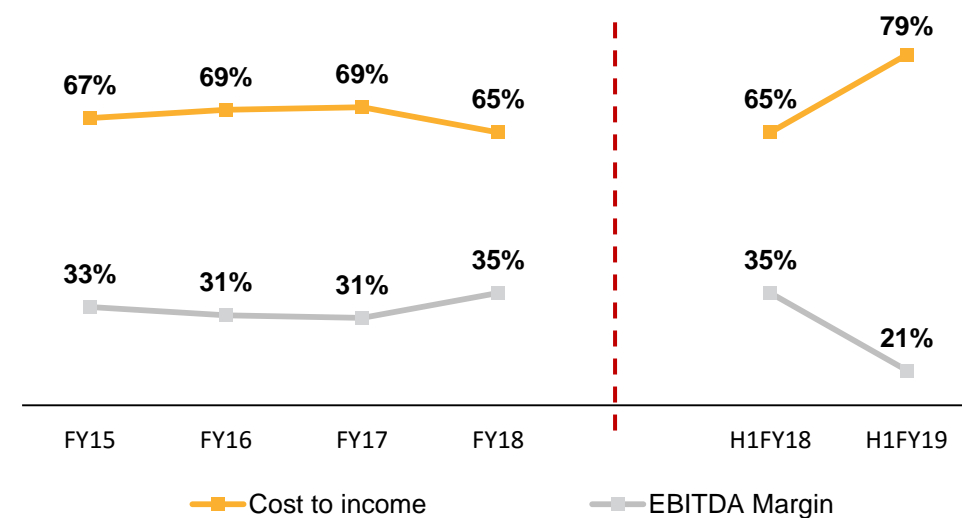
Wealth AUM growth trend



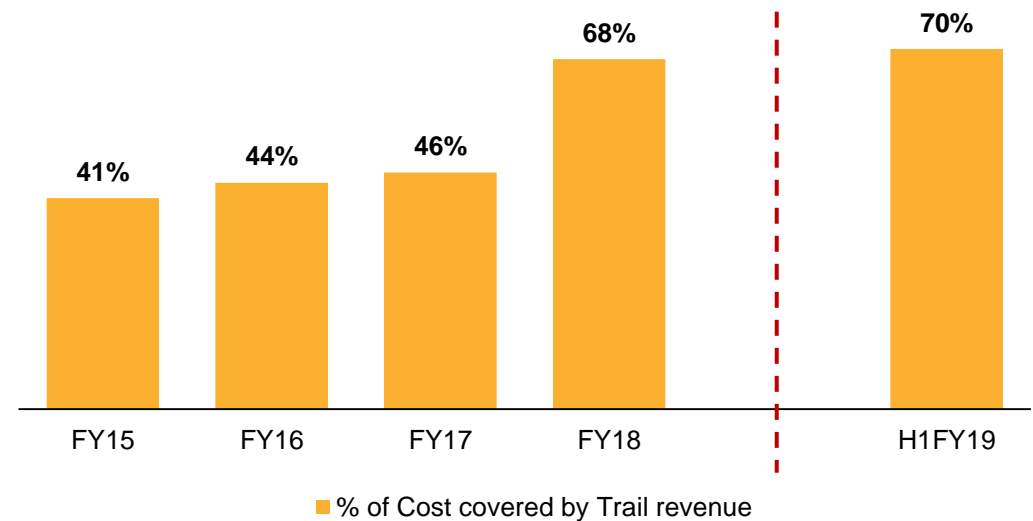
Wealth net sales trajectory

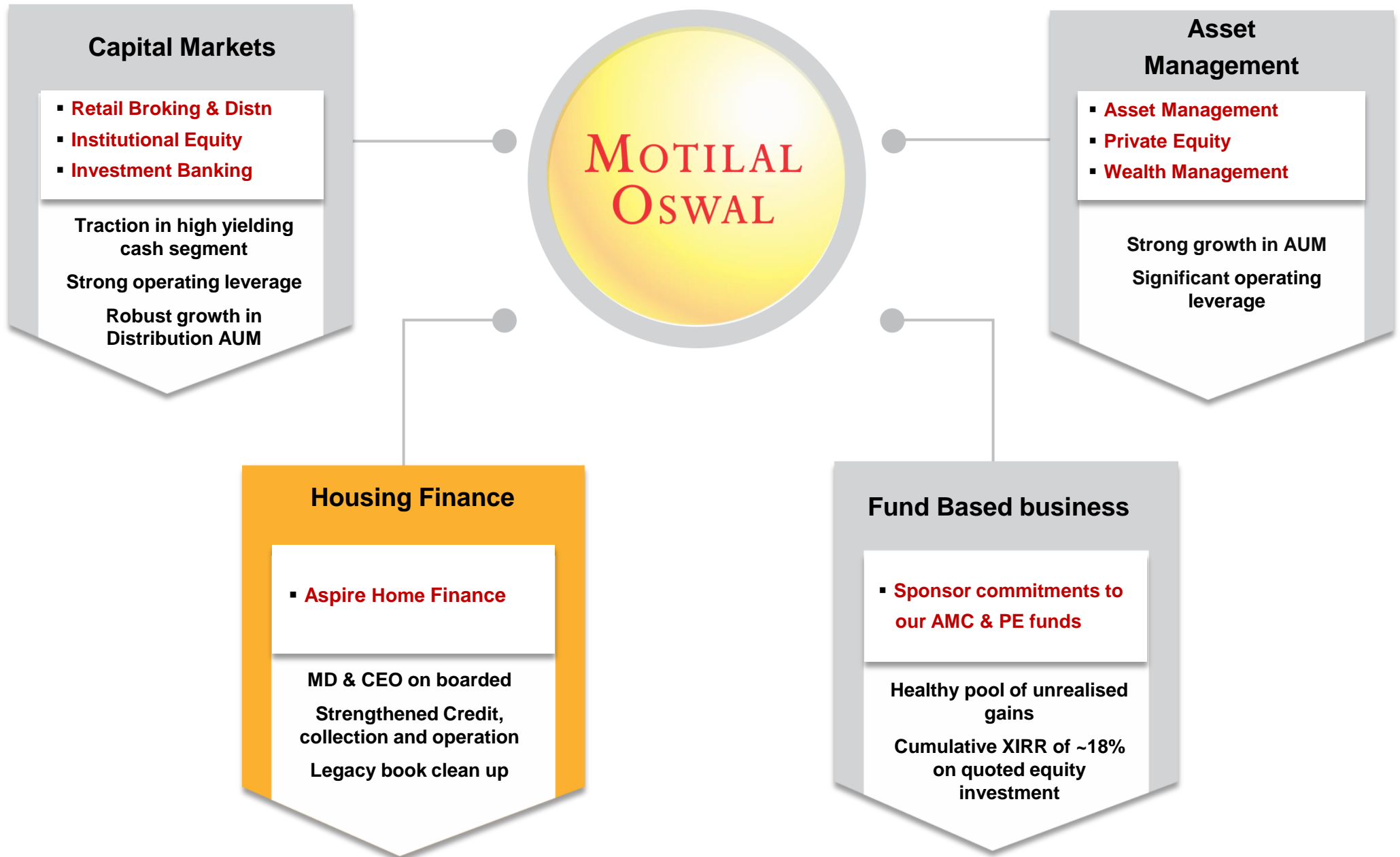


Wealth EBITDA margin and cost to income ratio



Trail income will protect margin in downturn





MD & CEO on boarded

Strong traction in loan file logins pipeline ; Disbursements started picking up

Positive trends in collection efficiency

Legacy loan book clean up leads to higher write off

NNPA: 5.6%
PCR: 46%
PCR incl. W/O: 66%

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ%	H1FY19	H1FY18	YoY%
Net Interest Income (NII)	700	738	-5%	576	21%	1,276	1,241	3%
Other Operating Income	26	89	-71%	33	-22%	59	151	-61%
Total Income	726	827	-12%	609	19%	1,335	1,392	-4%
Operating Cost	258	245	6%	267	-3%	525	491	7%
- Employee Cost	172	133	29%	141	22%	313	263	19%
- Other Cost	87	112	-23%	13	-31%	212	229	-7%
Operating Profit (Pre-Prov.)	467	583	-20%	342	37%	810	900	-10%
Provisioning/Write off	1,008	172	-	514	96%	1,522	431	-
PBT	-541	410	-	-172	-	-712	469	-
PAT as per IND AS	-371	293	-	-108	-	-480	350	-
PAT as per IGAAP	-334	223	-	-9	-	-343	365	-

- Loan book stood at Rs 46 bn in H1FY19. NII grew by 3% YoY despite lower disbursements in H1FY19.
- Provisions of Rs 1 bn on account of higher write off in Q2FY19 to clean up the legacy book. Provisions including write off stands at 66% as of Q2FY19. Strong support from parent with further capital infusion of Rs 1 bn in Q3FY19 and another Rs 1 bn is proposed during H2FY19.
- As guided post FY18 results, asset quality deterioration in H1FY19 was on account of seasoning of legacy portfolio and impact of seasonality. Clean up of legacy book, expected positive trends in disbursements in H2FY19 along with improvement in collection efficiency augurs well for future asset quality outlook.

PAT reconciliation from IGAAP to Ind-AS

Particulars (Rs mn)	Q2FY19
Net profit after tax as per Previous GAAP	-334
Adjustment due to fair valuation of Deposit & rent equalization	-0.2
Adjustment for unamortized upfront cost on borrowing	-2
Adjustment for EIR	52
Adjustment for ECL	-102
Adjustment for actuarial gain	-2.7
Deferred tax on above adjustment	18
Net profit after tax as per Ind AS	-371
Other Comprehensive Income	1.8
Net profit after tax as per Ind AS	-369

Net worth reconciliation from IGAAP to Ind-AS

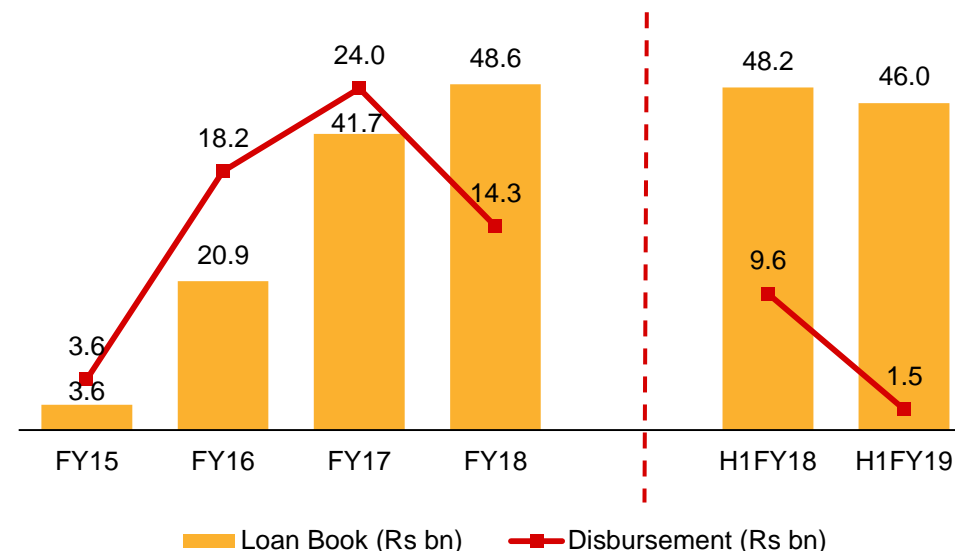
Particulars (Rs mn)	Q2FY19
Networth as per IGAAP	7,651
Adjustment for ECL	-405
Adjustment for EIR	-401
Adjustment due to fair valuation of Deposit and rent Equalization	-12
Adjustment for unamortized upfront cost on borrowing	-18
Reversal of DTL on special reserve	107
Deferred tax on above adjustment	302
Total impact on networth	-426
Networth as per IND AS	7,225

ECL provisioning details

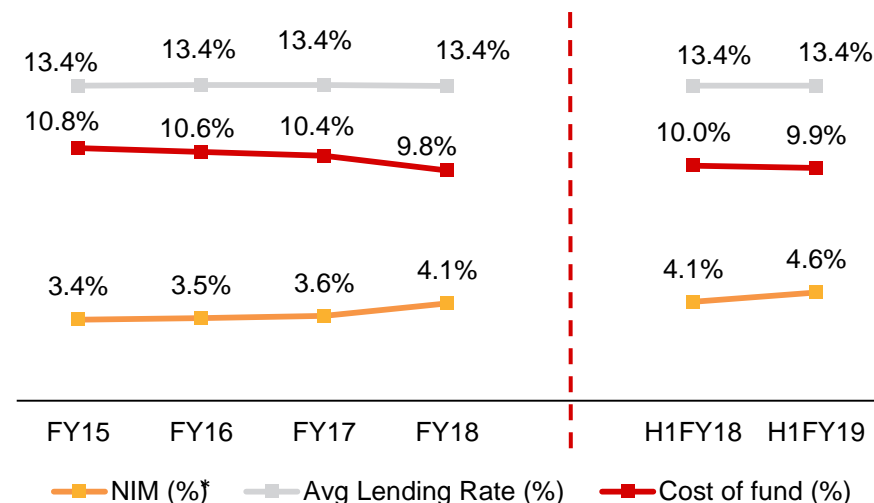
Particulars (Rs mn)	Q2FY19
Stage 3	3,237
% portfolio in Stage 3	7%
Stage 1 & 2	43,409
% portfolio in stage 1 & 2	93%
ECL Provision % Stage 1 & 2	1.96%
Total Assets	46,129
ECL Provision	1,483
ECL Provision %	3.21%
Coverage Ratio %	46%
Total coverage ratio % (Including write off)	66%

- Disbursements in H1FY19 were Rs 1.5 bn. However, sanction pipeline is building up which will eventually result in disbursement pick up. Further, adequate sales force is in place to handle higher disbursements.
- MD & CEO with career credit and risk background appointed during the quarter.
- Investments have been made in building a collection and legal organisation, while calibrating growth. This will create a strong foundation for sustainable growth.
- 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.
- Margins stood at 4.6% in H1FY19 versus 4.1% in H1FY18. This margin expansion was on account of lower borrowings and cost of funds.
- Average cost of borrowing remained stable at 9.9% in H1FY19. Zero outstanding CP as of today.
- Limited repayments till March 2019, equity infusion, undrawn borrowing lines, calibrated pace of growth, places us in comfortable liquidity situation.
- Diversified liability profile - 55% from NCDs, 45% from bank loans. 27 banks/NBFCs extended credit lines and NCDs were allotted to 18 institutions as of Sept-18.

Loan book and disbursement trend (Rs bn)



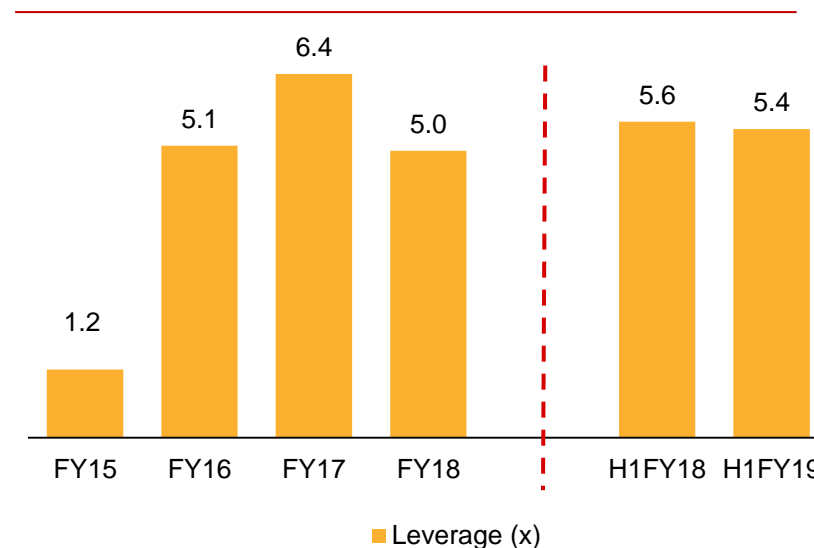
Margins trajectory



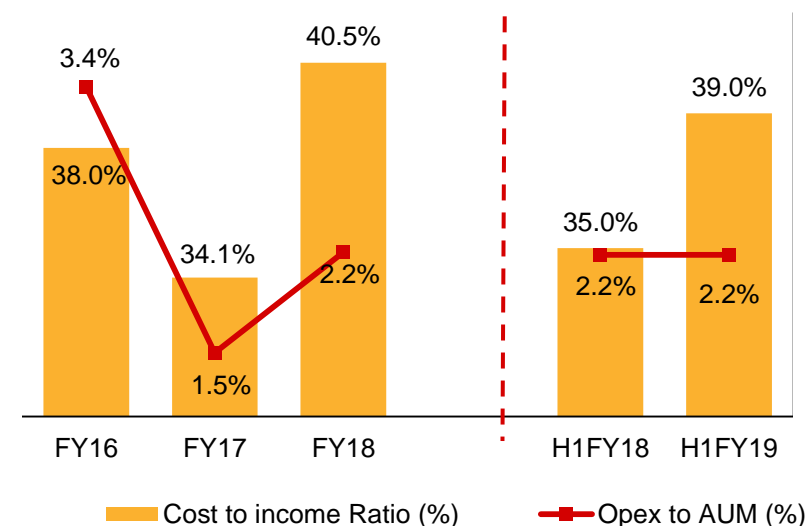
Note: NIM (%) is as per IGAAP

- Average ticket size is Rs 0.88 mn, with loans extended to more than ~57,000 families, as AHFCL is focused on the affordable housing segment. Average LTV of the book is <60%; overall FOIR remains at a comfortable level of 43%.
- Rich understanding from ~57,000 live accounts have shaped the credit policy and will ensure higher quality sourcing of incremental loans.
- Credit ratings are CRISIL A+ Stable outlook and ICRA A+ Stable outlook. Gearing remains conservative and among the lowest at 5.4x.
- Increase in collection and legal headcount coupled with opening of new branches resulted in Cost-Income ratio of 39% in H1FY19. This expansion is expected to yield results in the near future.
- Cumulative capital infusion from sponsor is Rs 6.5 bn and net worth is Rs 7.22 bn, (Rs 7.65 bn as per IGAAP) as of September 2018. Capital infusion of Rs 1 bn in Q3FY19 post which Net worth will rise to 8.22 bn and leverage will come down to 4.8x.
- We have been investing in technology to strengthen our database, analytics and risk framework. We are also investing in digital initiatives to reduce operating costs and turnaround time, and to improve customer experience. Our digital initiatives include new apps for sales, credit, collection, clients and vendors.

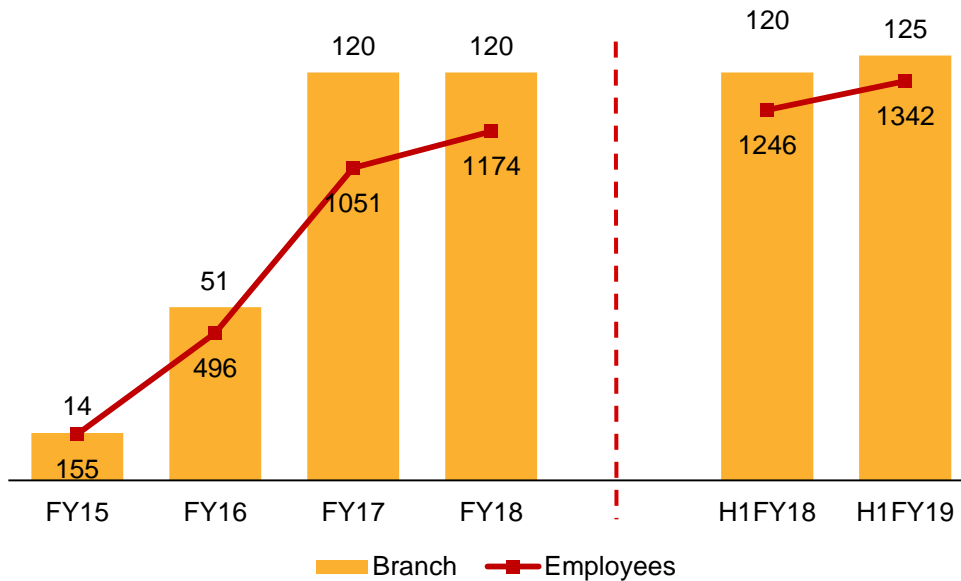
Low gearing



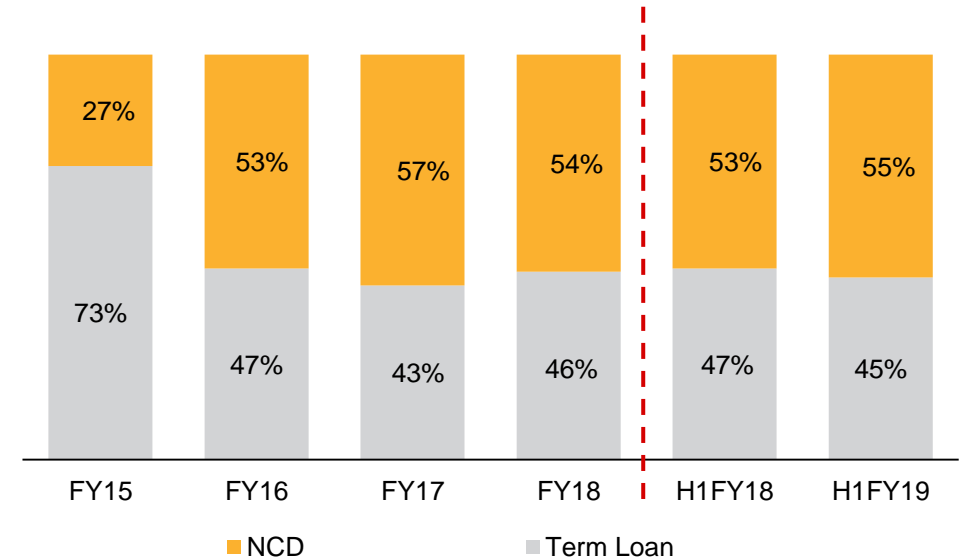
Higher opex resulting from investment mode



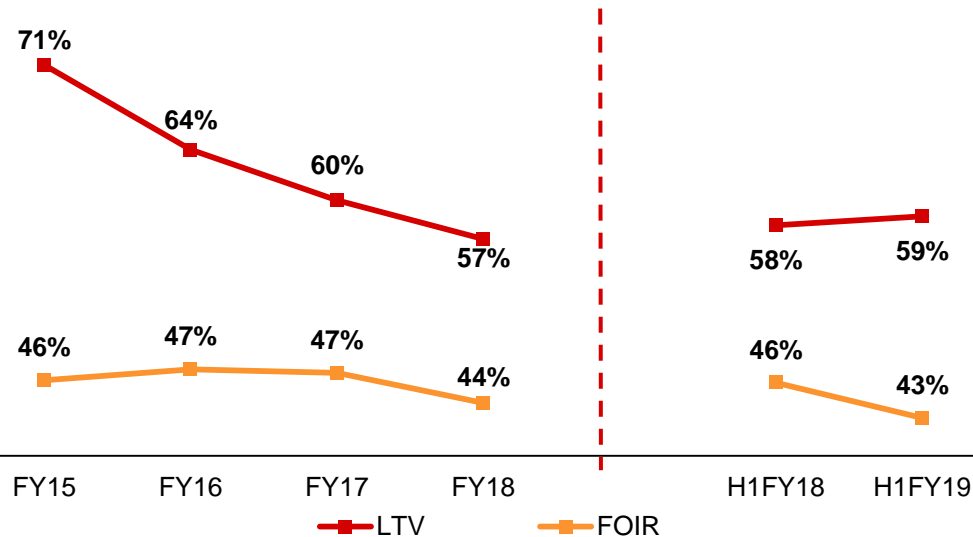
Higher investment in manpower



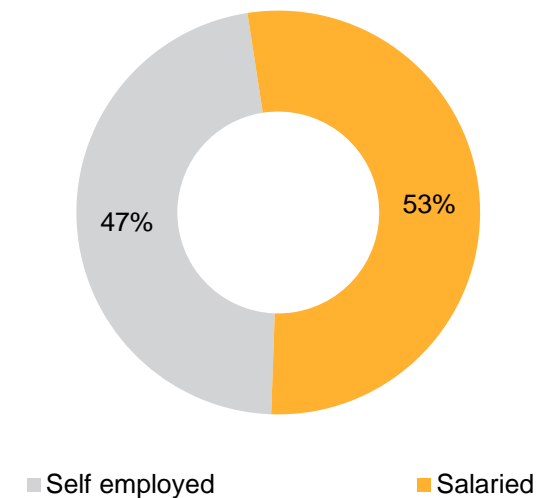
Diversified liability mix trend



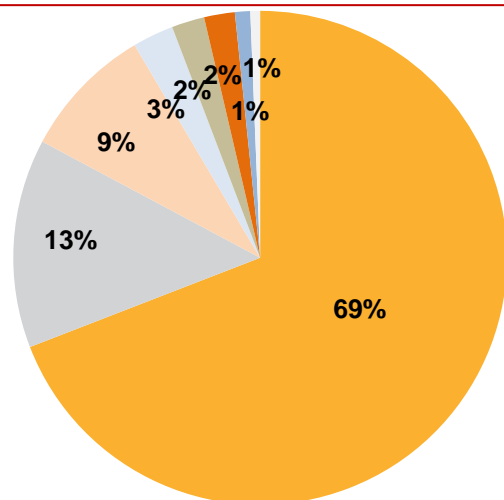
LTV of 59% and FOIR of 43%



Balanced customer mix (%)

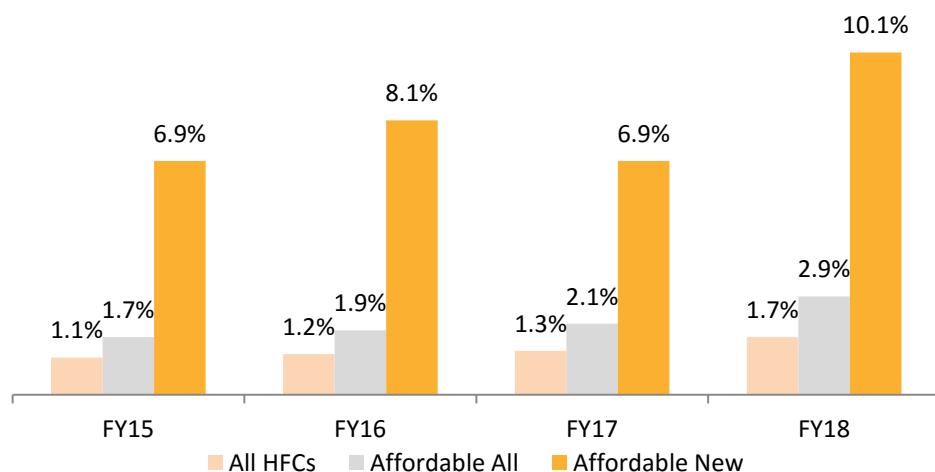


Aspire's State wise loan book mix

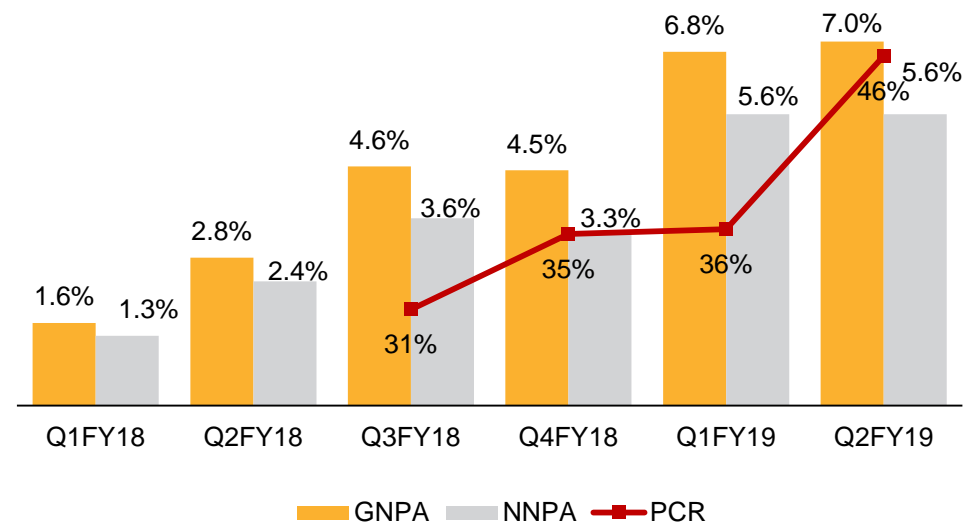


- Maharashtra
- Gujarat
- Madhya Pradesh
- Tamil Nadu
- Rajasthan
- Karnataka
- Andhra Pradesh
- Chhattisgarh

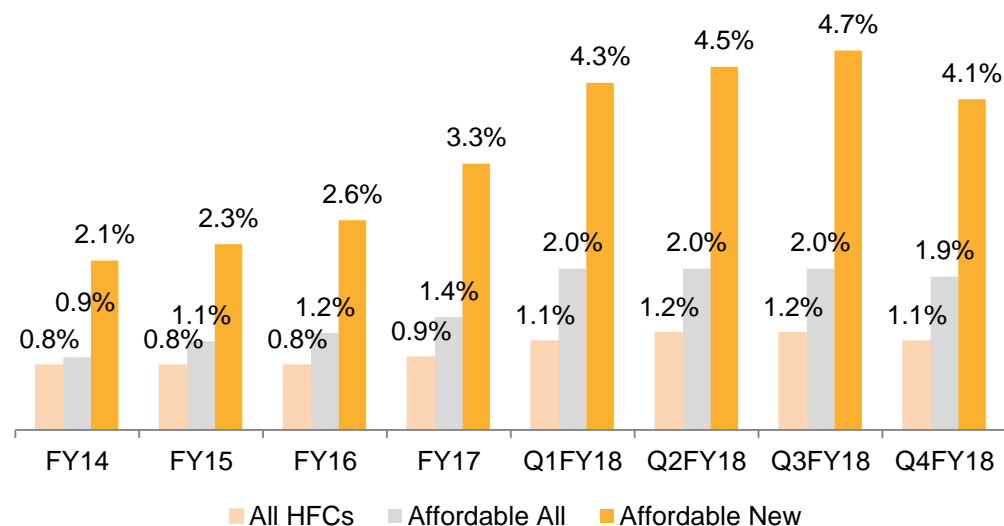
Industry's NPA trend - 2 Year lag basis



Aspire's GNPA and NNPA trend

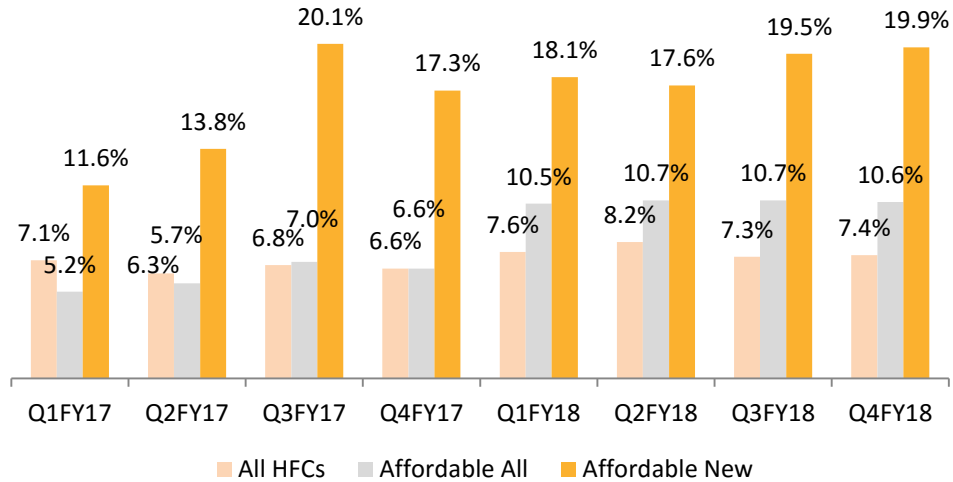


Industry NPAs higher in New Affordable HFCs

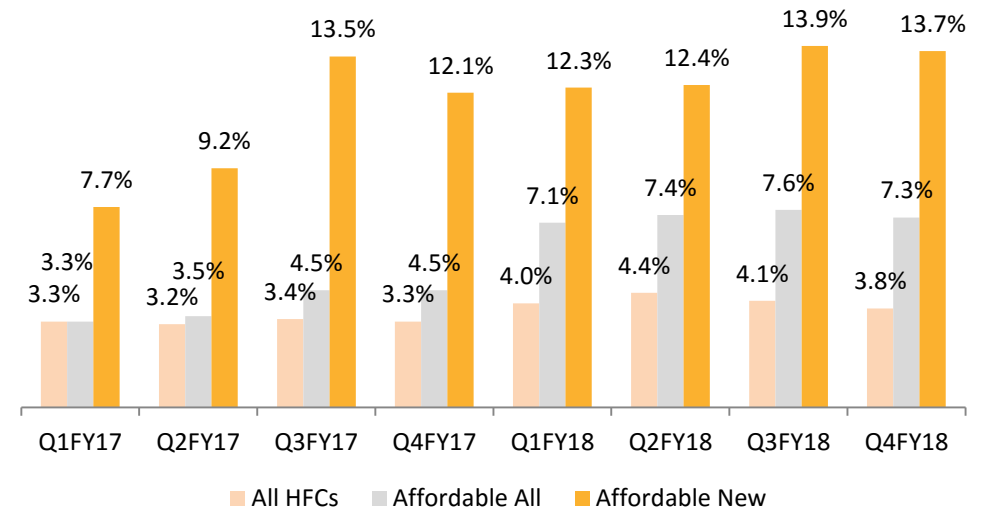


Note : Aspire's NPA in Q2FY19 is as per Ind-AS
Affordable Housing new – HFC started operation post FY12 (total 18 HFCs considered) , Source: ICRA report June 18.

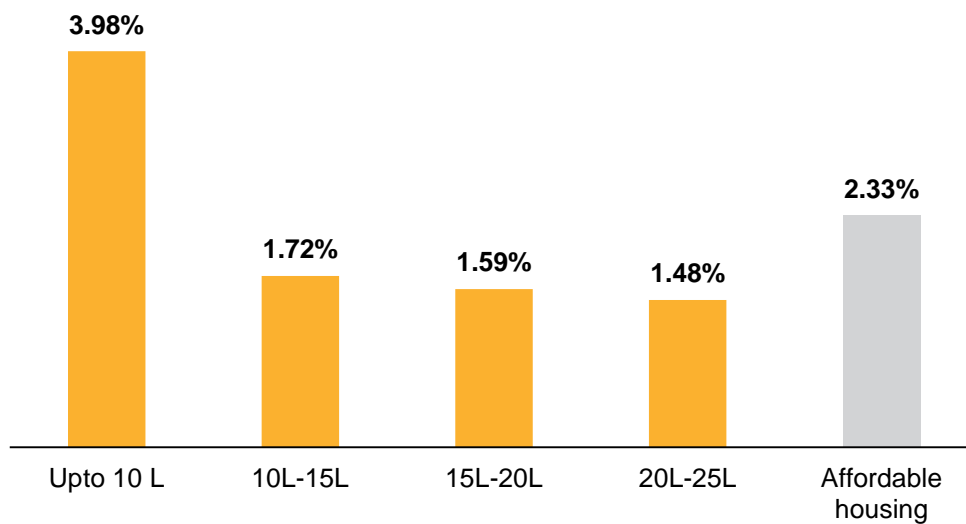
Industry's delinquency trend : 0+ dpd



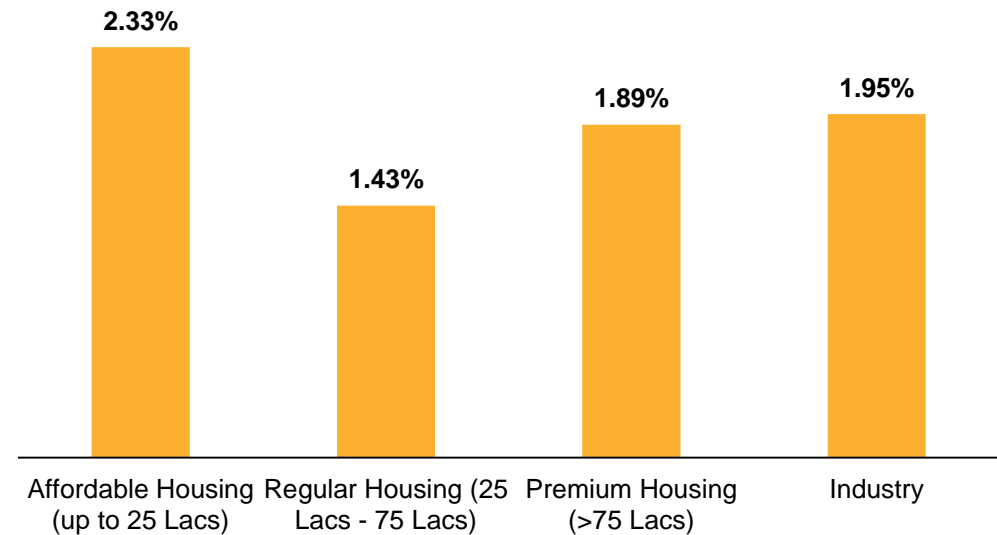
Industry's delinquency trend : 30+ dpd



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



Industry's NPA in Affordable segment is high



Aspire Home Finance – Strengthened credit, collection and processes



Credit

Cluster Credit

Separated credit reporting from branch; cluster level credit layer created

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 ~300 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

Differentiated strategy

Differentiated strategy based on aging of account and type of account

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

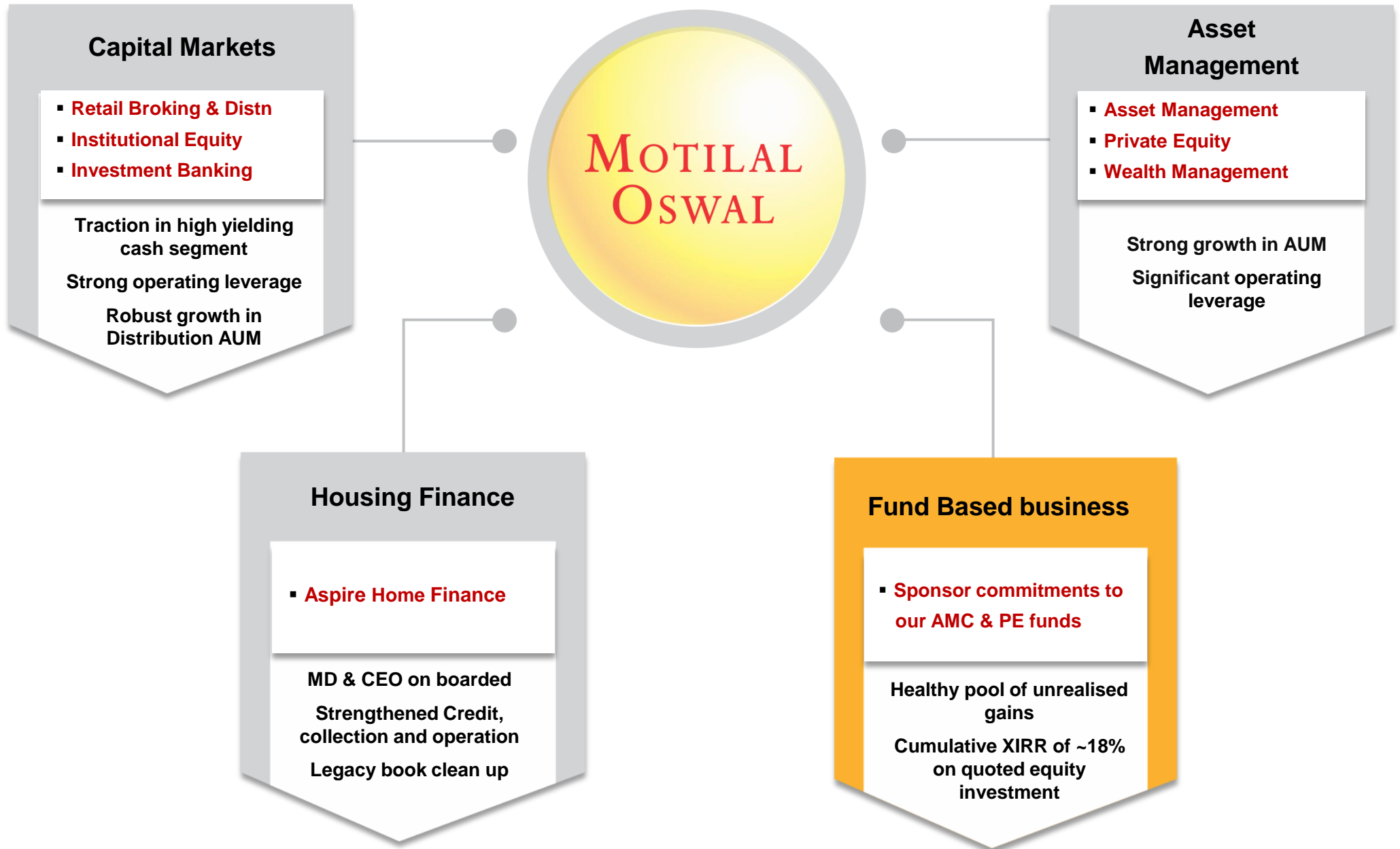
Started online payment gateway for customers

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



Investments in
quoted equity at cost
Rs 11 bn

Particulars (Rs mn)	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	H1FY19	H1FY18	YoY (%)
Total Revenues	-846	1,944	-	193	-	-653	2,797	-
PAT as per Ind-AS	-761	1,606	-	155	-	-606	2,354	-1
PAT as per IGAAP	206	105	96%	61	237%	267	464	-42%

Note: Revenues and PAT includes Other Comprehensive Income

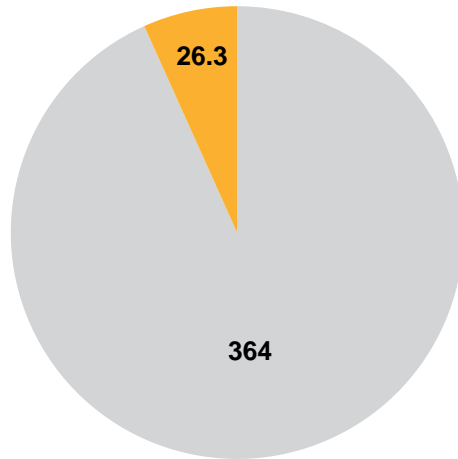
Unrealised gain on
quoted equity
investments: Rs 4.8
bn

- In Q2FY19 revenues were impacted on account of MTM fair valuation of investments under IND-AS. During the quarter, revenue impact of MTM fair valuation of investments unrealised (including OCI) were Rs (1.16) bn vs Rs 1.58 bn in Q2FY18.
- Fund based book includes gains/loss on sponsor commitments cum investments in equity MF, PE funds, Real estate funds, AIF and strategic equity investments.
- Unrealised gain on quoted and unquoted equity investments is Rs 4.8 bn and 1.2 bn respectively as of Sept 2018, since MTM of these gains are now included in earnings under Ind-AS reporting.
- Cumulative XIRR on quoted equity investments is ~18% (since inception), validating the long-term performance track record of our QGLP philosophy.
- Pre-tax XIRR on exited private equity investments is ~28%.
- 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.

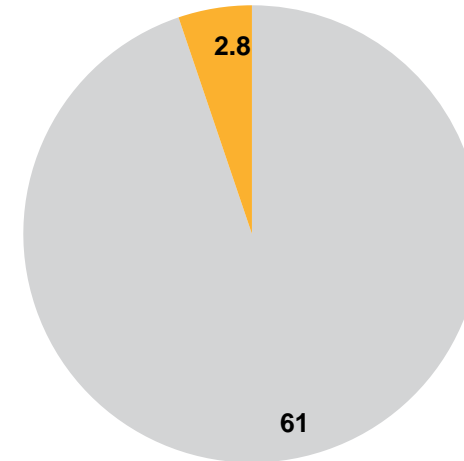
Unrealised gain on
unquoted equity
investments: Rs 1.2
bn

Fund Based business – Skin in the game

Skin in the game in AMC



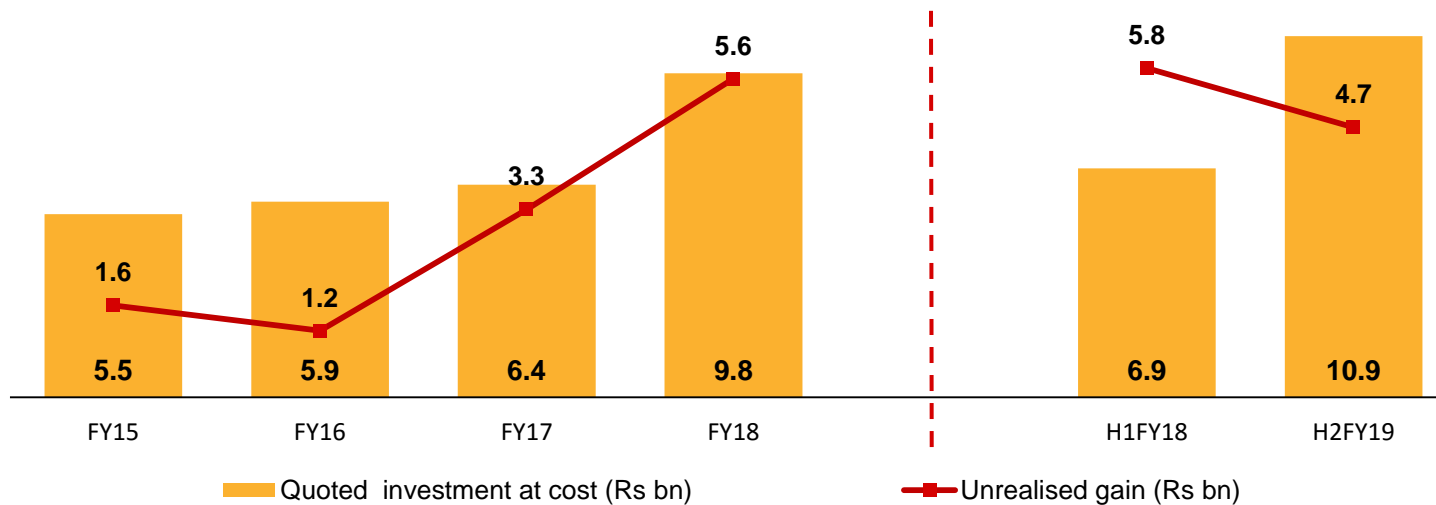
Skin in the game in PE



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

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

Unrealised gain from quoted equity investments



Management team



Motilal Oswal, Chairman and MD

A CA by qualification, Mr. Oswal started MOSL 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 MOSL along with Mr Motilal Oswal in 1987. He is a Joint MD of MOFSL and also the co-founder of MOSL. 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 is 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 MOSL 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 MOSL.



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 13 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 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 2007 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.



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.



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 Hewlett Packard, 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.



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 .



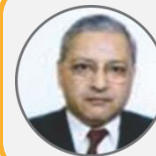
Abhay Hota, Independent Director (MOAMC)

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.



Hemant Kaul, Independent Director (AHFCL)

Mr Kaul brings in rich experience in Banking and Financial services, having worked in companies like Bajaj Allianz General Insurance (MD & CEO) and Axis Bank.



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.



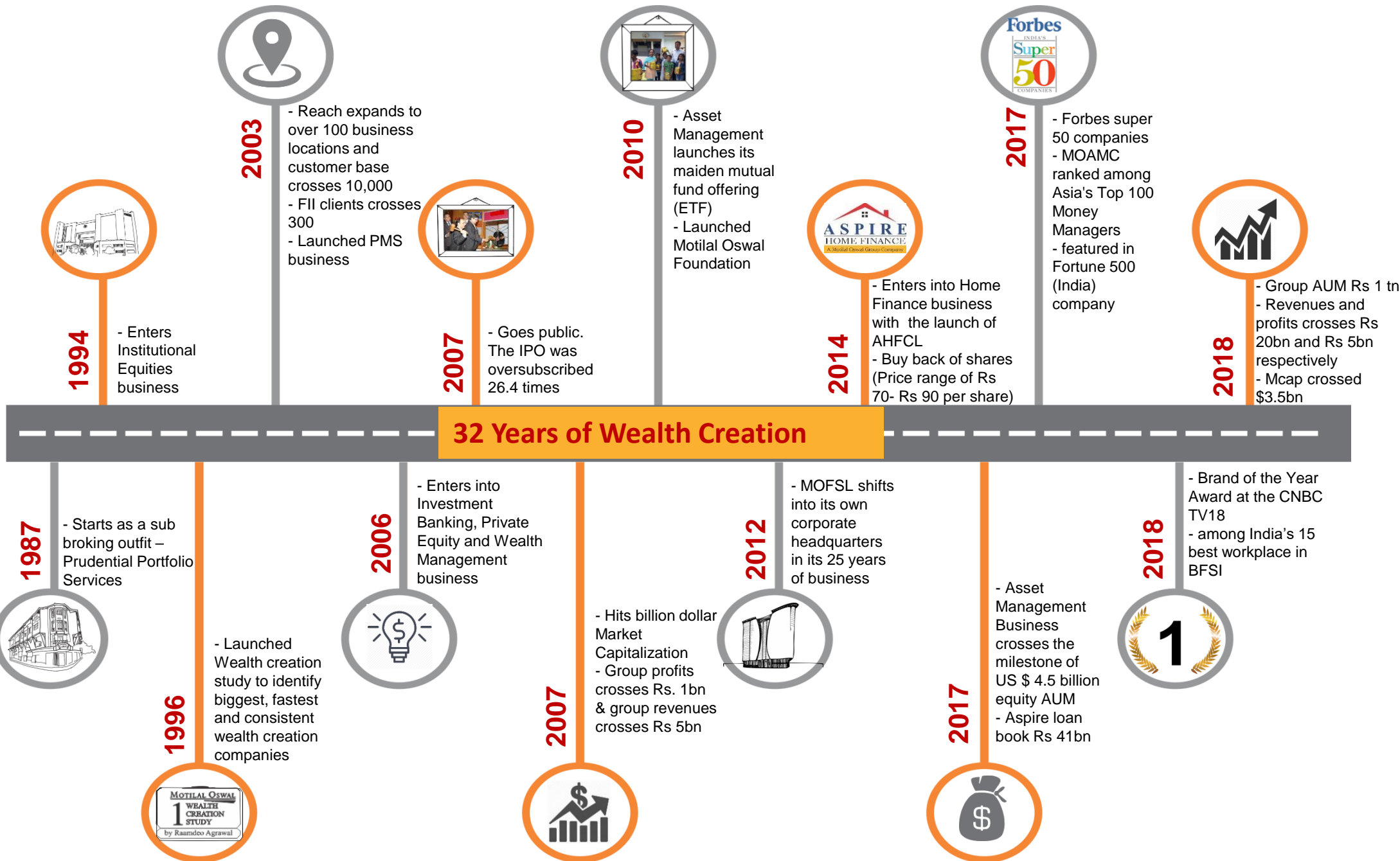
Smita Gune, Independent Director (AHFCL)

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.



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.





Key Highlights

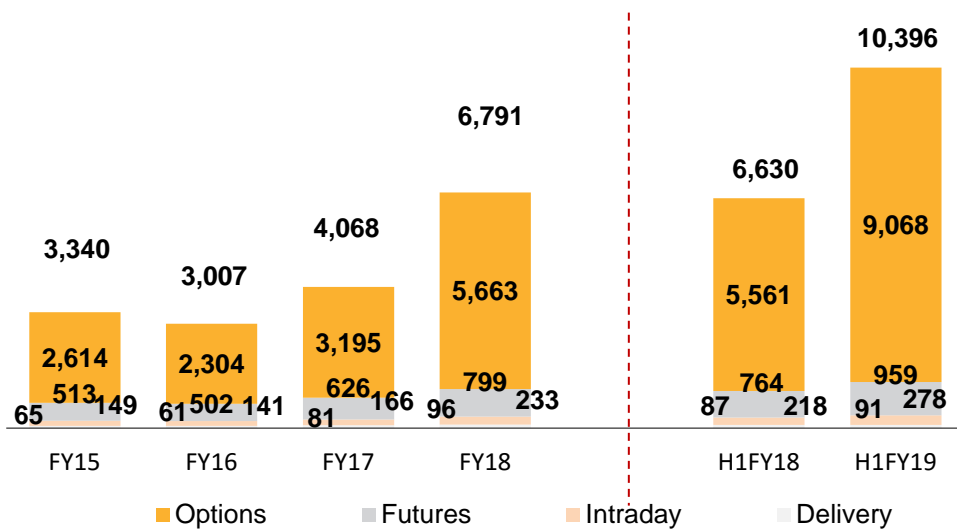
Financials

Businesses

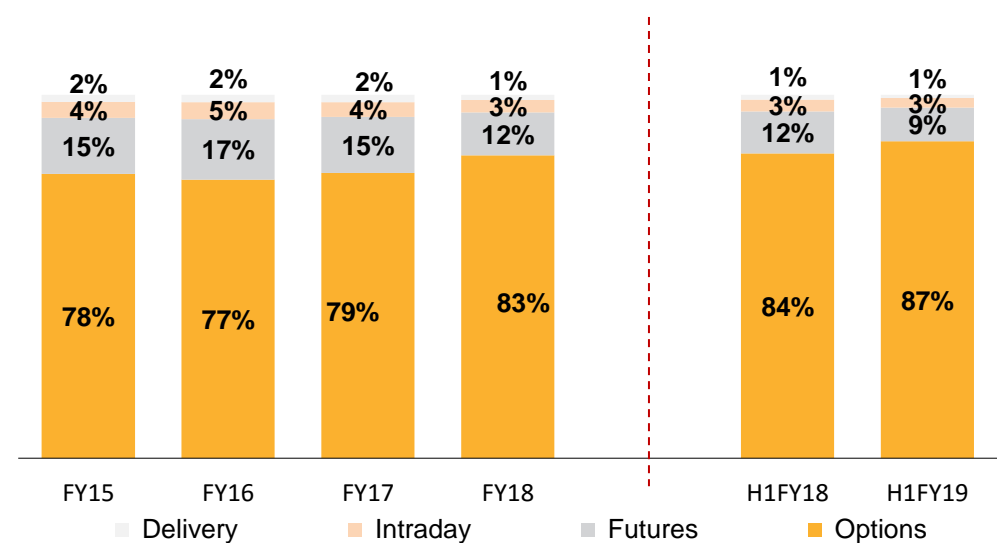
Interesting Exhibits

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

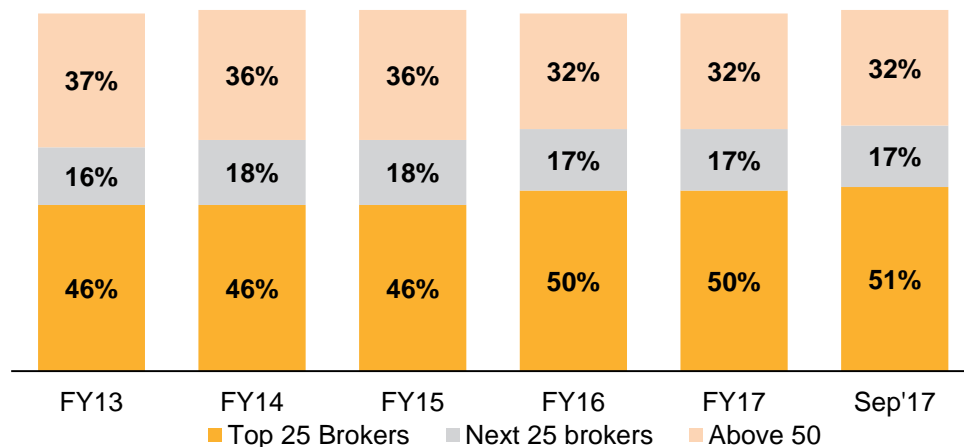
Market ADTO is on a high in H1FY19



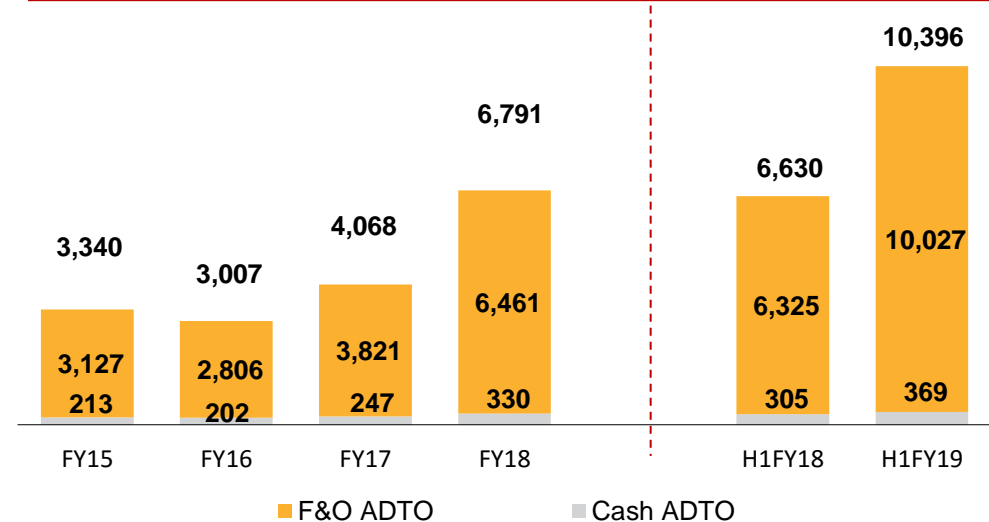
Market ADTO break up



Proportion of NSE cash volumes consolidated to the largest brokers during bull-phases in the markets, not bear-periods

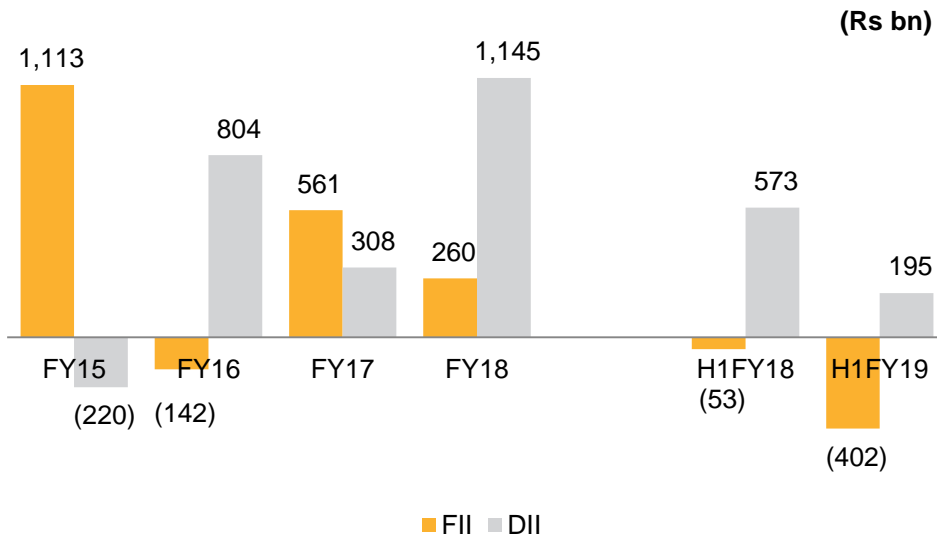


Market ADTO – Cash and F&O

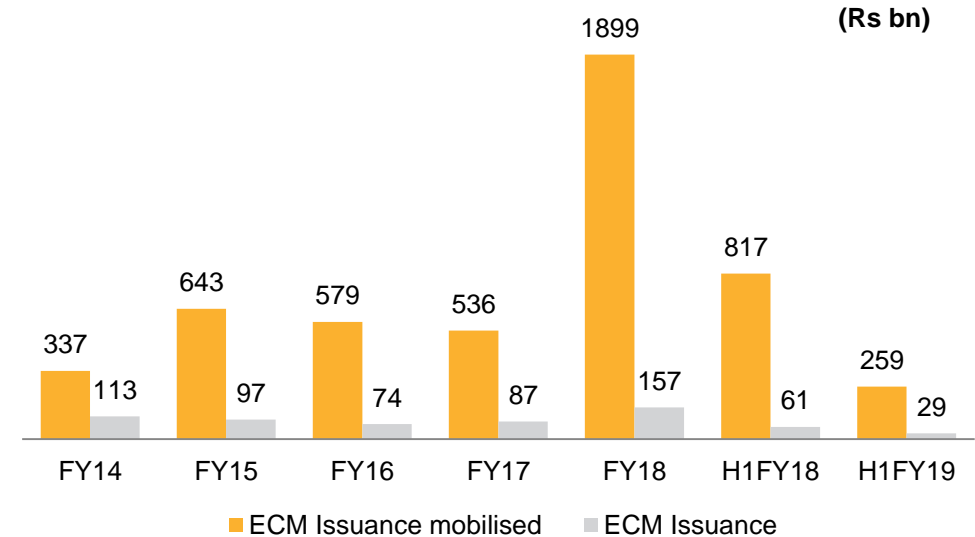


DII clock healthy inflows; Higher-value IPOs pick up

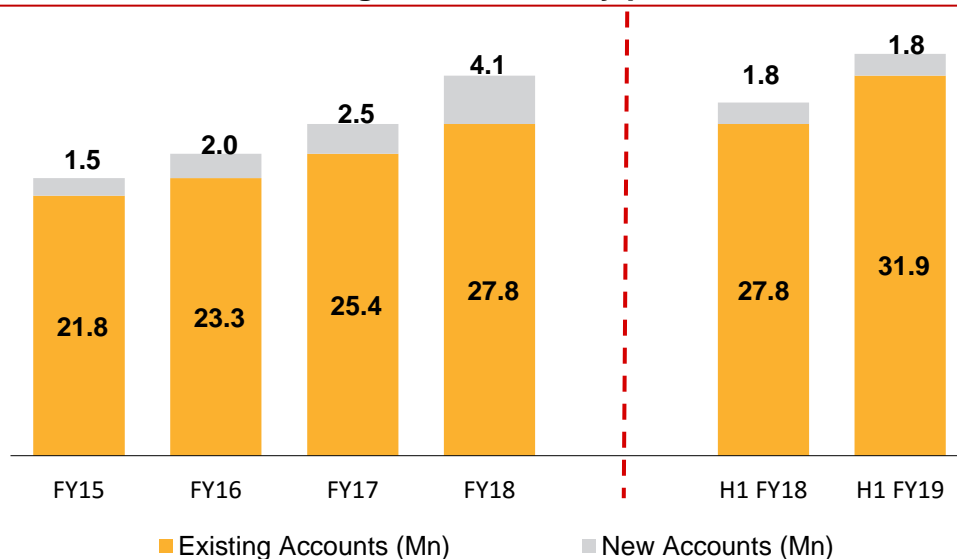
FII & DII net inflows



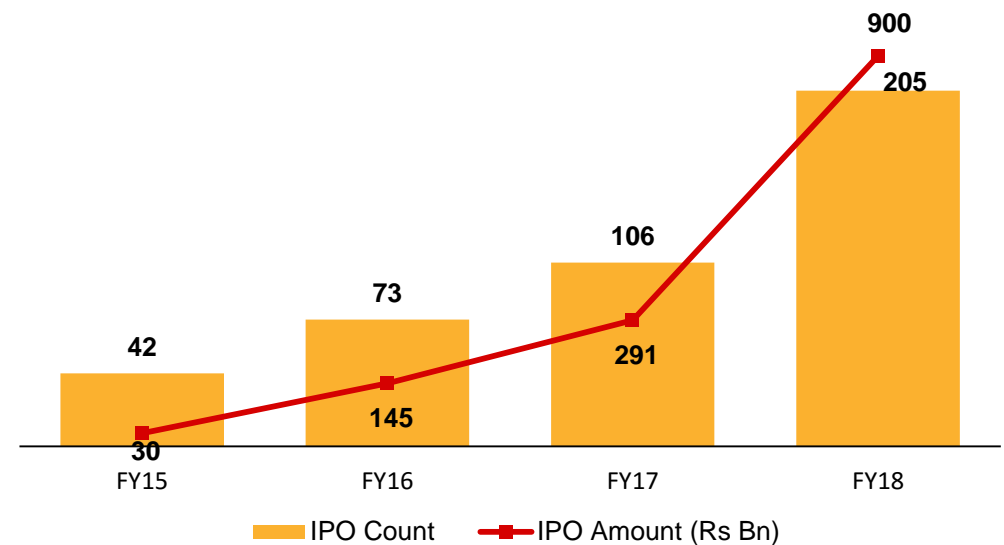
ECM markets



As momentum in IPO activity continued, incremental Demat accounts continued to grow at a healthy pace



IPO raising has picked up since the last FY15

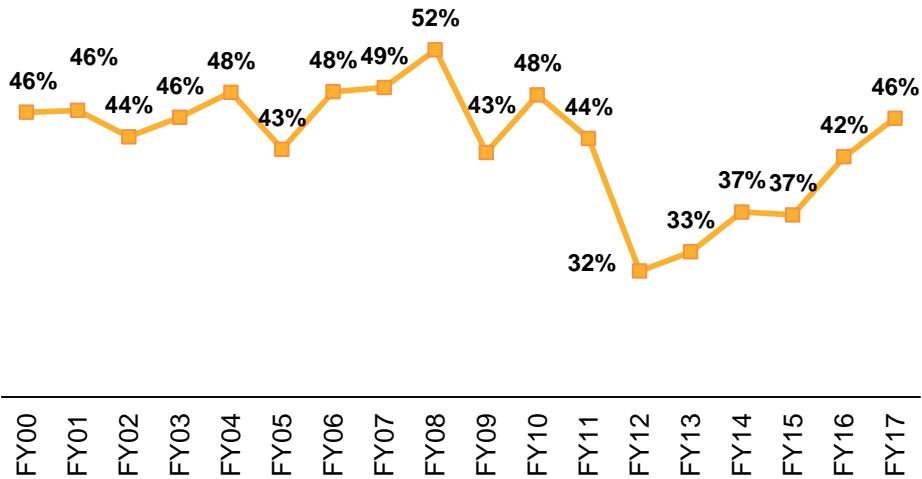


Source: NSE, BSE, CDSL, NSDL, Prime

Asset Management – Financialisation of savings wave...

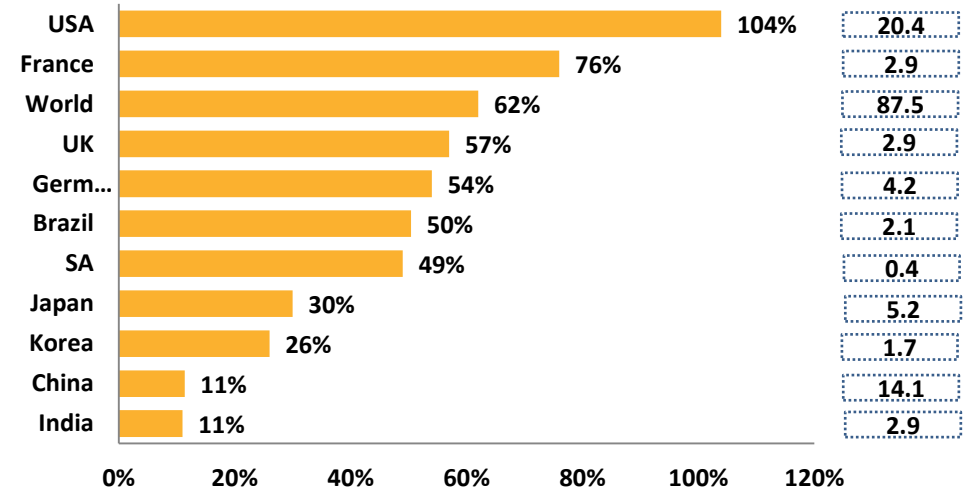
Higher financial savings signifying opportunity for MFs

(% of household savings)

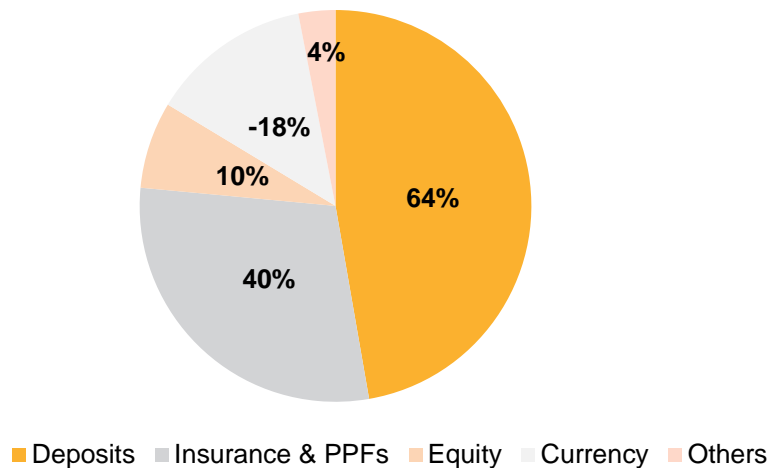


Low penetration of MFs provides headroom for growth

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

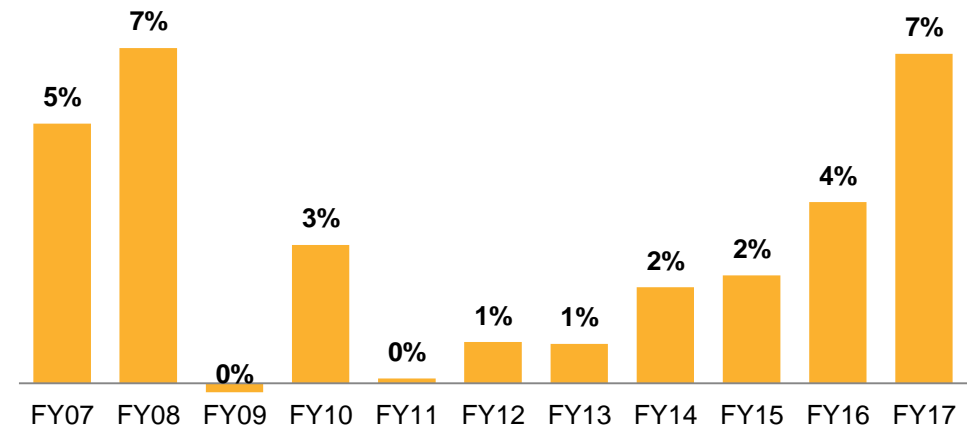


Equities are underpenetrated within Indian financial savings



Equity assets of households are rising in recent years

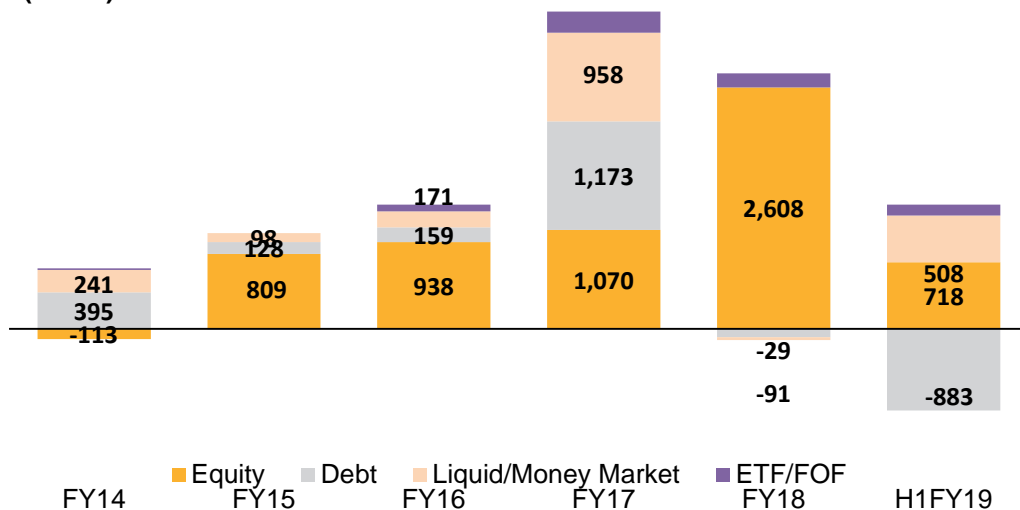
(% of household assets)



Asset Management – Stickiness of Equity asset class

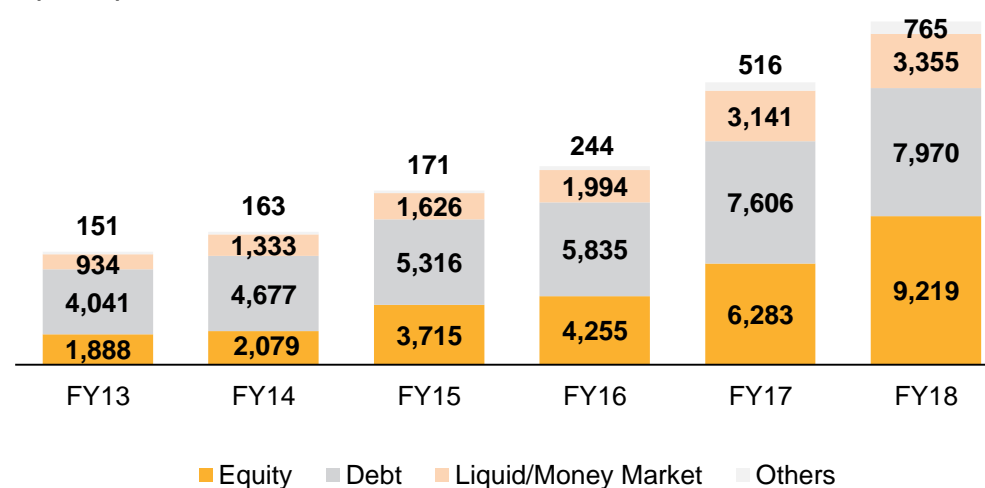
Equity-oriented funds lead the charge in net inflows

(Rs bn)

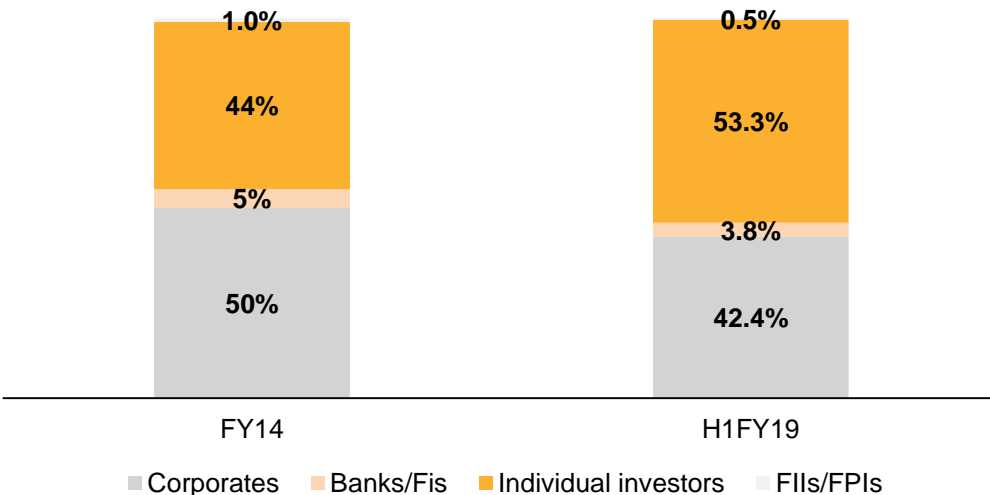


B15 cities allocation towards equity asset class rises

(Rs bn)

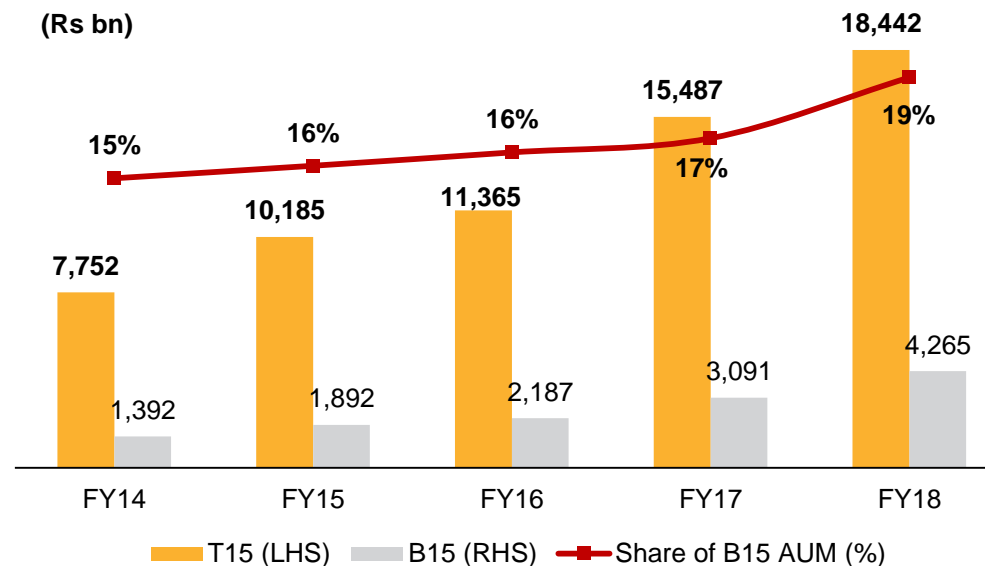


Regular plans constitute majority of equity assets



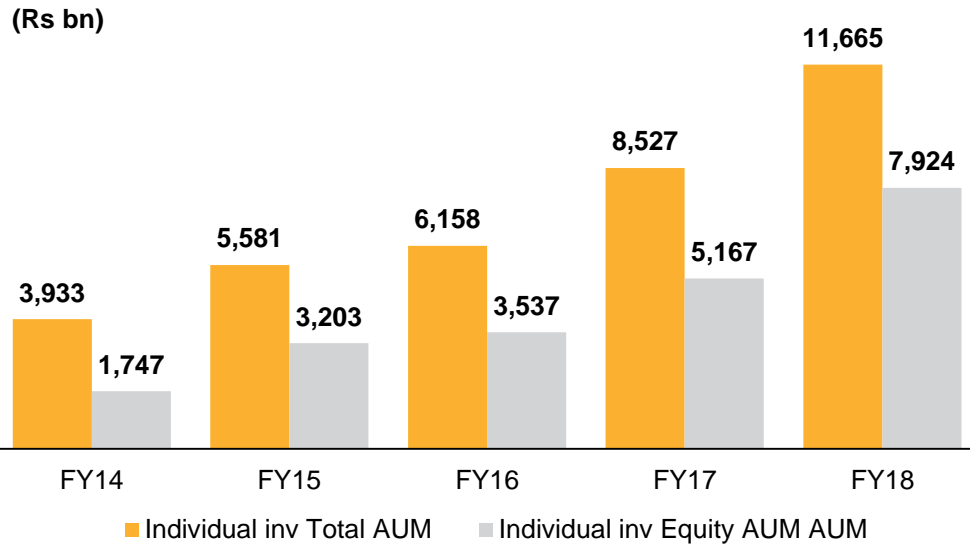
Smaller cities picking up pace, with increasing equity allocation

(Rs bn)

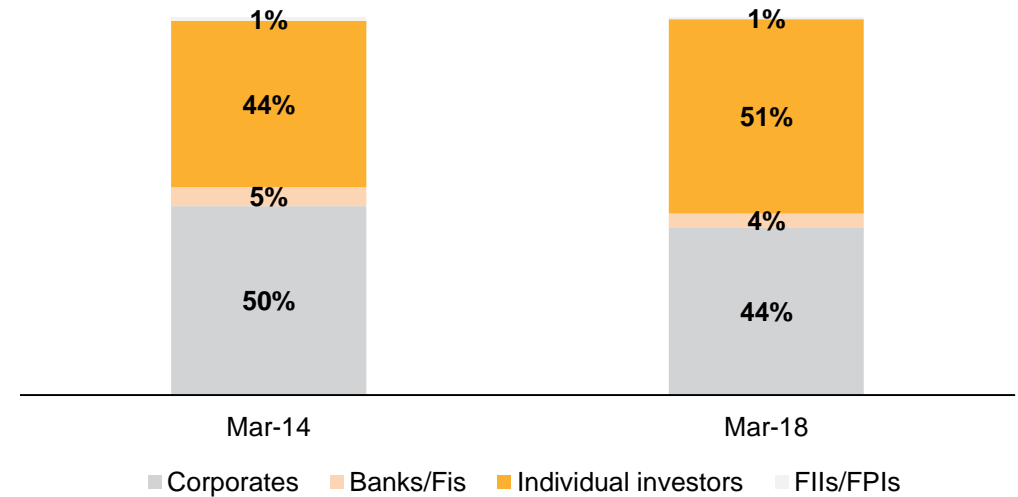


Asset Management – Stickiness of Individual (Retail + HNI) investors

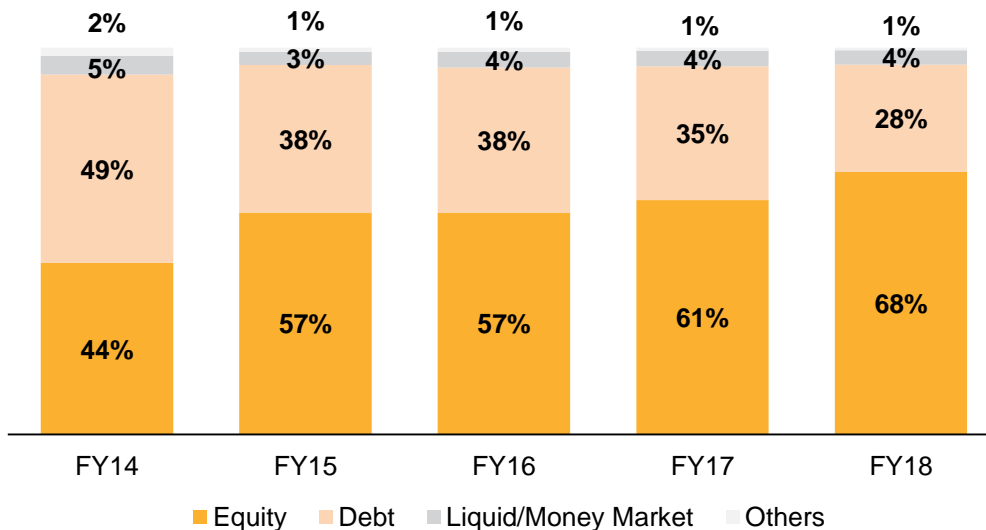
Mutual fund assets of individual investors on the rise



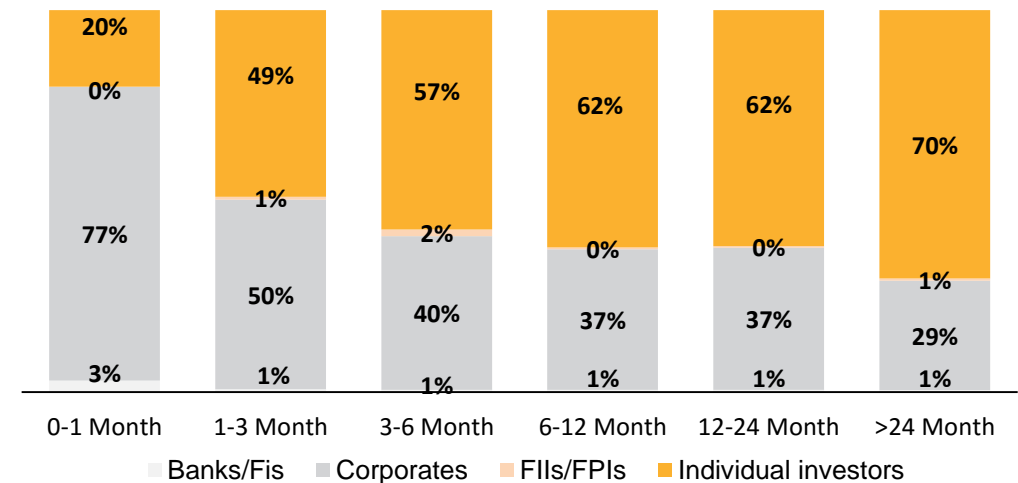
Individual investors' assets claim a bigger share of the AUM pie



Bulk of Individual investor assets are in equity-oriented funds

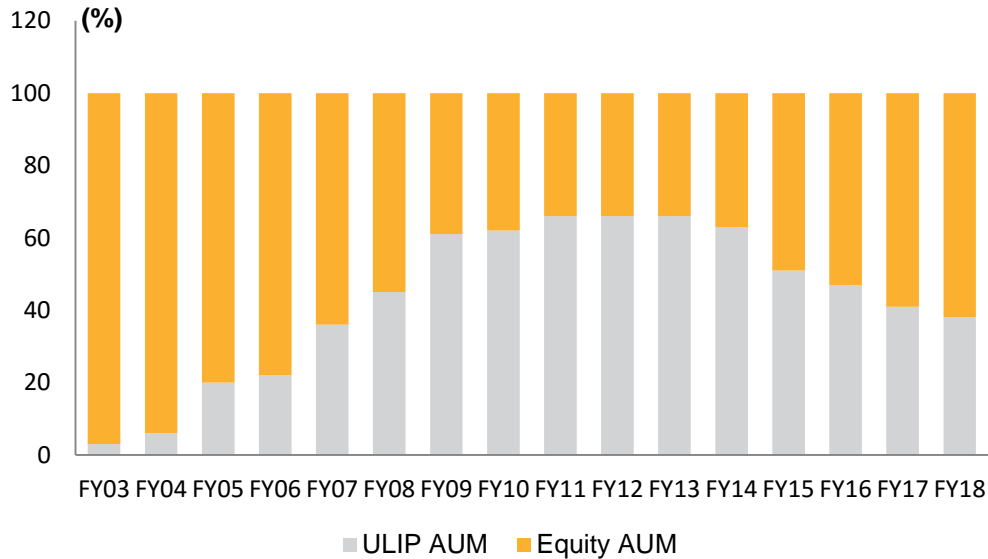


Individual investors tend to remain invested longer

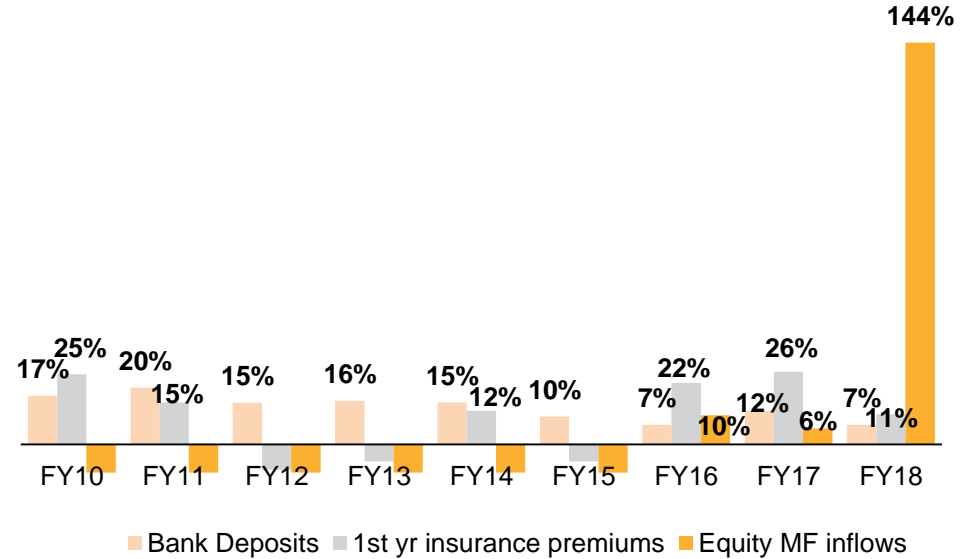


Asset Management – Rising financialization of savings

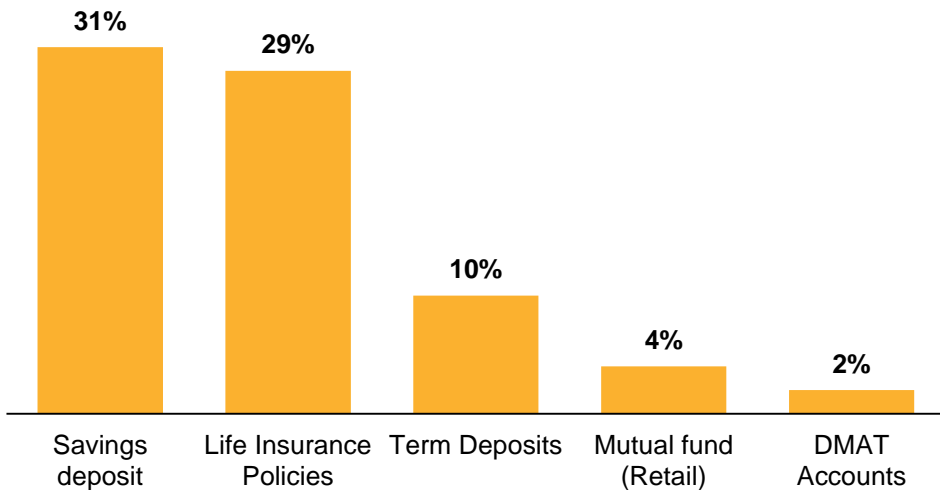
Shift of financial savings from ULIP to Equity MF



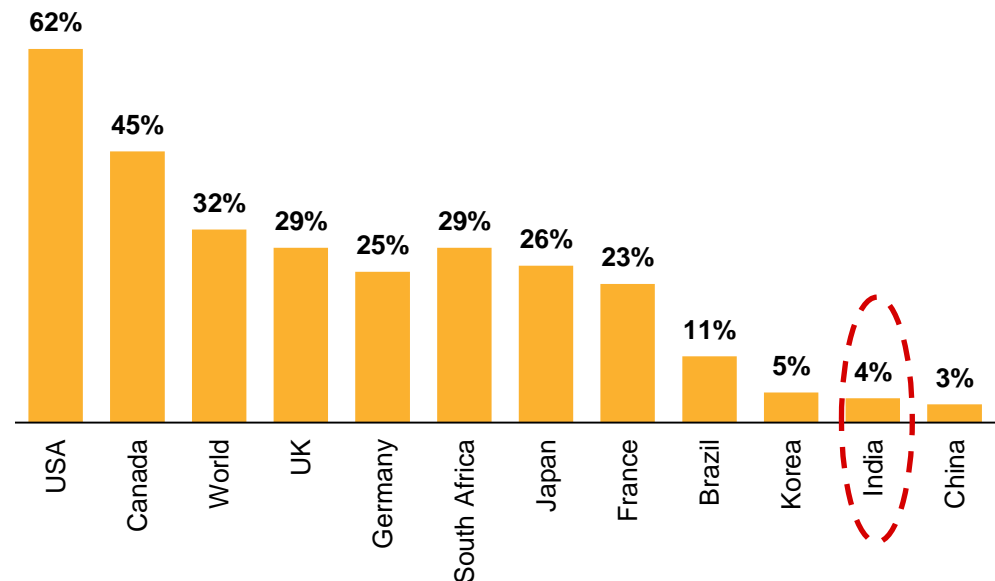
Strong traction in Equity MF inflows (growth YoY %)



MF is the most underpenetrated savings instrument



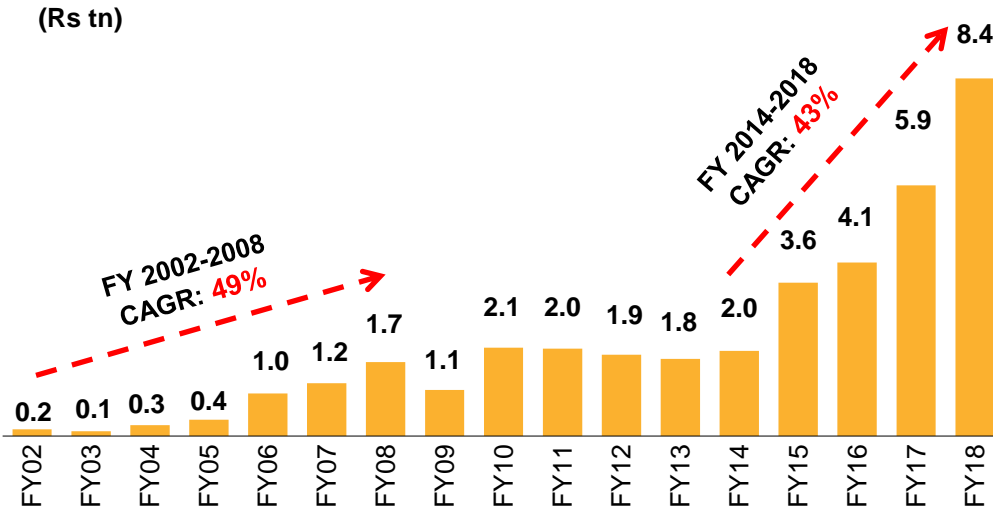
MF Equity AUM / GDP – Headroom for growth



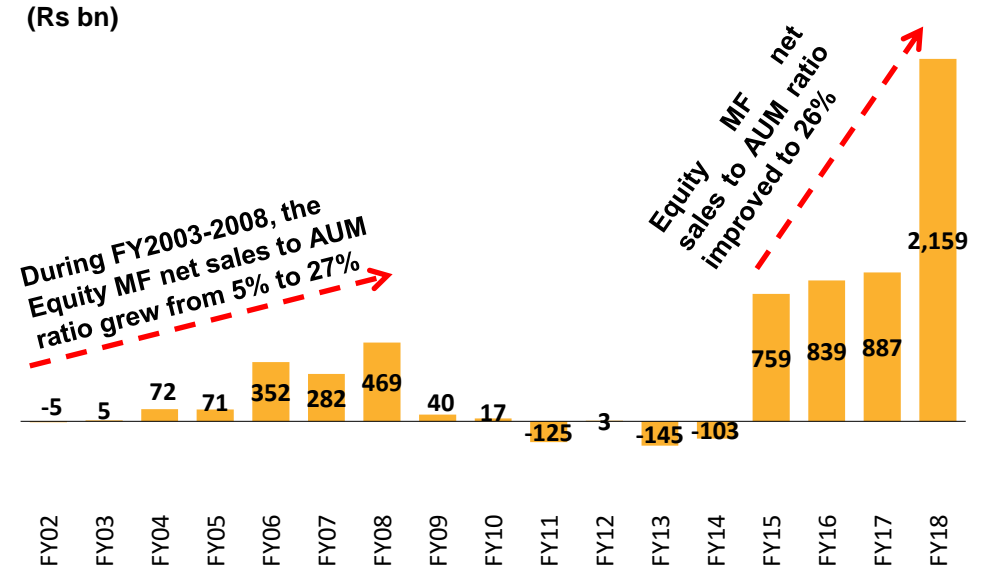
Source: AMFI, IRDA, RBI, World bank

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

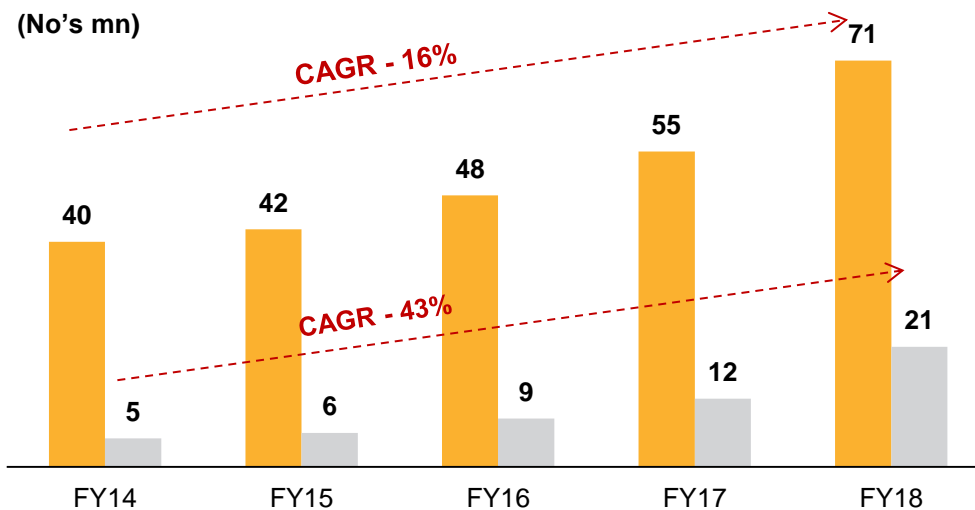
Significant inflows in Eq MF AUM in last up-cycle (FY02-08); same traction has been witnessed from FY14 onwards



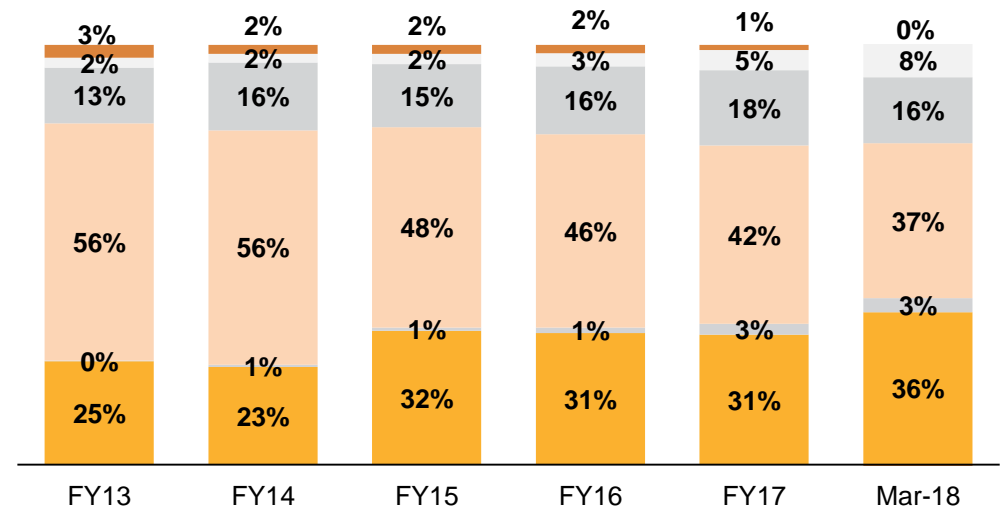
Market performance drives MF net flows, a repeat of the last cycle



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



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



Source: AMFI

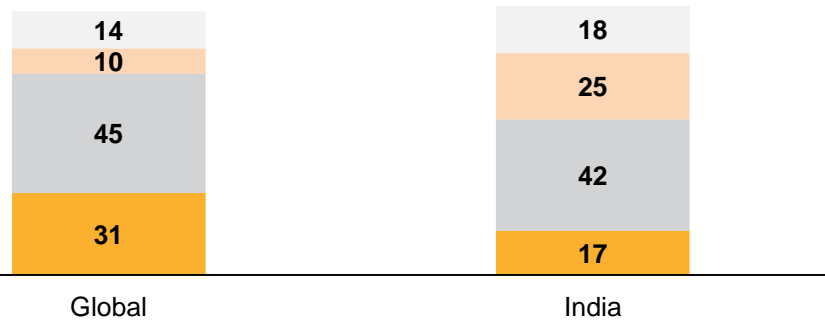
■ No of Folios (in Mn) ■ No of SIP Acs (in Mn)

■ Others ■ Balanced ■ Liquid/Money Market
■ Debt Oriented ■ ETFs (other than Gold) ■ Equity Oriented

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

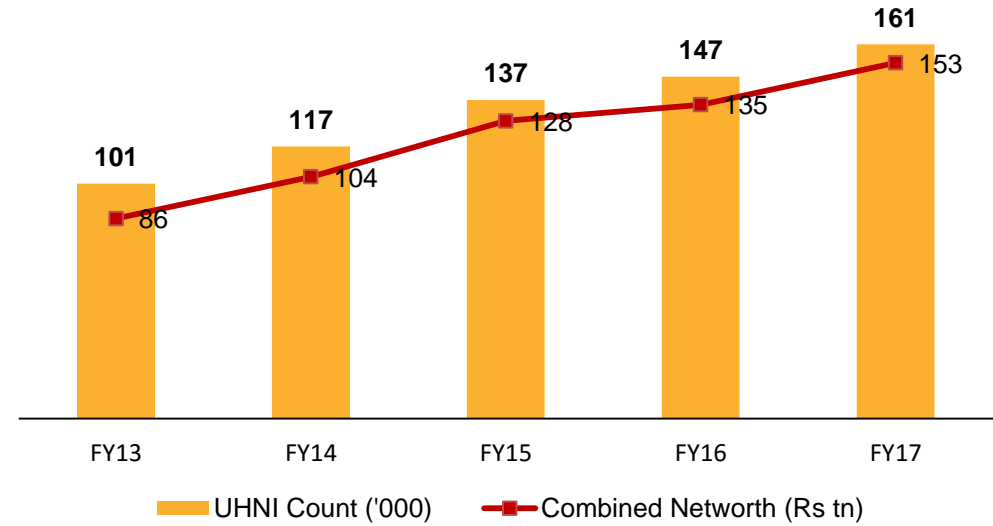
Individual Wealth distribution shows India has a higher share of Alternates, but lower share of Equity, to global averages

(%)

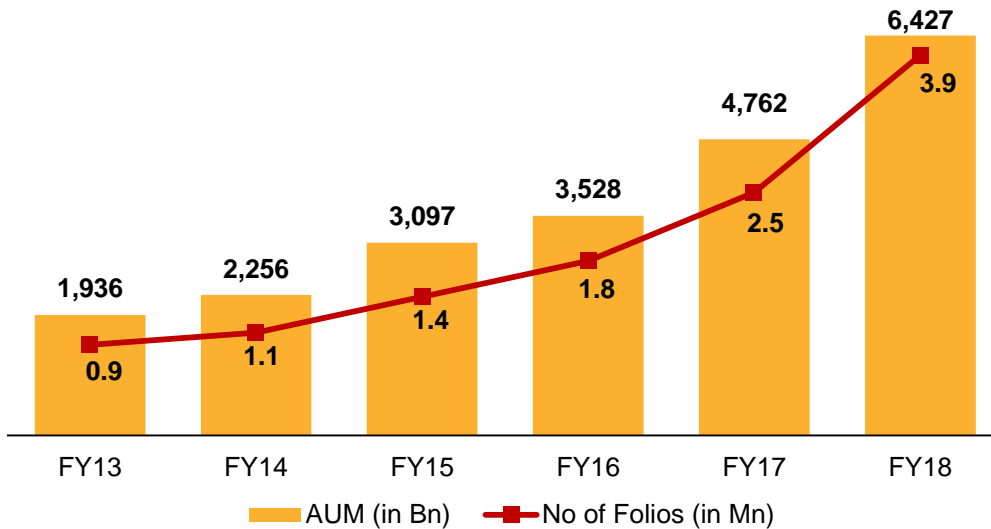


- Real estate
- Alternate Assets (including gold and other precious metals)
- Debt (including cash)
- Equity

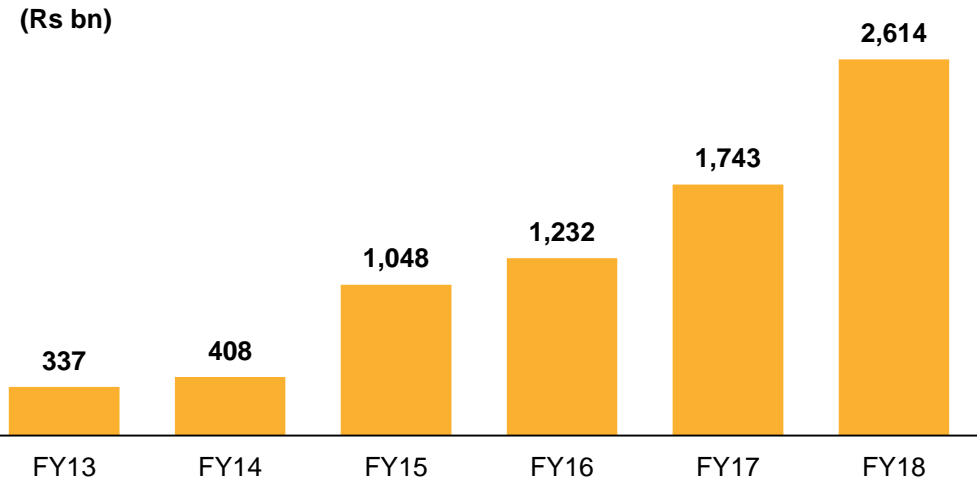
India is Home to ~0.2 mn HNIs, out of which ~0.15 mn are UHNIs; UHNI growth and count has seen steady growth last 6 years



HNI's Mutual Funds AUM grew at 27% CAGR in the last 5 years (Rs bn); Folios grew at 33% CAGR (mn)



HNI's equity Mutual Funds AUM have picked up at a higher CAGR of 51% in the last 5 years

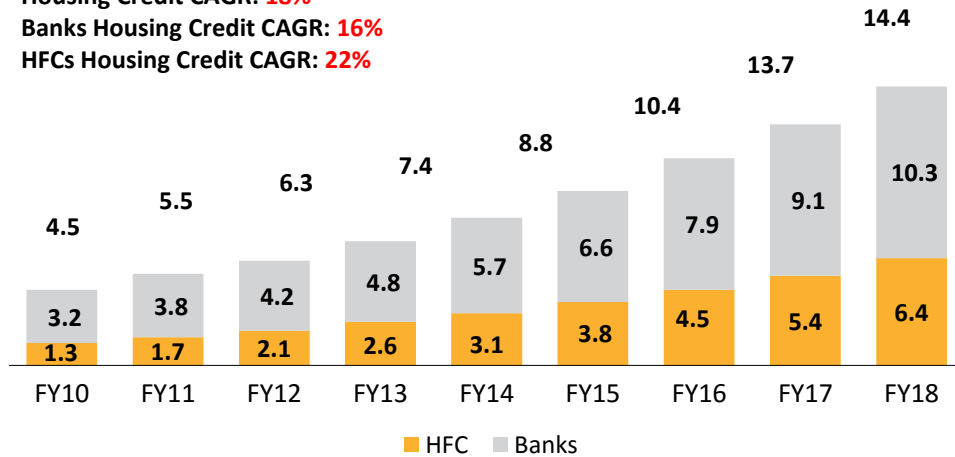


Housing Finance holds ample potential; moving from Banks to HFCs

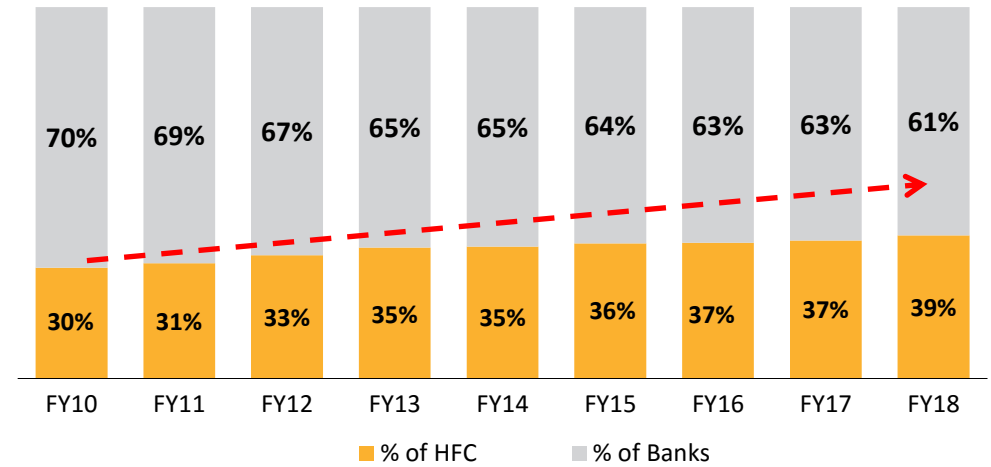
India's housing credit growing significantly

(Rs tn)

Housing Credit CAGR: **18%**
 Banks Housing Credit CAGR: **16%**
 HFCs Housing Credit CAGR: **22%**



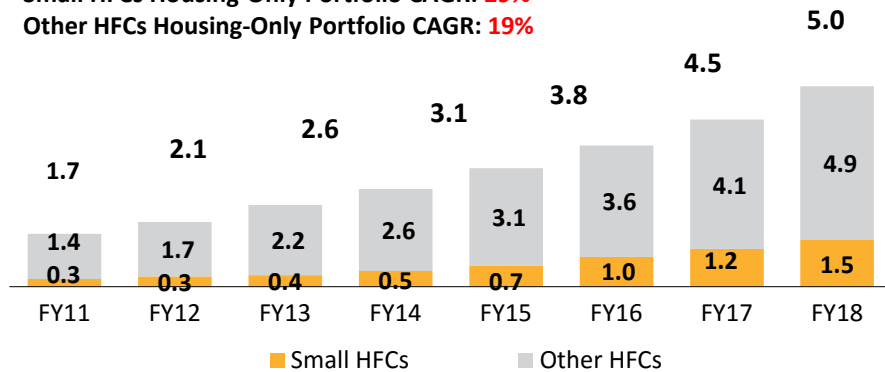
HFCs gaining share from banks



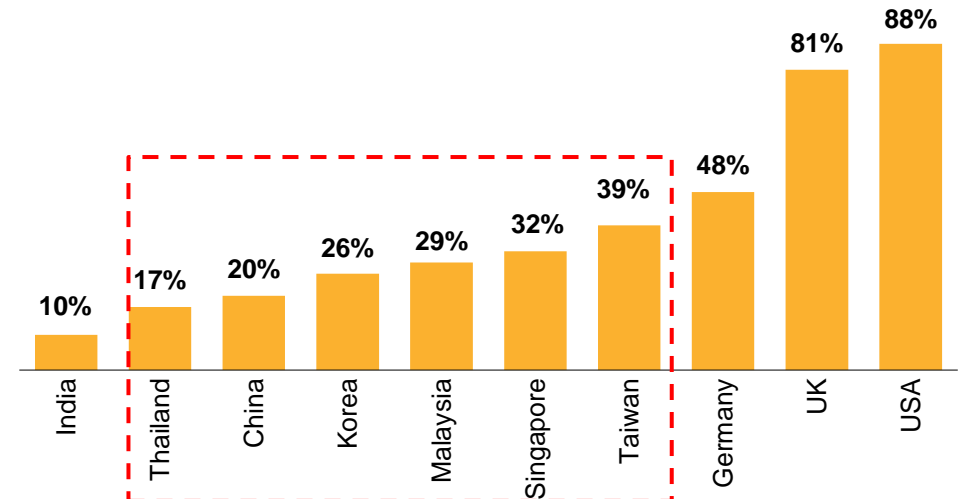
Small HFCs outpaced large HFCs

(Rs tn)

All HFCs Housing-Only Portfolio CAGR: **21%**
 Small HFCs Housing-Only Portfolio CAGR: **29%**
 Other HFCs Housing-Only Portfolio CAGR: **19%**



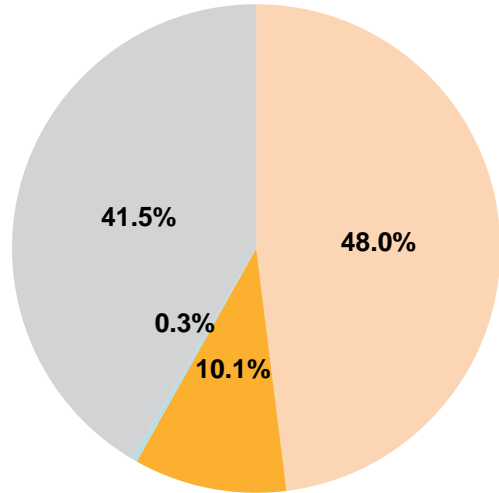
Indian mortgage underpenetrated versus Asian peers (Mortgage to GDP)



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

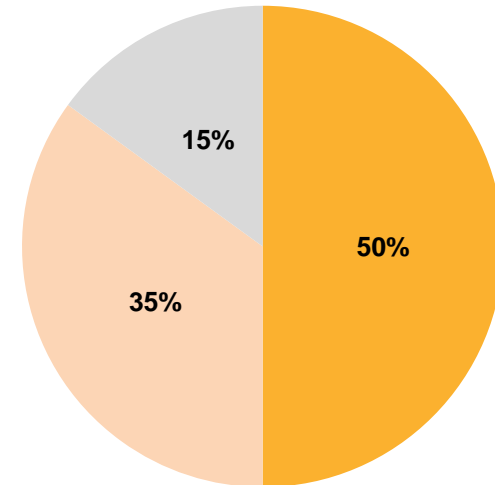
Source: ICRA, World Bank, RBI

Housing market Split in India – Dominated by Affordable Housing



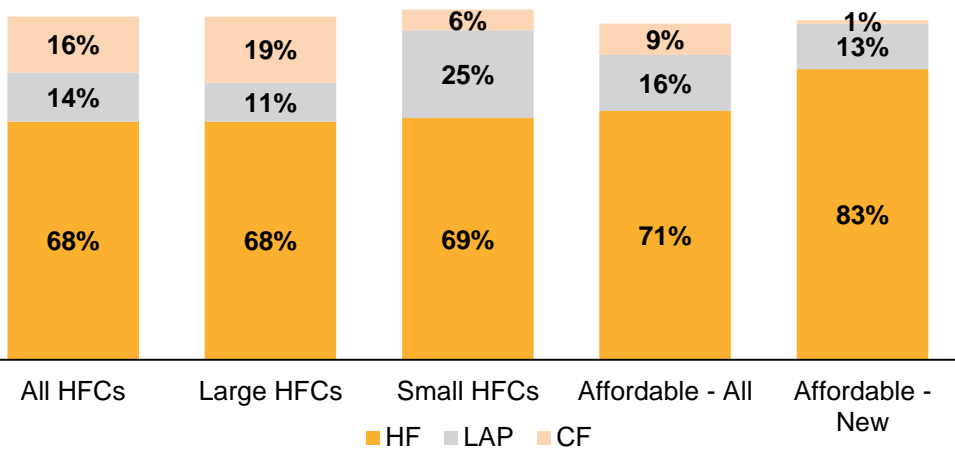
PSU Banks Private Banks Foreign Banks NBFCs & HFCs

Affordable Housing (up to Rs 25 lacs) lending pie



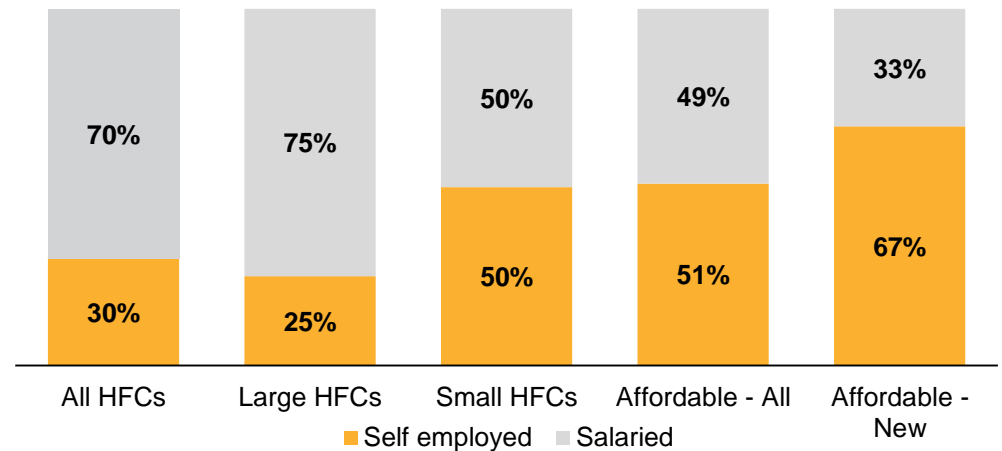
Affordable Housing (upto Rs 25 lacs) Regular Housing (Rs 25 lacs-75 lacs) Premium Housing (>75 Lacs)

Loan Mix of HFCs – Affordable segment focusing on retail loans



HF LAP CF

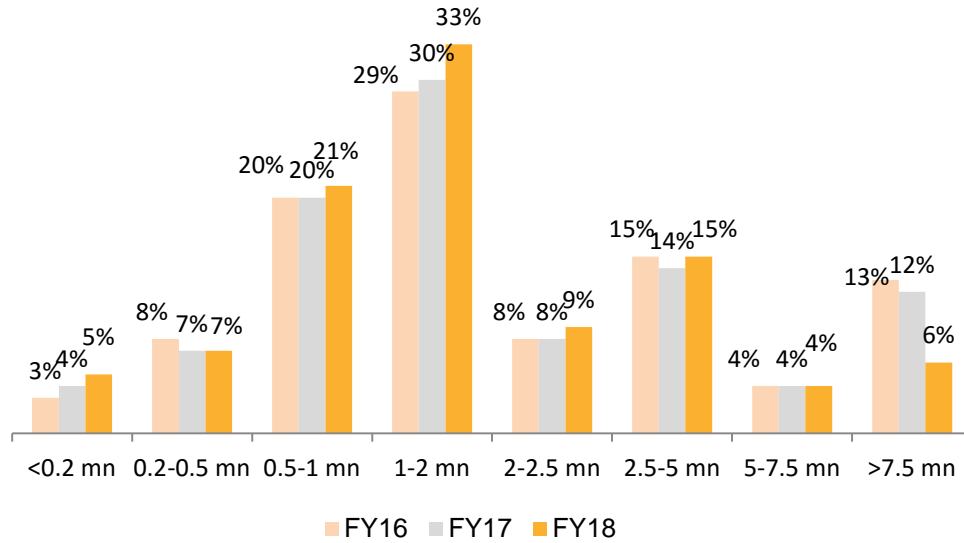
Customer Mix – Affordable HFCs focuses on Self employed class



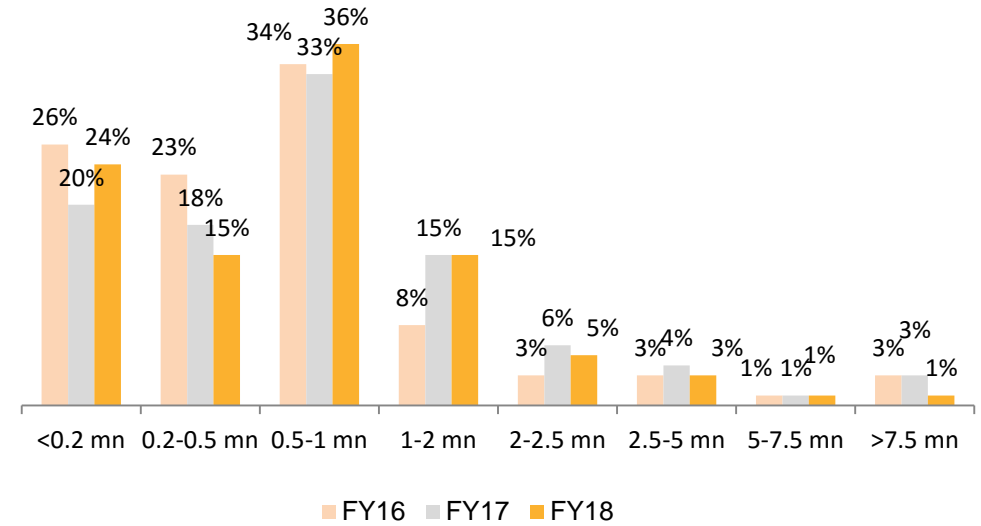
Self employed Salaried

Source: CRIF

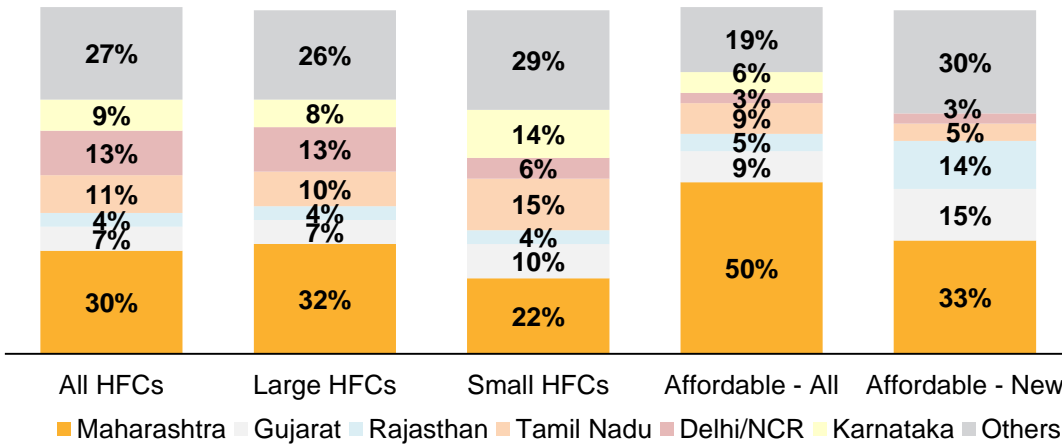
Ticket size wise break-up of home loan book of Affordable All HFCs



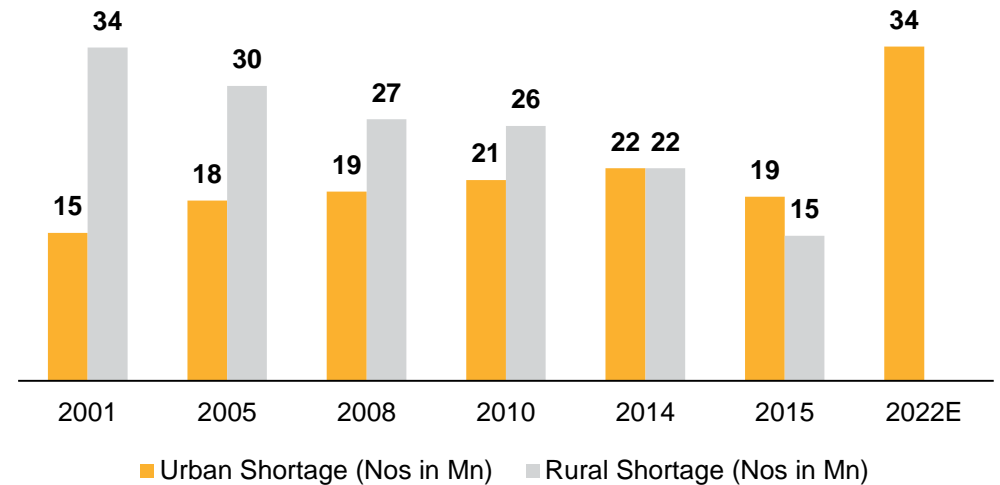
Ticket size wise break-up of home loan book of Affordable New HFCs



Affordable Housing concentrated in few states

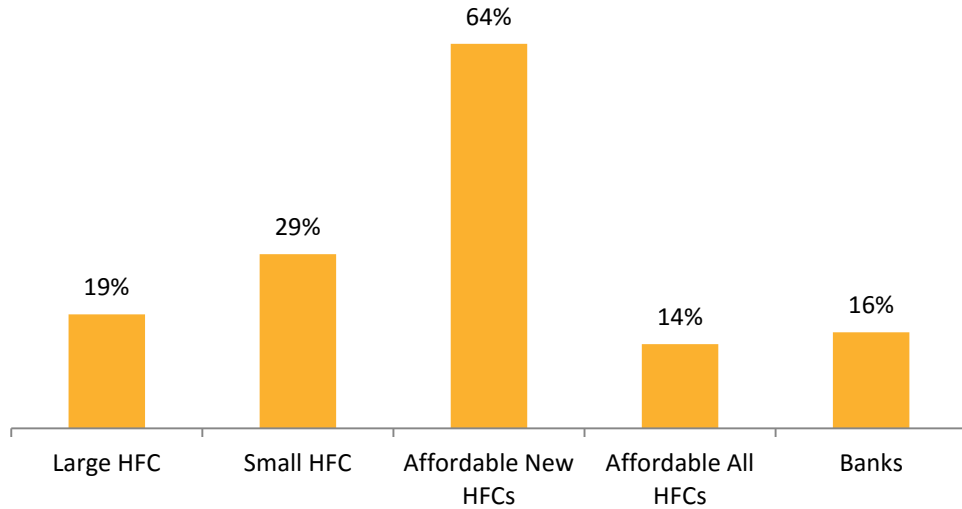


Affordable Housing opportunity – Shortage of urban & rural housing

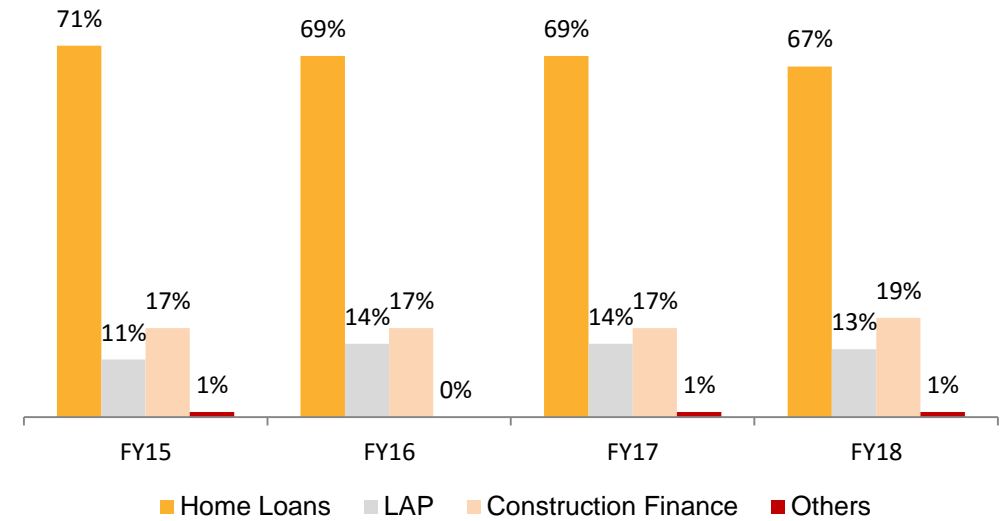


Source: RBI, MHUPA, Knight Frank, CRIF, ICRA report

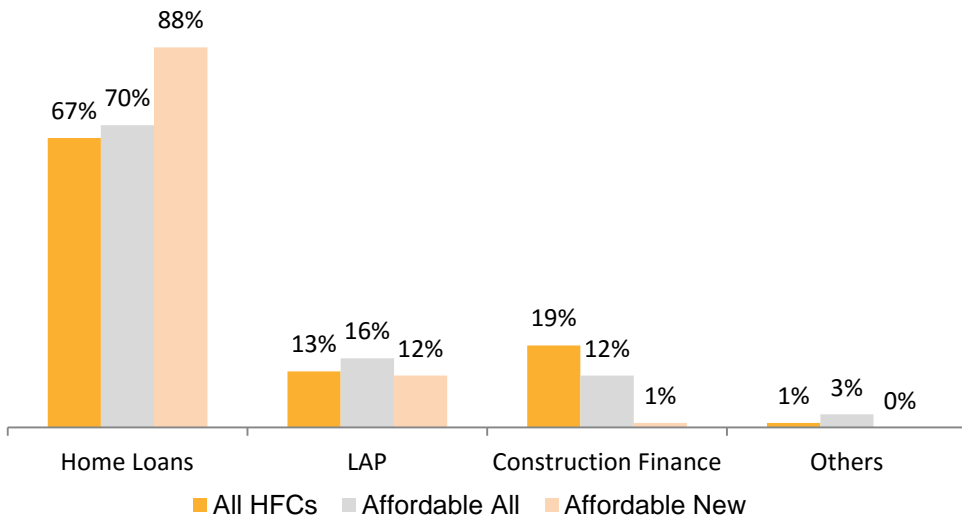
Trends in Home loan CAGR (FY15-18) for various lender groups



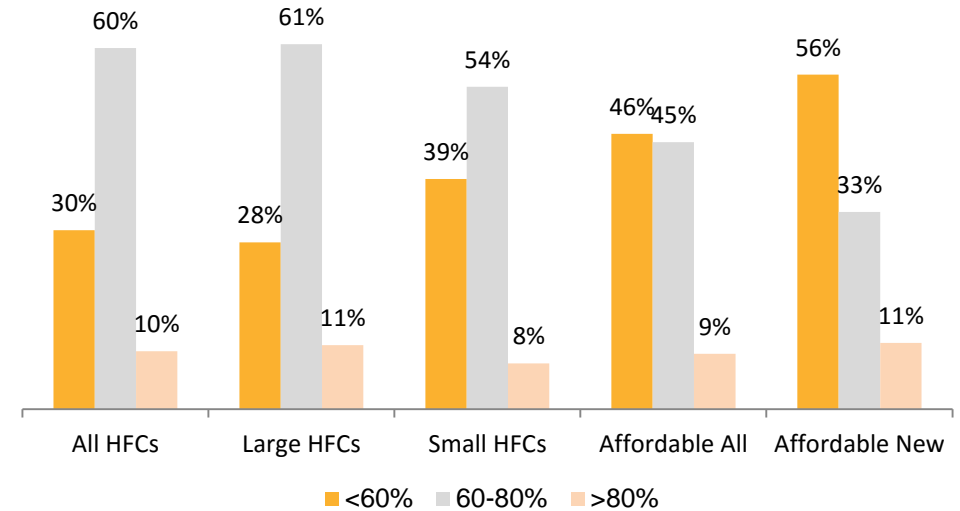
Industry's loan book proportion trend



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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