



Motilal Oswal Financial Services Ltd

Earnings Presentation | Q1FY20

Businesses building scale

Annuity revenue driving visibility

All biz offer huge headroom for growth

Key Highlights

Pg 3 -5

Financials

Pg 6 - 11

Businesses

Pg 12 - 38

MOFSL Journey

Pg 39

Asset Management

AMC AUM: Rs 388 bn, +3% YoY; EBITDA margin at 39%, +100bps QoQ.

Equity MF AUM share remain stable at 1.9% in Q1FY20.

Strong growth in PE AUM (+25% YoY)
Robust growth in revenues (+24%) and profit (+13%).

Wealth AUM: Rs 180 bn, +18% YoY in Q1FY20.

Capital Markets

Stable revenue and profit for Broking business in Q1FY20.

Distribution AUM stood at Rs 97 bn, +17% YoY.

Online platform gaining traction.

Share in high yielding cash segment has increased.

Deal pipeline remains robust.

Housing Finance

Changed the name to “Motilal Oswal Home Finance”

Rating upgrade from CRISIL to AA- (Stable)

Improvement in collection efficiency

Strong traction in legal recourse

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

Provisioning including write offs stands at 68%

Disbursements are likely to pick up in coming quarters.

Fund based Investments

Total quoted equity investment including MTM gains was Rs 16 bn as of Q1FY20.

Cumulative XIRR of ~18.5% on quoted equity MF investments and ~27% on exited PE growth fund investments

Strong liquidity on Balance sheet with unutilised banking lines of Rs 14 bn.

Group RoE

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

**MOFSL
Consolidated**
20% in Q1FY20

**Asset & Wealth
Management**
98% in Q1FY20

(5% of NWE)

**Capital
Markets**
61% in Q1FY20

(6% of NWE)

**Housing
Finance**
8% in Q1FY20

(26% of NWE)

**Fund based
investments**
14% in Q1FY20

(63% of NWE)

**MOFSL
Consolidated**
16% in Q1FY19

**Asset & Wealth
Management**
135% in Q1FY19

(5% of NWE)

**Capital
Markets**
122% in Q1FY19

(8% of NWE)

**Housing
Finance**
-5% in Q1FY19

(24% of NWE)

**Fund based
investments**
1% in Q1FY19

(63% of NWE)

Awards & Accolades

MOFSL gets inducted in the
Hall of Fame at the 10th
Financial Advisory Awards
2019.

MOFSL Wins Broking
House of the year (West) at
MCX Awards 2019

MOFSL wins Best 360
Degree Marketing
Campaign at Masters of
Modern Marketing
Conference and Awards

Aspire Home Finance
awarded “ Digital
Excellence in Urban
Finance” at the Digital
Customer Excellence
Awards, 2019

Motilal Oswal Financial
Services wins award for
effectiveness in PR (Silver)
at the 8th Global Customer
Engagement Awards 2019

Best Video Content in an
ATL campaign (Financial
Services) at the Video 2019
– Video Media Awards and
Summit

Consolidated financials – Revenue mix

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Asset Management	1,443	1,482	-3%	1,396	3%
Wealth Management	221	261	-15%	258	-14%
Private Equity	240	193	24%	320	-25%
Broking	2,778	2,885	-4%	2,809	-1%
Investment Banking	3	151	-98%	146	-98%
Fund Based *	339	69	389%	535	-37%
Housing Finance	1,527	1,603	-5%	1,612	-5%
Total Revenues	6,551	6,645	-1%	7,077	-7%
Total Revenues after Intercompany adj.	6,119	6,176	-1%	6,592	-7%
Operating Costs	2,997	3,356	-11%	3,245	-8%
EBITDA	3,122	2,820	11%	3,347	-7%
PBT	1,787	1,455	23%	1,976	-10%
PAT	1,294	1,038	25%	1,461	-11%

Note:

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

Consolidated financials – PAT Mix

PAT (Rs Mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Asset Management	348	404	-14%	335	4%
Private Equity	50	43	15%	77	-35%
Wealth Management	5	27	-81%	29	-82%
Asset & Wealth	403	474	-15%	441	-9%
Broking	393	511	-23%	408	-4%
Investment Banking	-41	65	-163%	55	-175%
Capital Markets	352	576	-39%	463	-24%
Fund Based	350	89	292%	491	-29%
Home Finance	171	-100	271%	81	112%
Total Intercompany	18	-1	-	15	-
PAT	1,294	1,038	25%	1,461	-11%

Notes:

1. Fund based investments profit excludes Other Comprehensive Income
2. All PAT numbers are post minority.

Consolidated balance sheet

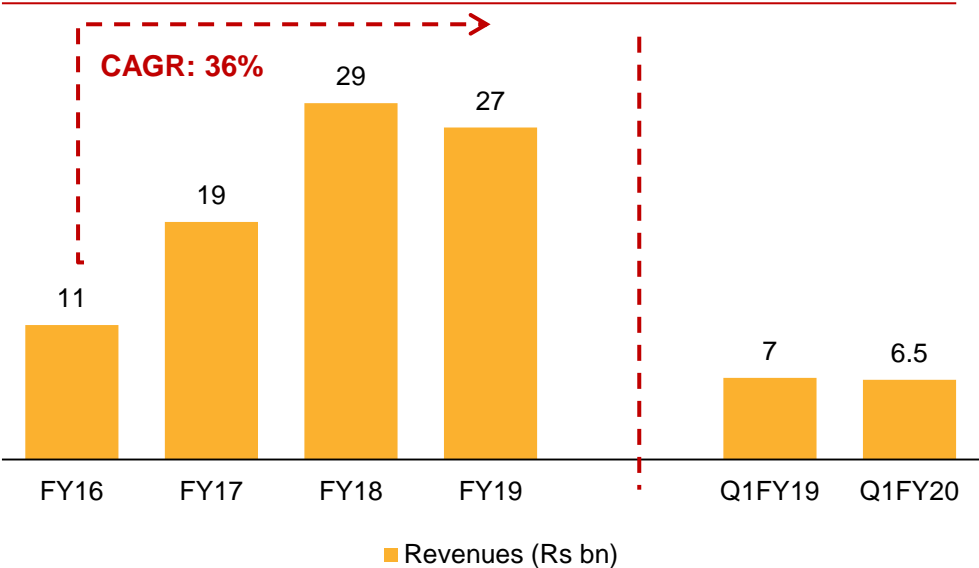
Particulars (Rs bn)	Q1FY20	FY19
Sources of Funds		
Networth	32.3	30.5
Loan Funds	47.8	51.6
Minority Interest	0.4	0.4
Deferred tax liability	0.1	0.0
Total Liabilities	80.6	82.5
Application of Funds		
Fixed assets (net block)	3.4	3.0
Investment	27.7	26.9
Long term loans and Advances	48.2	48.8
Net current assets	1.1	3.6
Deferred tax assets	0.2	0.2
Total Assets	80.6	82.5

Notes :

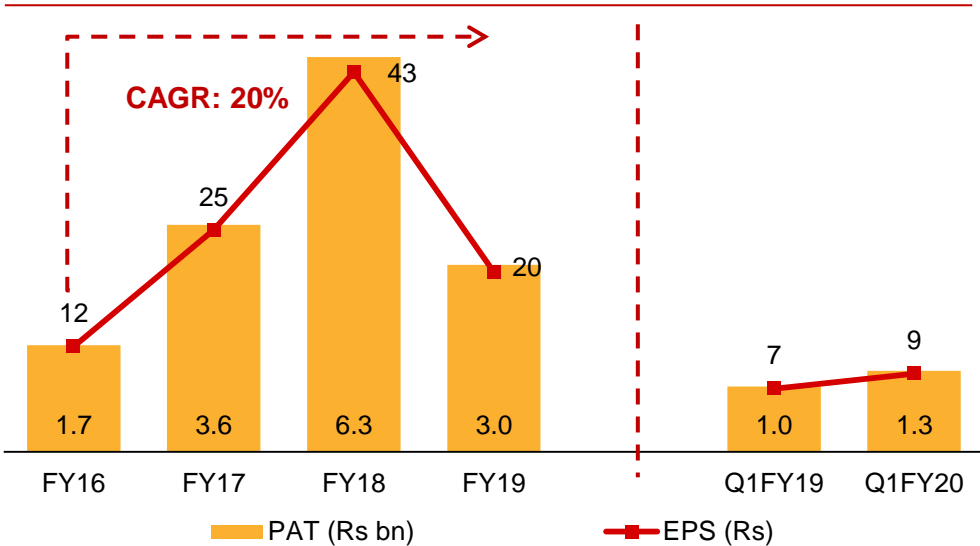
* * Loan Fund includes Borrowings of MOHFL. Ex- MOHFL borrowing is Rs 14 bn in June-19. Against this net borrowing, quoted investments are Rs 16 bn.

** Long Term Loan & Advances includes loans given by Motilal Oswal Home Finance and MTF book.

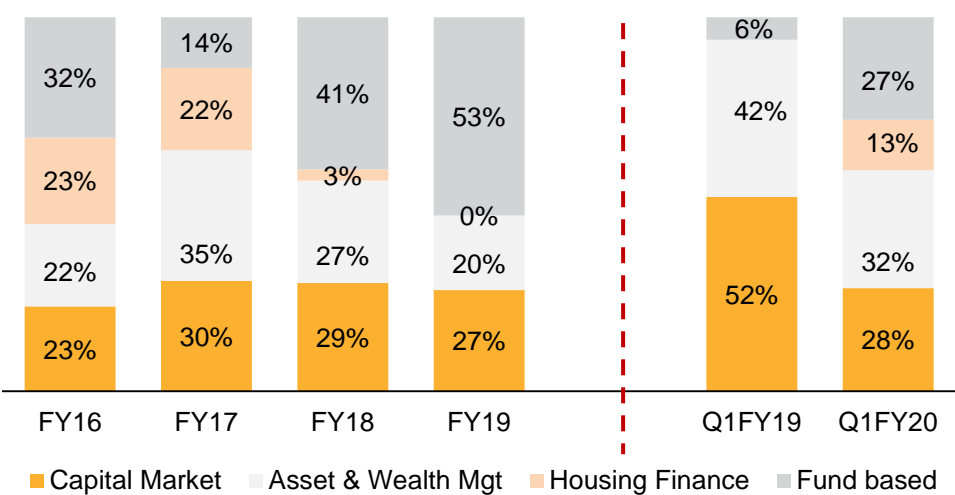
Revenue trend



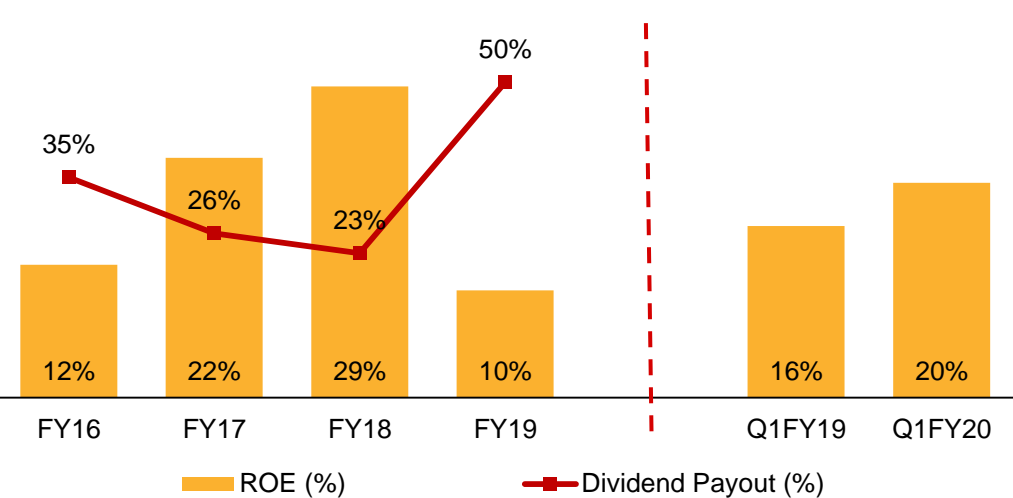
Profitability trend



Profitability mix

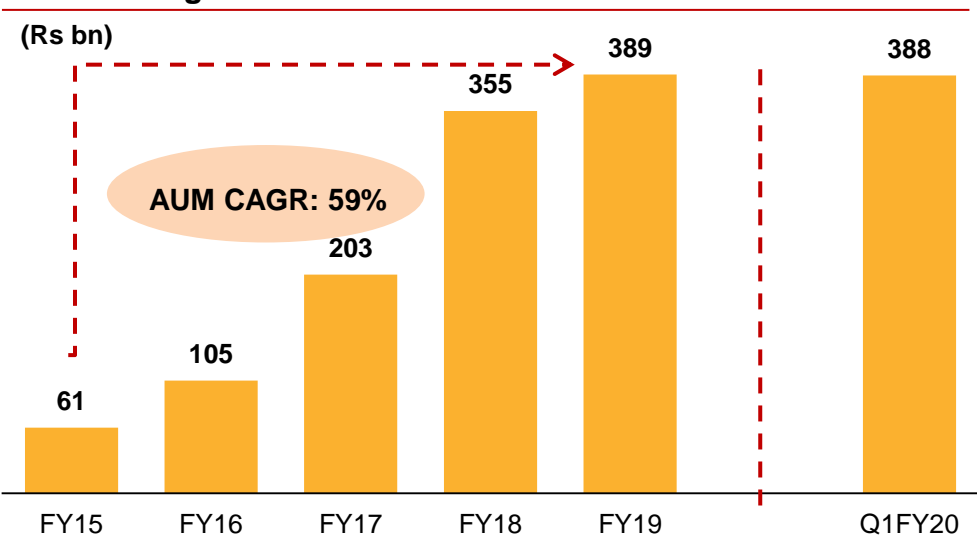


RoE trend

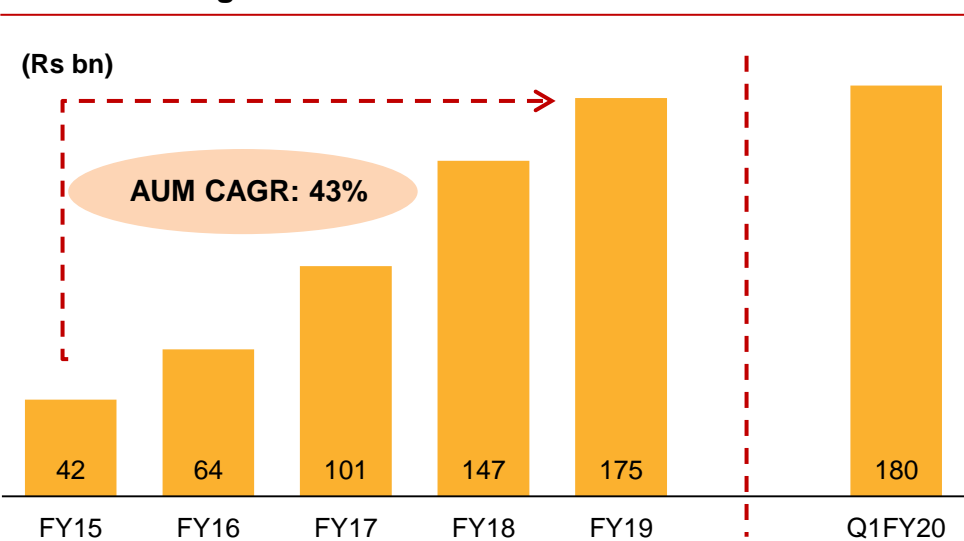


Note: Revenue, PAT and RoE are as per IGAAP from FY15 till FY17

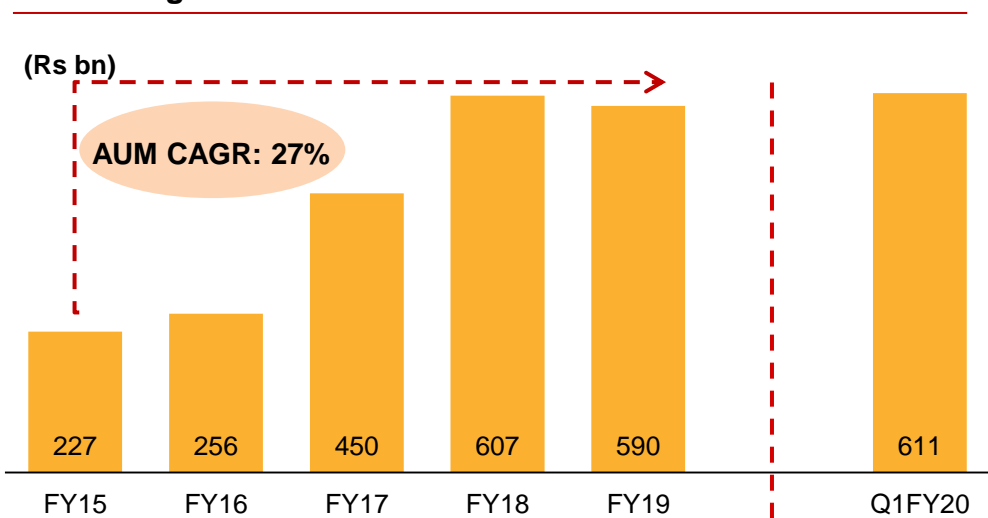
AMC AUM growth trend



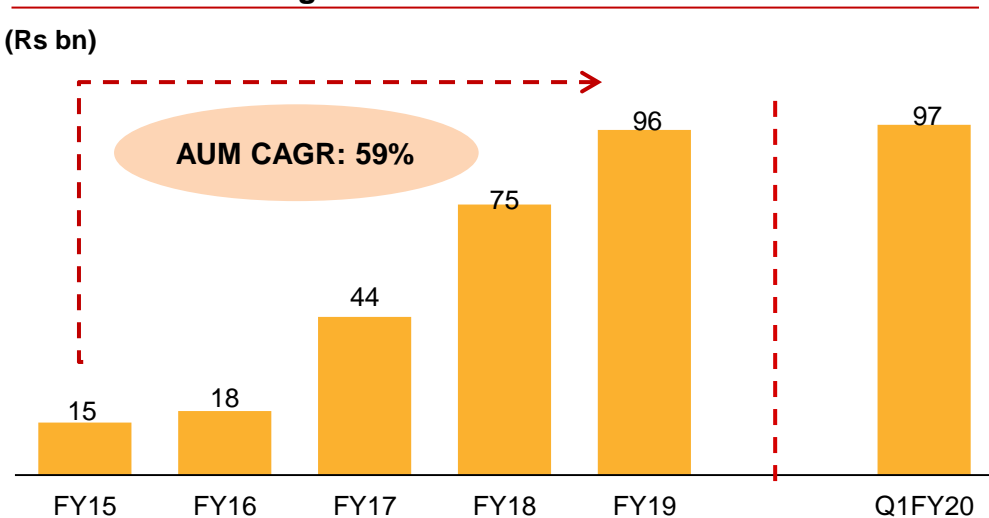
Wealth AUM growth trend



DP AUM growth trend



Distribution AUM growth trend



Asset Management: Strong operating leverage

- AMC revenue and profit for Q1FY20 remains sequentially stable at Rs 1.4 bn and Rs 343 mn, respectively.
- AMC AUM stood at Rs 388 bn, +3% YoY
- Equity MF AUM market share stood at 1.9% in Q1FY20
- Operating leverage visible despite ongoing investment

Wealth Management: Productivity to drive margins

- AUM grew 18% YoY to Rs 180 bn with net sales of Rs 5 bn in Q1FY20
- 67% of revenues are trail based revenues and covers 76% of fixed cost provide cushions to margin.
- Rise in RM productivity will aid margins, going forward

Growth Drivers

Broking & Distribution: Margins led by Distribution

- B&D revenue and profit remains stable sequentially.
- Distribution AUM stood at Rs 97 bn, +17% YoY.
- Strong operating leverage with EBITDA margin of ~35% in Q1FY20
- Share in high yielding cash segment has increased.

Housing Finance: Ample headroom for growth

- Name changes to "Motilal Oswal Home Finance"
- Rating upgrade from CRISIL to AA- (Stable)
- Traction in legal recourse
- Disbursements likely to pick up

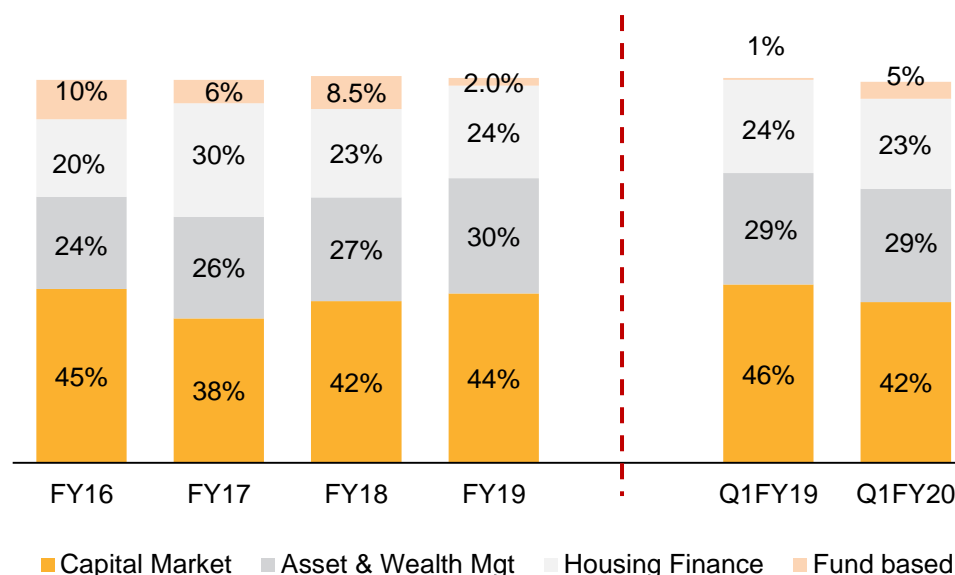
- **Profit grew by +25% YoY to Rs 1.3 bn, whereas revenue remain flat at Rs 6.5 bn in Q1FY20.**

- This revenue mix was contributed by the Capital Market business by 42%, Asset & Wealth Management business 29% and Housing finance 23%. Profit mix was contributed by Asset & Wealth Management 32%, Capital Markets business 26% and fund based investments 28%. Asset and Wealth business was highest contributor to profit, ahead of capital market business.

Strong Balance Sheet

Strong liquidity, with ~Rs 16 bn as of Q1FY20 in near-liquid investments to fund future investments. Overall gearing remains conservative at 1.5x; ex-MOHFL it is at 0.4x. Considering market value of investment and cash equivalents, effective gearing is zero.

Diversified Revenue mix trend



AMC AUM
Rs 388 bn in
FY19,
+3% YoY

**Rank 12 in Equity
AUM June 2019**

**One of the leading
PMS player with
14% AUM market
share**

**Stable market
share of 1.9% in
MF Equity AUM**

**Stable SIP flows
at Rs 4.3 bn in
Q1FY20**

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
AUM (bn)	388	376	3%	389	0%
Total Revenues	1,443	1,482	-2%	1,396	3%
Distribution Costs	612	620	-1%	619	-1%
Other Costs	266	238	12%	245	9%
EBITDA	565	624	-10%	532	6%
<i>EBITDA Margin</i>	<i>39%</i>	<i>42%</i>	-	<i>38%</i>	-
PBT	561	623	-10%	531	6%
PAT (Post-minority)	348	404	-14%	335	4%

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

- AMC has shown stable performance amid weak industry flows and adverse regulatory changes. Operating margins improved sequentially to 39%. However, investment in talent and set-up cost incurred for new AIF led to a decline in margins on YoY basis.
- AUM across MF, PMS and AIF stood at Rs 388 bn (+3% YoY), with MF AUM at Rs 199 bn (+2% YoY), PMS AUM at Rs 161 bn (+4% YoY) and AIF AUM at Rs 28 bn (+5% YoY).
- SIP inflows in Q1FY20 remained stable at Rs 4.3 bn. Our average SIP at ~Rs 4,050 per month is higher than the industry average of Rs 3,000 per month. SIP market share and proportion to total inflows is rising.
- Despite pricing pressure on MF business, led by regulatory changes, we are able to maintain our overall net yields. This was mainly on account of our favourable mix of alternative AUM (~49% of total).
- Contribution from digital channels including fintech platforms, broking platform and direct plan platforms started picking up.

- Market share in MF Equity AUM remain stable at 1.9% (including balance) in Q1FY20. The overall industry witnessed a fall in equity flows owing to volatile equity market conditions.
- PMS continued to have a positive net inflow during the quarter and was able to maintain its leadership with 14% market share.
- We have become one of the largest AIF managers in India within a span of two years, with an AUM of Rs 27 bn in Q1FY20 (Rs 24 bn in FY18). We have a steady pipeline for fund-raising, with tie-ups already in place.
- We are seeing initial interest in our offshore products; the offshore segment is 1.6x the institutionally-managed equity assets in India. We believe that our efforts in this space are likely to bear fruits in the current year.

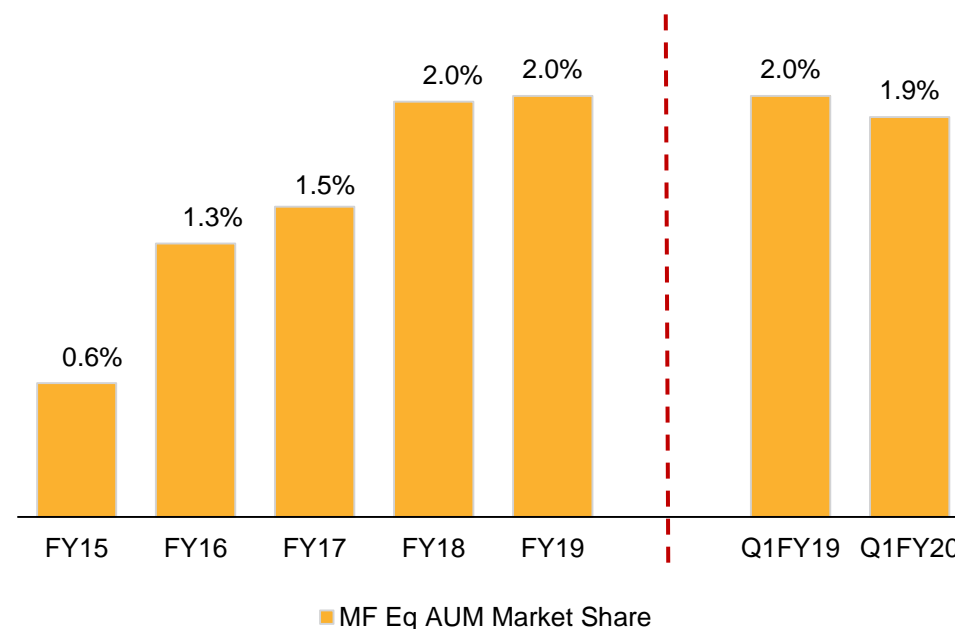
Top Notch performance across product and categories

Product	Scheme	Strategy	Inception Date	Total Return (CAGR)	Alpha over Benchmark
PMS	Value	Large-Cap	25-Mar-03	22.5%	4.5%
PMS	NTDOP	Multi-Cap	11-Dec-07	16.2%	9.3%
PMS	IOP	Mid-Cap	15-Feb-10	12.0%	4.4%
Mutual Fund	F-25	Large-Cap	13-May-13	15.6%	2.5%
Mutual Fund	F-35	Multi-Cap	28-Apr-14	22.0%	8.4%
Mutual Fund	F-30	Mid-Cap	24-Feb-14	20.2%	2.2%

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

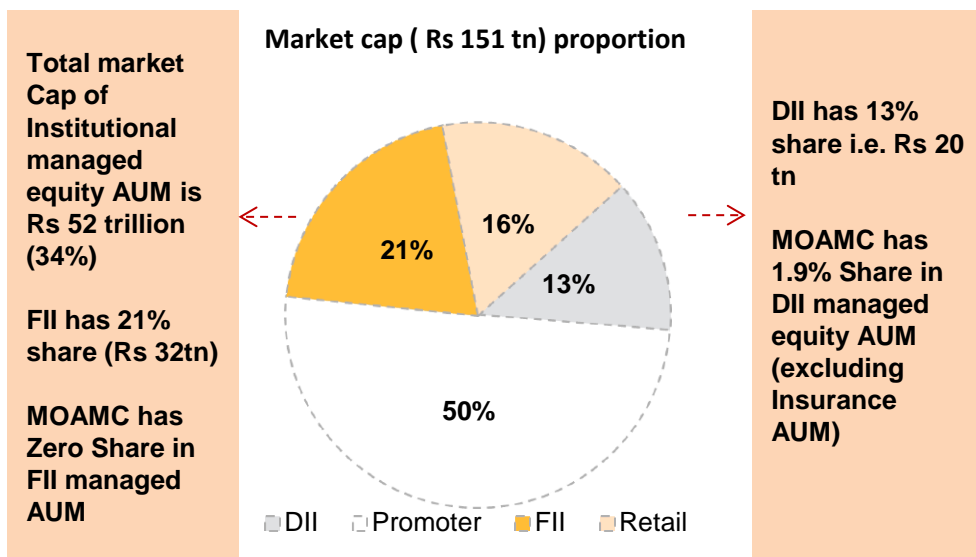
¹ Inception Date: 25/03/2003. These returns are of a Model Client as on 30th June 2019. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns shown are post fees and expenses. Benchmark is Nifty 50 Index

Market share (%)

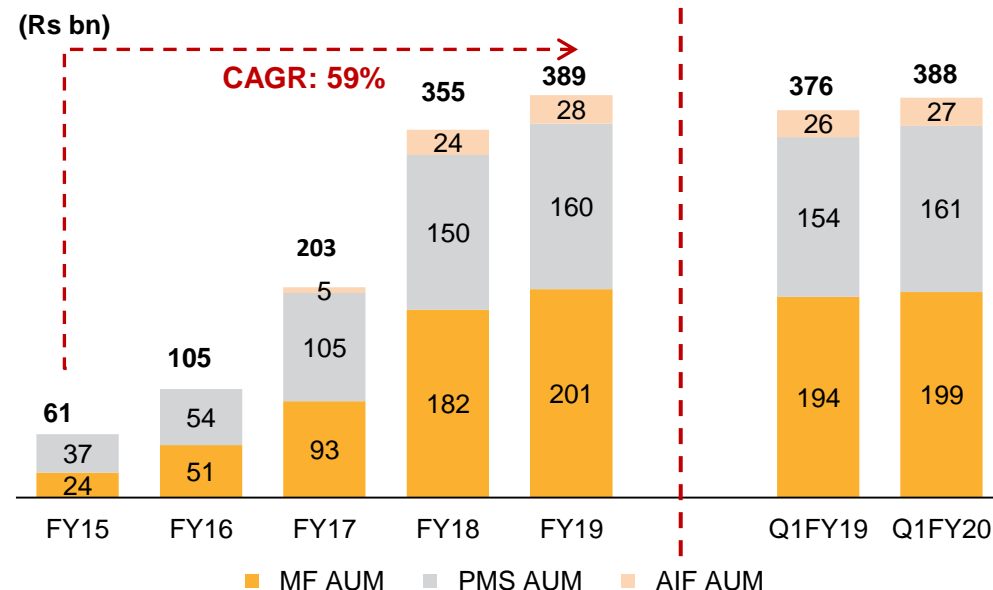


Asset Management – Potential levers to scale business

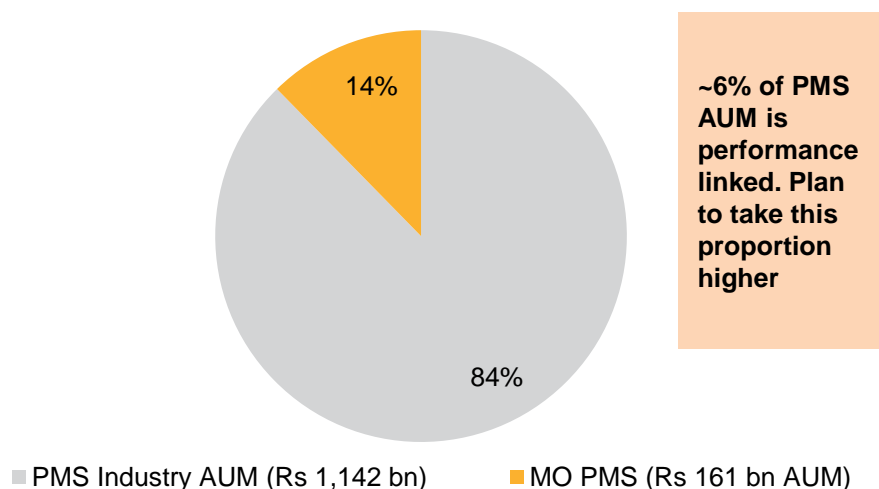
MOAMC's has "Zero" share in FII driven domestic equity market which is 1.6x of size of DII.



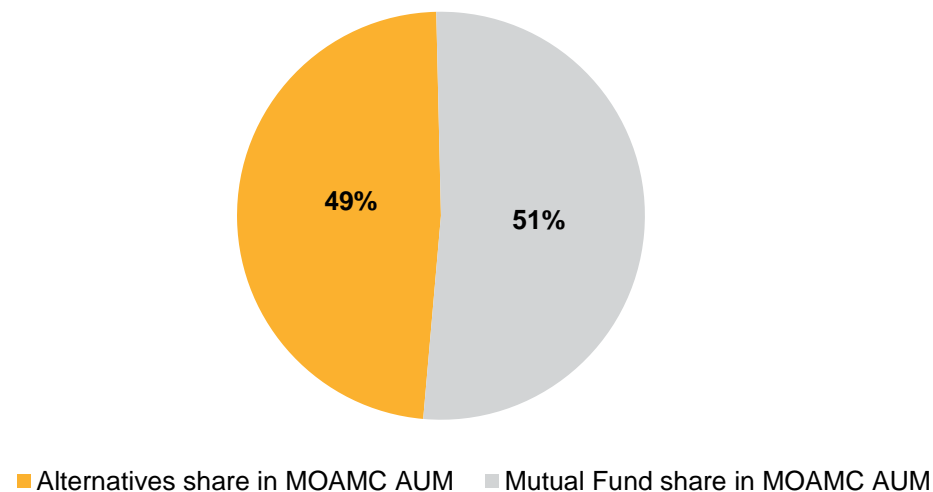
MOAMC AUM breakup and growth trend



MOPMS market share in Industry's Equity AUM



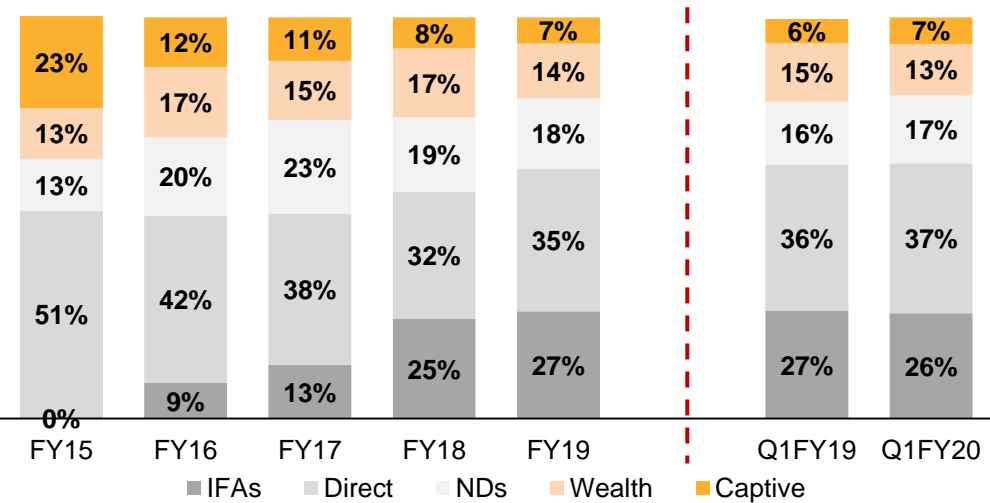
Alternatives share in MOAMC AUM



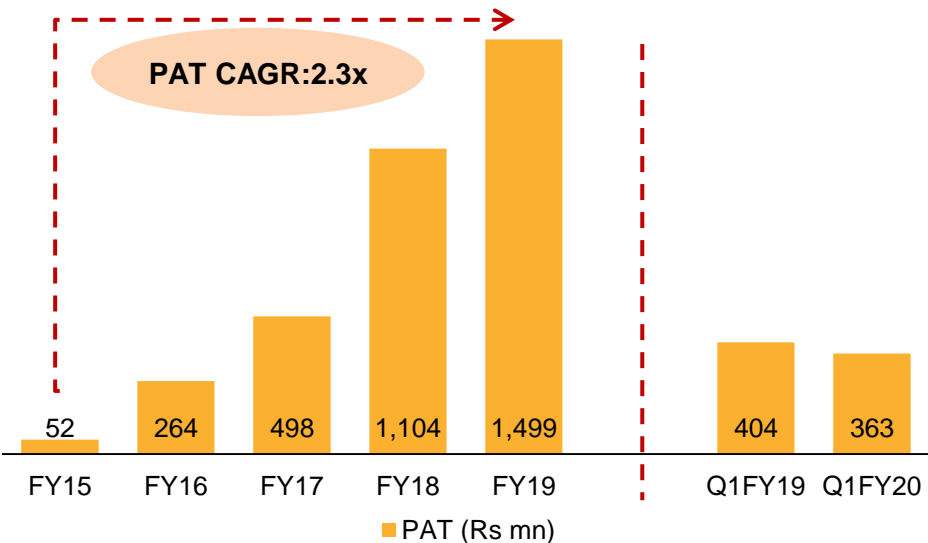
*Alternatives includes PMS and AIF

Asset Management – Potential levers to scale profitability

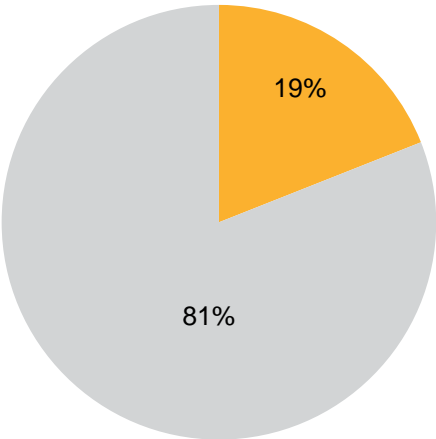
MOMF Sourcing Mix on the basis of AUM



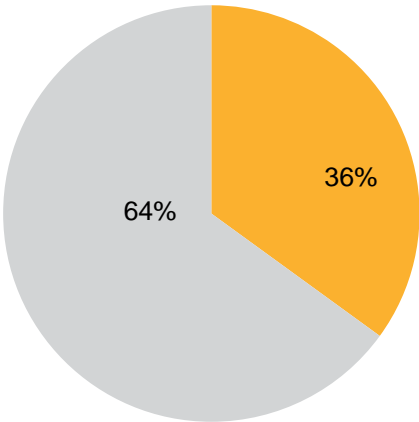
MOAMC profitability trend



Share of performance linked AUM in alternatives

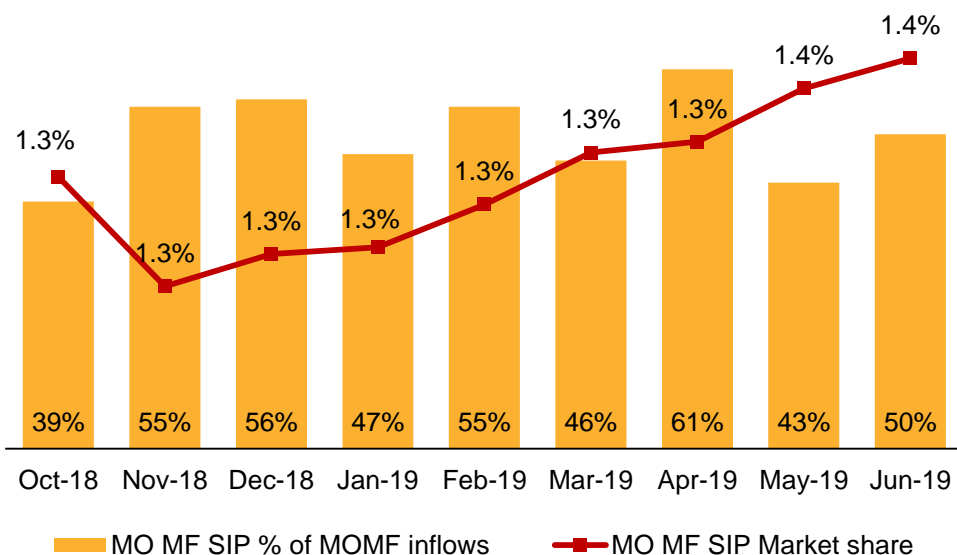


MOMF AUM Mix

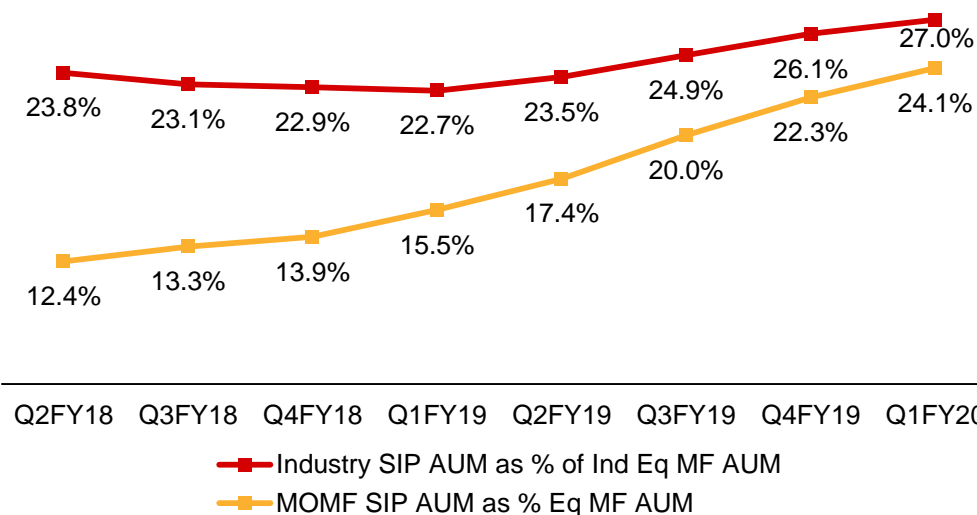


Asset Management – Granularity of MF AUM

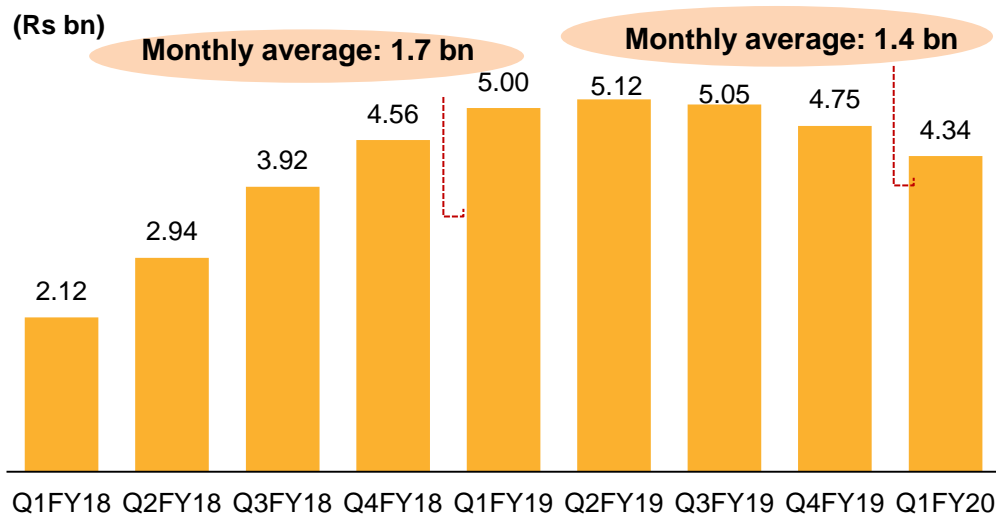
MOMF SIP AUM and inflows market share



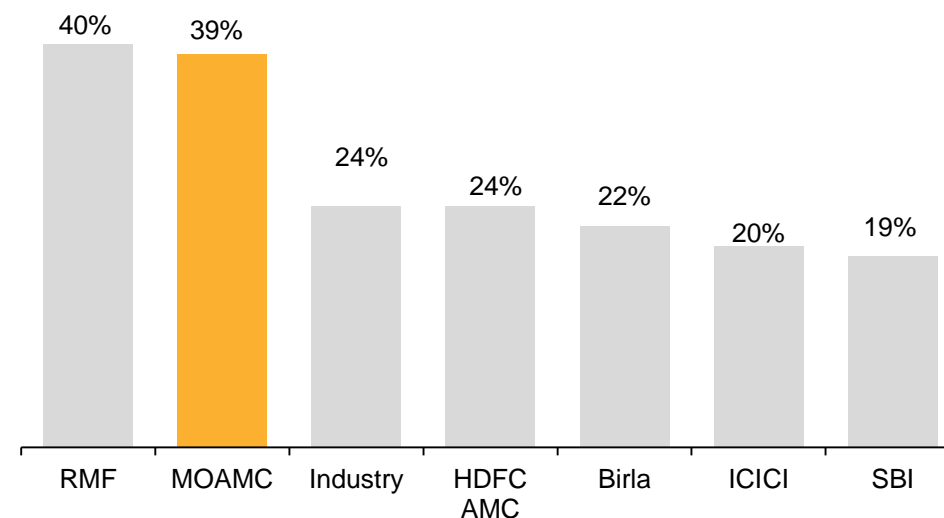
MOMF rising SIP proportion



Rising MOMF SIP flows

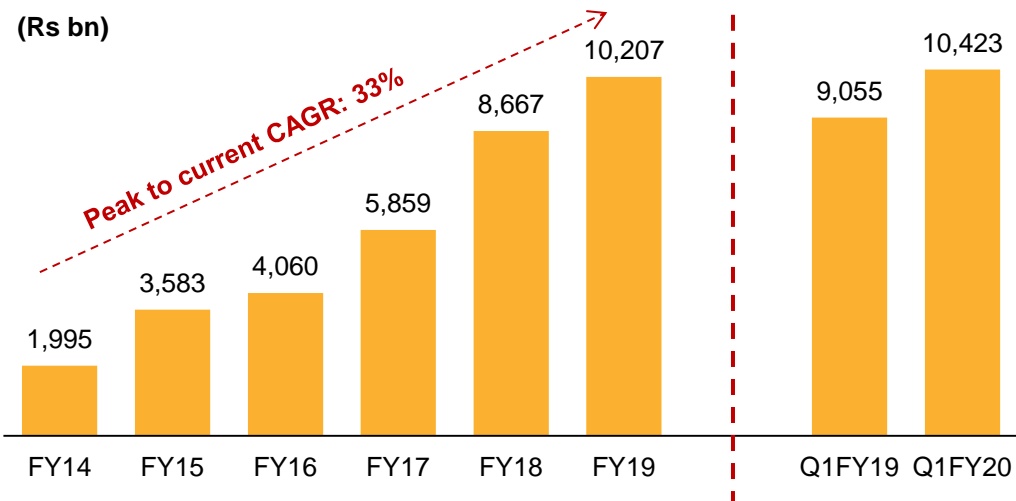


Share of Retail AUM in total MF AUM

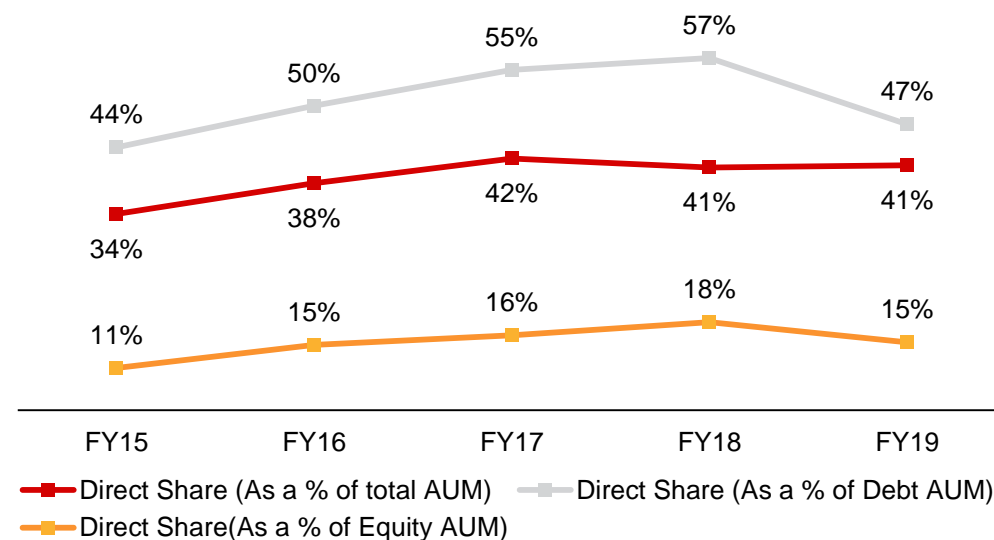


Asset Management – Stickiness of MF flows to continue..

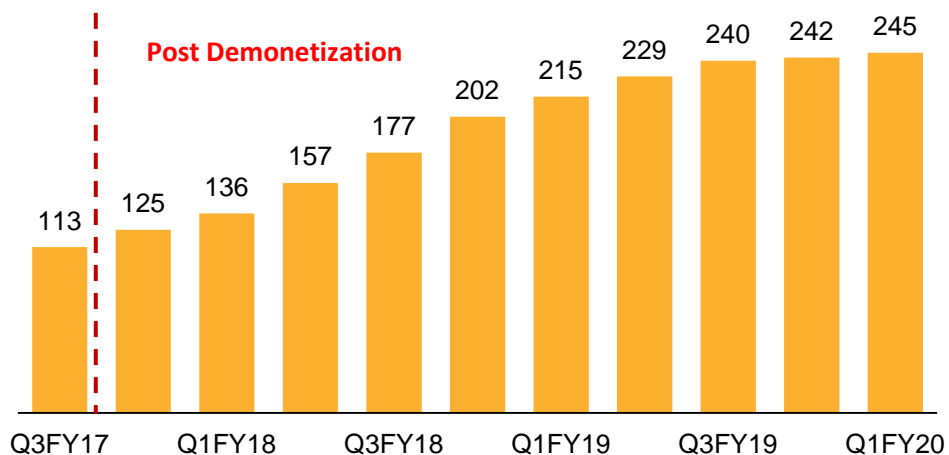
Rising Industry's MF Equity AUM



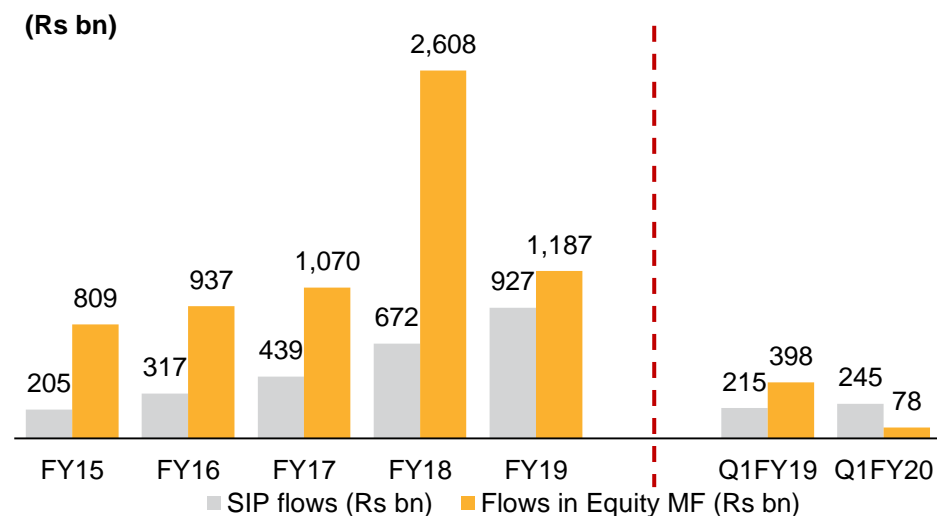
Rising share of Direct proportion



Strong traction in Industry's SIP flows continues



SIP gaining share in rising Equity Industry AUM



PRIVATE EQUITY – Strong growth in AUM

Total AUM of PE business stands at ~ Rs 64 bn , +25% YoY

IBEF III fund raised Rs 23 bn

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

IBEF I exits could result in lumpy gains

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Total Revenues	240	193	24%	320	-25%
Operating Cost	142	120	18%	180	-22%
EBITDA	99	73	34%	140	-30%
PBT	94	70	34%	138	-32%
PAT (Post-minority)	50	43	15%	77	-35%

Note: In Q4FY19, there was a closure of IREF-IV's second phase due to which the revenues were higher owing to higher management & set-up fees.

Growth PE Funds

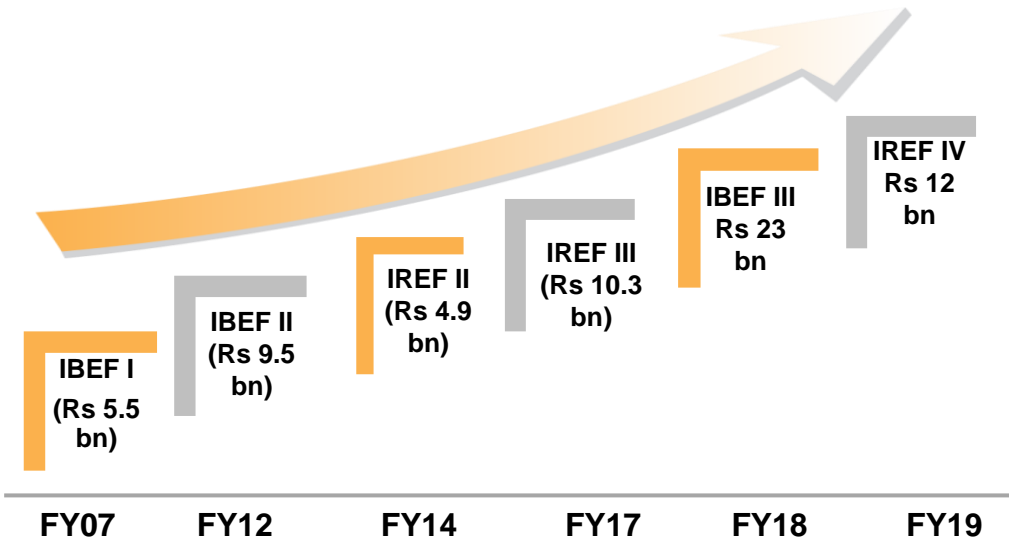
- MOPE Funds stand out with stellar performance. IBEF I has delivered a portfolio IRR of 27.3% and is expected to return over 6x MoC (Multiple of Cost) on a gross basis. Till date, 3.4x MoC has been returned for INR investors and 2.2x for USD investors.
- Fund II has committed 100% across 11 investments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

Real Estate Funds

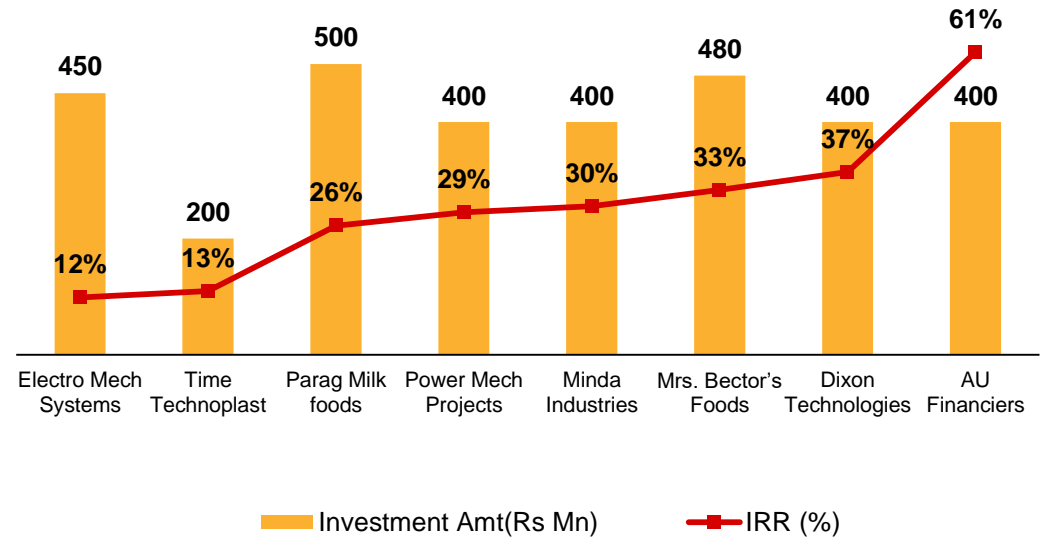
- IREF II is fully deployed across 14 investments. The Fund has secured 8 complete exits and 1 structured exit and has returned money equalling ~115.7% of the Fund Corpus back to the investors. Average IRR on exited investments is ~21.3%.
- IREF III is ~92% deployed across 21 investments. The Fund has secured 4 full exits and has returned income equalling ~20.1% of Funds Corpus back to the investors. Average IRR on exited investments is ~22.1%.
- IREF IV launched with a target size of Rs. 12 bn. has achieved 2nd close at ~Rs. 8.5 bn. The Fund has so far made 6 investments.

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

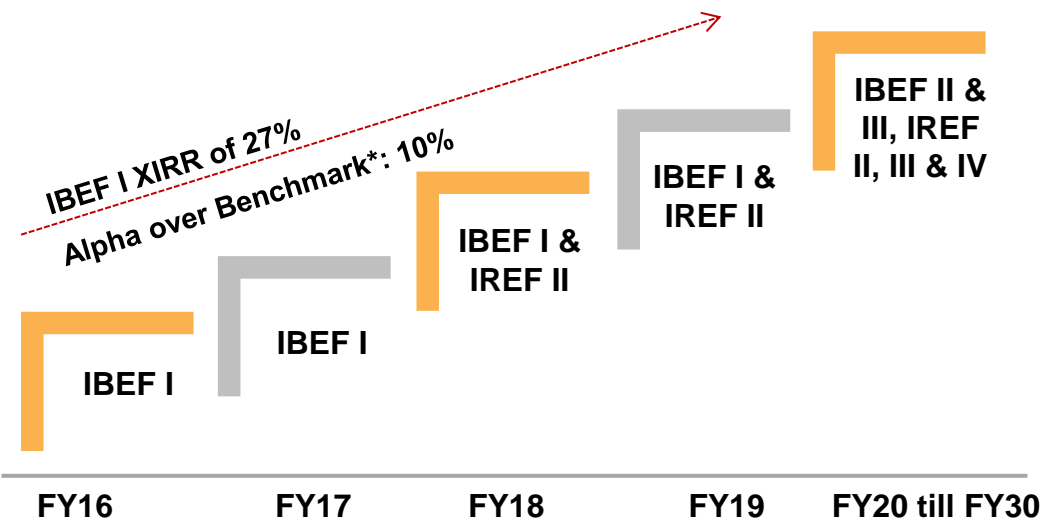
Launch period of PE Funds



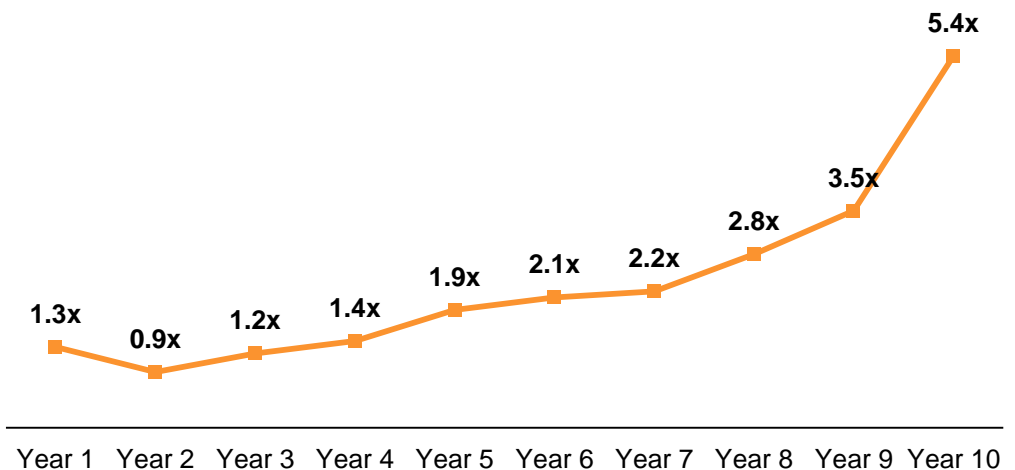
QGLP investments delivering higher IRR



Exit period of PE funds



IBEF I exits delivering 5.4x return



Wealth AUM
Rs 180 bn in FY19,
+18% YoY

Investment in RMs
continues

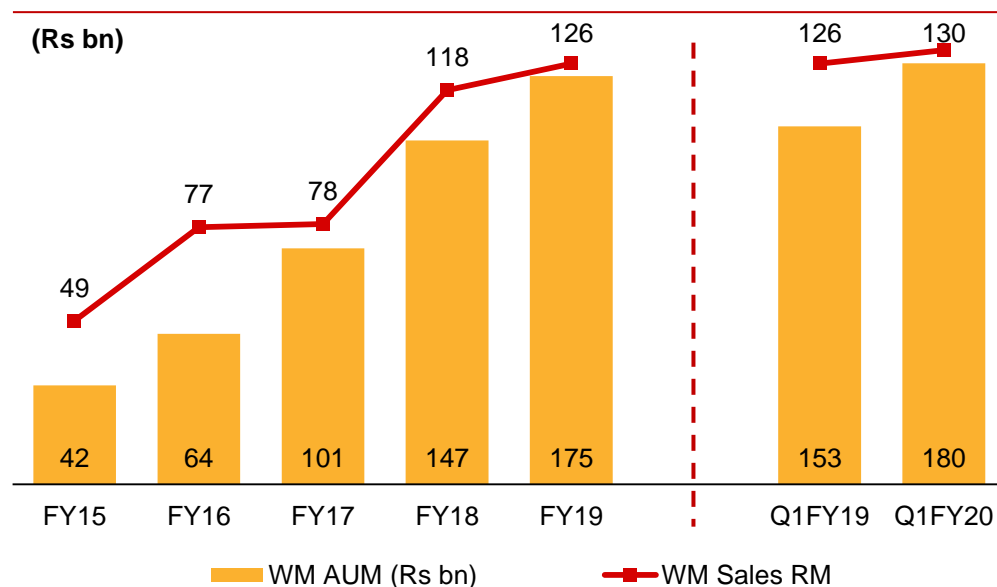
Rising Number of
Client Families,
+10%

Deepening our client
wallet-share & RM
productivity

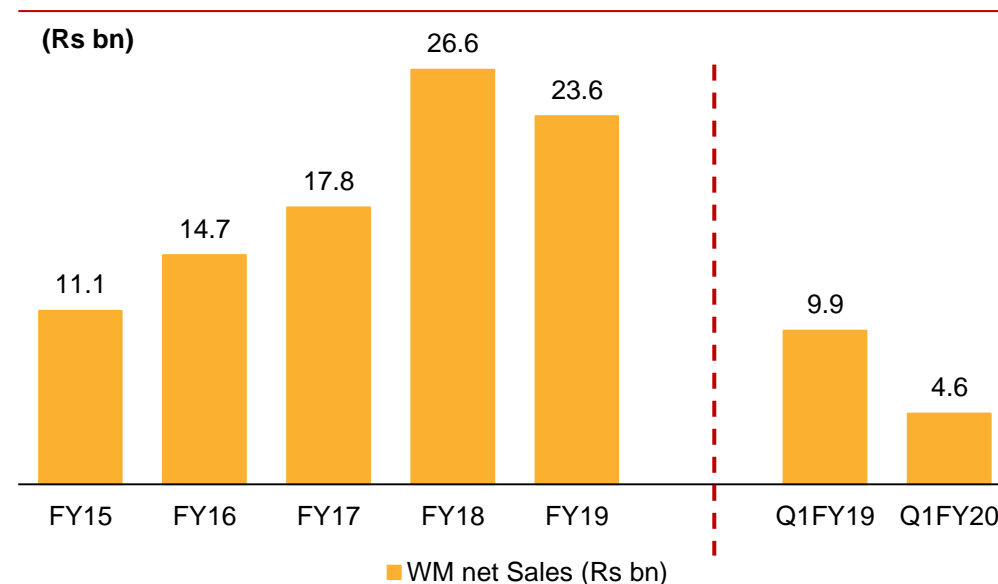
Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
AUM (bn)	180	153	18%	175	3%
Net adds (bn)	5	10	-54%	2	90%
Total Revenues	221	261	-15%	258	-14%
Operating Cost	211	220	-4%	211	0%
EBITDA	10	41	-75%	47	-78%
PBT	7	39	-81%	43	-83%
PAT (Post-minority)	5	27	-81%	29	-82%

- In Q1FY20, net adds include alternate investment products, whose revenue will be recognised in the ensuing quarters. This resulted in lower revenues by Rs 28 mn and PAT by Rs 18 mn.
- We are able to cover our costs despite higher investment into RMs due to consistently pursuing trail revenue model for the last 5 years. Trail based revenues are ~67% of total revenues and covers ~76% of fixed cost.
- Currently, 50% of our RMs are less than 2 years of vintage. RM productivity will pick up in line with their rising vintage. As existing RM vintage increases profitability of the business can improve commensurately.
- Yield was at ~62 bps in Q1FY20, with equity mix of ~57% in total AUM.
- Incremental sales is driven by non captive products, resulting in more diversified products offering .
- We are investing in improving technology and operations amid weak environment in order to create robust foundation for future growth.
- Inclination to invest in financial assets remains high, providing headroom for growth in AUM and profit pool.

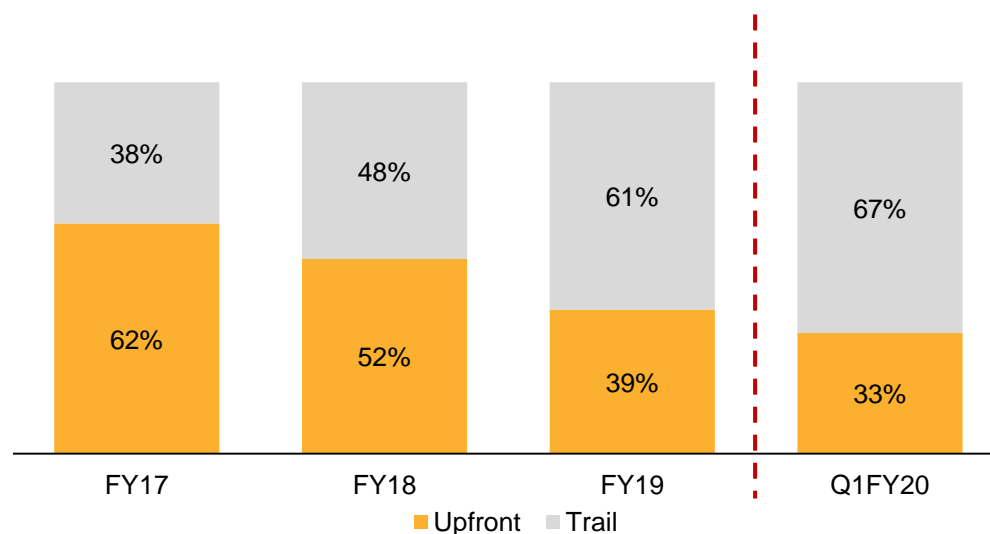
Wealth AUM growth trend



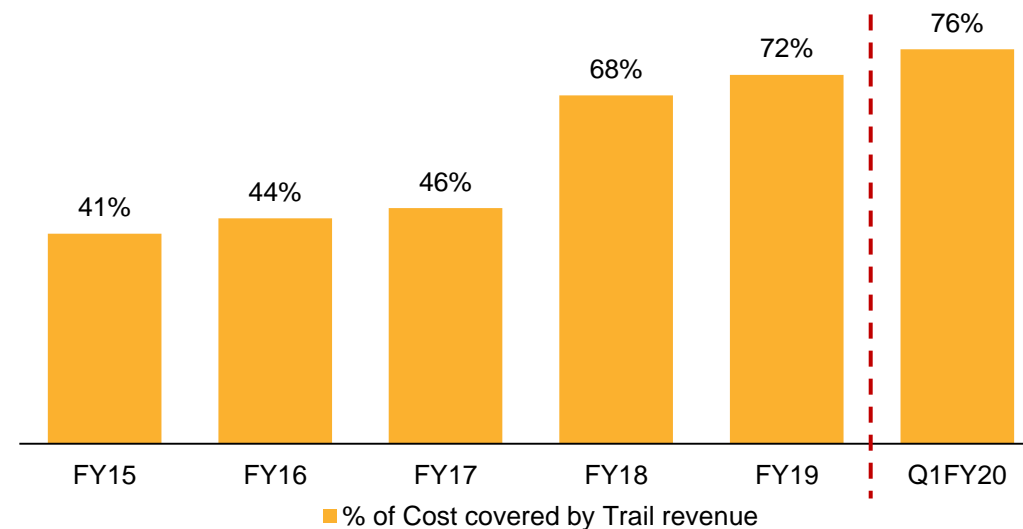
Wealth net sales trajectory



Upfront and trail contribution in revenues (%)



Trail income will protect margin in downturn



Healthy volume growth; improvement in high-yield cash segment

EBITDA margin remains robust at ~35% in Q1FY20

Distribution AUM picked up to Rs 97bn, +17% YoY

Online penetration for clients (36%) and turnover (34%)

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Total Revenues	2,778	2,885	-4%	2,809	-1%
Operating Costs	1,811	1,806	0%	1,927	-6%
EBITDA	967	1,079	-10%	882	10%
EBITDA Margin	35%	37%	-	31%	11%
PBT	596	743	-20%	601	-1%
PAT (Post-minority)	393	511	-23%	408	-4%

- Profit in Q1FY20 was stable on sequential basis. However, profit was lower on YoY basis due to lower overall funding book, lower net sales in distribution, and normalised tax rate in comparison with lower tax rate in Q1FY19 which was on account of merger of MOSL into MOFSL.
- Distribution business AUM stood at Rs 97 bn, +17%. The distribution arm continued to focus on equity-related products. With only 16% on total client base and ~20% of our distribution network tapped, we expect continued increase in distribution AUM, as cross-sell increases.
- MOFSL's overall ADTO grew 17% YoY to Rs 189 bn in Q1FY20. Market share in high-yield cash segment has been improved in Q1FY20. Overall market share (ex-prop) stood at 2.2% in Q1FY20. Blended yield stood at ~2.1 bps in Q1FY20, despite higher proportion of F&O volumes (97%) in market.
- Broking business also runs a margin funding business, with book size of ~Rs 7.2 bn as of Q1FY20.

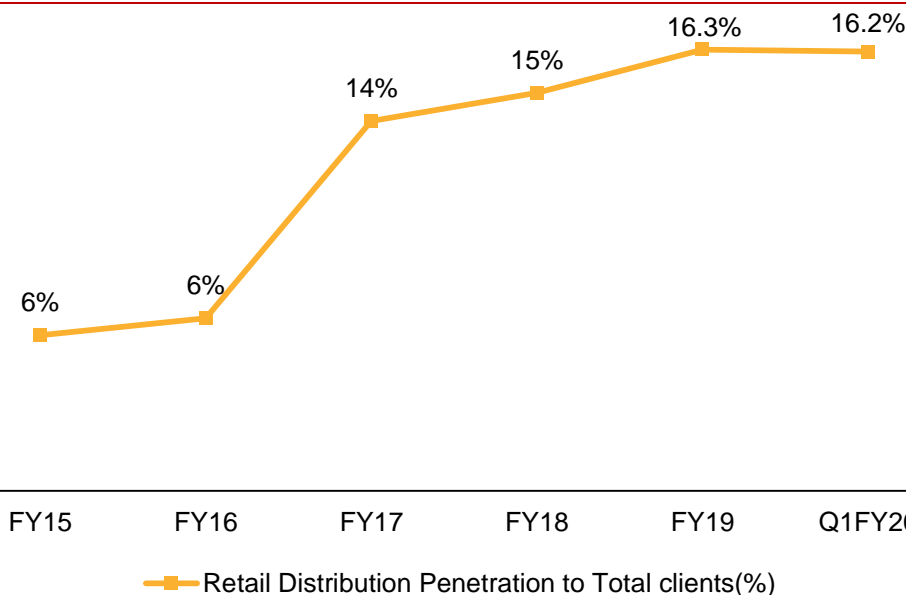
Retail Broking & Distribution

- Traction in new client addition driven by Franchisee and retail channel i.e. ~31,000 clients in Q1FY20.
- Alliance with AU Small finance bank for 3 in 1 (banking + demat + trading) account which will offer banking and investing facility to customers.
- Insurance distribution business commenced. We have tie-ups with HDFC Life, ICICI Pru Life and Bajaj Life for life insurance products.
- Gained traction in SIP, with ~94,400 SIPs live as of Q1FY20, with average ticket size of Rs 3,700 per month.

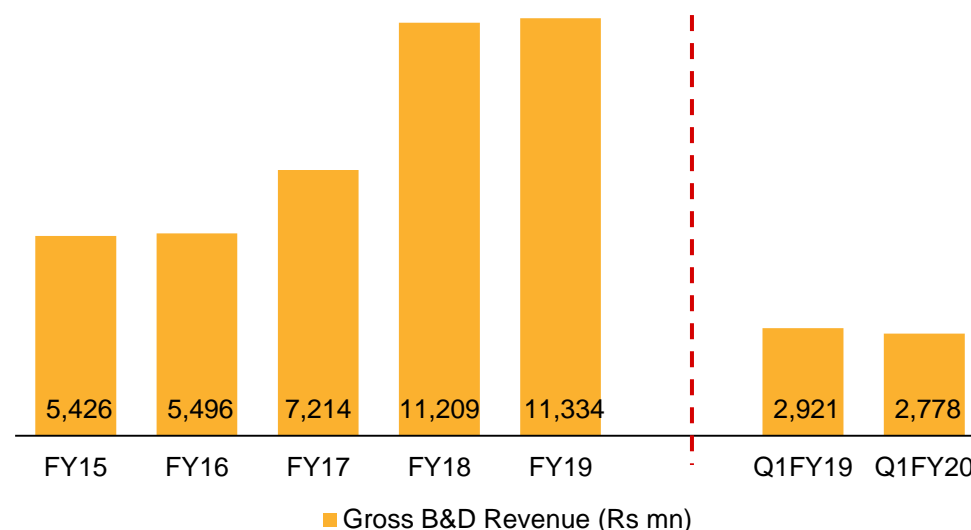
Institutional Broking

- Empanelments continues to show traction with ~678 empanelments.
- Improvement in rank in almost every account, led by focused and broad-based team servicing
- Differentiated research products with 260+ coverage and 750+ reports evincing client interest.
- Corporate access has been a high focus area with upcoming events like AGIC would bring traction with higher offshore participation.
- Executed 2 days MOBIZ conference with 200+ investors participation.

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

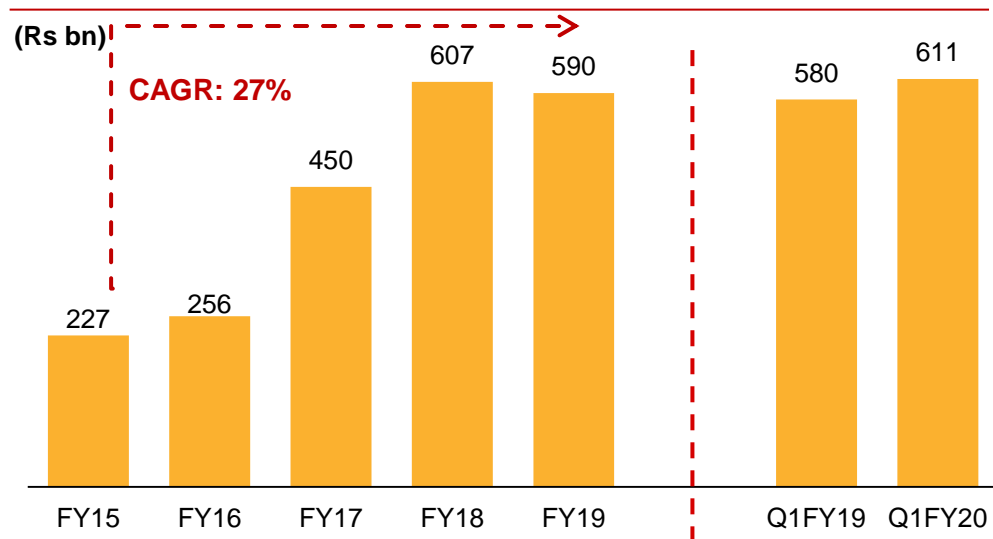


Trend in Broking & Distribution Revenues

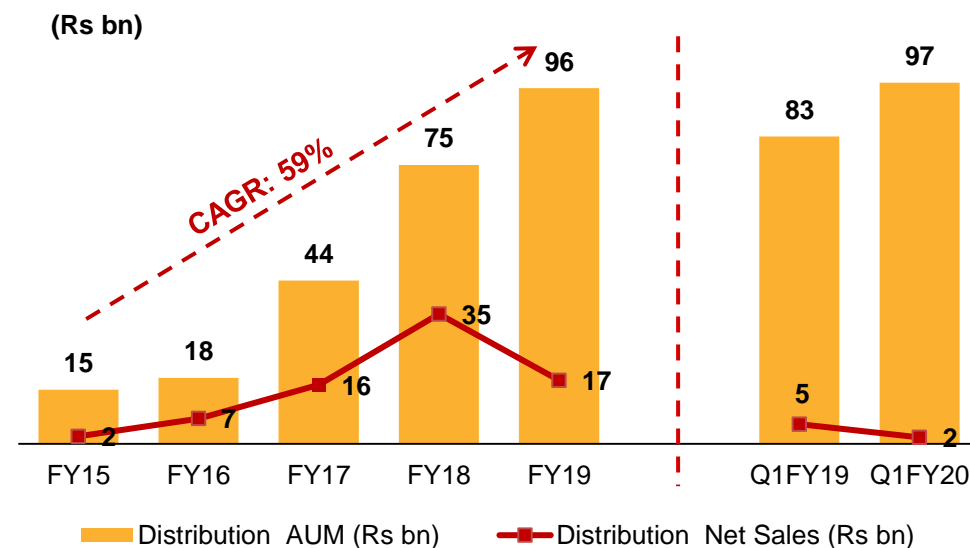


Broking & Distribution – Strong growth in Volume & Distribution AUM

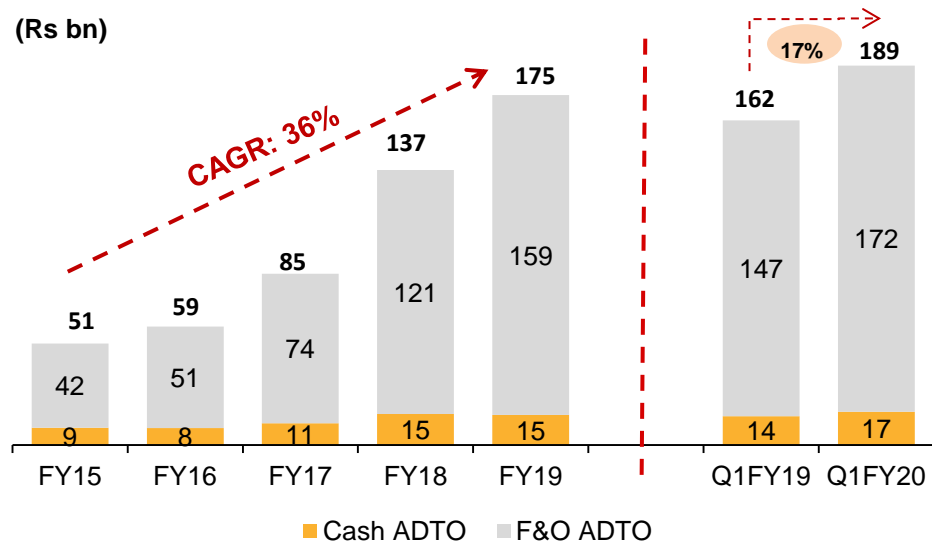
DP AUM growth trend



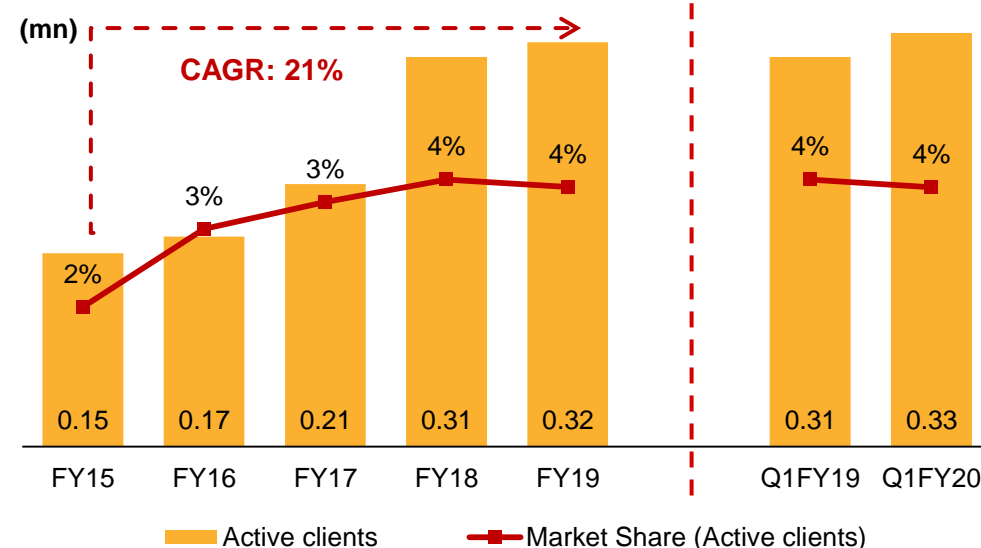
Rising Distribution AUM



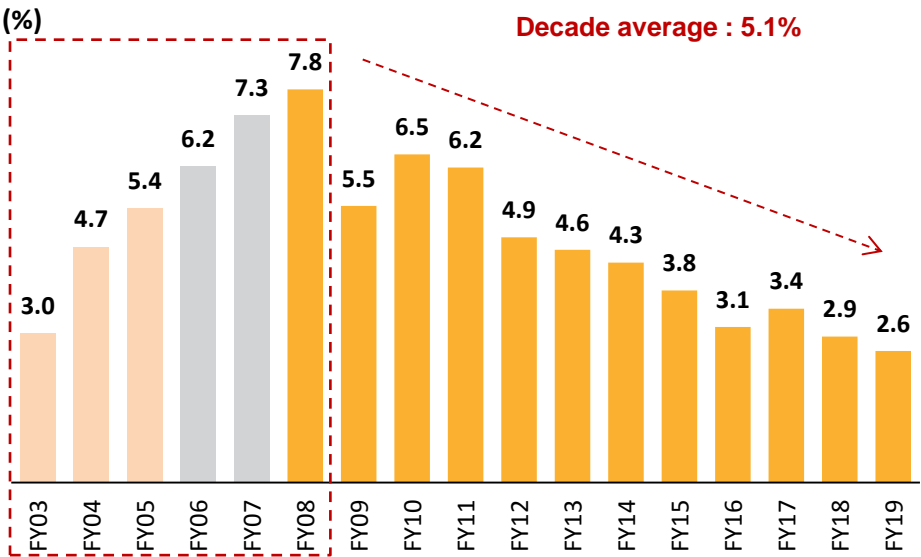
MOFSL Broking ADTO (Ex-prop)



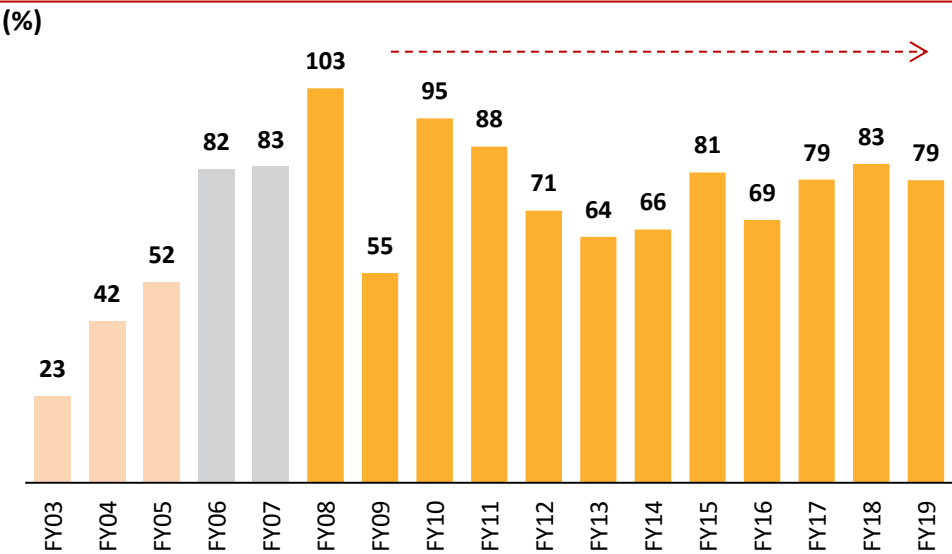
Rising share of active clients



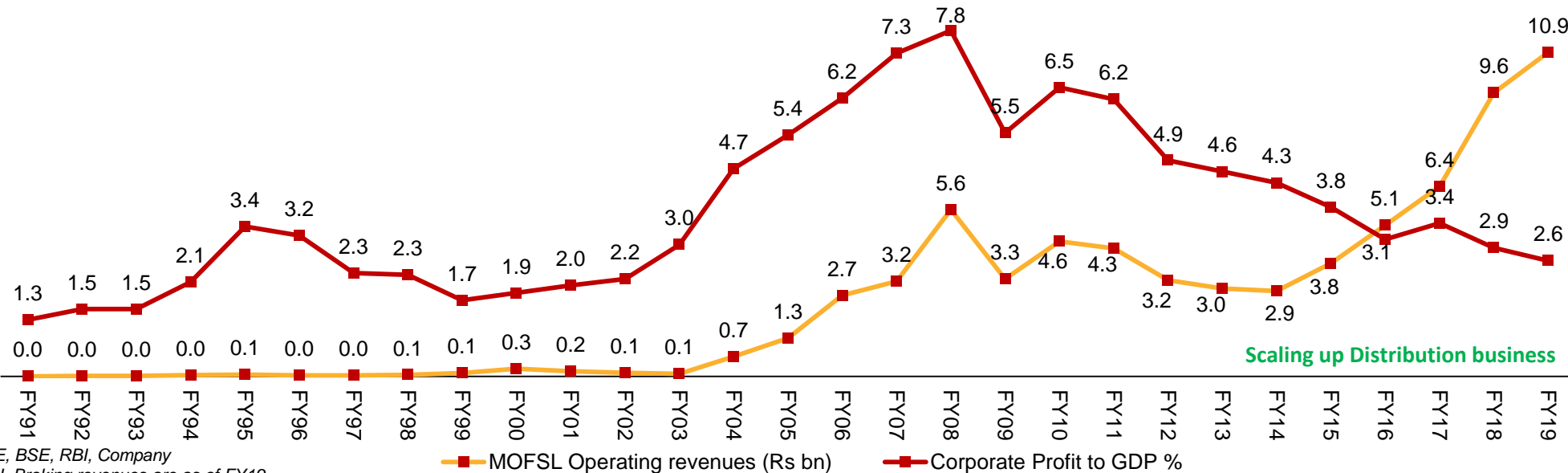
Corporate profit to GDP trend



Market cap to GDP trend



Broking revenues diverge corporate profit to GDP ratio due to linear trail income



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

FY19



M&A Advisory – Rs 8.3 bn



PE Advisory – Rs 2 bn



QIP – Rs 28 bn



IPO – Rs 18.4 bn



Let's Solve

OFS – Rs 18 bn



Pref Issue – Rs 10 bn

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Total Revenues	3	151	-98%	146	-98%
Operating Costs	56	57	-3%	72	-23%
EBITDA	-53	94	-	74	
PBT	-56	92	-	70	
PAT	-41	65	-	55	-

- Primary markets have endured a prolonged period of weakness with only 2 IPOs and 1 QIP being launched in Q1FY20.
- The flight to quality that has resulted in significant price pressure on mid-cap and small-cap stocks has affected investor interest in fresh issuances.
- We have a robust pipeline of deals ready to access the markets once market activity regains momentum and investor appetite for fresh issuances increases.

Name change to
'Motilal Oswal Home
Finance'

Rating upgrade from
CRISIL to AA-
(Stable)

Vijay Goel has been
appointed as CEO
for MOHFL

Loan book stood at
Rs 43 bn as of
Q1FY20

NNPA: 7.8%
PCR: 42%
PCR incl. W/O: 68%

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ%
Net Interest Income (NII)	578	576	0%	513	13%
Other Operating Income	22	33	-34%	39	-45%
Total Income	599	609	-2%	553	8%
Operating Cost	239	267	-10%	237	1%
- Employee Cost	160	141	13%	150	6%
- Other Cost	79	126	-37%	87	-9%
Operating Profit (Pre-Prov.)	360	342	5%	315	14%
Provisioning/Write off	111	514	-78%	223	-50%
PBT	250	-172	246%	92	170%
PAT (Post-minority)	171	-100	271%	81	112%

- Motilal Oswal Home Finance (MOHFL) profit growth for the quarter was led by lower credit cost, lower operating cost and improvement in yields during the quarter.
- Annualised credit cost in Q1FY20 was at 1%, lower than last 4 quarters. This was on account of comparatively lower slippages and no write offs during the quarter. Further, provision coverage remained robust at 68% including write-offs in Q1FY20.
- The name alignment to '**Motilal Oswal**', strong capital support from MOFSL, promoter group's stated commitment and increased involvement toward MOHFL, along with demonstrated operational, managerial and financial support, bring huge synergy benefits to MOHFL.
- MOHFL has received credit rating upgrade amid challenging environment based on several positive changes undertaken including name change. CRISIL has upgraded MOHFL's rating to AA- (stable outlook) from earlier A+ (stable). This will further benefit MOHFL in bringing down cost of funds.
- Legacy loan book is now seasoned for over 27 months. Moreover, proactive clean-up of the legacy book, expected positive trends in disbursements in coming quarters along with improvement in collection efficiency, augur well for future asset quality and profitability outlook.

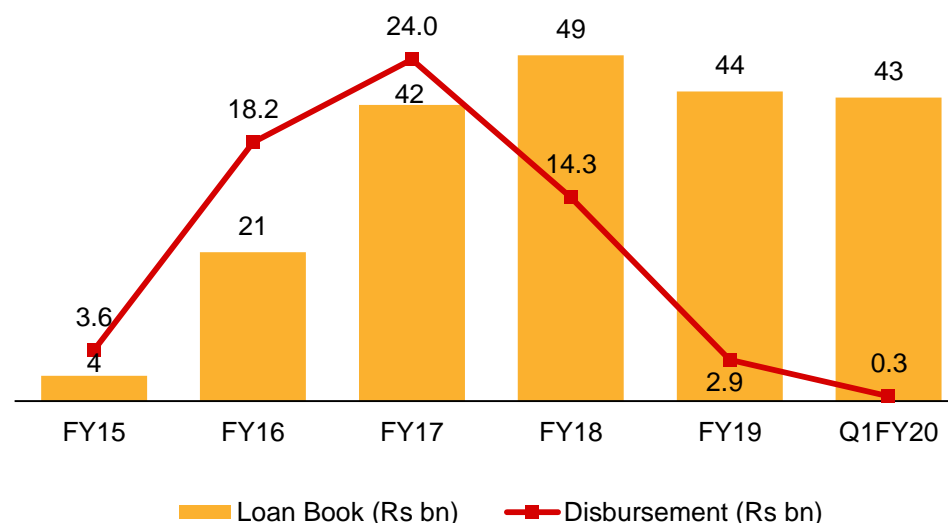
ECL provisioning details

Particulars (Rs mn)	Q1FY20
Stage 1 & 2	38,569
% portfolio in stage 1 & 2	89.64%
Stage 3	4,424
% portfolio in Stage 3	10.36%
ECL Provision % Stage 1 & 2	2.00%
Total Assets	42,701
ECL Provision	1,859
ECL Provision %	4.33%
Coverage Ratio % (incl. std. assets)	42%
Total coverage ratio % (Incl. write offs)	68%

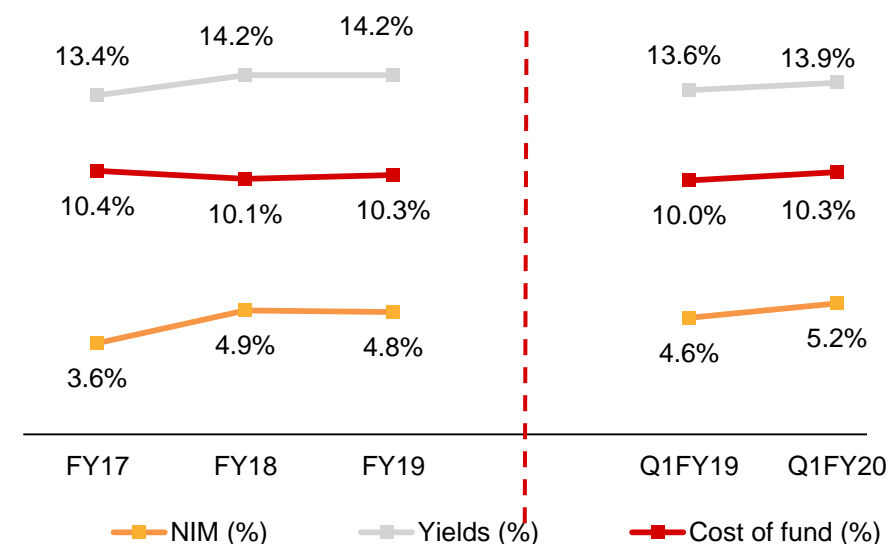
Positive trends in New loans sourced from April'18

- Bounce rate has substantially reduced to 8.5% in new book.
 - In new book, ~82% of disbursement was in <Rs 1.5mn ticket size
 - Credit function is fully automated with in-house technology to facilitate faster and accurate paperless processing. Consequently, average end-to-end TAT of login to disbursements reduced to 19 days.
 - TAT for login to sanction has improved to 5 days from 7 days earlier.
- Disbursements in Q1FY20 were Rs 330 mn. We expect disbursement to pick up from coming quarters led by new Sales leadership, sales processes and a large branch footprint.
- Margins improved by 60 bps YoY at 5.2% in Q1FY20, on account of improvement in yield coupled with recent equity infusion. Our spreads have remained stable in an environment of higher cost of funds.
- Limited borrowing repayments till March 2020, strong undrawn borrowing lines and ALM places us in comfortable liquidity situation.
- Diversified liability profile - 54% from NCDs and 46% from bank loans with zero CPs. 25 banks/NBFCs extended credit lines and NCDs were allotted to 57 institutions as of June-19.

Loan book and disbursement trend (Rs bn)



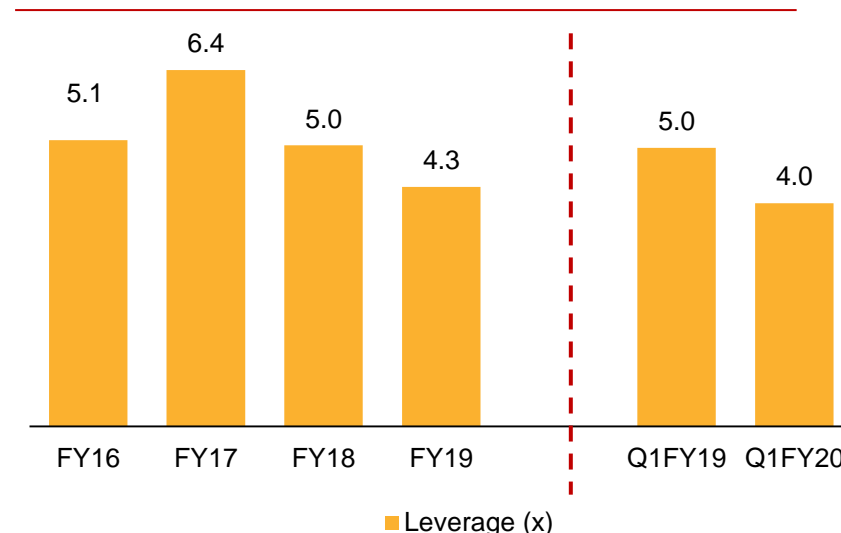
Margin trajectory



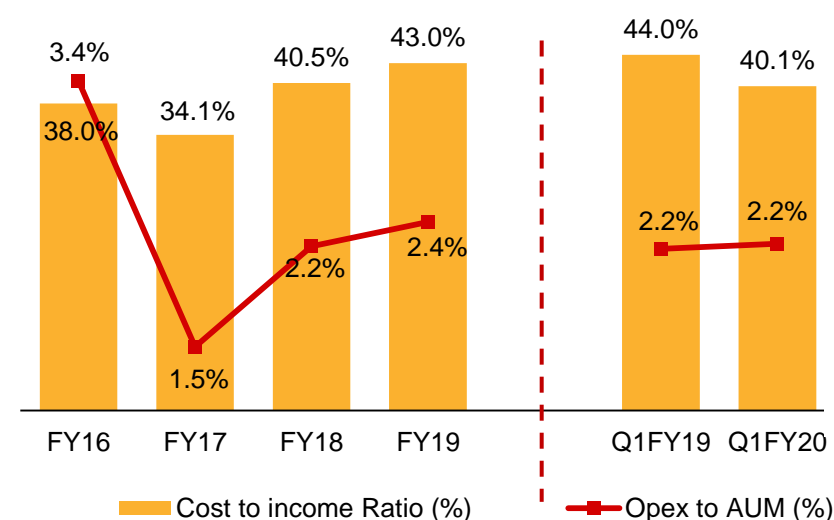
*Yield of 14.2% in FY19 was higher on account of amortisation of processing fees owing to higher write-offs

- Average ticket size is Rs 0.85 mn, with loans extended to more than ~52,000 families, as MOHFL is focused on the affordable housing segment with no exposure to LAP and builder finance.
- **Change in leadership** – Vijay Goel has been appointed as CEO for MOHFL. He has been with the MOFSL group for last 13 years and successfully spearheaded largest retail businesses of the group like Broking, Distribution and Wealth Management.
- Capital infusion from sponsor was Rs 2 bn in FY19 taking total cumulative capital infusion from sponsor to Rs 8.5 bn resulting into lower leverage of 4.0x.
- Proactive cost measures, automation of processes and consolidation of branches resulted into lower cost-income ratio by 300bps QoQ & YoY at 40% in Q1FY20.
- MOHFL's tele-calling, collection & legal strength of 450+, with focus on specific buckets will likely to yield faster resolution.
- Execution of 1100+ Bailable and Non Bailable warrants through strong Legal & Collection team for faster results like Roll back / Normalisation / Settlement.
- We have already started achieving results from our legal vertical. Till Q1FY20, MOHFL repossessed assets under SARFAESI ACT of Rs 156 mn from written-off loans and Rs 238 mn from NPA loans, respectively. Moreover recovery realizations have also started materializing from the write-off pool (in Q1FY20– recovery from the write-off pool was Rs 16.8 mn).

Low gearing

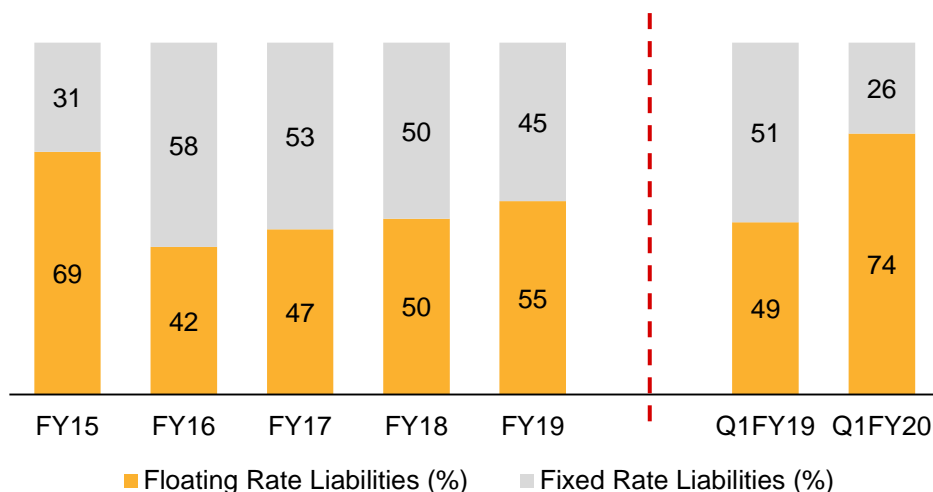


Cost to income trend

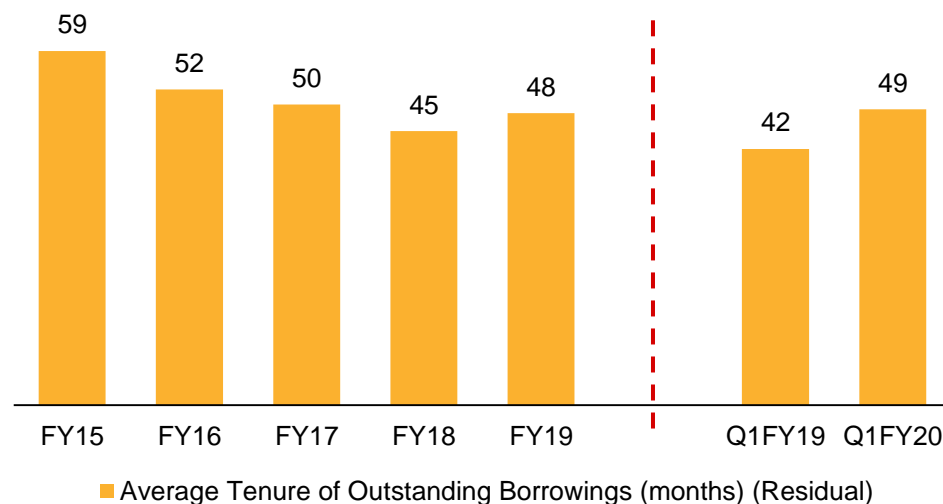


Motilal Oswal Home Finance – Strong liability management

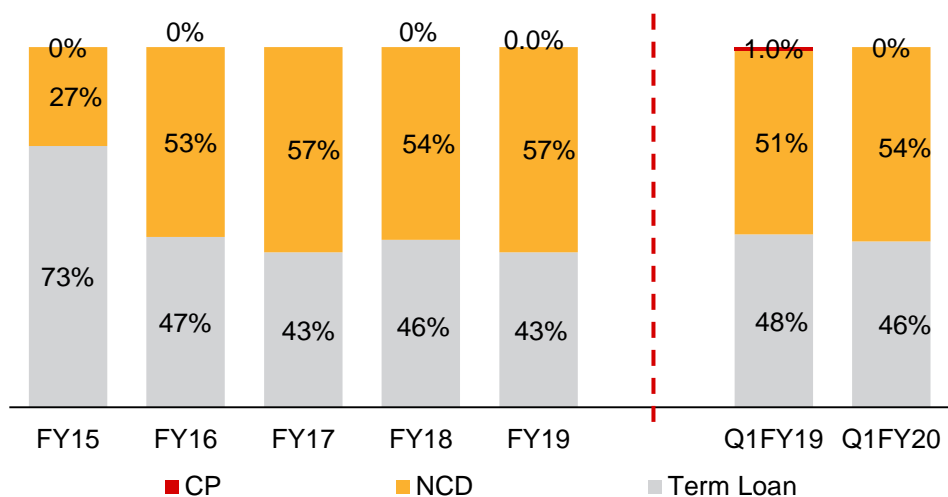
Liability Mix based on rates (%)



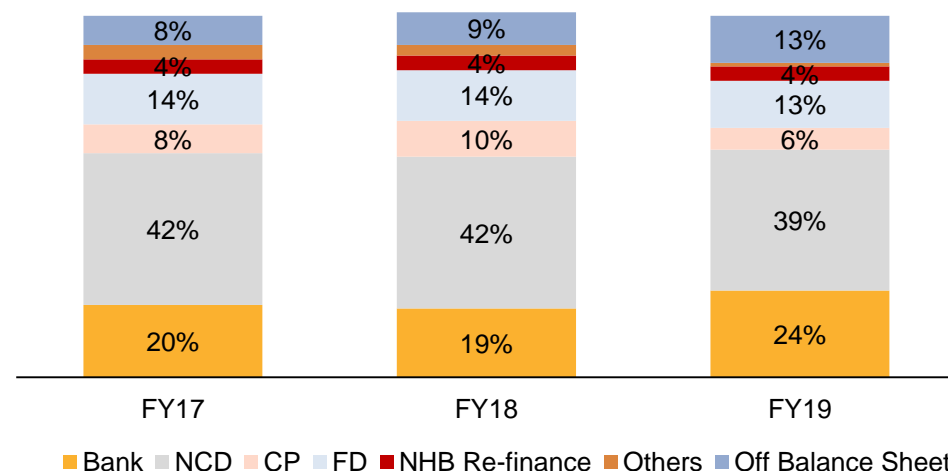
Average tenor of outstanding borrowing (months)



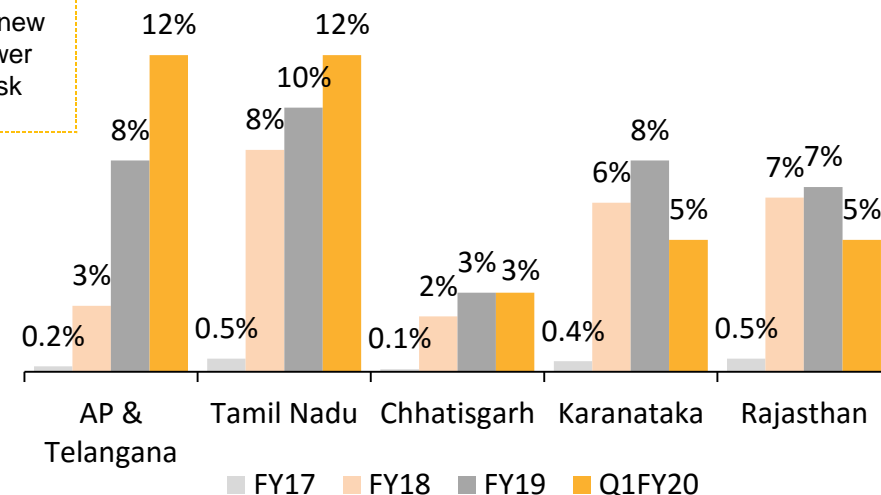
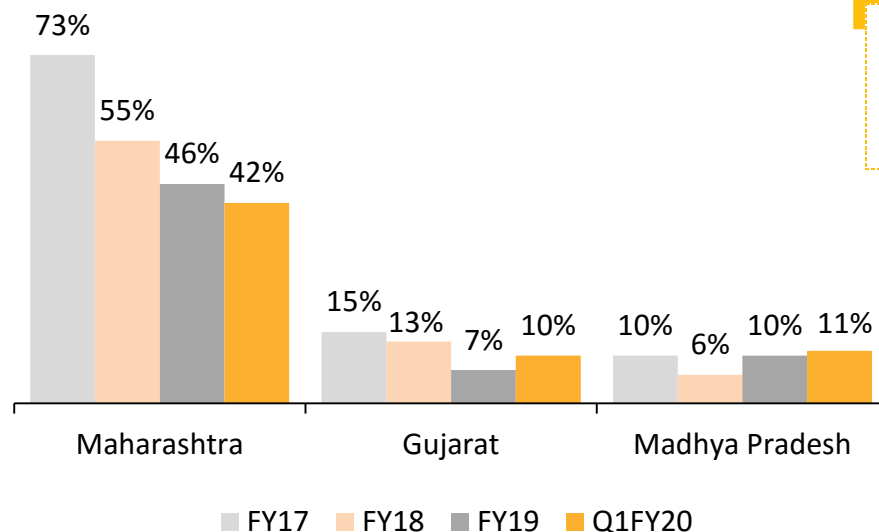
Diversified liability mix



Industry's Borrowings mix in All HFCs



State wise disbursement – Rising new state contribution in Q1FY20

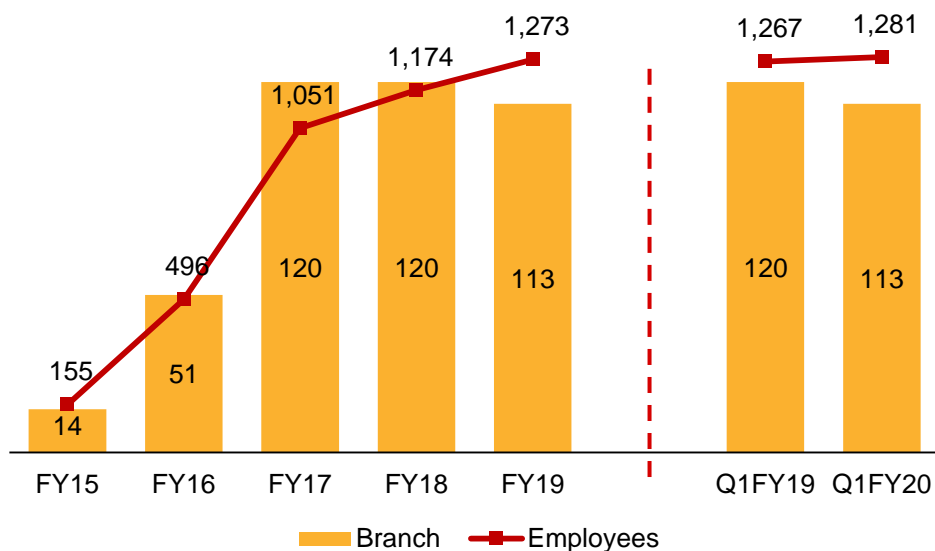


MOHFL's geographic reach - Presence across 113 locations in 9 states

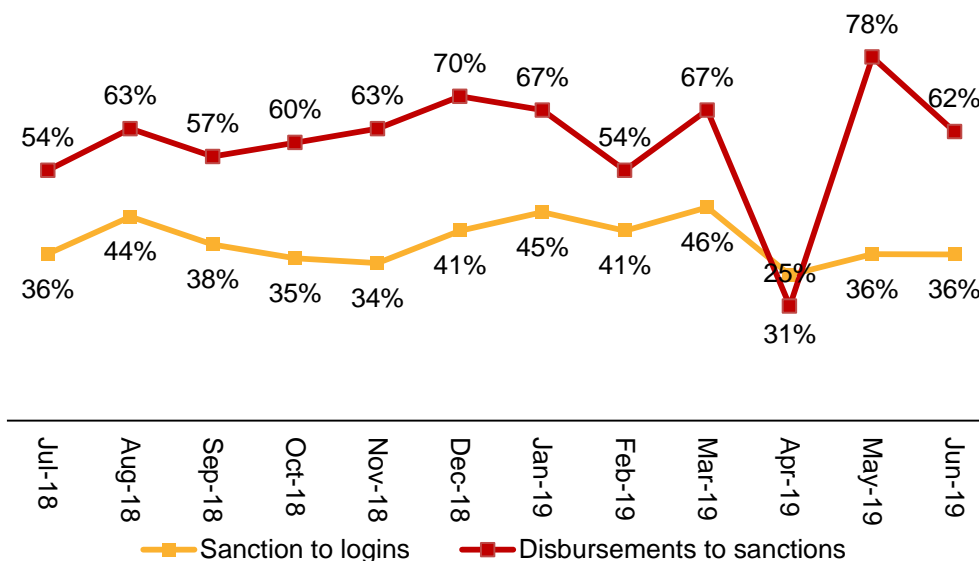
State	Nos. of Branches
Maharashtra	38
Gujarat	18
Tamil Nadu	15
Rajasthan	12
Karnataka	11
Madhya Pradesh	10
Andhra Pradesh	4
Chhattisgarh	3
Telangana	2



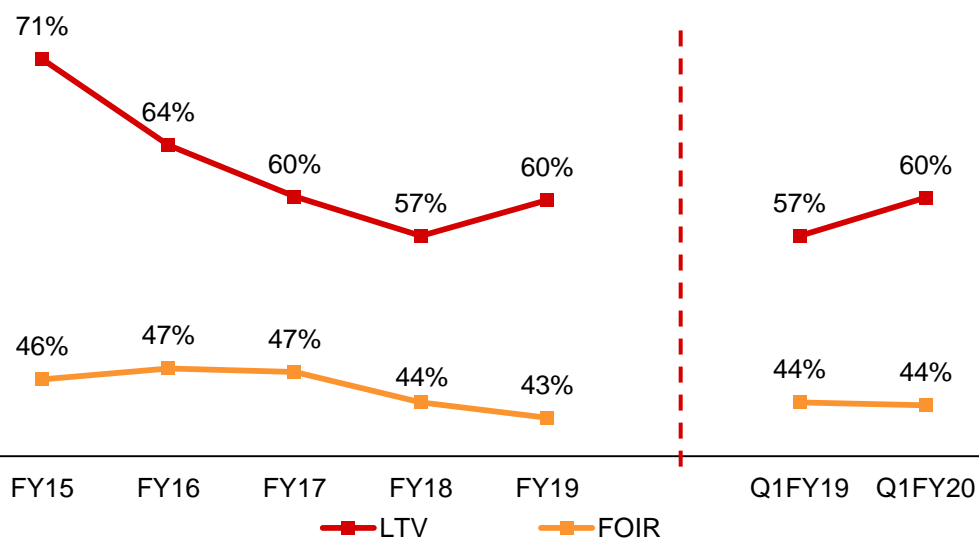
Higher investment in manpower



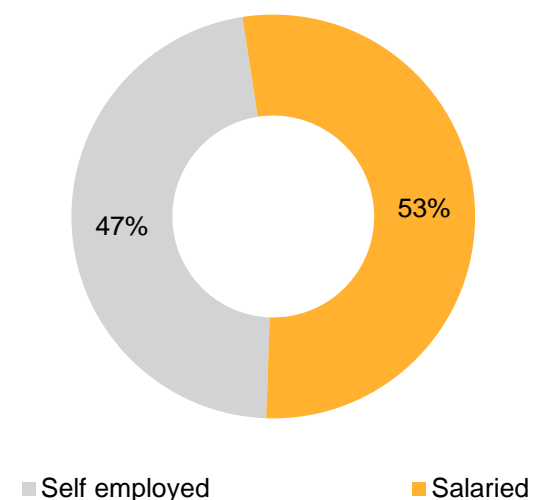
Traction in Login to sanction ratio



LTV of 60% and FOIR of 43%

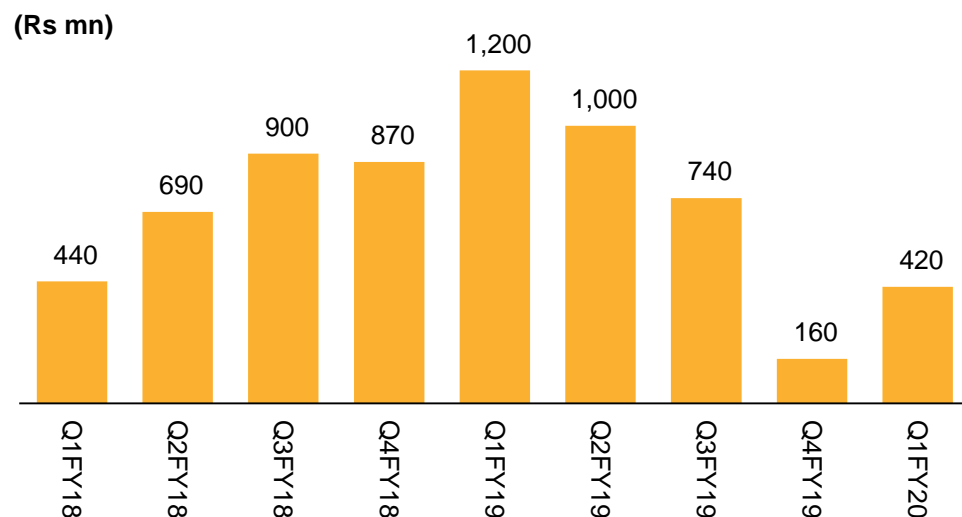


Balanced customer mix (%)

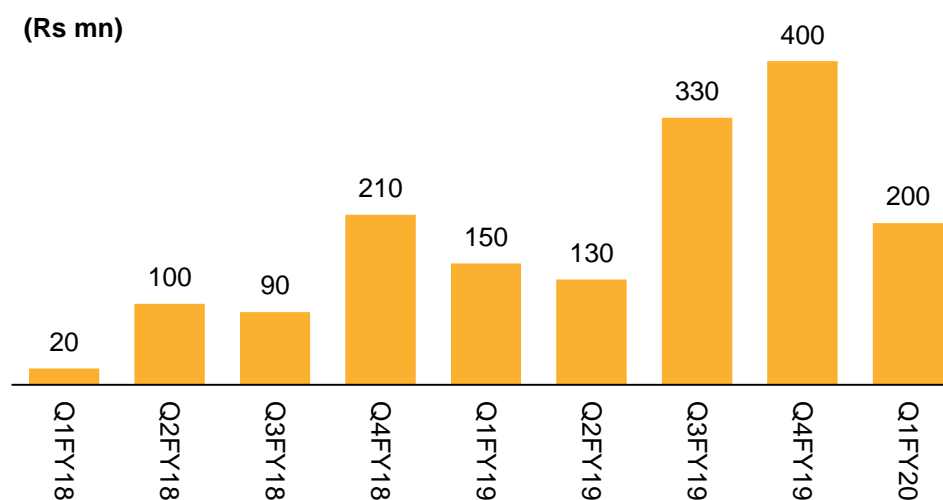


Motilal Oswal Home Finance – Asset quality trend

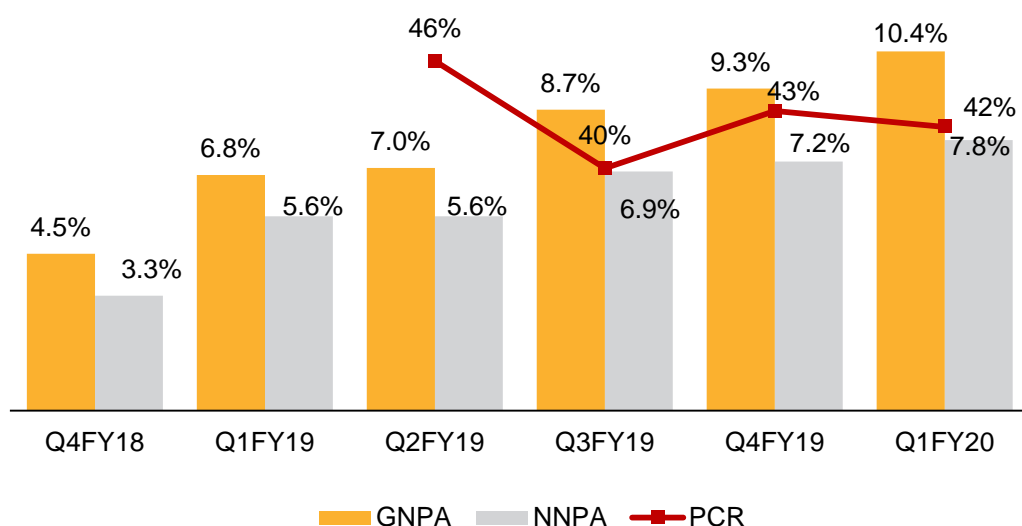
Net Slippages (rise in Q1FY20 due to seasonality nature of the book)



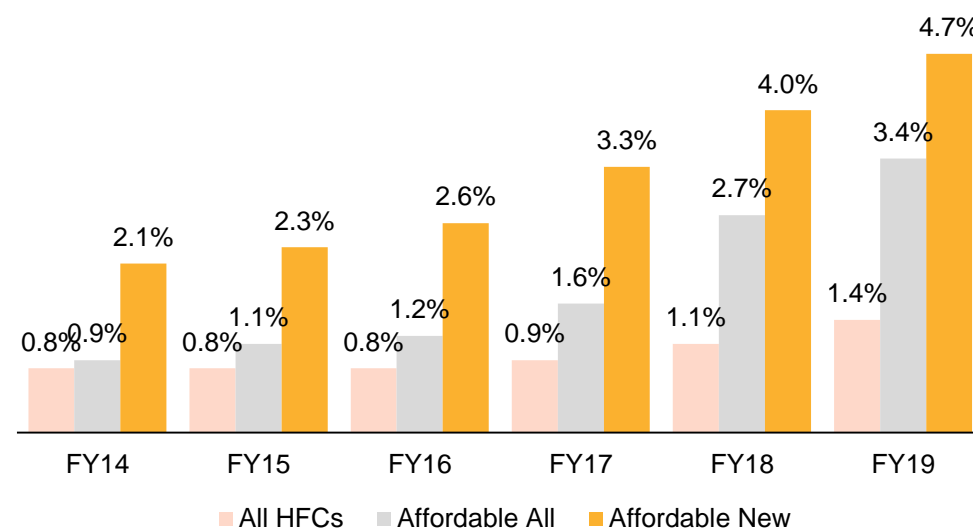
Traction in recoveries

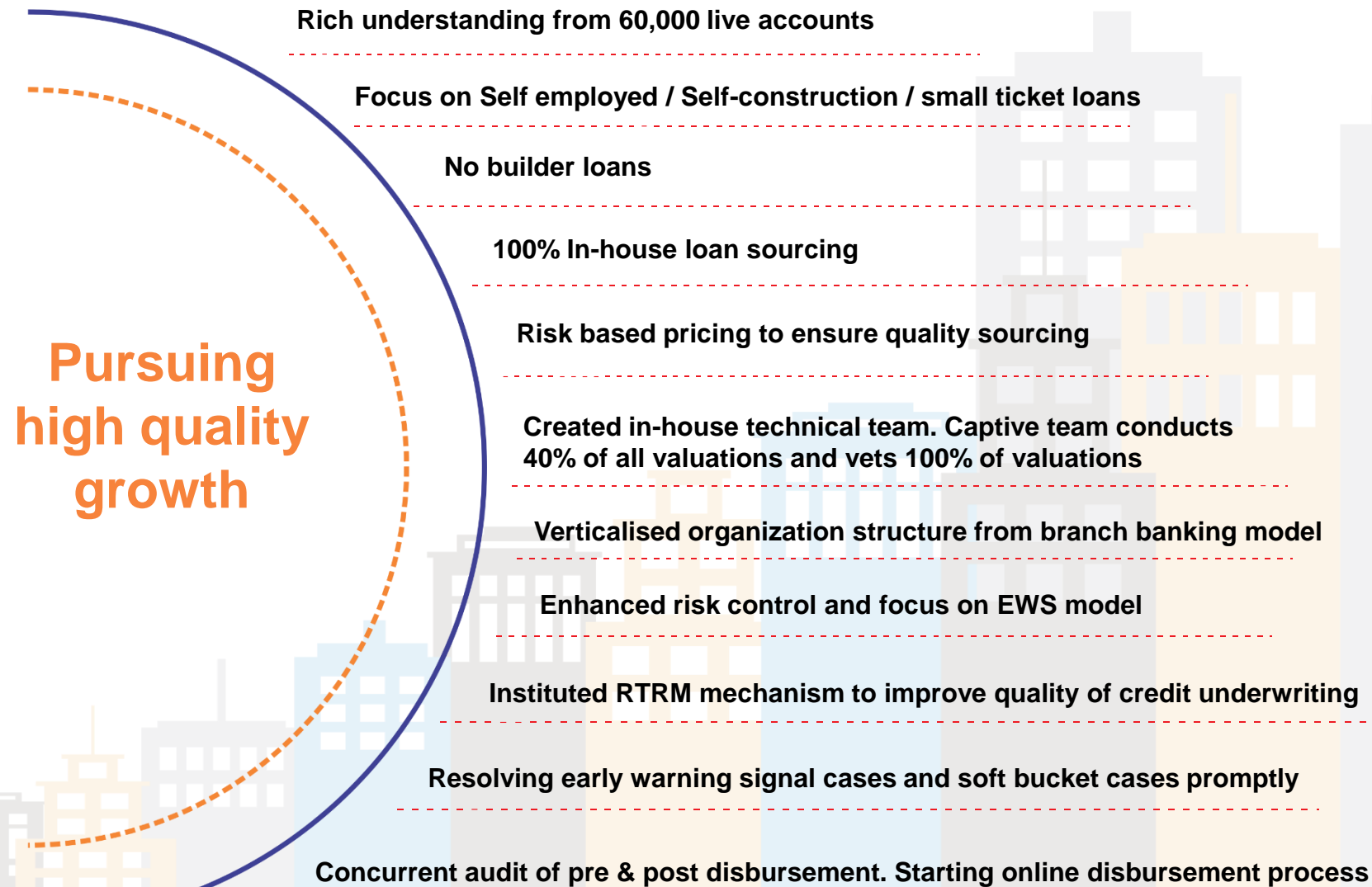


MOHFL's GNPA and NNPA trend



Industry NPAs higher in New Affordable HFCs





Total quoted equity investment including MTM gains was Rs 16.1 bn as of Q1FY20.

Total unrealised gain on fund based investments at ~Rs 6.3 bn

Cumulative XIRR of ~18.5% on quoted equity MF investments

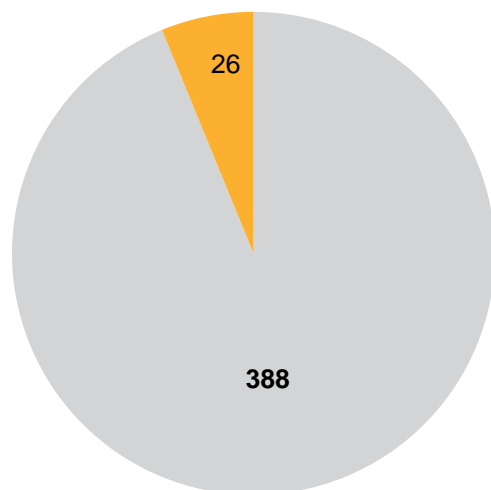
Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Total Revenues	339	69	389%	535	-37%
PAT	350	89	292%	491	-29%

Note: Fund based revenues and PAT excludes Other Comprehensive Income

- In Q1FY20 revenues were higher on account of MTM fair valuation of investments under Ind-AS. During the quarter, revenue impact net gain (realised + MTM) on investments were Rs 2.7 bn vs Rs (6) mn in Q1FY19.
- Fund based book includes gains/loss on sponsor commitments cum investments in equity MF, PE funds, Real estate funds, AIF and strategic equity investments.
- Total quoted equity investment including MTM gains was Rs 16.1 bn as of June 2019, since MTM of these gains are now included in earnings under Ind-AS reporting.
- Cumulative XIRR on quoted equity investments is ~18.5% (since inception), validating the long-term performance track record of our QGLP philosophy.
- Pre-tax XIRR on exited private equity investments is ~27%.
- These investments have helped “seed” our new businesses, which are scalable, high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

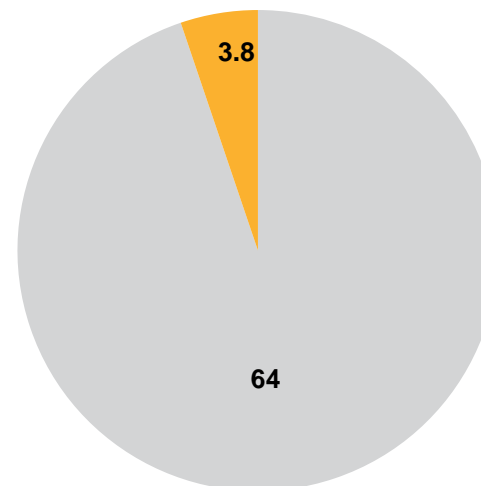
Fund Based investments – Skin in the game

Skin in the game in AMC



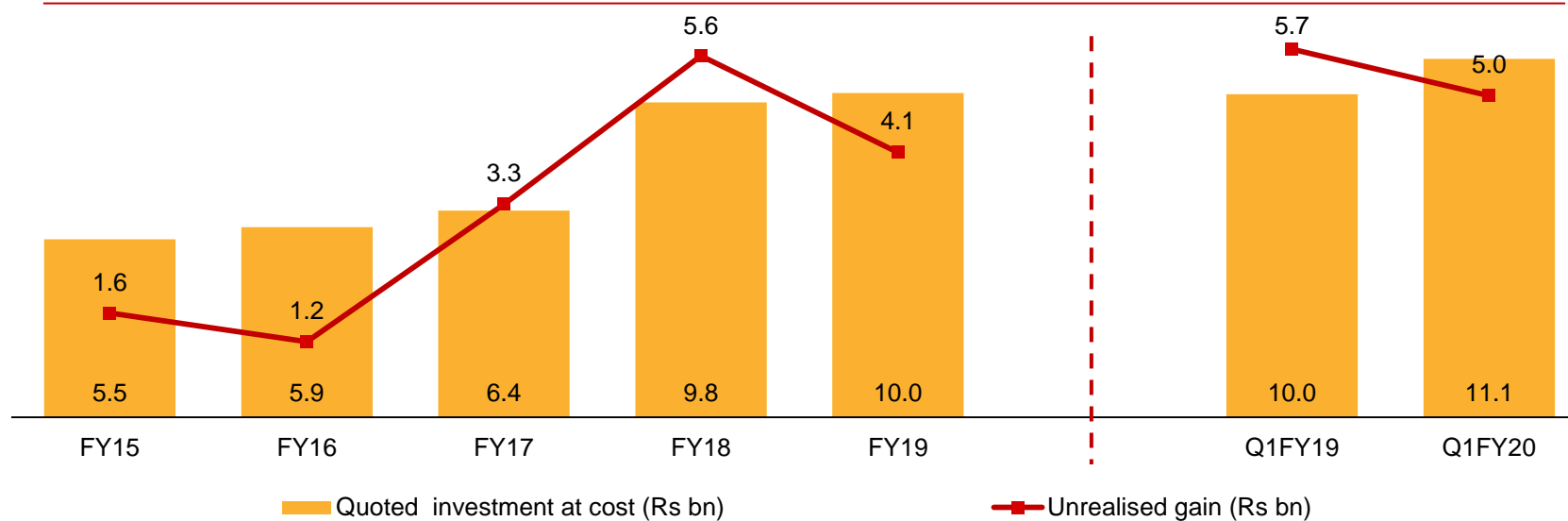
■ AMC AUM (Rs bn)
 ■ Sponsor & Promoter AUM in AMC (Rs bn)

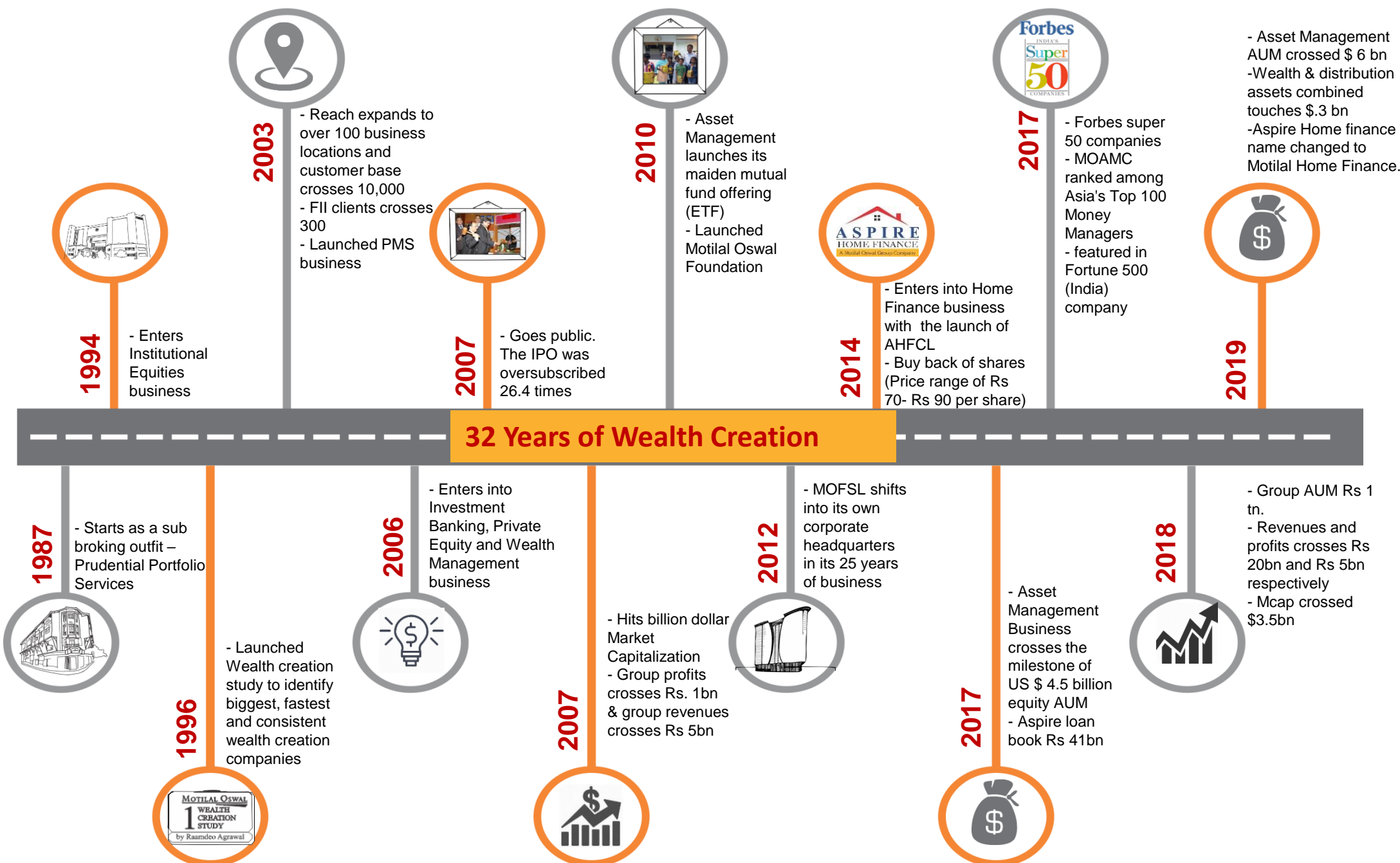
Skin in the game in PE



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

Unrealised gain from quoted equity investments





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