



Motilal Oswal Financial Services Ltd

Earnings Presentation | Q4FY20 and FY20

BUSINESSES BUILDING SCALE

FOCUS ON PROFITABLE GROWTH

STRONG LIQUIDITY ON BALANCE SHEET

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Key Highlights

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Financials

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Businesses

Motilal Oswal Financial Services

ASSET MANAGEMENT

- AMC AUM stood at Rs 297 bn in FY20
- AMC PAT grew by 9% YoY in FY20
- AMC net sales gained traction in H2FY20.
- Equity MF AUM market share remained stable at 1.9% in FY20
- Traction in direct and digital channel
- PE & RE AUM: Rs 65 bn, +3% YoY in FY20.
- Wealth AUM: Rs 156 bn in FY20

CAPITAL MARKETS

- Market share remained stable at 2.5%
- Market share in high yielding cash segment is at multi-quarter high
- Distribution AUM stood at Rs 90 bn,
- Accelerated pace of new client addition
- Strong liquidity on parent balance sheet with unutilised banking lines of Rs 11 bn

HOUSING FINANCE

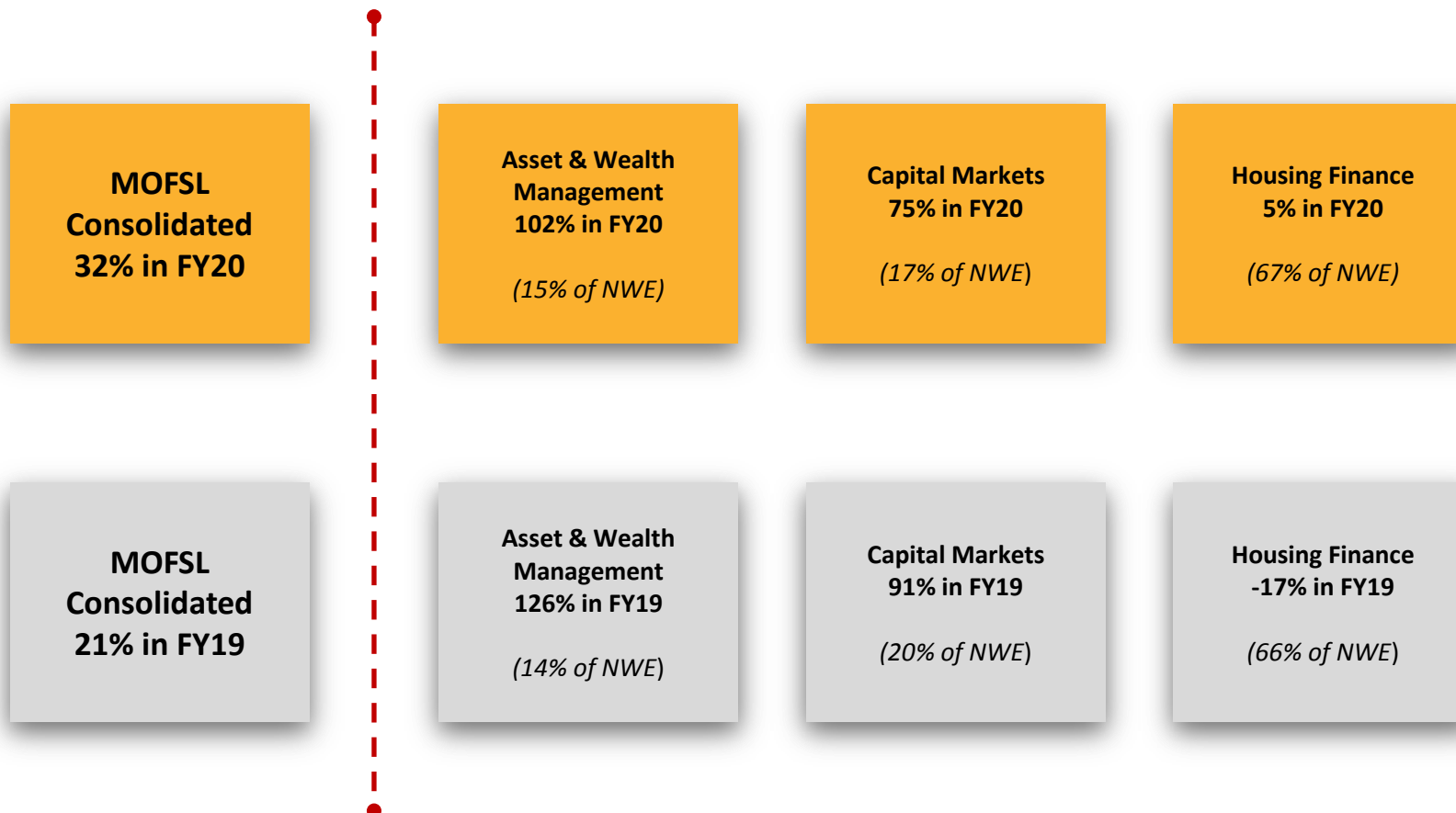
- Rating upgrade from CRISIL to AA- (Stable) in FY20
- Normalcy restored in profitability with Exit PPOP/ PBT at Rs 40 cr / Rs 28 cr respectively
- NPA 1.8%, 1+ DPD on falling trajectory.
- PCR increased to 66% (special Covid-19 related provisioning of Rs 80mn)
- Margin expansion underway led by improvement in yields and CoF
- Superior quality of new book underwritten

FUND BASED INVESTMENTS

- Total quoted equity investment including MTM gains at Rs 12 bn
- Cumulative XIRR of ~9% on total quoted equity investments and ~28% on exited PE investments
- Dividend payout ratio of 39% in FY20. Also, company has initiated Buyback of equity shares upto Rs 1.5 bn (excluding tax).

Group Operating RoE*

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




Note: * Operating RoE is excluding Fund base and Other comprehensive income
Reported ROE (ex OCI) was 6.6% for FY20 and 10.8% in FY19.

Awards & Accolades



**Asia Money Brokers
Poll 2019
No. 2 Local Brokerage
No. 1 Overall Sales,
No. 1 Sales Trading
Team,
No. 1 Corporate
Access Team**



**MOFSL gets inducted
in the HALL OF FAME
at the 10th Financial
Advisor Awards**



**Business Leadership
Award for excellence
in Franchising and
Business Development
at the Franchise
Awards 2019**




**MOPWM wins Best
Boutique Wealth
Manager- India for
2nd consecutive year
by The Asset Triple A
Awards**



**Grand Prix in
Marketing Campaign
of the Year (BFSI) &
Gold in Marketing
Team of the Year at
ACEF Asian Leaders
Forum and Awards**



**"Best Data Analytics
of the Year" award at
the India NBFC
Excellence Awards
2019 organized by
Synnex**



**Gold for Best Use of
Video for the Think
Equity Think Motilal
Oswal Campaign at
ET BrandEquity Shark
Award**



**Health and Safety
Award for excellence
in workplace health
and safety culture at
ACEF Asian Leaders
Awards**

Consolidated financials – Revenue mix

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
Asset Management	1,316	1,396	-6%	1,439	-9%	5,561	5,786	-4%
Private Equity	313	320	-2%	261	20%	1,069	1,104	-3%
Wealth Management	255	258	-1%	252	1%	1,007	1,088	-7%
Broking	3,381	2,809	20%	3,083	10%	12,249	11,334	8%
Investment Banking	9	146	-94%	27	-67%	121	381	-68%
Housing Finance	1,398	1,612	-13%	1,377	2%	5,764	6,484	-11%
Fund Based (Ex-MTM) (1)	88	82	8%	99	-11%	356	351	1%
Total Revenues	6,760	6,623	2%	6,536	3%	26,127	26,528	-2%
Total Revenues after Intercompany adjustments	6,236	6,138	2%	6,020	4%	24,106	24,557	-2%
Operating Costs (2)	3,462	3,246	7%	3,223	7%	13,270	15,430	-14%
EBITDA	2,774	2,892	-4%	2,797	-1%	10,835	9,127	19%
PBT	1,392	1,522	-9%	1,518	-8%	5,494	3,719	48%
Operating PAT (3)	971	1,009	-4%	1,092	-11%	3,982	2,561	56%
MTM PAT	-3,509	457	-	558	-	-2,150	379	-
Reported PAT (4)	-2,537	1,465	-	1,654	-	1,833	2,942	-38%

1. Fund based excludes MTM profit/loss on account of the investments made by the company in equity and alternates funds
2. In Q4FY20, company has made additional CSR of Rs 60 mn in PM-CARES & CM-CARES fund.
3. Operating PAT is excluding MTM on fund based investments
4. Reported PAT numbers are post minority

Consolidated financials – PAT Mix

PAT (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
Asset Management	357	335	6%	414	-14%	1,601	1,467	9%
Private Equity	44	77	-43%	68	-35%	219	301	-27%
Wealth Management	14	29	-52%	34	-60%	61	140	-57%
Asset & Wealth	415	441	-6%	516	-20%	1,881	1,908	-1%
Broking	451	412	10%	483	-7%	1,875	1,810	4%
Investment Banking	-37	55	-	-23	-	-87	81	-
Capital Markets	414	466	-11%	460	-10%	1,788	1,891	-5%
Home Finance	176	81	118%	161	9%	390	-1,324	-
Fund Based (Ex-MTM) (1)	-11	34	-	-9	-	28	166	-83%
Total Intercompany	-21	-10	-	-36	-	-97	-68	-
Operating PAT (2)	971	1,009	-4%	1,092	-11%	3,982	2,561	56%
MTM PAT	-3,509	457	-	558	-	-2,150	379	-
Reported PAT (3)	-2,537	1,465	-	1,654	-	1,833	2,942	-38%

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2. Operating PAT is excluding MTM on fund based investments
3. Reported PAT numbers are post minority

Consolidated balance sheet

Particulars (Rs bn)	FY20	FY19
Sources of Funds		
Net Worth	30.8	30.5
Borrowings (1)	46.3	51.6
Minority Interest	0.4	0.4
Total Liabilities	77.5	82.5
Application of Funds		
Fixed assets (net block)	3.3	3.0
Investments	30.9	26.9
Loans and Advances (2)	40.8	48.8
Net current assets	1.5	3.6
Deferred tax assets (net of liabilities)	1.0	0.2
Total Assets	77.5	82.5

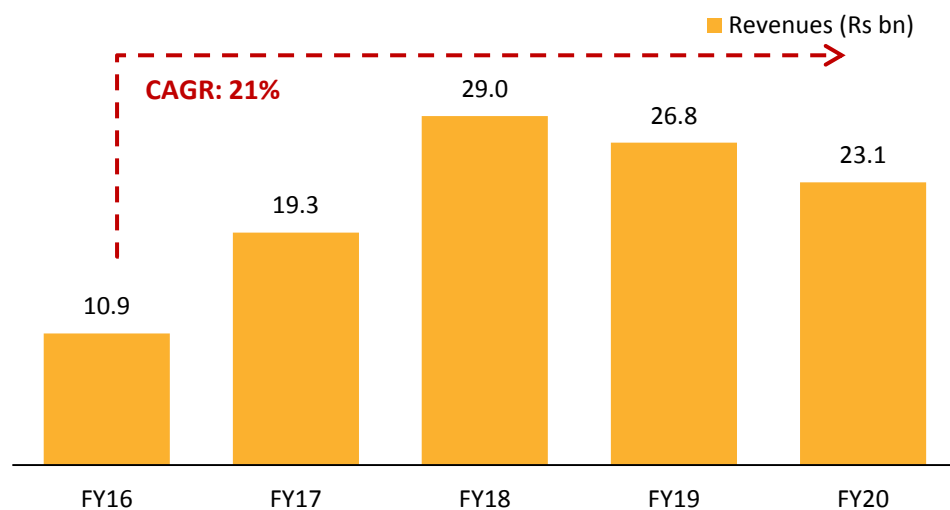
1 Borrowings are inclusive of MOHFL. Ex- MOHFL borrowings are Rs 16.8 bn in Mar-20.

2 Loan & Advances include loan book of Motilal Oswal Home Finance and Margin Trading Facility book.

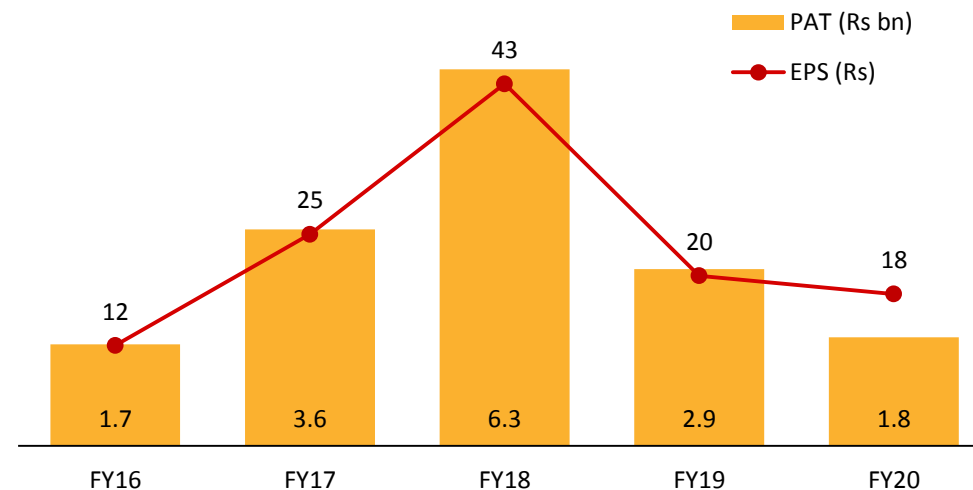
Debt down 11% YoY. Total D/E declined from 1.7x to 1.5x. Ex-MOHF D/E stood at 0.5x. Net of investments, we have a net cash balance sheet.

Financial performance

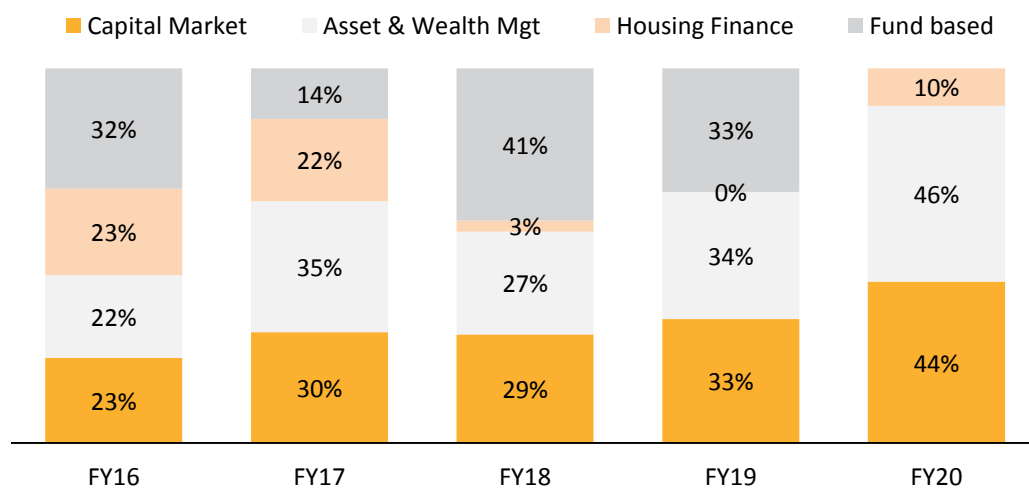
Revenue trend



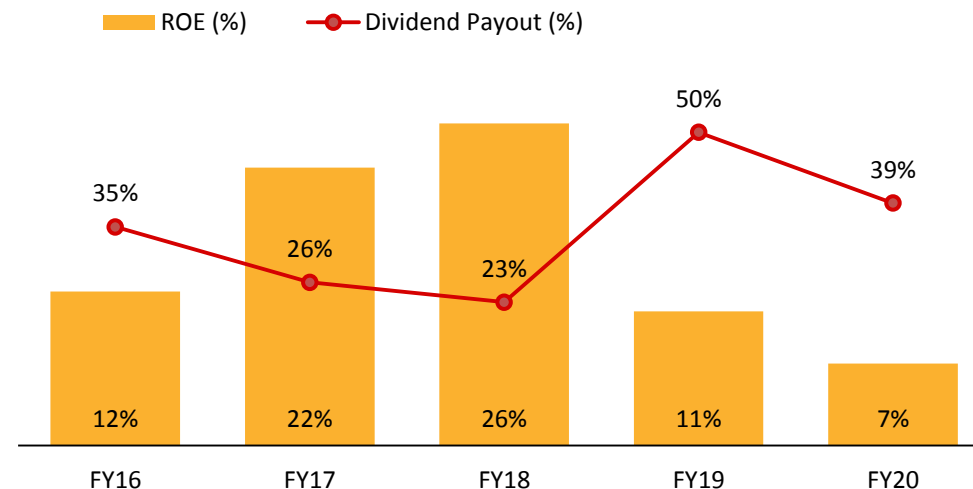
Reported Profitability trend



Profitability mix



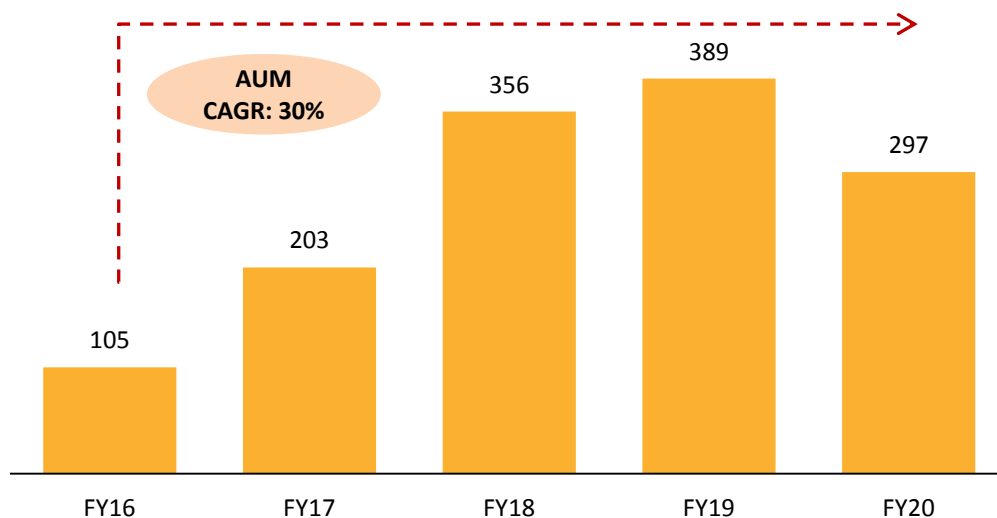
ROE trend on Reported Profits



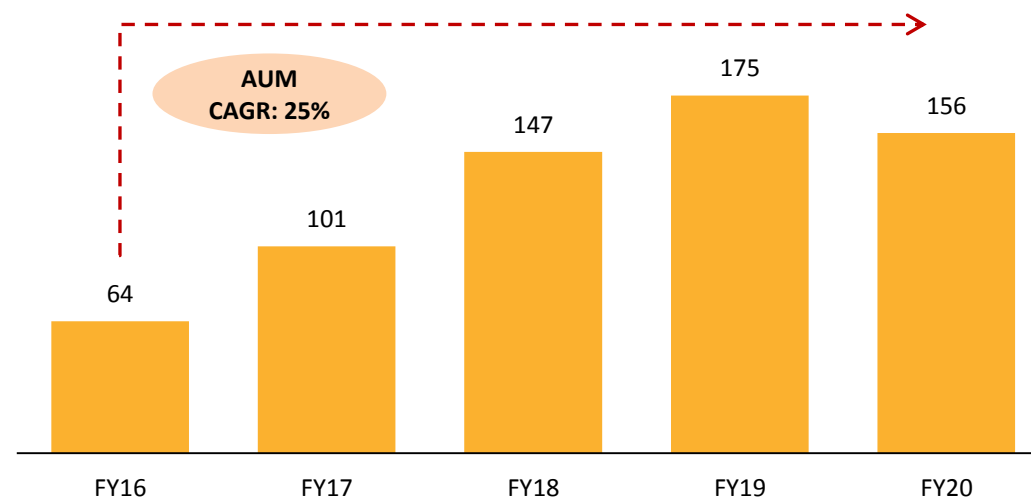
Note: Revenue, PAT and RoE are as per IGAAP for FY16 & FY17.
RoE for FY18, FY19 & FY20 are excluding other comprehensive income.

Businesses building scale

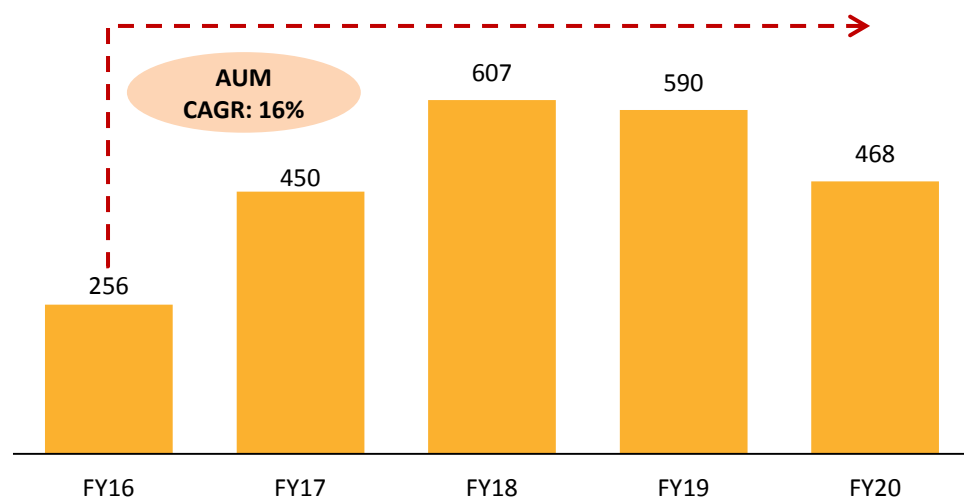
AMC AUM growth trend (Rs bn)



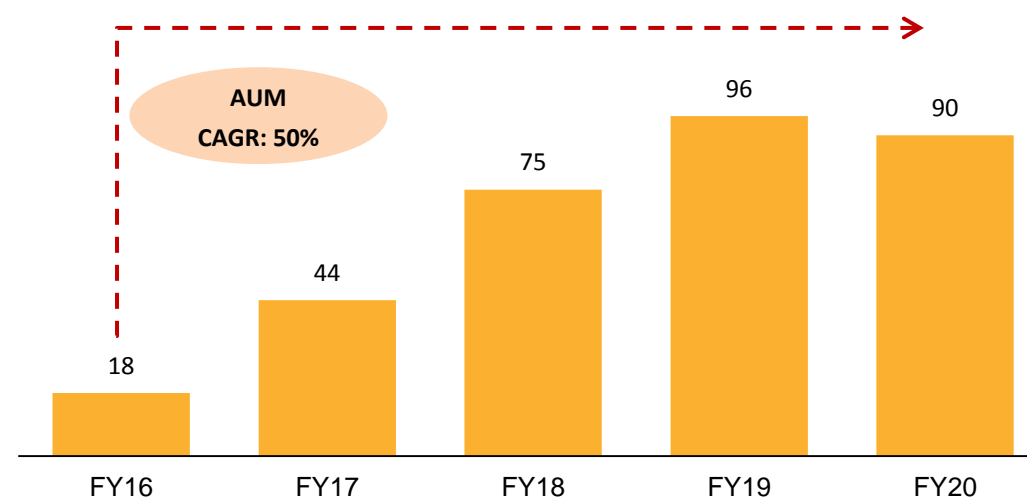
Wealth AUM growth trend (Rs bn)



DP AUM growth trend (Rs bn)



Distribution AUM growth trend (Rs bn)



GROWTH DRIVERS

ASSET MANAGEMENT

- Positive net flows for consecutive three quarters; industry seen moderating flows.
- Reduction in redemption market share.
- Expanding product offerings across active & passive category
- Traction in digital and direct channel

WEALTH MANAGEMENT

- Business continues to be under Investment mode.
- 70% of revenues are trail based revenues and covers 80% of fixed cost, to provide cushions to margin.
- Rise in RM productivity will aid margins in future.
- Well positioned to gain traction under new leadership

BROKING & DISTRIBUTION

- ADTO grew 35% YoY with rise in cash market share
- Operating leverage continues to play
- Client acquisitions up by 72% YoY in FY20
- Branch expansion underway
- Distribution business aiming big with newly added Insurance distribution.
- Institutional team won big at ASIA MONEY BROKERS POLL 2019.

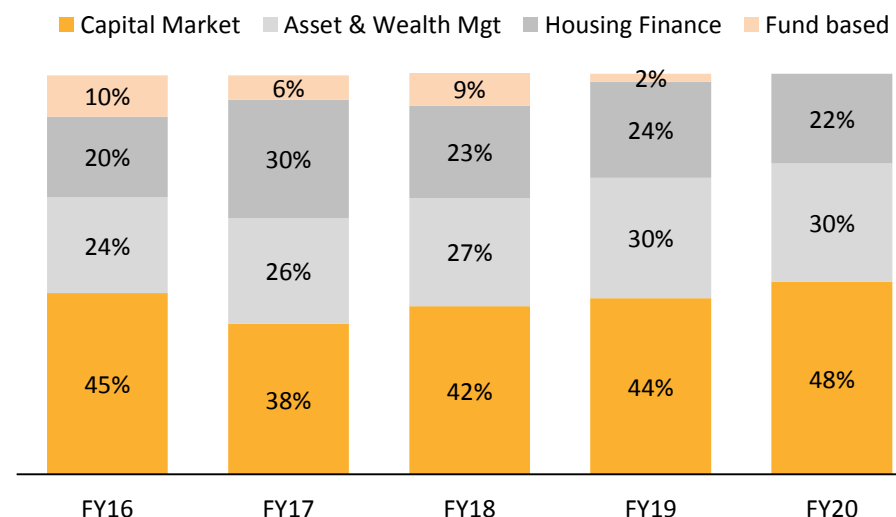
HOUSING FINANCE

- Normalcy in profitability restored in FY20.
- GNPA /NNPA at 1.8%/1.4% respectively
- Margins improvement to 5.3% led by higher yield & lower cost of funds
- Strong traction in collection efficiency and legal recourse

Key Highlights

- FY20 performance remains steady amid substantial slowdown in industry inflows of AMC and PWM, a lacklustre IPO/QIP scenario and multiple changes in regulatory framework for brokers.
- Operating profit grew by 56% YoY as Housing finance business returns to profit.
- Company has provided for annual performance bonus and incentives for FY20 .
- Home Finance business has returned to normalcy in collections and sales ramp up is the next agenda for this business.
- Expect FY21 FCF to be better as Home Finance business is well capitalised with net gearing of 3.2x.
- Sizeable expansion in AMC and Broking distribution network will drive next leg of growth.

Diversified Revenue mix trend



AMC AUM
Rs 297 bn in FY20

Rank 15 in Equity
AUM, as on Mar-20

One of the leading
player in PMS with
~12% AUM share

Traction in direct and
digital channel

Stable market share of
1.9% in MF Equity
AUM

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY(%)
AUM (bn)	297	389	-24%	401	-26%	297	389	-24%
Total Revenues	1,316	1,396	-6%	1,439	-9%	5,561	5,786	-4%
-Mutual Fund (Net)	264	337	-22%	337	-22%	1,275	1,457	-13%
-Alternates (Net)	504	432	17%	501	1%	1,946	1,844	6%
Other Costs	316	245	29%	275	15%	1,147	1,023	12%
EBITDA	456	532	-14%	567	-20%	2,097	2,311	-9%
EBITDA Margin	35%	38%	-	39%	-	38%	40%	-
PBT	445	531	-16%	563	-21%	2,071	2,305	-10%
PAT	357	335	6%	414	-14%	1,601	1,467	9%

Note: Revenues are grossed up, except for MF. Increase in opex is also due to one time higher donation of Rs 20 mn PM –CARES fund.

- In FY20, AMC's profit grew by 9% YoY despite adverse impact of regulatory changes on fees and AUM de-growth driven by market correction.
- AMC AUM stood at Rs 297 bn , with MF AUM at Rs 160 bn, PMS AUM at Rs 116bn and AIF AUM at Rs 19 bn. Overall AUM erosion of 24% (YoY) in March month which was in-line with market correction. This has resulted in lowering of average AUM and impacted fees during the month.
- Gross and net sales of AMC gained traction in Q4FY20 with QoQ rise of 15%/250% respectively. Improvement in performance of several products supported gross as well as net flows during the quarter. Several schemes rank top quartile in performance over 1 year and since inception as of Feb 20. However, schemes performance got impacted during sharp market correction in March 2020.
- Reduction in redemption market share from 2.5% in Q1FY20 to 2% in Q4FY20 .

- SIP inflows in FY20 was at Rs 16.3 bn. Average SIP ticket size at Rs 3,700 per month is higher than the industry average of Rs 2,750. Our SIP market share and proportion to total inflows are steady.
- Market share in MF Equity AUM continued to remain stable at 1.9% in FY20. Overall industry witnessed a fall in equity flows owing to volatile equity market conditions.
- We are among top AIF managers in India within a span of three years, with an AUM of Rs 19 bn in FY20.
- Efforts in offshore marketing have yielded modest results as of now. We remain committed to raise AUMs from the offshore segment going forward.

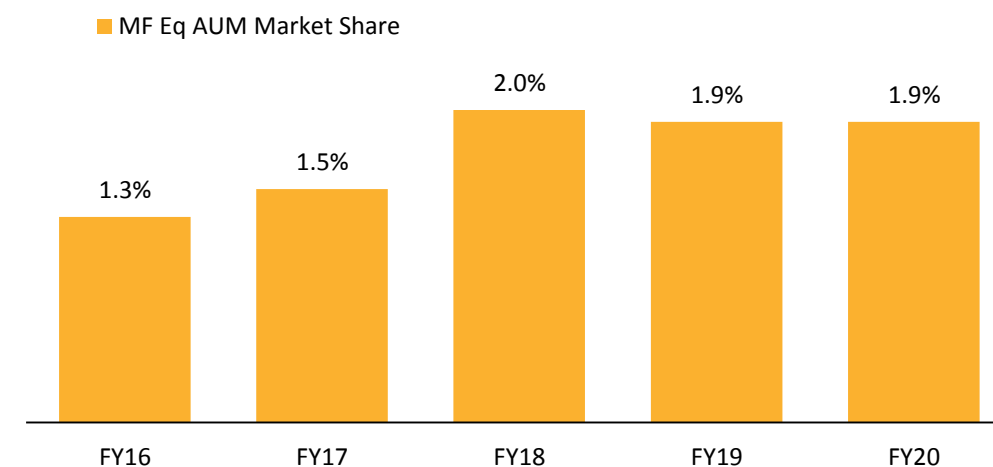
Performance across product and categories

Product	Strategy	Inception Date	Since Inception Return	Since Inception Alpha	1 year Alpha
PMS-Value	Large-Cap	25-Mar-03	19.5%	6.1%	6.4%
PMS-IOP	Mid-Cap	15-Feb-10	6.7%	6.4%	10.6%
PMS-NTDOP	Multi-Cap	11-Dec-07	12.8%	9.9%	2.2%
MF – F-30	Mid-Cap	24-Feb-14	11.3%	3.0%	10.9%
MF – F-25	Large-Cap	13-May-13	9.4%	3.6%	11.5%
MF – F-35	Multi-Cap	28-Apr-14	11.9%	5.9%	1.6%

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

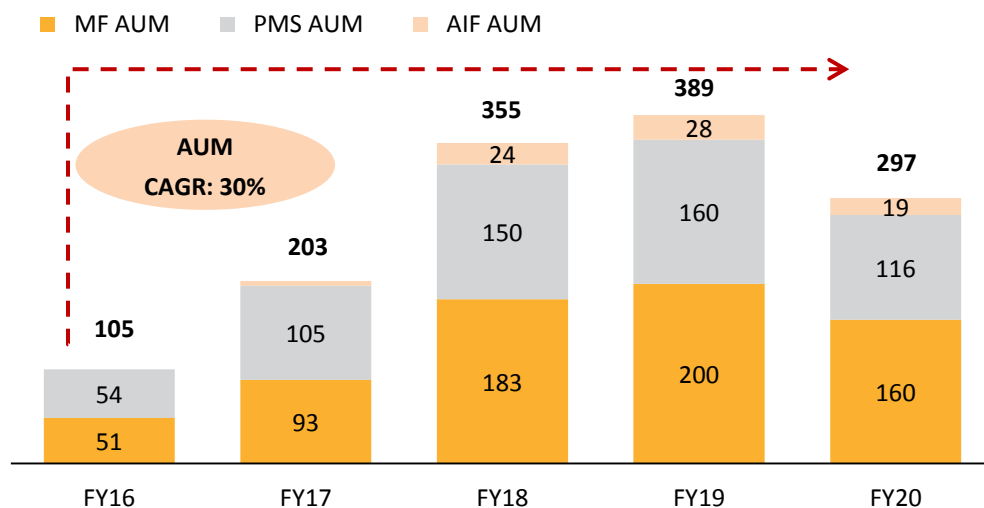
Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns shown are post fees and expenses. Benchmark is Nifty 50 Index

Stable Equity MF Market share (%)

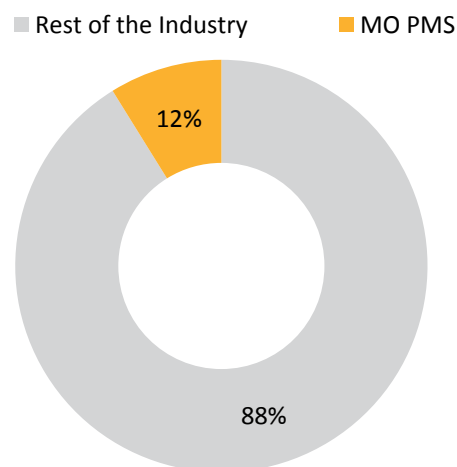


Asset Management – Potential levers to scale business

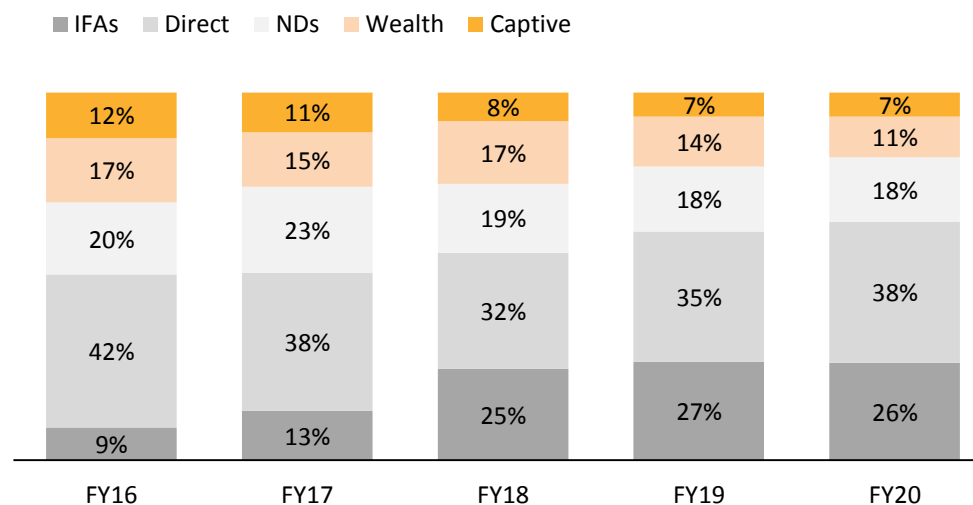
MOAMC AUM breakup and growth trend (Rs bn)



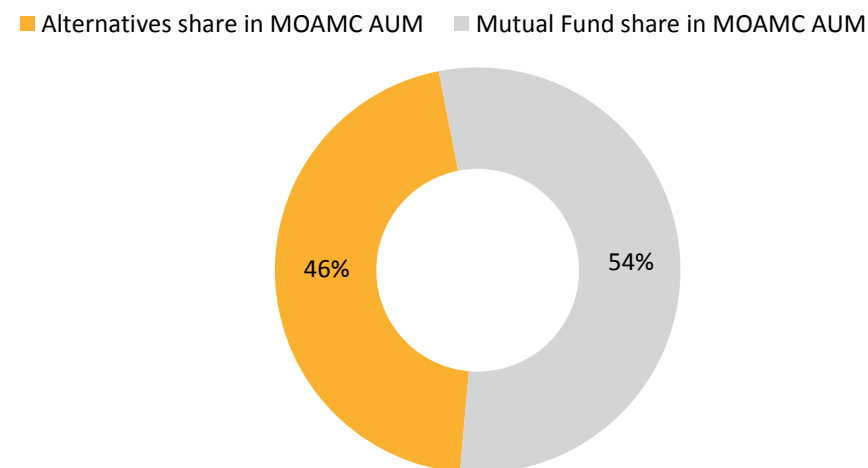
MOPMS market share



AUM sourcing mix



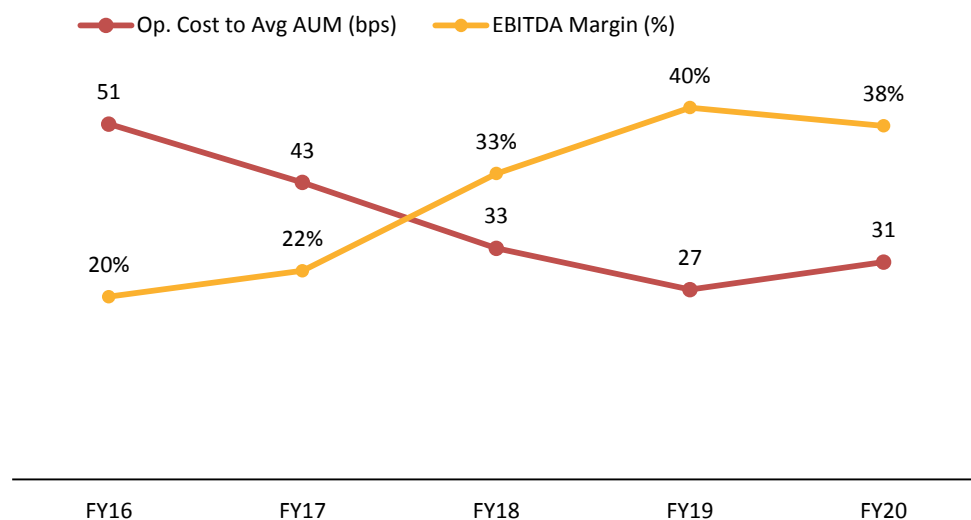
Alternatives share in MOAMC AUM



*Alternatives includes PMS and AIF

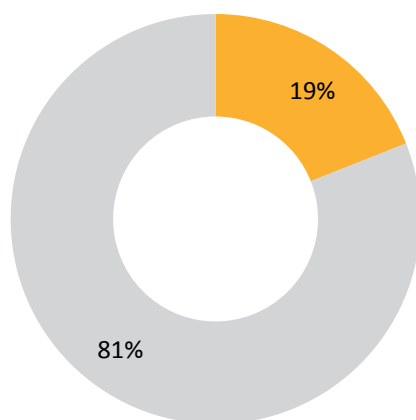
Asset Management – Potential levers to scale profitability

AMC EBITDA and Opex to AUM trend

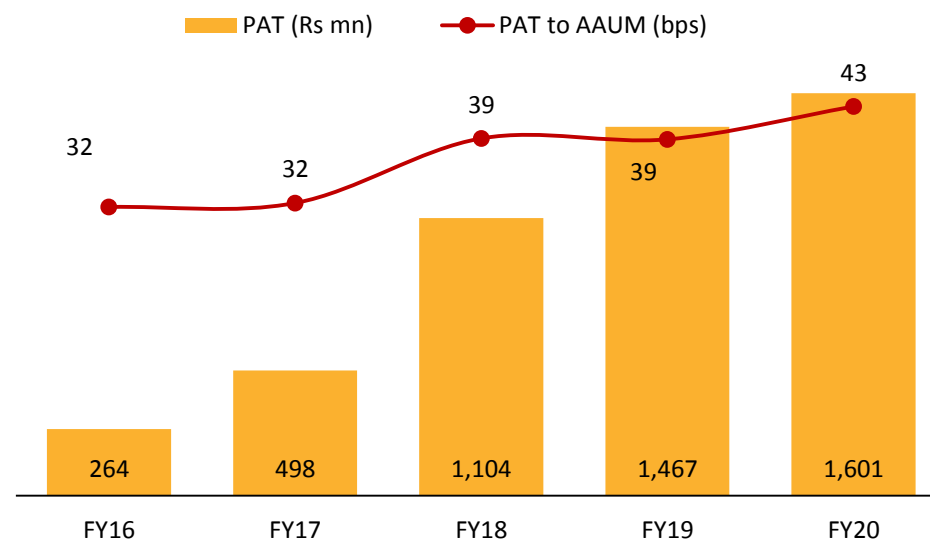


Share of performance linked AUM in alternatives

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

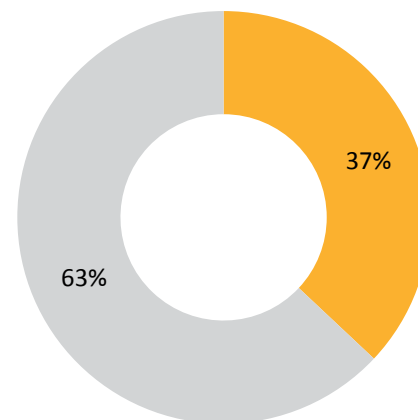


MOAMC profitability trend



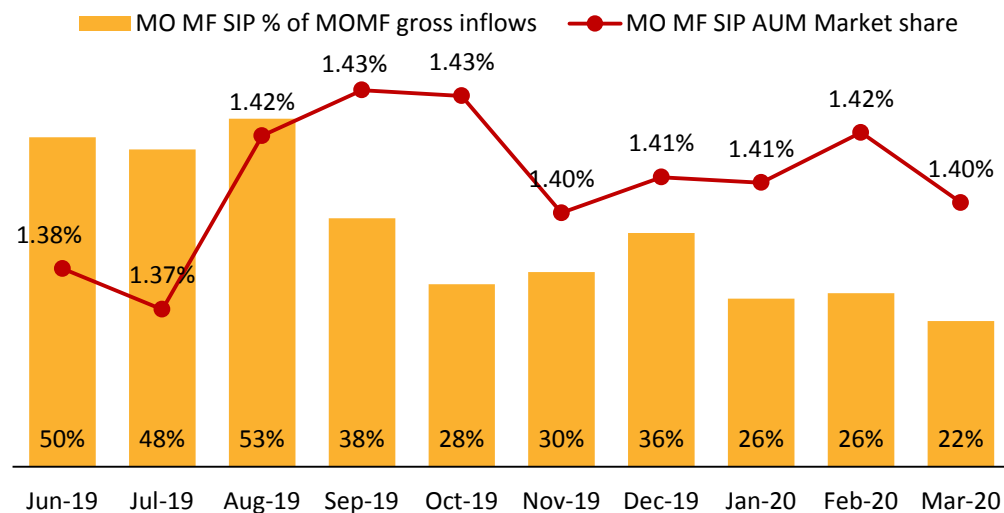
MOMF AUM Mix

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

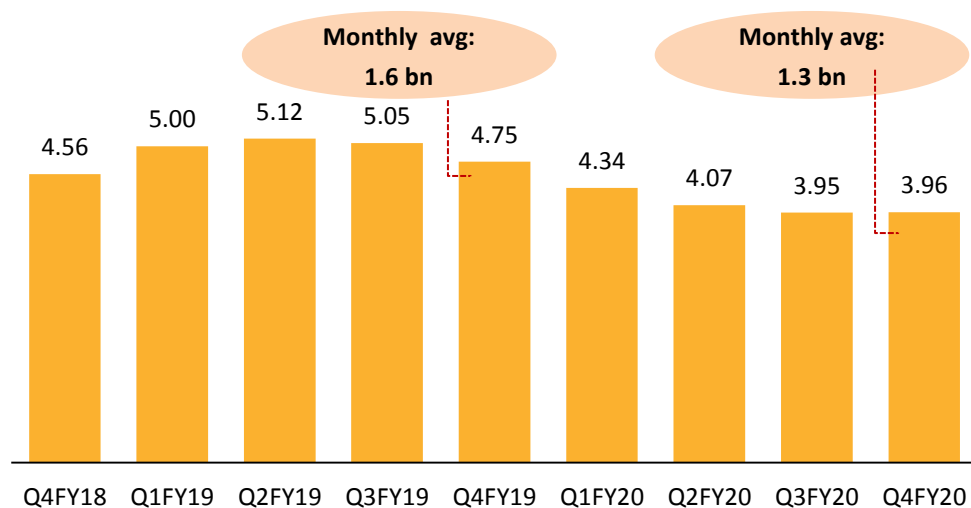


Asset Management – Granularity of MF AUM

MOMF SIP AUM of inflows and SIP market share

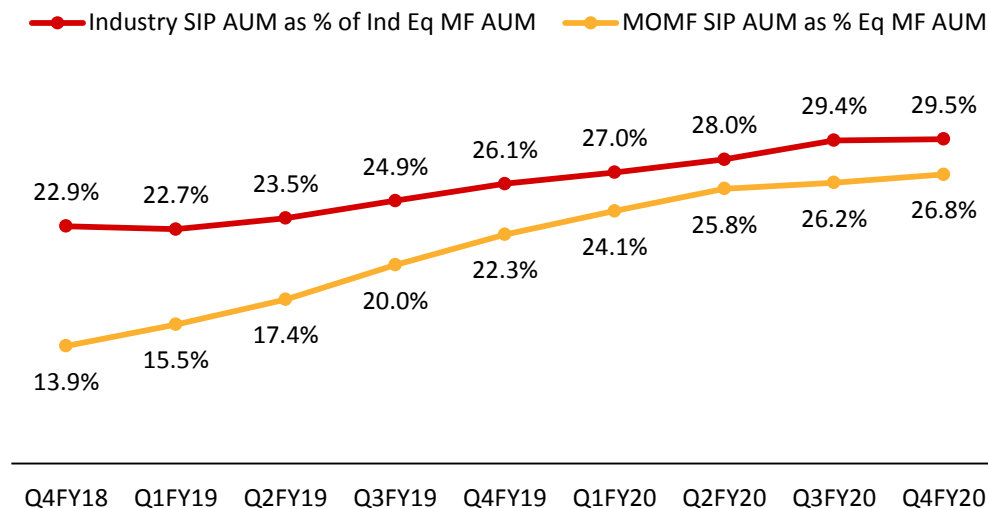


MOMF SIP flows (Rs bn)

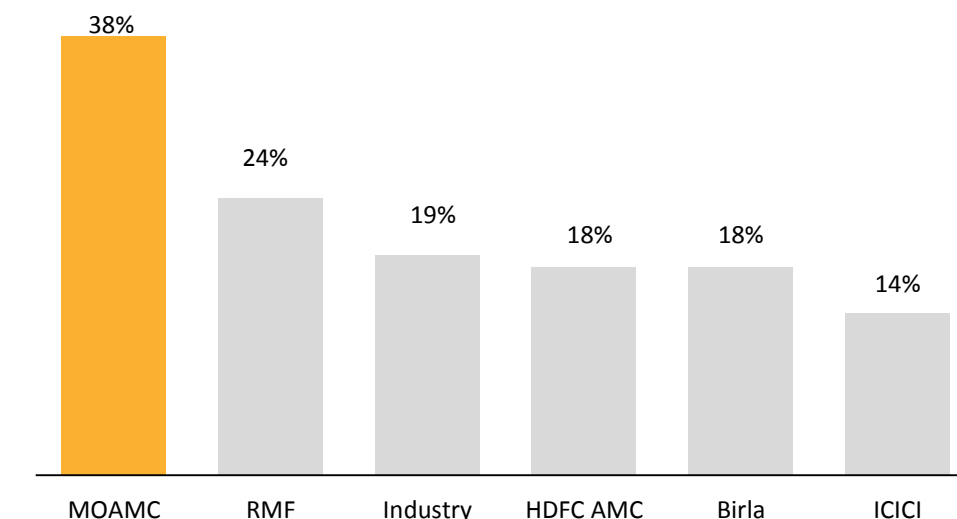


Source : AMFI

MOMF rising SIP proportion



Share of Retail AUM in total MF AUM



Source : AMFI

PE and RE AUM stood at Rs 65 bn, +3% YoY in FY20

Strong performance of IREF II & III funds with +21% IRR

IREF IV raised Rs 11.5 bn in an environment of uncertain market conditions

IBEF I delivered a portfolio of IRR of 27.9% on exited investments

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
Total Revenues	313	320	-2%	261	20%	1,069	1,104	-3%
Operating Cost	209	180	16%	160	31%	669	633	6%
EBITDA	104	140	-26%	101	3%	400	471	-15%
PBT	104	138	-25%	99	5%	387	460	-16%
PAT	44	77	-43%	68	-35%	219	301	-27%

Note: 1. Revenues in FY20 grew 3% YoY excluding the impact of carry income of Rs 88 mn in FY19.

2. Increase in opex is also due to one time higher donation of Rs 20 mn PM –CARES fund.

3. Effective tax rate was higher in Q4FY20 & FY20 on account of offshore profits dividend out to the PE parent company.

Growth PE Funds

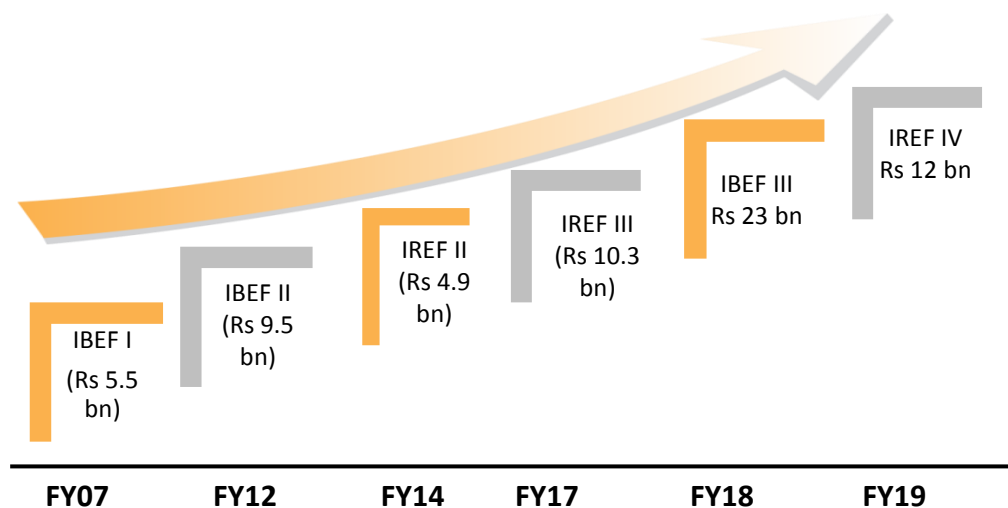
- India focused mid-market PE fund with global & domestic institutions, family office and HNI investors.
- Partner with market leaders managed by first-generation entrepreneurs with sectoral focus on consumer, financial services, life sciences and niche manufacturing.
- MOPE Funds stand out with stellar performance. IBEF has delivered IRR of 27.9% on exited investments.
- Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions and exits from fund will contribute, going forward.
- IBEF III stands fully raised at ~Rs 23 bn and already deployed ~Rs 9.8 bn across 6 investments and the Fund is extensively evaluating opportunities across its preferred sectors

Real Estate Funds

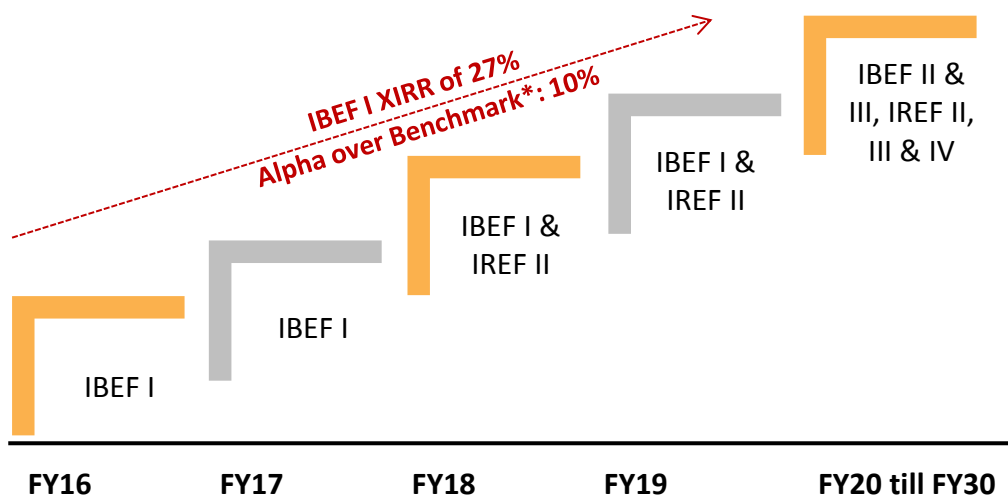
- Real Estate focused fund driving superior risk adjusted returns through debt related / structured equity instruments. Focuses on Mid-income housing projects.
- Partner with dominant builders across 7 cities ring fenced with active asset management.
- IREF II is fully deployed across 14 investments. The Fund has secured 10 complete exits and 1 structured exit and has returned money equalling 125.4% of the Fund Corpus back to the investors. Average IRR on exited investments is 21.4%
- IREF III has deployed INR 13.54 bn including reinvestments across 24 investments. The Fund has secured 6 full exits and has returned money equalling 26.4% representing income earned & distributed to its investors. Average IRR on exited investments is 22.4%.
- IREF IV, launched in the third quarter of 2018 achieved its final close in February 2020 at Rs.11.48 billion. The fund has deployed Rs.5.3 billion across 9 investments.

PE & RE– Exits from 7 funds provides strong visibility over next decade

Launch period of PE Funds

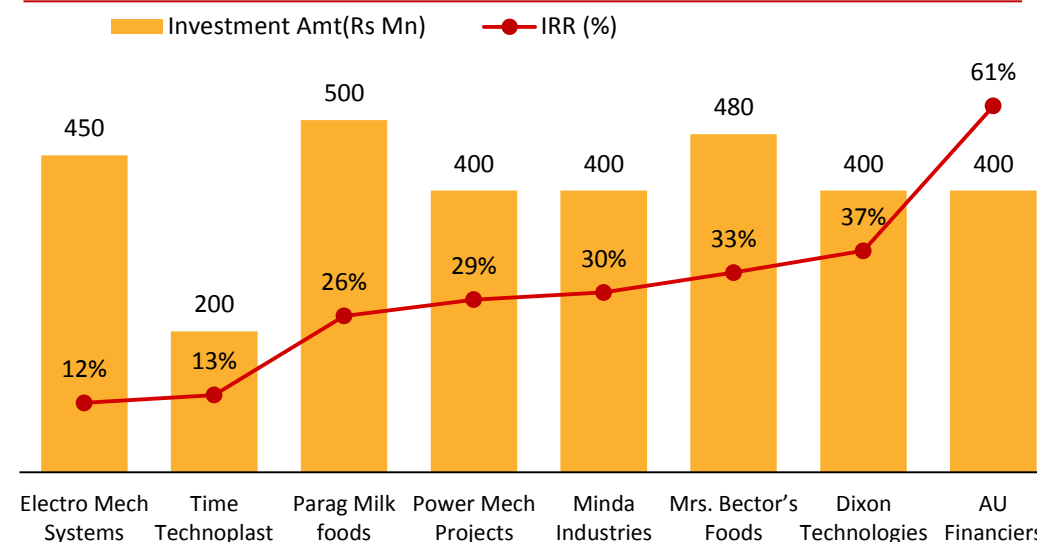


Exit period of PE funds

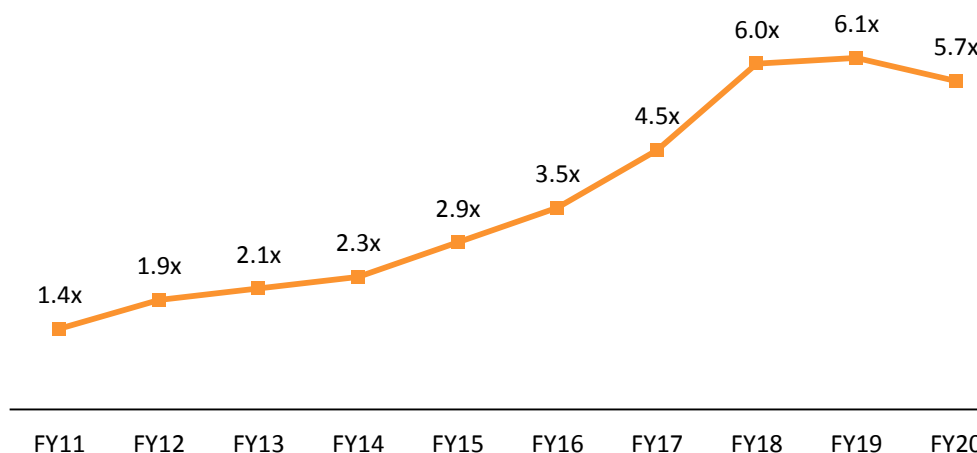


Note : * Benchmark : Emerging Markets PE and VC (upper quartile)

QGLP investments delivering higher IRR



IBEF I exits delivering 5.7x MoC



**Wealth AUM
at Rs 156 bn**

**Trail at 70% of revenue
and 80% of fixed cost**

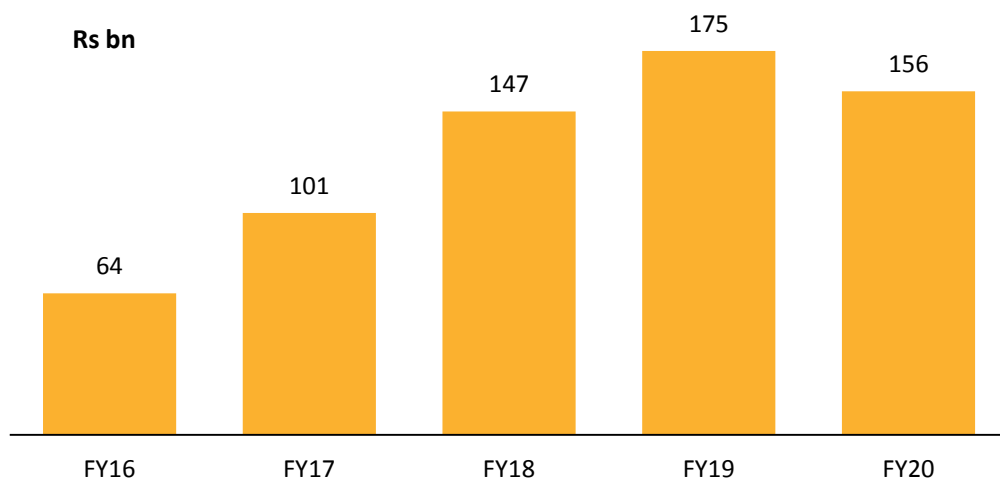
**Client acquisition
growth rate at +13% YoY**

**Virendra Somwanshi
has joined as MD & CEO
with 17+ years of rich
experience in Wealth
Management**

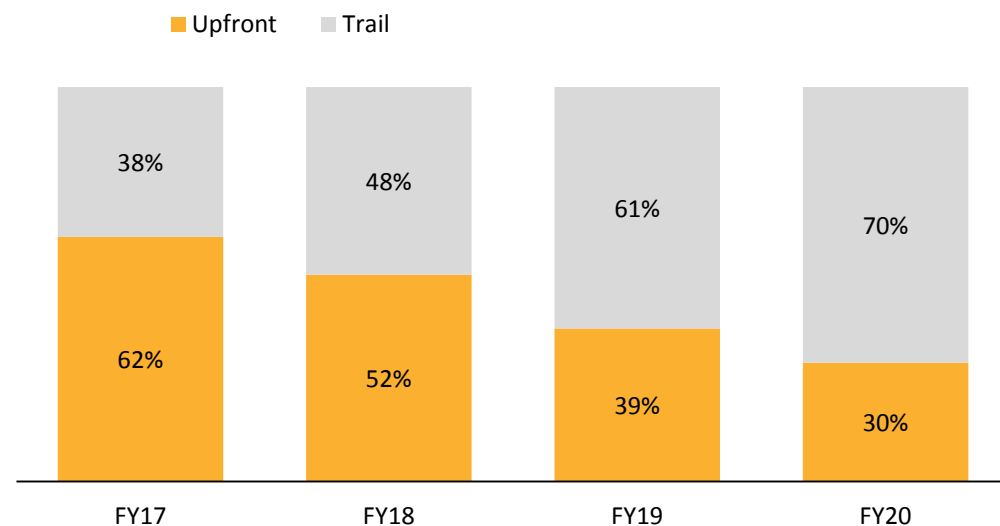
Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
AUM (bn)	156	175	-11%	189	-17%	156	175	-11%
Revenues	255	258	-1%	252	1%	1,007	1,088	-7%
Operating Cost	232	211	10%	206	13%	910	878	4%
EBITDA	23	47	-50%	46	-50%	98	210	-53%
PBT	20	43	-55%	43	-55%	83	200	-58%
PAT	14	29	-52%	34	-60%	61	140	-57%

- Wealth business revenue got impacted on account of lower net sales during the year led by challenging market conditions and adverse regulatory measures.
- Opex has increased on account of investment made in RMs, this has further dented profitability of the business,
- Currently, 42% of 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.
- Trail based revenue model since inception has helped us to cover our fixed costs despite higher investment in RMs in recent past. Trail based revenues are ~70% of total revenues and covers ~80% of total fixed cost.
- Yield was at ~60 bps, with equity mix of ~61% in total AUM in FY20.
- Open architecture model is enabling the incremental sales to be driven by non captive products, resulting in more diversified products offering.
- Focus on portfolio strategy implementation using Investment charters, technology solutions and higher yield.

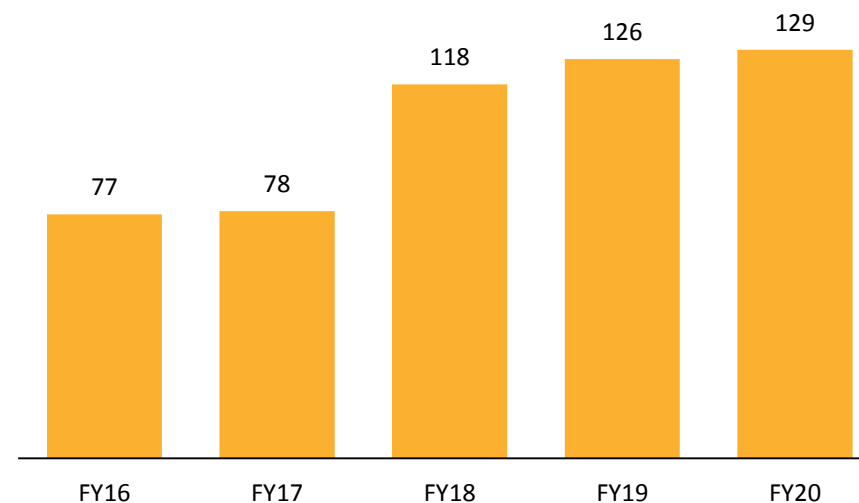
Wealth AUM growth trend



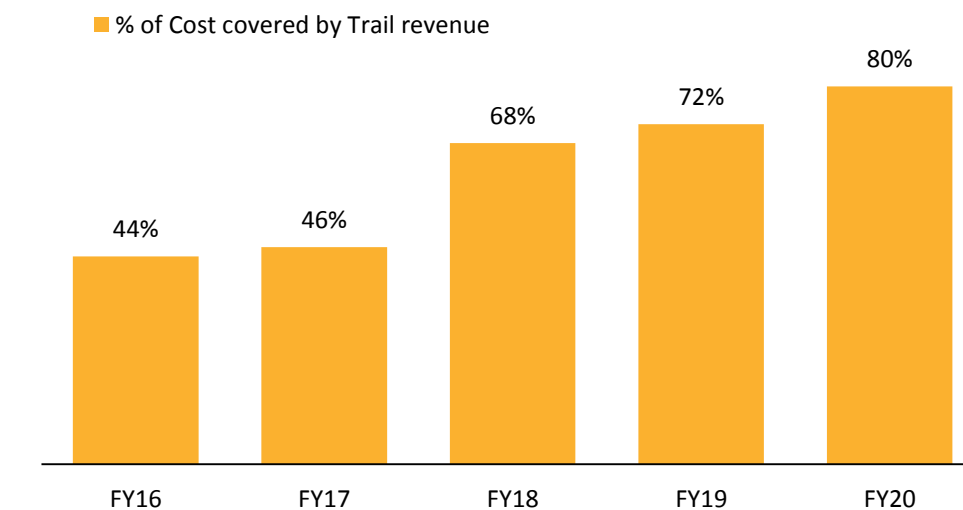
Upfront and trail contribution in revenues (%)



Wealth Sales RM



Trail income will protect margin in downturn



Market share stable at 2.5%; cash market share is at multi quarter high

EBITDA margin at 34% in FY20

Distribution AUM stood at Rs 90 bn ; Insurance business gained momentum

Online business 57% of retail volume

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY(%)
Revenues	3,381	2,809	20%	3,083	10%	12,249	11,334	8%
Operating Costs	2,197	1,927	14%	2,059	7%	8,025	7,495	7%
EBITDA	1,185	882	34%	1,023	16%	4,224	3,840	10%
EBITDA Margin	35%	31%	-	33%	-	34%	34%	-
PBT	629	601	5%	647	-3%	2,527	2,572	-2%
PAT	451	412	10%	483	-7%	1,875	1,810	4%

- Operational performance in Q4FY20 stood robust on YoY basis aided by healthy volume growth and expansion in EBITDA. Margins stable at 34% in FY20.
- Distribution business AUM in FY20 stood at Rs 90 bn. Current penetration of only ~16% on total client base, provides head-room for growth in AUM. We have started Insurance broking business this year and have registered strong premium collection in first year of business envisaging future business potential. We have tie-ups with HDFC Life, ICICI Pru Life and Bajaj Life for life insurance products.
- In Retail broking business we have witnessed strong traction in new client addition driven by franchisee and retail channel , total 2,42,175 clients acquired in FY20, +72% YoY. Active clients have also registered 16% YoY growth at 3.94 lacs as of March 2020.
- In FY20, we have started with branch and team expansion to take advantage of industry consolidation and shrinking competition.
- MOFSL's overall ADTO grew 35% YoY to Rs 235 bn in FY20. Overall market share (ex-prop) stood at 2.5% in FY20 supported by robust traction in high yield-cash market share.
- Broking business also runs a margin funding business, with book size of ~Rs 4 bn as of FY20.

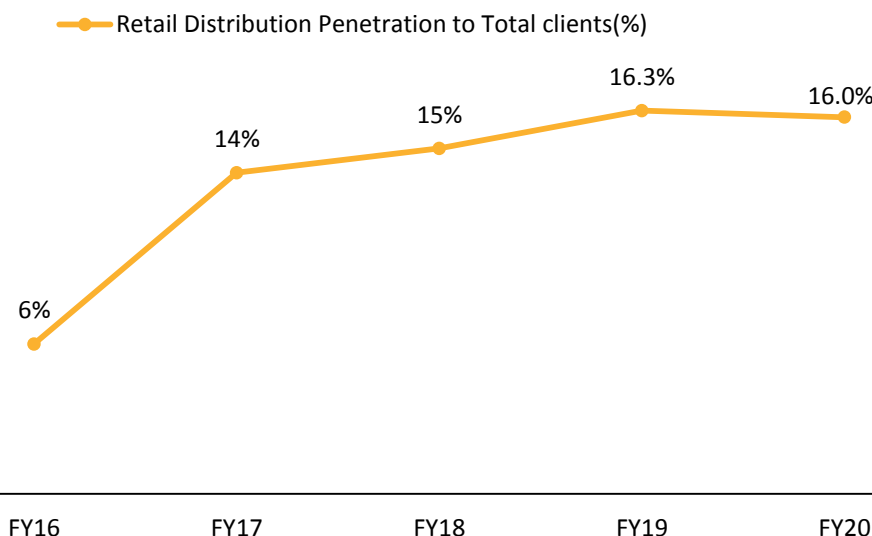
Retail Broking & Distribution

- During lockdown, average 57% clients traded online with a peak of 64% which is highest ever clients traded online
- Our website got highest ever traffic & leads of more than 20 lakhs & 19k respectively during the lock down
- Advisors are in touch with +16000 unique clients on daily basis despite of WFH . We are able to activate +500 accounts per day digitally.
- Focus towards development and infusion of entrepreneurial spirit in new and existing franchisees has led strong growth in client base as well as franchisee base (+45% YoY).
- Focus on banking partnership. Tie-up with AU Small Finance Bank for 3 in 1 (banking + demat + trading) account.
- Events like MOCA and MOBIC received huge response among retail clients and franchisees.

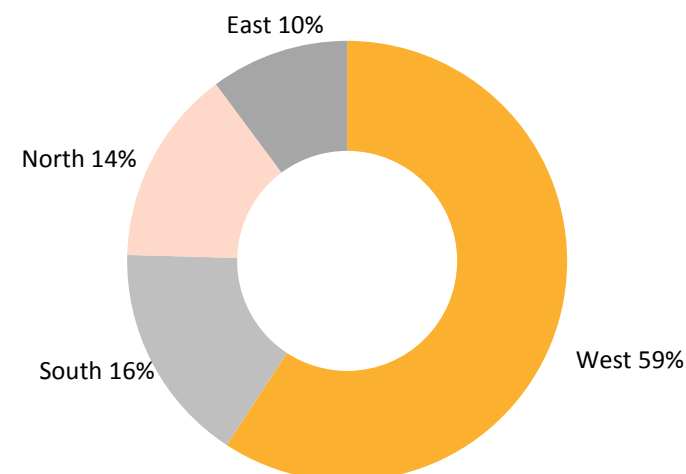
Institutional Broking

- Institutional team won big at ASIA MONEY BROKERS POLL 2019.
 - 1st Rank - Best Overall Sales, Sales Trading & Corporate Access
 - 2nd Rank – Best Local Brokerage
- This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors.
- Corporate access has always been a key focus area with successful events like AGIC in Aug-19 and India Financials Day in Dec19.
- During lockdown we are arranging expert / management calls on daily basis for clients . Number of notes are up by ~30% during this period.
- We have also launched our 1st edition of virtual conference amid this lockdown period.

Distribution penetration (% of total client base of 1.45 mn)

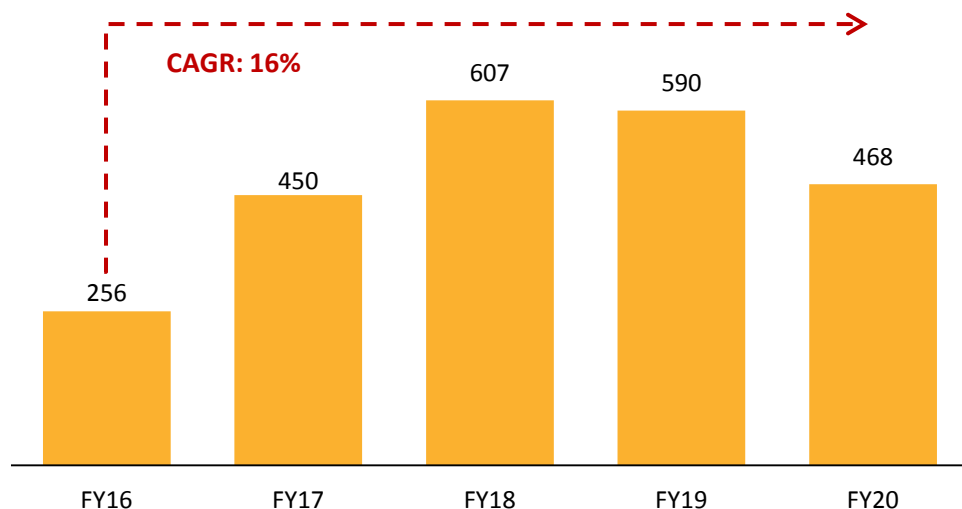


Geographic distribution of Retail active clients (Cash)

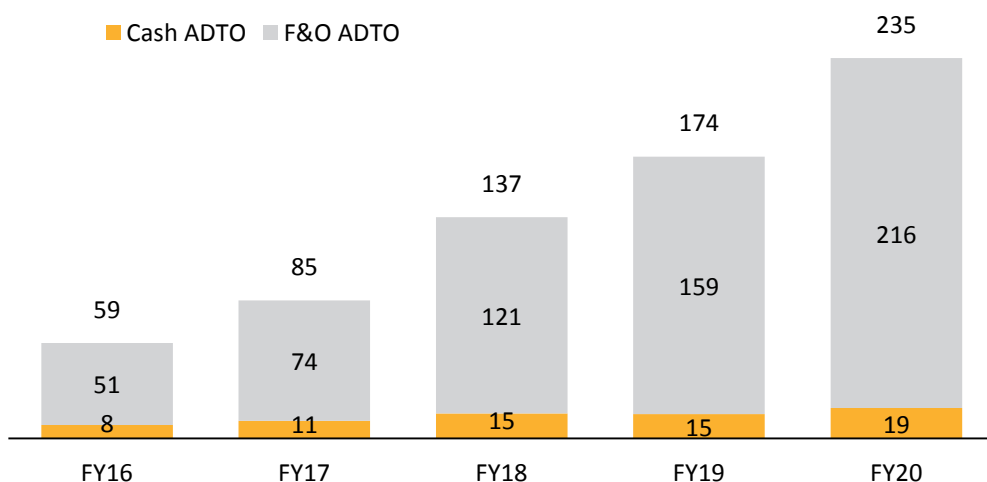


Broking & Distribution – Strong growth in Volume & Distribution AUM

DP AUM growth trend (Rs bn)

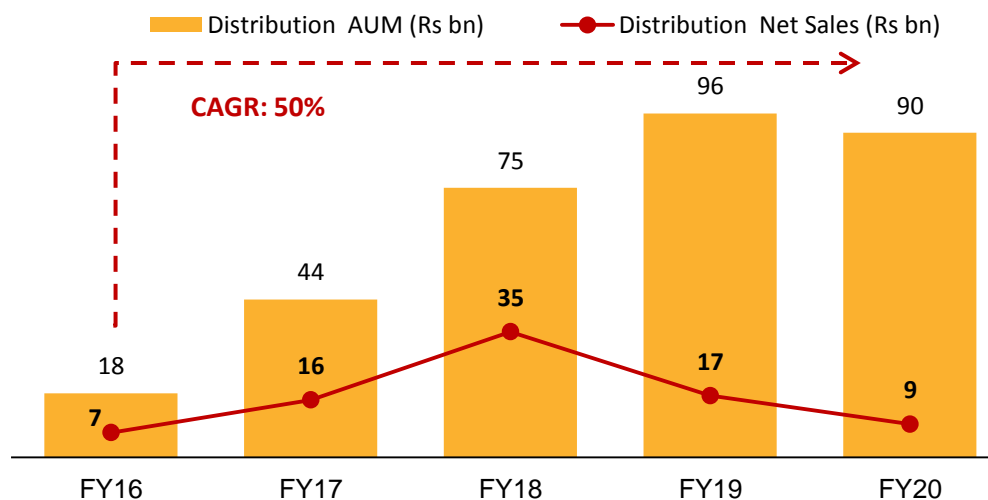


MOFSL Broking ADTO (Ex-prop, Rs bn)

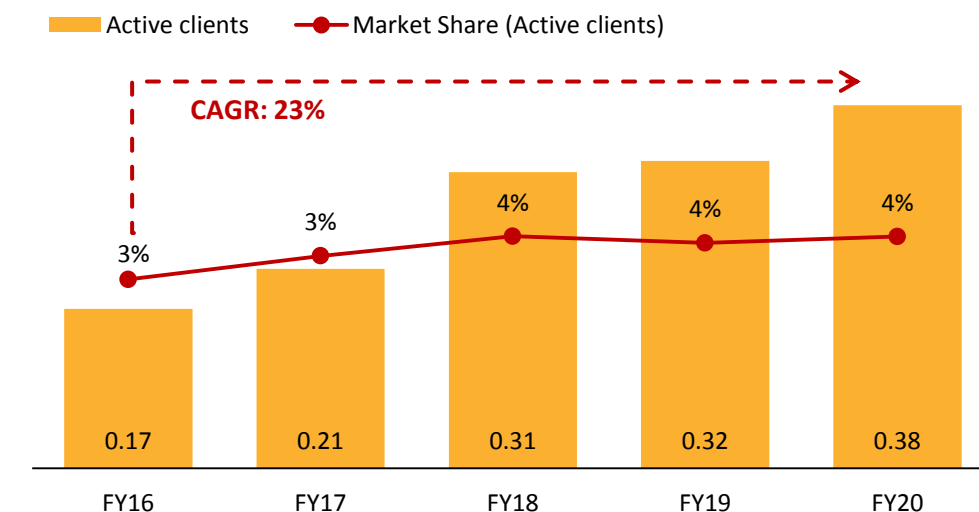


Source: NSE, BSE,

Rising Distribution AUM



Rising share of active clients (mn)



DEALS



QIP - Rs 18.9 bn



QIP - Rs 28 bn



QIP - Rs 10 bn



QIP - Rs 49.9 bn



IPO - Rs 19.1 bn



IPO - Rs 4.6 bn

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
Revenues	9	146	-94%	27	-67%	121	381	-68%
Operating Costs	55	72	-23%	53	5%	223	261	-15%
EBITDA	-47	74	-	-26	-	-101	120	-
PBT	-48	70	-	-30	-	-112	109	-
PAT	-37	55	-	-23	-	-87	81	-

- Expertise-led approach focusing on specific sub-segments of strength, where we have relationships and track record.
- Sectoral focus on BFSI, Auto, Consumer, Healthcare and Industrials will yield benefits in the medium to long term. Team well geared to execute transactions.
- Continue to engage on a wide cross-section of mandated transactions across capital markets and advisory. As the markets recover, we expect a number of these transactions to conclude successfully.

Rating upgrade from
CRISIL to AA-/Stable
during FY20

1+ DPD at 9% ; 90+ DPD
at 1.8%.
PCR Increase to 66%

Strong performance of
new loan book with
negligible delinquency

Exit PPOP/ PBT at Rs 40
cr / Rs 28 cr respectively

Improvement in margin
at 5.3% led by reduction
in CoF and
improvement in yield

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ%	FY20	FY19	YoY%
Net Interest Income (NII)	579	513	13%	526	10%	2,224	2,308	-4%
Total Income	632	553	14%	540	17%	2,332	2,443	-5%
Operating Cost	231	237	-3%	237	-3%	956	1,036	-8%
- Employee Cost	153	150	2%	144	6%	627	637	-2%
- Other Cost	78	87	-11%	94	-16%	330	399	-17%
Operating Profit (Pre-Prov.)	401	315	27%	302	33%	1,376	1,408	-2%
Provisioning/Write off	120	223	-	49	-	766	3,523	-
PBT	281	92	204%	253	11%	609	-2,116	-
PAT	176	81	118%	161	9%	390	-1324	-

- Normalcy restored in profitability in FY20 . NII in FY20 has declined on account of loan book reduction post sale of NPA book to ARC. However, rise in NII QoQ is on account of lower CoF and improvement in yields.
- Significant reduction in NPAs in FY20 post sell of NPA book to ARC. Loss on ARC transaction has been partially offset by provisioning release on those assets and resulted in limited impact on profitability.
- We have enhanced provisioning in Q4FY20 by Rs 80 mn considering potential Covid-19 impact, this has resulted in increase in our PCR from 55% in Q3FY20 to 66% as of Q4FY20.
- Opex has been trending down to 231 mn in Q4FY20, resulting in exit C/I ratio of 37%.
- Yield on Advances improved to 14.5% in Q4FY20 while of Cost of Funds is down to 10.1%, resulting in expansion in Spread to 4.4% and NIM to 5.9% in 4Q. Incremental CoF at 9.1%.
- As a result of the lower Opex, Cost of Funds and improved Yield, exit quarter PPOP has improved to Rs 401 mn and RoA has improved to 1.8%.
- Net gearing is down to 3.2x, Tier 1 CAR remains robust at 46.4% and liquidity remains strong.

ECL Provisioning details

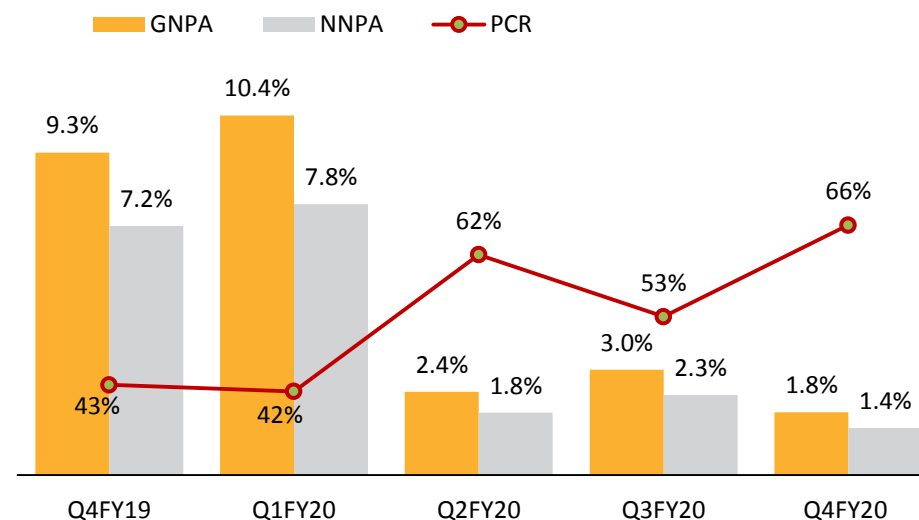
Particulars (Rs mn)	Q4FY20
Stage 1 & 2	36,010
% portfolio in stage 1 & 2	98.19%
Stage 3	660
% portfolio in Stage 3	1.81%
ECL Provision % Stage 1 & 2	0.75%
Total Assets	36,493
ECL Provision	433
ECL Provision %	1.18%
Coverage Ratio % (incl. std. assets)	66%

MOHFL's geographic reach - Presence across 110 locations in 9 states

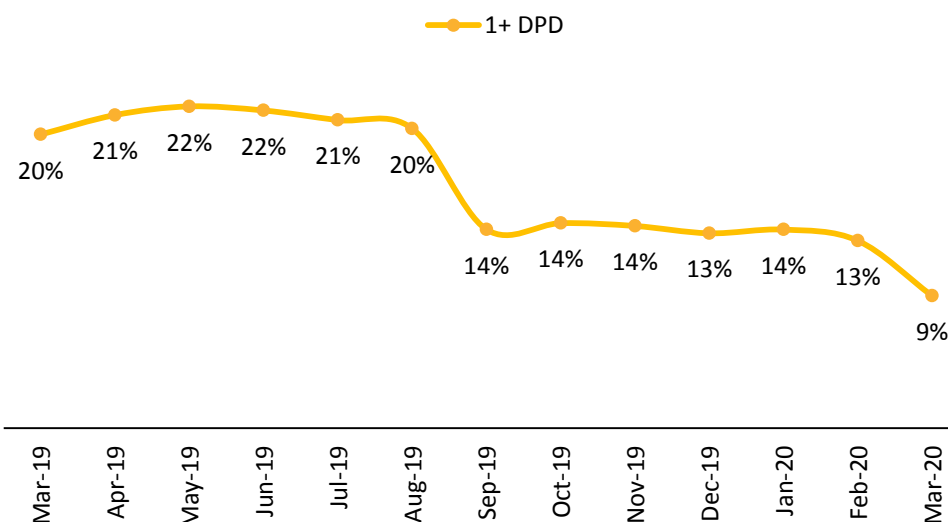
State	Nos. of Branches
Maharashtra	37
Gujarat	17
Tamil Nadu	15
Rajasthan	11
Karnataka	11
Madhya Pradesh	10
Andhra Pradesh	4
Chhattisgarh	3
Telangana	2



MOHFL's GNPA NNPA and PCR trend

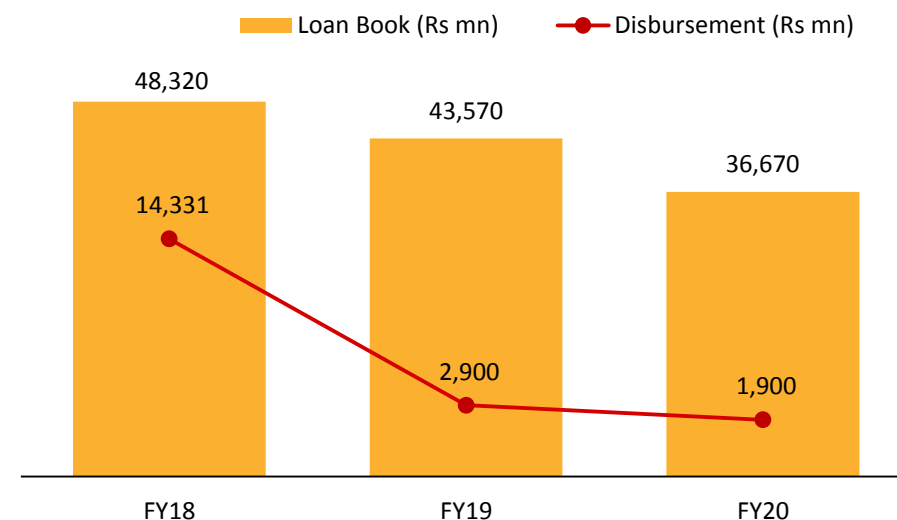


1+ DPD

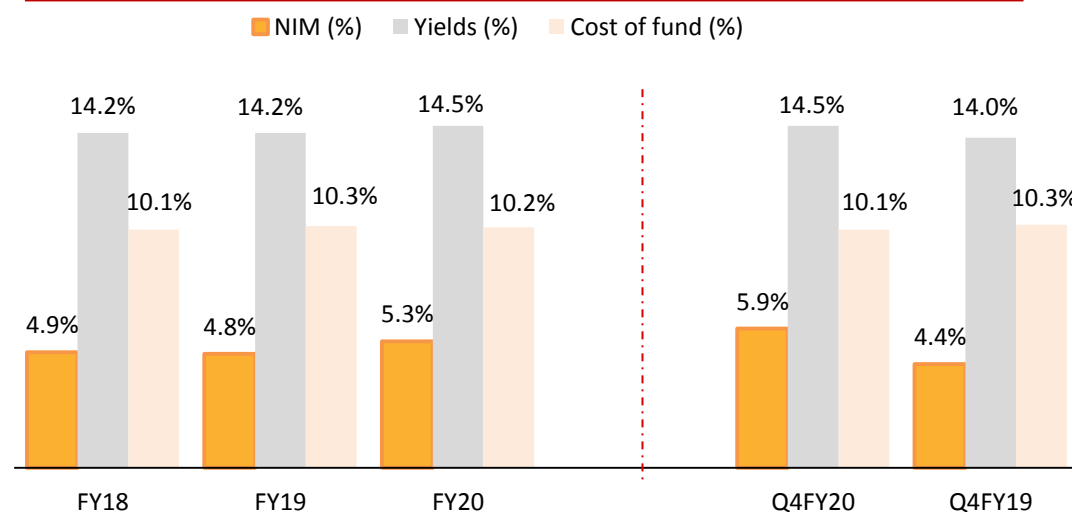


- Fruition of revival efforts visible with positive trends in new loans sourced from Apr-18
 - ✓ Only 3 cases in NPA pool out of ~5000 cases disbursed.
 - ✓ In new book, ~93% of disbursement was in <Rs 1.5mn ticket size
 - ✓ Mobile Applications being extensively used in Sales & Collection for productivity enhancement.
 - ✓ Localised Policy on Collateral Management
- Disbursements in FY20 were Rs 1,920 mn. We expect disbursement to pick up in FY21 post normalcy restore in economy.
- Margins have improved to 5.3% in FY20, on account of improvement in yield & lower cost of funds coupled with equity infusion in FY19. Spreads have improved in an environment of higher cost of funds.
- Limited borrowing repayments for next 1 year, strong undrawn borrowing lines and ALM places us in comfortable liquidity situation.
- Diversified liability profile - 49% from bank loans, and 51% from NCDs. 22, no exposure to CPs. Banks extended credit lines as of Mar-20.

Loan book and disbursement trend

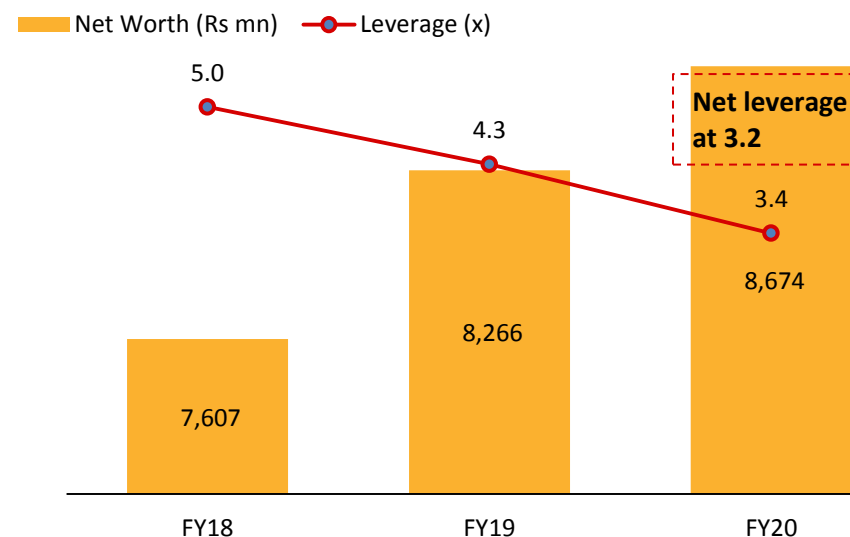


Operational Parameters

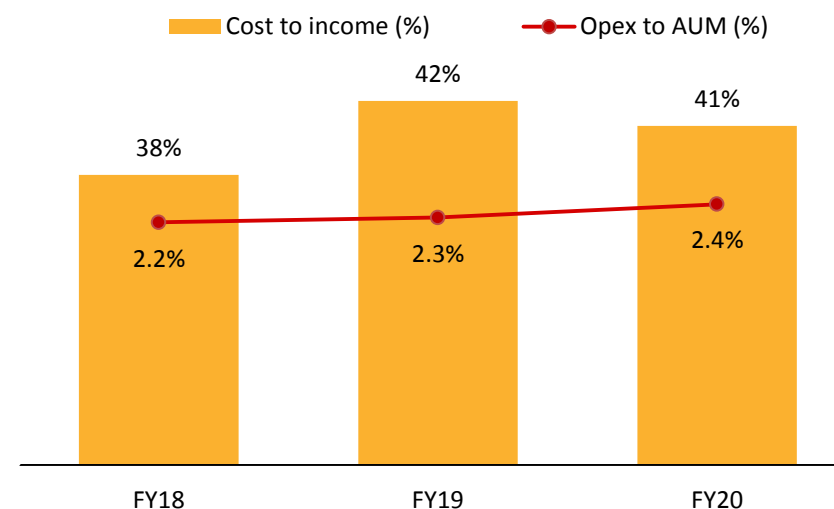


- Average ticket size is Rs 0.88 mn, with loans extended to more than ~47,900 families, as MOHFL is focused on the affordable housing segment with no exposure to builder finance.
- Total cumulative capital infusion from sponsor to Rs 8.5 bn resulting in lower leverage of 3.4x whereas net leverage stands at 3.2x.
- Proactive cost measures, process automation and consolidation of branches resulted in lowering of total cost on YoY basis.. Centralised credit appraisal for salaried employees to improve efficiency and lower operational cost
- Filed Section-138 and SARFAESI cases against 3000+ accounts. Under Section-138, ~110+ accounts have received non-bailable warrants and 700+ bailable warrants received, whereas under SARFAESI, ~150 accounts have received DM order and 70+ properties under possession.
- 71% of the book out of the total book is never delinquent and 29% of the book has never bounced & never Delinquent. More-over, ~66% of our total cases have shown very low risk behaviour off MOHFL's loan book on BUREAU scrubbing analysis.
- Strong Legal & Collection efforts would lead to faster results like Roll back / Normalisation / Settlement in near future.

Net Worth (in mn) and D/E



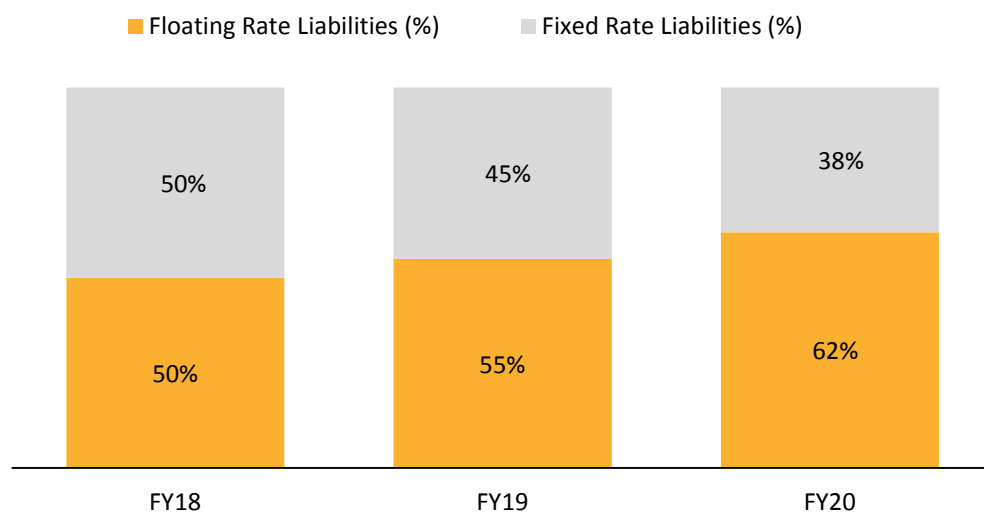
Cost to Income and Opex to AUM* trend



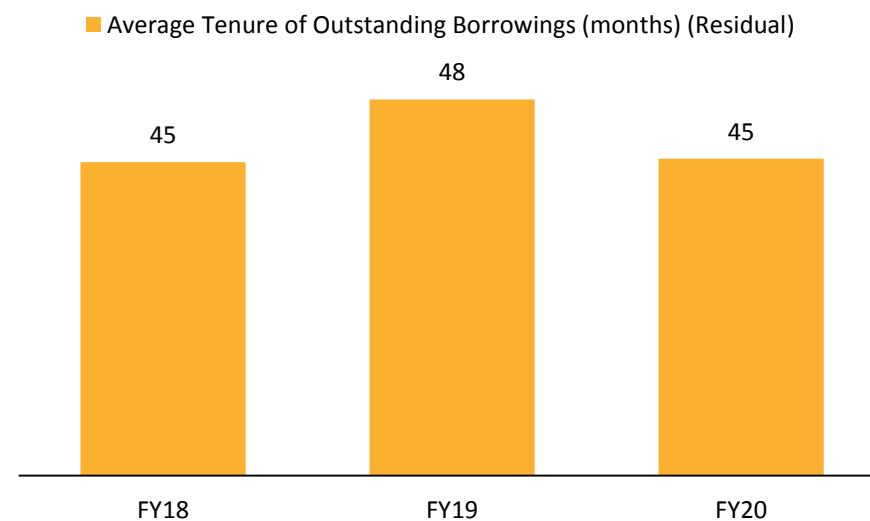
Note : * Opex to AUM looks elevated due to AUM reduction post ARC sale; absolute opex has declined by 8% YoY

Home Finance – Strong liability management

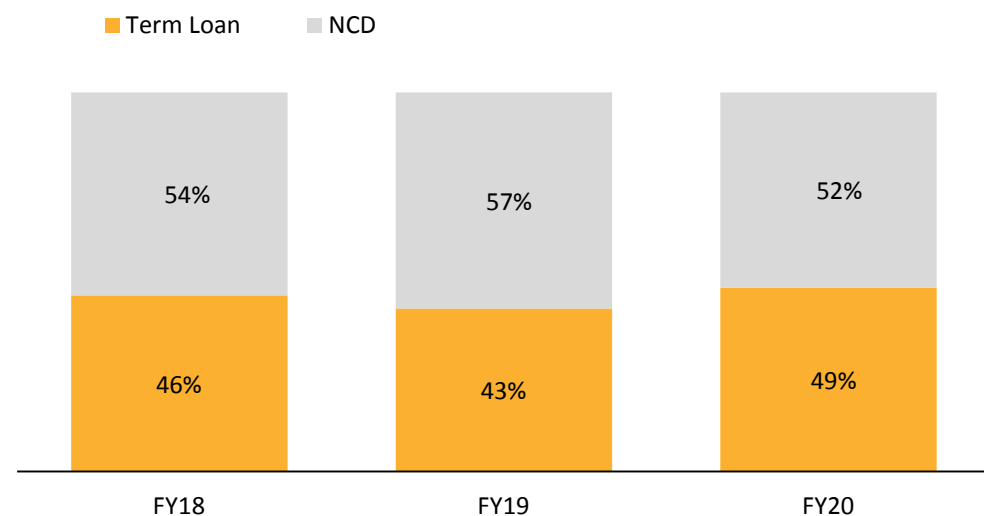
Liability mix based on rates (%)



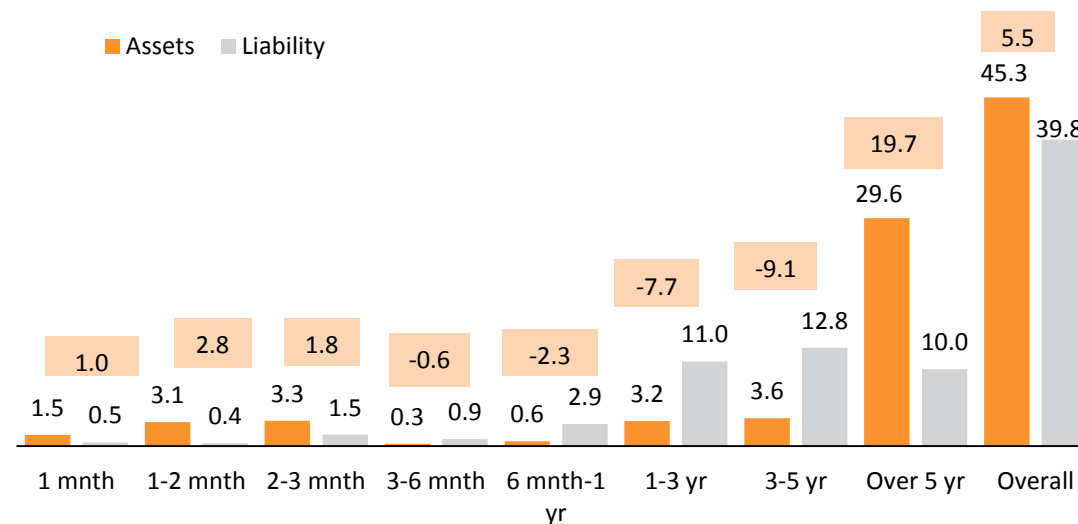
Average tenor of outstanding borrowing (months)



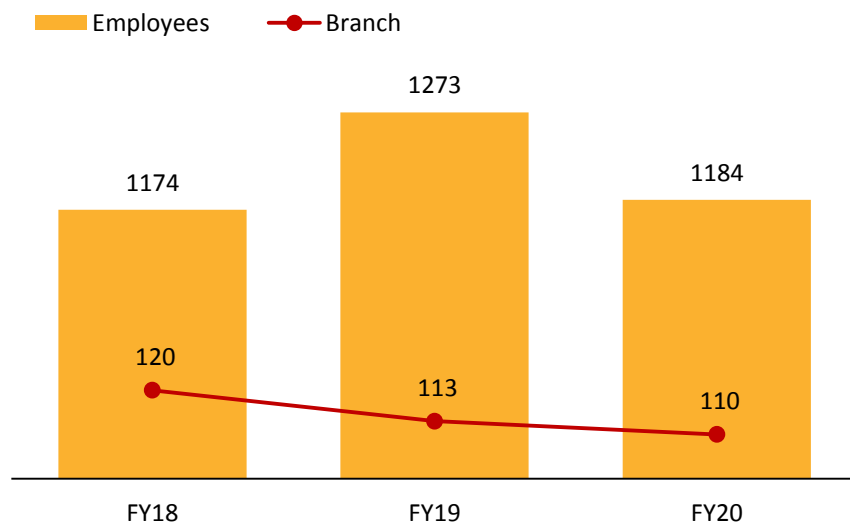
Diversified liability mix



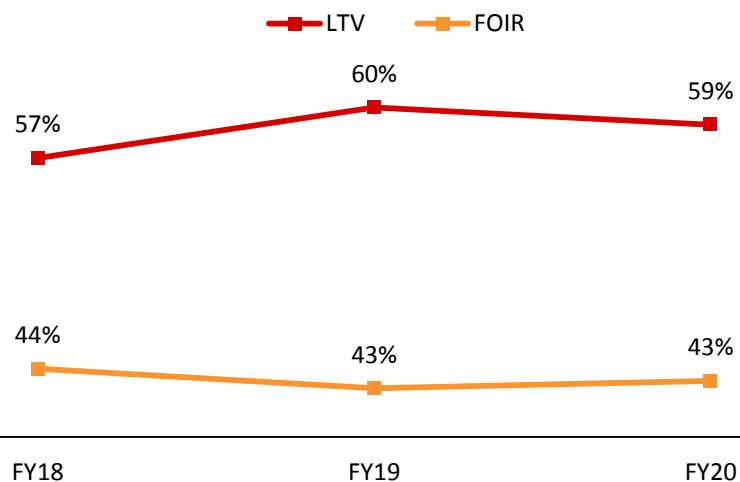
Positive ALM for 1 year (Rs bn)



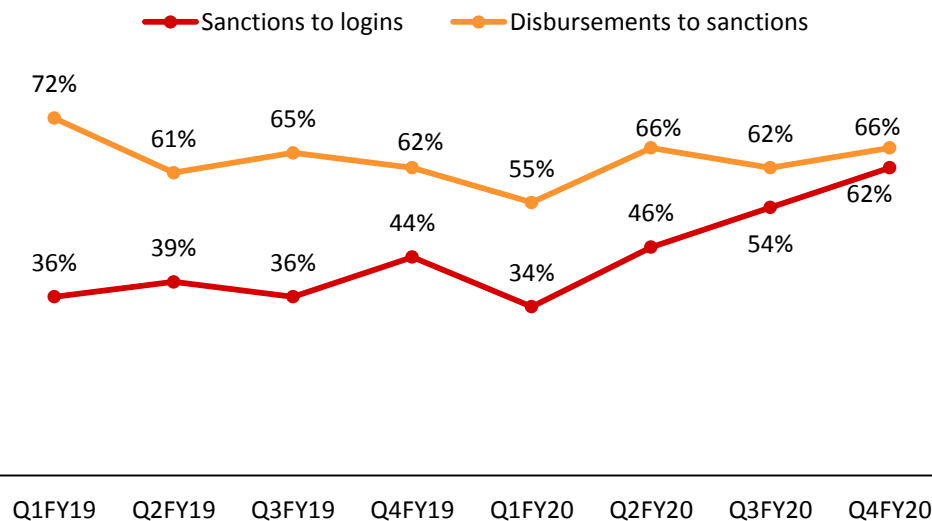
Infrastructure & Resources



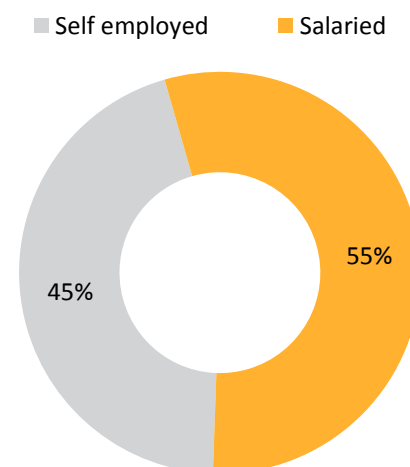
LTV of 59% and FOIR of 43%



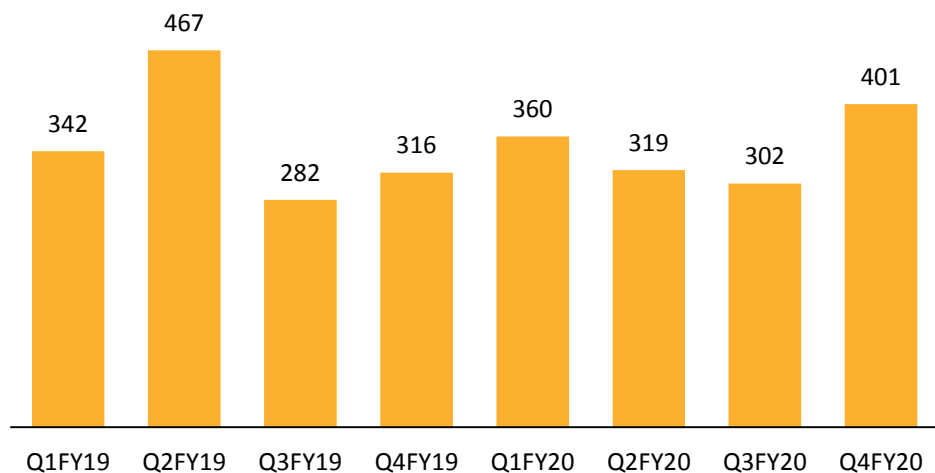
Login to sanction & sanction to disbursement trend



Balanced customer mix (%)

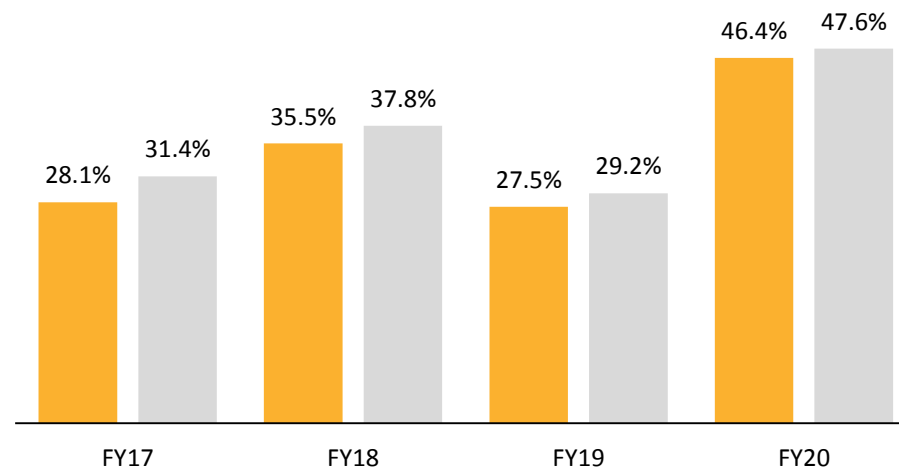


PPOP (in mn)



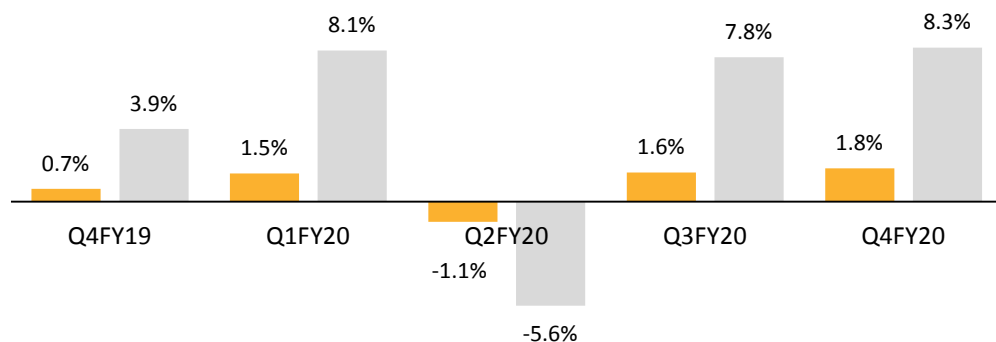
Tier-I and Total CRAR

■ Tier I CRAR ■ CRAR

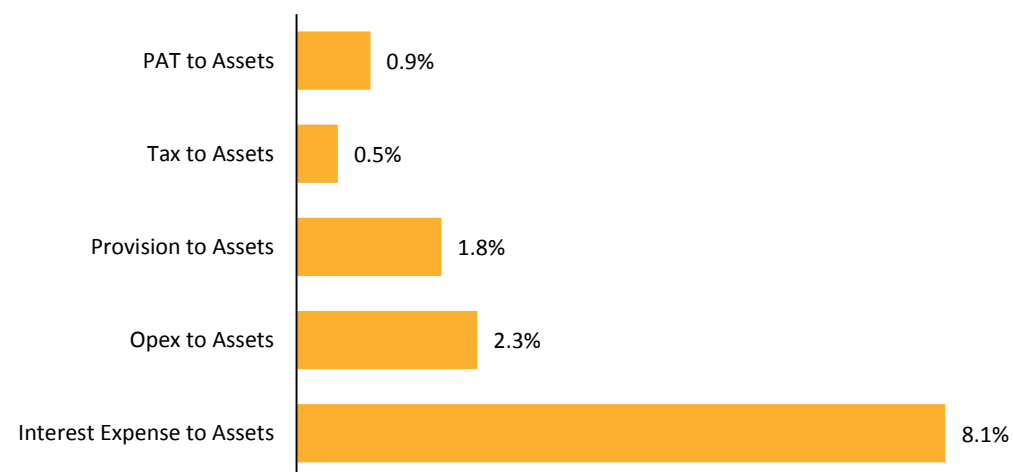


ROA and ROE

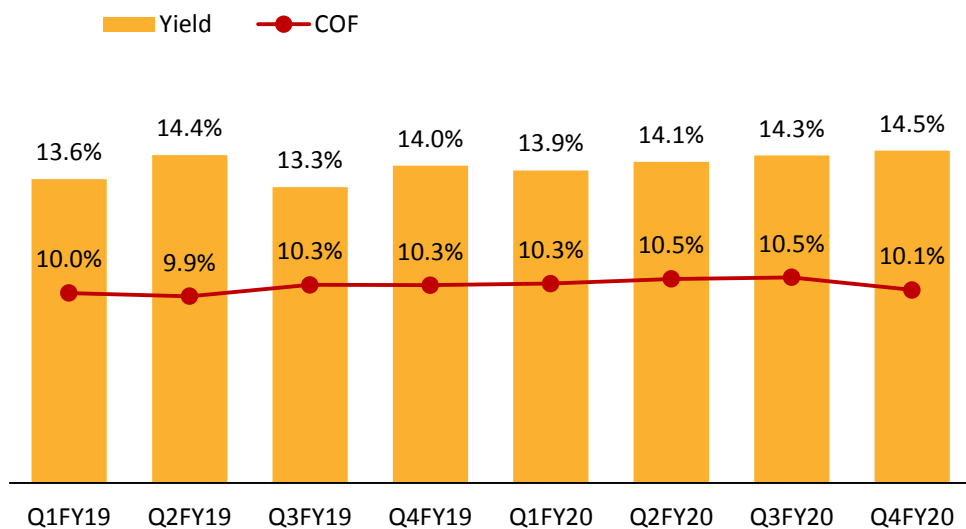
■ ROA ■ ROE



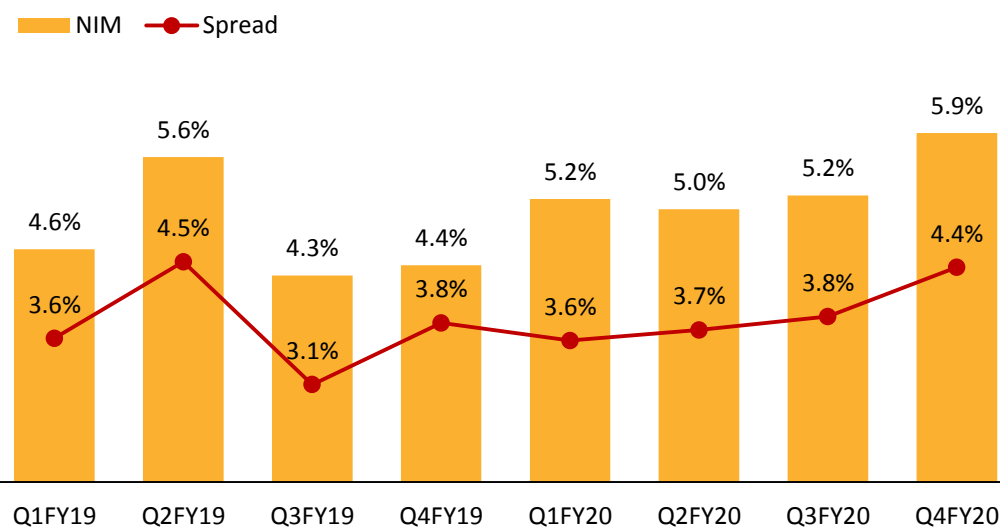
ROA Tree-FY20



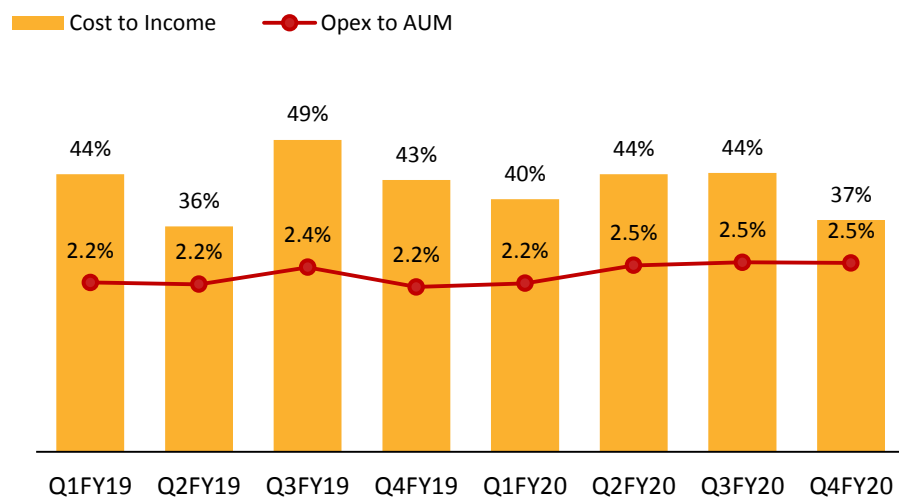
COF and Yield



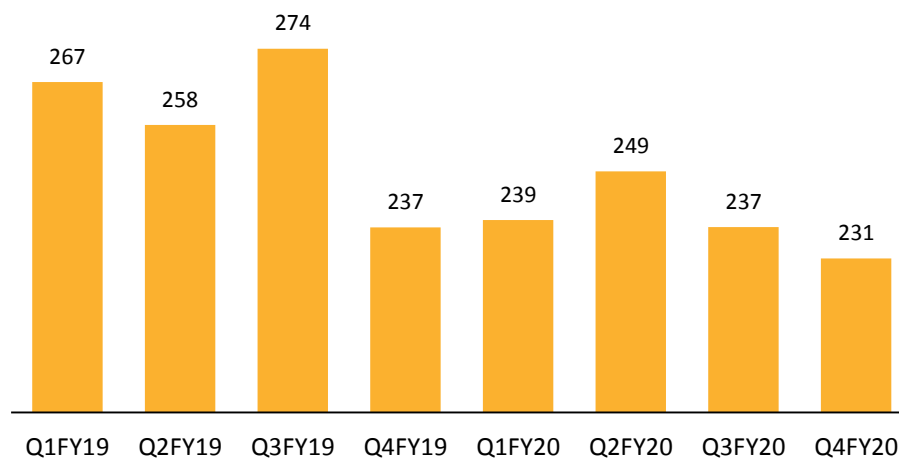
Spread and NIM



COI and Opex to AUM trend



Operating Expense (in mn)



FUND BASED INVESTMENTS

Total quoted equity investment including MTM gains was Rs 12.2 bn as of FY20.

Particulars (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
Revenues	-3,754	535	-	535	-	-2,585	591	-
PAT	-3,520	491	-	550	-	-2,121	545	-

Note: Fund based revenues and PAT excludes Other Comprehensive Income

Total unrealised gain on fund based investments at ~Rs 1.72 bn

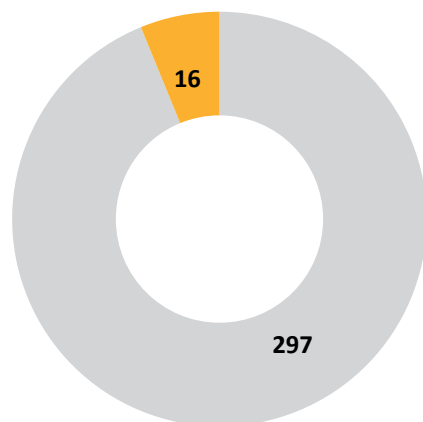
- In FY20 revenues were lower on account of MTM fair valuation of investments under Ind-AS. During FY20, revenue impact net loss (realised + MTM) on investments were Rs (2.9) bn vs Rs 0.2 bn in FY19.
- Fund based book includes gains/loss on sponsor commitments cum investments in equity MF, PE funds, Real estate funds, AIF and strategic equity investments.
- Total quoted equity investment including MTM gains was Rs 12.2 bn as of Mar-20, since MTM of these gains are now included in earnings under Ind-AS reporting.
- Cumulative XIRR on total quoted investments is ~9.3% (since inception).
- Pre-tax XIRR on exited private equity investments is ~28%.
- These investments have helped “seed” our new businesses, which are scalable, high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

Cumulative XIRR of ~9.3% on total quoted investments

Fund Based investments – Skin in the game

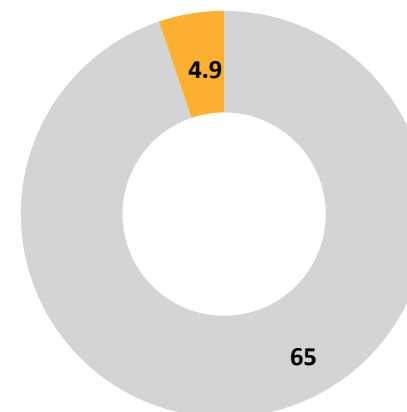
Skin in the game in AMC

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



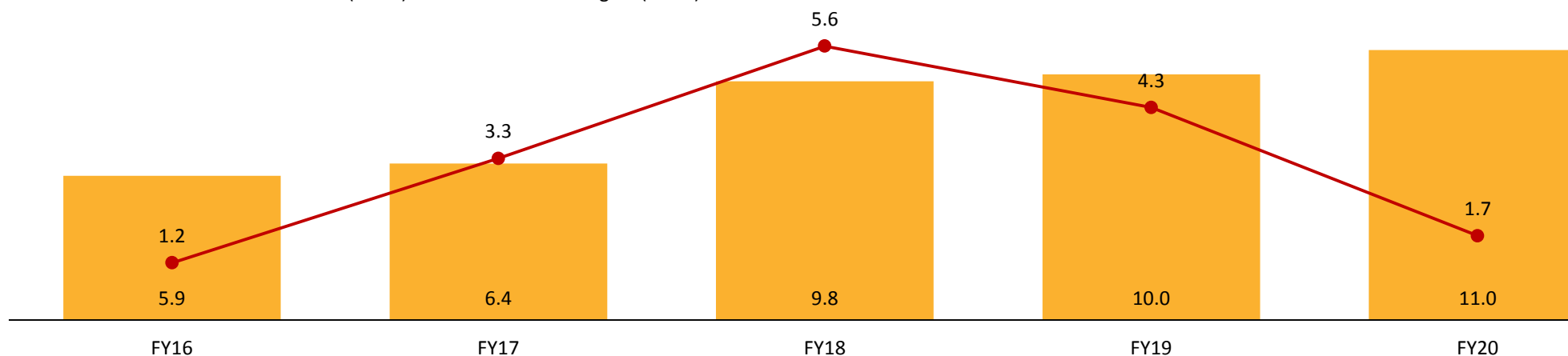
Skin in the game in PE

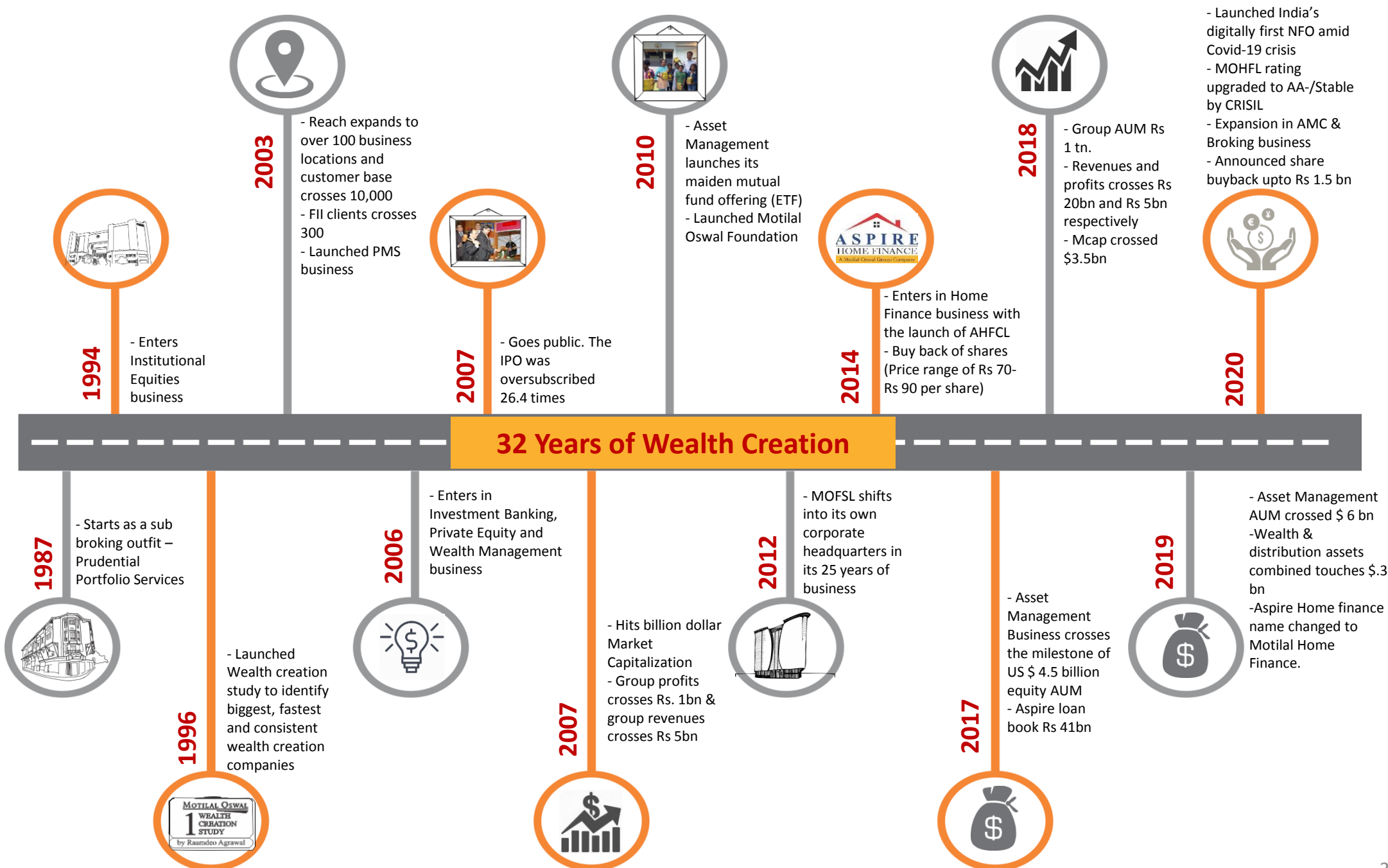
■ PE AUM (Rs bn) ■ Sponsor Commitment in PE (Rs bn)



Unrealised gain from quoted equity investments

■ Quoted investment at cost (Rs bn) ● Unrealised gain (Rs bn)





Management team



Raamdeo Agrawal, Chairman

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



Motilal Oswal, MD & CEO

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



Navin Agarwal, Managing Director

Mr Agarwal is a CA, ICWA, CS and CFA by qualification. He joined Motilal Oswal Group in 2000 and has been responsible for building a market-leading position in Institutional Equities. He is a part of the Executive Board that drives business strategy and reviews for all businesses besides capital allocation of the group.



Ajay Menon , CEO – Retail Broking and Distribution

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



Rajat Rajgarhia , CEO – Institutional Equities

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



Abhijit Tare, CEO – Investment Banking

Mr Tare brings with him over 25 years of rich experience in Institutional Equities and ECM, Investment Banking. He is a CA by qualification. He has worked with TAIB Securities and HRS Insight. He joined MOFSL Group in 2004.



Vijay Kumar Goel, CEO- Housing Finance

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



Virendra Somwanshi, CEO- Wealth Management

Mr Virendra Somwanshi has joined MOFSL group to head its Wealth Management Business. Mr Somwanshi brings with him 17 years of rich experience from MNCs like Citi Group in the field of Wealth Management and Equities. He was responsible for laying foundations for wealth management in above institution.



Aashish Somaiyaa, CEO – Asset Management

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



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).



Sharad Mittal, CEO - Real Estate Funds

Mr Mittal has been instrumental in scaling up the MORE business to an .AUM of Rs 28 bn in last 6 years. Prior to joining MORE, he was associated with ICICI Bank, ICICI Pru AMC and ASK Property Advisors.



Shalibhadra Shah, Chief Financial Officer

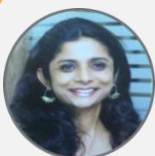
Mr Shah is a CA by qualification. He is a Finance professional with 17 years of experience spanning the entire gamut of Finance, Accounts, Taxation & Compliance. He joined MOFSL Group in 2006.

Independent Directors



Praveen Tripathi, Independent Director (MOFSL)

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



Sharda Agarwal, Independent Director (MOFSL)

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



Vivek Paranjape, Independent Director (MOFSL)

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



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

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



Ashok Jain Independent Director (MOAMC)

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



Abhay Hota, Independent Director (MOAMC)

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



Sanjay Kulkarni, Independent Director (MOHFL)

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.

This earning presentation may contain certain words or phrases that are forward - looking statements. These forward-looking statements are tentative, based on current analysis and anticipation of the management of MOFSL. Actual results may vary from the forward-looking statements contained in this presentations due to various risks and uncertainties involved. These risks and uncertainties include volatility in the securities market, economic and political conditions, new regulations, government policies and volatility in interest rates that may impact the businesses of MOFSL. MOFSL has got all market data and information from sources believed to be reliable or from its internal analysis estimates, although its accuracy can not be guaranteed. MOFSL undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Covid-19 Impact

- The SARS-Cov-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxations
- In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the subsidiary company Motilal Oswal Home Finance Limited would be granting a moratorium of three months on payments of instalments and/ or interest falling due between 1st March 2020 and 31st May 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification). The subsidiary company has recognise provisions as on 31 March 2020 towards its assets including loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method.
- The Group believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Group will continue to monitor for any material changes to future economic conditions.

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Thank You



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