

Motilal Oswal Financial Services

Earnings Presentation | Q3FY17

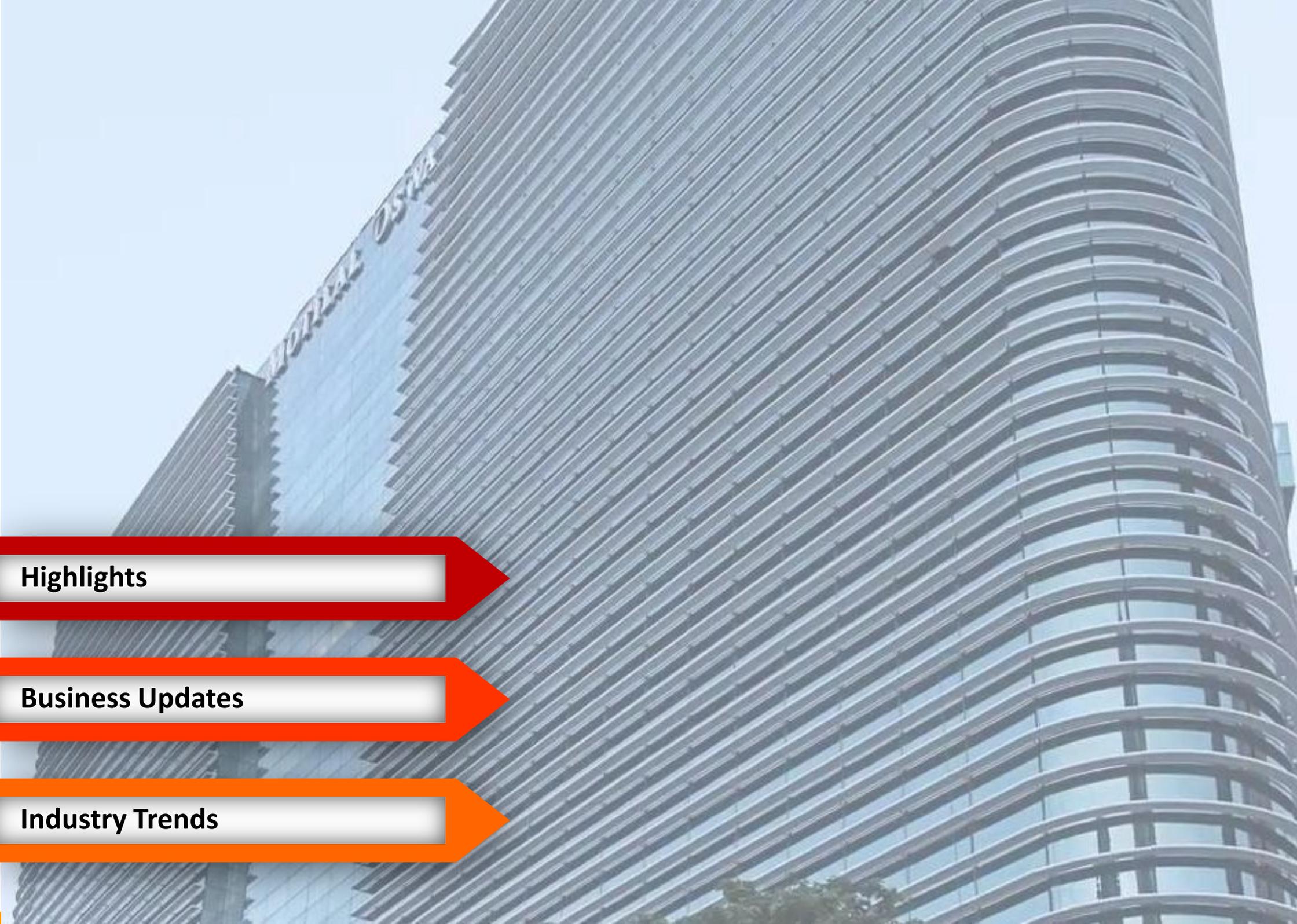
Capital
Market
Business

Asset &
Wealth
Business

Housing
Finance
Business

Fund
Based
Business

Marching **O**nwards with **F**ocused **S**trategies



WORLDWIDE
OSWA

Highlights

Business Updates

Industry Trends



Highlights

Business Updates

Industry Trends

Key messages this quarter

Revenue model more predictable with rising share of HFC & AMC

Each of the businesses highly profitable with immense scalability

Annualised ROE of 23% in YTD FY17

Strong liquidity in B/S (~Rs 8.2 bn) to fund future opportunities

Financials

Q3FY17 Revenue
Rs 4.6 bn
▲ 54% YoY

Q3FY17 PAT
Rs 0.9 bn
▲ 78% YoY

PAT Margin
20% in Q3FY17
vs 17% in Q3FY16

ROE*
23% in YTD FY17
vs 12% in FY16

Unrealized gains in MF investments**
Rs 1.9 bn as of Dec

Dividend per sh.**
Rs 2.5 in Q3FY17
vs ~ Rs 3.5 in FY16

Operations

Equity Market Share
1.9% in Q3FY17
vs 2.3% in Q3FY16

AUM (AMC + PE)
Rs 186 bn,
▲ 49% YoY

Wealth AUM
Rs 91 bn,
▲ 49% YoY

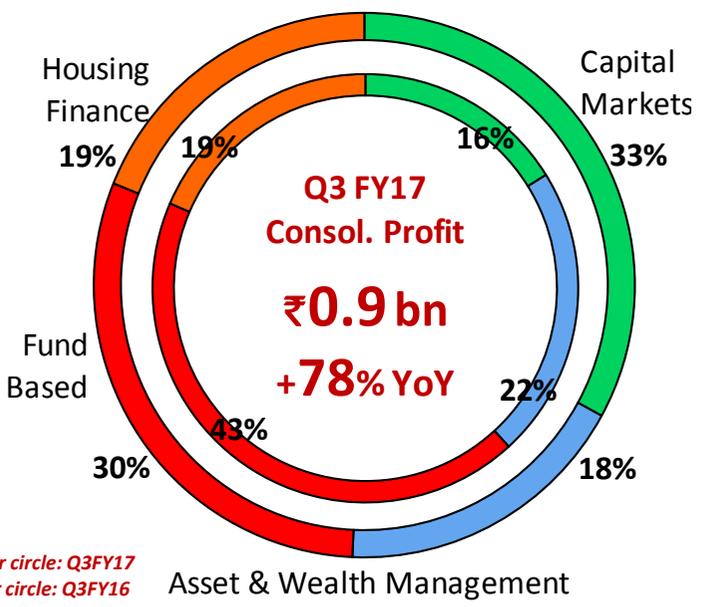
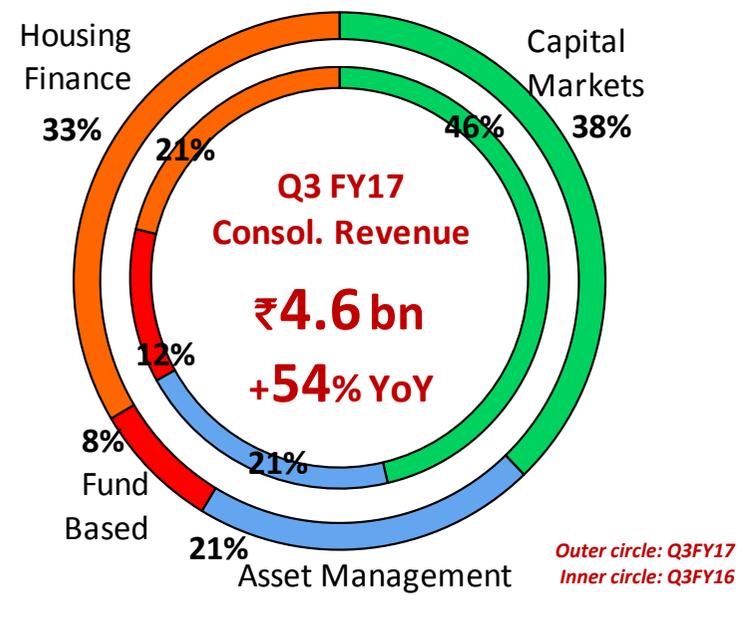
AMC Rank (Equity AUM)
10
vs 12 in Dec 2015

Depository AUM
Rs 361 bn,
▲ 35% YoY

Aspire Loan book
Rs 33 bn,
▲ 136% YoY

Well Balanced Growth

Revenue growth in Q3FY17 led by HFC & Asset Management, followed by Capital Markets. Revenue diversification bearing fruit



Profits from all segments grew strongly in Q3FY17; Stability offered by HFC & AMC complemented with upside offered by Capital Markets



In Revenues, Capital Markets includes broking, investment banking & wealth management, while Asset Management includes mutual funds, PMS and PE; In PAT, wealth is part of Asset & Wealth Management, instead of Capital Markets

Well-positioned across the client pyramid



Consolidated financials



Q3FY17 Revenue up 54% YoY led by all-round traction in every business

Q3FY17 Opex up 40% YoY led by increase in commission in AMC & Broking

People cost up 6% YoY in Q3FY17, due to hiring in HFC & Broking

Other costs up 1% in Q3FY17; increased mainly in advt in AMC & network in HFC

Particulars <i>Rs million</i>	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Total Revenues	4,555	2,959	54%	4,555	4,608	-1%	12,813	7,769	65%	10,937
Operating expenses	846	606	40%	846	917	-8%	2,474	1,736	43%	2,325
Personnel costs	676	639	6%	676	940	-28%	2,303	1,796	28%	2,510
Other costs	416	413	1%	416	492	-16%	1,304	1,197	9%	1,639
Total costs	1,938	1,658	17%	1,938	2,349	-18%	6,081	4,729	29%	6,474
EBITDA	2,617	1,301	101%	2,617	2,259	16%	6,732	3,040	121%	4,463
Depreciation	83	96	-13%	83	81	3%	237	255	-7%	349
Interest	1,306	490	166%	1,306	1,120	17%	3,258	1,085	200%	1,738
Exceptional items	0	0	nm	0	429	-100%	540	0	nm	0
PBT	1,228	715	72%	1,228	1,486	-17%	3,777	1,700	122%	2,376
Tax	328	206	60%	328	407	-19%	982	460	113%	657
Minority Interest	9	8	5%	9	64	-86%	96	20	375%	28
Reported PAT	891	501	78%	891	1,016	-12%	2,698	1,219	121%	1,691
EPS - Basic	6.2	3.5		6.2	7.1		18.8	8.6		11.9
EPS - Diluted	6.1	3.5		6.1	7.0		18.6	8.4		11.7
No. of shares outstanding (million) - FV Rs 1/share	144	142		144	143		144	142		142

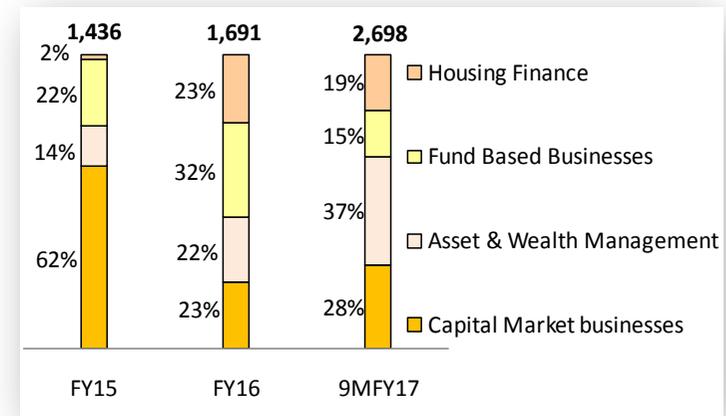
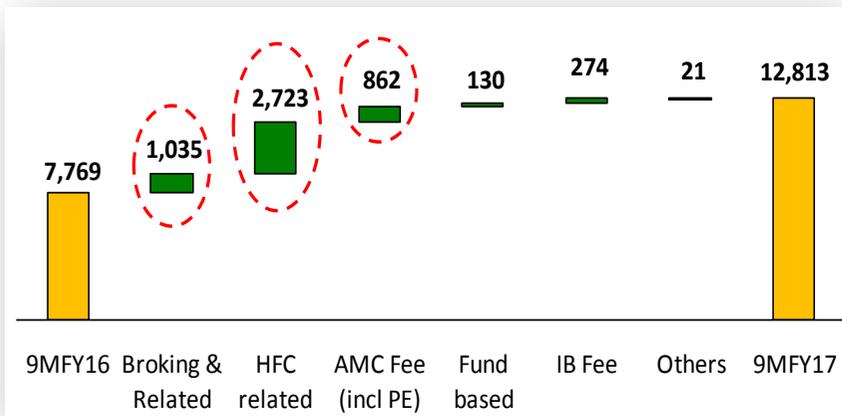
- Exceptional items includes revenue from share in profit on sale of investments (carry share) made in the 1st PE growth fund, and impact of a write-off on account of doubtful NPA
- Declared an interim dividend of Rs 2.5 per share (FV of Rs 1 per equity share)

Segment-wise results

Particulars Rs million	Q3FY17		Q3FY16			Q2FY17			9MFY17		9MFY16			FY16	
	Dec 31, 2016	Mix %	Dec 31, 2015	Mix %	Change Y-o-Y	Sep 30, 2016	Mix %	Change Q-o-Q	Dec 31, 2016	Mix %	Dec 31, 2015	Mix %	Change Y-o-Y	Mar 31, 2016	Mix %
Brokerage & operating income	1,571	34%	1,328	45%	18%	1,858	40%	-15%	4,860	38%	3,825	49%	27%	5,091	47%
Housing finance related	1,525	33%	627	21%	143%	1,482	32%	3%	4,010	31%	1,287	17%	212%	2,195	20%
Asset management fees	945	21%	607	21%	56%	854	19%	11%	2,451	19%	1,589	20%	54%	2,235	20%
Fund based Income	354	8%	348	12%	2%	194	4%	82%	1,007	8%	877	11%	15%	1,127	10%
Investment banking fees	148	3%	36	1%	306%	202	4%	-27%	432	3%	158	2%	173%	242	2%
Other income	12	0%	12	0%	5%	18	0%	-32%	53	0%	32	0%	66%	47	0%
Total Revenues	4,555	100%	2,959	100%	54%	4,608	100%	-1%	12,813	100%	7,769	100%	65%	10,937	100%

Housing Finance, along with Asset Mgt and Broking have led the YoY growth in revenues this year

PAT Mix change; rising proportion of Housing Finance and Asset Management in last 2 years

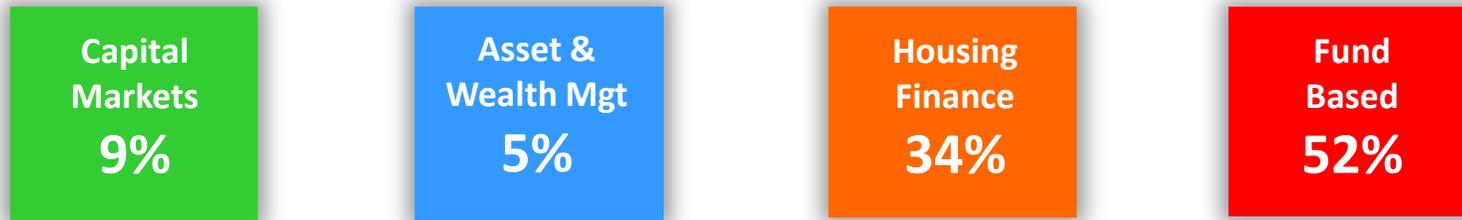


- Capital Markets includes broking and investment banking
- Asset and Wealth Management includes asset management, private equity and wealth mngmt
- Housing Finance includes Aspire Home Finance
- Fund Based Business includes sponsor commitments to our AMC funds and LAS book

Balance sheet

<i>Rs million</i>	As on Dec 31, 2016	As on Mar 31, 2016
Sources of Funds		
Networth	17,252	14,365
Loan funds	45,881	25,891
Minority interest	269	162
Deferred tax liability	230	62
Total	63,631	40,480
Application of Funds		
Fixed assets (net block)	2,573	2,921
Investments	23,266	12,311
Deferred tax asset	-	-
Current Assets (A)	49,941	35,674
- <i>Sundry debtors</i>	8,902	7,099
- <i>Cash & Bank Balances</i>	2,538	2,867
- <i>Loans & Advances</i>	37,682	24,610
- <i>Other Assets</i>	819	1,098
Current liabilities (B)	12,149	10,426
Net current assets (A-B)	37,792	25,248
Total	63,631	40,480

Proportion of Group Network (Rs 17 billion as of Dec 2016) deployed across the 4 business segments



Segment-wise ROE* for the YTD 2016 period



* RoE calculated for 9MFY17 on Average Network and annualised for FY17

[#] Treasury gains in Agency business P&L has been classified under Fund Based

[&] Net carry earned on PE exits shown under Asset & Wealth Management

[@] Does not include unrealized gain on our MF investments (Rs 1.9 bn as of Dec 2016). The post-tax XIRR of these investments (since inception) of ~19%; Other treasury investments are valued at cost



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Highlights

Business Updates

Industry Trends

Building an integrated financial services business model

Capital Market Businesses

- Retail Broking & Distribution
- Institutional Equities
- Investment Banking

Housing Finance

- Aspire Home Finance

Asset & Wealth Businesses

- Asset Management
- Private Equity
- Wealth Management

Fund Based Business

- Sponsor commitments to our AMC & PE funds
- NBFC LAS book



Capital Market Businesses

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Broking activities (MOSL)



Held our market share in the high-yield cash segment YoY & QoQ

Digital & distribution biz growing; CAG events evincing good interest

Significant scope for operating leverage still exists in this biz

Biz consolidates to larger brokers in every up cycle

Particulars <i>Rs million</i>	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Total Revenues	1,834	1,392	32%	1,834	1,877	-2%	5,216	4,107	27%	5,496
EBITDA	747	377	98%	747	571	31%	1,815	1,121	62%	1,485
PBT	520	170	207%	520	349	49%	1,185	647	83%	794
PAT	429	122	253%	429	235	83%	904	474	91%	605

- Q3FY17 included profit on sale of mutual funds to the tune of Rs 215 million
- Overall volumes in the market grew 75% YoY in Q3FY17. Within this, F&O grew 79% YoY while cash grew 21% YoY. Hence, cash's proportion in the market mix fell from 8% in Q3FY16 to 5% in Q3FY17. Within cash, retail cash volume was up 27% YoY to Rs 122 billion in Q3FY17 while institution cash was up 26% to Rs 68 billion. MOSL's overall volume grew 48% YoY to Rs 84 billion in Q3FY17. We held our cash market share in Q3FY17 on YoY & QoQ basis. But the continued shift in the mix to F&O in the market meant our overall market share dipped from 2.3% in Q3FY16 to 1.9% in Q3FY17. Our blended yield in Q3FY17 was 3.1 bps
- We invested in manpower (up 64% from Mar-2015), brand and technology since the last two years. Some of the operating leverage from these is bearing fruit now, and the coming quarters should see the full benefit.

Broking business - Significant operating leverage still exists

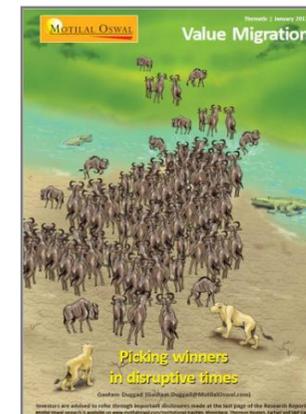
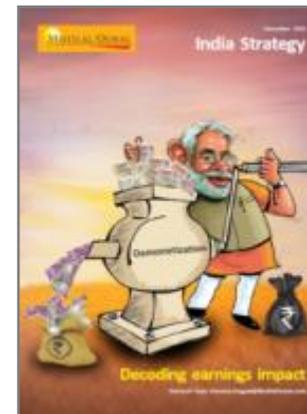
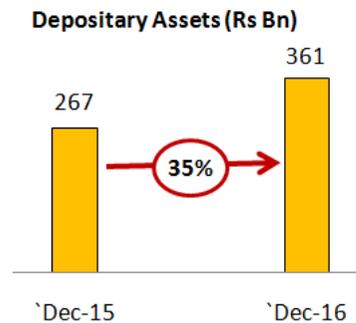
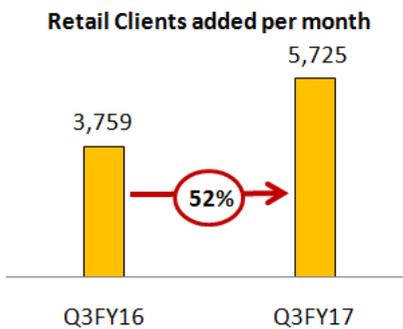


Retail Broking

- Online business was 44% of retail volumes in Q3FY17 vs 31% in Q3FY16. Mobile comprised 19% of online business in Q3FY17 vs 10% in Q3FY16. 50%+ accounts opened through e-KYC, & 50%+ leads generated through online sources. Launched MO Genie, our chatbot service to access automated customer service at one's fingertips
- Continued traction in DP AUM and monthly client addition. Investing in advisors (up 17% YoY) and franchisee sales-aids
- Our 2,200+ outlets are being leveraged to deepen product-penetration. Asset sales continued unabated in Q3FY17. Financial products AUM was up 73% YoY. Significant uptick was seen in MF SIP distribution business
- Traction in currency business. Commodity is scaling up

Institutional Broking

- Institution clients up from 591 to 624 YoY; Coverage at 226
- New differentiated thematic research products like Value Migration, etc evincing increased client interest
- Share of blocks holds steady in our volumes
- Offshore business seeing traction with new empanelment



Wealth Creation Study – “Knowledge First” Thought Leadership



- Completed the 21st Motilal Oswal Annual Wealth Creation Study on “**Focused Investing - Power of allocation 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 Ramesh Damani, Ms Latha Venkatesh and Mr Raamdeo Agrawal
 - Focused Investing (i.e. investing in 15-20 stocks with asymmetric payoff) is a strategy to exploit the power of allocation
 - Stock allocation is a power tool for portfolio performance, but is under-researched vis-à-vis stock selection
 - Keys to Focused Investing are clear portfolio goal, superior stock selection, rational allocation & active monitoring



- Click to read Wealth Creation study - <http://www.motilaloswal.com/site/rreports/HTML/636190591096222267/index.htm>



Investment Banking – Gaining definite momentum

Focusing on bringing high-quality companies to the market

ECM biz has gained momentum with deal closures and growth

Pipeline is promising; optimistic about the biz's growth prospects

Particulars <i>Rs million</i>	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Total Revenues	151	38	300%	151	202	-25%	444	164	171%	249
EBITDA	131	(16)	nm	131	82	60%	252	9	2576%	32
PBT	130	(20)	nm	130	81	61%	247	(1)	nm	19
PAT	87	(14)	nm	87	51	71%	170	(1)	nm	8

- Our IB business continues to consolidate on the back of the momentum it has built over the recent quarters
- We concluded some ECM transactions and filed DRHP for 4 companies with SEBI. These transactions are part of our pipeline of transactions in the coming quarters
- We announced a large cross-border M&A transaction. This transaction is expected to be completed in Q4FY17
- The pipeline for the current quarter looks promising, both in ECM & Advisory transactions

Capital Market Businesses

- Retail Broking & Distribution
- Institutional Equities
- Investment Banking

Housing Finance

- Aspire Home Finance



Asset & Wealth Businesses

- Asset Management
- Private Equity
- Wealth Management

Fund Based Business

- Sponsor commitments to our AMC & PE funds
- NBFC LAS book



Asset Management – Adding scale while holding share



Positioning of Equity specialist with QGLP philosophy is paying off

Brand recall enhanced due to advt./mktg. & mentions in media

Maintained our market share in MF net inflows in this YTD

Financial savings story & offshore expansion to contribute ahead

AUM
Rs 155 bn as of Dec
▲ 53% YoY

Net Sales
Rs 15 bn in Q3F17
▲ 37% YoY

Rank in Equity AUM*
10 in Dec 2016
vs 12 in Dec 2015

YTD Eq. MF Market Share**
~3.1% in Net Flows
~1.2% in Avg AUM

Particulars Rs million	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
AUM (Billion)	155	101	53%	155	150	3%	155	101	53%	105
Net Inflows (Billion)	15	11	37%	15	11	35%	34	44	-22%	52
Total Revenues	876	511	72%	876	748	17%	2,208	1,298	70%	1,852
EBITDA	222	116	92%	222	140	59%	493	255	93%	364
PBT	220	113	95%	220	138	60%	489	246	98%	354
PAT	145	75	94%	145	92	58%	321	194	65%	264

- Q3FY17 saw higher net inflows (Rs 15 billion vs Rs 11 billion each in Q2FY17 & Q3FY16), as we deepened distributor relationships
- We are methodically building our positioning as “equity specialists” with our QGLP philosophy, which has consistently delivered on performance. As of Dec 2016, our longest-running Value PMS scheme had delivered ~24% CAGR in 13 years***
- Incremental Rs 78 million spent in advertising/marketing this YTD. This should boost brand-recall in the long term
- Our flagship MF product, F-35, will finish 3-year performance track record in April 2017, which will likely enhance participation from distribution channels

**Includes only Open-Ended Equity Mutual Funds

*Rank includes our AUM in Equity MF, PMS & AIF; while Industry AUM includes Equity MF assets excluding Equity Arbitrage funds

***Inception Date: 24/03/2003. These returns are of a Model Client as on 31st Dec 2016. 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

Private Equity – Traction in fund-raising and investments



Growth Private Equity Funds biz demonstrated very robust profitability

Real Estate Fund biz has shown significant scalability

1st PE fund likely to deliver an approx. ~3.5X gross multiple

Size & speed of fund raising in recent funds better than predecessors

Particulars Rs million	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Total Revenues	100	102	-3%	100	129	-23%	316	314	1%	466
EBITDA	40	46	-13%	40	29	38%	98	117	-16%	152
Exceptional items	0	0	nm	0	400	-100%	503	0	nm	0
PBT	35	44	-20%	35	427	-92%	594	109	445%	143
PAT	22	36	-38%	22	329	-93%	473	86	452%	104

Consolidated results of the PE-entities. Exceptional Item includes revenue from share in profit on sale of investments (carry share) made in the 1st PE growth fund

Growth Capital PE Funds

- IBEF I has seen 6 full-exits & 2 partial exits in 2 companies till-date, translating into ~201% capital returned (INR). It is in advanced stages for 1 exit in coming months, which may allow it to return an addl. ~14% capital. It is likely to deliver a gross multiple of ~3.5X
- IBEF II committed ~89.5% across 10 investments so far, after raising commitments from marquee institutions

Real Estate Funds

- IREF I has seen full/partial exits from 6 projects so far, translating into ~88% capital returned to investors
- IREF II is fully deployed in 11 investments. It secured 2 full exits and has returned ~ 27% money to investors
- IREF III has raised commitments of ~Rs 8.8 billion so far, of which ~50% is committed in 7 investments

Deepening our client wallet-share & RM productivity

▲ Wealth AUM
Rs 91 bn
49% YoY

Earning a respectable yield, due to high share of equity & alternates

▲ Client Families
21% YoY

Further improvement in RM productivity will add scale at lower cost

▲ RM Count
15% YoY

Particulars <i>Rs million</i>	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
AUM (Billion)	91	61	49%	91	86	7%	91	61	49%	64
Net Inflows (Billion)	4	4	8%	4	5	-9%	14	11	27%	15
Total Revenues	150	108	39%	150	174	-14%	478	300	59%	444
EBITDA	49	33	48%	49	52	-6%	137	92	50%	139
PBT	48	22	119%	48	46	5%	122	71	73%	109
PAT	31	14	120%	31	31	-1%	81	46	78%	71

Gaining traction

- Traction in both sales people and in improvement in RM productivity helped boost AUM
- The inclination to invest in financial assets remains high, we believe flows should be brisk in the coming quarters
- Ample scope for scalability exists, as the business builds synergies with the other businesses of the Group

Capital Market Businesses

- Retail Broking & Distribution
- Institutional Equities
- Investment Banking

Housing Finance

- Aspire Home Finance



Asset & Wealth Businesses

- Asset Management
- Private Equity
- Wealth Management

Fund Based Business

- Sponsor commitments to our AMC & PE funds
- NBFC LAS book



Expanding further into the existing 4 states

HFC Loan Book
 **Rs 33 bn**
136% YoY

Digitization efforts boosting operational & process improvements

Banks given credit lines*
31 in Dec 2016
vs 19 in Dec 2015

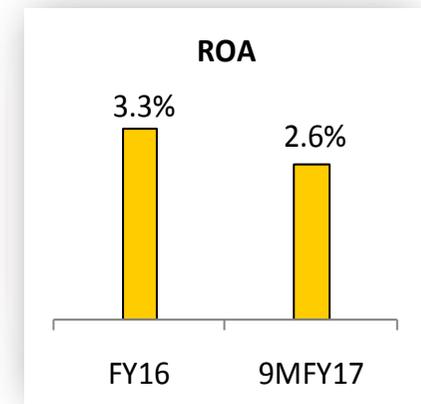
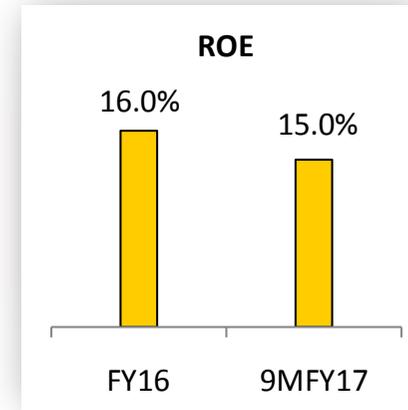
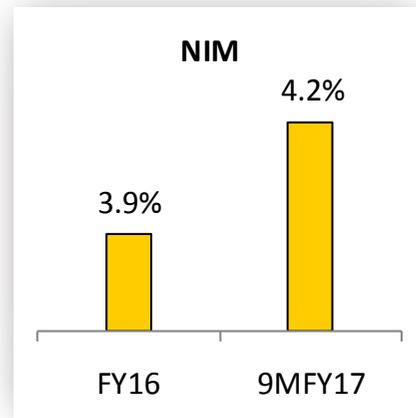
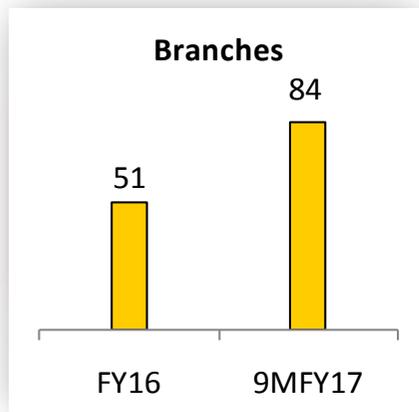
Healthy ratings helping raise liabilities at competitive cost

Gross NPL
0.6% in Dec 2016
vs 0.2% in Dec 2015

Strong liquidity in Group's B/S (~Rs 8.2 bn) to fund Aspire

Aspire NIM#
~415 bps in 9MFY17
vs ~414 bps in 9MFY16

Particulars	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Sanctions (Billion)	6	6	-2%	6	8	-29%	20	14	40%	24
Disbursements (Billion)	4	4	-20%	4	7	-47%	15	11	38%	18
Loan Book (Billion)	33	14	136%	33	31	8%	33	14	136%	21
Gross NPL%	0.6%	0.2%		0.6%	0.3%		0.6%	0.2%		0.2%
Net Interest Income (NII)	302	138	119%	302	322	-6%	842	272	209%	476
Other Income	162	172	-6%	162	279	-42%	617	384	61%	644
Total Income	464	311	49%	464	601	-23%	1,458	656	122%	1,120
Operating Profit (Pre- Prov.)	299	182	64%	299	375	-20%	899	390	130%	688
PBT	269	163	65%	269	345	-22%	821	345	138%	613
PAT	174	94	85%	174	227	-23%	535	223	140%	400



- In terms of network, our branches doubled on YoY basis to 84 across the existing four states
- In terms of assets, our loan book was Rs 33 billion across ~36,000 families. The average yield has held at ~13.4% since the last 4 successive quarters. The annualized ROA for 9MFY17 was ~2.6%#, while ROE was ~15%#
- Asset quality is under control, with the GNPL at 0.6% as of Dec; this is without using the relaxation offered by RBI in NPA recognition norms post demonetisation
- Liability profile is diversified, with ~53% borrowings from NCD, ~31% from term loans & ~16% from CP. Average cost of borrowings so far has been ~9.6%, while it was ~9.1% on the borrowings raised in this YTD. The Debt/Equity ratio was 5.8x
- Cumulative capital infusion from sponsor is Rs 5 billion and net worth is Rs 6 billion, as of Dec 2016. Strong liquidity in Group's B/S is adequate for Aspire's funding, as of now
- Invested significantly in Digitization for long-term operational and process improvements, through our Sales app, Credit app, Customer app, Smart-Track for documents, Vendor Mngmt app, etc. Tabs are now provided to RMs/Credit Officers to push app usage. We expect a large part of the total transactions to be covered by our digital initiatives by March 2017

Capital Market Businesses

- Retail Broking & Distribution
- Institutional Equities
- Investment Banking

Housing Finance

- Aspire Home Finance



Asset & Wealth Businesses

- Asset Management
- Private Equity
- Wealth Management

Fund Based Business

- Sponsor commitments to our AMC & PE funds
- NBFC LAS book



Fund Based Business : Commitments to grow RoE

Strategic allocation of capital to long term 20%+ RoE opportunities

Investments in MO mutual funds (at cost): Rs 6.3 bn

Investments in MO PE/RE funds (at cost): Rs 2.5 bn

LAS lending book: Rs 2.3 bn, is now run as a spread biz

Unrealized gain on MF investments: Rs 1.9 bn (not included in P/L)

Post tax XIRR of these investments is ~19%, higher than 7-9% returns earned previously

Exits from 1st PE fund led to portfolio gains of Rs 0.3 bn in this YTD

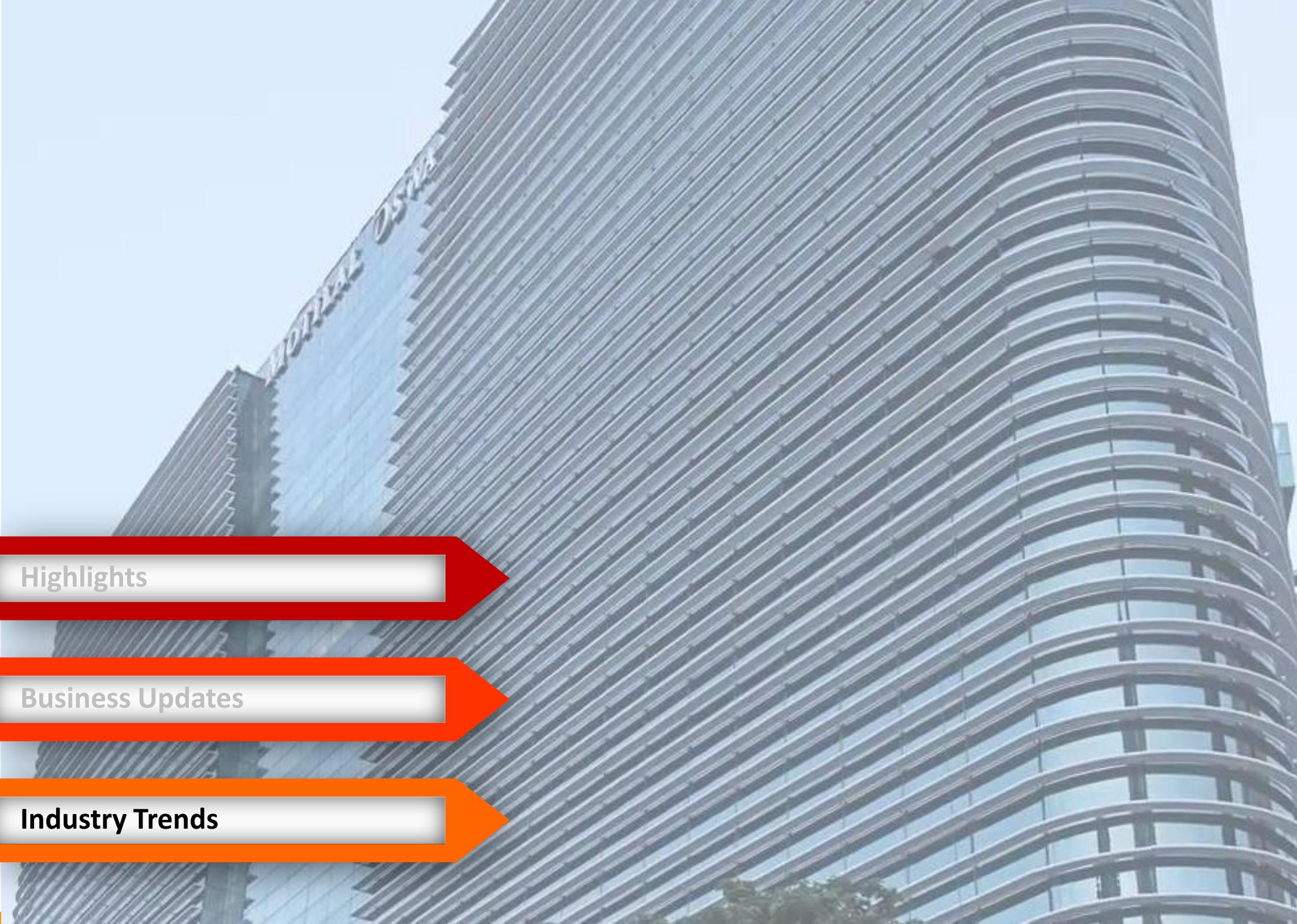
MOFSL Standalone

Particulars <i>Rs million</i>	Q3 FY17	Q3 FY16	Change (%) Y-o-Y	Q3 FY17	Q2 FY17	Change (%) Q-o-Q	9M FY17	9M FY16	Change (%) Y-o-Y	FY16
	Dec 31, 2016	Dec 31, 2015		Dec 31, 2016	Sep 30, 2016		Dec 31, 2016	Dec 31, 2015		Mar 31, 2016
Total Revenues	192	344	-44%	192	681	-72%	1,243	941	32%	1,109
EBITDA	149	307	-51%	149	636	-77%	1,099	778	41%	910
Exceptional items	0	0	nm	0	29	nm	37	0	nm	0
PBT	45	226	-80%	45	549	-92%	797	504	58%	535
PAT	56	188	-70%	56	569	-90%	805	440	83%	465

Exceptional items includes share in profit on sale of investments (carry share) made in the 1st PE growth fund, as well as the impact of a write-off on account of doubtful NPA

- These commitments have not only helped “seed” our new businesses by investing into highly scalable opportunities, but they also represent highly liquid “resources” available to use for future investments into business, if required
- Post-tax XIRR of these investments (since inception) of ~19% validates the demonstrated long term performance track record of our QGLP investment philosophy (Value PMS scheme has delivered 24% CAGR* in 13 years)
- PAT reported in MOFSL Standalone includes dividend from Private Equity business on account of carry share; which being intercompany gets eliminated in the Consolidated financial statements

* Inception Date: 24/03/2003. These returns are of a Model Client as on 31st Dec 2016. 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



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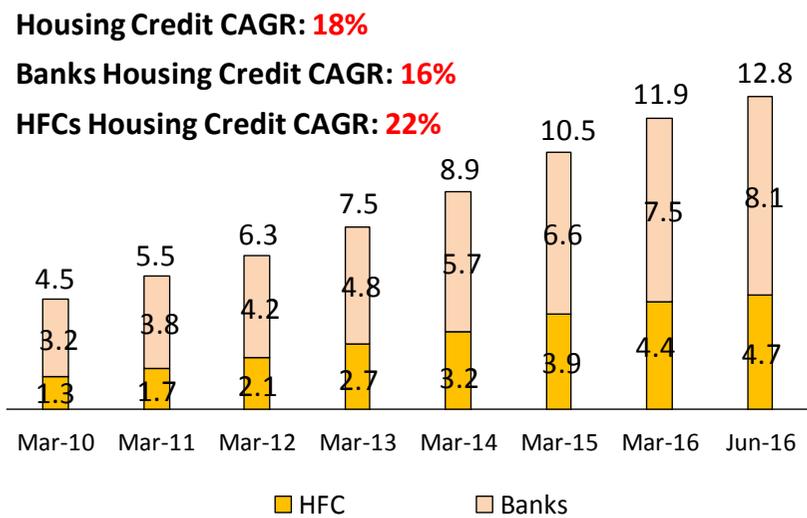
Highlights

Business Updates

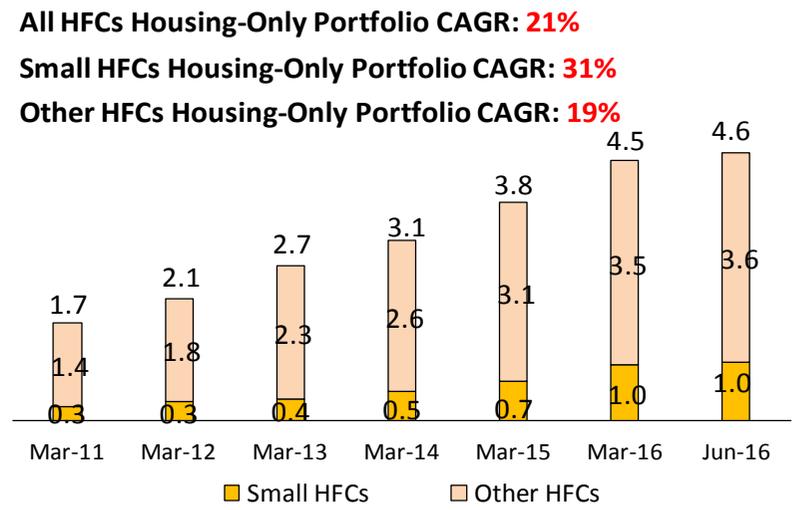
Industry Trends

Housing Finance holds ample potential; Moving from banks to HFCs

India's housing credit market grew significantly in recent years; HFCs share picked up as it grew at a faster pace than Banks (Rs Tn)



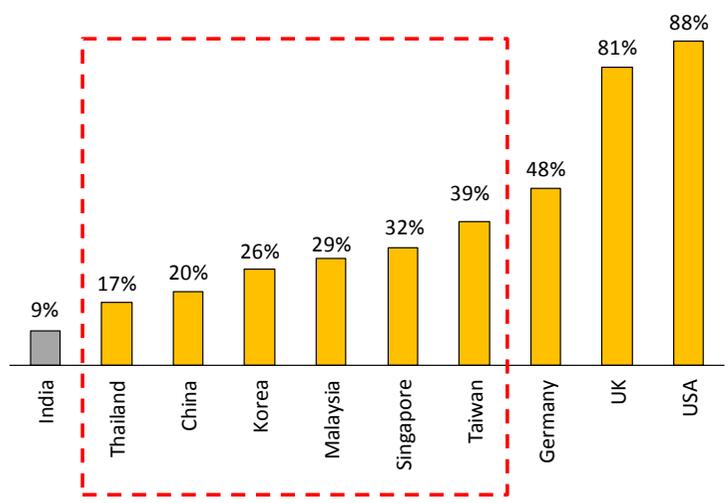
Within the pure Housing-Only portfolio of all HFCs, that of Small HFCs has outpaced the other HFCs (Rs Tn)



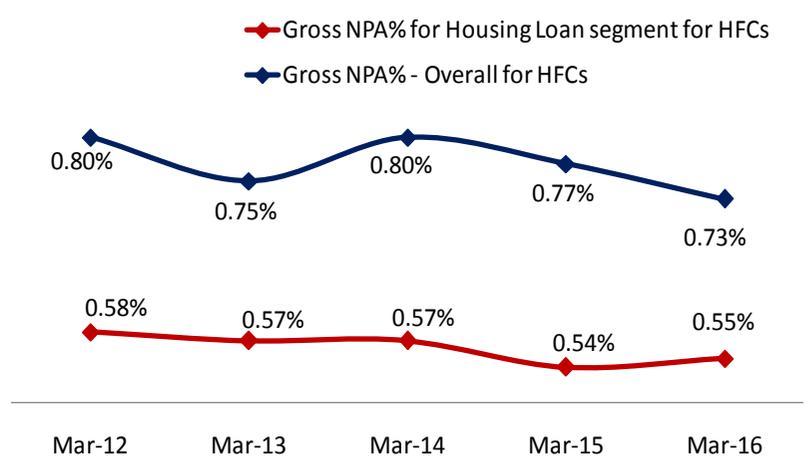
Source: ICRA

Source: ICRA

Mortgage penetration rates (approx.) show India is still relatively underpenetrated vs its Asian peers



Apart from the opportunity itself, this is also a lower-risk market, especially the pure housing loan segment

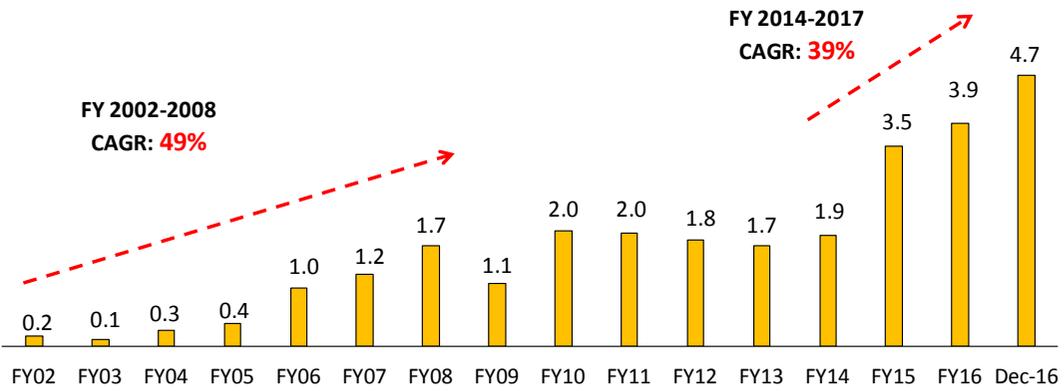


Source: ICRA

Source: ICRA

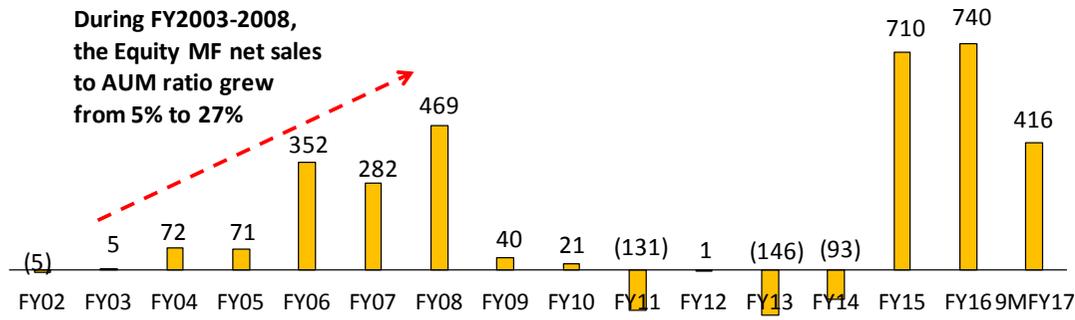
Equity MF spike up just like FY02-08 cycle; HNI wealth picking up

The last upcycle from FY02-08 saw a significant spike in Equity MF AUM; It has again seen rapid traction from FY14 onwards (Rs Tn)



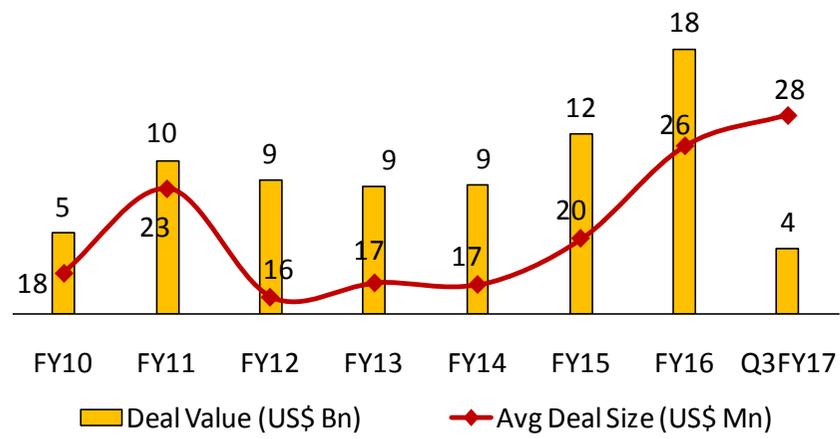
Source: AMFI

The last cycle from FY02-08 saw a significant rise in net sales; It is seeing traction again since FY14 (Rs Bn)



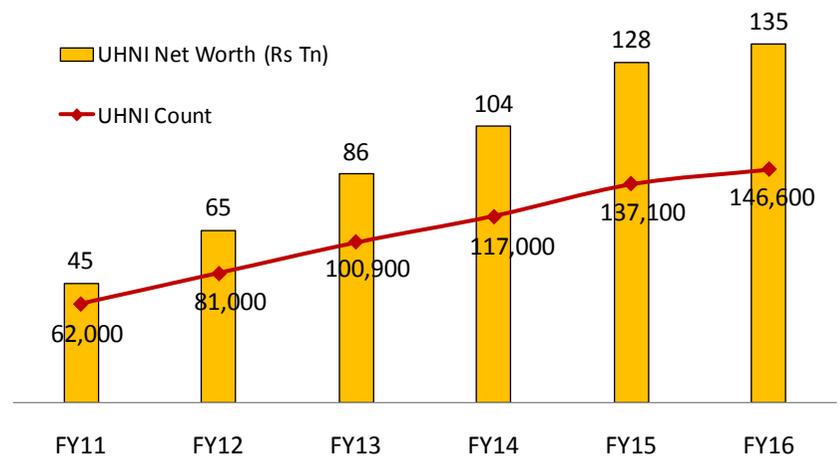
Source: AMFI

PE deal values slowed down this quarter, as the number of deals in the IT/Ecommerce space slowed down this year



Source: Venture Intelligence

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

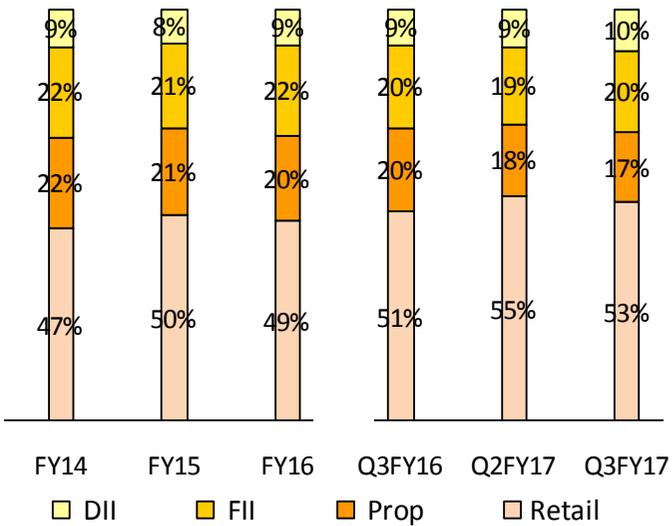
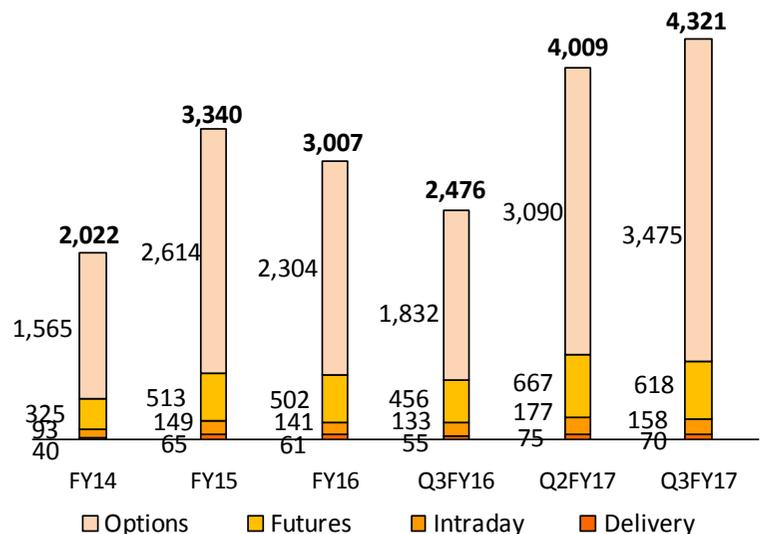


Source: Kotak Top of Pyramid Report 2014

Cash volumes hold strong; retail cash volumes pick up

Market ADTO picked up this quarter due to option; cash volumes saw a temporary dip in Dec month (Rs Bn)

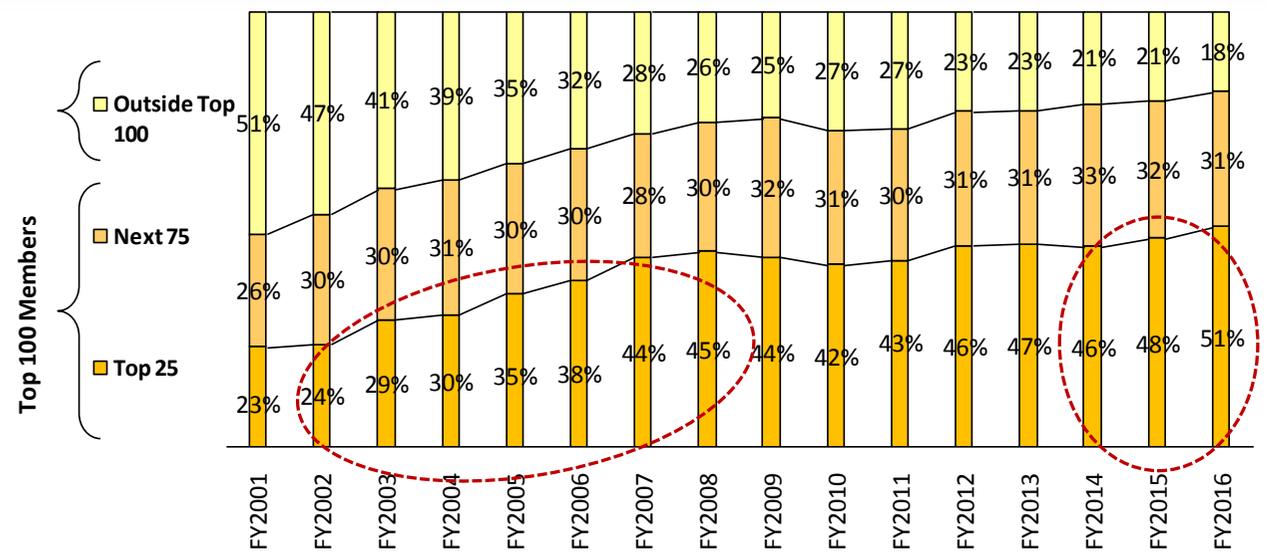
Proportion of retail volumes in the cash volume mix dipped slightly this quarter, though still above 50% range



Source: NSE, BSE

Source: NSE, BSE

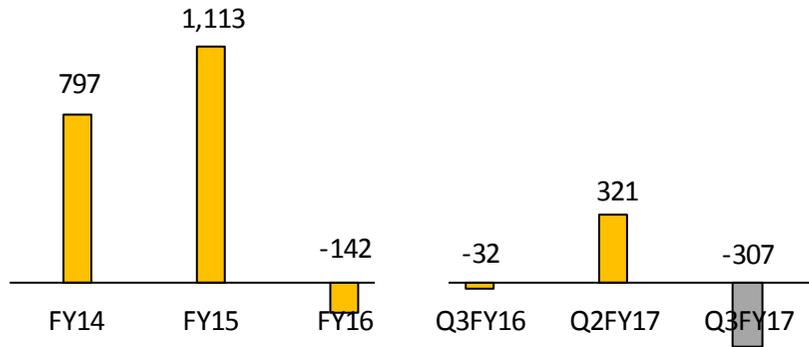
Proportion of NSE cash volumes consolidated to the largest brokers during bull-phases in the markets, not bear-periods



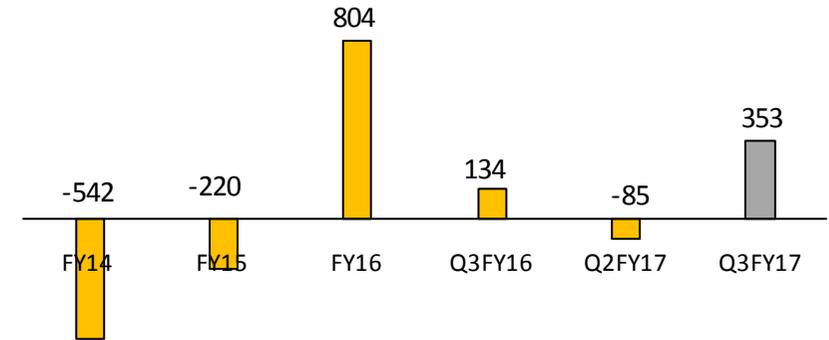
Source: NSE

FII's clock healthy inflows; Higher-value IPOs pick up in FY17

FII's clocked net outflows in each month of this quarter, following multiple events, esp in US (Rs Bn)



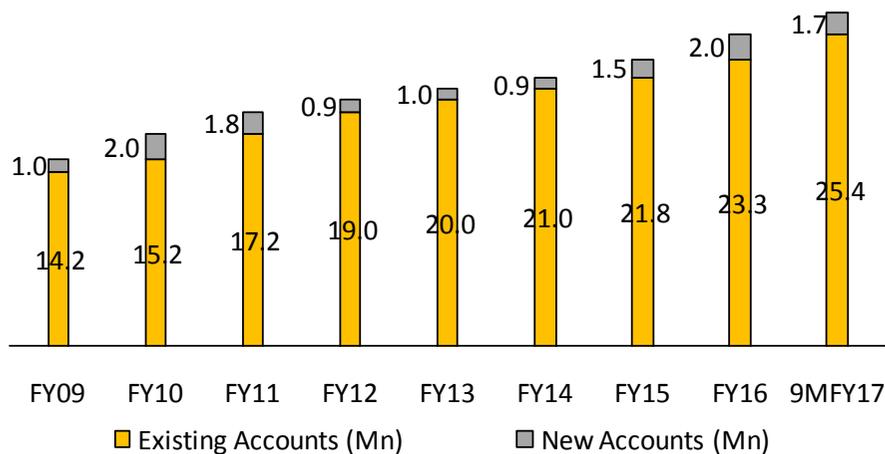
DII's record strong inflows in each month of this quarter, esp in Nov month (Rs Bn)



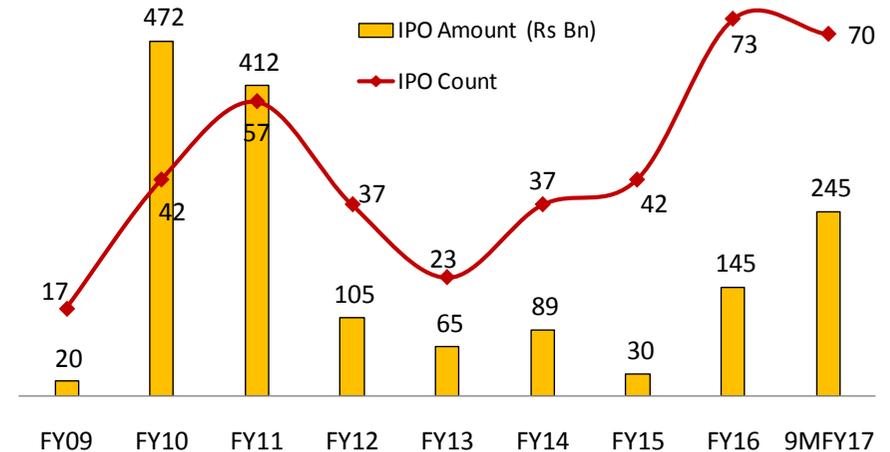
Source: NSE, BSE

Source: NSE

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



IPO raising has picked up since the last 2 years; FY17 has also seen higher-value IPOs which is a positive sign



Source: CDSL, NSDL

Source: Prime

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Thank You

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