



MOTILAL OSWAL
Financial Services

Motilal Oswal Financial Services Limited
Regd. Office : Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.
Board: +91 22 3980 4200 Fax: +912233124997
CIN: L67190MH2005PLC153397

May 21, 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: MOTILALOFS

Sub: Investor(s)/Analyst(s) Presentation - Financial Performance for FY 2017-18

Dear Sir/Madam,

This is with reference to our earlier letter dated May 10, 2018 regarding Earnings Conference Call with Institutional Investor(s)/Analyst(s) for discussing Financial Performance for the financial year 2017-18 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.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 | Q4FY18 & FY18

Businesses building scale

Sustainability of high RoE

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

Highest-ever annual Broking revenue – crossed Rs 10bn milestone

Share in high yielding cash segment up strongly

Strong growth of +71% YoY in Distribution AUM to Rs 75 bn

Broking business core profits +67% YoY

Concluded 15 investment banking deals in FY18; deal pipeline remains robust

Capital Market business profits +64% YoY

Asset Management

AMC net sales: Rs 128 bn, +125% YoY in FY18; AUM: Rs 356 bn, +76% YoY

Equity MF AUM share 2% in FY18 vs 1.5% in FY17; flow share 4% in FY18 vs 2.8% FY17

Average IRR on exited PE investments: ~28%

Wealth AUM: Rs 147 bn, +46% YoY; EBITDA margin of 35% in FY18 (+456bps YoY)

Asset & Wealth Management business profits +60% YoY

Housing Finance

Loan book growth: +17% YoY at Rs 48.6 bn

Disbursements of Rs 14 bn are cautiously calibrated

Increased provisioning coverage to 35%; plan to increase this further

Dedicated collection and legal organisation in place; collection headcount up 60% QoQ

Strengthened Credit and Operations

Continues to be in investment mode

Fund based Business

Unrealised gain on quoted equity investments: Rs 5.6bn – not included in earnings yet; as per INDAS, will be part of reported earnings from FY19

Fund based business RoE of 12% in FY18; post-tax cumulative XIRR of ~25% on equity investments

MOFSL's RoE: 27% in FY18 ex-unrealised gains (31% inc-unrealised gains)

Final dividend of Rs 4.5/share (payout policy of 25-35%)

Key Highlights

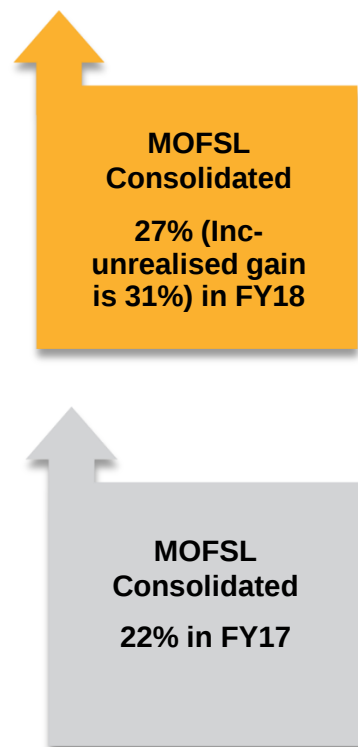
Financials

Businesses

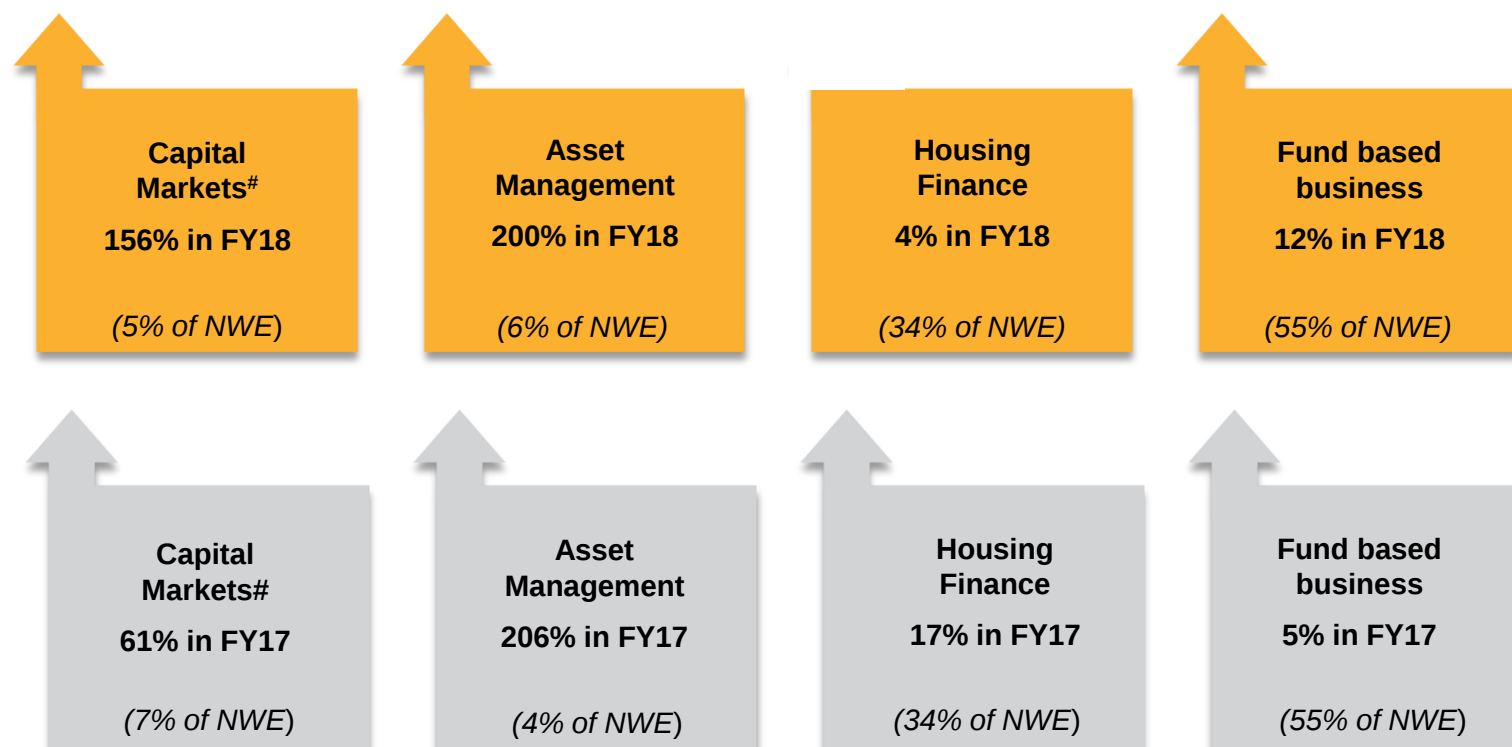
Interesting Exhibits

Achieving a high, sustainable RoE

Group RoE



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



Notes:

- # Treasury gains in Capital Markets and Asset Management businesses P&L have been classified under Fund based business
- Does not include unrealised gain on our quoted equity investments (Rs 5.6 bn as of March 2018).
- Post-tax XIRR of these investments (since inception): ~25%; other treasury investments are valued at cost

Consolidated financials

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Broking	2,718	1,724	58%	2,663	2%	9,559	6,414	49%
Investment Banking	211	423	-50%	444	-52%	1,105	855	29%
Asset & Wealth Management	2,185	1,426	53%	2,216	-1%	8,446	5,098	66%
Fund Based	733	174	320%	491	49%	2,008	1,177	71%
Housing Finance	1,688	1,696	0%	1,533	10%	6,625	5,705	16%
Total Revenues	7,556	5,468	38%	7,368	3%	27,838	19,332	44%
EBITDA	3,107	2,631	18%	3,579	-13%	13,137	10,182	29%
PBT	1,955	1,375	42%	2,152	-9%	7,807	5,152	52%
Reported PAT	1,478	902	64%	1,481	0%	5,413	3,600	50%
PAT (Ex-Aspire)	1,531	626	145%	1,474	4%	5,105	2,818	81%

Notes :

- Asset Management (PE) includes share in profit on sale of investments made by IBEF during Q3FY18 of Rs.250 mn against Nil in Q4FY18.
- Provision of Minimum Alternate Tax (MAT) Credit was Rs.256 mn in FY18. Till FY17, this was carried forward in the balance sheet as MAT credit receivable.
- Effective April 01 2017, the Group had changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method. The change is applied retrospectively, and accordingly, PAT for Q4FY18 and FY18 was lower by Rs 47mn and Rs 229 mn respectively.

Consolidated profitability mix

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Capital Market	487	297	64%	564	-14%	1,748	1,064	64%
Asset & Wealth Management	398	258	55%	596	-33%	2,005	1,257	60%
Housing Finance	-54	274	-	6	-	304	793	-62%
Fund Based	647	73	787%	315	106%	1,355	486	179%
Total PAT	1,478	902	64%	1,481	-	5,413	3,600	50%
PAT Mix (%)								
Capital Market	33%	33%		38%		32%	30%	
Asset & Wealth Management	27%	29%		40%		37%	35%	
Housing Finance	-4%	30%		0%		6%	22%	
Fund Based	44%	8%		21%		25%	14%	

Notes :

- In Asset and Wealth management, Q3FY18 includes gains of Rs 197 mn on account of profit on sale of investment
- In Capital Market, profit is sequentially lower on account of higher provisioning for year end employee bonus on back of strong business performance in FY18

Consolidated balance sheet

Particulars (Rs bn)	FY18	FY17
Sources of Funds		
Net Worth	22.5	17.9
Loan Funds*	53.4	50.7
Minority Interest	0.4	0.3
Deferred Tax Liability	0.5	0.4
Total	76.9	69.2
Application of Funds		
Fixed Assets (Net Block)	2.6	2.6
Investments	21.0	18.0
Long Term Loan & Advances**	48.7	41.1
Net Current Assets	4.4	7.4
Total	76.9	69.2

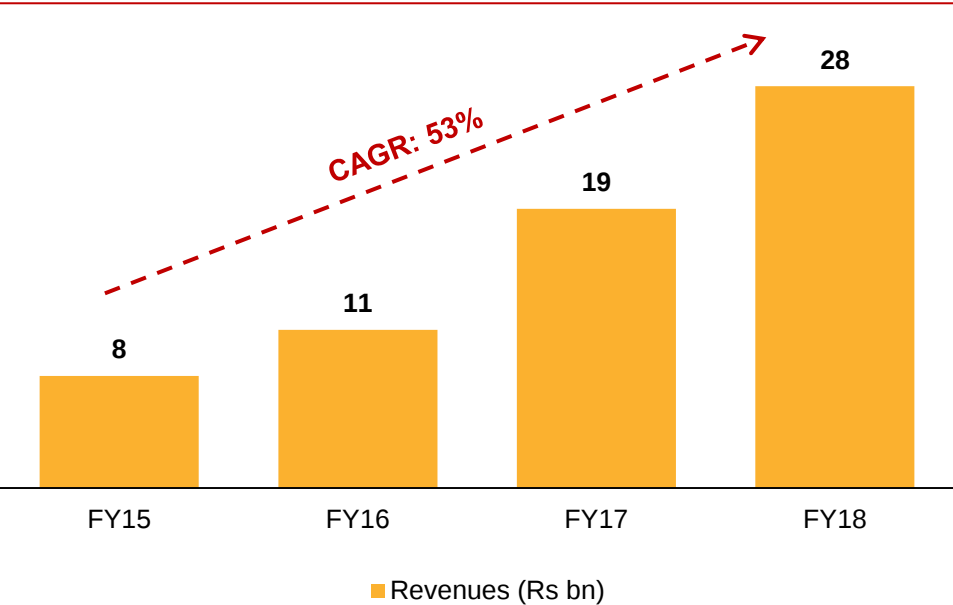
Notes :

*Loan Fund includes borrowings of Aspire Home Finance; Ex- Aspire net borrowings is Rs 14 bn as at March 2018. Market value of investment is Rs 15 bn

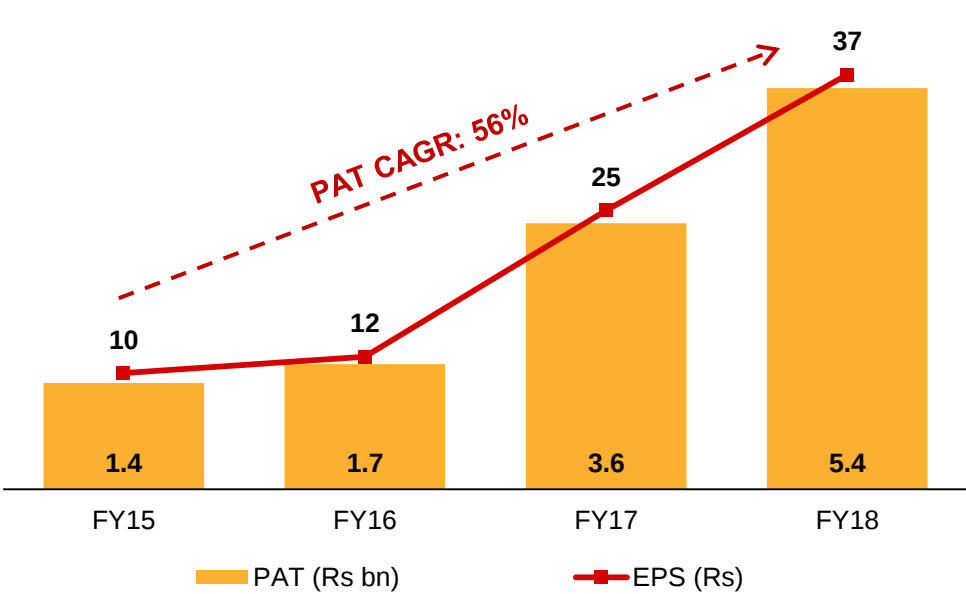
** Long Term Loan & Advances includes loans given by Aspire Home Finance

Strong financial performance

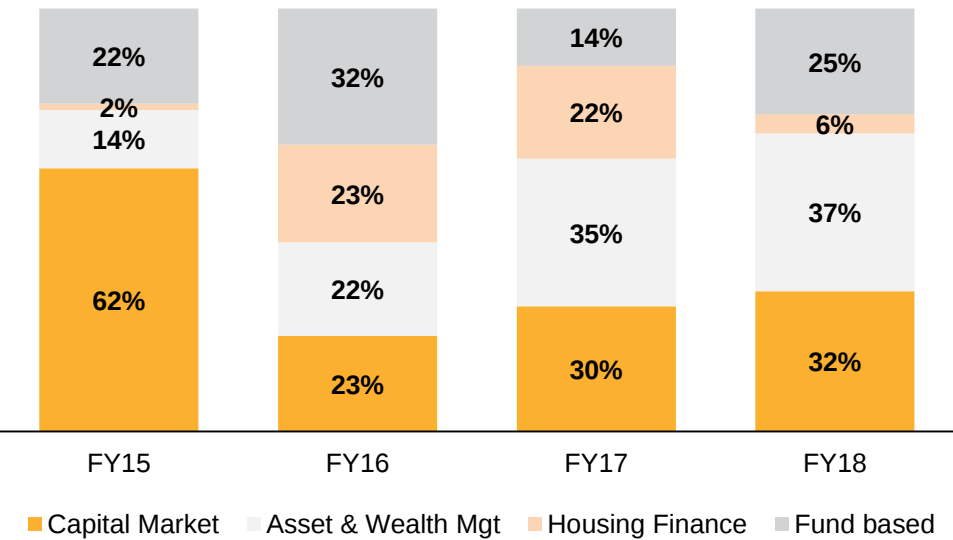
Annual revenue trend



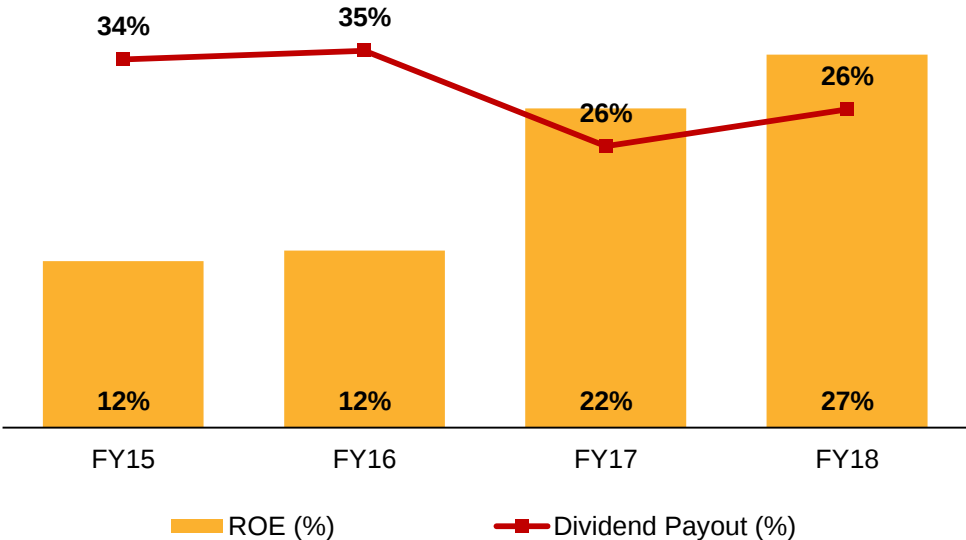
Annual profitability trend



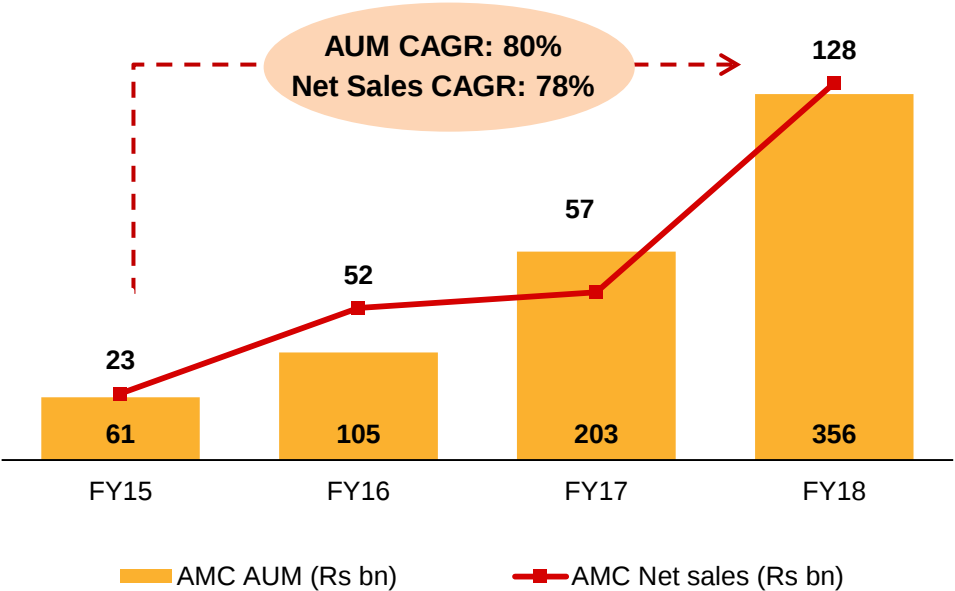
Diversified profitability mix brings linearity



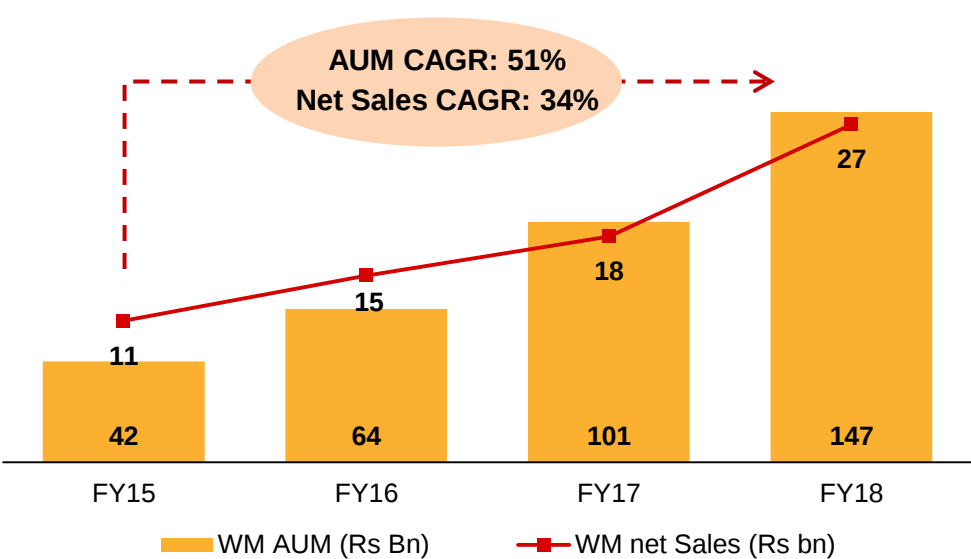
Strong return trajectory



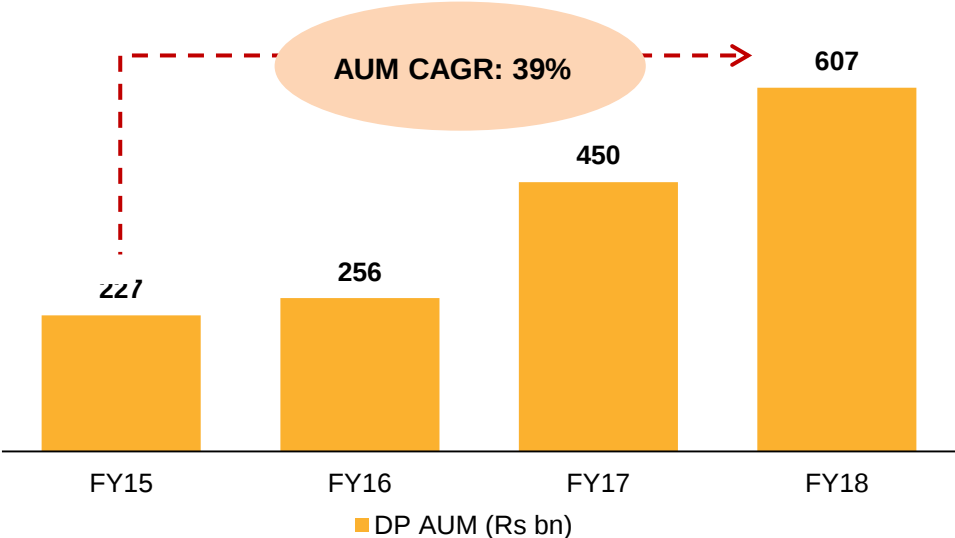
AMC AUM and Net sales growth trend



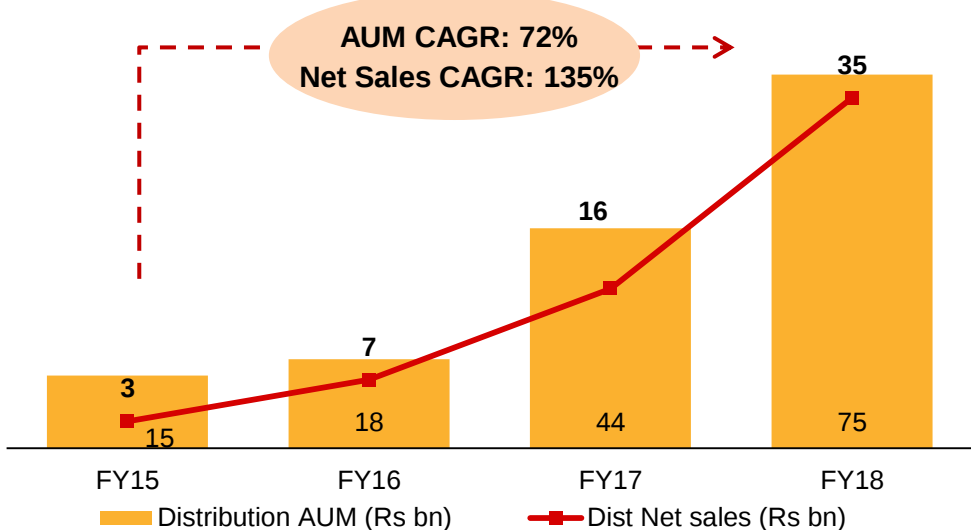
Wealth AUM and Net sales growth trend



DP AUM growth trend



Distribution AUM and net sales growth trend



Highest-ever annual revenue and profit

Broking & Distribution: Margins led by Distribution

- B&D revenue and profit for FY18 grew 53% YoY and 59% YoY, respectively.
- Strong growth in Distribution AUM of +71% YoY to Rs 75 bn led by strong net sales of Rs 35 bn, +119% YoY.
- Share in high yielding cash segment up strongly

Wealth Management: Profitability inflection commenced

- Revenues and profit for FY18 grew 47% YoY and 134% YoY, respectively
- AUM grew 46% YoY to Rs 147 bn with highest ever annual net sales of Rs 27 bn, +50% YoY in FY18
- Strong margin of 35%, led by improved RM productivity

Growth Drivers

Asset Management: Market share gains to drive strong growth

- AMC AUM crossed Rs 356 bn, +76% YoY
- Net sales grew +125% YoY to Rs 128 bn in FY18
- Equity MF AUM market share improved to 2% and Net Equity MF Flows market share increased to 4%
- Operating leverage visible despite ongoing investment

Housing Finance: Ample headroom for growth

- Loan book grew 17% YoY to Rs 48.6 bn
- Disbursements are cautiously calibrated
- Accelerated provisioning coverage
- Dedicated collection organisation is in place

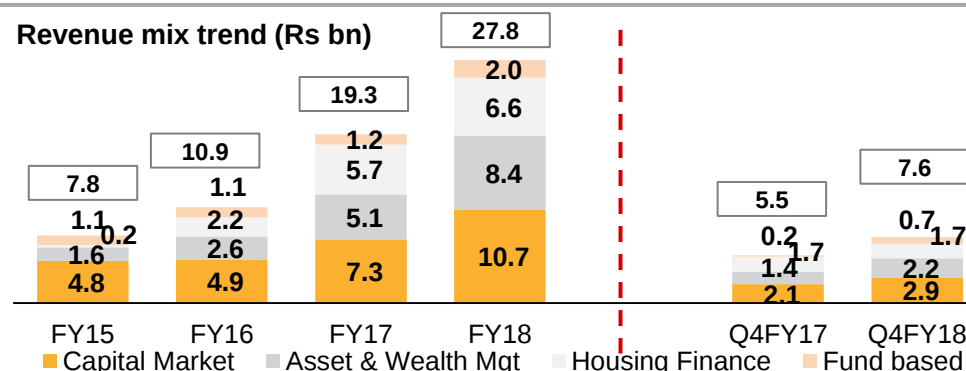
- **Highest-ever annual revenue at Rs 28 bn, +44% YoY; PBT at Rs 8 bn, + 52% YoY; and PAT at Rs 5.4 bn, +50% YoY**

This strong revenue growth was led by the Asset Management business (+66% YoY), Capital Market business (+47% YoY) and Fund based business (+71% YoY). Profit growth was majorly contributed by Asset Management (+60% YoY) and Capital Markets business (+64% YoY).

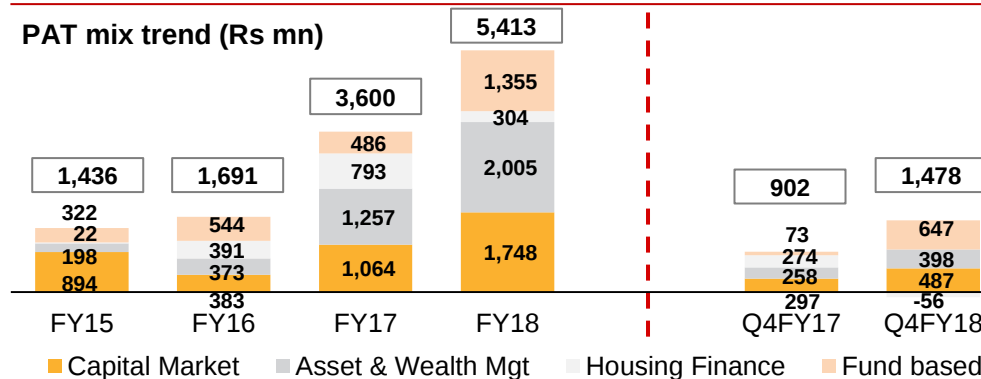
- **Strong Balance Sheet**

Strong liquidity, with ~Rs 15 bn as of FY18 in near-liquid investments to fund future investments. Overall gearing remains conservative at 2.4x; ex-Aspire it is at 0.7x. Considering market value of investment and cash equivalents, effective gearing is zero.

Revenue mix trend (Rs bn)



PAT mix trend (Rs mn)

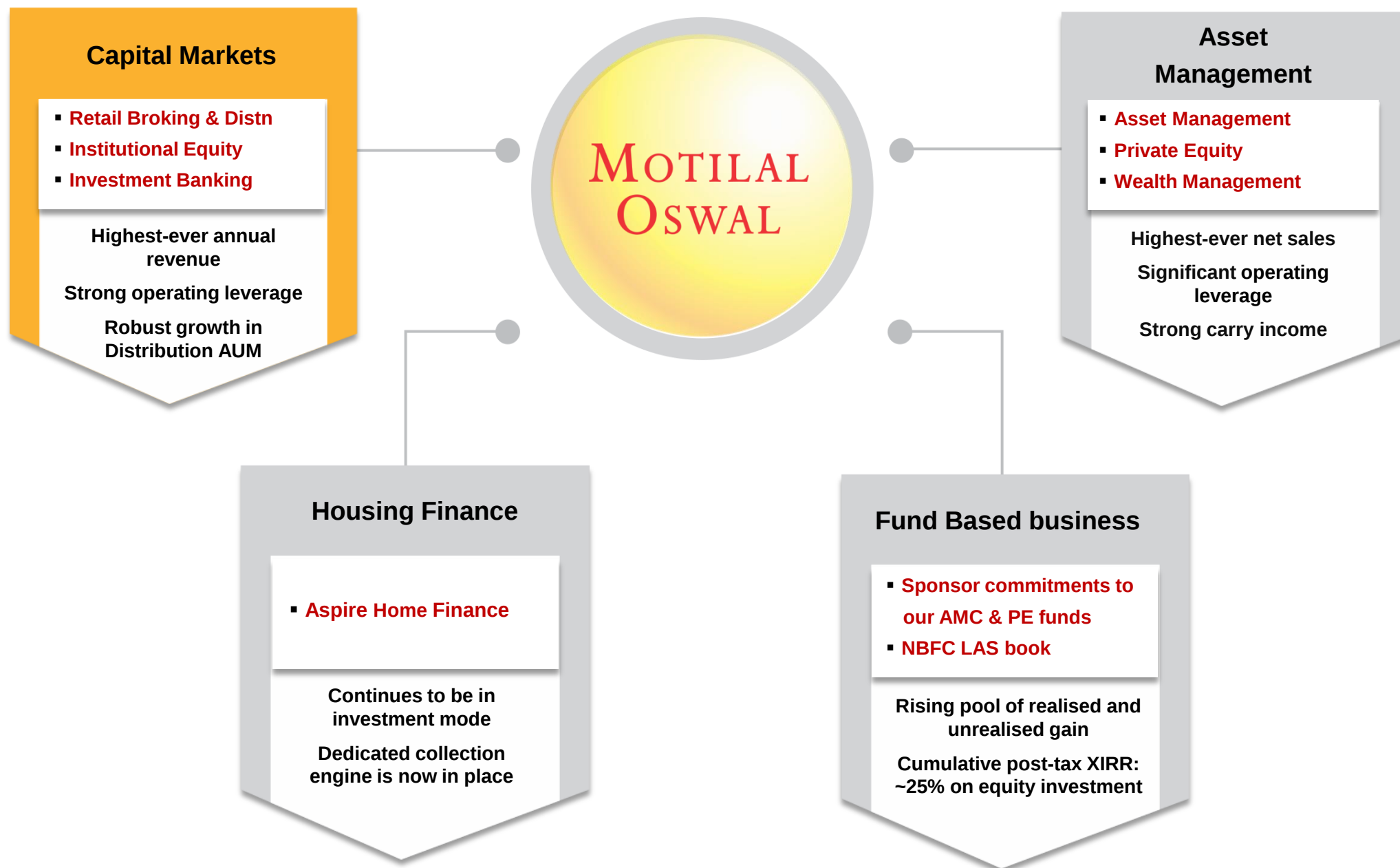


Key Highlights

Financials

Businesses

Interesting Exhibits



Capital Market – Highest-ever broking revenue

Highest-ever annual
broking revenue

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

Distribution AUM
picked up strongly
to Rs 75 bn, +71%
YoY

Unrealised gain on
liquid investments
in MOSL at Rs 671
mn

MOSL Standalone

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Total Revenues	3,244	1,988	63%	2,895	12%	11,020	7,214	53%
EBITDA	1,176	460	156%	922	27%	3,629	2,275	60%
<i>EBITDA Margin</i>	31%	20%	-	32%	-	30%	28%	-
PBT	816	244	235%	602	35%	2,435	1,429	70%
PAT	617	184	235%	382	62%	1,734	1,088	59%

- In FY18, Broking business registered highest-ever annual revenues and crossed the milestone of Rs 10 bn. Profit grew by 59% to Rs 1.7 bn, led by strong revenue growth of 53% to Rs 11 bn coupled with 228bps improvement in operating margins.
- In Q4FY18, revenue grew 63% YoY and profit grew 235% YoY. This includes profit on sale of MF investment amounting Rs 234 mn.
- Distribution continues to witness strong traction, with net sales of Rs 35 bn in FY18, up 119%, led by higher sales of equity-focused captive products. AUM was Rs 75 bn, +71%. With only ~10% of our client base and ~20% of our distribution network tapped, we expect meaningful increase in distribution AUM, as cross-sell increases.
- MOSL's overall ADTO grew 60% to Rs 137 bn in FY18. Market share in high-yield cash segment has improved strongly on YoY basis. Overall market share has been maintained at 2% in FY18 despite higher F&O volumes. Blended yield maintained at ~2.8bps in FY18.
- MOSL also runs a margin funding business, with book size of ~Rs 6.3 bn. This business can benefit from new regulation on margin funding.

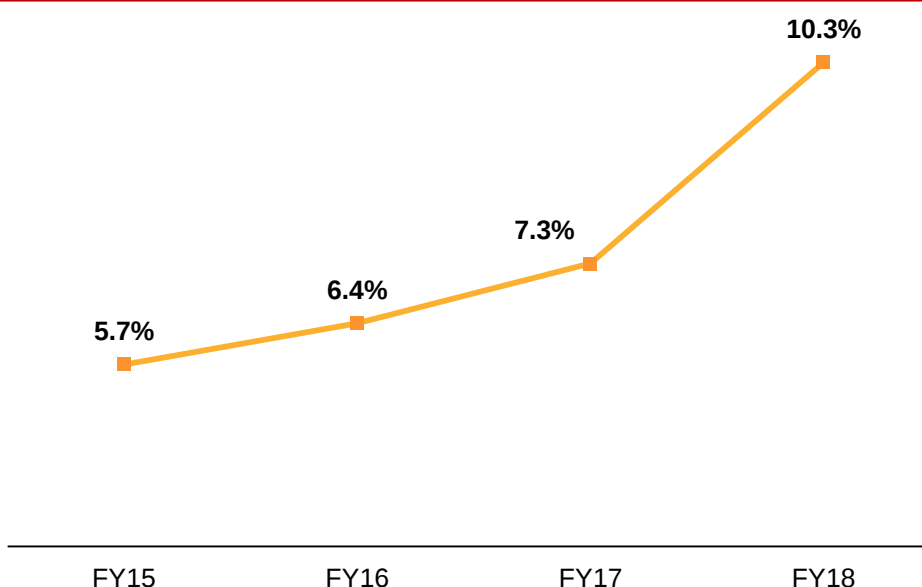
Retail Broking & Distribution

- 0.14 mn new accounts added in FY18, the highest ever in a year, taking total clients to 0.97 mn, with active client base of 0.3 mn
- Highest-ever online accounts opened via e-KYC in a quarter
- 650+ new franchisees / channel partners, taking total count to ~2,000
- Online penetration improved on brokerage (29%) and turnover side (48%)
- Highest-ever online and mobile-trading clients; daily downloads at a lifetime high of 1,500+
- Distribution income at 17.5% of retail broking gross revenues, with just 10% of cross-sell penetration
- Gained traction in SIP, with ~72,000 SIPs done during FY18, with average ticket size of Rs 5,000 per month

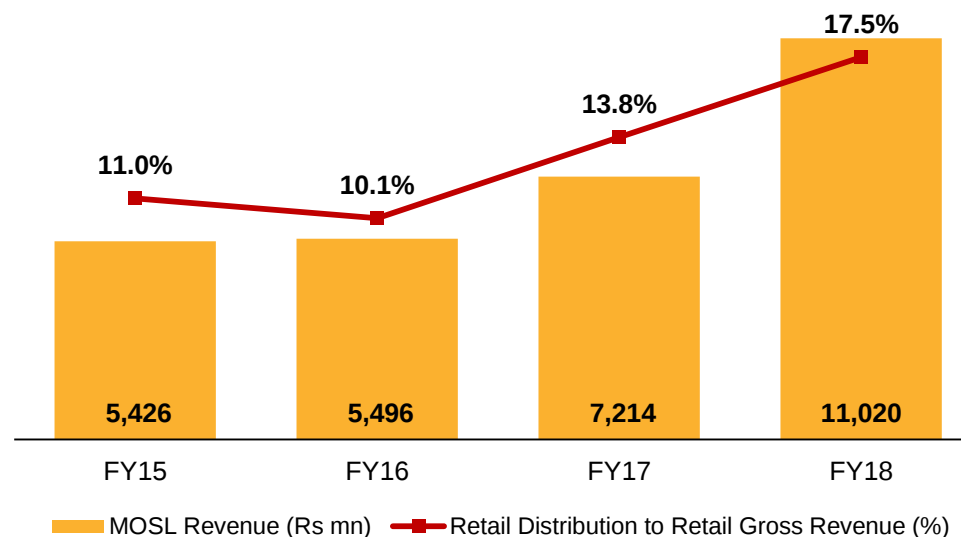
Institutional Broking

- A strong year with revenue growth of 40% led by all divisions and geographies
- Highest empanelments in last 5 years, taking client base to 676, +7%
- Improvement in rank in almost every account, led by focused and broad-based team servicing
- Differentiated research products with 265+ coverage and 750+ reports evincing client interest.
- Corporate Access has taken a leap on events with successful conferences such as AGIC with 3-days CEO track, Eureka London conference, Asia conference after a gap of 10-yrs and some unique events to service DIIs.

Distribution penetration (% of total client base of 0.97 mn)

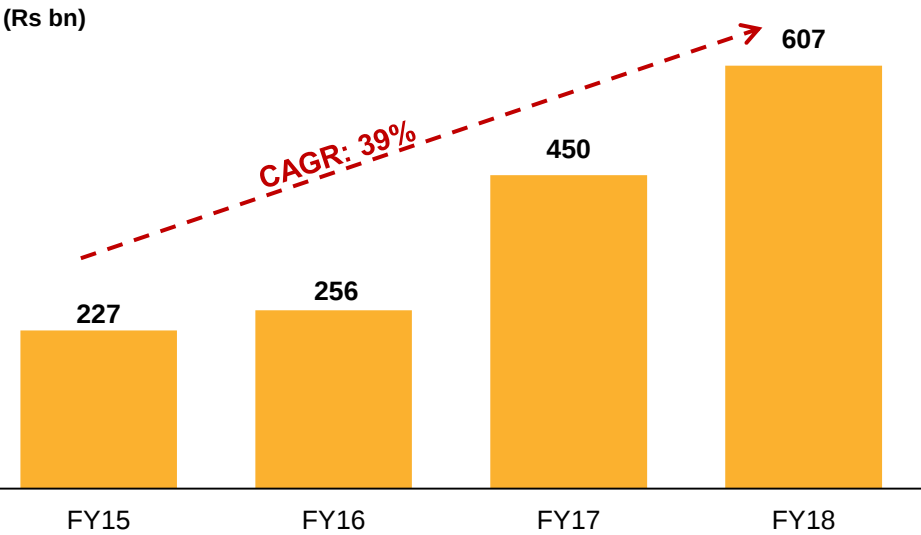


Trail-based annuity income picking up

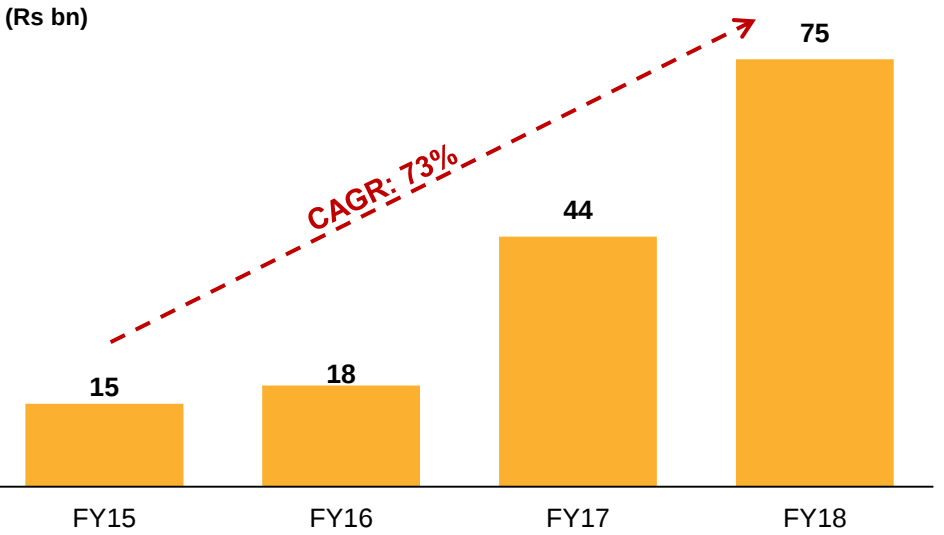


Broking & Distribution – Strong growth in Volume and Distribution AUM

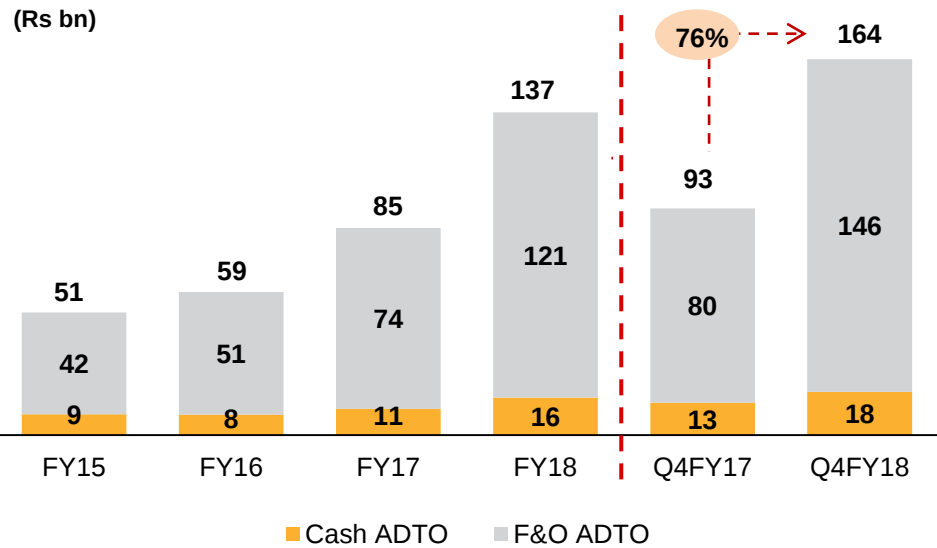
DP AUM growth trend



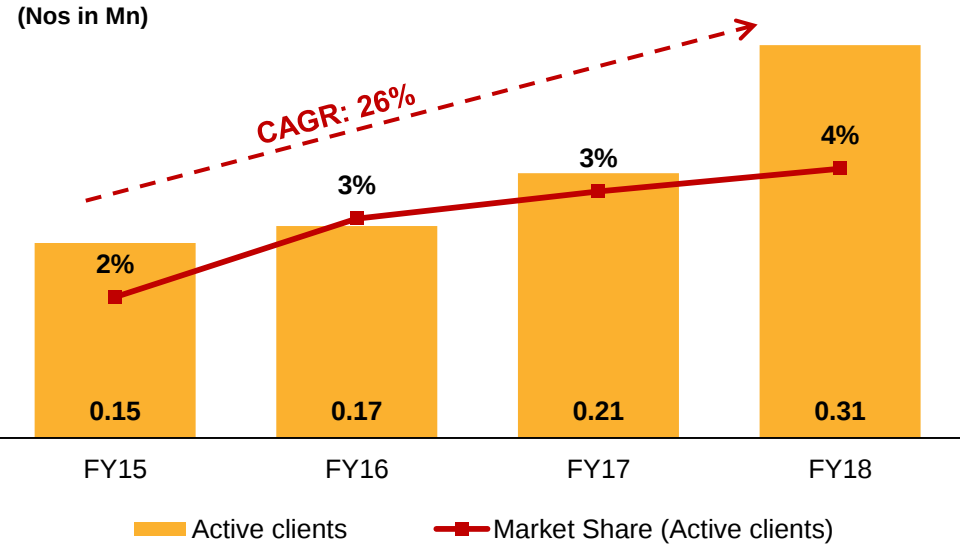
Rising Distribution AUM



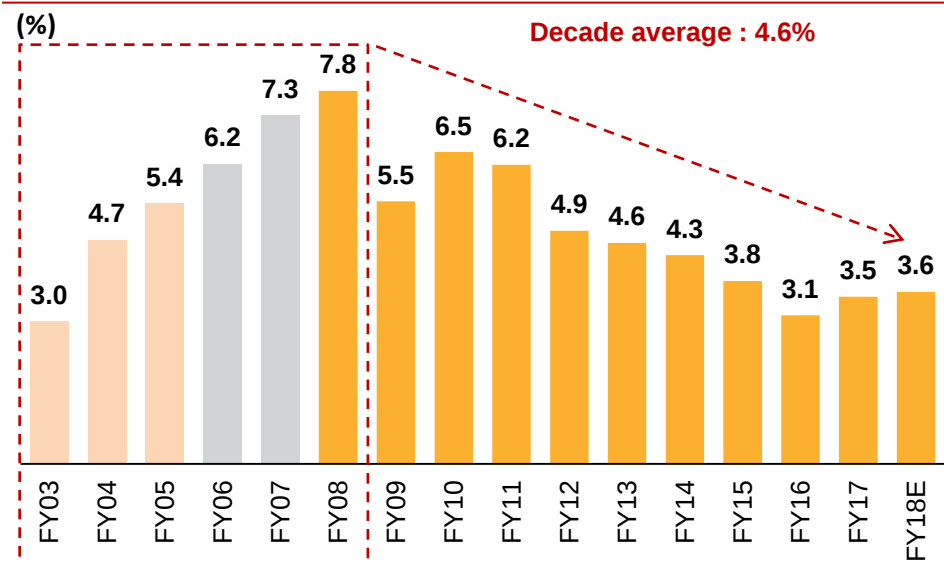
MOSL Broking ADTO (Ex-prop)



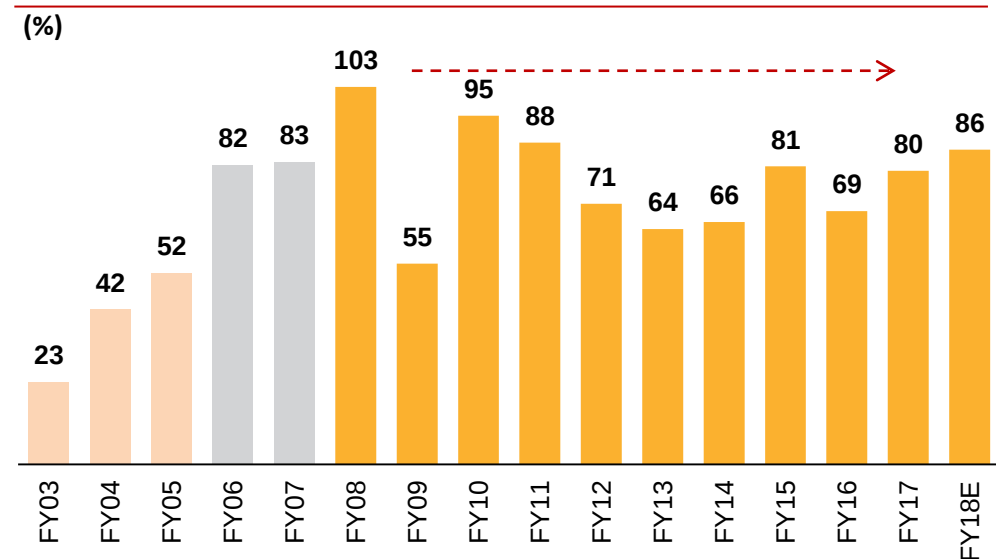
Rising share of active clients



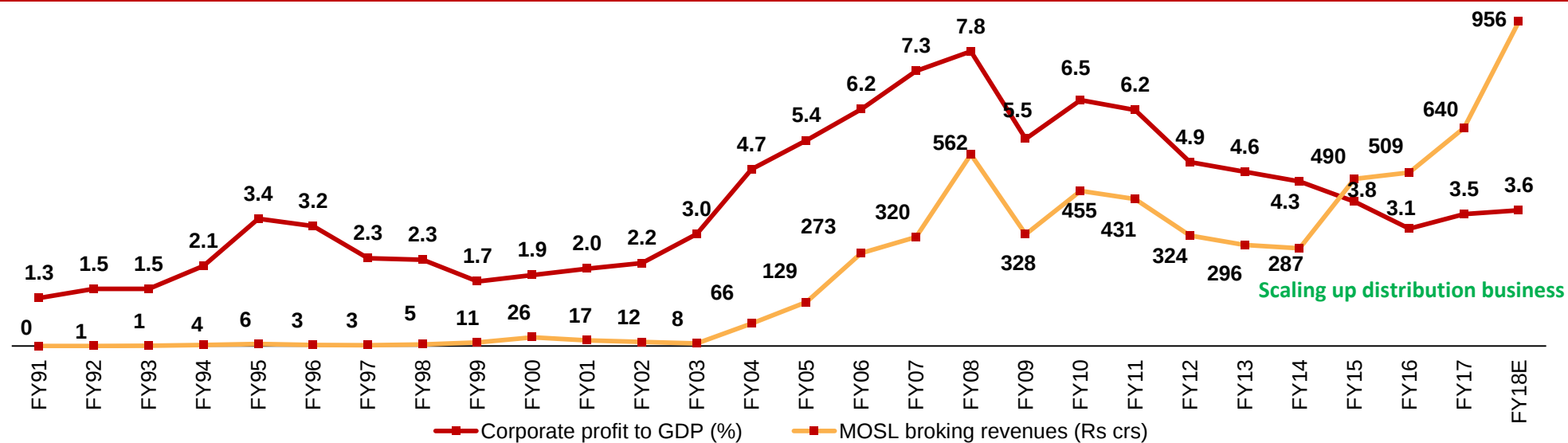
Corporate profit to GDP trend



Market cap to GDP trend

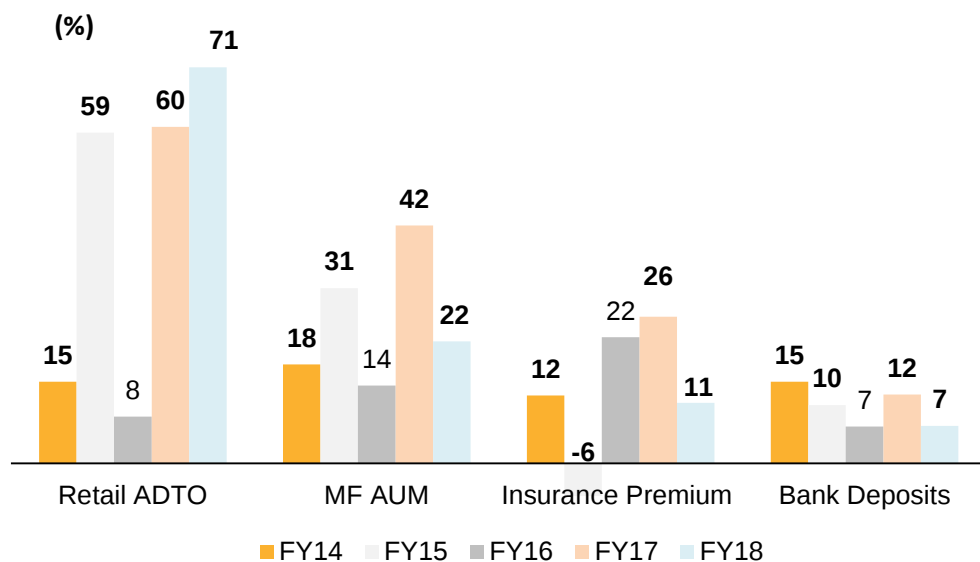


Broking revenues in line with corporate profit to GDP ratio ; Trail income brings annuity

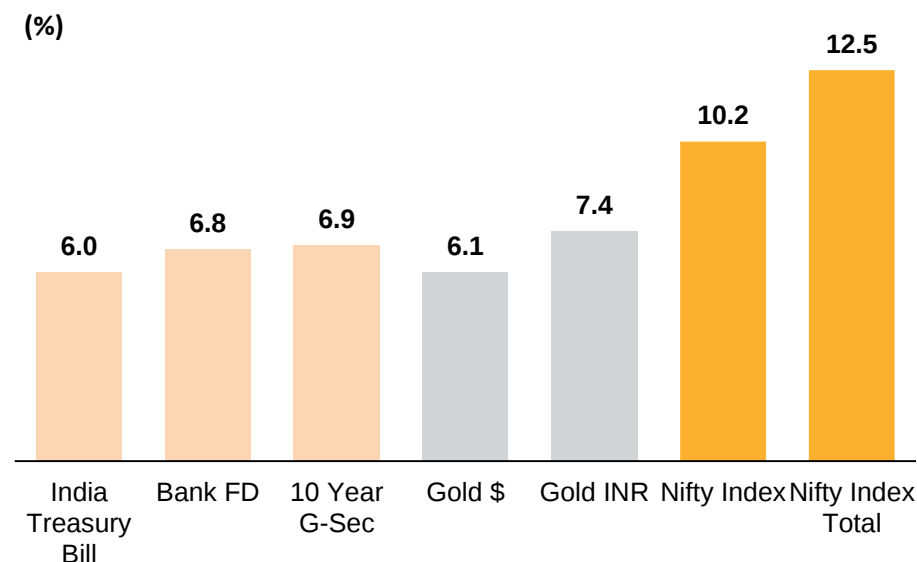


Broking & Distribution – Potential levers

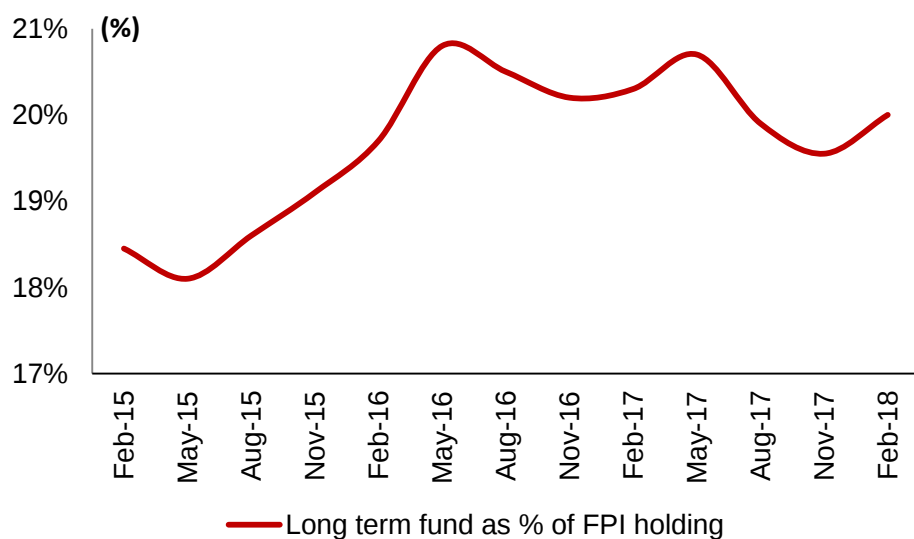
Retail ADTO registered faster growth (%)



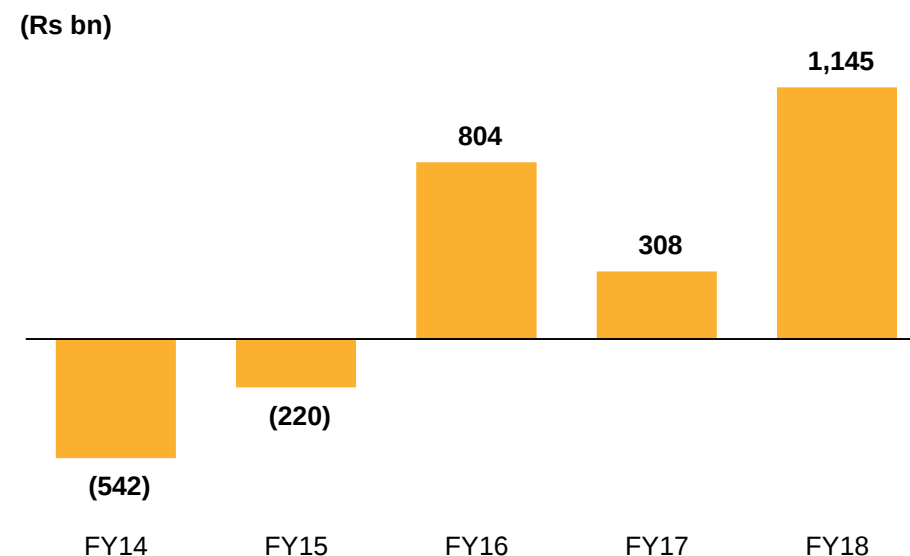
Higher returns in equity asset class in FY18



Mobilisation of long investments has remained stable



DII flows highest in a decade



Investment Banking – Highest-ever revenues



Pref Issue - Rs 110 bn



QIP - Rs 49.9 bn



IPO - Rs 19.1 bn



QIP - Rs 18.9 bn



Preferential Issue - Rs 16.8 bn (✓ Sole)



QIP - Rs 10 bn



IPO - Rs 7.2 bn

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Total Revenues	213	429	-50%	456	-53%	1,135	872	30%
EBITDA	210	309	-32%	289	-27%	847	561	51%
EBITDA Margin	99%	72%	-	63%	-	75%	64%	-
PBT	210	307	-32%	288	-27%	845	554	52%
PAT	150	202	-26%	177	-16%	603	372	62%

- FY18 has been a milestone year, where we have worked with marquee large-caps companies. This gives us tremendous league table credit in addition to positioning us favourably.
- Investment Banking business has achieved its highest ever revenues of Rs 1.1 bn, +30% in FY18. Profit for the year was Rs 603 mn, +62%.
- Fee income generation from closed transactions remained strong in FY18, driven by phenomenal performance in the capital markets business.
- Executed two of the largest preferential allotment transactions in the BFSI sector for HDFC and RBL

Investment Banking – Robust growth; healthy pipeline

DELTA CORP LIMITED

QIP - Rs 5.5 bn

GTPL
Digital Cable TV | Broadband

IPO - Rs 4.8 bn

MAS FINANCIAL SERVICES LTD.
EXCELLENCE THROUGH ENDEAVOURS

IPO - Rs 4.6 bn
(✓ Sole)

LT Foods

QIP - Rs 4 bn
(✓ Sole)

SANGHI CEMENT

QIP - Rs 4 bn

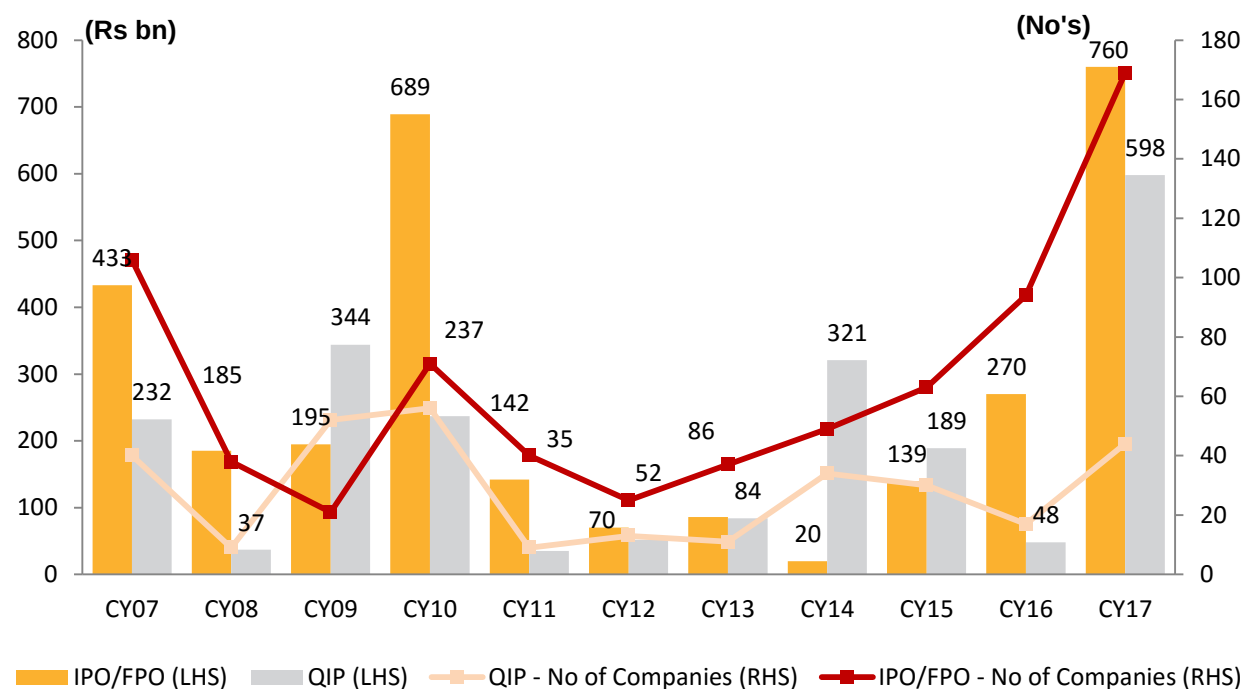
GRANULES

QIP - Rs 3.0 bn

PSP
Build to Last

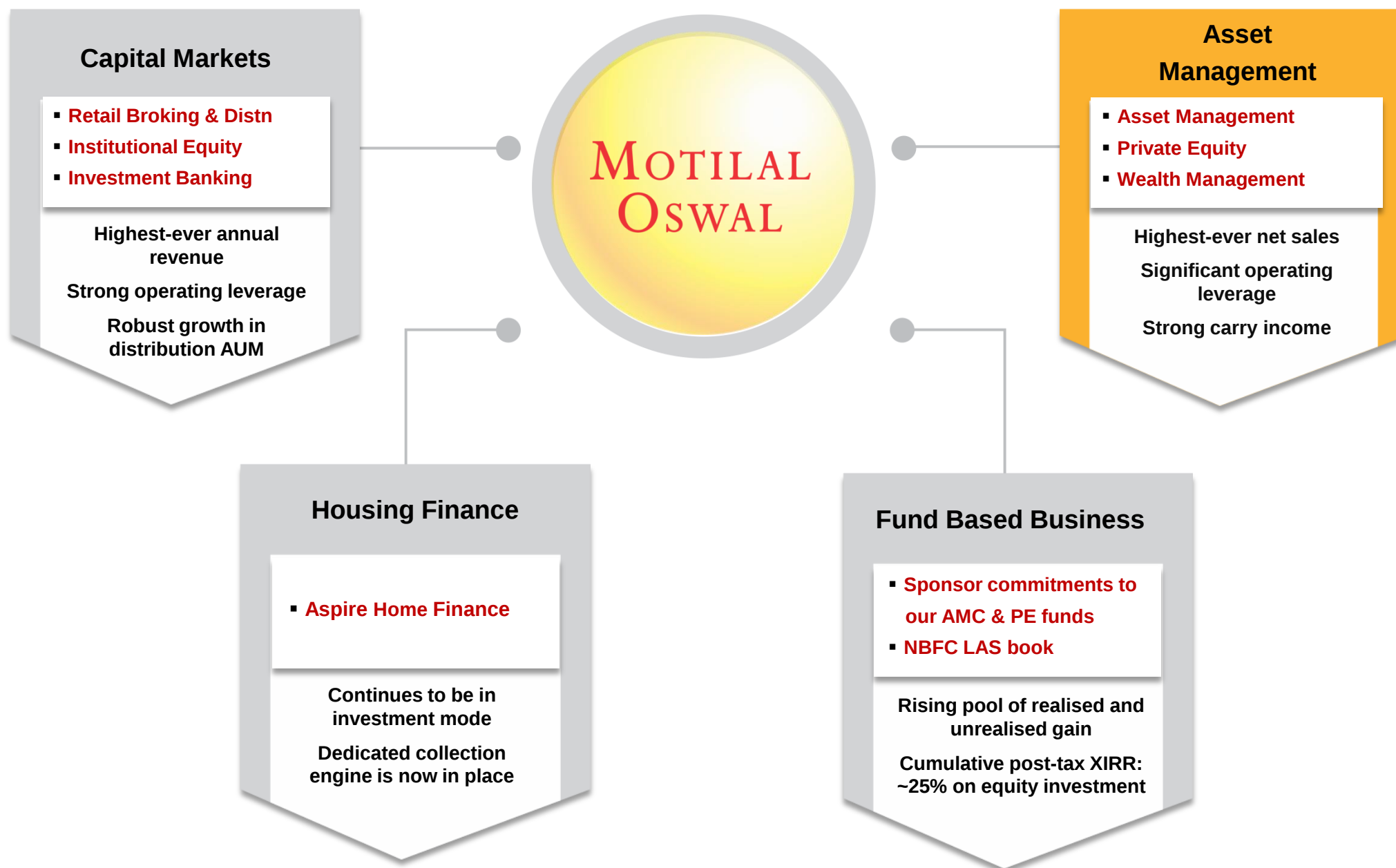
IPO - Rs 2.1 bn

Industry trend in ECM transactions



Source: NSE, Prime database

- We have completed several marquee transactions in FY18 – QIPs for HDFC Ltd (Rs 18.9 bn), L&T Finance (Rs 10 bn), Piramal Enterprises (Rs 49.9 bn), Dena Bank (Rs 4 bn), Sanghi Industries (Rs 4 bn) and LT Foods (Rs 4 bn, as Sole BRLM). We have also managed IPOs for MAS Financial (Rs 4.6 bn, as Sole BRLM), AU Small Finance Bank (Rs 19.1 bn) and Dixon (Rs 7.2 bn).
- Going into FY19, our pipeline of transactions remains strong and we continue to enjoy strong support of our clients as a preferred advisor for fund raising and strategic finance transactions.
- We have worked on several important M&A transactions in the Advisory business, and we expect some of them to result in closure in near future.



Asset Management – Robust growth; significant operating leverage

Robust Net Sales of Rs 128 bn in FY18, +125%

AMC AUM Rs 356 bn in FY18, +76%

Rank in Equity AUM* 9 in Mar 2018

Market leader in PMS with 15% market share in AUM

Eq. MF Market Share ~4% in Net Flows**

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
AUM (bn)	356	203	76%	350	1%	356	203	76%
Net adds (bn)	31	19	63%	36	-12%	128	57	125%
Total Revenues	2,175	1,205	80%	1,695	28%	6,684	3,413	96%
Total costs	1,447	933	55%	1,215	19%	4,769	2,648	80%
EBITDA	728	272	168%	479	52%	1,914	765	150%
EBITDA Margin	26%	23%		28%	-	26%	22%	-
PBT	725	270	169%	478	52%	1,908	759	151%
PAT	546	177	209%	303	80%	1,314	498	164%

- AMC has shown strong performance, with 96% growth in revenue and 164% growth in profit in FY18. Operating leverage is visible, with 380bps improvement in operating margin to 26%.
- In Q4FY18, profit grew 209%. This includes profit on sale of MF investment amounting Rs 220 mn.
- AUM across MF, PMS and AIF reached a milestone of Rs 356 bn (+76%), with MF AUM at Rs 182 bn (+95% – highest in MF Industry), PMS AUM at Rs 150 bn (+43%), and AIF AUM at Rs 24 bn (+348%).
- MOAMC's Equity MF has witnessed lowest redemption rate in the industry at 26%; the industry average was 53%.
- Net yield remained robust at 0.92% in FY18, on account of better pricing power in MF coupled with rising share of direct channel in net sales – up from 17% in FY17 to 31% in FY18.
- SIP inflows during the year remained strong at Rs 13.6 bn +155%. SIP AUM is growing qualitatively and profitably; our average SIP at Rs 4,400 per month is higher than the industry average of Rs 3,375 per month.
- We continue to make investments in brand promotion – up 54% to Rs 279 mn (9% of net revenue) in FY18. This addresses the unique challenge of gaining materiality in a market that is witnessing staggering growth.

Asset Management – Strong traction in performance and market share



- Our wholesale product distribution strategy showing positive results by not only keeping distribution cost low but also helping us in better bargaining power with distributors aided by our strong brand awareness and product performance.
- Market share in MF Equity Net Sales continued to gain traction at 4% in FY18 vs 2.8% in FY17 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.
- Investment performance continues to be robust – our longest-running Value PMS has delivered a return of ~24% CAGR since inception; F-35, our largest MF scheme by AUM, has delivered 28% CAGR and an alpha over benchmark of 12.5% since inception.
- We have become one of the largest AIF managers in India within a span of two years, with an AUM of Rs 24 bn in FY18 (Rs 5.4 bn in FY17). We have a steady pipeline for fund-raising, with tie-ups already in place.
- ~20% of our non-MF AUM was performance-fee-linked as of March 2018 (13% in March 2017). Our target is to increase this further.
- We are seeing initial interest in our offshore products; the offshore segment is 1.6x the institutionally-managed equity assets in India.

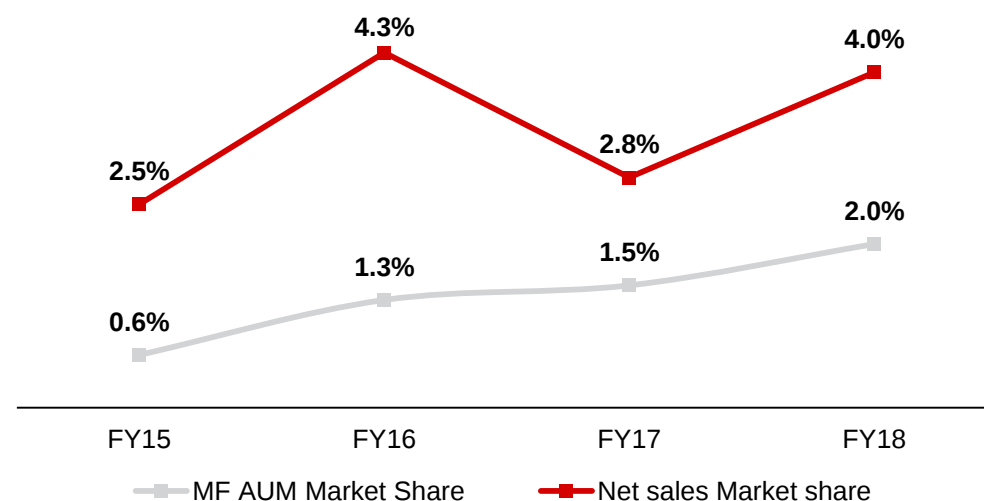
Top Notch performance across product and categories

Product	Scheme	Strategy	Inception Date	Total Return	Alpha over Benchmark
PMS	Value	Large-Cap	25-Mar-03	23.9%	7.4%
PMS	NTDOP	Multi-Cap	11-Dec-07	18.0%	12.4%
PMS	IOP	Mid-Cap	15-Feb-10	15.9%	3.4%
Mutual Fund	F-25	Large-Cap	13-May-13	15.8%	3.1%
Mutual Fund	F-35	Multi-Cap	28-Apr-14	27.9%	12.5%
Mutual Fund	F-30	Mid-Cap	24-Feb-14	25.1%	-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 31st March 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

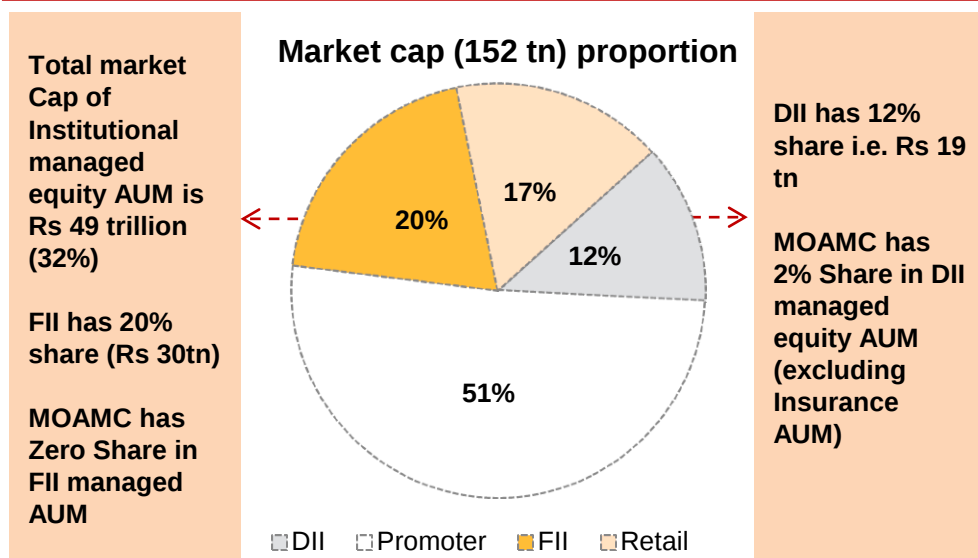
Higher equity MF net sales market share would pull equity MF AUM share up eventually



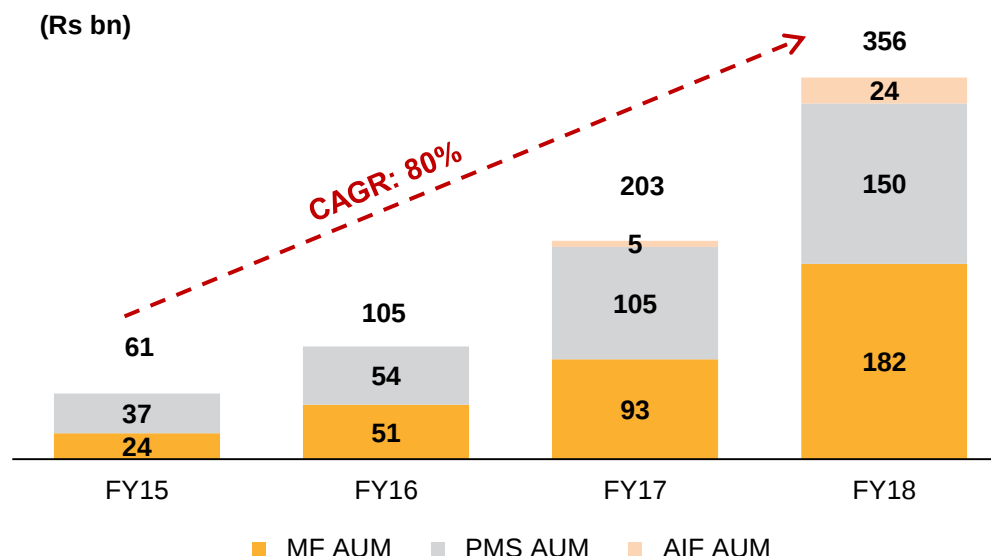
Note : Equity net sales market share is calculated by excluding arbitrage and balanced funds

Asset Management – Potential levers to scale business

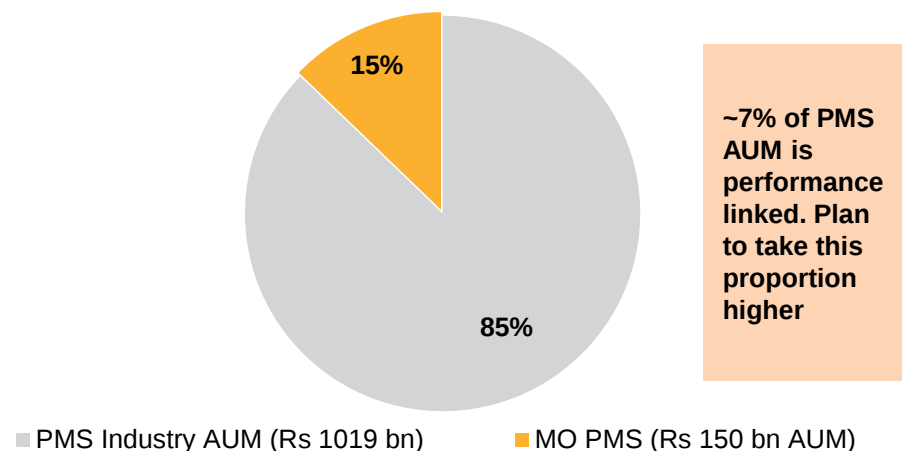
MOAMC's has "Zero" share in FII driven domestic equity market which is 1.6x of size of DII.



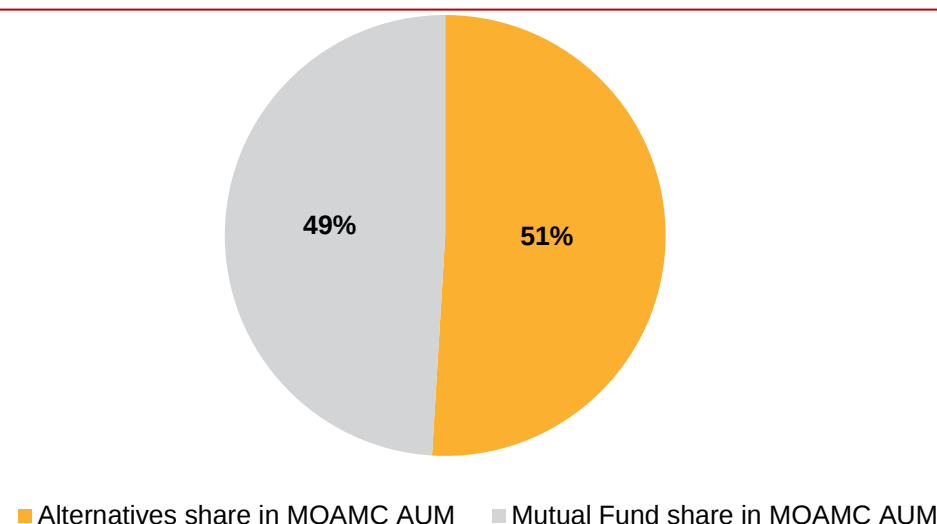
MOAMC AUM breakup and growth trend



MOPMS market share in Industry's Equity AUM



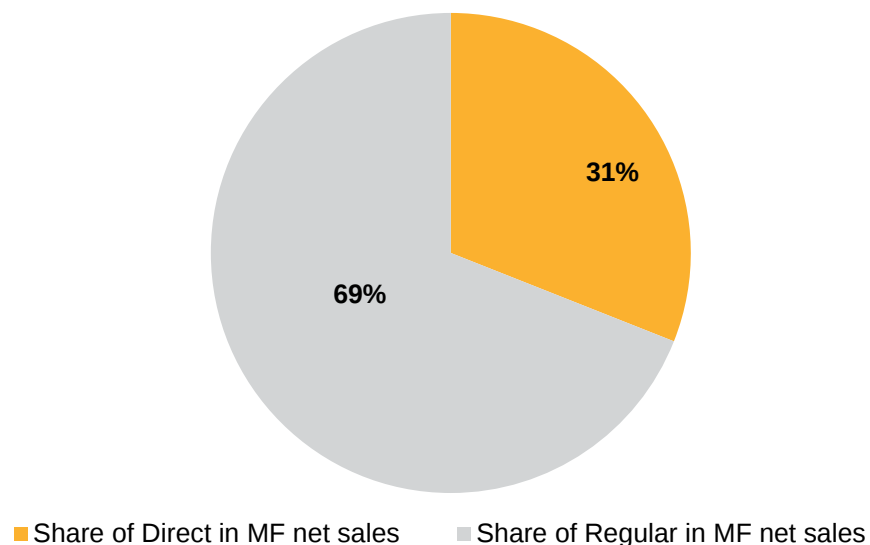
Alternatives share in MOAMC AUM



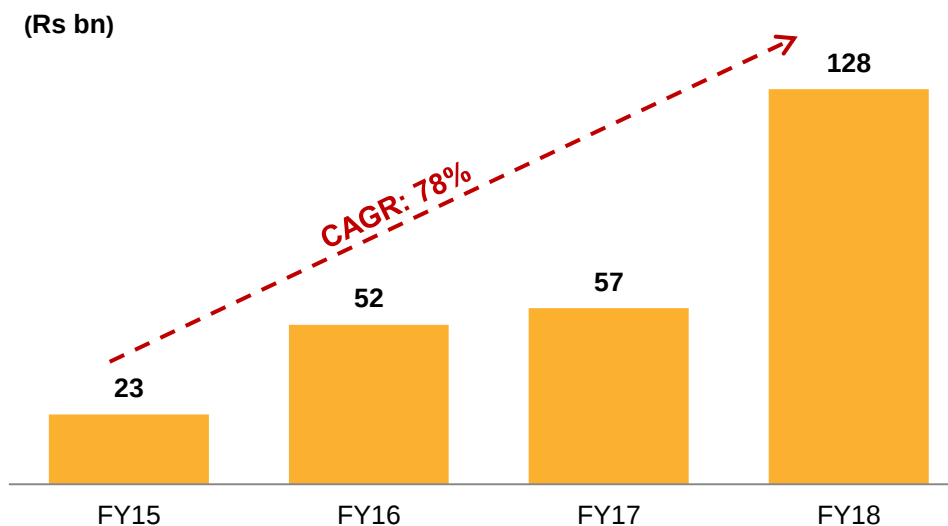
*Alternatives includes PMS and AIF

Asset Management – Potential levers to scale profitability

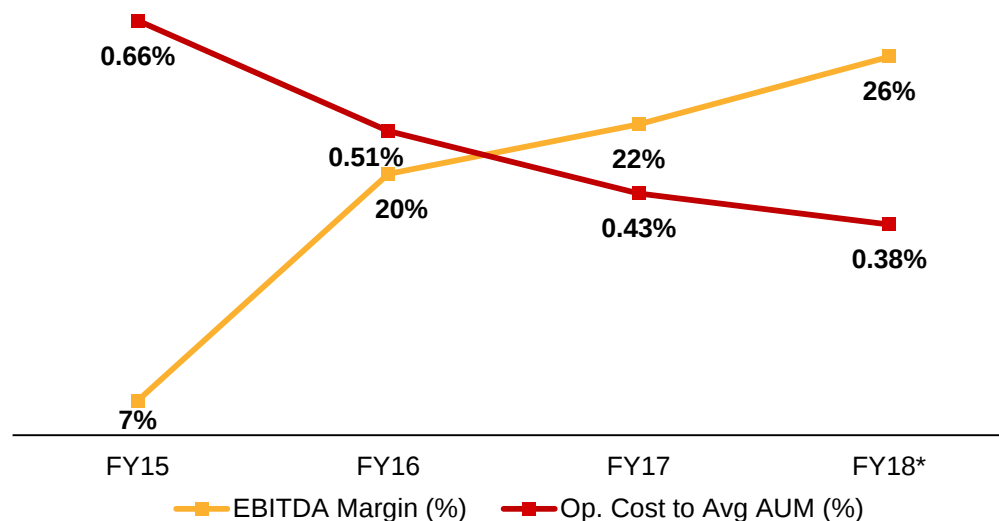
Share of Direct sales in MF net sales



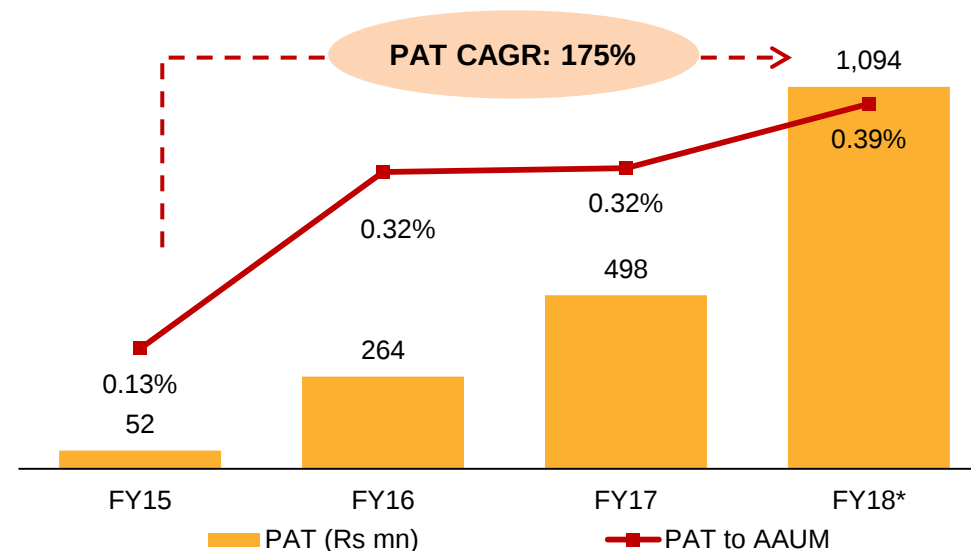
MOAMC Net sales trajectory



Operating leverage playing out as cost stabilizes & AUM rises



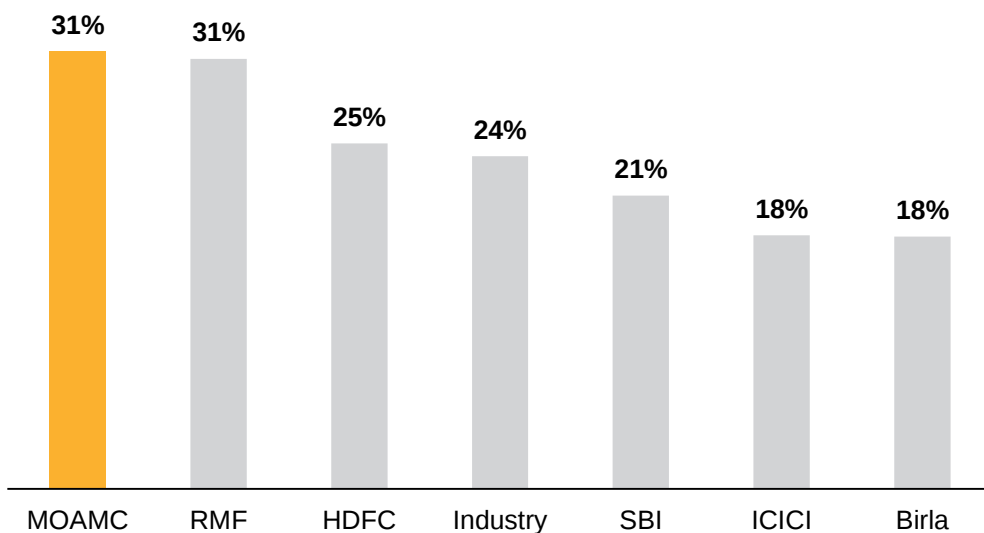
MOAMC profitability trend



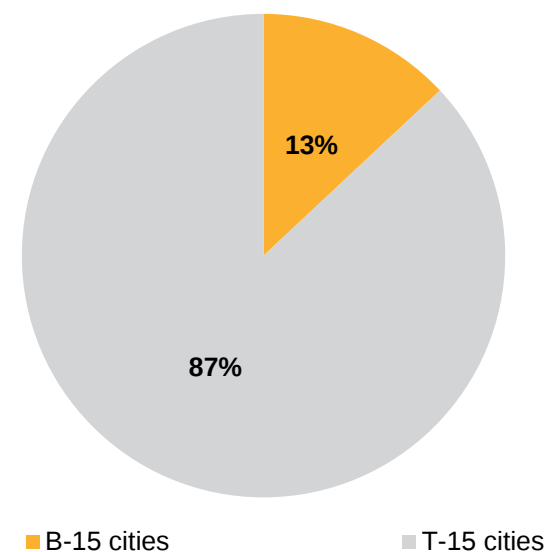
* Adjusted for profit on sale of MF investment

Asset Management – Potential levers to scale business

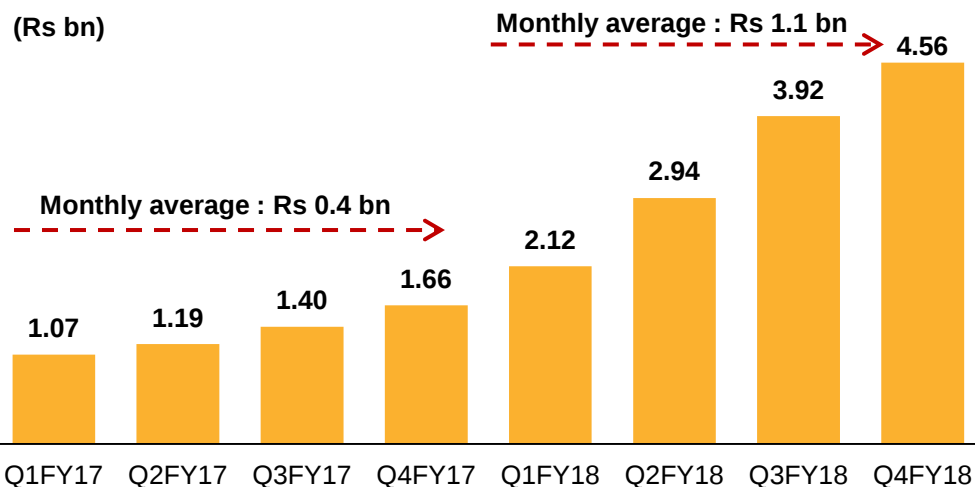
Share of Retail AUM in MF Equity AUM



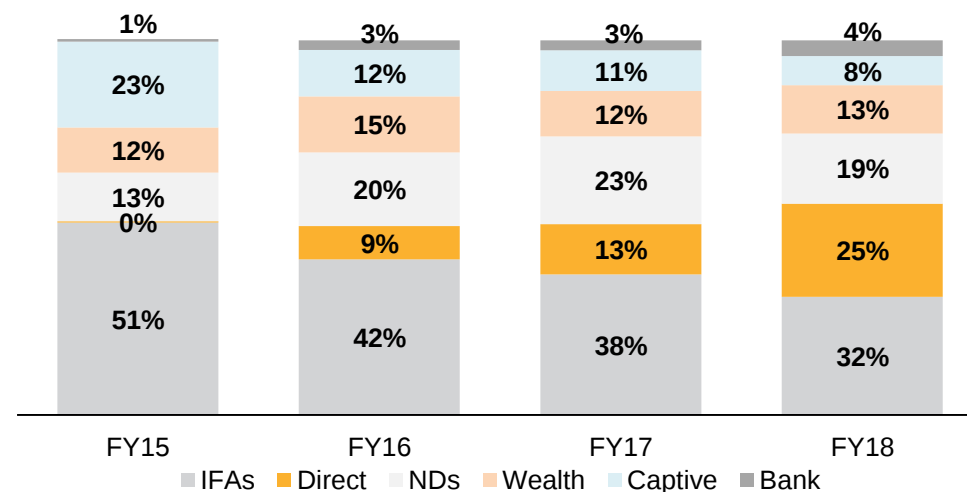
MOAMC share of B-15 cities in MF Equity AUM



Rising SIP flows

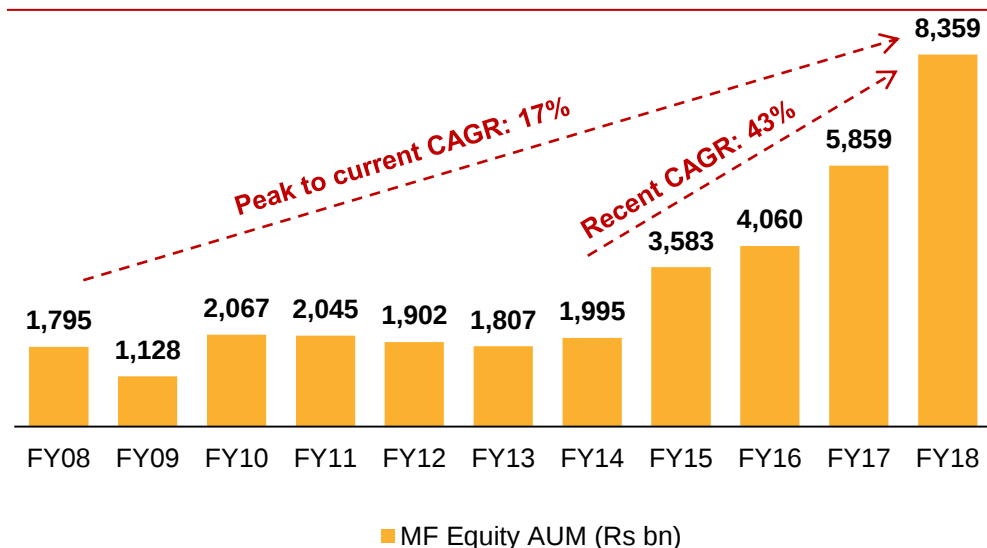


MOMF Sourcing Mix on the basis of AUM (Ex Prop)

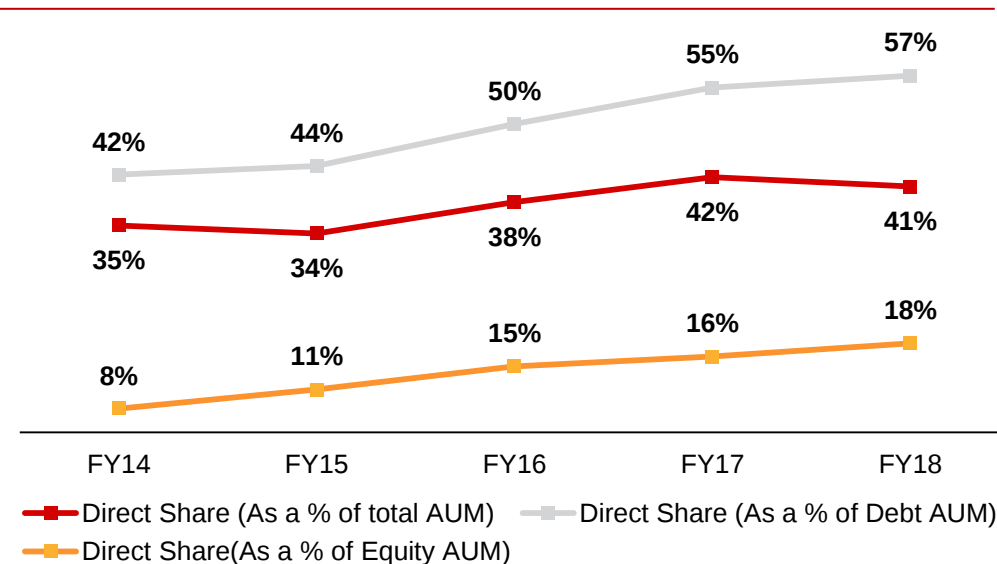


Asset Management – Stickiness of MF flows to continue..

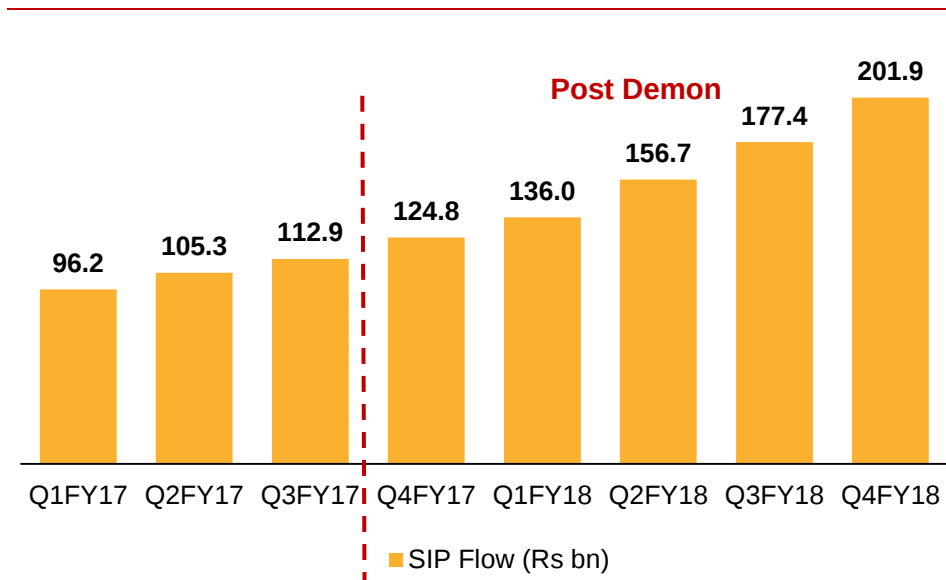
Rising Industry's MF Equity AUM



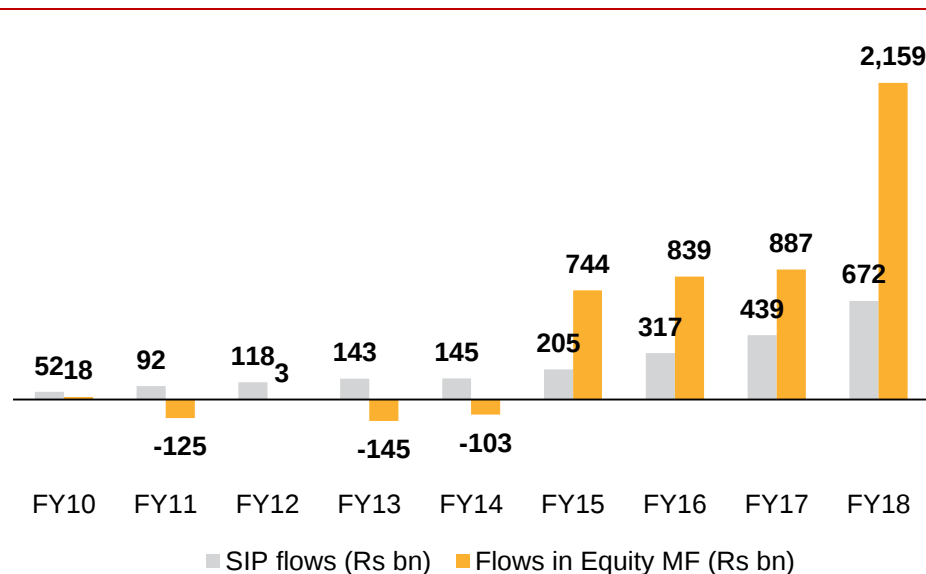
Rising share of Direct proportion in Asset management industry



Strong traction in Industry's SIP flows continues

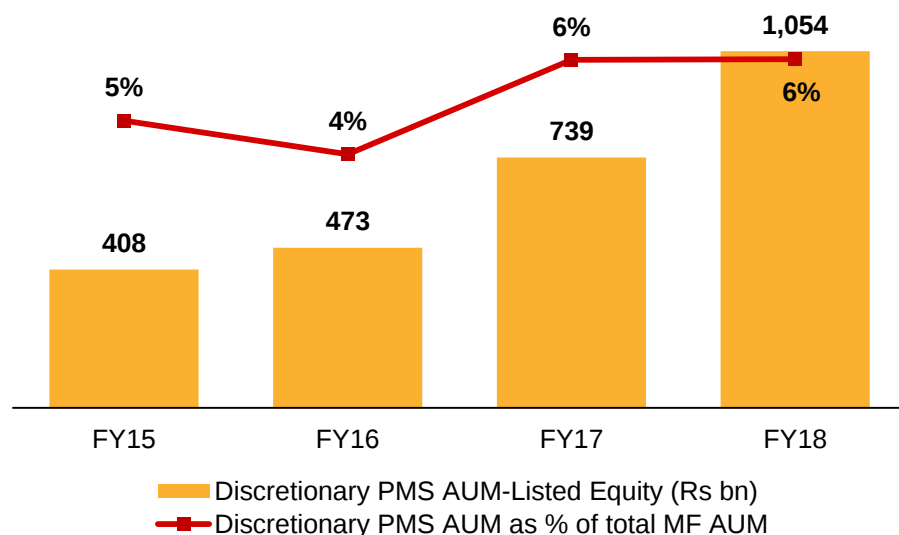


SIP gaining share in rising Equity Industry AUM

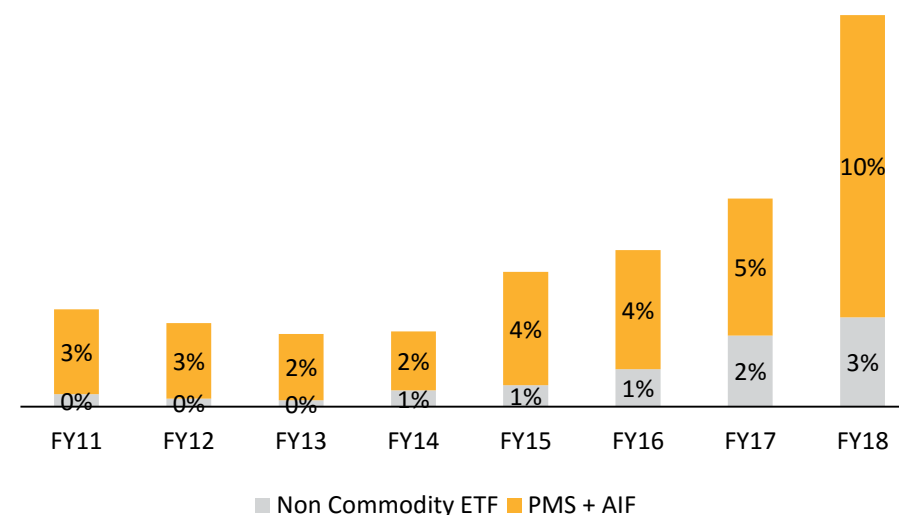


Asset Management – Rising share of Alternatives

Rising share of Alternatives in Industry AUM



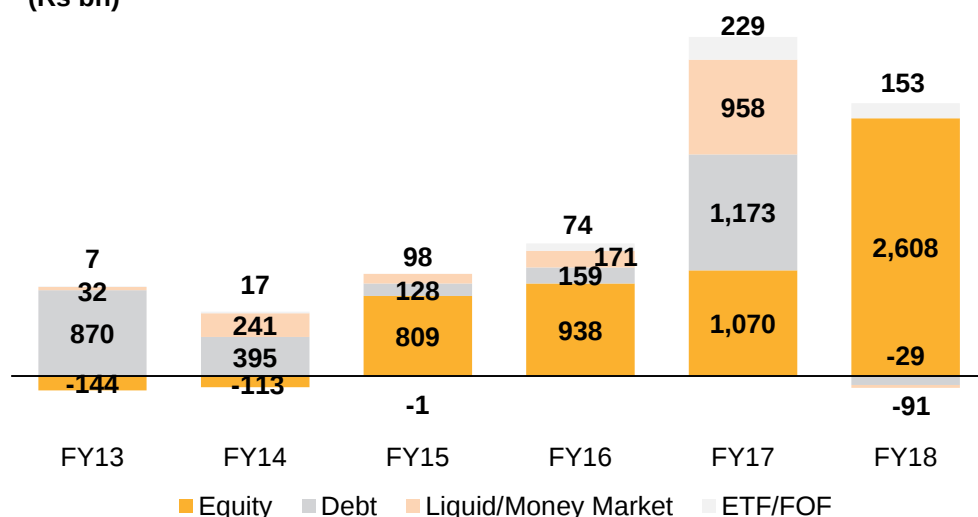
Rising share of Alternatives in Industry AUM



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

Equity-oriented funds lead the charge in Industry net inflows

(Rs bn)



Source: AMFI, McKinsey

India still at nascent stage in Alternatives penetration

Alternatives	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 may or may not participate in the space; MOAMC has been a PMS and AIF player at early stage, while Indian AMCs are yet to realise this potential

Private Equity – Steady exits at high IRRs provides strong annuity

Total AUM of PE business stands at ~ Rs 47 bn

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Total Revenues	167	153	9%	168	-1%	1,323	1,193	11%
EBITDA	77	47	63%	55	42%	726	649	12%
PBT	73	42	71%	51	42%	708	637	11%
PAT	57	29	96%	48	20%	556	502	11%

Phenomenal response to IBEF III launch

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 6x MoC (Multiple of Cost). 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 is aiding new fund raising. Fund III was launched in FY18 with a target size of Rs 20 bn. The fund has already raised of Rs 14.7 bn and is expected to achieve targeted size of Rs 20 bn by June 2018. Fund III has already deployed ~Rs 3.9 bn across two investments and has a robust deal pipeline going ahead.

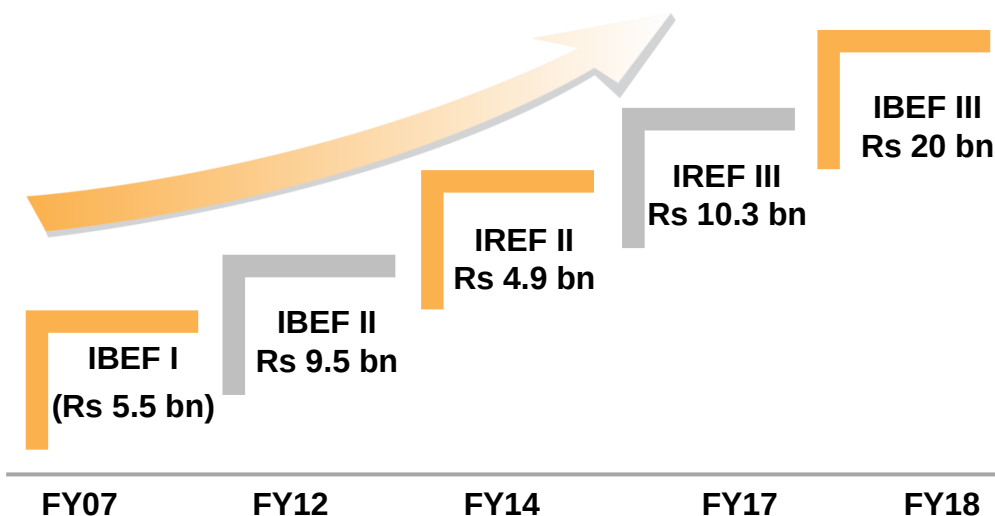
IBEF I exits could result in lumpy gains in FY18-FY19

Real Estate Funds

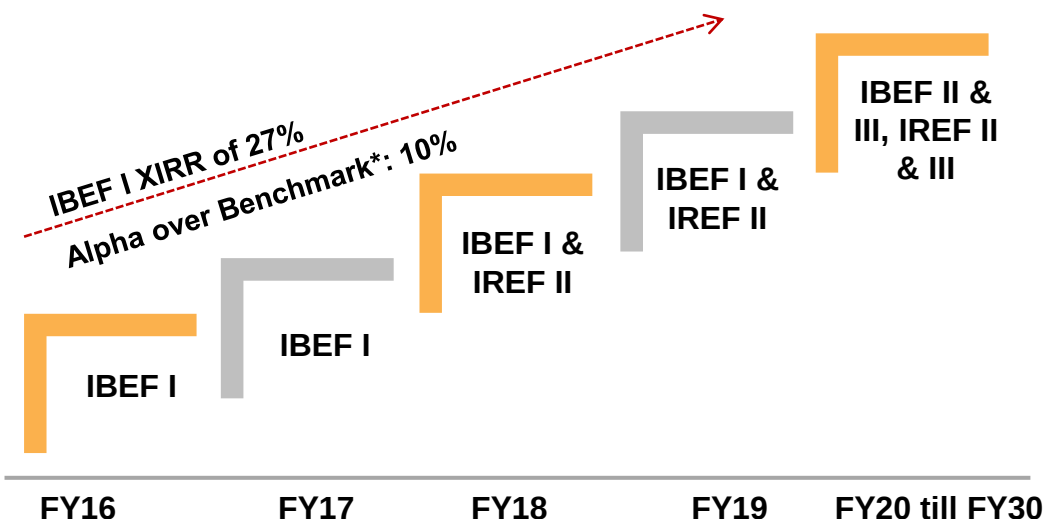
- IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors.
- IREF II is fully deployed across 14 investments. The Fund has secured 6 complete exits and 1 structured exit and has returned ~81% capital to the investors. Average IRR on exited investments is ~22%.
- IREF III is ~56% deployed across 13 investments. The Fund has secured 2 full exits and has returned ~23% of capital to the investors. Average IRR on exited investments is ~22.2%.

Private Equity – Exits from 6 funds provides strong visibility over next decade

Launch period of PE Funds

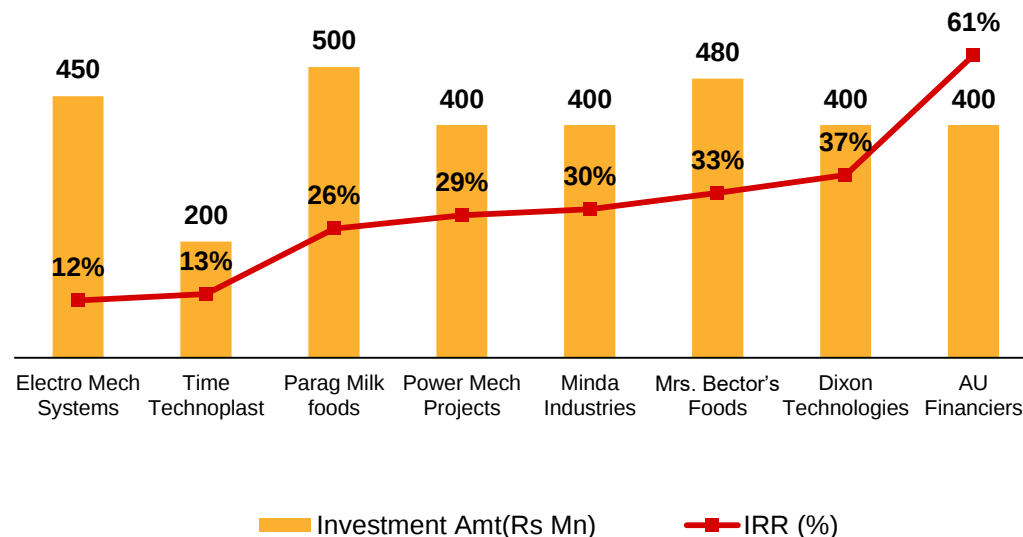


Exit period of PE funds

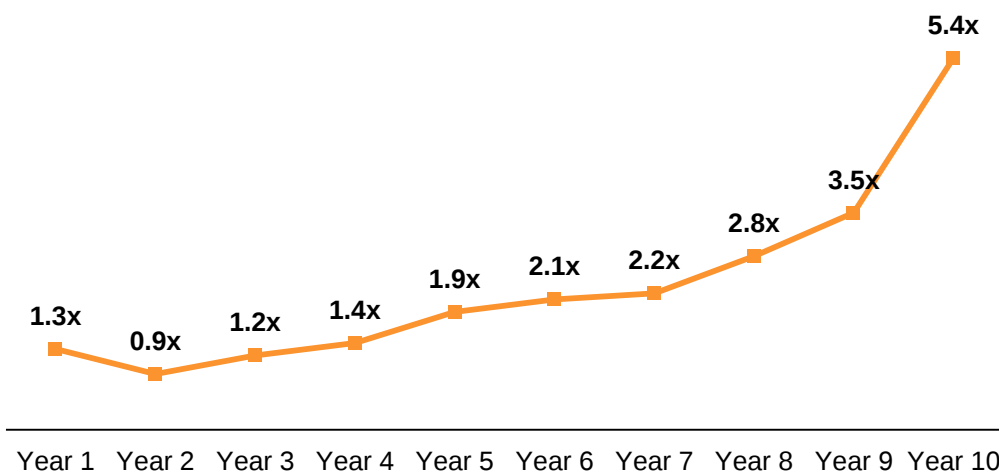


Note : * Benchmark : Emerging Markets PE and VC (upper quartile)

QGLP investments delivering higher IRR



IBEF I exits delivering 5.4x return



Wealth Management – Profitability inflection commenced

Robust Net Sales
at ~Rs 26.6 bn,
+50%

Wealth AUM
Rs 147 bn in FY18,
+46%

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

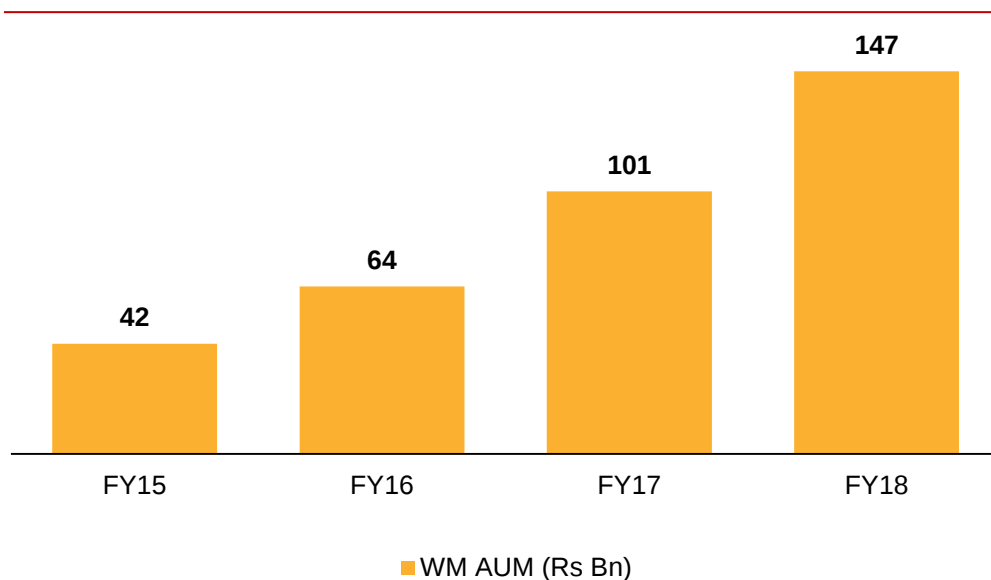
**Deepening our client
wallet-share & RM
productivity**

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
AUM (bn)	147	101	46%	153	-4%	147	101	46%
Net adds (bn)	3	4	-5%	10	-67%	27	18	50%
Total Revenues	364	242	50%	248	47%	1,059	720	47%
Total Cost	194	157	23%	170	14%	640	498	29%
C/I ratio	65%	65%	-	68%	-	65%	69%	-
EBITDA	170	85	100%	78	118%	418	223	88%
EBITDA Margin	35%	35%	-	32%	-	35%	31%	-
PBT	168	83	102%	75	123%	409	205	99%
PAT	138	51	170%	53	161%	310	132	134%

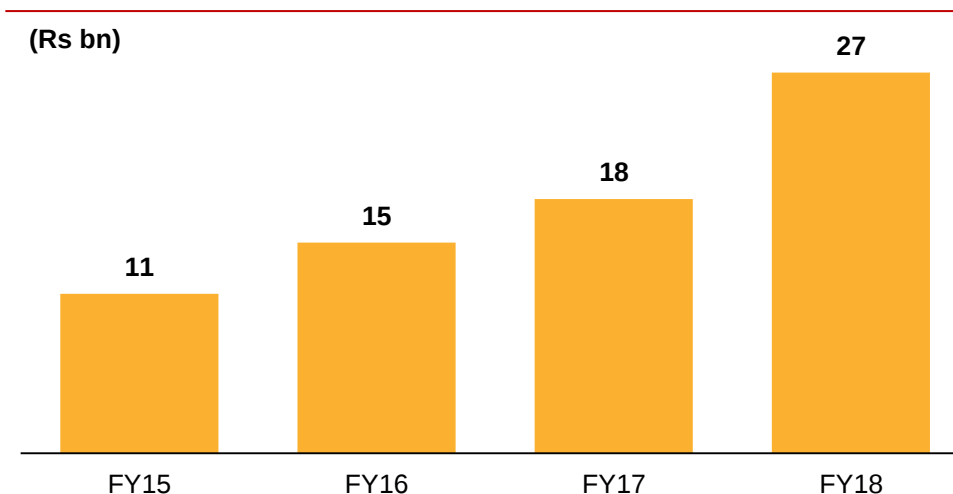
- Wealth Management has shown strong performance by registering 47% revenue growth and 134% PAT growth in FY18. This includes profit on sale of MF investment amounting Rs 67 mn in Q4FY18 and FY18
- EBITDA margin improved to 35% in FY18, up 456bps.
- RM productivity has increased in line with rising vintage
- Capacity to hire additional RMs will increase, as existing RMs' vintage increases, which will help sustain growth and drive further operating leverage.
- Yield remained robust at ~81bps in FY18, led by favourable equity mix of ~72% in total AUM.
- AUM traction is largely driven by captive products and other products from strategic funds.
- 40 RMs were added in FY18, taking total RM count to 118 (+51%).
- Inclination to invest in financial assets remains high, and headroom for growth in AUM and profit pool is enormous.

Wealth – Rise in productivity resulting in margin expansion

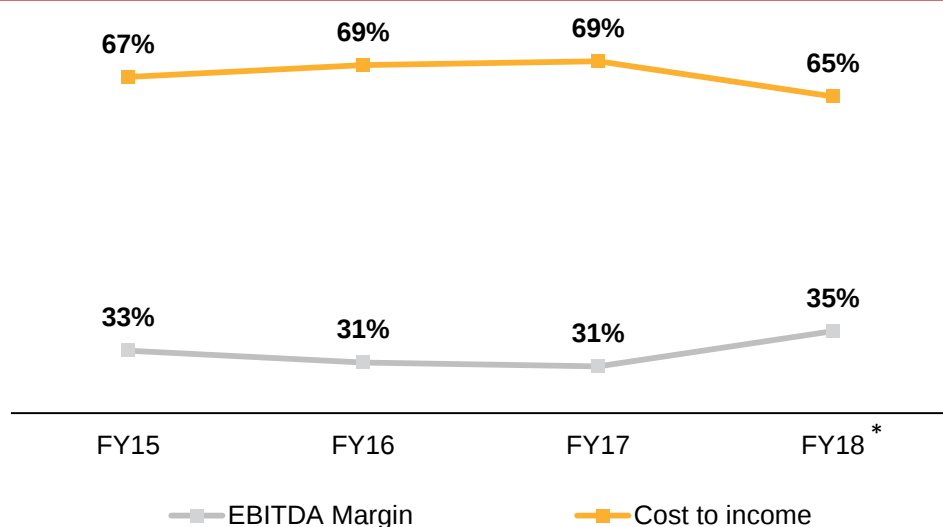
Wealth AUM growth trend



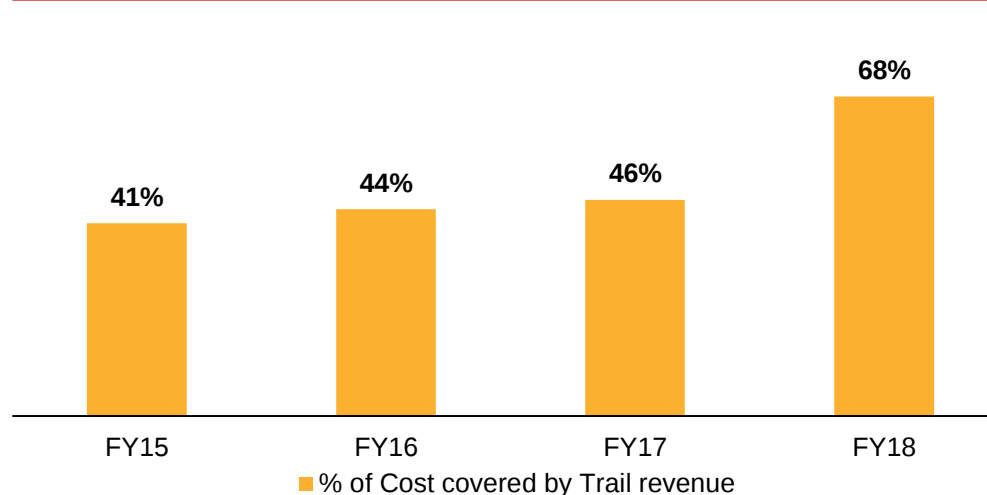
Wealth net sales trajectory



Wealth EBITDA margin and cost to income ratio



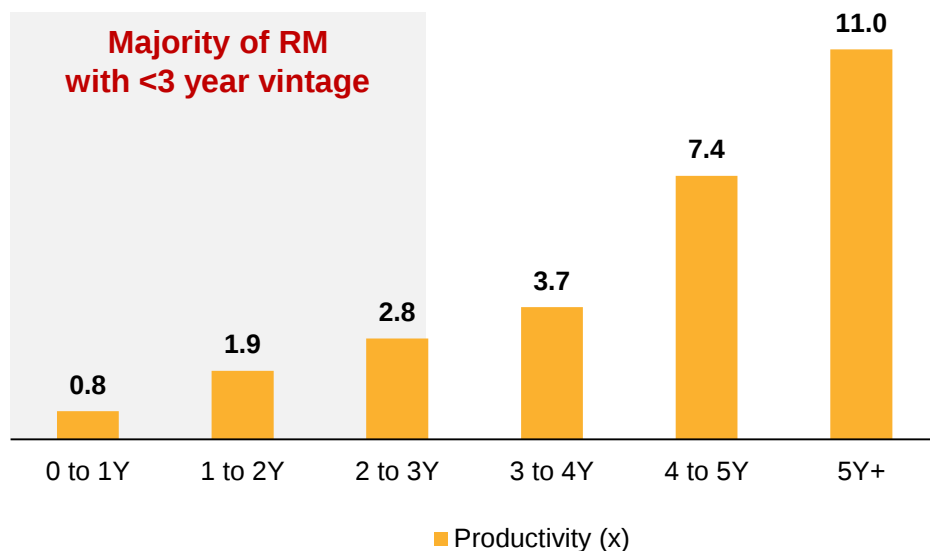
Trail income will protects margin in downturn



* Adjusted for profit on sale of MF investment

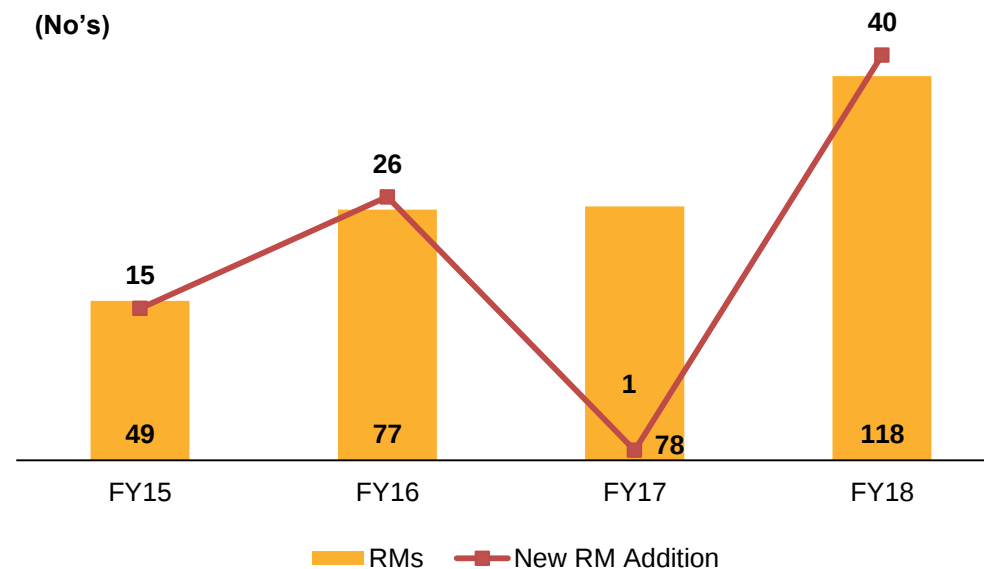
Wealth – Rise in productivity in line with vintage

Sales RM productivity in line with vintage

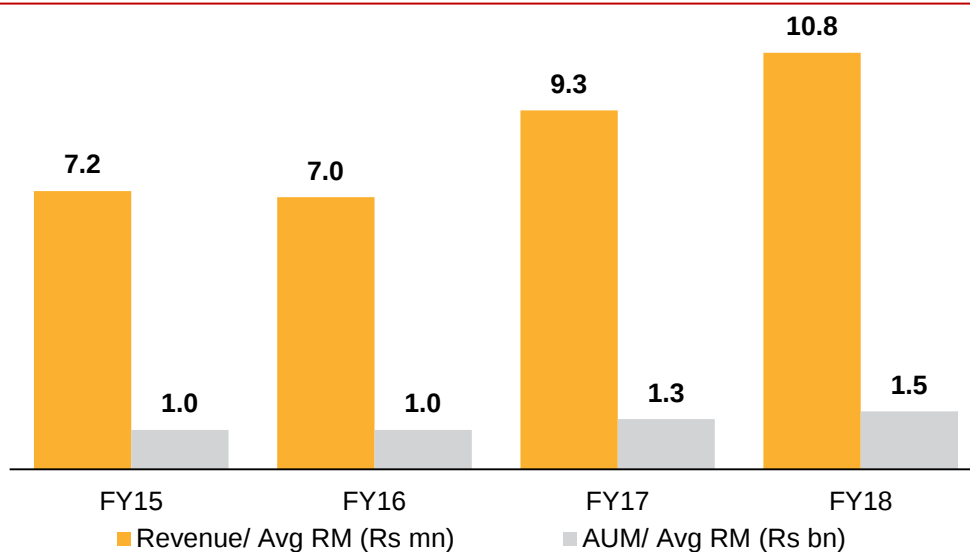


RM addition trend

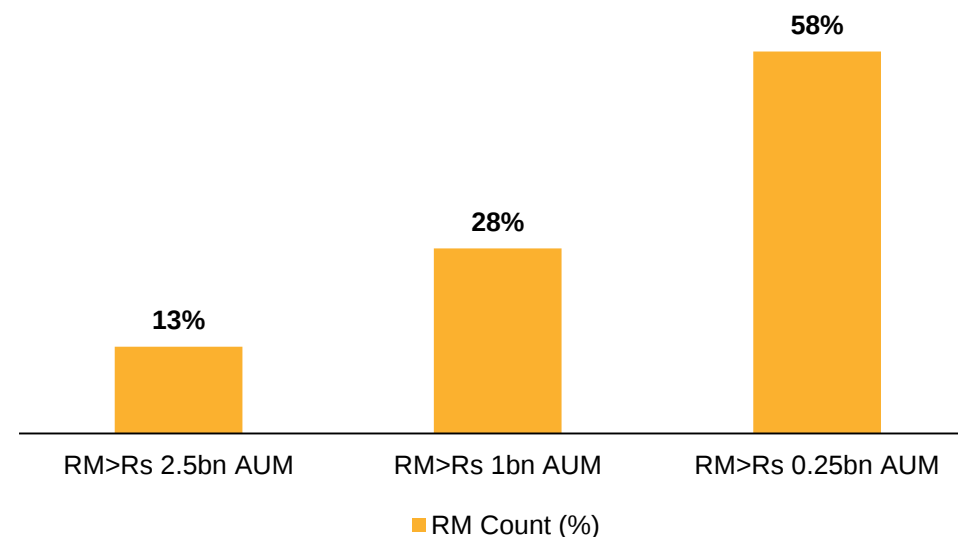
(No's)

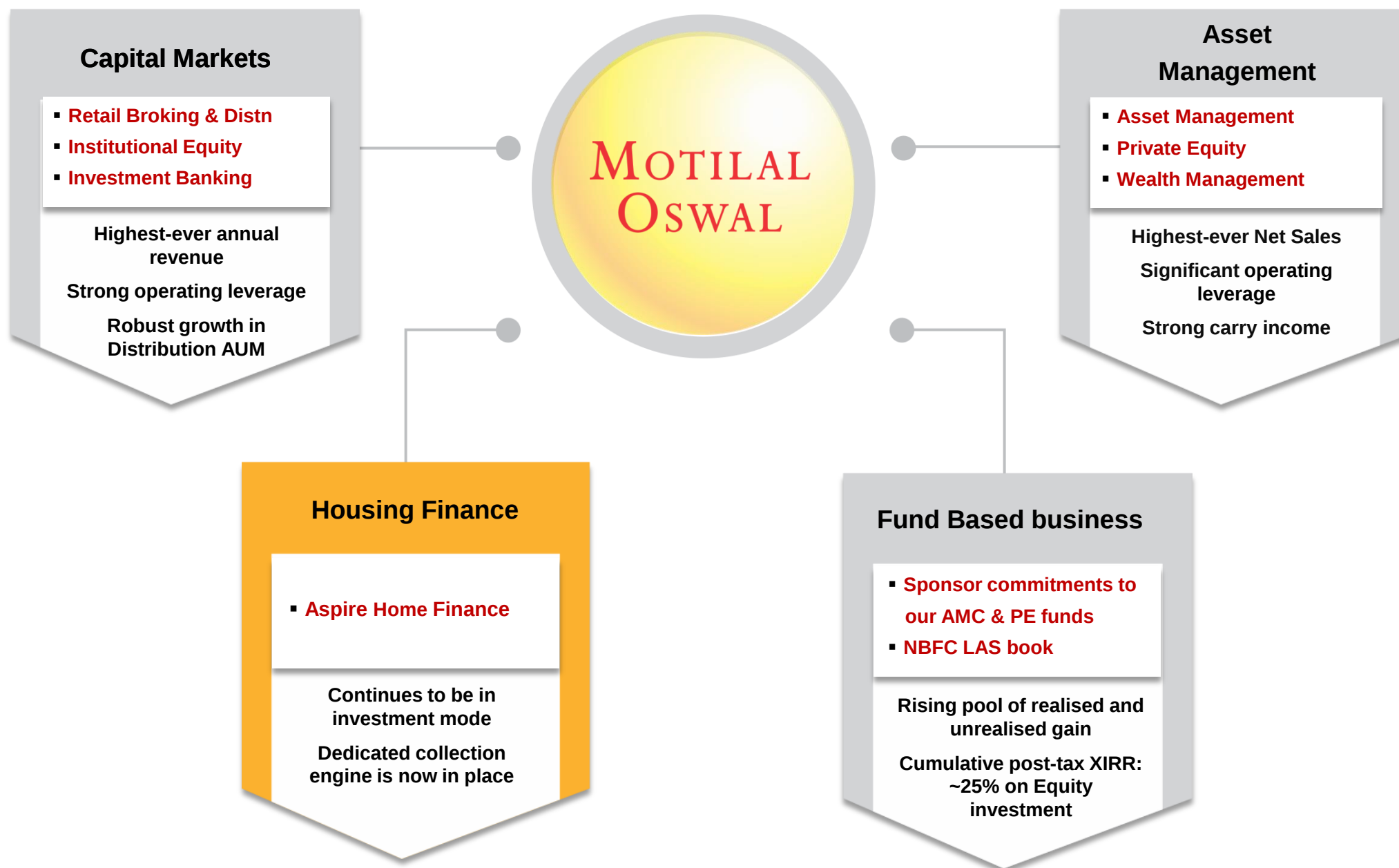


Wealth RM Productivity



RMs ability to cater higher AUM clients will rise with vintage





Loan book
Rs 49 bn in FY18,
+17%

Disbursements are
cautiously calibrated

NNPA 3.3%
PCR 35%
Credit cost 2.6%

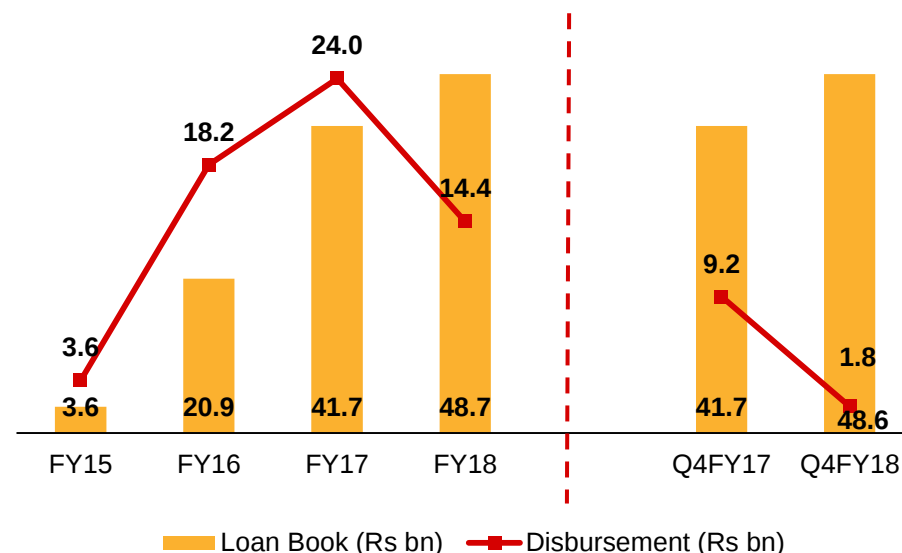
Step-up in
provisioning; plan to
continue in future

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Loan Book (bn)	48.6	41.4	17%	49.4	-1%	48.6	41.4	17%
Disbursements (bn)	1.8	9.2	-80%	2.9	-38%	14.4	24.0	-40%
Net NPL%	3.3%	0.5%		3.6%		3.3%	0.5%	
Net Interest Income (NII)	885	417	112%	423	109%	2,297	1259	82%
Other Income	94	334	-72%	78	22%	551	951	-42%
Total Income	980	751	30%	501	96%	2,848	2,209	29%
Operating Profit (Pre- Prov.)	710	481	48%	303	134%	1,766	1379	28%
PBT	-83	436	-	10	-	486	1257	-61%
PAT	-56	286	-	6	-	315	821	-62%

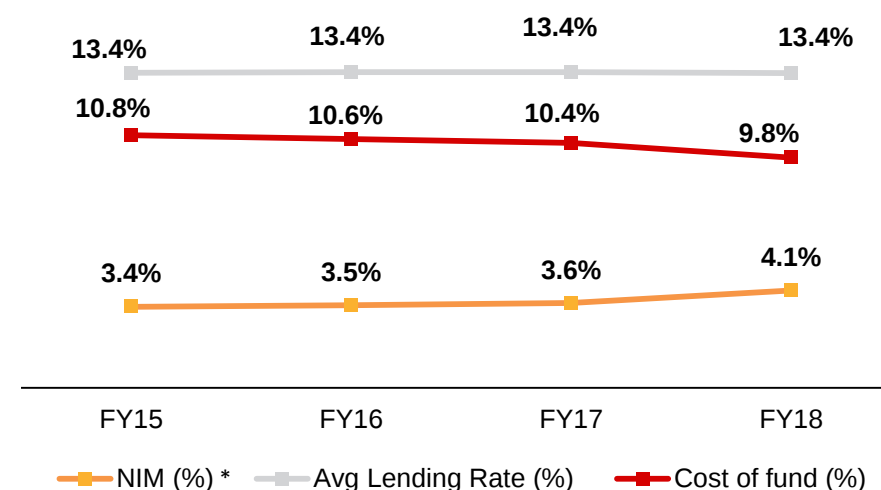
- In FY18, profit of the company declined on account of provisioning of Rs 564 mn and write-off of Rs 715 mn. NII grew 82% in FY18 and 112% in Q4FY18. This includes utilisation of securities premium accounts towards premium payable on redemption of NCD amounting to Rs 284 mn.
- Loan book grew 17% to Rs 49 bn in FY18, despite lower disbursements. We plan to grow loan book at about 15% in FY19.
- In FY18, AHFCL has accelerated provisions of Rs 194 mn over the regulatory requirements, resulting in substantial increase in PCR to 35% from 18% in FY17. Plans to increase PCR further in coming quarters.
- Asset quality deterioration in FY18 was on account of seasoning of book coupled with delay in setting up collection organisation. Further, prolonged impact of external shocks in the economy also affected asset quality. Impact of collection organisation has now started showing positive results. NPL's are expected to rise in first half and stabilise from the second half of FY19.
- Strong ramp-up in collection headcount: +60% QoQ to ~215 officers. Average age of collection officers into the system is ~35-40 days. We expect meaningful traction in collection, as their customer touch base increases in-line with their vintage.

- Disbursements in FY18 were Rs 14.4 bn versus Rs 24 bn in FY17.
- New branches added in new states in FY17 contributed 25%+ of total disbursements in FY18.
- Investments have been made in building a collection and legal organisation, while calibrating growth. This will create a strong foundation for sustainable growth.
- Management team has been strengthened with additions and changes in Heads of Credit, Technical, Collections, Operations, HR, Business Process & Quality and Compliance. We expect to continue to strengthen the team further in the coming quarters.
- Margins stood at 4.1% in FY18 versus 3.6% in FY17. This margin expansion, despite interest reversals, was on account of lower cost of funds.
- Average cost of borrowing declined from 10.4% in FY17 to 9.8% in FY18, due to efficient borrowing strategy aided by favourable capital market movement.
- Diversified liability profile, with ~54% from NCDs and ~46% from bank loans as of March 2018. 28 banks extended credit lines and NCDs were allotted to 22 institutions as of March 2018.

Loan book and disbursement trend (Rs bn)

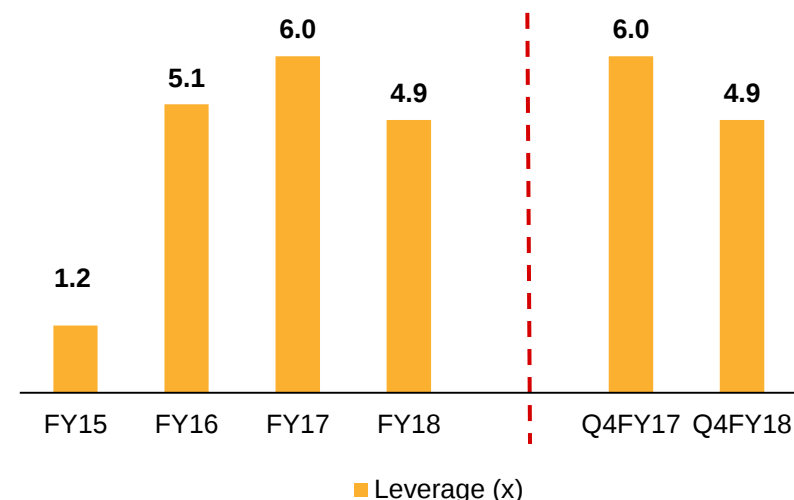


Margins trajectory

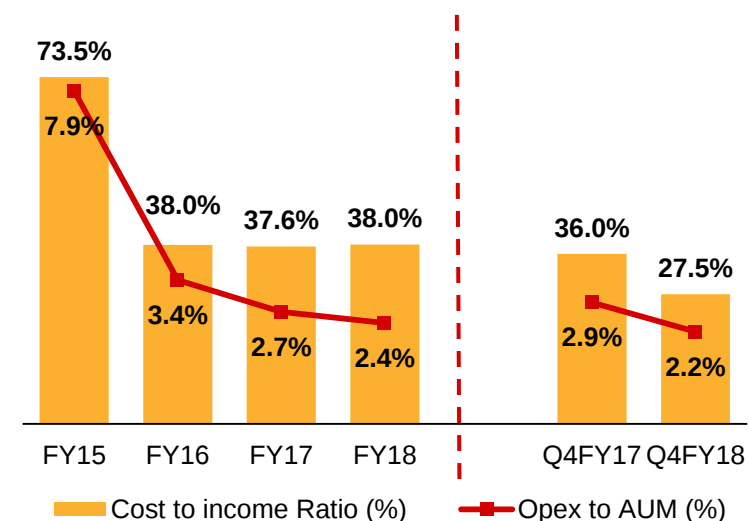


- Average ticket size is Rs 0.9 mn, with loans extended to more than ~57,000 families, as AHFCL is focused on the affordable housing segment. Average LTV of the book is <59%; overall FOIR remains at a comfortable level of 46%.
- Credit ratings are CRISIL A+ Stable and ICRA AA-. Gearing remains conservative, with Debt-Equity ratio at 4.9x.
- Increase in collection and legal headcount (~215, +60% QoQ) coupled with upgradation and refurbishment of old branches resulted in Cost-Income ratio of 38% in FY18. This expansion is expected to yield results in the near future.
- Branch expansion is being pursued in the new states where we commenced operations a year ago.
- Cumulative capital infusion from sponsor is Rs 6.5 bn and net worth is Rs 8 bn, as of March 2018. Rs 500 mn equity capital has been infused during the quarter and we are committed to provide further capital as the business scales up. We remain confident of the long term outlook of the home finance business.
- 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.
- Aspire has been awarded the second prize for “Best Performing PLI (prime lending institution) under PMAY by MHUPA (Ministry of Housing and Urban Poverty Alleviation)”.

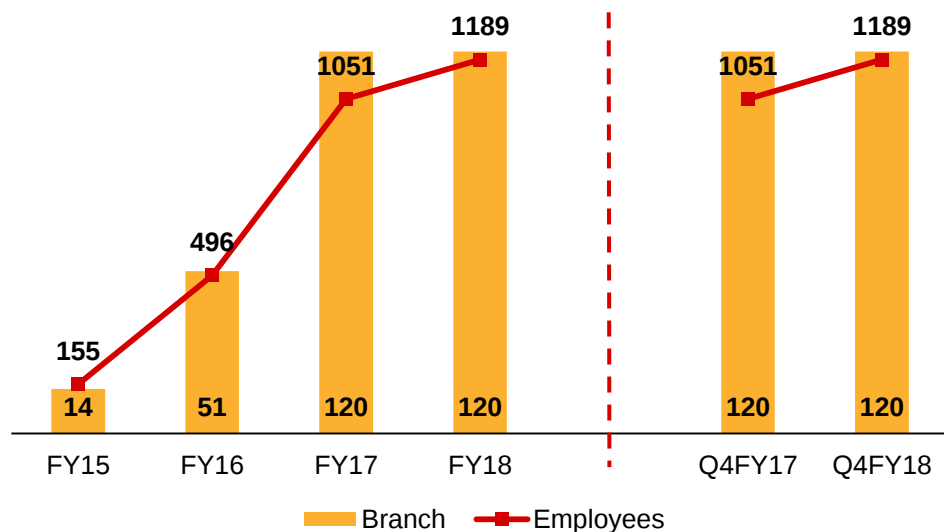
Low gearing



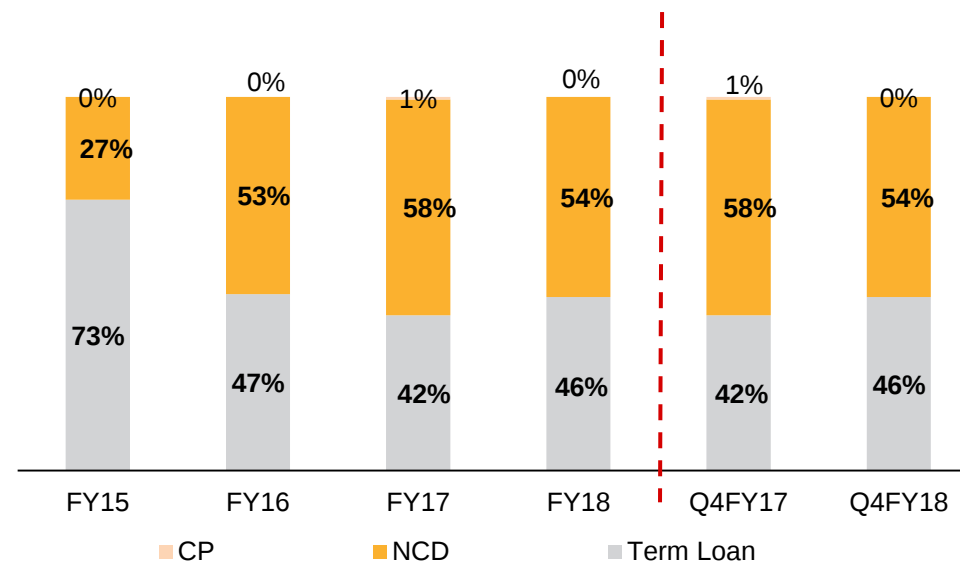
Higher opex resulting from investment mode



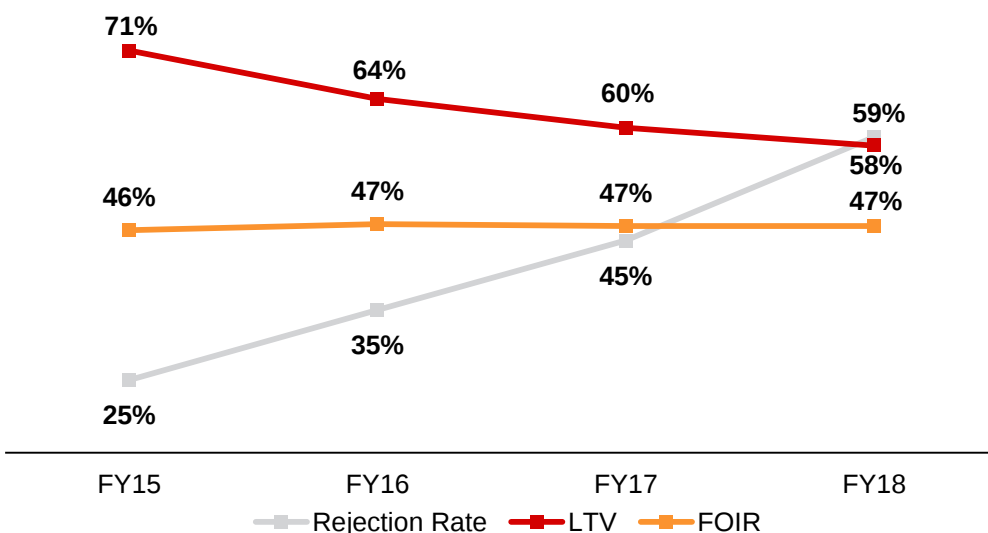
Higher investment in manpower



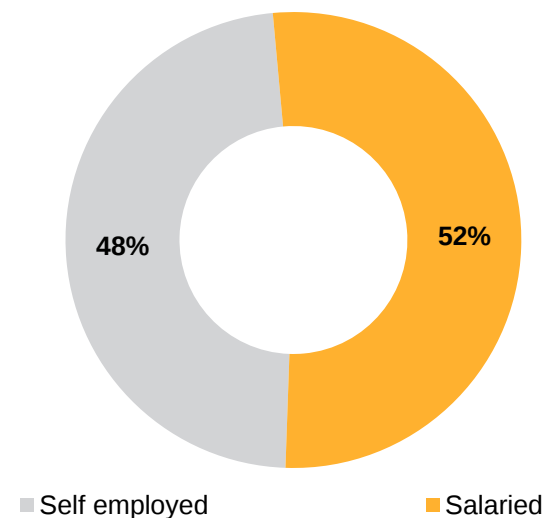
Diversified liability mix trend



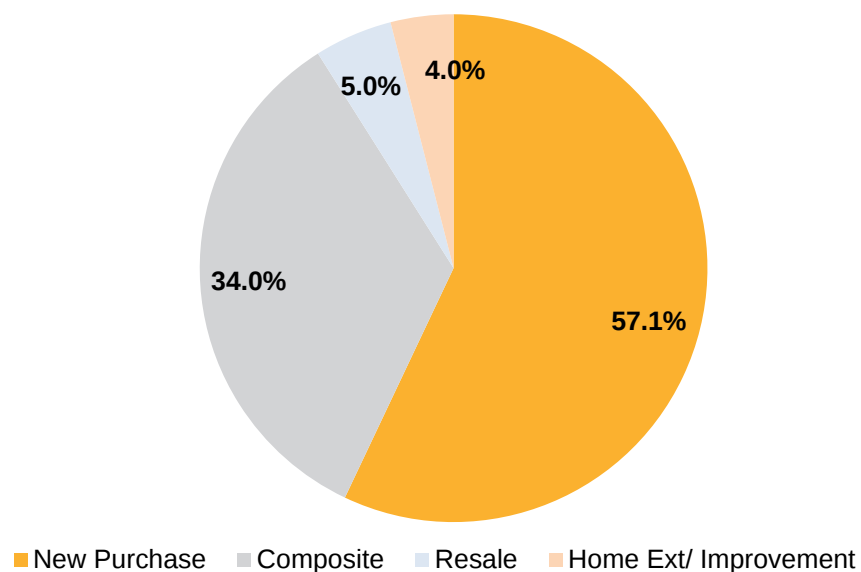
LTV of 58% and FOIR of 47%



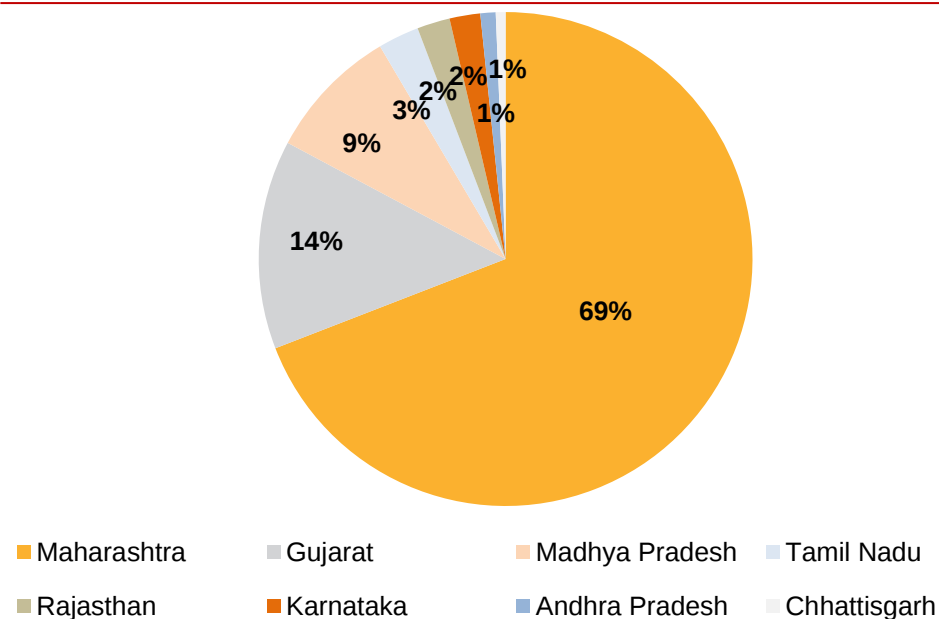
Balanced customer mix (%)



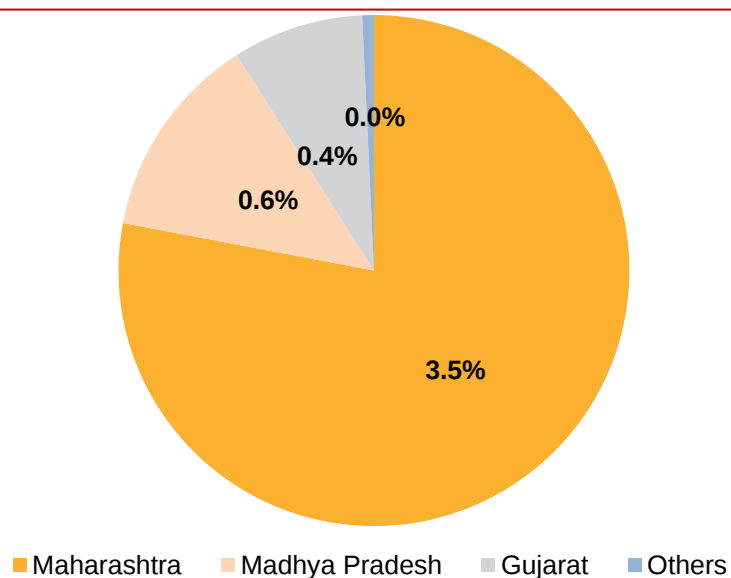
Loan book - Product mix



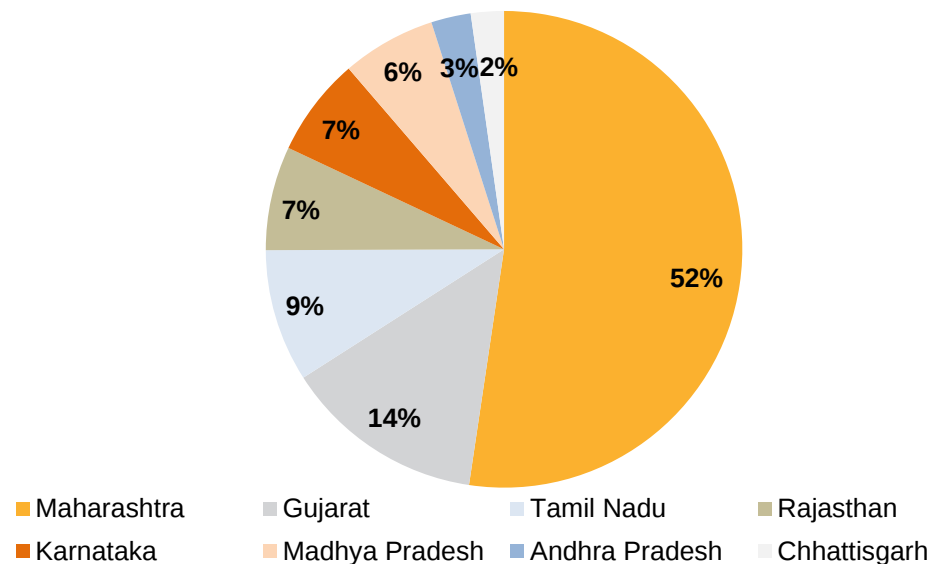
State wise loan book mix



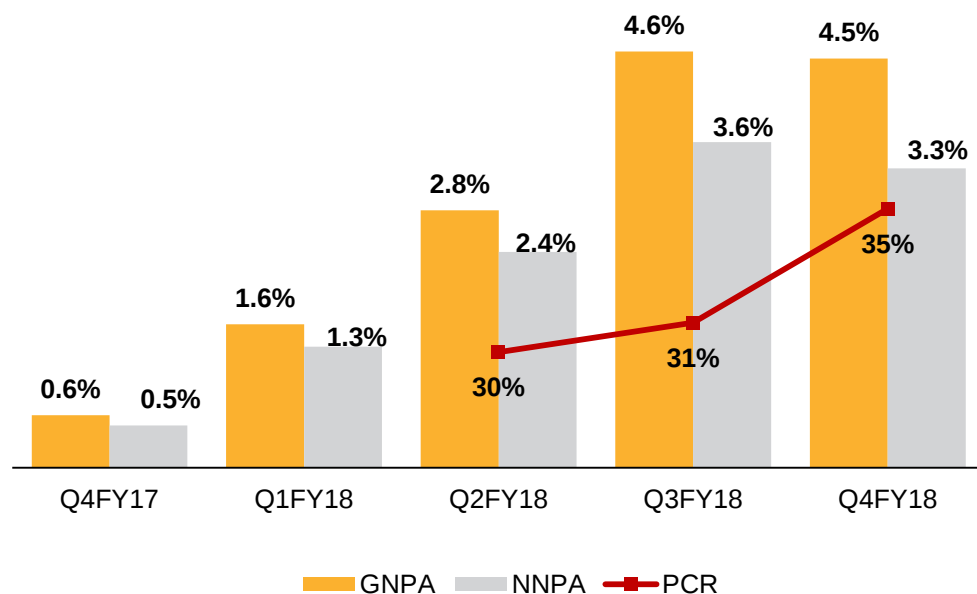
State wise GNPA break up



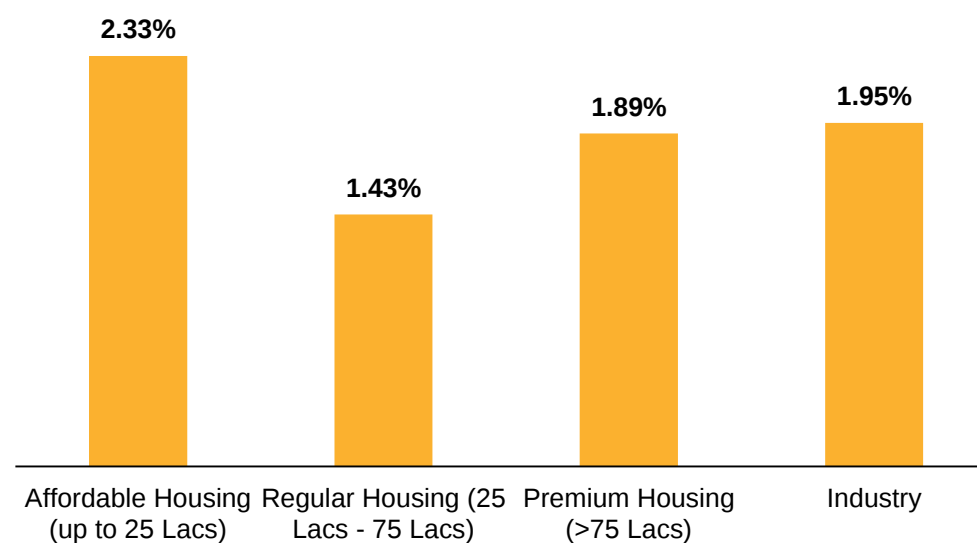
State wise disbursement – Rising new state contribution



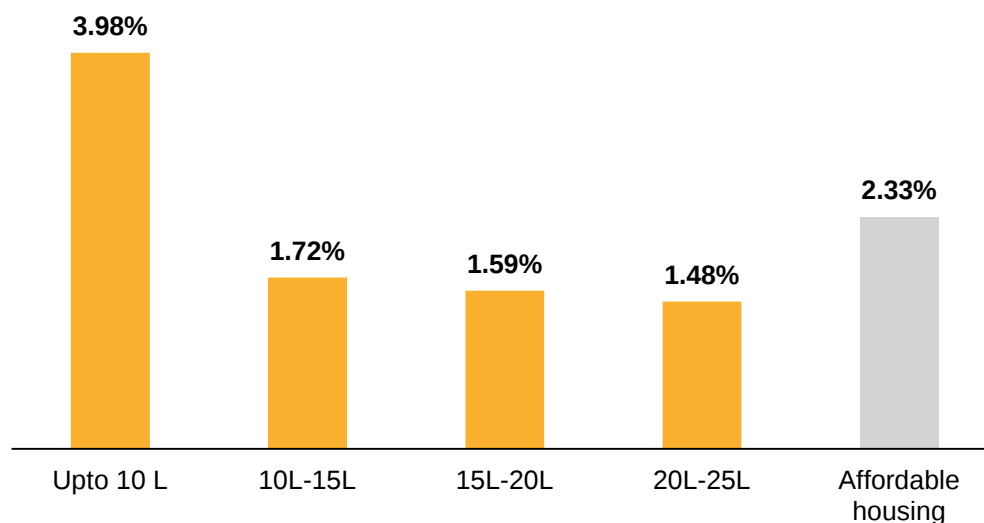
Aspire's GNPA and NNPA trend



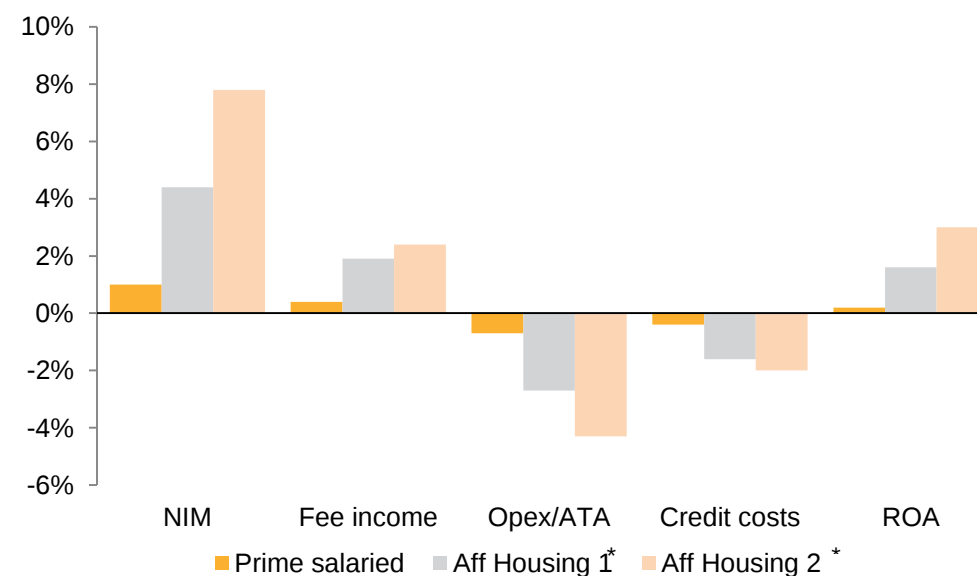
NPA in Affordable segment is high



NPA is highest in less than Rs10 Lakhs Ticket size



Industry's expected profitability from various customer segments



Source: CRIF report, Nov -17.

* Note : Aff housing 2 < Rs 10 lakhs and Aff housing 1 - Rs 10 lakhs to 25 lakhs

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

Pricing Model

Started with differentiated pricing model

Risk based Pricing

Rolling out risk based pricing model

Legal and Technical

Captive legal and technical team at cluster level.

Defining radius

Defined branch radius for loan sourcing

Systems

Strengthening of credit process aided by system, process and technology



Collection

In-house Collection

Set up in-house collection team of 215+ officers

Collection app

Rolled out collection app with geo tagging feature

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

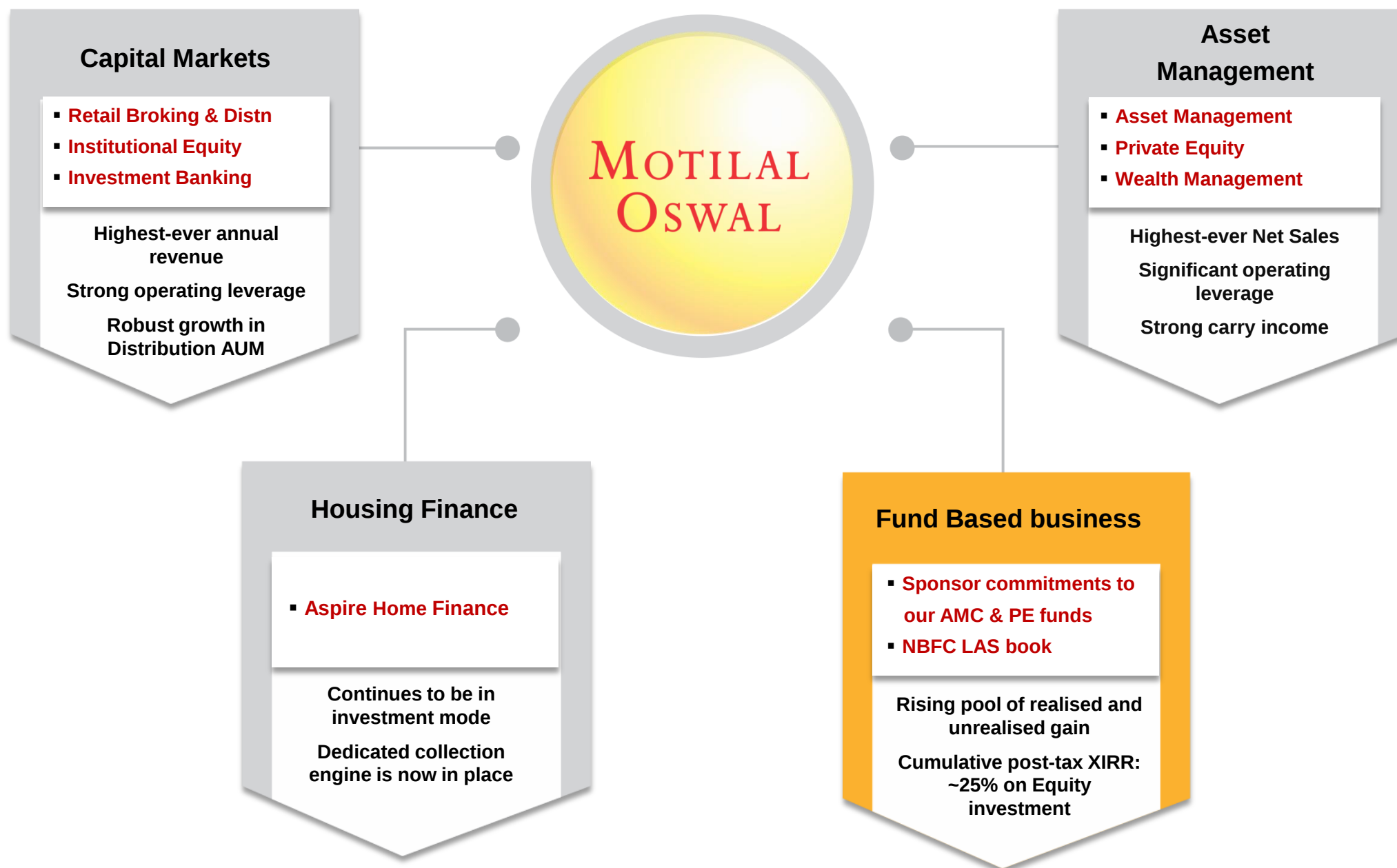
Started online payment gateway for customers

Fee focus

Started fee based services for customers

NACH Process

100% of accounts are registered for NACH



Fund Based business – Significant unrealised gains

MOFSL Standalone

Investments in
quoted equity at cost
Rs 9.8 bn

Particulars (Rs mn)	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	FY18	FY17	YoY (%)
Total Revenues	280	205	37%	780	-64%	2,243	1,763	27%
EBITDA	224	155	45%	723	-69%	2,029	1,569	29%
PBT	141	60	136%	633	-78%	1,642	857	92%
PAT	131	58	124%	509	-74%	1,314	863	52%

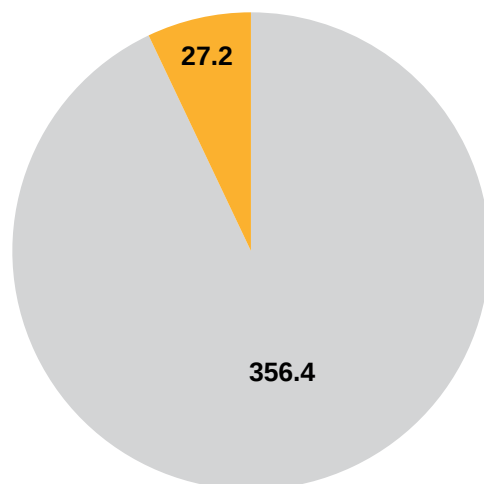
Unrealised gain on
quoted equity
investments: Rs 5.6
bn (not included in
P/L)

- In FY18, profit from fund based business was Rs 1.3bn, +52%, led by share of profits and sponsor gain from PE exits. However, PAT was lower sequentially due to lumpy nature of profit from PE business.
- Unrealised gain on quoted equity investments as of March 2018 is Rs 5.6bn, which is not included in earnings yet. Overall RoE is 27% excluding unrealised gains (reported) and 31% including unrealised gains.
- Reported RoE in fund based business is 12%. Post-tax cumulative XIRR on equity investments is ~25% (since inception), validating the long-term performance track record of our QGLP philosophy.
- 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.
- We also provide loans against shares (LAS) from our NBFC. This is run as a spread business with book size of Rs 1.8 bn.

Investments in MO
PE/RE funds (at
cost): Rs 2.7 bn

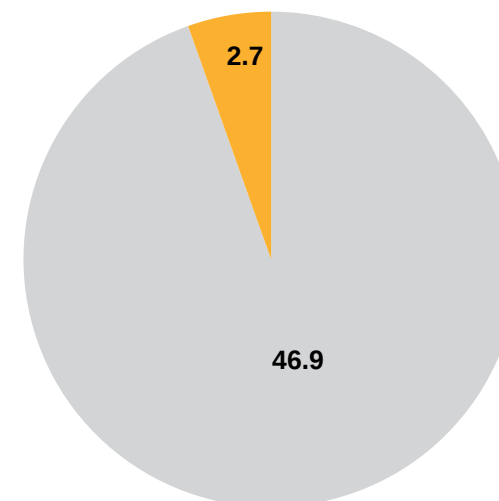
Fund Based business – Skin in the game

Skin in the game in AMC



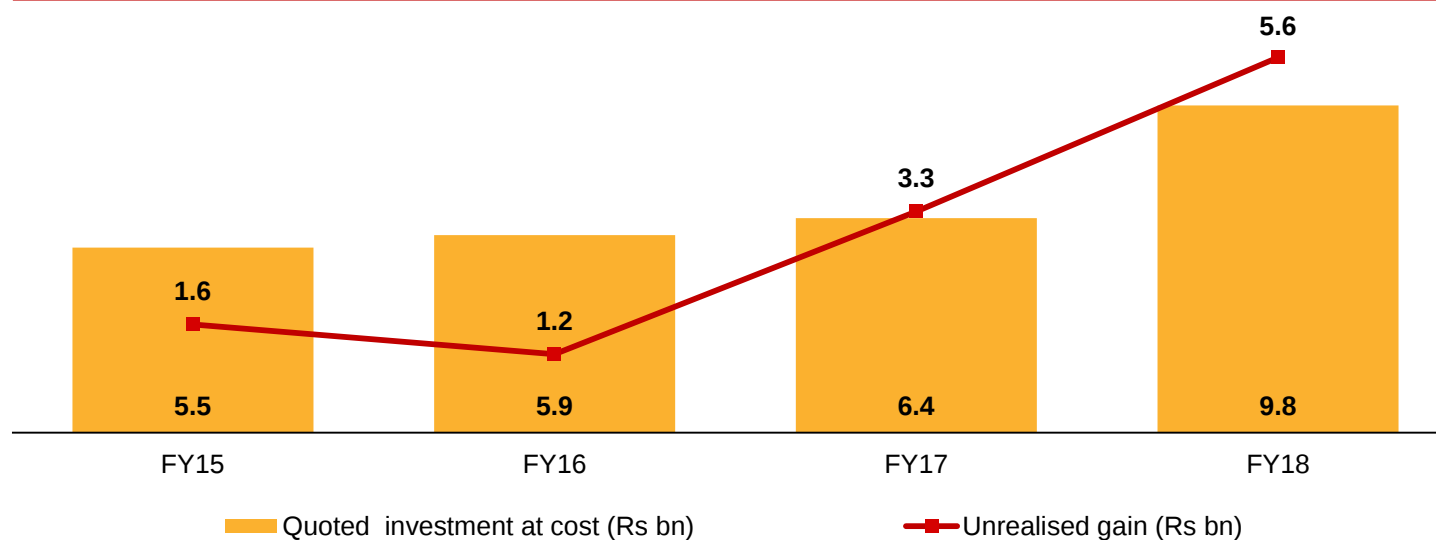
■ AMC AUM (Rs bn) ■ Sponsor & Promoter AUM in AMC (Rs bn)

Skin in the game in PE



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

Unrealised gain from quoted equity investments



Ad Campaigns – Significant step up; well received by customers

MOFSL's "Think Equity Think Motilal Oswal" Won Best Ad Award in BFSI space

LESS IS MORE

When you look at mutual funds available for investing, you are intimidated by a plethora of over 2000 options. Sometimes mind boggling choice itself makes us fearful to choose, lest we go wrong!

At Motilal Oswal Mutual Fund, we believe in the power of focus. We have only 5 high quality equity mutual fund schemes to choose from. Each with a concentrated portfolio consisting of not more than 20-25 stocks at any point of time. We believe investing is about picking correctly from highly differentiated choices and not about playing a "spot the difference" contest with poorly defined choices.

After all, focus brings mastery. And mastery makes things simple for you.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

FOCUS. MASTER. SIMPLIFY.

When you look at equity mutual funds available for investing, you are intimidated by a plethora of options; over a 2000. Sometimes mind boggling choice itself makes us regret later and wonder did we pick the right one whilst making numerous hindsight comparisons like "if only I'd picked that one over this one!"

At Motilal Oswal Mutual Fund, our focused approach to equity investing has ensured that we have only 5 equity mutual funds to choose from. After all, focus builds mastery. And mastery makes things simple for you.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

THE PARADOX OF CHOICE

Sometimes mind boggling choice itself makes it confusing to choose. Like in mutual funds where you get intimidated and confused by a plethora of over 2000 options. Mutual Funds are not toothpastes, soaps or shampoo! That's the paradox of choice.

At Motilal Oswal Mutual Fund, we focus only on equity with a focused equity investing process and focused set of only 5 equity mutual funds to choose from. After all, focus builds mastery. And mastery makes things simple for you.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

WHEN YOU FOCUS ON ONE THING FOR 30 YEARS, YOU MASTER IT.

At Motilal Oswal, we have spent 30 years focusing on just one thing – creating wealth for our investors. We have created a unique 30-year process to select the best equity mutual funds and provide you with the best equity mutual fund investments. We have created a unique 30-year process to select the best equity mutual funds and provide you with the best equity mutual fund investments.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

YOU CAN'T BEAT THE MARKET, IF YOU BUY THE MARKET

Over diversification can have adverse effects on your equity portfolio. An investor who chooses to own a bunch of 8-10 funds equivalent to 300 unique stock portfolio would end up owning 88% of the market. Needless to say, if you buy the market, you can't beat the market. To beat the market one needs to stick to the stock out and make some high conviction choices and that's what we enable for you.

At Motilal Oswal Mutual Fund, we have only 5 equity mutual funds, i.e. Large Cap, Mid Cap, MultiCap, ELSS and Dynamic Equity to reflect the right investment universe. At no point in time do we go beyond 20-25 stocks in the portfolio.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

**EQUITY FOCUS
PROCESS FOCUS
PRODUCT FOCUS**

When you look at equity mutual funds available for investing, you are intimidated by a plethora of options; over a 2000. Sometimes mind boggling choice itself makes it confusing to choose!

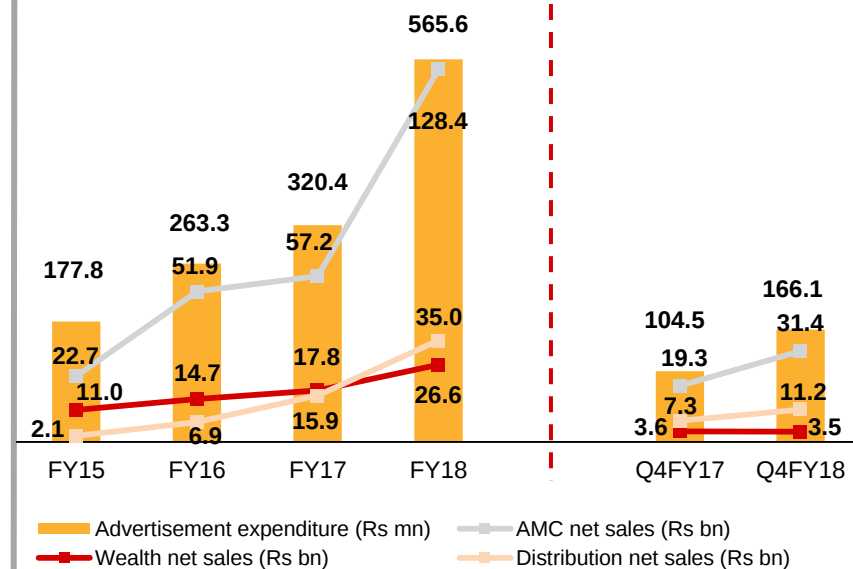
At Motilal Oswal Mutual Fund, we focus only on equity with a focused equity investing process and focused set of only 5 equity mutual funds to choose from. After all, focus builds mastery. And mastery makes things simple for you.

SCAN FOR MORE

THINK EQUITY
THINK MOTILAL OSWAL

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Marketing spends supporting strong growth



Awards and Accolades



INDIA BUSINESS LEADER AWARDS

IBLA

‘BRAND OF THE YEAR’

Motilal Oswal Financial Services



Raamdeo Agrawal, JMD MOFSL receiving the award from Arundhati Bhattacharya - Ex CMD, State Bank of India and Aruna Sundararajan - Telecom Secretary and Chairman of the Telecom Commission

AIMA

ALL INDIA MANAGEMENT ASSOCIATION

‘OUTSTANDING INSTITUTION BUILDER’

Mr. Motilal Oswal awarded the ‘Outstanding Institution Builder’ at the 9th AIMA Managing India Awards



MOTILAL OSWAL Financial Services

BFSI

GREAT PLACE TO WORK®

2018

Best Workplaces™

Top 15

MOTILAL OSWAL WINS ‘GOLD’ FOR MARKETING EFFECTIVENESS AT THE GLOBAL ACEF CUSTOMER ENGAGEMENT AWARDS



ACEF In Association with CNBC आवाज़



Awarded for our ‘THINK EQUITY. THINK MOTILAL OSWAL.’ TV Ad

MOTILAL OSWAL TV AD WINS 3 AWARDS AT THE ABBY AWARDS FOR CREATIVE EXCELLENCE



ADVERTISING AGENCIES ASSOCIATION OF INDIA tnc The Advertising Club



The ABBY AWARDS are the Oscars of Indian ad awards to honour creative excellence in advertising. Our ‘THINK EQUITY. THINK MOTILAL OSWAL.’ TV Ad wins 3 ABBYS. 2 Silvers for Audio-Visual Short Film - Services & Corporate/Media/Entertainment categories (No Gold awarded). Plus 1 Bronze in Video Craft- Direction awarded to Nirvana Films (No Gold or Silver awarded).

Motilal Oswal Financial Services Limited gets Hot 50 Brands Award by Paul & Writer at Mumbai Brand Summit



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.



Anil Sachidanad, CEO – Housing Finance

Mr Sachidanand is an MBA. He is a veteran with over 28 years in the Home Finance business in India and the United States. He joined MOFSL Group in 2014.



Anil Nair, Deputy MD – Housing Finance

Mr Nair is a veteran in the Housing Finance industry. He has over 18 years of experience in business development, strategic planning, sales & marketing and key accounts management..



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.



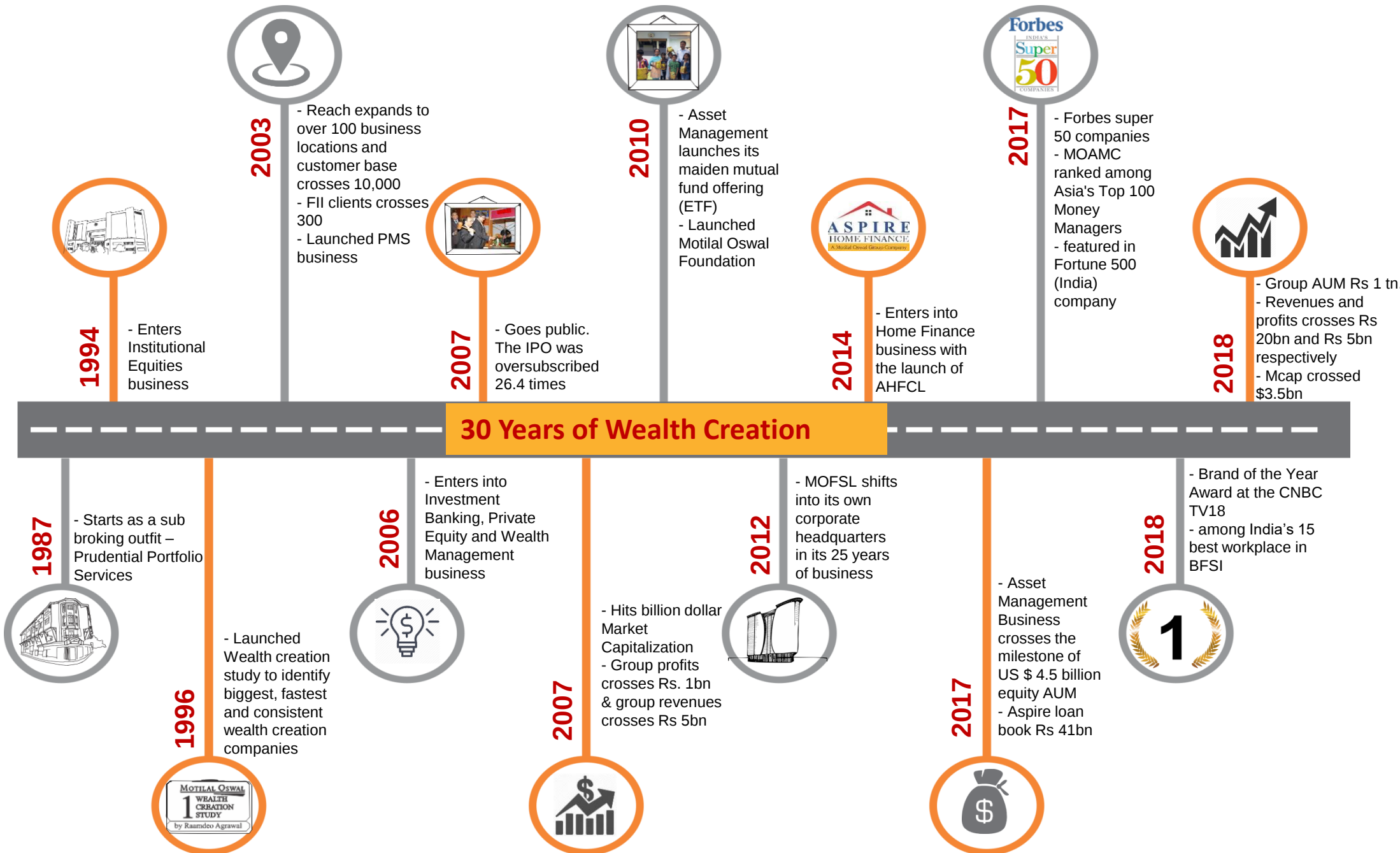
Smita Gune, Independent Director (AHFCL)

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

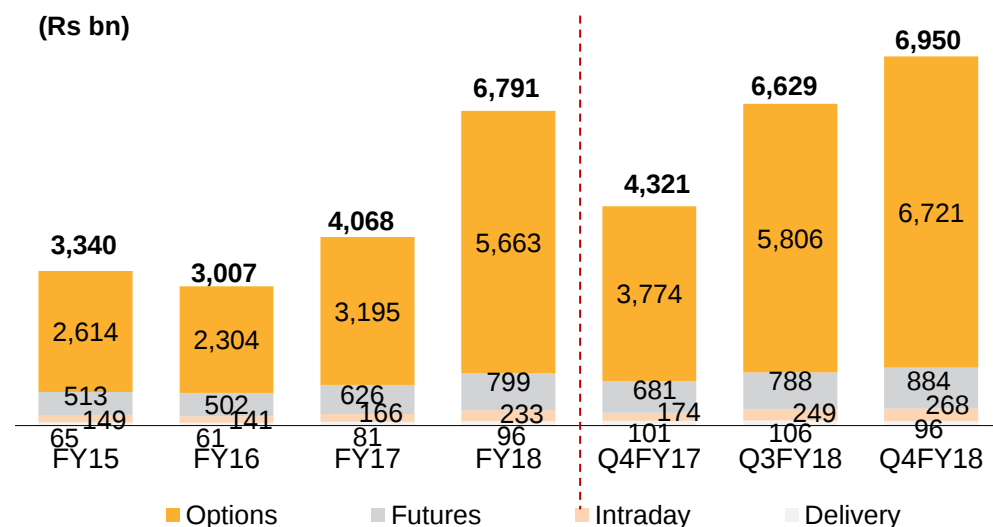
Financials

Businesses

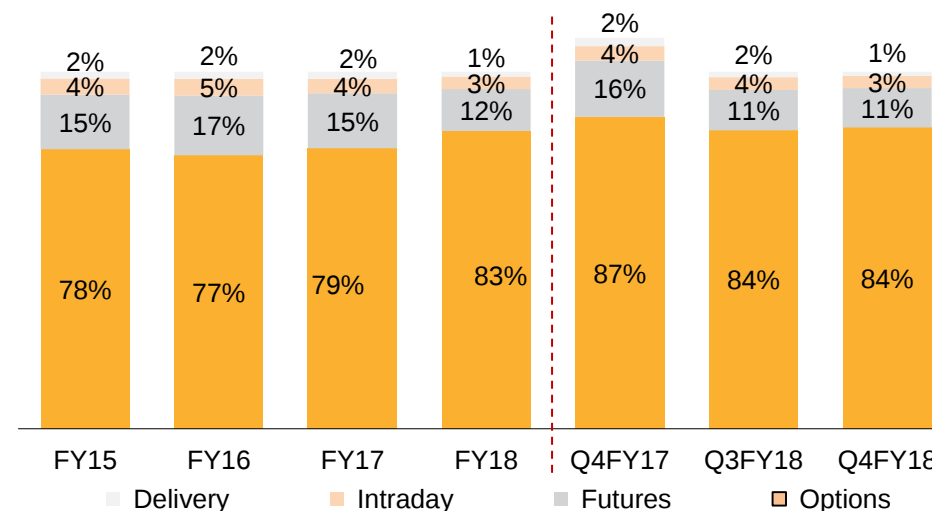
Interesting Exhibits

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

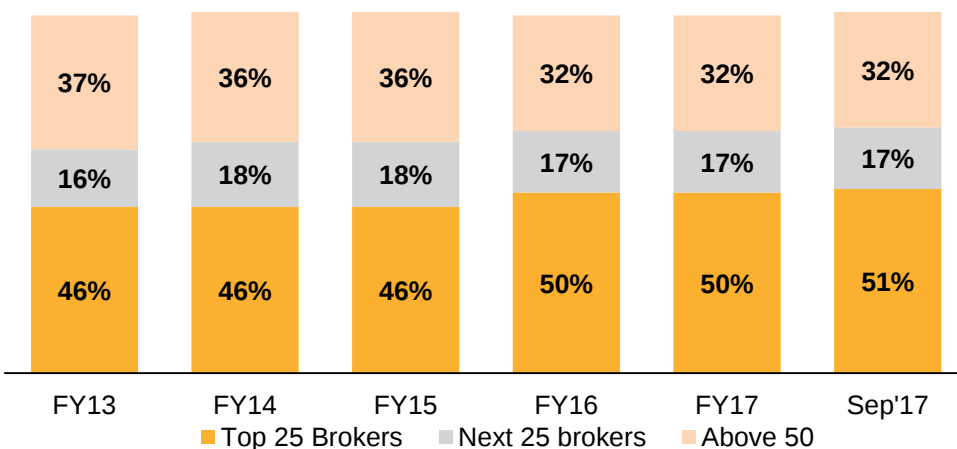
Market ADTO is on a high in Q4FY18



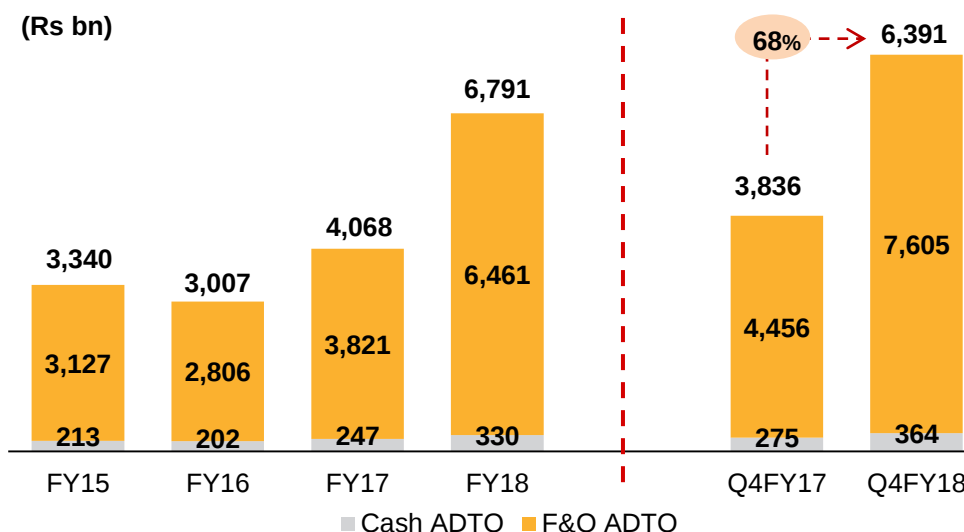
Proportion of retail volumes has increased in Q4FY18



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

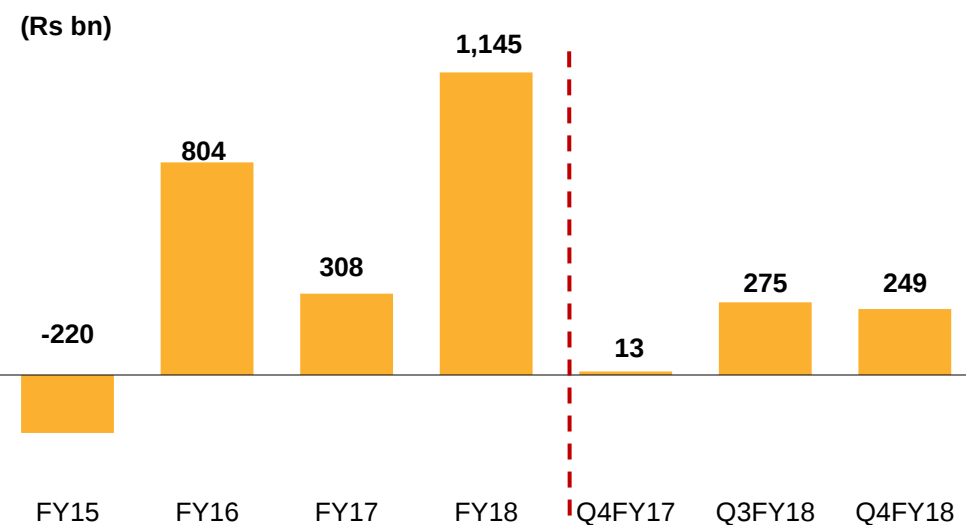


Market ADTO – Cash and F&O

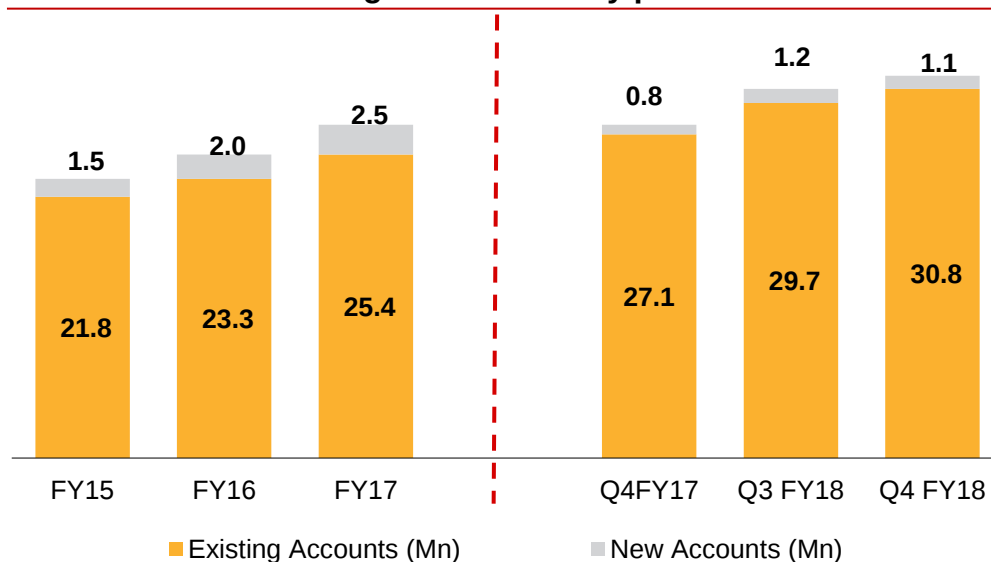


DII clock healthy inflows; Higher-value IPOs pick up

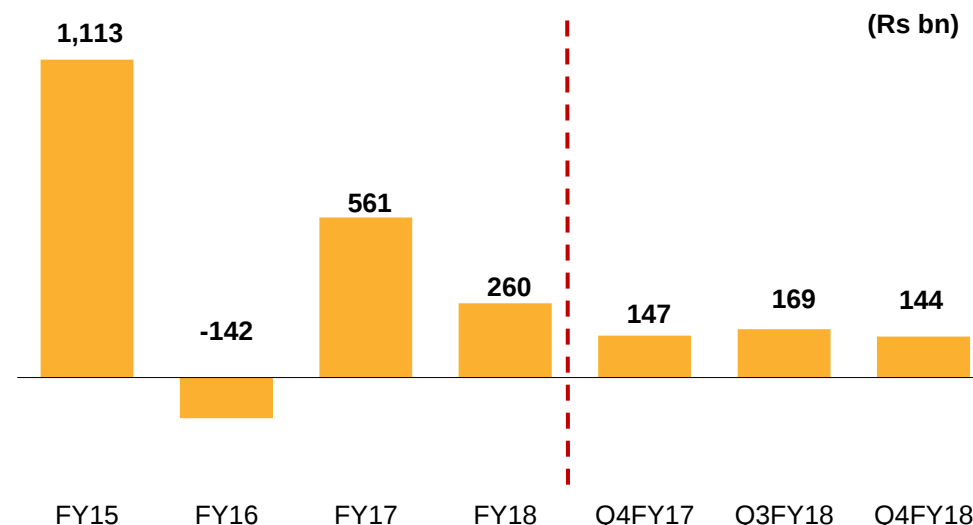
FII net inflows



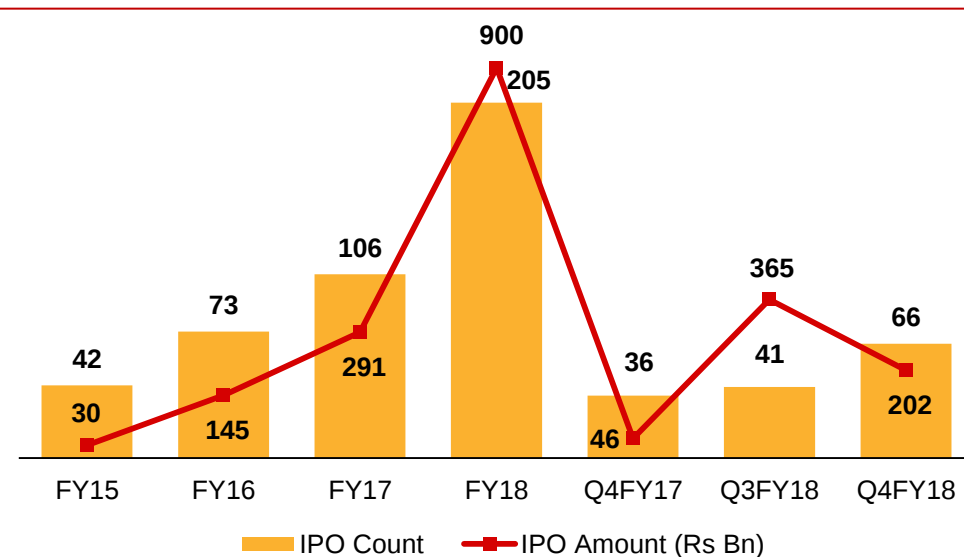
As momentum in IPO activity continued, incremental Demat accounts continued to grow at a healthy pace



DII net inflows



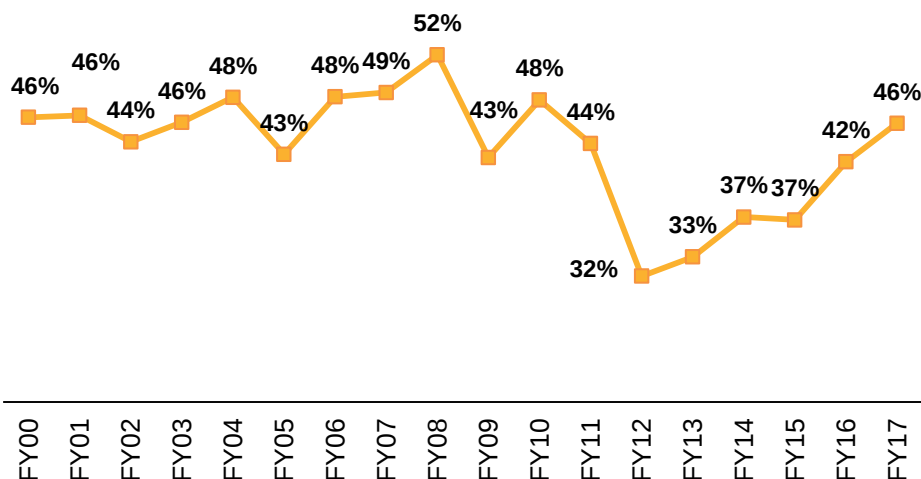
IPO raising has picked up since the last FY15



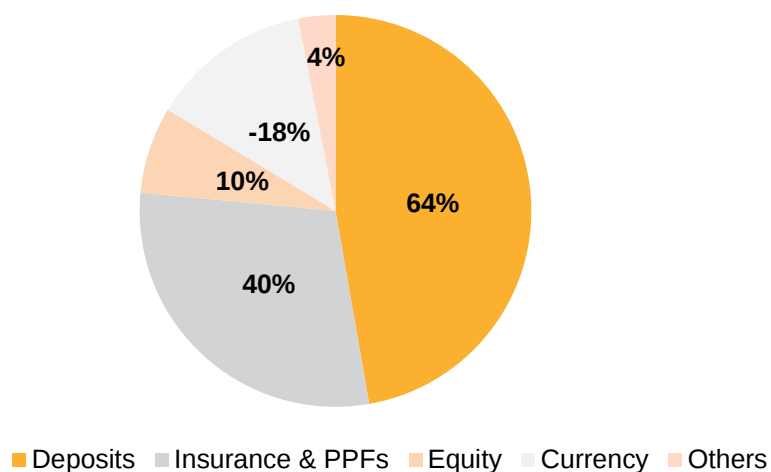
Asset Management – Financialisation of savings wave...

Higher financial savings signifying opportunity for MFs

(% of household savings)

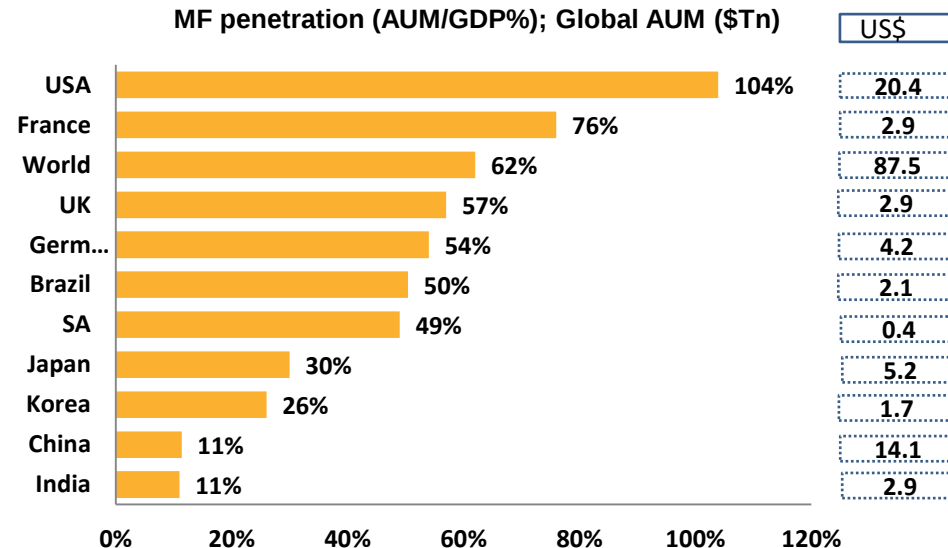


Equities are underpenetrated within Indian financial savings



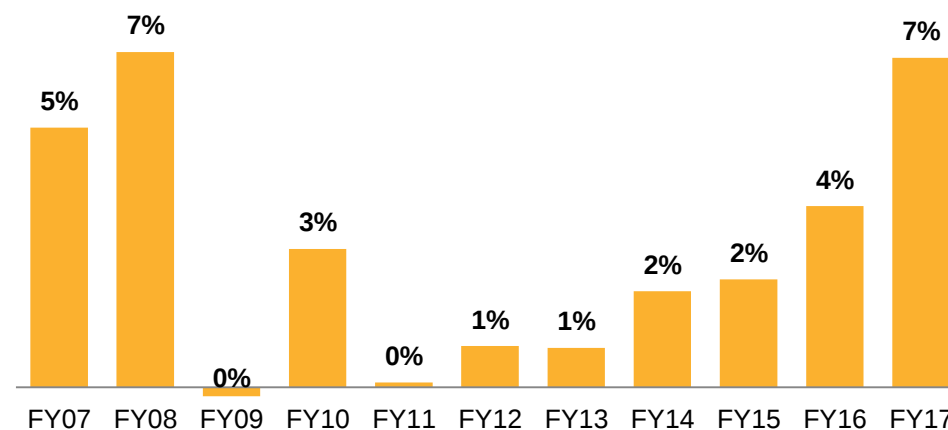
Low penetration of MFs provides headroom for growth

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



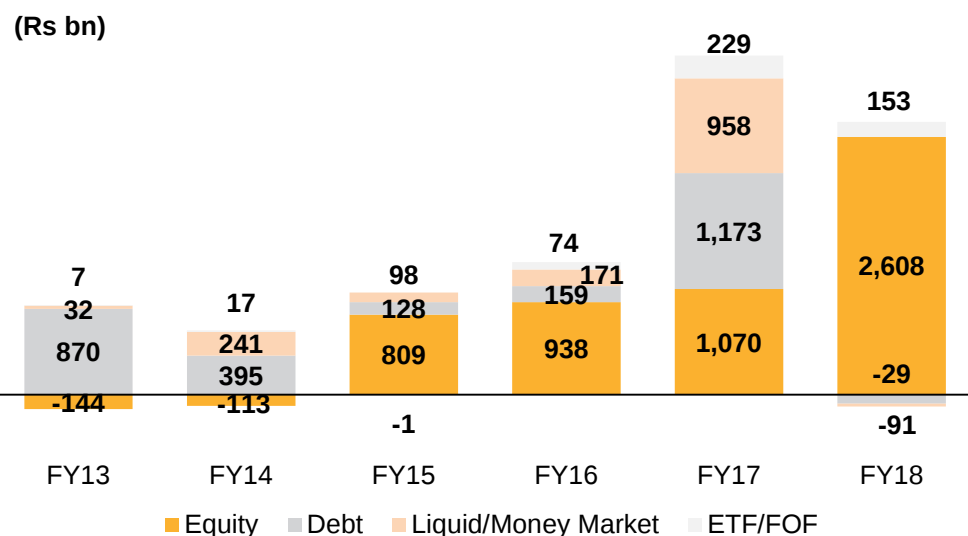
Equity assets of households are rising in recent years

(% of household assets)

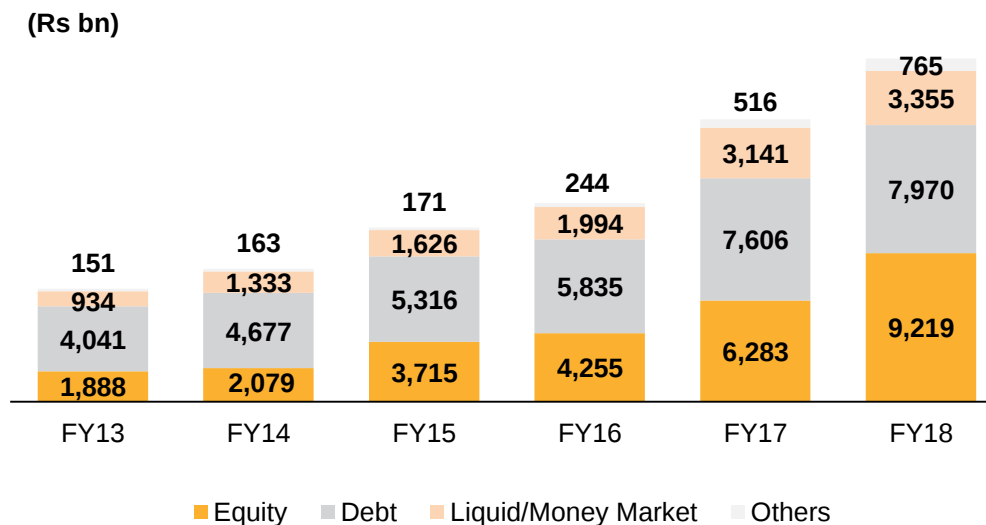


Asset Management – Stickiness of Equity asset class

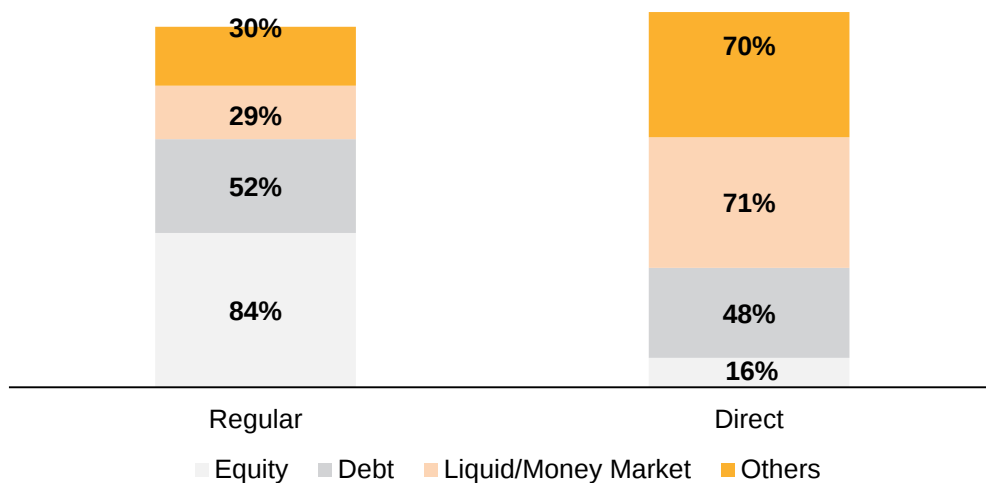
Equity-oriented funds lead the charge in net inflows



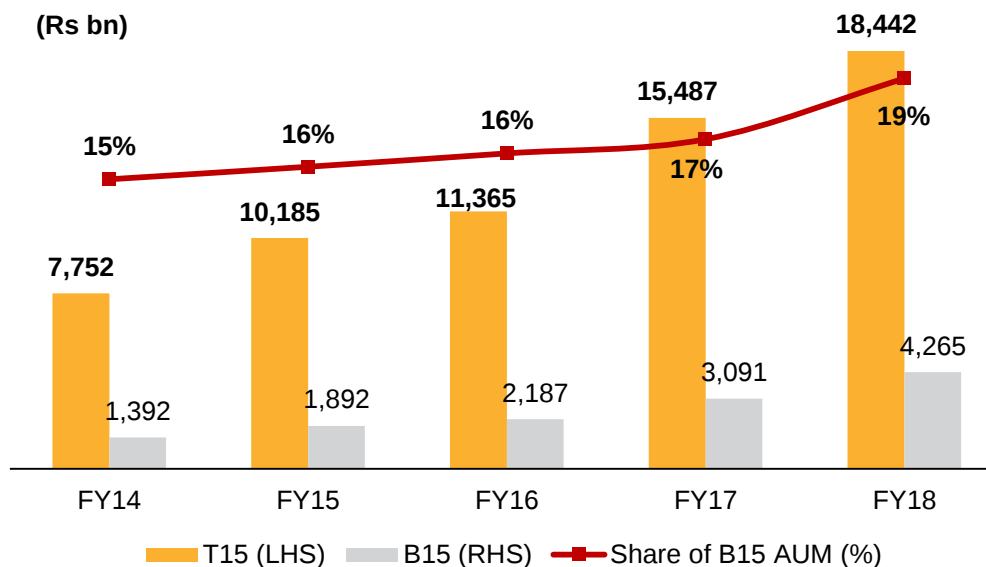
B15 cities allocation towards equity asset class rises



Regular plans constitute majority of equity assets

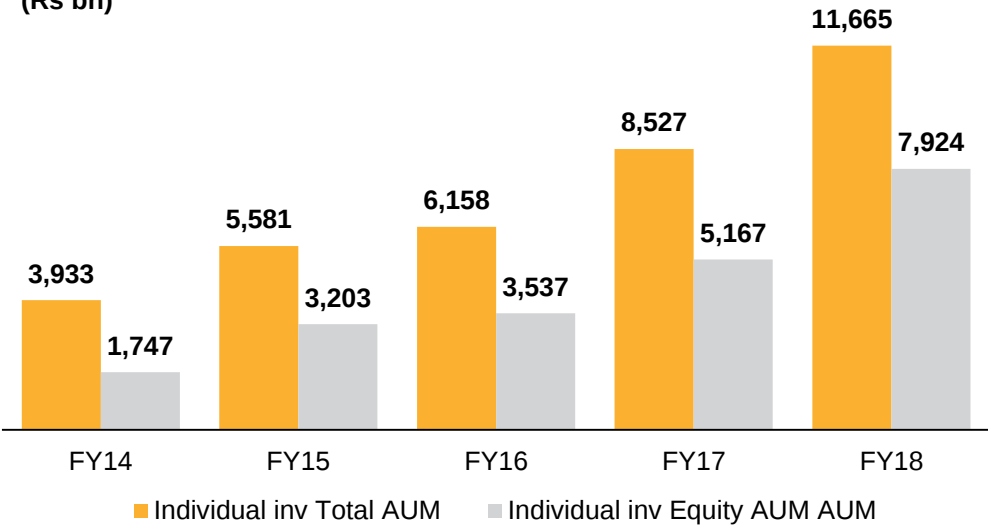


Smaller cities picking up pace, with increasing equity allocation

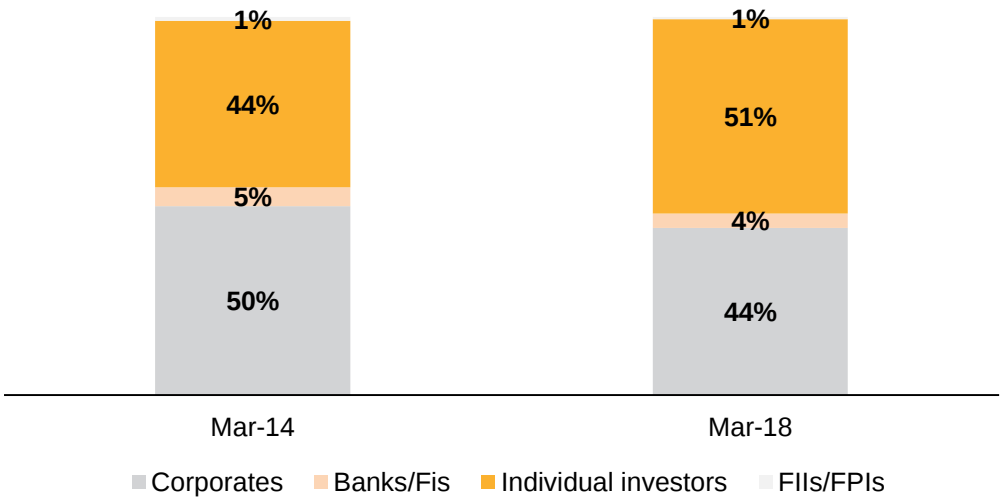


Mutual fund assets of individual investors on the rise

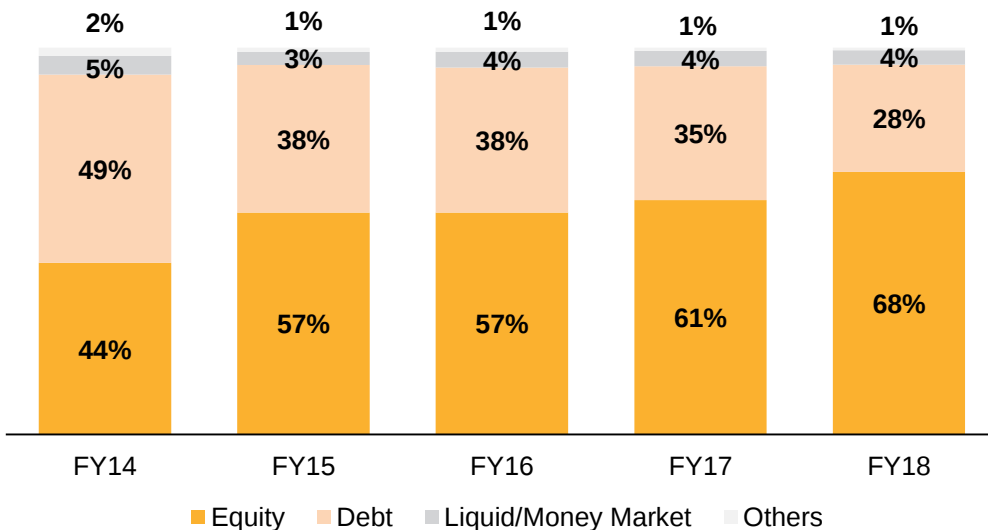
(Rs bn)



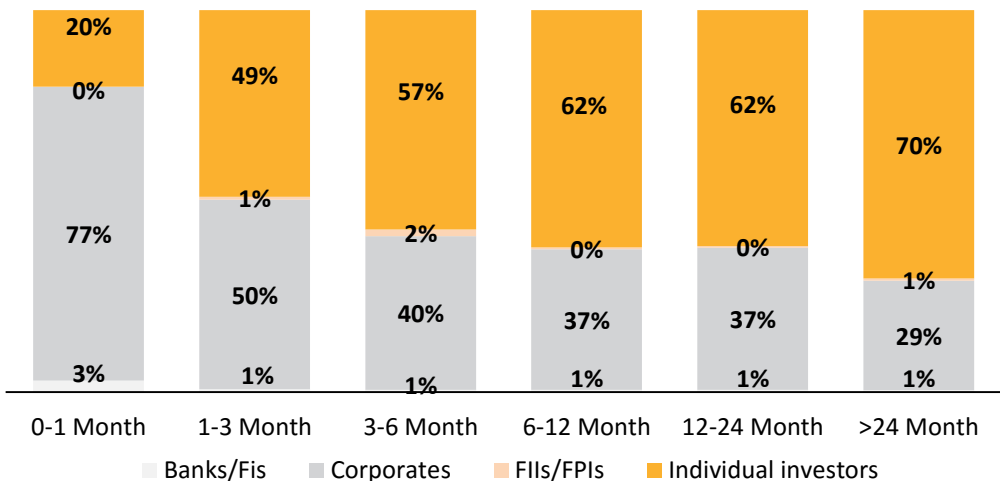
Individual investors' assets claim a bigger share of the AUM pie



Bulk of Individual investor assets are in equity-oriented funds

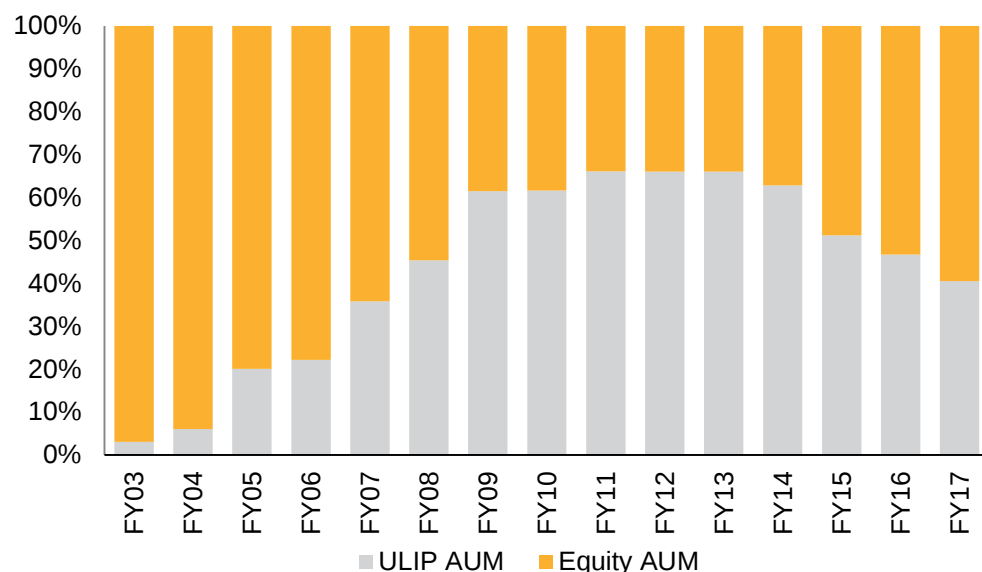


Individual investors tend to remain invested longer

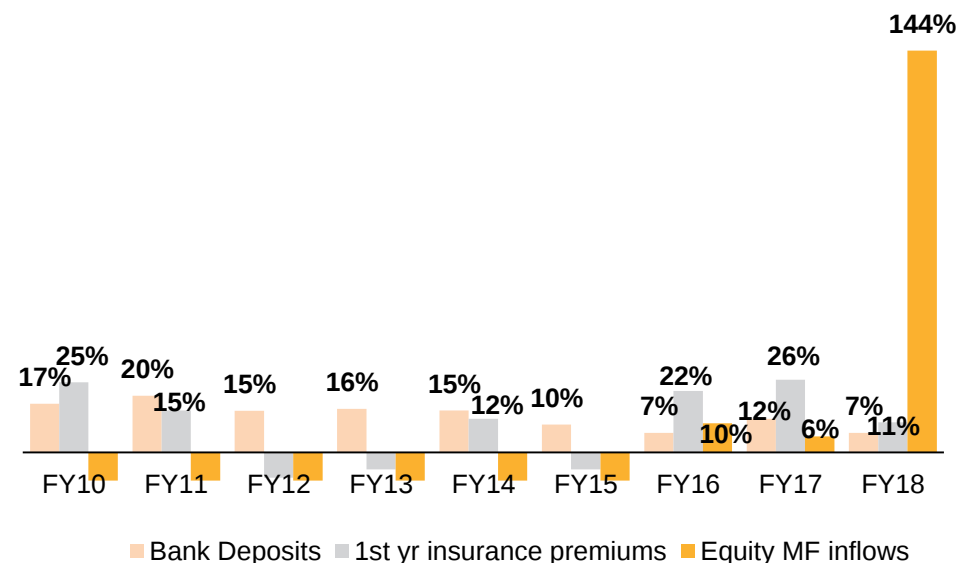


Asset Management – Rising financialization of savings

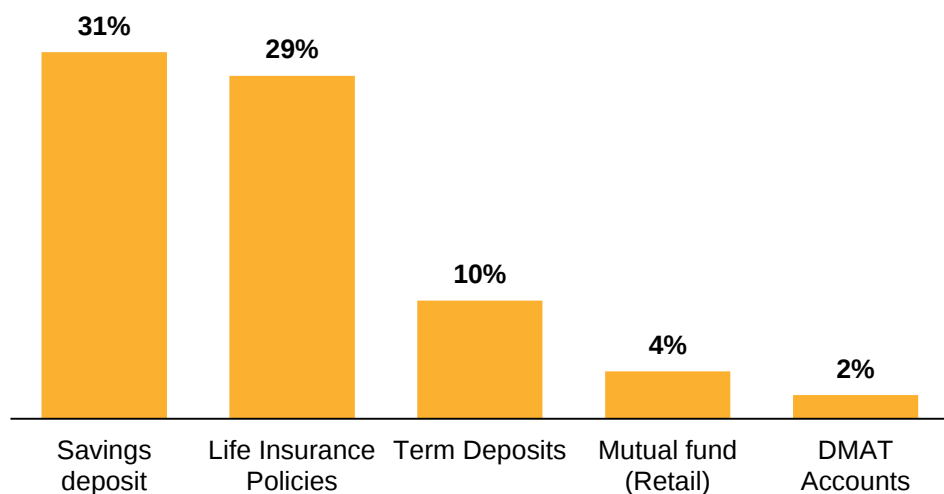
Shift of financial savings from ULIP to Equity MF



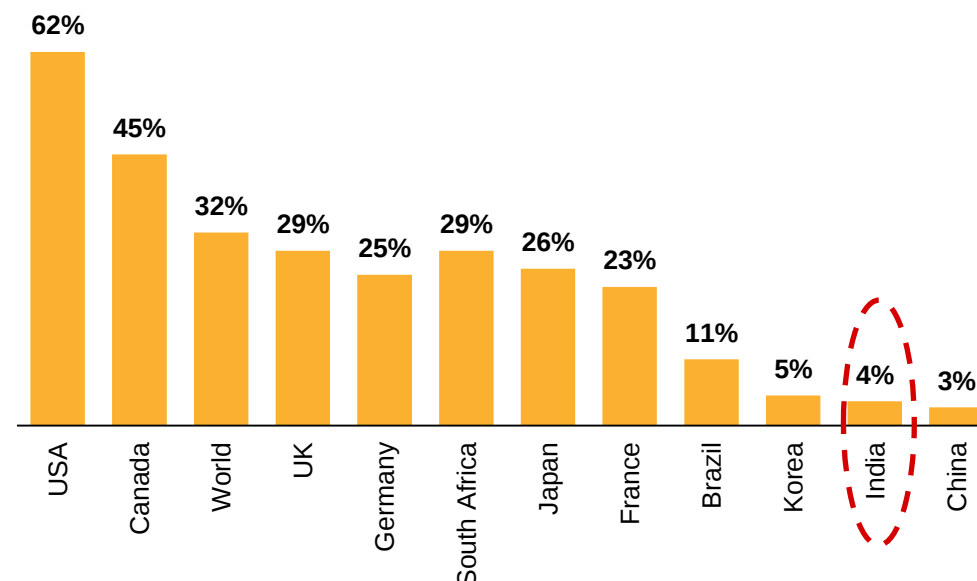
Strong traction in Equity MF inflows (growth YoY %)



MF is the most underpenetrated savings instrument

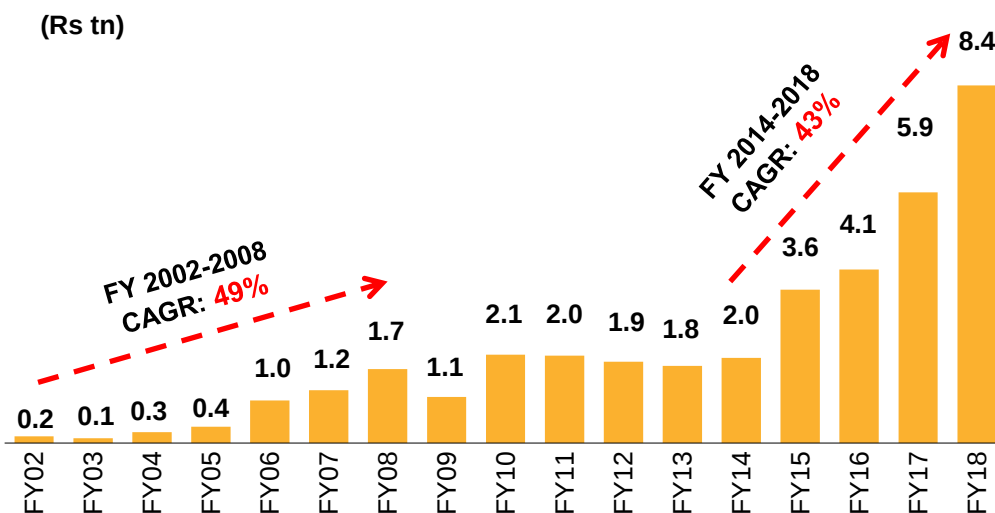


MF Equity AUM / GDP – Headroom for growth

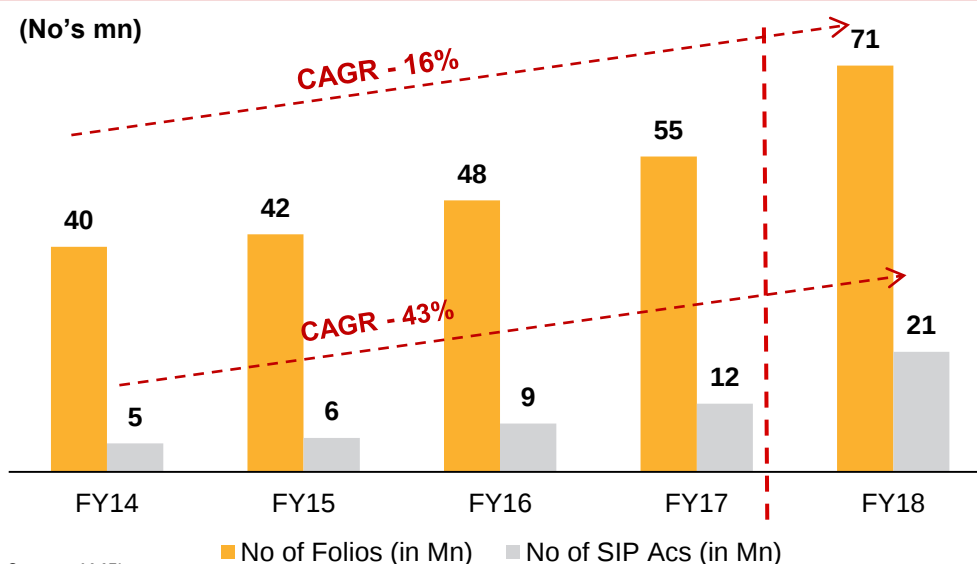


Asset Management – Current Equity MF uptrend is just like FY02-08 cycle

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

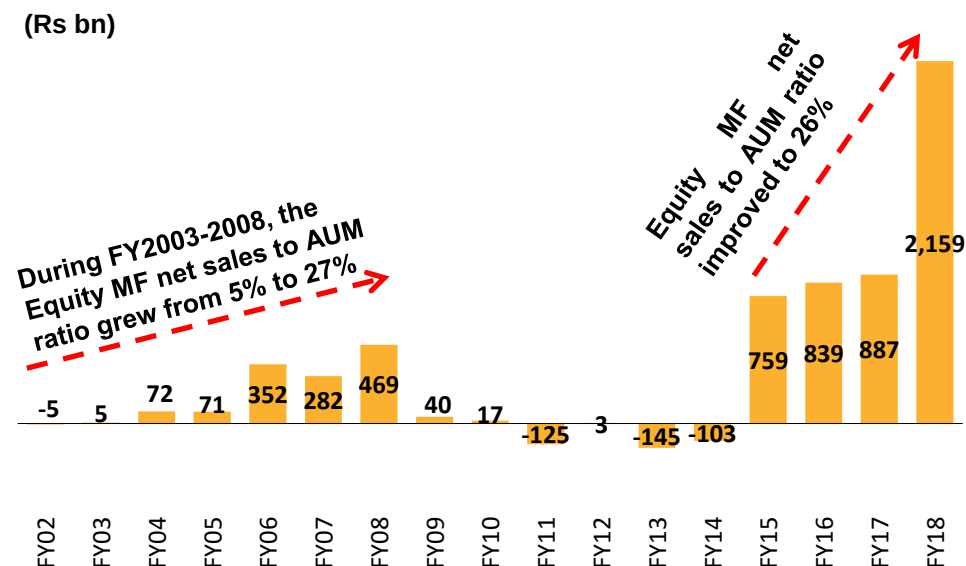


Investor A/Cs in MF industry took off since mid-2014

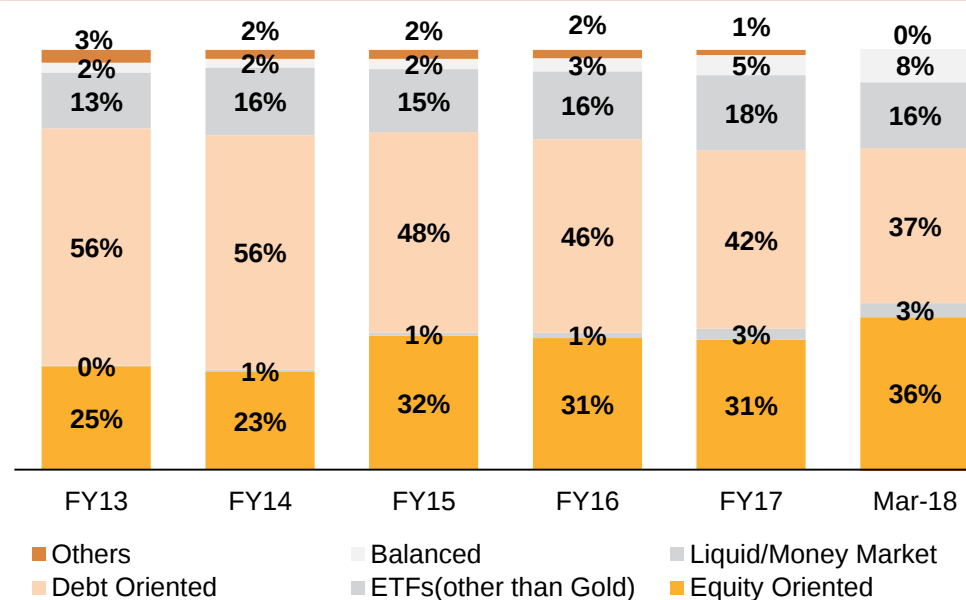


Source: AMFI

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



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



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

(%)

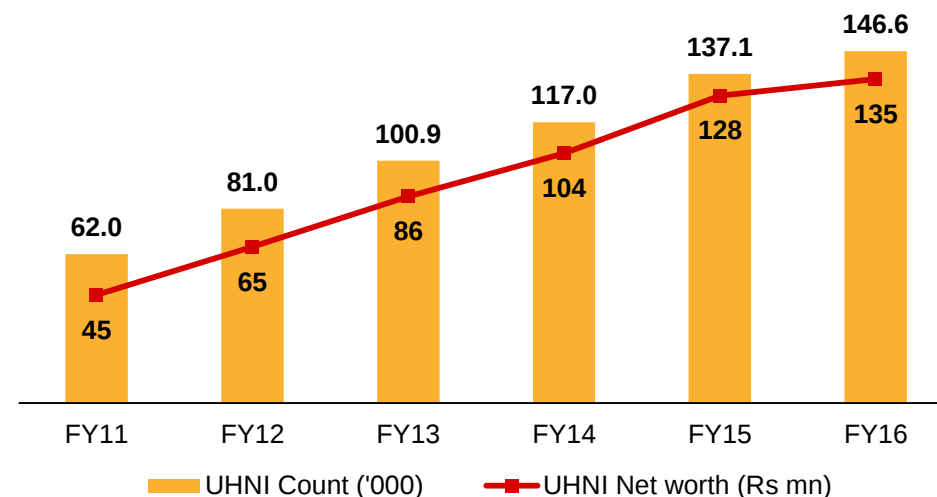


Global

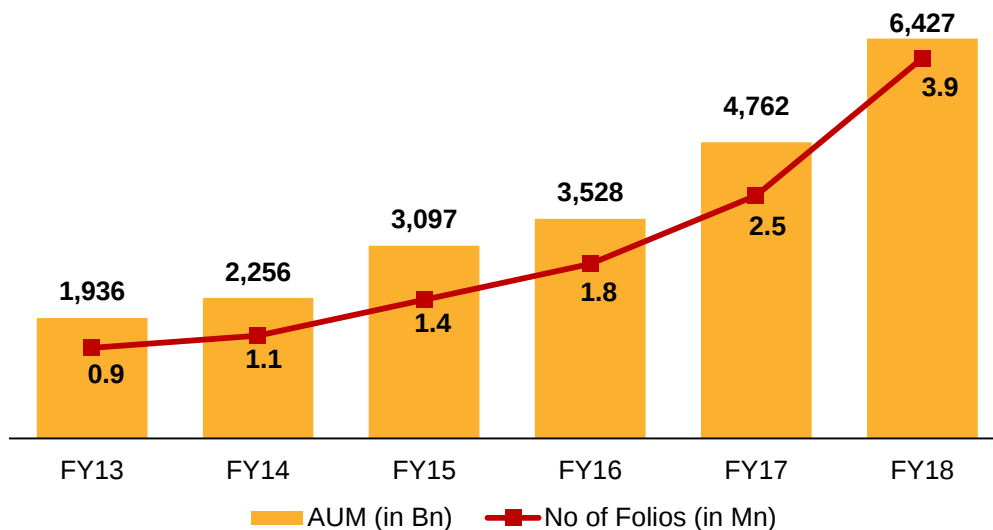
India

- 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

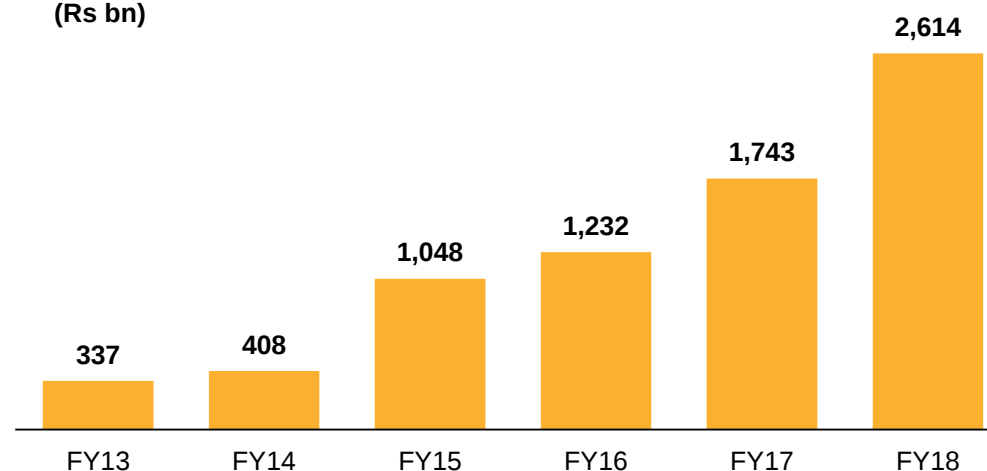


HNI's Mutual Funds AUM grew at 27% CAGR in the last 5 years (Rs bn); Folios grew at 33% CAGR (Mn)



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

(Rs bn)



Housing Finance holds ample potential; moving from Banks to HFCs

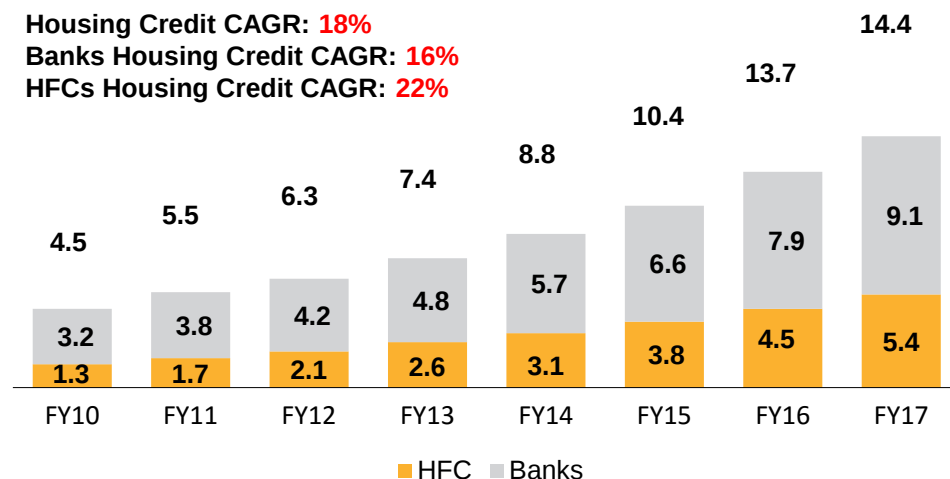
India's housing credit growing significantly

(Rs tn)

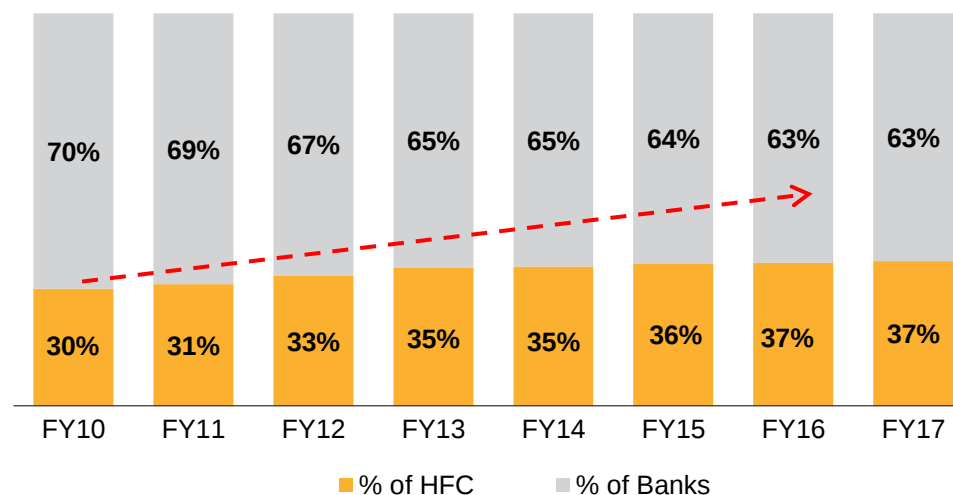
Housing Credit CAGR: **18%**

Banks Housing Credit CAGR: **16%**

HFCs Housing Credit CAGR: **22%**



HFCs gaining share from banks



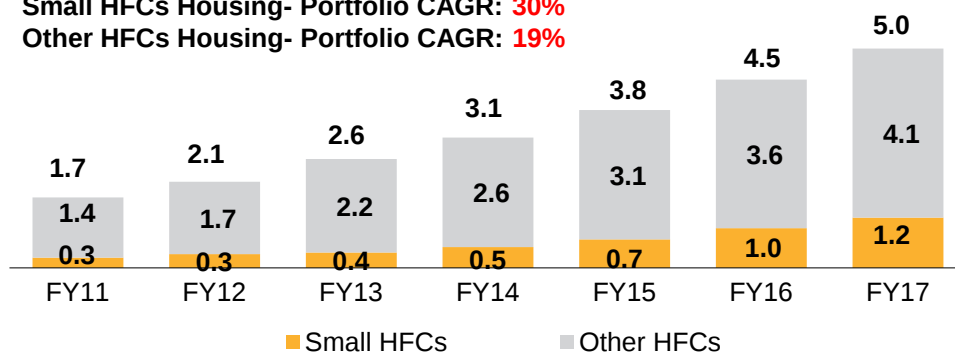
Small HFCs outpaced large HFCs

(Rs tn)

All HFCs Housing-Portfolio CAGR: **21%**

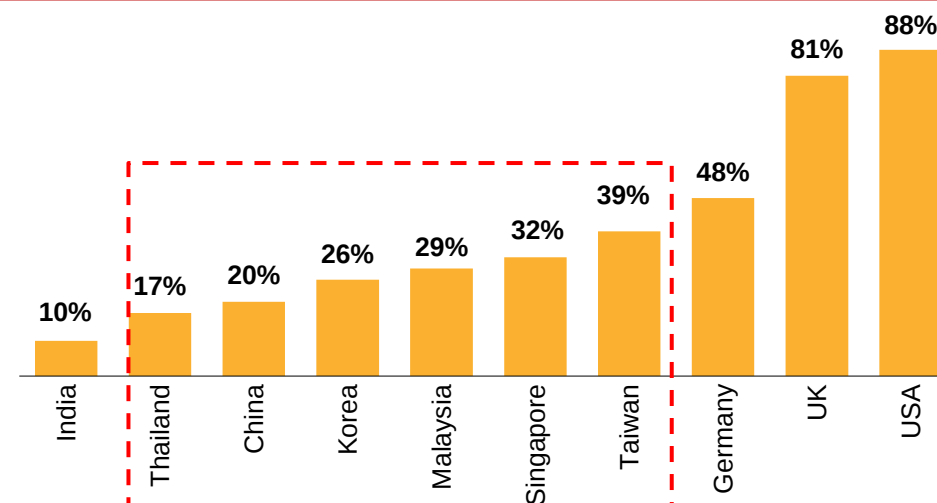
Small HFCs Housing- Portfolio CAGR: **30%**

Other HFCs Housing- Portfolio CAGR: **19%**

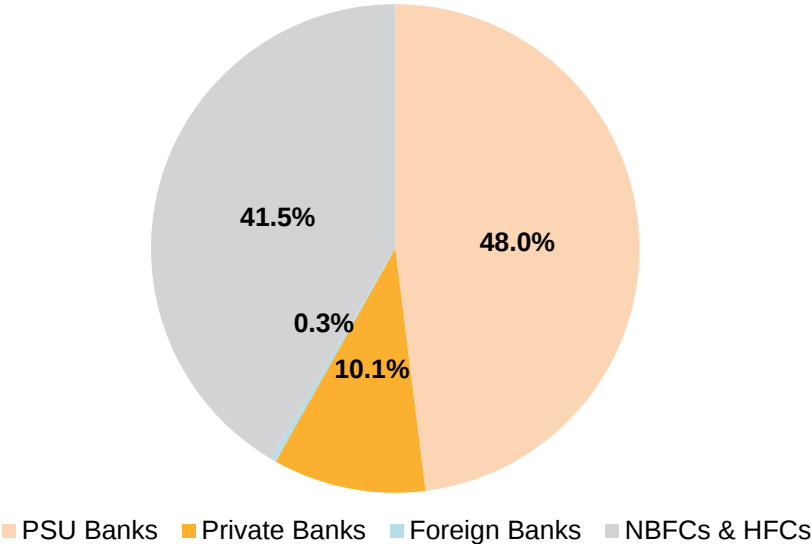


Note : * Includes only retail mortgages; does not include LAP and Construction Finance

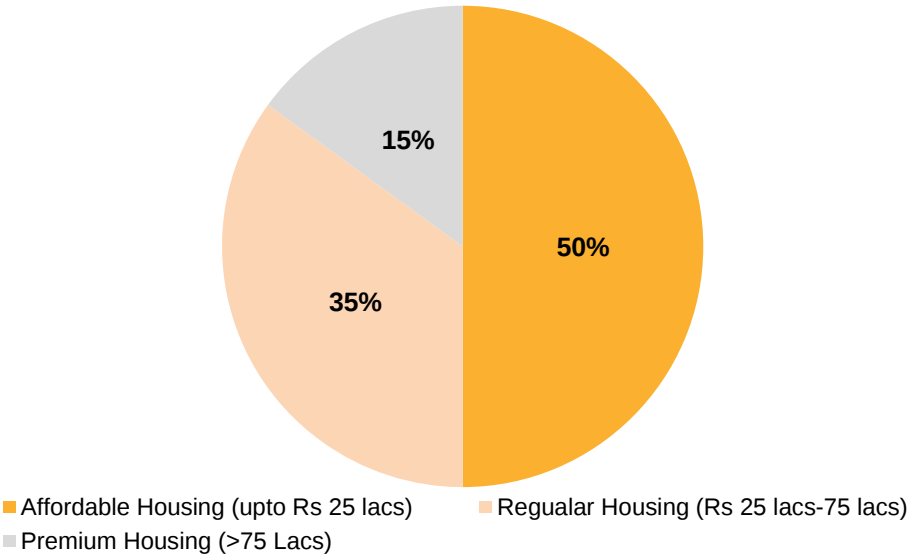
Indian mortgage underpenetrated versus Asian peers (Mortgage to GDP)



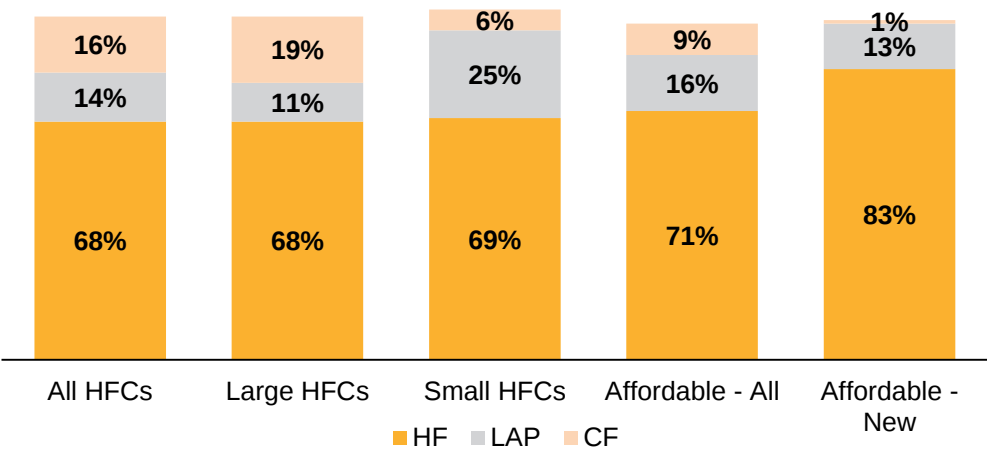
Housing market Split in India – Dominated by Affordable Housing



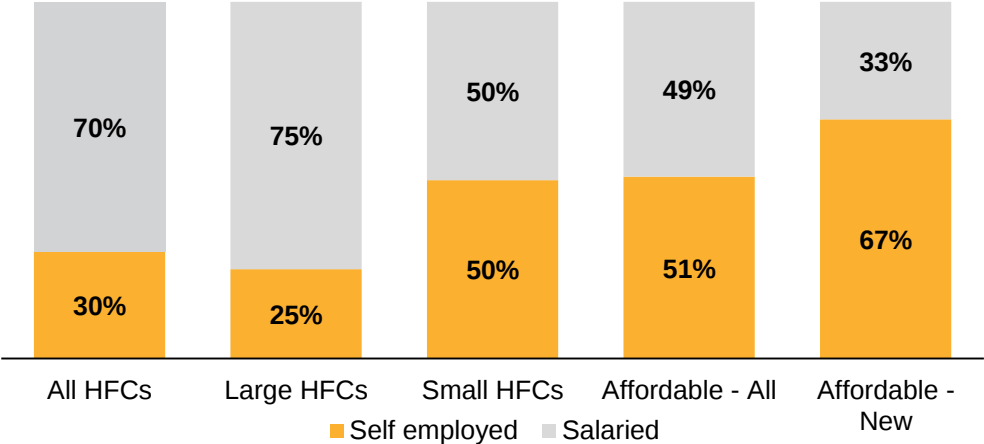
Affordable Housing (up to Rs 25 lacs) lending pie



Loan Mix of HFCs – Affordable segment focusing on retail loans



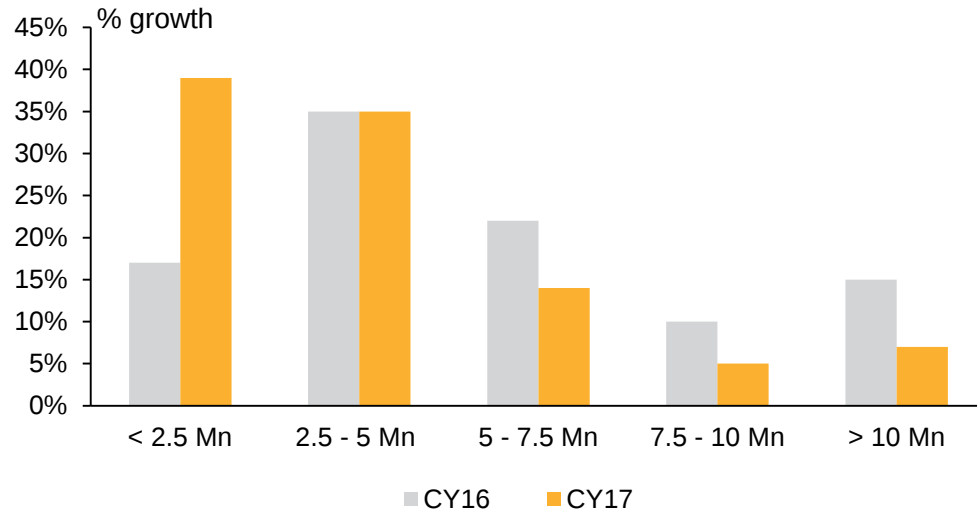
Customer Mix – Affordable HFCs focuses on Self employed class



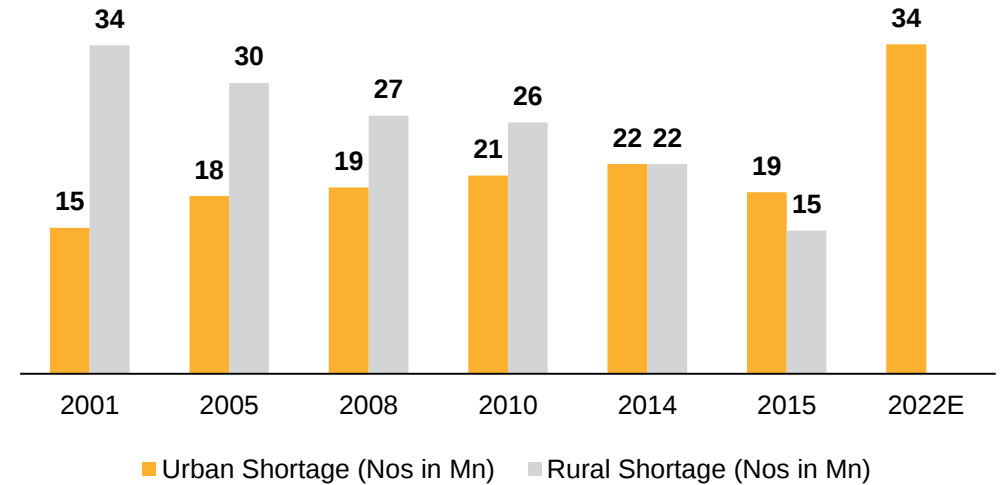
Source: CRIF

Affordable Housing growth much faster

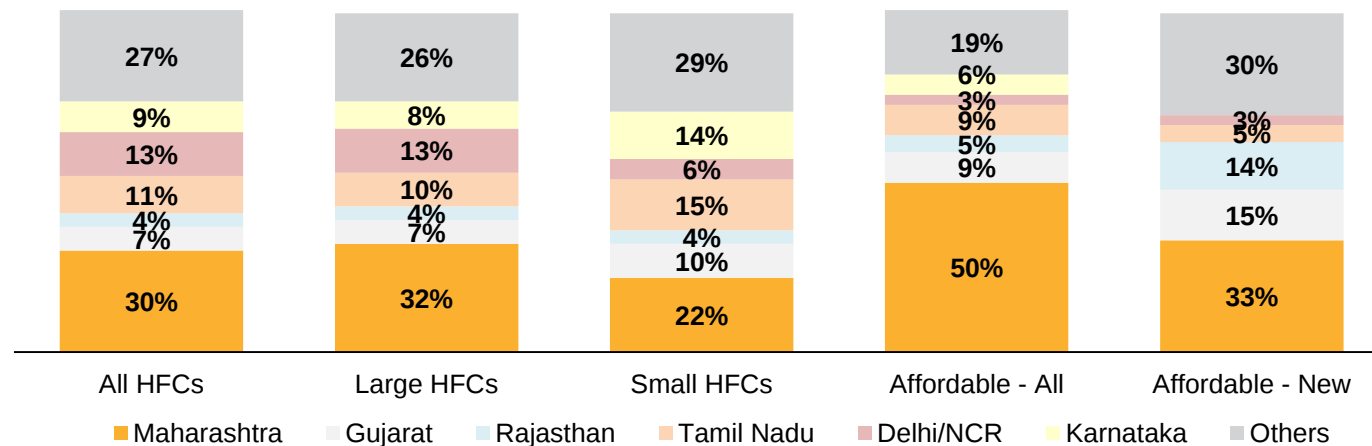
Affordable Housing gaining traction



Affordable Housing opportunity – Shortage of urban & rural housing



Affordable Housing concentrated in few states



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For any query, please contact :

Shalibhadra Shah

Chief Financial Officer

📞 91-22-38464917 / 9819060032

✉️ shalibhadrashah@motilaloswal.com

Rakesh Shinde

VP-Investor Relations

📞 91-22-39825510 / 9920309311

✉️ rakesh.shinde@motilaloswal.com