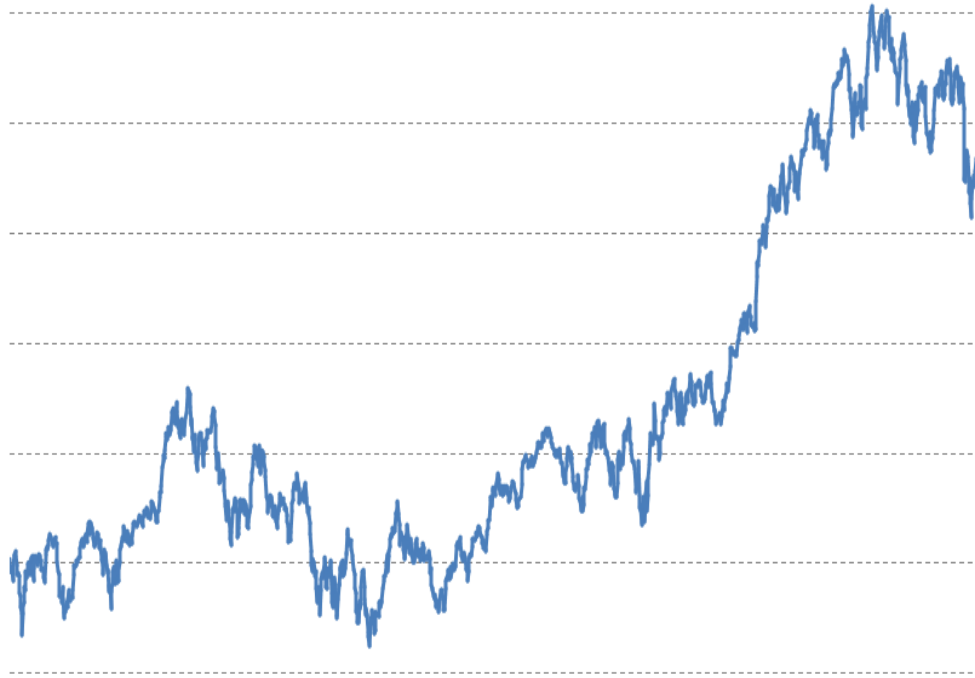


# Motilal Oswal Financial Services Ltd

Earnings Update | Q3 FY16 | Feb 3, 2016



*Investments into competencies, skills and knowledge leading to tangible business outcomes*



## Trends

- Broad trends in the overall markets this quarter
- Broad progress against strategic priorities
- Specific KPIs achieved this quarter



- Low commodity prices reduce input costs for top corporates, help offset sluggish topline growth and maintain profitability
- Despite India's woes, the slowdown in major developed and emerging markets means India looks better on a relative basis
- While cash market ADTO is down 6% in 9MFY16 vs. FY15, it is still 50% higher than the FY12-14 average (this is up 66% in the case of Institutions, and up 49% in the case of Retail)
- Despite market concerns impacting price appreciation, Equity MFs saw continued net inflows, helping offset the FII sell-off
- IPO market picking up slowly with the Indigo and Alkem IPOs this quarter, but big-ticket IPOs are yet to gather traction
- New demat A/Cs in FY16 are 50% higher than FY12-14 average



- Macro, environment & political challenges persist:- rising food inflation, sluggish exports, drier monsoons hitting rural economy, Rajya Sabha logjam stalling Bills, slowdown in private capex cycle and disinvestments, US Fed rate hike
- Markets reflect these sentiments:- Nifty and Sensex have been declining since the last 3 consecutive quarters; Even the INR has been down ~1.5-2% per quarter in this period
- Market ADTO declined QoQ due to a dip in both cash and F&O. While cash has been volatile in recent quarters, the drop in options was much steeper than recent quarters
- FIIs see continued net outflows this quarter (FII flows have been negative in 6 months out of 9 months of FY16)
- QIP deal activity is yet to pick up sustainably

## ● Traditional Capital Markets

- **Broking and Distribution:** Building scale by leveraging on advisory, network expansion and technology
- **Institutional Equities:** Pitch research as a USP; Use corporate access and sales to build strong relationships
- **Wealth Management:** Customized advisory for holistic asset allocation; Leverage strong relationships with HNIs
- **Investment Banking:** Leverage on emerging capital raising opportunities by partnering as a 'strategic CFO'

*Market share picking up, despite challenging markets*

*Focus on research, sales and trading paying dividends*

*Traction in HNI client families and assets managed*

*Participation in IPOs gathering steam*

## ● Asset Management

- **Public Equities AMC:** Pitch as equity specialists with time-tested QGLP investing philosophy; Expanding the distribution base
- **Private Equity:** Capture fundamentally-strong, high-quality and high-growth deal opportunities

*Adding scale on the back of investment performance*

*1 full exit from IBEF I; IREF III launched this quarter*

## ● Housing Finance

- **Aspire Home Finance:** Focus on affordable housing segment

*Traction in volumes, along with operational excellence*

## ● Fund based

- **ROE Enhancing Opportunities** through commitment to own asset management products; NBFC book run with borrowings

*Sponsor backing of proven track-record of investing philosophy*

# Specific KPIs achieved this quarter

## Financial performance

<b>Revenues</b> ₹3.0 bn in Q3FY16 ↑ 59% YoY	<b>PAT</b> ₹501 mn in Q3FY16 ↑ 40% YoY
<b>PAT Margin</b> 17% VS. 19% YoY	<b>Net Worth ₹14.5 bn</b> <b>Gross Debt ₹22.1 bn</b>
<b>ROE (for quarter)</b> 14.1%*	<b>Unrealized gains in MFs*</b> ₹1.7 bn as of Dec

## Operational performance

<b>Eq. Market Share</b> 2.3% in Q3FY16 vs. 1.3% in Q3FY15	<b>AUM (MF, PMS, PE)</b> ₹125 bn, ↑ 86% YoY
<b>MOSL Outlets</b> 2,217, ↑ 28% YoY	<b>Retail Broking Clients</b> 774,824, ↑ 6% YoY
<b>Aspire Loan book</b> ₹14.1 bn, ↑ 42% QoQ	<b>Overall Manpower</b> 2,598, ↑ 53% YoY

Declared interim dividend of ₹2 per equity share (Face value of ₹1 per equity share)



## Financial performance

- Consolidated financials this quarter
- Segment-wise revenues
- Segment attribution analysis
- Consolidated financials (ex Aspire)
- Balance sheet highlights

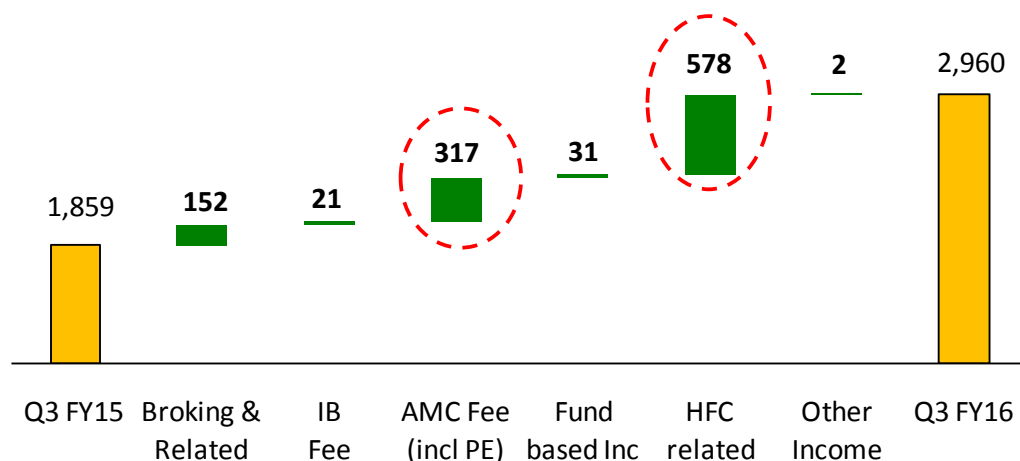
Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
<b>Total Revenues</b>	<b>2,960</b>	<b>2,691</b>	<b>10%</b>	<b>2,960</b>	<b>1,859</b>	<b>59%</b>	<b>7,767</b>	<b>5,321</b>	<b>46%</b>	<b>7,750</b>
Operating expenses	602	656	-8%	602	417	44%	1,733	1,341	29%	1,945
Personnel costs	639	574	11%	639	510	25%	1,795	1,270	41%	1,902
Other costs	418	420	-1%	418	315	33%	1,201	938	28%	1,308
Total costs	1,659	1,650	1%	1,659	1,242	34%	4,729	3,549	33%	5,155
EBITDA	1,300	1,042	25%	1,300	617	111%	3,039	1,772	72%	2,595
Depreciation	96	83	14%	96	75	28%	255	213	20%	307
Interest	490	368	33%	490	76	545%	1,084	144	652%	309
<b>PBT</b>	<b>715</b>	<b>590</b>	<b>21%</b>	<b>715</b>	<b>466</b>	<b>53%</b>	<b>1,700</b>	<b>1,415</b>	<b>20%</b>	<b>1,979</b>
Tax	206	150	37%	206	102	101%	460	392	17%	523
Minority Interest	8	6	38%	8	5	76%	20	16	26%	20
<b>Reported PAT</b>	<b>501</b>	<b>434</b>	<b>15%</b>	<b>501</b>	<b>359</b>	<b>40%</b>	<b>1,219</b>	<b>1,007</b>	<b>21%</b>	<b>1,436</b>
EPS - Basic	3.5	3.1		3.5	2.6		8.6	7.4		10.3
EPS - Diluted	3.5	3.0		3.5	2.6		8.4	7.2		10.1
No.of shares outstanding (million) - FV Rs 1/share	142	142		142	139		142	139		140

- Revenues up YoY largely due to traction in AMC and Housing Finance topline
- Operating costs up YoY owing to higher AMC distribution fee
- Employee costs up YoY due to hiring in Retail Broking, Wealth Management and Housing Finance
- Other costs up YoY in AMC and Broking owing to branding costs and in Housing Finance due to branch expansion

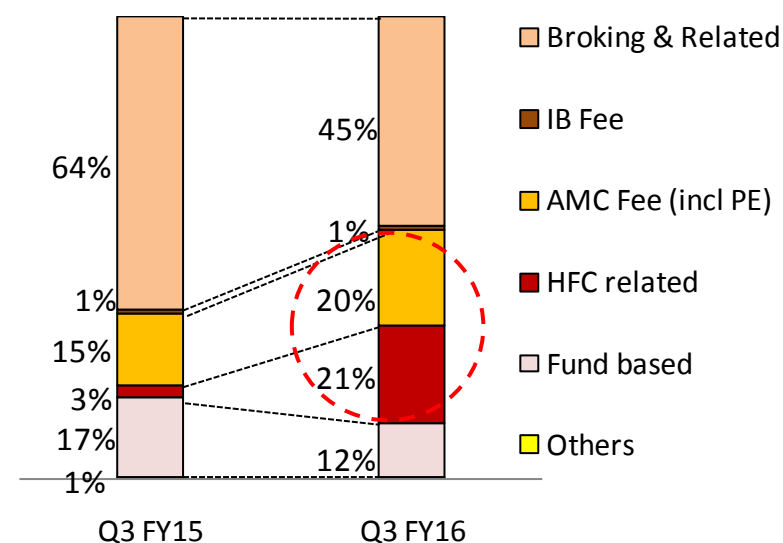
# Segment-wise revenues

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31,	Sep 30,	(%)	Dec 31,	Dec 31,	(%)	Dec 31,	Dec 31,	(%)	Mar 31,
Brokerage & operating income	1,334	1,320	1%	1,334	1,182	13%	3,814	3,524	8%	4,873
Investment banking fees	36	73	-50%	36	16	130%	158	101	56%	193
Asset management fees	604	575	5%	604	287	110%	1,582	683	132%	1,266
Fund based Income	345	255	36%	345	315	10%	884	885	0%	1,117
Housing finance related	627	457	37%	627	49	1174%	1,291	74	1637%	239
Other income	13	11	17%	13	11	22%	37	53	-29%	62
<b>Total Revenues</b>	<b>2,960</b>	<b>2,691</b>	<b>10%</b>	<b>2,960</b>	<b>1,859</b>	<b>59%</b>	<b>7,767</b>	<b>5,321</b>	<b>46%</b>	<b>7,750</b>

## Segment-wise attribution of incremental revenues on YoY basis



## Change in the revenue mix towards annuity and stable businesses





# Consolidated financials – ex Aspire Housing Finance

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
<b>Total Revenues</b>	<b>2,340</b>	<b>2,241</b>	<b>4%</b>	<b>2,340</b>	<b>1,814</b>	<b>29%</b>	<b>6,485</b>	<b>5,249</b>	<b>24%</b>	<b>7,527</b>
Operating expenses	601	654	-8%	601	420	43%	1,718	1,340	28%	1,943
Personnel costs	568	529	7%	568	492	15%	1,645	1,228	34%	1,821
Other costs	356	379	-6%	356	305	17%	1,072	911	18%	1,252
Total costs	1,525	1,562	-2%	1,525	1,217	25%	4,436	3,479	27%	5,016
EBITDA	815	679	20%	815	597	37%	2,050	1,770	16%	2,511
Depreciation	93	82	13%	93	74	25%	250	212	18%	304
Interest	170	141	21%	170	70	142%	445	138	223%	266
<b>PBT</b>	<b>552</b>	<b>457</b>	<b>21%</b>	<b>552</b>	<b>452</b>	<b>22%</b>	<b>1,355</b>	<b>1,421</b>	<b>-5%</b>	<b>1,941</b>
Tax	137	112	22%	137	102	34%	338	392	-14%	506
Minority Interest	7	5	38%	7	5	49%	17	16	7%	20
<b>Reported PAT</b>	<b>408</b>	<b>340</b>	<b>20%</b>	<b>408</b>	<b>345</b>	<b>18%</b>	<b>999</b>	<b>1,013</b>	<b>-1%</b>	<b>1,414</b>
EPS - Basic	2.9	2.4		2.9	2.5		7.1	7.4		10.2
EPS - Diluted	2.8	2.4		2.8	2.5		6.9	7.3		9.9
No. of shares outstanding (million) - FV Rs 1/share	142	142		142	139		142	139		140

## Consolidated Balance Sheet

₹million	As on Dec 31, 2015	As on Mar 31, 2015
<b>Sources of Funds</b>		
Networth	14,479	12,949
Loan funds	22,079	7,856
Minority interest	157	63
Deferred tax liability	32	120
<b>Total</b>	<b>36,747</b>	<b>20,988</b>

<b>Application of Funds</b>		
Fixed assets (net block)	2,954	3,001
Investments	13,243	8,140
Deferred tax asset	-	-
Current Assets (A)	31,723	18,307
- Sundry debtors	7,614	5,900
- Cash & Bank Balances	4,567	2,719
- Loans & Advances	19,091	9,606
- Other Assets	451	82
Current liabilities (B)	11,175	8,461
Net current assets (A-B)	20,549	9,847
<b>Total</b>	<b>36,747</b>	<b>20,988</b>

## Consolidated Ex Aspire Balance Sheet

₹million	As on Dec 31, 2015	As on Mar 31, 2015
<b>Sources of Funds</b>		
Networth	14,244	12,930
Loan funds	8,884	6,131
Minority interest	80	63
Deferred tax liability	36	123
<b>Total</b>	<b>23,244</b>	<b>19,246</b>

<b>Application of Funds</b>		
Fixed assets (net block)	2,931	2,992
Investments	14,243	9,440
Deferred tax asset	-	-
Current Assets (A)	15,089	14,519
- Sundry debtors	7,581	5,883
- Cash & Bank Balances	2,151	2,553
- Loans & Advances	4,920	5,998
- Other Assets	437	85
Current liabilities (B)	9,020	7,704
Net current assets (A-B)	6,069	6,815
<b>Total</b>	<b>23,244</b>	<b>19,246</b>



## Business Updates

### Traditional capital markets

- Broking and distribution
- Institutional equities
- Private wealth management
- Investment banking

### Asset management

- Public equities AMC
- Private equity

### Housing finance

### Fund based

### Branding and CSR

## Retail Broking & Distribution and Institutional Equities (MOSL)

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Total Revenues	1,392	1,406	-1%	1,392	1,328	5%	4,107	3,986	3%	5,426
EBITDA	376	384	-2%	376	458	-18%	1,120	1,402	-20%	1,815
PBT	170	225	-25%	170	381	-55%	647	1,188	-46%	1,493
PAT	122	155	-22%	122	310	-61%	474	877	-46%	1,081

*Focusing on specific effort-areas to improve business outcomes*

**Manpower**  
↑ **53% YoY**

**Emp. Cost**  
↑ **14% YoY**

**Emp. Cost to Income %**  
**24% vs. 22% YoY**

## Market Volumes:

- Overall cash equity ADTO at ₹188 billion in Q3FY16 were down 10% QoQ and 4% YoY
- Retail cash volumes in Q3FY16 were down 5% QoQ and 4% YoY. Institution cash volumes were down 14% QoQ and 7% YoY.
- FII's net sold in 6 months in 9MFY16, while DII's have net bought equities

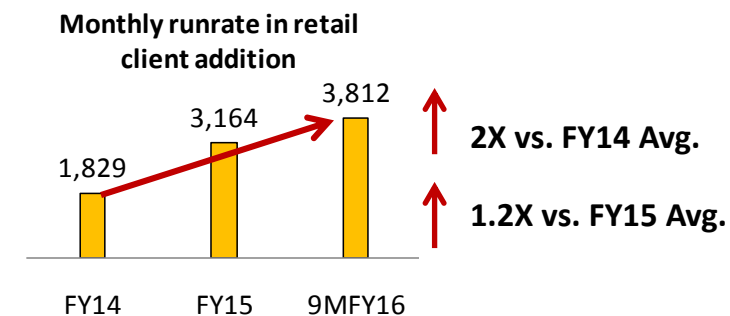
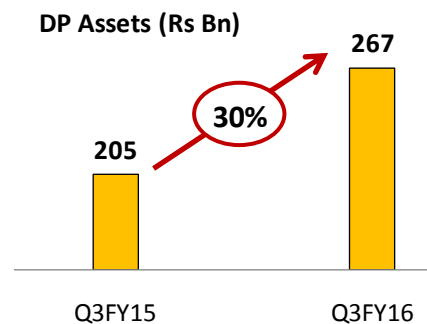
## Our Volumes:

- MOSL ADTO was ₹56.6 billion in Q3FY16 (₹55.7 billion in Q2FY16 & ₹49.7 billion in Q3FY15)
- Proactive investments and focus on this business has driven a meaningful traction in our equity market share to 2.3% in Q3FY16, from 1.8% in Q2FY16 and 1.3% in Q3FY15
- This increase encompasses both cash and F&O segments, on both QoQ and YoY basis.
- The blended yield has remained stable on a QoQ basis

## *Investments into specific capabilities leading to business results*

- With digital transformation at its inflection, we invested into several technology initiatives:-
  - **India's First and Fastest 15-Minutes Trading & Demat Account** launched, using Paperless-eKYC "Aadhar-Integrated" account opening process. Clients can now start trading instantly
  - Revamped our **Mobile Trading App with new features** like superfast trading, multi-asset watchlist, one-time login & operational ease
  - **All-new broking portal** with Single sign-on to Trade, Track and Review, Quick order-execution window, Instant portfolio restructuring & Actionable recommendations
- Continued investments into **Advisors across dedicated Desks**; Advisor count up 74% YoY
- Conducted broking industry business awareness programmes for sub-brokers

- Improvement in retail market share, despite challenging markets
- Sustained the activation ratio in Q3FY16, despite market challenges
- Increase in average monthly retail client addition
- Commodities business stable; Traction seen in currency and IRFs
- Reactivation team clocks its highest-ever revenues in Dec
- Our digital business is gaining traction:
  - Mobile app clocked 33,000+ downloads within 2 months
  - Mobile transaction volume crossed ₹30 billion per month
  - Mobile App trades crossed 145,000 per month
  - 12% of active clients traded from the mobile app
  - Contribution of mobile app to brokerage crossed 4%



Digital marketing campaign for its India's First  
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# Institutional equities – Building critical competencies

*Focus on research, sales and trading competencies are paying dividends*

**Manpower**  
↑ **18% YoY**

**Coverage**  
**218 to 244 YoY**

**FII/DII Clients**  
**572 to 591 YoY**

- Ranked the Best in Events/Conferences, ranked amongst Top-2 for Overall Sales Services and Best Roadshows/Company Visits and amongst the Top-3 in Best Local Brokerage, Best Execution and Sales Trading Visits at the AsiaMoney Awards 2015
- Won 3 research awards at Zee India Best Market Analyst Awards, the highest tally so far
- Large-sized blocks are picking up within sales trading; Increased focus on offshore roadshows

## Thematic research



## Company/Sector Coverage



- Completed the 20th Motilal Oswal Wealth Creation Study on “**Mid-to-Mega: The Power of Industry Leadership in Wealth Creation**”, in line with the Group’s long-standing motto of “Knowledge First”
- The Wealth Creation study presentation was followed by a Panel Discussion with Mr Adi Godrej, Mr Harsh Mariwala, Mr Sanjoy Bhattacharya and Mr Raamdeo Agrawal
  - Mid-to-Mega stands for a company’s stock crossing over from the Mid (i.e. Market cap ranking of 101-300) to Mega (i.e. Ranking of top 100). This marks a significant crossover for any company in terms of achieving critical mass and scale
  - From 2000 to 2015 across 5-year windows, Mid-to-Mega stocks delivered median return of 46% with relatively low risk
  - A striking feature is the role of industry leadership. Currently, among Top-100 companies, 88 are industry leaders



- Click to read Wealth Creation Study report - <http://www.motilaloswalgroup.com/Research/Detailed-Report/Wealth-Creation-Study/14710>



Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Total Revenues	109	105	4%	109	84	30%	300	188	60%	299
EBITDA	33	37	-9%	33	27	24%	92	60	53%	98
PBT	22	28	-22%	22	26	-15%	71	57	24%	94
PAT	14	18	-24%	14	17	-18%	46	38	20%	65

***Traction in HNI client families  
and assets managed***

**Wealth AUM  
₹61.1 bn, ↑68% YoY**

**Client Families  
↑48% YoY**

- 68-member sales and advisory team as of Dec 2015, up from 64 in Sep 2015 and 43 in Dec 2014
- Continued traction in assets under management
- Continued to ramp up the advisory and sales capabilities
- Few large clients were added during Q3FY16, which should push the traction in AUM going forward
- Diversifying the HNI client base, in terms of AUM concentration with Top-100 clients
- A unique product offering, given the combination of open-architecture along with strong manufacturing capabilities in public market equities and real estate
- Contributed significantly to the fund raise of IREF III, our latest real estate PE fund
- Our yield is better than peers due to the higher proportion of equity assets within the AUM mix

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Total Revenues	38	76	-50%	38	17	119%	164	106	54%	201
EBITDA	(16)	32	nm	(16)	(31)	nm	9	(31)	nm	12
PBT	(20)	28	nm	(20)	(35)	nm	(1)	(41)	nm	(2)
PAT	(14)	19	nm	(14)	(24)	nm	(1)	(28)	nm	(1)

*Participation in IPOs gathering traction  
with the new ECM team now in place*

Emp. Count  
↑ 6% YoY

Emp. Cost  
↑ 10% YoY

- Current market volatility delaying transaction closures owing to valuation concerns
- Traction visible in IPOs; Following up on the Pennar and Powermech IPOs in previous quarters, our current IPO pipeline includes Parag Milk Foods, SP Apparels and Nihilent Technologies. DRHPs for the latter two issues were filed last quarter
- In advanced stages of closure in few deals in the M&A and Structured Finance side

# Asset Management – Adding scale on the back of performance

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Total Revenues	511	482	6%	511	160	219%	1,298	386	236%	881
EBITDA	116	87	33%	116	(10)	nm	255	(44)	nm	61
PBT	113	83	36%	113	(12)	nm	246	(49)	nm	52
PAT	75	70	7%	75	(12)	nm	194	(49)	nm	52

**Distributors**  
↑ **59% YoY**

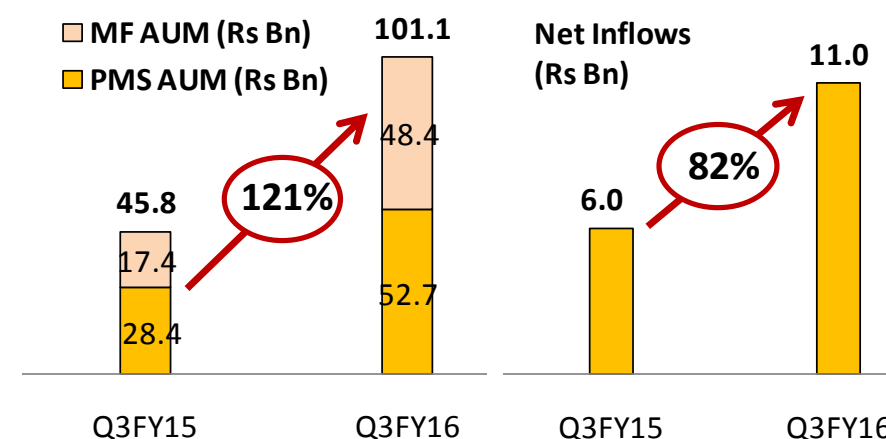
**AUM (MF/PMS)**  
↑ **121% YoY**

**Eq. MF Total Folios**  
↑ **4X YoY in Dec**

**Eq. MF New Folios**  
↑ **5X YoY in Q3FY16**

**Diversifying the  
Distributor base**

- Our rank in Equity AUM (MF + PMS) improved to 13, as of Dec 2015
- Weak market sentiments impacted AUM growth, despite clocking one of the highest net sales (equity MF+PMS) across industry players
- Deepening relationships with new and existing distributors; In advanced stages of empanelment with few big distributors
- Our PMS as an alternate product is gaining flavour with distributors
- According to industry publications, MOAMC is being touted amongst the “2015 Winners”, in terms of traction in AUM
- iSIP, the new online SIP platform, to add further convenience
- Working on rationalizing pricing to improve margins



# Building Brand Awareness for the AMC business

Our maiden marketing campaign “*Sirf Ek Sawaal: Why not Motilal Oswal*” was launched across Digital, Print and TVC, to reach out to a large, untapped base of investors and make them aware of our Brand



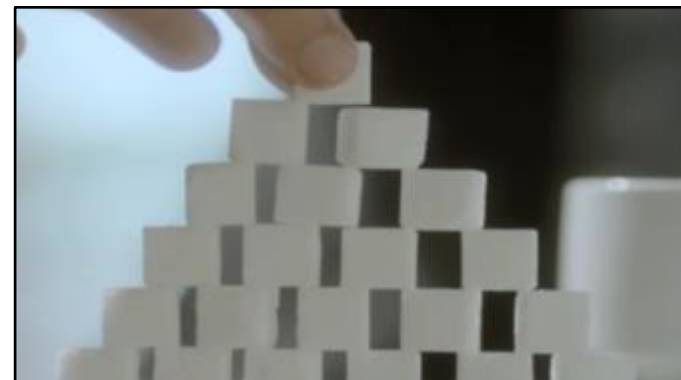
**Click to watch TVC:**

<https://www.youtube.com/watch?v=cDYzx4cS2R0>



**Click to watch TVC:**

<https://www.youtube.com/watch?v=oJt9whsMjuY>



**Click to watch TVC:**

<https://www.youtube.com/watch?v=L7QAJqGIWII>

Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Total Revenues	57	70	-19%	57	70	-19%	193	193	0%	255
EBITDA	26	29	-12%	26	32	-20%	84	94	-11%	119
PBT	25	27	-7%	25	31	-19%	78	90	-13%	113
PAT	17	18	-7%	17	16	6%	52	58	-11%	74

## Funds in Exit mode

- **IBEF I:** \$125 million invested in 13 cos. 3 investments are fully exited and 4 are partially exited, translating to ~114% capital returned (INR terms). It is in advanced stages for 2 exits in the next few months, which may allow the fund to return an additional ~60-70% capital. This would imply that it would have returned ~175%-185% (INR terms) of the capital amount to the investors. The fund expects to divest the balance companies in FY17. We hope to earn a meaningful carry as well as profit on Sponsor commitment in FY17
- **IREF I:** ₹2 billion AUA in 7 deals, of which full/partial exits have been done from 6 projects so far, translating into ~84% capital returned to investors

## Funds in Investing mode

- **IBEF II:** ₹9.5 billion raised, including commitments from marquee institutions like IFC Washington, Squadron Capital and Axiom. It has made 7 investments so far
- **IREF II:** ₹5 billion commitments raised post final close. It has committed ~88% of AUM across established developers across 7 deals, following stringent due diligence process
- **IREF III:** Launched in Q3FY16 with an AUM target of ₹10 billion, It has evinced good investor interest and is in advanced stages of completing its first close
- Hosted the inaugural “Motilal Oswal Real Estate Conclave”, on the back of the launch of IREF 3

# Aspire – On course to build an affordable home finance entity



Particulars	Q3 FY16	Q2 FY16	Change	Q3 FY16	Q3 FY15	Change	9M FY16	9M FY15	Change	FY15
₹million	Dec 31, 2015	Sep 30, 2015	(%) Q-o-Q	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Dec 31, 2015	Dec 31, 2014	(%) Y-o-Y	Mar 31, 2015
Sanctioned For Period	5,861	5,712	3%	5,861	1,156	407%	14,308	2,071	591%	5,226
Disbursed For Period	4,424	4,399	1%	4,424	848	422%	10,859	1,355	701%	3,586
Loan Book	14,055	9,884	42%	14,055	1,356	937%	14,055	1,356	937%	3,574
Net Interest Income (NII)	140	81	73%	140	24	484%	273	33	721%	71
Other Income	170	150	13%	170	22	669%	382	40	863%	124
Total Income	309	231	34%	309	46	573%	655	73	799%	196
Operating Profit (Pre- Provisioning)	182	152	20%	182	17	952%	390	(1)	nm	53
PBT	163	134	22%	163	14	1068%	345	(6)	nm	39
PAT	94	95	-1%	94	14	575%	223	(6)	nm	22

- Q3FY16 disbursements were at par with Q2FY16 levels
- Investments in Branches (up 14% QoQ) and Employees (up 20% QoQ) in Q3FY16 to push traction in volumes in coming quarters
- Loan book stands at ~₹14.1 billion across ~14,000 families
- Cumulative disbursement reached ~₹14.4 billion in 6 quarters
- Increase in #banks who have extended sanctioned lines of credit, from 7 in Mar 2015 to 19 in Dec 2015
- Maharashtra and Gujarat form ~89% of the loan book
- For 9MFY16, NIM is ~413 bps, RoA is 3.4% and RoE is 13.7%. As of Dec 2015, GNPL is 0.17%, and D/E is 4.8X
- Capital infusion by Sponsor of ₹0.5 billion in Q3FY16, in addition to the equity commitment of ₹2 billion made till the last quarter
- Aspire has been notified under SARFAESI Act, which facilitates in smooth recovery of dues
- It is now a Primary Lending Institution (PLI) under Pradhan Mantri Awaas Yojana (part of Govt. of India's mission of "Housing for All by 2022" for urban poor)
- Focus on operational excellence has helped Aspire get ratings of 'CRISIL A+/Stable' & 'ICRA A+(Positive)
- Awarded "India's Most Admired and Valuable Housing Finance Company" at India Leadership Conclave 2015, "Financial Services Institution of the Year" by ASSOCHAM at ICT 4 Development Awards 2015 and "Agency Innovation of the Year (BFSI Sector)" at the Brand Excellence Awards 2015



In line with the long term strategy to grow RoE sustainably to 20%+, MOFSL has made strategic allocation of capital to long term RoE enhancing opportunities like Aspire Home Finance, sponsor commitments to existing mutual fund and private equity funds of MOFSL group and utilizing borrowings to run the NBFC loan book (as spread business):

## **Sponsor Commitments:**

- As of Dec 2015, our investments in Motilal Oswal's mutual fund products stood at ₹5.8 billion and the unrealized gain on these investments was ₹1.7 billion (vs. ₹1.7 billion as of Sep 2015). The same is not reflected in the profit and loss account for the year
- Our investments in Motilal Oswal's alternative investment products (private equity and real estate funds) stands at ₹1.7 billion, as of Dec 2015
- Incremental deployment to Aspire Home Finance this quarter was ₹0.5 billion, in addition to the commitment of ₹2 billion made till the previous quarter

## **NBFC Business:**

- NBFC loan book was ₹3.9 billion. LAS lending business, earlier done from equity capital, is now being run as a spread business. In line with this, MOFSL has raised long-term NCDs of ₹1.5 billion at annualized cost of 10.05% (payable annually)
- Total borrowings in MOFSL (ex Aspire) was ₹8.9 billion as of Dec 2015. This resulted in interest cost (ex Aspire) of approx ₹170 million in Q3FY16, as compared to ₹70 million in Q3FY15



**Key CSR Areas: (a) Institutions: Hostels/Campus; (b) Education: School devp./Mid-day meal/English Lab, (c) Employee Volunteering**



Sponsored construction of school at Umarkhed in rural Maharashtra, which provides free pre-primary and primary education to 150 students



Renovated the classrooms for primary section at Saraswati Mandir High School, Mumbai



Daan Utsav organized as part of Joy Of Giving Week. Muskan Foundation, ISKCON Food Relief Foundation and Light of Life Trust were invited



Our employees took financial literacy sessions at Balmohan Vidyamandir, where 200 students were giving Natl. Fin. Literacy Assessment Test



Career counselling and guidance sessions were organized at Bal Mohan and Saraswati Mandir School, which benefited more than 700 students



Students of Saraswati Mandir High School were given a chance to present a patriotic song-dance program on Independence Day at MOT



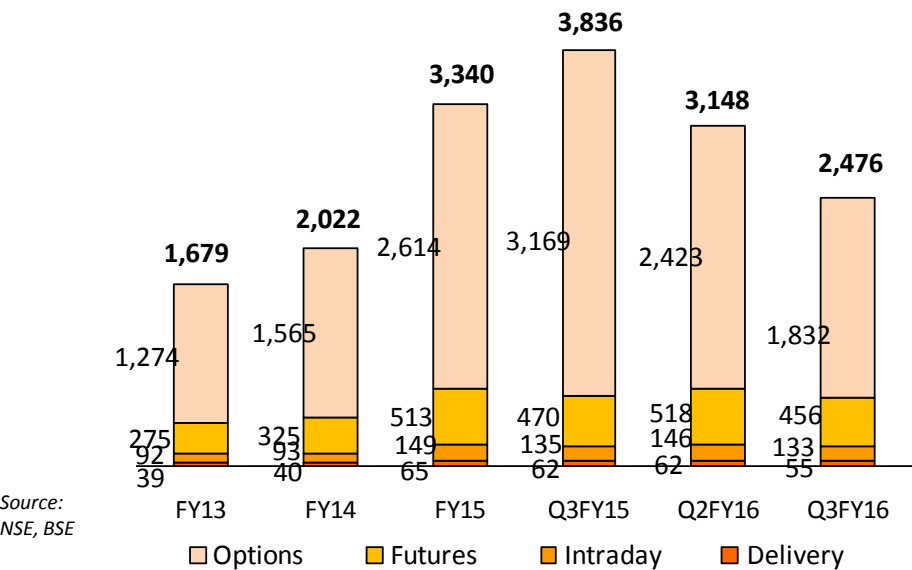


## Industry trends

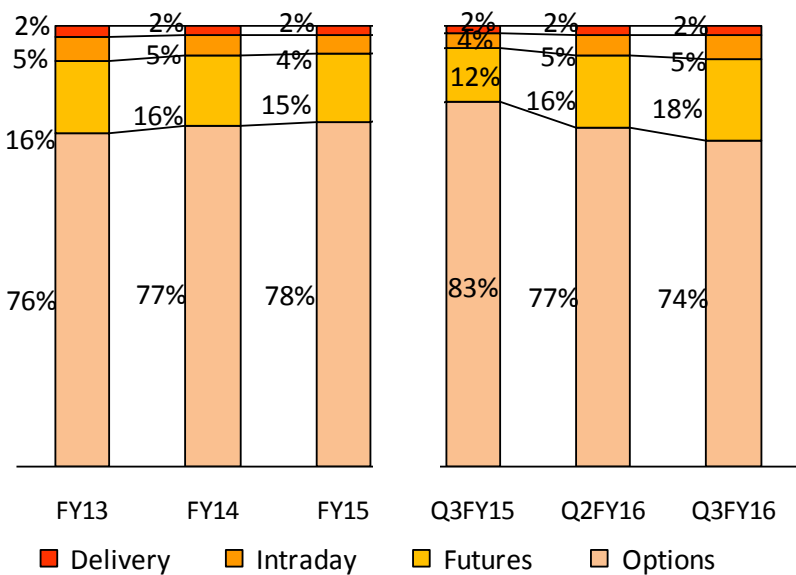
- Equity market volumes
- FII and DII net flows
- Wealth management
- Mutual fund AUM/net inflows
- Housing Finance
- Private Equity activity

# Cash ADTO dipped QoQ, but Options dipped sharper

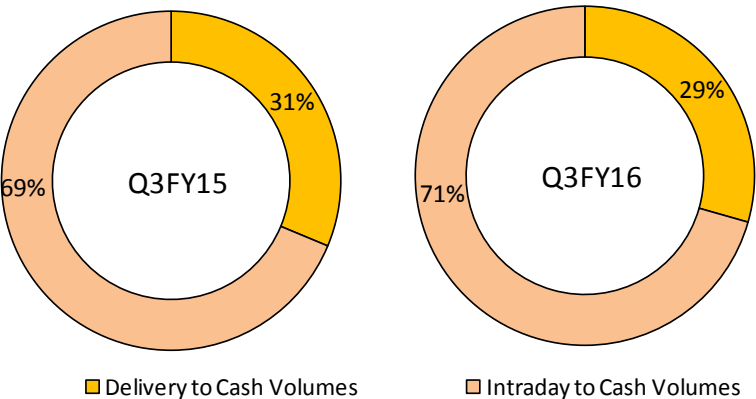
Market ADTO declined QoQ owing to a drop in both cash and F&O. While QoQ growth in both segments were volatile in recent quarters, the drop in options was significant this quarter (Rs Bn)



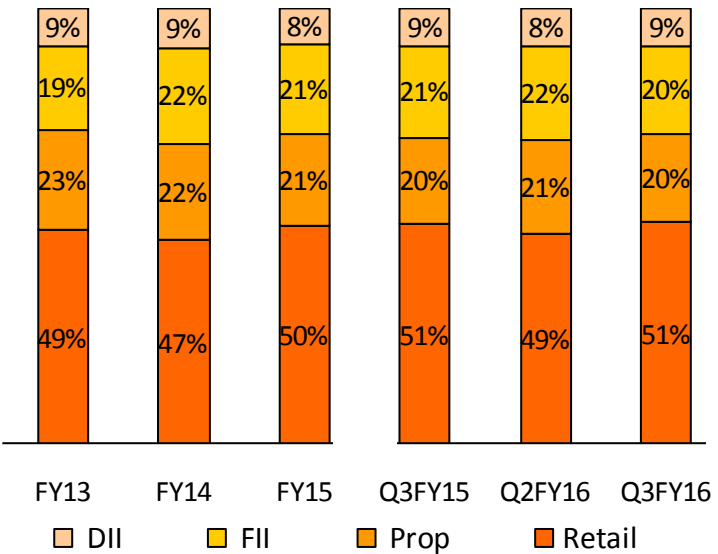
Owing to the steep drop in options vs. other segments, the proportion of F&O within the volume mix also dipped



Proportion of delivery within the cash volume mix has been declining since the last few quarters

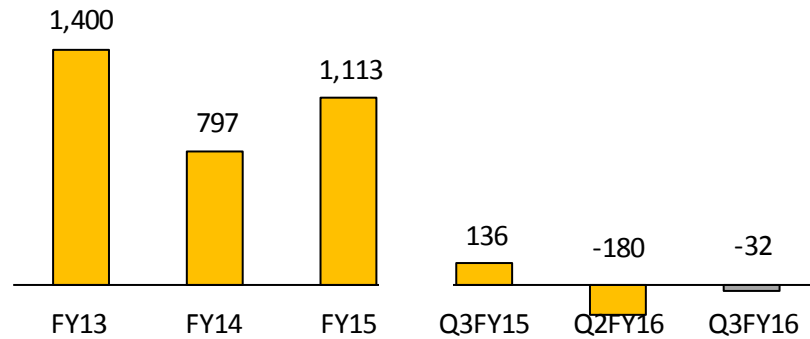


All cash participants declined QoQ; However, the steep decline in FIIs meant that the proportion of Retail and DIIs picked up

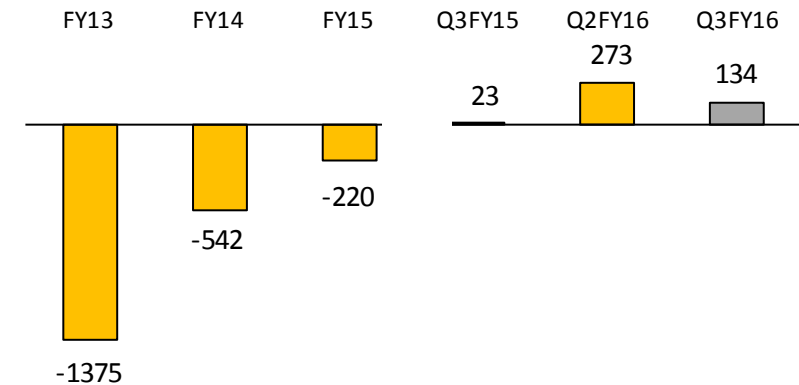


# FII continue net outflows, but DIIs hold the fort with inflows

Nov and Dec saw net outflows from FIIs, following outflows in Sep and Aug; 6 out of 9 months of FY16 have seen net outflows (Rs Bn)



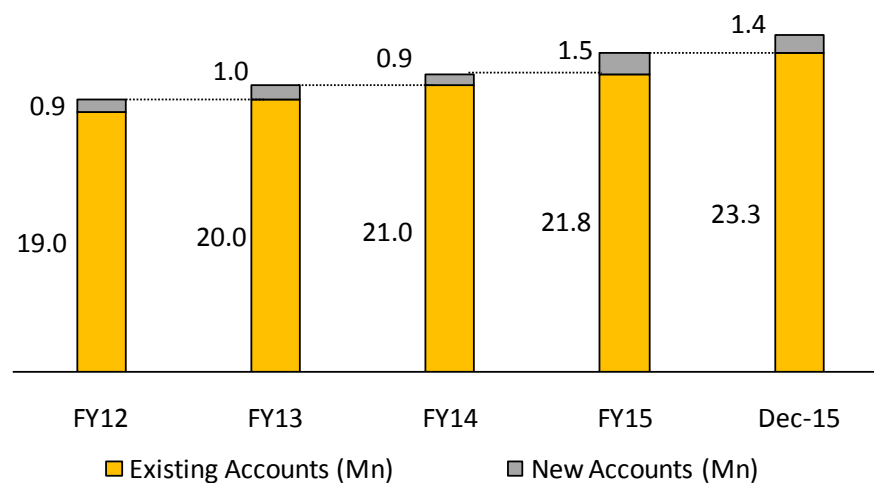
Strong net inflows by DIIs marked each month of FY16, except a small outflow in Oct that pulled down Q3's aggregate (Rs Bn)



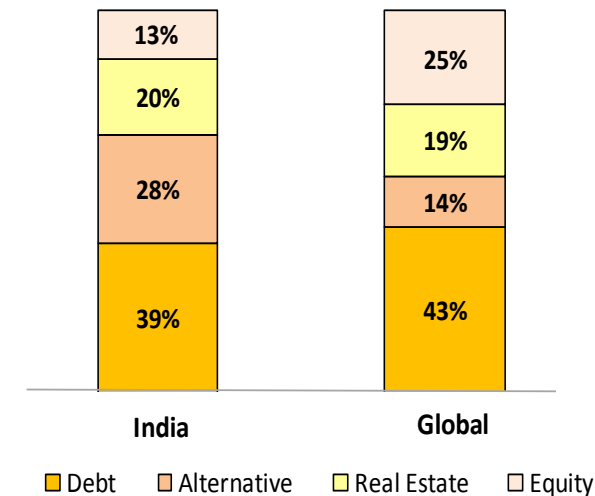
Source: NSE, BSE

Source: NSE

As IPOs picked up slightly, demat accounts created in 9MFY16 have been 50% higher than the FY12-14 average



Wealth management assets in India still lags the world in its allocation towards financial savings vs. physical savings



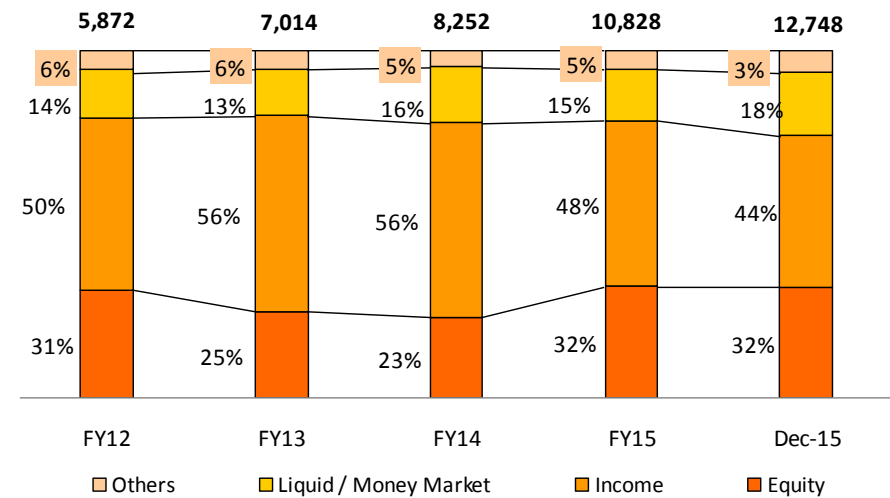
Source: CDSL, NSDL

Source: Karvy Report 2014

# Equity MF see AUM uptick due to inflows, rather than appreciation

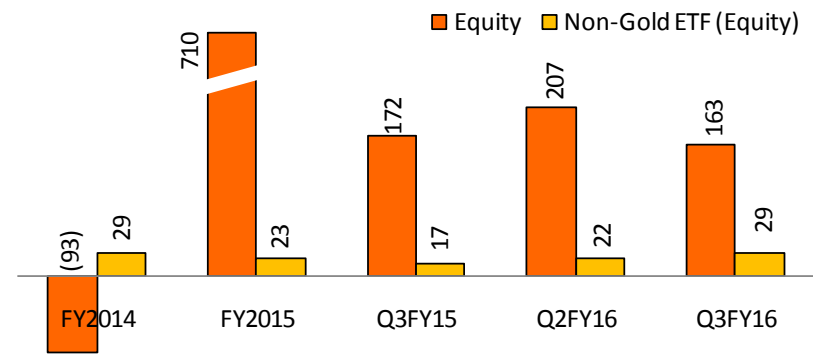


MF AUM reached a high of ₹12.7 trillion, led largely by an uptick in Equity and Liquid MF segments (Rs Bn)



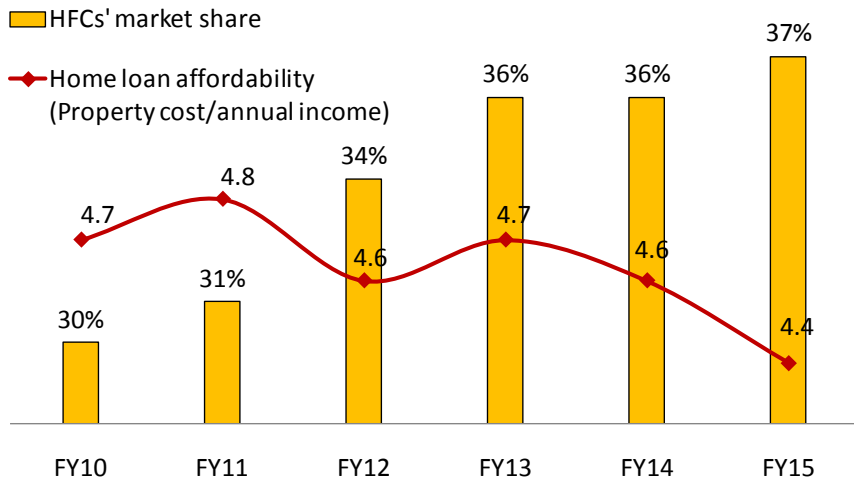
Source: AMFI

The uptick in Equity MF AUM in 9MFY16 has been due to continued net inflows, and not due to appreciation (Rs Bn)



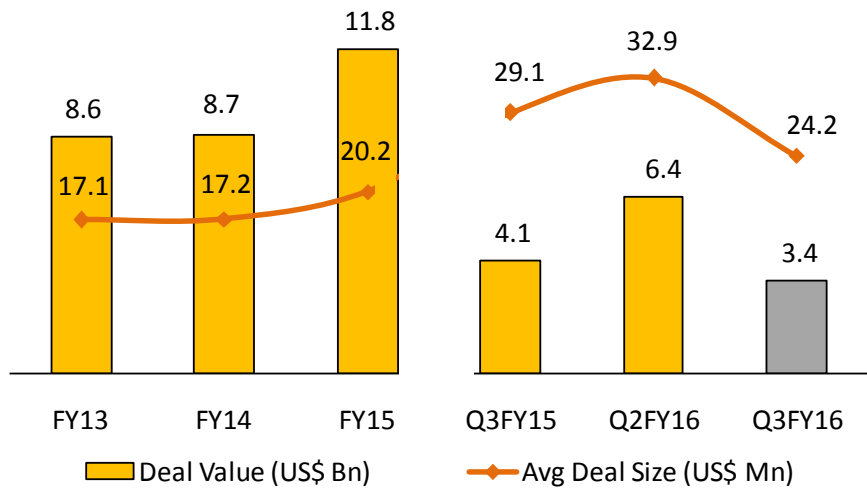
Source: AMFI

Home Loans are becoming more affordable vs. Income, while Market share of HFCs is steadily increasing



Source: NHB, Banco Espirito Santo report, HDFC

PE deal values and Avg size saw a QoQ dip since the previous quarter included big-ticket deals of Flipkart, Ola and Snapdeal



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## Thank You

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