



Business Presentation

March 2020

Key factors shaping our business environment

Tailwinds of increasing affluence, financialisation and digitisation

Widespread affluence

Share of affluent rising¹
• 16% in 2025
(8% in 2016)

Financialisation of savings

Growing ecosystems
MF AUM²
• ₹ 28 tn (Jan-20)
• ~2.5x increase in 5Y

Life Insurance AUM²
• ₹ 39.6 tn (Dec-19)
• ~2x increase in 5Y

Increase in digital

Internet users in India³
• 566mn users
• 38% penetration
• Expected to grow by 40% till 2023

Data costs are down by > 95% since 2013⁴

Digital India – “Aadhaarisation”

Indians making global imprints

Growing global remittances
• Inward- USD 78.80 bn (CY2018)⁵
• Outward- USD 13.78 bn (FY2019)⁶



1. Annual Gross Household Income of greater than \$15 thousand, Source:BCG CCI Proprietary Income & BCG Analysis
2. MF AUM from AMFI, LI AUM from Life Insurance council
3. Digital Trend : Kantar IMRB ICUBE Report 2018
4. Source: Mckinsey
5. Inward remittance – World Bank report on Personal Remittances
6. LRS- RBI report on Outward remittance under LRS for resident Individuals

Key factors shaping our business environment

Evolving nature of Competition

Traditional investment houses

Branch and sub-broker driven outreach,
Diversified presence into NBFC/HFCs/AMCs and wealth

Bank affiliated investment houses

Focused on leveraging synergies with the bank

New generation discount brokers

Low barriers to entry

Potential emergence of ecosystem players/techfins

Product expansion, not fundamentally a financial player

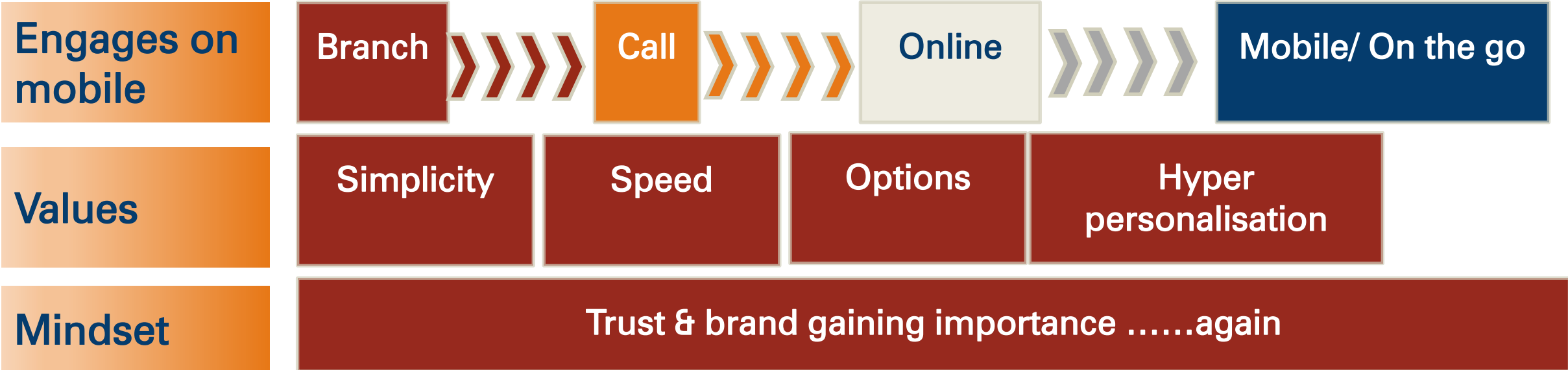
Regulatory direction

- ❖ Emphasis on lowering of intermediary margins to enhance customer returns
- ❖ Greater focus on transparency and risk management
- ❖ Increased compliance cost



Key factors shaping our business environment

Evolving consumer preferences: Digital, demanding, clutter free; simple & friction free engagement key to building scale business



ICICI Securities has built an enviable franchise over the years



Affluent franchise

- ❖ #1 Equity franchise¹
- ❖ Total assets* of ₹ 2 tn+
- ❖ Private wealth clients' assets > ₹1 tn**



Scale

- ❖ Operational account at 4.7m³ from 2.5m in FY14
- ❖ Overall active clients at 1.4m³ from 0.7m in FY14
- ❖ NSE active clients at 9.6 lac⁴ from 5 lac in FY14



Strong position across businesses

- ❖ Blended market share at 8.7%³ from 4.5% in FY14
- ❖ MF Revenue market share at 4%⁵ from 2.9% in FY14
- ❖ ECM market share at 41%⁵ from 30% in FY14
- ❖ Ranked 1st amongst domestic financial advisors²



Free cashflow generating high operating leverage model

- ❖ 5 year Revenue CAGR 16% (FY14 to FY19)
- ❖ 5 year PAT CAGR 40% (FY14 to FY19)
- ❖ 5 year Dividend CAGR 50% (FY14 to FY19)
- ❖ ROE consistently over 50%⁶



1. Based on revenues for FY19; 2. By number of deals, merger market league table, As at 9M-FY20 3. As at Q3-FY20, Active clients are for trailing 12 months; 4. Trailing 12 month, as at end Q3-FY20; 5. As at FY19, MF revenue market source AMFI, ECM market share source Prime Database; 6. FY15 to FY19

* Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding

** Assets of our clients with more than 1 cr AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding

Client base is sticky



37% of clients active more than 14 years ago are still active with us



>65% revenues in each of financial years (FY15 to FY19) was contributed by customers who have been with us for more than 5 years¹



1. Based on retail broking revenues

Scalable digital business



Scalable

- ❖ 12X growth in average daily turnover in last 6 years
- ❖ Over 2 million transactions handled per day
- ❖ 48,000 concurrent users with response time of 24 ms
- ❖ Capable of handling 3X in equity and 6X in non equity volumes



Reliable & Stable

- ❖ Providing seamless experience
- ❖ 3-tier disaster recovery system
- ❖ Fully integrated risk system, real-time tracking of trigger prices
- ❖ Established framework for managing customer privacy and information security



Highly engaging online platform

- ❖ Over 45 products and services offered online
- ❖ Over 92%¹ Mutual fund transactions performed online
- ❖ Over 95%¹ Equity transactions performed online



1. As at March 31, 2019

Supported by multi-tier client relationship model...



ICICI Bank Branches

Over 4,000 ICICI bank branches for sourcing new accounts

Own branches

70 + cities with 178 branches

Online Presence

Over 26,000 pincodes in India and over 150 countries

Partners' POP

Over 700+ cities/towns with 8,600+ sub-brokers, authorized persons, IFAs and IAs



1. Assets of our clients with more than 1 cr AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding
2. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
3. Clients who have transacted at least once during trailing 12 months across all product categories

...which incorporates a Private Wealth Management Business



People

245 RMs

With 14+ years of average overall experience



Presence

21 cities

Coverage of Tier 2 & 3 Cities



Revenue
(9M-FY20)

₹ 172 cr

~60% - Recurring



Assets*

₹ 1.02 lakh cr

~80% - Transactional



Clients

30,000

With more than 1 cr AUM, at individual client level

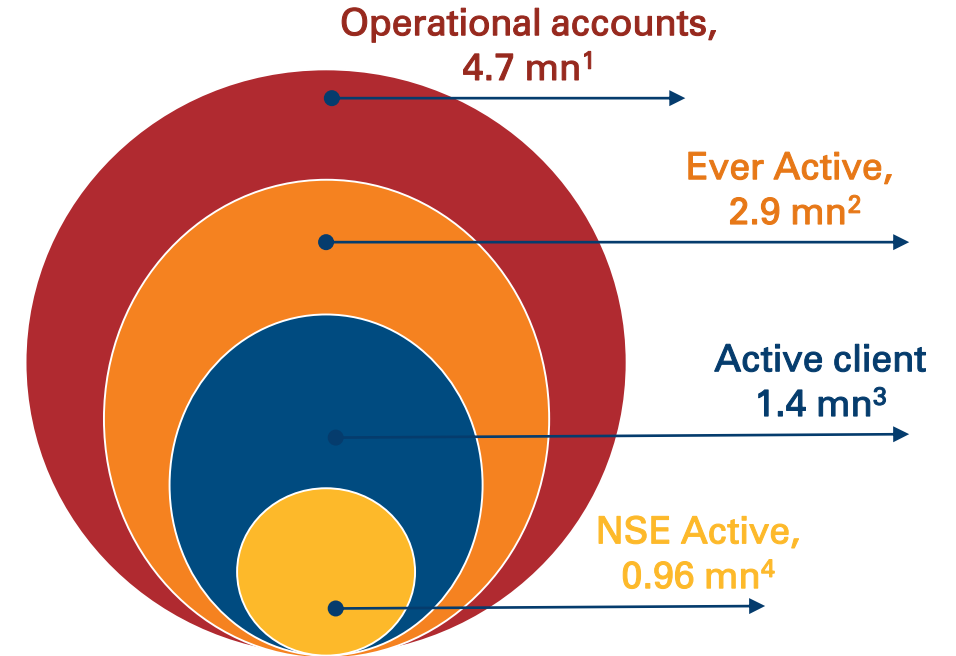


As on 31 Dec 2019

* Not including promoter & concentrated holdings

Customer base offers significant headroom for growth within

- **4.7 million strong base of operational accounts; up by 8% YoY**
 - ~94,000 new clients added in Q3-FY20
- **1.4 million overall active clients, increased by 9% YoY**
- **0.96 million NSE active clients, increased by 13% YoY**

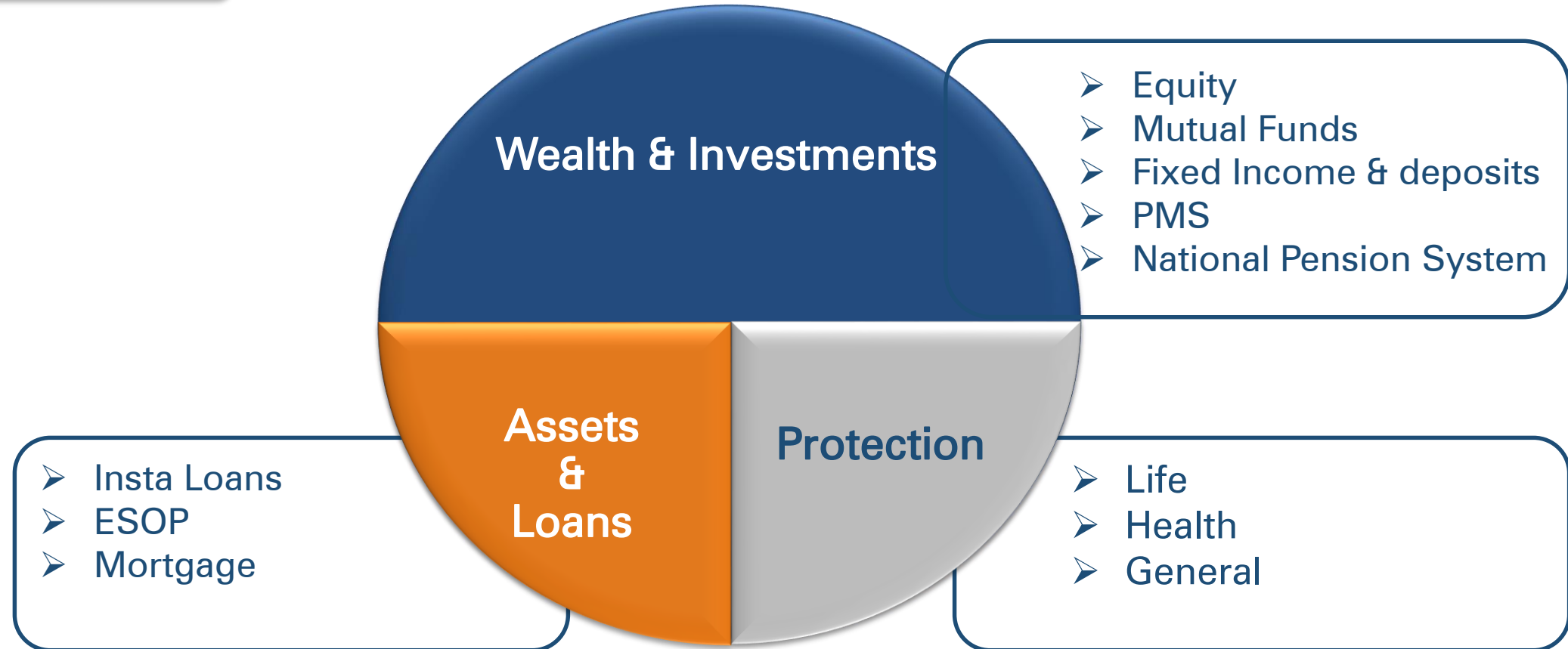


1. Operational accounts is the total client base with the company
2. Ever Active are the clients who have transacted at least once on our platform
3. Active clients are the clients who have transacted at least once during trailing 12 months across all product categories
4. NSE active client base are the clients who have traded at least once during trailing 12 months

Evolving business catering to Life cycle needs of customers

Imperatives

- Broad basing the business model
- Diverse and granular revenue streams



To emerge as comprehensive financial solutions provider for the affluent Indian powered digitally with strong relationship coverage

Strategy: Strengthening the core and building the future

A. Ramping up **scale** and **value** by augmenting and aligning growth engines



B. Monetize client value

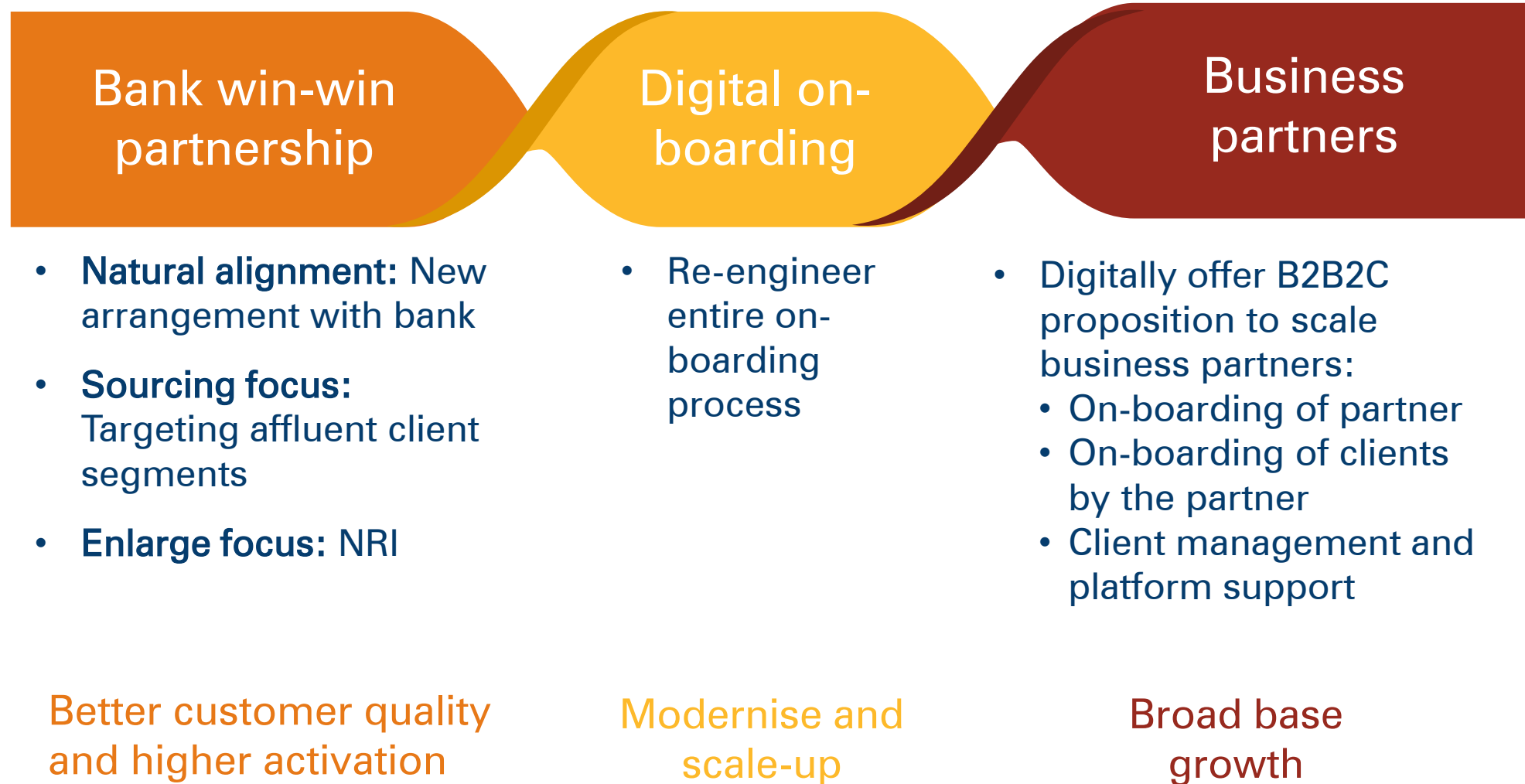
C. Improving customer experience

E. Operating leverage through cost efficiency

D. Robust technology and digital agility



Approach: Ramping-up scale & value by augmenting & aligning growth engines



Progress: Ramping scale & value

Initiatives

Quality of Sourcing

- Activation rate¹ up from 27% to 58%³
- Number of active clients (NCA) up by 80%³
- Prime: Over 2.3 lac subscriptions as at end Q3-FY2020
- NRI: Working on integrating NRI Idirect in the bank Tab sourcing

Digital Sourcing

- Improvement in run rate of accounts opened completely online
- Tab based instant account opening (T20);
 - Monthly run rate of ~11,500 up from ~9,500 in Q2-FY20
 - ~ 39% contribution of T20 accounts in total 3 in 1 accounts

Business partners

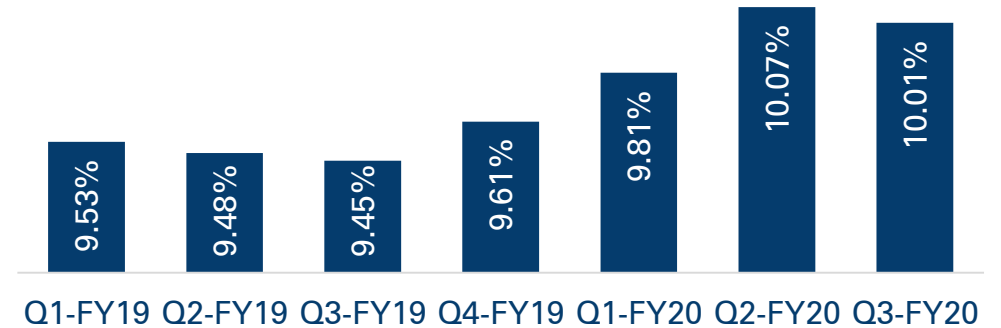
- Network at 8,600+ in Q3-FY2020, up by 33%, NCA up by 45%
- Partnership with ecosystem players for client acquisition



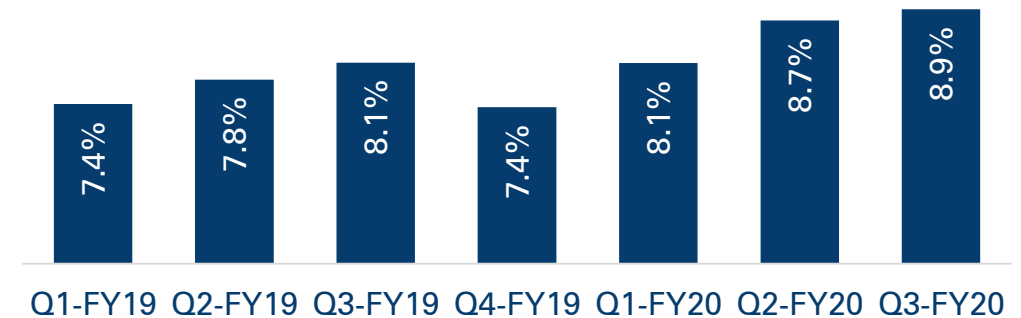
1. % of New client acquisition (NCA) who have traded during the quarter
2. Trailing 12 month as at quarter end; Source: NSE
3. Bank sourced clients
Period: Q3-FY2020 vs Q3-FY2019, Sequential: Q3-FY2020 vs Q2-FY2020

Impact

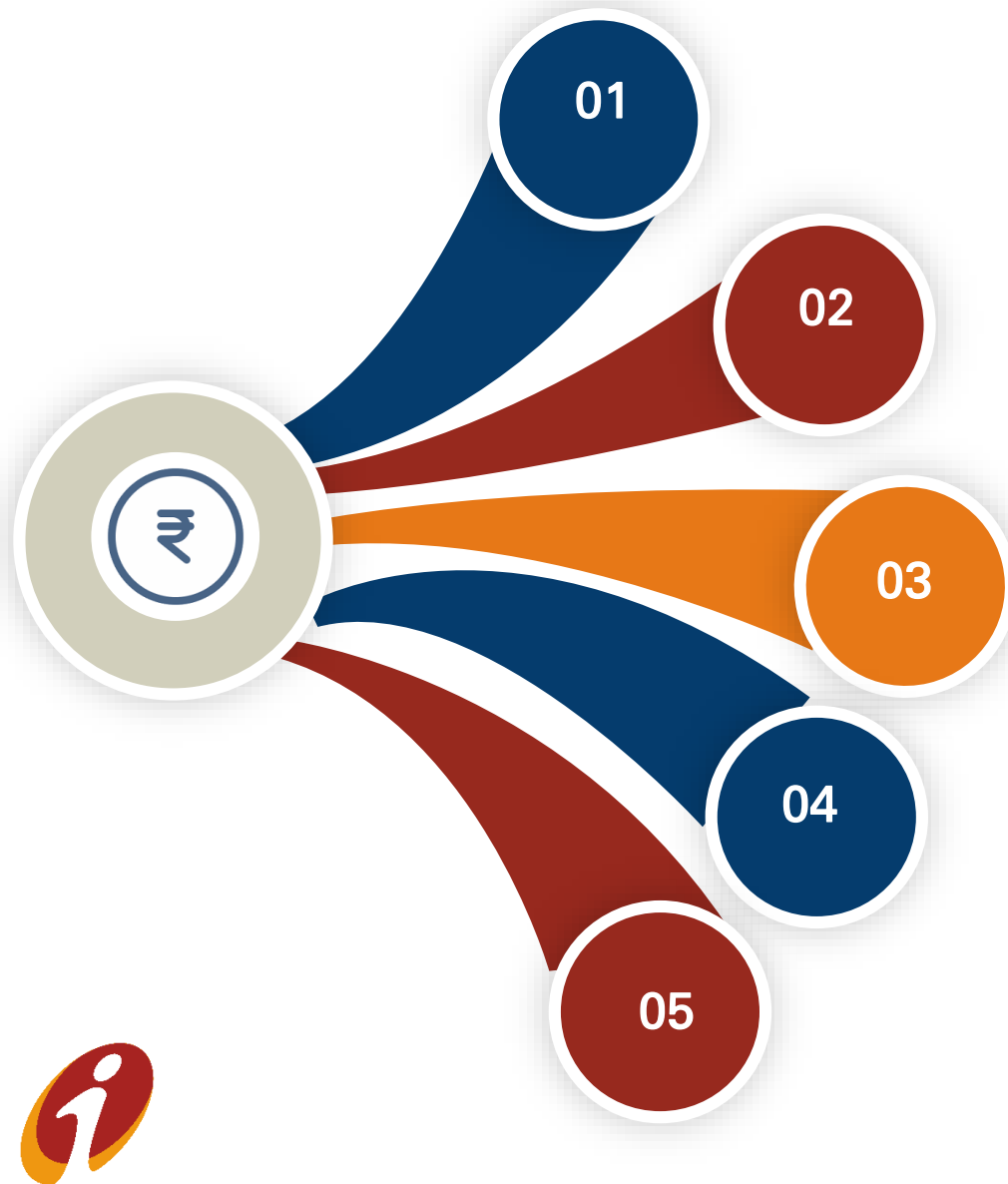
Gaining share of NSE active clients²



Increasing Blended Equity Market share



Approach: Monetize client value



Strengthening wealth management franchise

Comprehensive proposition for wealth clients including curated offering

Insta digital loans as a new asset class

Digital lending to eligible customers for personal, auto loan, home loan top-up, credit card, LAS and deposits

Digital Insurance

Ramping up distribution of insurance digitally

- Health, Travel, Auto, Two wheeler and Term

Enhancing product choice and product options

Margin trading facility

MTF extended on NSE

ESOP funding

Leveraging ESOP funding to build high quality client sourcing and enhancing revenue stream

Progress: Enhancing product suite

Monetising client value

- **Distribution of loans**

Digital distribution of loans...

- 0.94 million unique clients for pre approved loans based on bank's credit criteria
- Digital personal loans and credit cards and auto loan top up launched

...supplemented with physical distribution of

- Home loans &
- Loan against shares

- **Margin trading facility and ESOP funding**

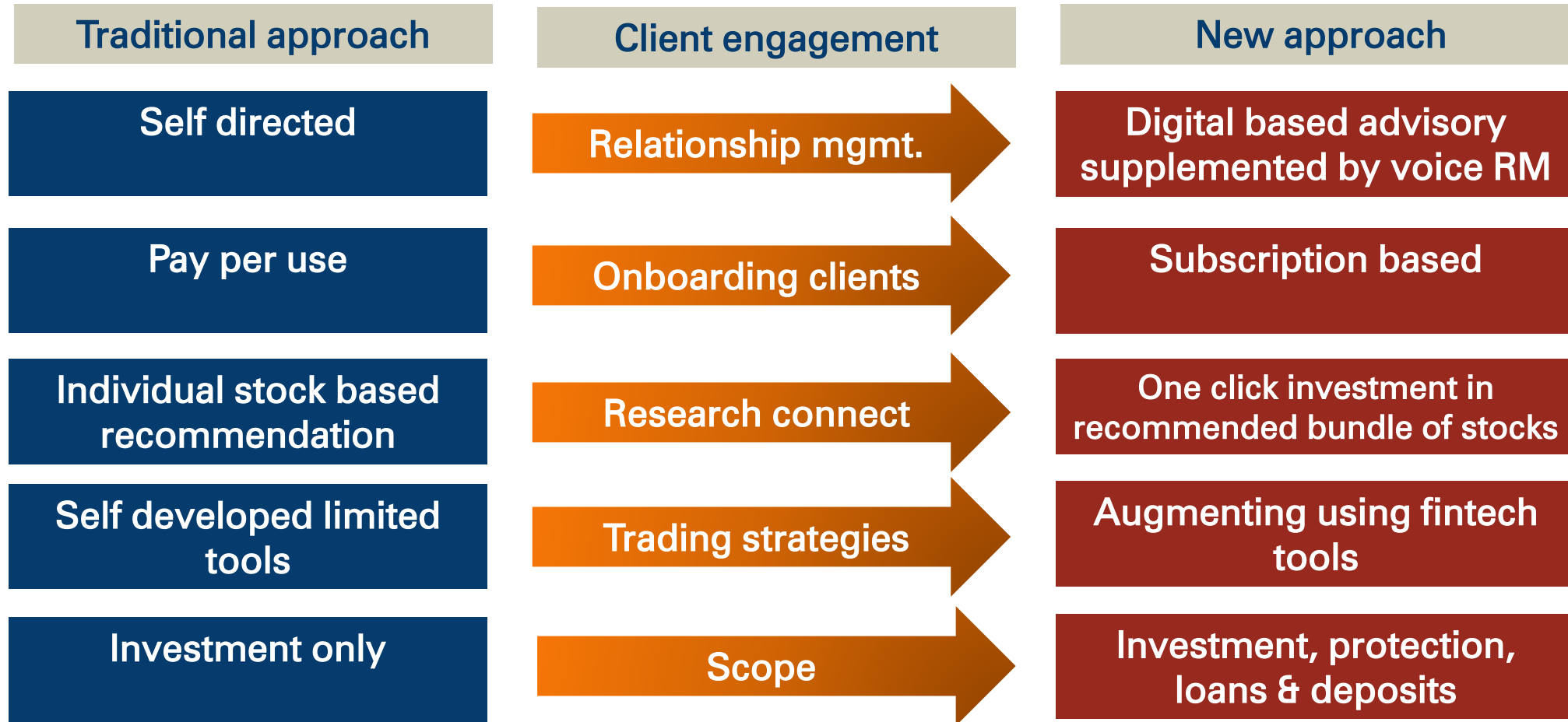
- Witnessing strong growth and gaining market share
- MTF & ESOP book size as at December 31, 2019 was ₹ 11.53 bn up from 6.80 bn as at September 30, 2019 and 4.03 bn as at March 31, 2019

- **Curated solutions for HNIs**

- Proprietary PMS, AUM as at December 31, 2019 crosses ₹ 1 bn
- Customized AIF & PMS solutions with 3rd party



Approach: Enhancing engagement for client retention & penetration



Progress: Curated engagement solutions

Enhancing engagement for client retention & penetration

- **One Click Investments**
 - 20+ curated baskets of research recommended Mutual Funds
 - Easy, convenient and automated portfolio allocation into basket of Mutual Funds
- **New pricing plan (Option 20) being piloted for Options**
 - Good traction in client additions, improvement in derivative market share to 8.7% from 8.0%
- **Launched SIP Protect**
 - Amongst the first online distributors to offer this product
 - Investor gets free life insurance cover up to 120x of SIP investments with 70 MF schemes
- **Launched ETF Intelligent portfolios (EIP)**
 - A unique investment product that invests in multi asset basket of low cost ETFs
 - Investments monitored daily & allocations adjusted based on market conditions
- **Increased penetration of our subscription and prepaid plans**
 - ~35% of our total NSE active base, lead indicator of client activity
- **iCommunity**
 - Engagement platform for investment community



Approach: Robust technology and digital agility



Secure, stable and fast system

- Reliable
- Avg. response time of 24 ms
- Peak concurrent users ~ 48k

Established framework for managing customer privacy & information security

3-tier recovery system and strong business continuity processes



Open architecture & partnership

- Use API architecture to onboard fintech partners
- Partner with fintech to offer customer centric solutions

Increasing use of data analytics

- Infuse new talent
- Infuse new technologies

Improved user experience

- New interface website
- New mobile app



Progress: Fintech partnership based digital capabilities

Digital agility

- **API architecture launched in September 2019**
- **Fintech partnership based digital capabilities**
 - Digital Team evaluated 76 projects
 - Launched
 - Automated portfolio evaluation with Held-away assets for clients to view complete portfolio
 - Under Implementation
 - Trading strategy formulation tool for derivatives
 - Comparison tool for insurance
- **Upgrading client engagement platform**
 - Reengineering our mobile app including new UI/UX
- **Chatbot and WhatsApp**
 - Provide 24/7 active customer assistance using artificial intelligence (AI)



Approach: Operating leverage through cost efficiency



Re-evaluate branch infrastructure cost based on productivity, area efficiency and rentals



Centralization of certain vertical to optimise infrastructure and manpower cost



Process re-engineering to optimize acquisition related cost



Harnessing synergies within teams and business groups to optimize manpower



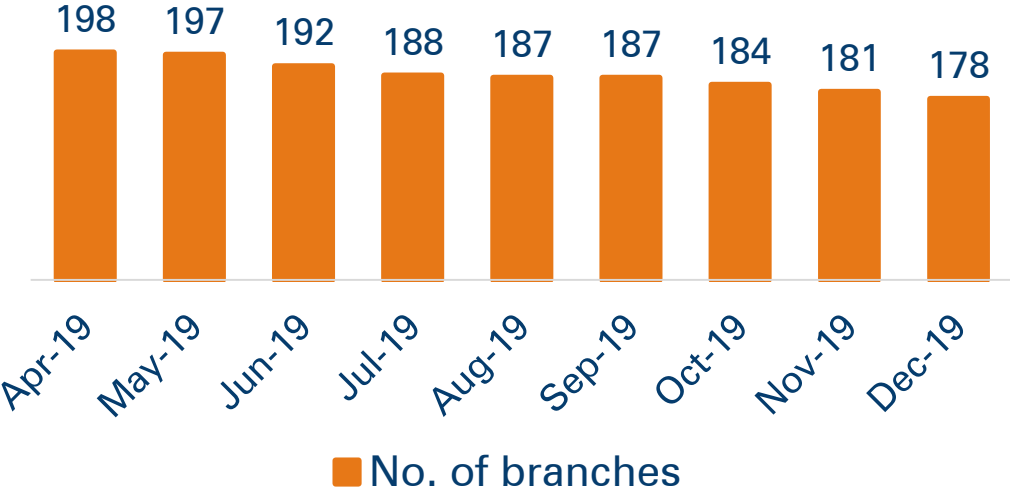
Migrating to digital/low touch coverage models



Strong focus on inculcating cost culture to enable identification and enhance cost efficiency on an on-going basis

Progress: Operating leverage through cost efficiency

- Overall cost down by 4%
 - Employee cost down by 6%
 - Non finance cost down by 8%
- Head count down by 7%
 - 3% decline sequentially to 3,955 in Dec-2019
- Branch count down from 198 to 178

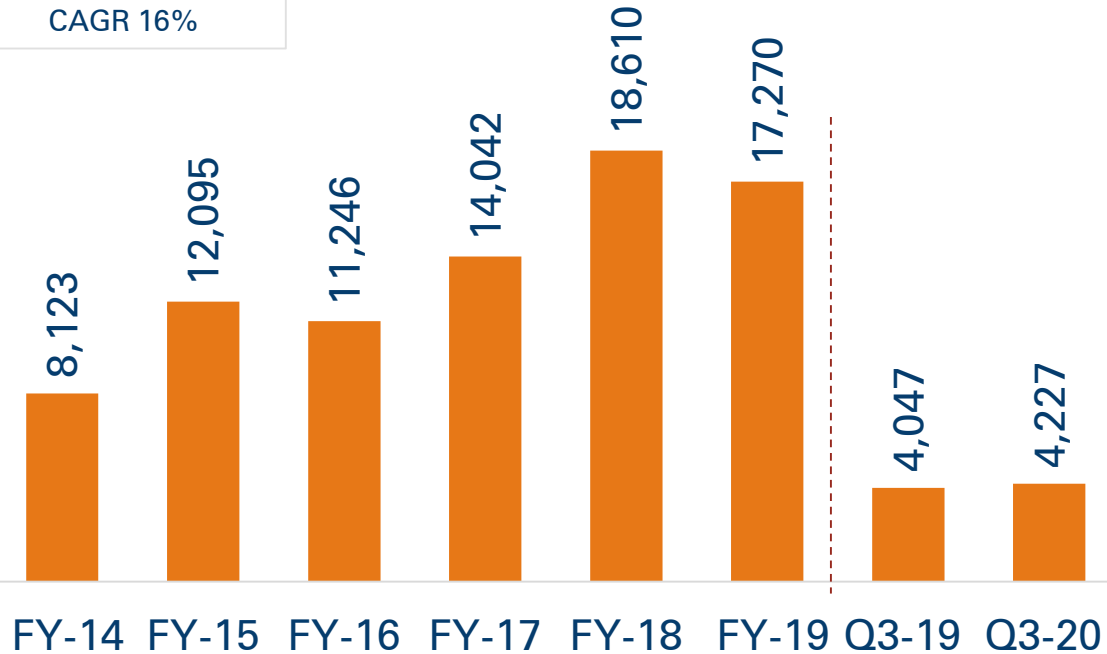


Financials

Strong financial performance

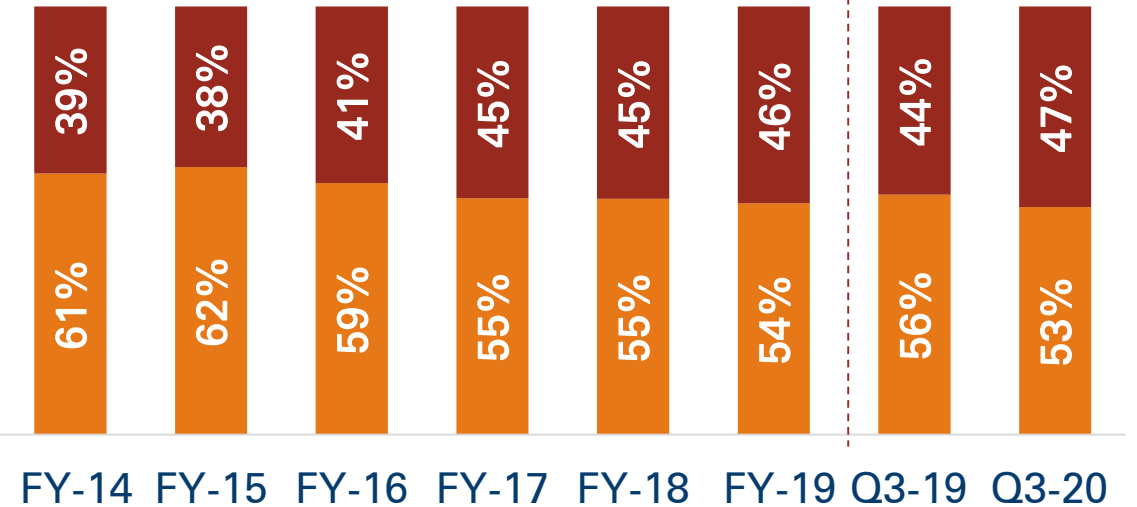
Revenue (₹ million)

FY14 to FY19
CAGR 16%



Revenue diversification¹ (%)

Brokerage revenue Others



1. Brokerage is excluding interest & others

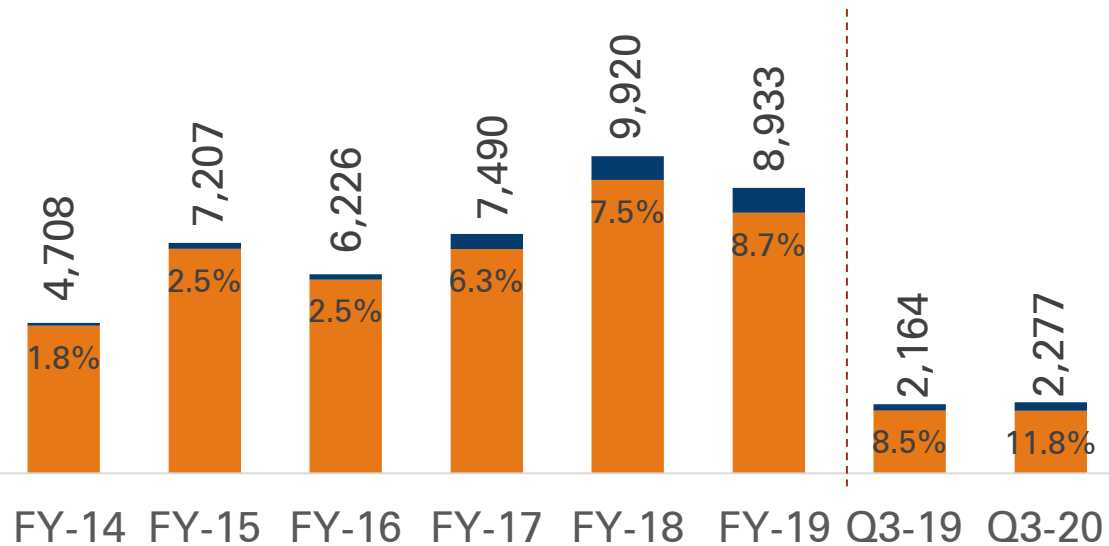
Financials

Segmental performance

Retail Equities & Allied revenue (₹ million)

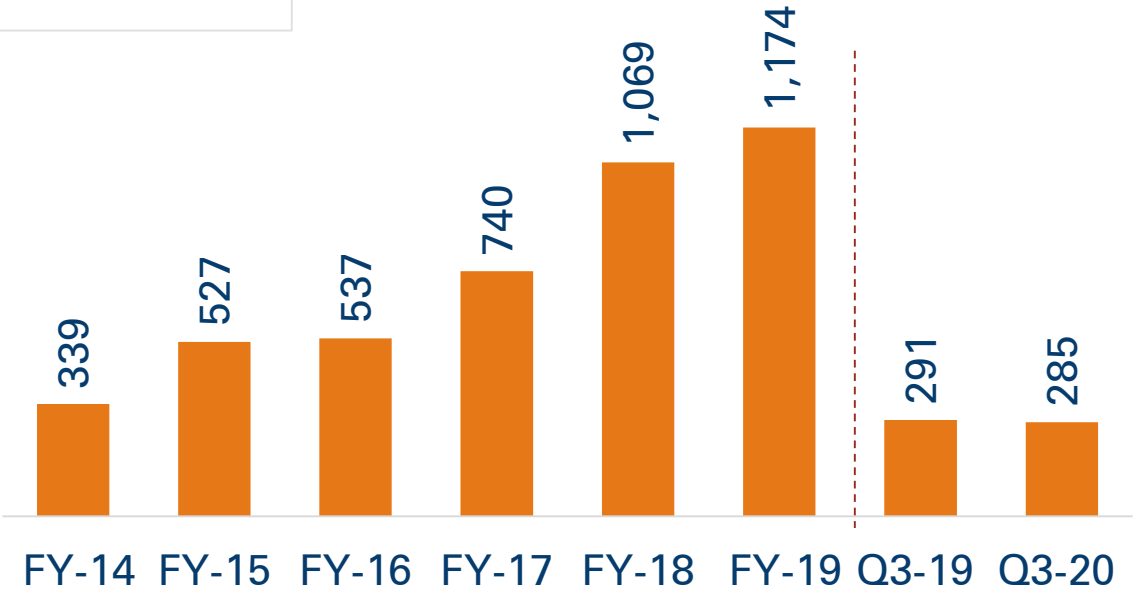
FY14 to FY19
CAGR 14%

■ Allied revenues & as % of total Retail equities



Institutional Equities revenue (₹ million)

FY14 to FY19
CAGR 28%

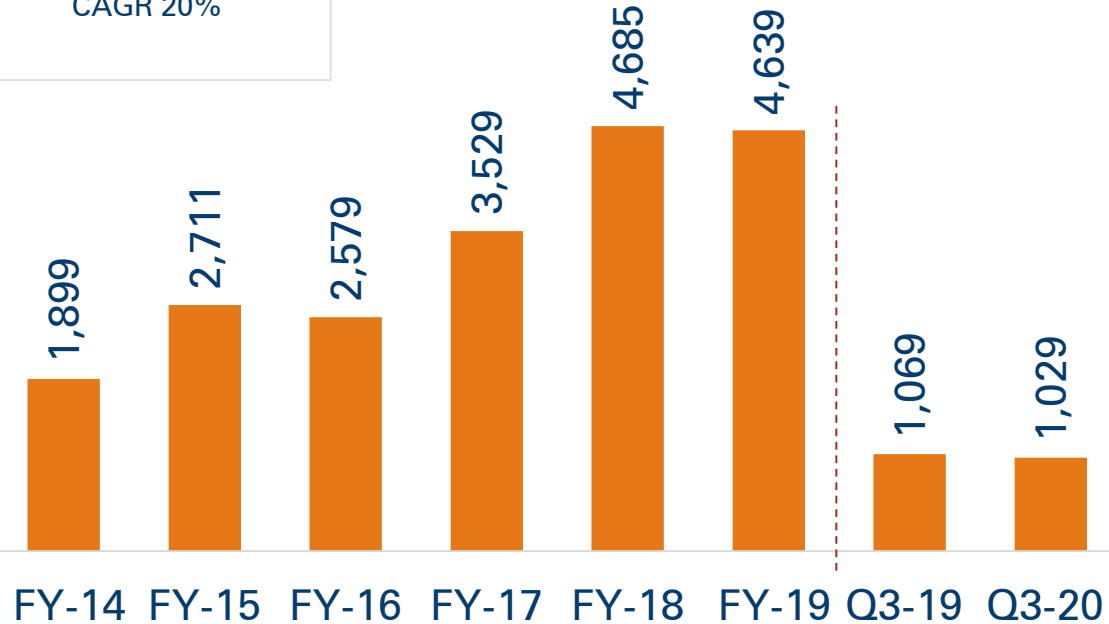


Financials

Segmental performance

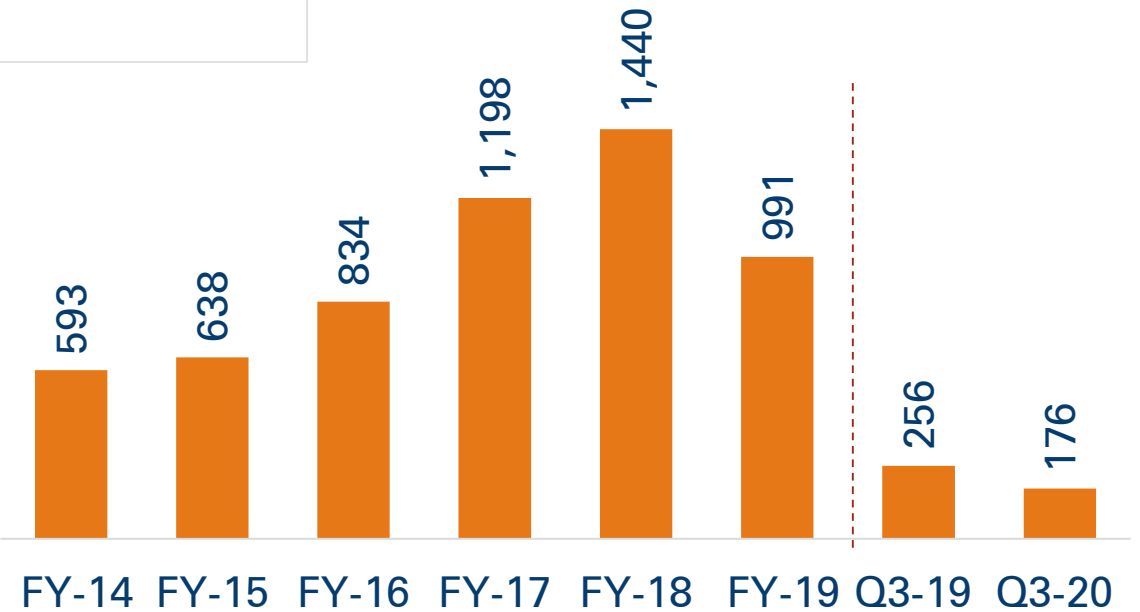
Distribution revenues (₹ million)

FY14 to FY19
CAGR 20%



Investment banking revenues (₹ million)

FY14 to FY19
CAGR 11%

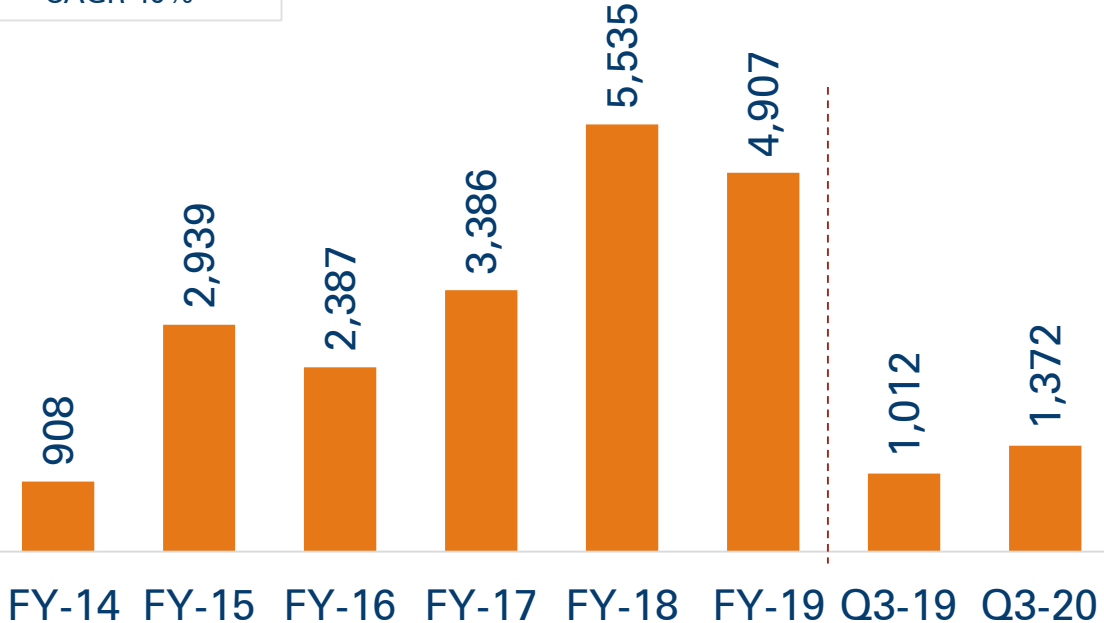


High cash flow generating business with operating leverage

Consistent dividend payout & high ROE due to asset light model

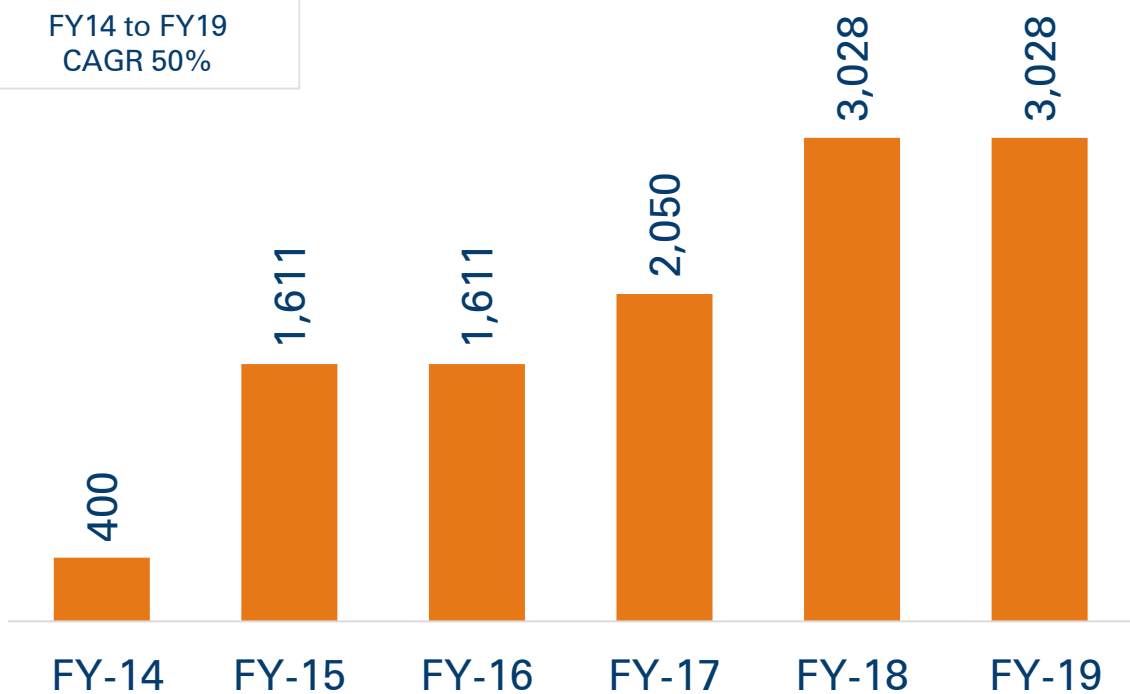
PAT (₹ million)

FY14 to FY19
CAGR 40%



Dividend payout (₹ million)

FY14 to FY19
CAGR 50%



Consolidated P&L

(₹ million)

Particulars	Q3-FY19	9M-FY19	Q2-FY20	Q3-FY20	9M-FY20	Y-o-Y%
Revenue	4,047	12,987	4,182	4,227	12,430	4%
Operating Expenses	354	946	244	270	759	(24)%
Employee benefits expenses	1,416	4,217	1,339	1,328	3,941	(6)%
Finance Cost ¹	85	323	179	219	576	> 100%
Other expenses ¹	611	1815	579	558	1702	(9)%
Total expenses	2,466	7,303	2,341	2,376	6,978	(4)%
Profit before tax	1,581	5,683	1,841	1,851	5,452	17%
Tax ²	569	1991	490	479	1591	(16)%
Profit after tax	1,012	3,692	1,351	1,372	3,861	36%
Other Comprehensive Income (OCI)	-6	-22	-16	12	-40	-
Total Comprehensive Income (TCI)	1,006	3,670	1,335	1,384	3,821	38%



1. Impact of Ind AS116 in Q2-FY2020 & Q3-FY2020: finance cost & depreciation increased by ₹ 141 mn in each quarter; lease expense reduced by ₹ 119 mn and ₹ 121 mn; having a net impact of ₹ 22 mn and ₹ 20 mn
2. Impact of change in income tax rate including impact on account of revaluation of deferred tax asset given in Q2-FY2020
MTM of ₹ 36 mn taken in Q2-FY2020 on DHFL

Y-o-Y: Q3-FY2020 vs Q3-FY2019

Segment performance

(₹ million)

Particulars	Q3-FY19	9M-FY19	Q2-FY20	Q3-FY20	9M-FY20	Y-o-Y%
Segment Revenue						
Broking & commission	3,764	11,972	3,810	3,875	11,323	3%
Advisory services ¹	256	862	323	176	665	(31)%
Investment & trading	27	153	49	176	294	>100%
Income from operations²	4,047	12,987	4,182	4,227	12,430	4%
Segment Profit before tax						
Broking & commission	1,516	5,219	1,672	1,752	5,071	16%
Advisory services	60	374	175	27	217	(55)%
Investment & trading	5	90	-6	72	16	>100%
Total Result	1,581	5,683	1,841	1,851	5,452	17%



1. Advisory services includes Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities
2. Amount of ₹ 207 mn and ₹ 148 mn pertaining to interest on income tax refund is not allocated to any segment and is included in total revenues and results of FY2019 and 9M-FY2020 respectively

Y-o-Y: Q3-FY2020 vs Q3-FY2019

Balance sheet : Assets

(₹ million)

ASSETS	At Dec 31, 2018	At March 31, 2019	At Dec 31, 2019
Financial assets (A)	21,743	43,697	34,698
Cash/Bank and cash equivalents	13,359	31,486 ¹	15,715
Derivative financial instruments and Securities for trade	331	2,563	5,547
Receivables	2,292	4,770	1,218
Loans	4,977	4,033	11,530
Investments	36	28	27
Other financial assets	748	817	661
Non-financial assets (B)	2,609	2,949	4,652
Deferred tax assets (net)	691	737	574 ²
Right-of-use assets ³	-	-	1,573
Fixed assets, CWIP & Intangible assets	433	476	502
Current tax assets & other non financial assets	1,485	1,736	2,003
Assets (A+B)	24,352	46,646	39,350



1. Settlement obligation pertaining to an offer for sale of ₹ 17,362 mn was pending for payment as on March 31, 2019
2. Re-measured deferred tax assets at new income tax rate
3. Lease assets capitalised as per Ind AS 116, which came into effect on April 1, 2019, are being reported as Right of use assets

Balance sheet : Equity and Liabilities

(₹ million)

EQUITY AND LIABILITIES	At Dec 31, 2018	At March 31, 2019	At Dec 31, 2019
Financial liabilities (A)	9,343	30,182	23,164
Derivative financial instruments	6	17	2
Payables	5,564	23,362 ¹	3,707
Debt securities	3,718	4,473	14,924
Lease liabilities ²	-	-	1,593
Deposits & Other financial liabilities	55	2,330	2,938
Non-financial liabilities (B)	5,764	5,991	5,661
Equity (C)	9,245	10,473	10,525
Equity share capital	1,611	1,611	1,611
Other equity	7,634	8,862	8,914
Equity and Liabilities (A+B+C)	24,352	46,646	39,350



1. Settlement obligation pertaining to an offer for sale of ₹ 17,362 mn was pending for payment as at March 31, 2019
2. Lease liabilities are being capitalised in financial liabilities as per Ind AS116 applicable from April 1, 2019



Thank you

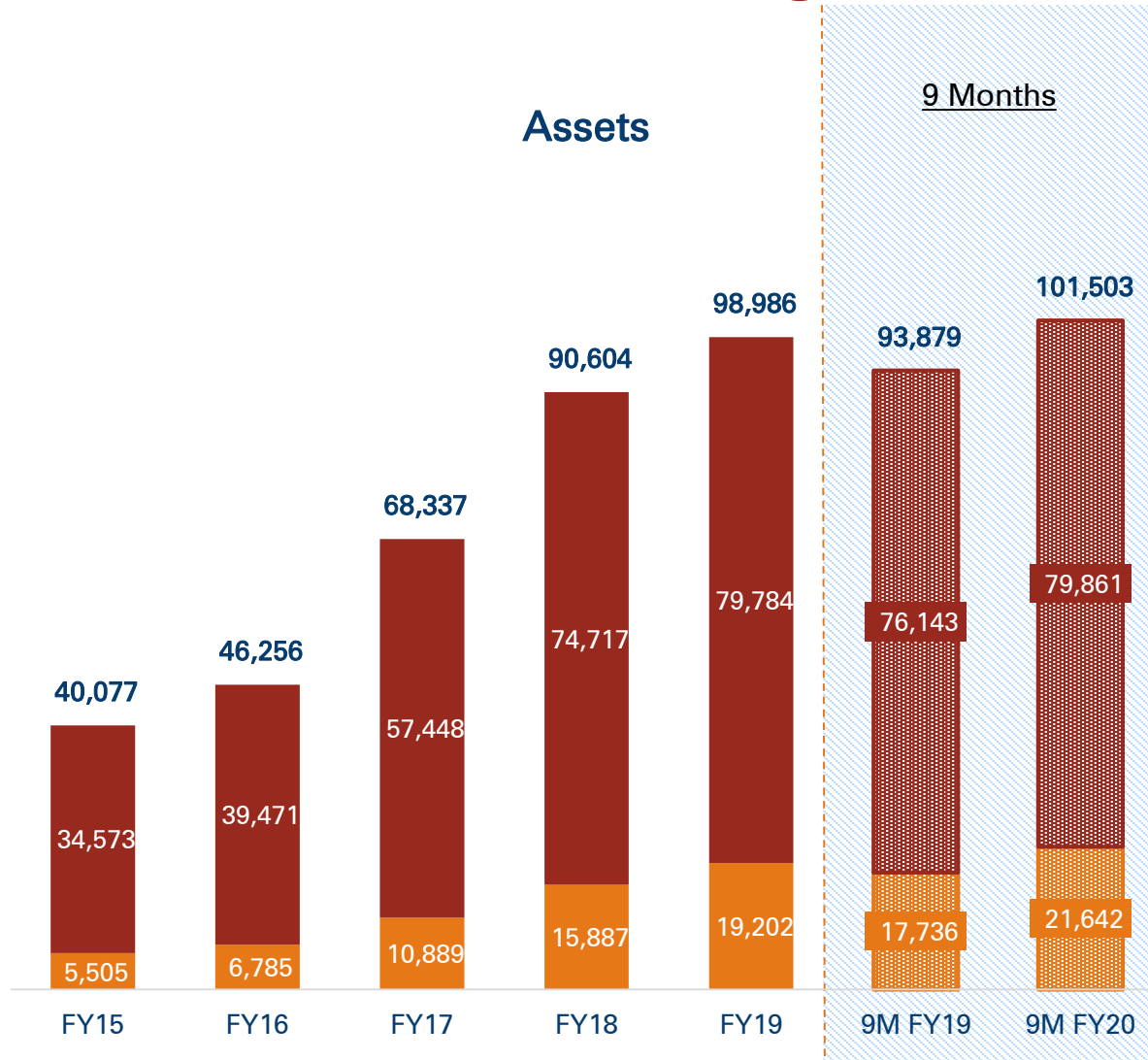


Annexures

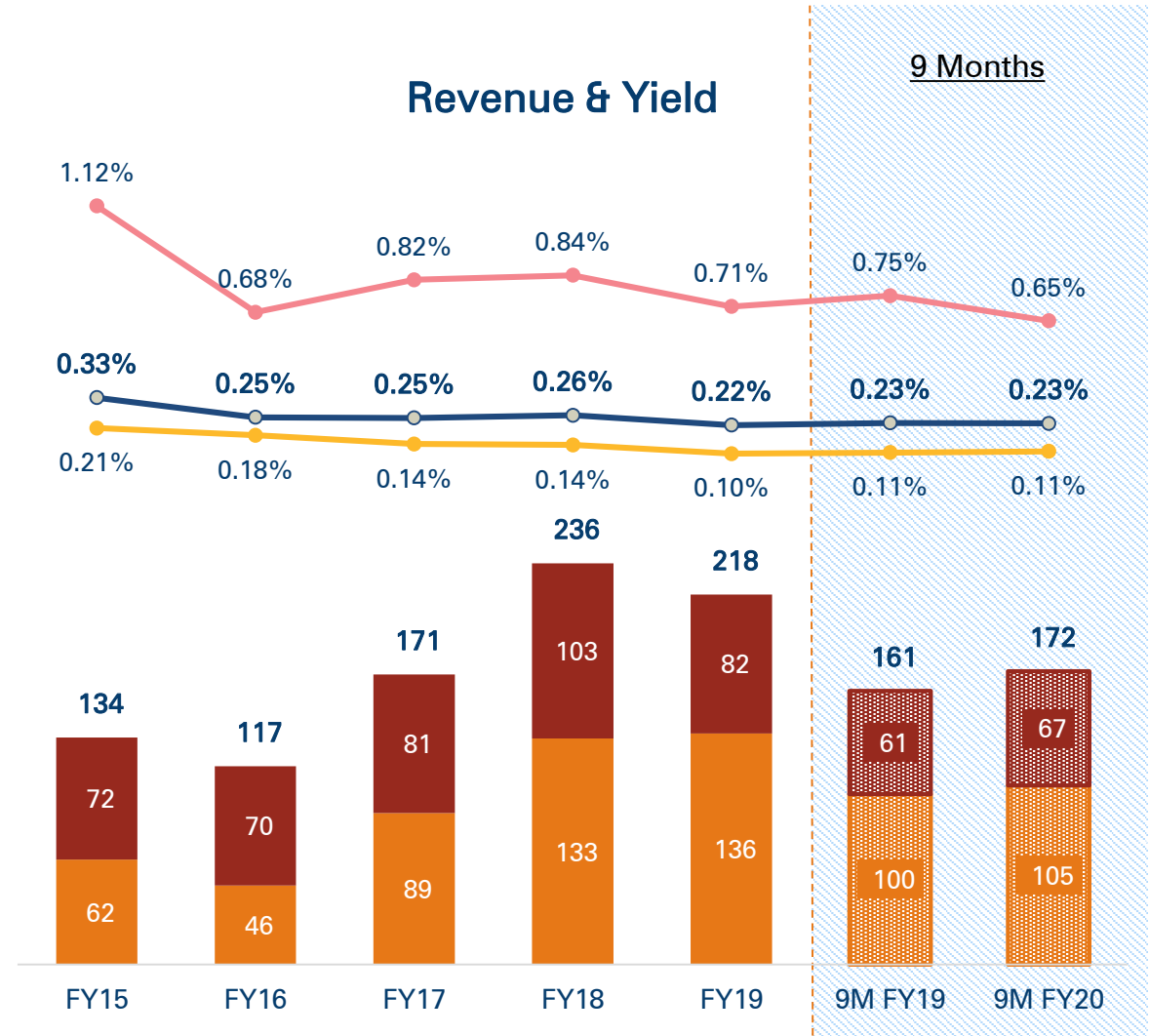
Business Metrics

Private Wealth Management

Assets



Revenue & Yield



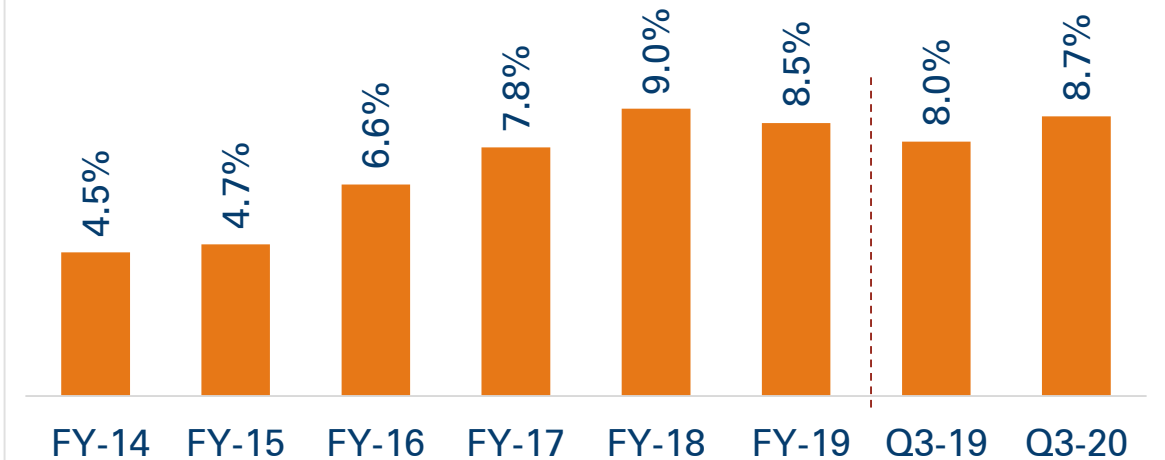
■ Recurring ■ Transactional

9M-FY19 and 9M-FY20 yields are annualised
(Rs. Cr.)
Clients with 1Cr+ total AUM

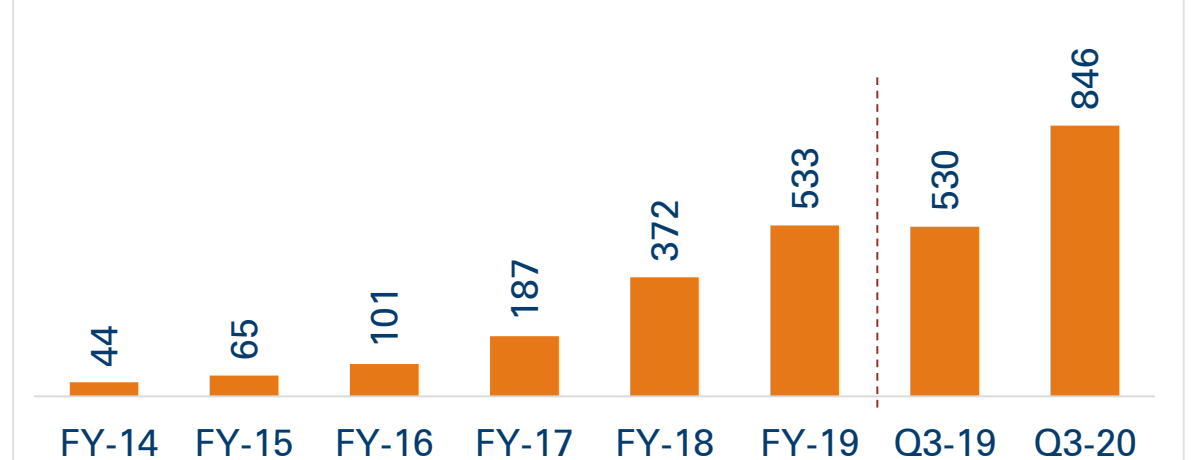
■ Recurring ■ Transactional
—○— Yield on Total AUM —●— Yield on Transactional Assets
—●— Yield on Recurring Assets

Equities business

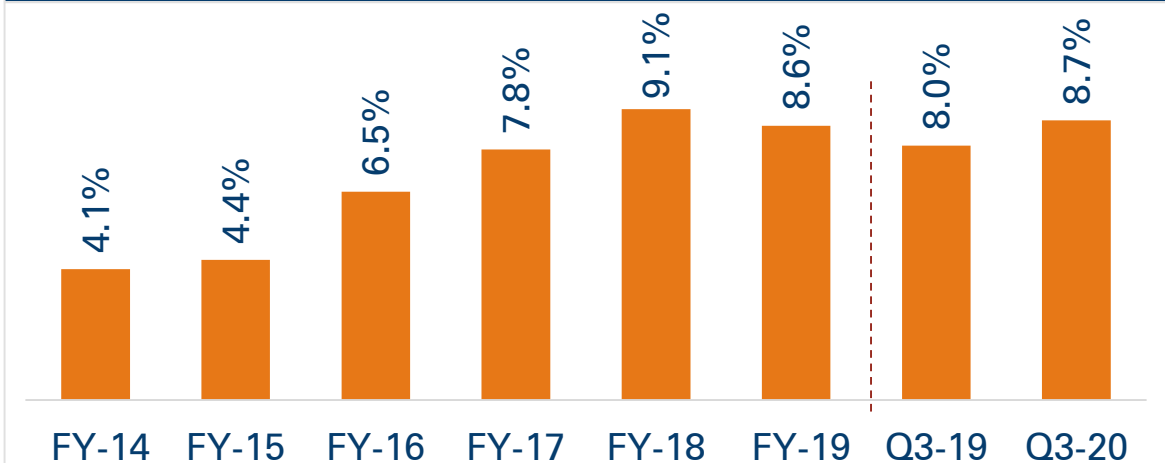
Blended market share



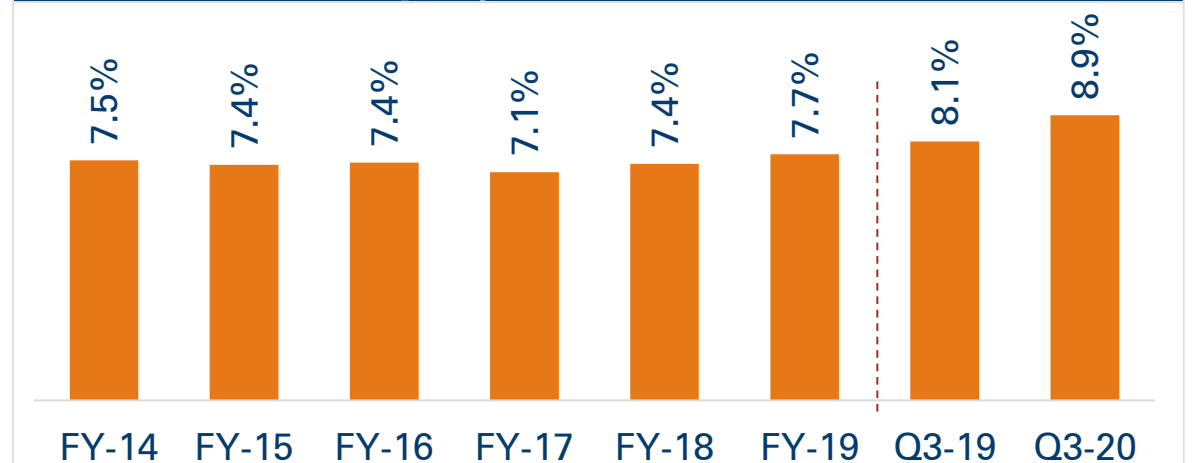
I-sec ADTO (₹ billion)



Derivative market share



Equity market share

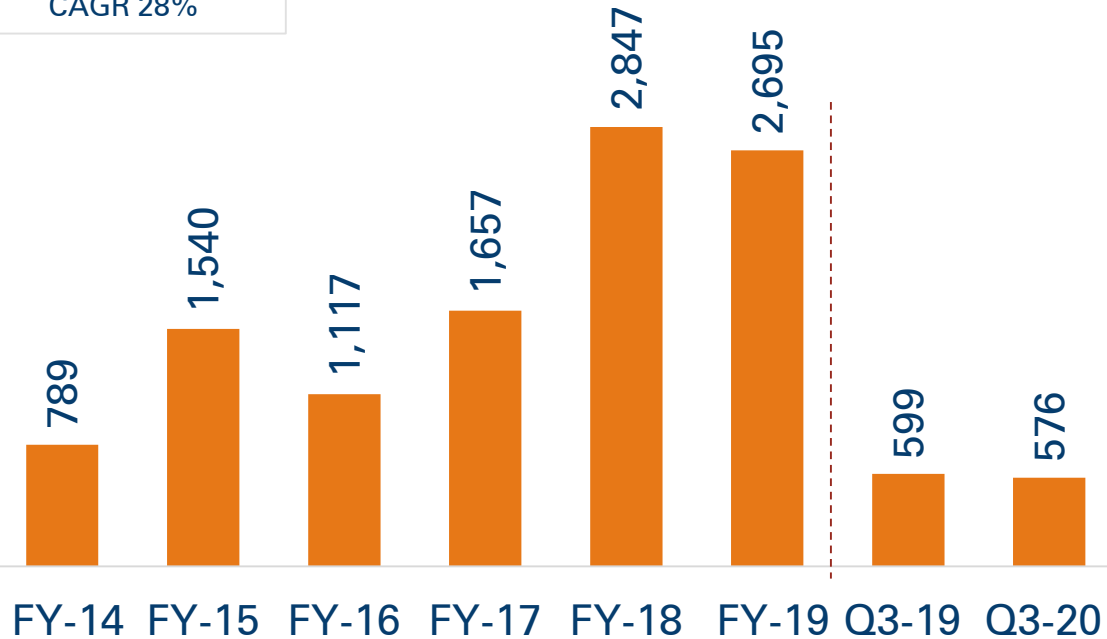


Distribution

Mutual Funds

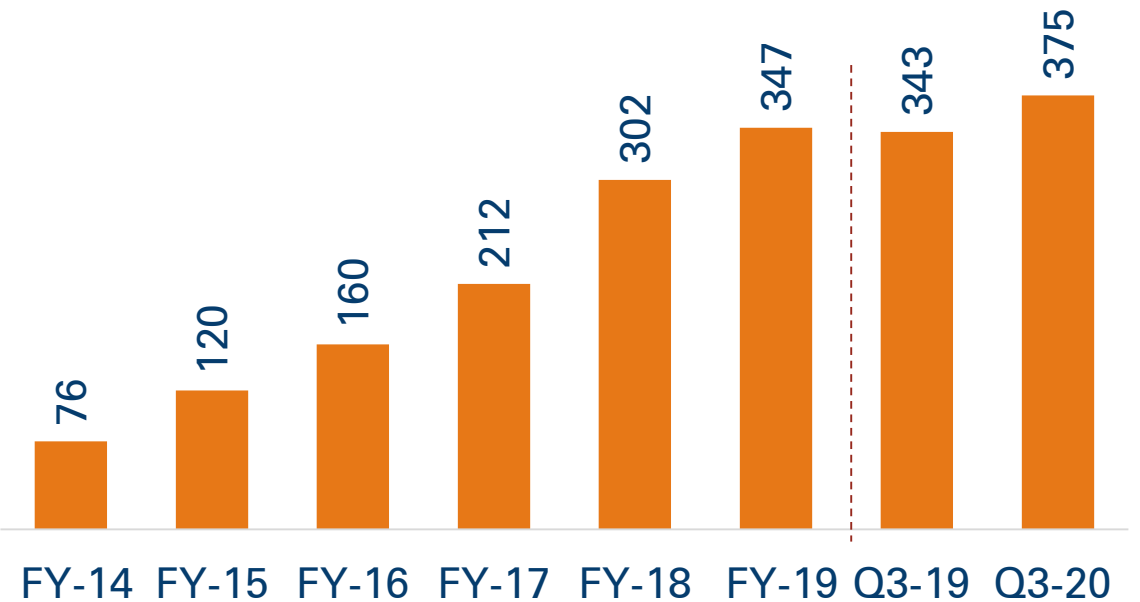
Mutual Funds Revenue (₹ million)

FY14 to FY19
CAGR 28%



Mutual Funds Average AUM (₹ billion)

FY14 to FY19
CAGR 36%

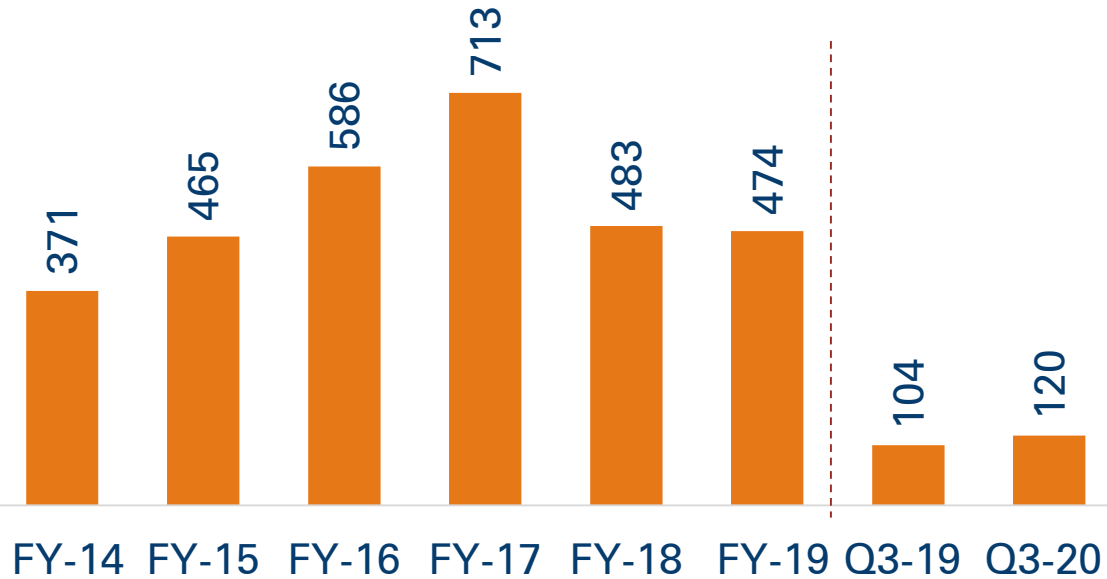


Distribution

Life Insurance

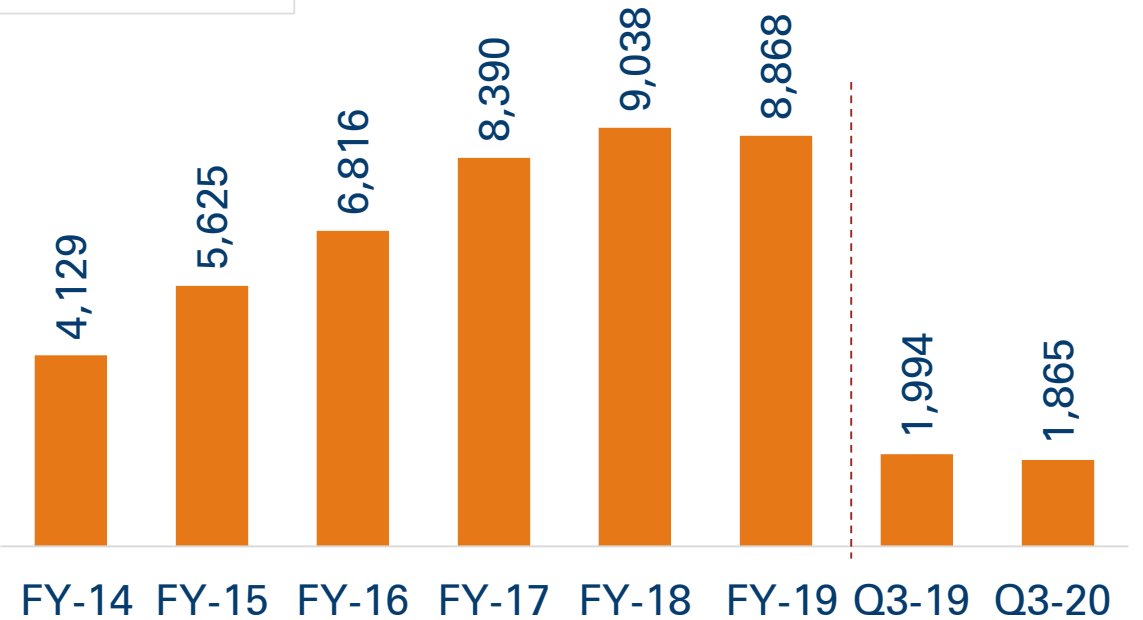
Life Insurance Revenue (₹ million)

FY14 to FY19
CAGR 5%



Life Insurance Premium (₹ million)

FY14 to FY19
CAGR 17%



Safe harbor

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for broking and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology, our growth and expansion in domestic and overseas markets, technological changes, our ability to market new products, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in broking regulations and other regulatory changes in India and other jurisdictions as well as other risk detailed in the reports filed by ICICI Bank Limited, our holding company with United States Securities and Exchange Commission . ICICI Bank and ICICI Securities Limited undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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