



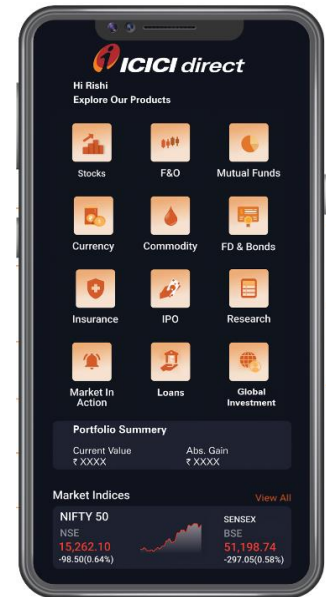
Performance update

Q1-FY2024

July 20, 2023

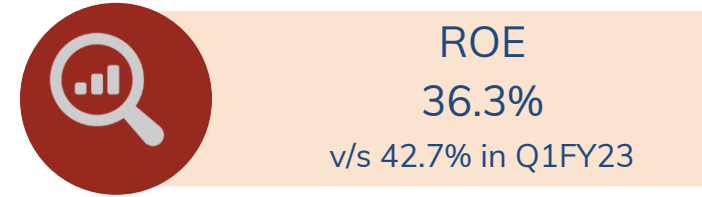
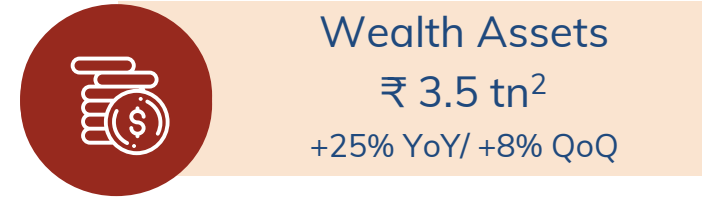
Agenda

- ISEC Quarterly Update
- Appendix
 - Quarterly Business Performance
 - ISEC Franchise



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Q1FY24 Performance Snapshot



1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on June,30 2023
2. Assets of our clients with more than INR 10 mn AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on June, 30 2023
3. For Q1 FY24

Q1FY24 Performance: Key Highlights

1

Revenue growth across business segments

2

Gained/ Held Market share in most revenue generating parameters

3

Traction in identified focus areas to propel growth



Q1FY24 Performance: Revenue growth across business segments

Equity Business

- Equity revenue grew by 7% YoY, contributes 23% of total revenue
- Market share gains continued during the quarter

Derivative Business

- Derivative revenue grew by 23% YoY, contributes 13% of total revenue
- Improvement in underlying parameters of orders, clients, ADTO and lots

Distribution Business

- Distribution business grew by 4% YoY, contributes 17% of total revenue
- MF and Life Insurance revenue grew by 10% YoY and 13% YoY respectively
- Distributed loans worth ₹ 11.6 Bn in Q1FY24, up 88% YoY

Allied Revenue

- Allied revenue grew by 3% YoY, contributes 24% of total revenue
- MTF book grew by 5% YoY as we maintained our leadership position



Continued thrust on diversification, while maximizing opportunities from cyclical businesses

Q1FY24 Performance: Market Share

Gained/ Held Market share in most revenue generating parameters

	Q1FY23		Q1FY24
Retail Cash Market Share	9.7%	↑	12.2*%
Retail Derivative Market Share	3.5%	↑	3.6%
Commodity Market Share	4.4%	↑	7.2%
Mutual Fund AUM Market Share	1.7%	↔	1.7%

We continue to maintain leadership position in MTF with a Market Share of ~22%



**Based on the revised disclosures by NSE for retail individual category in the equity segment from April'23. The market share so computed is therefore not comparable with the market share for Q1FY24 computed using earlier disclosures for others category*

Q1FY24 Performance: Traction in focus areas

Focus Areas

1



Wealth Management

- Partnering clients through their financial journey by offering holistic solutions

2



Derivatives

- Investments in key levers leading to revenue growth and market share gains

3



Loans

- To emerge as a digital consumer lending distribution powerhouse in India

4



Insurance

- Aiming to harness the huge opportunity in the insurance segment

5



Personalization through analytics

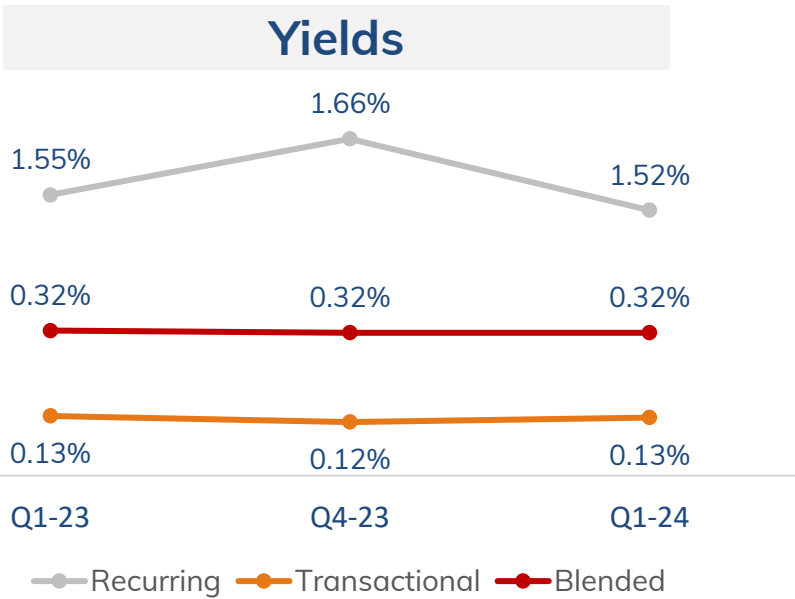
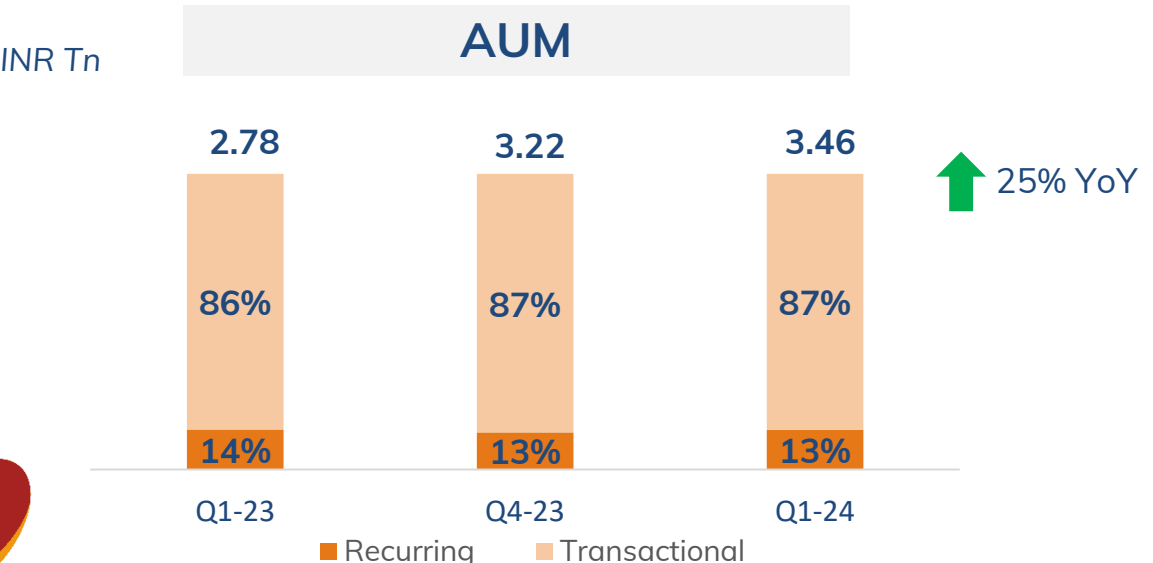
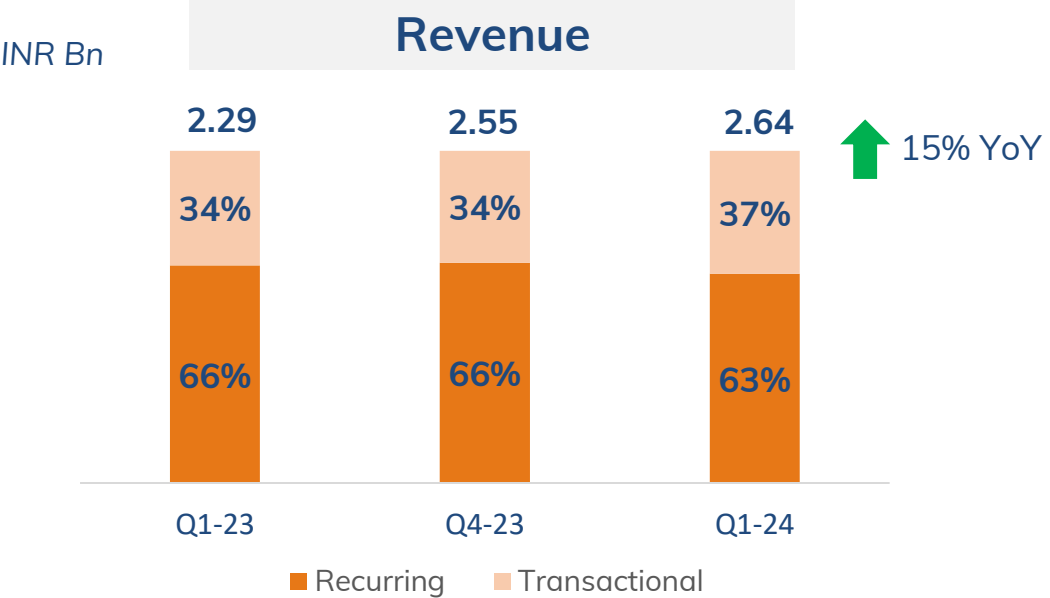
- Creating synergies between data analytics model & engagement for seamless customer experience



Q1FY24 Performance: Traction in focus areas

Wealth Management

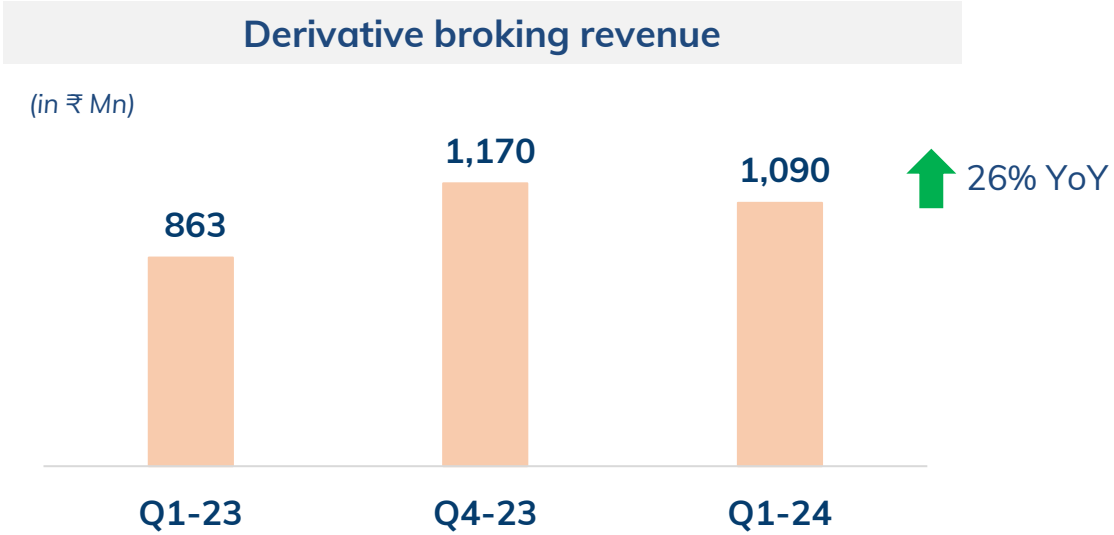
- Total clients stands at ~84,000; added ~6,000 clients during the quarter
- Total AUM at ~ ₹ 3.5 tn, grew 25% on YoY basis
- Total Revenue at ~ ₹ 2.64 bn, grew 15% on YoY basis
- Cost/Net Income at 45% in Q1FY24, v/s 35% in Q1FY23



* Cost / Net Income: Cost = (Employee benefit expenses + operating expense + Depreciation, amortization and impairment + Other expenses + Impairment on financial instruments), Net Income = Gross Revenue - Finance Cost - Fees & Commission Expenses

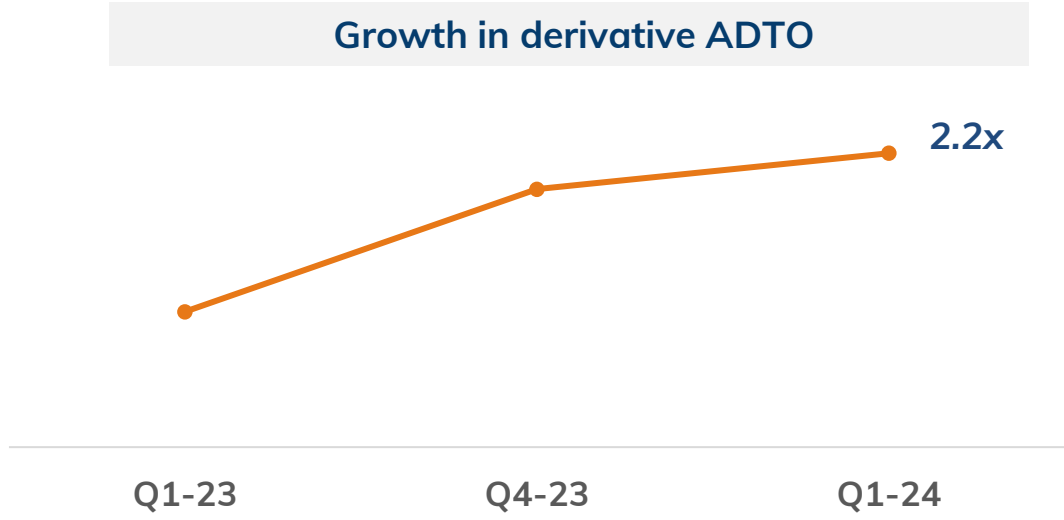
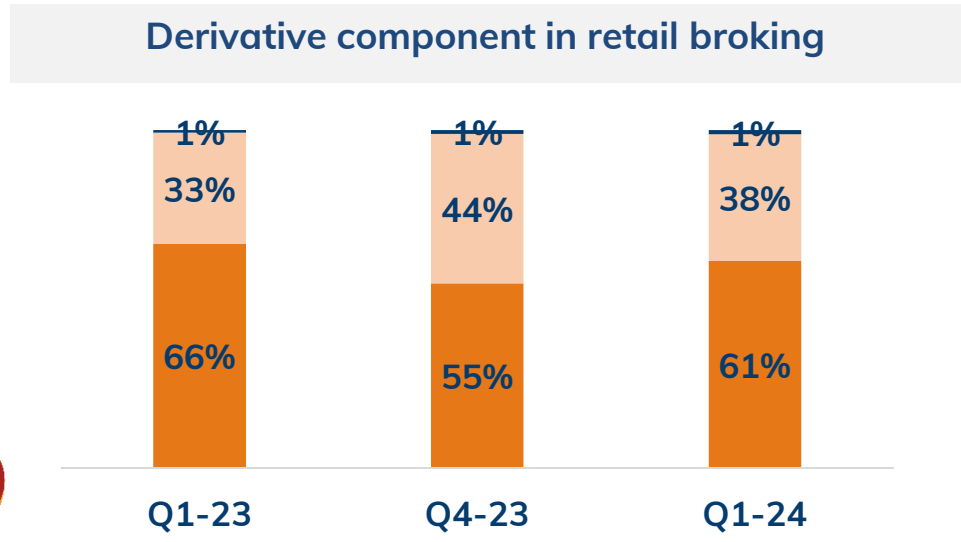
Q1FY24 Performance: Traction in focus areas

Derivatives



In Q1FY24, the underlying parameters continued growth momentum with;

- F&O orders grew by 38% YoY
- F&O lots grew by 84% YoY
- F&O customers grew by 16% YoY



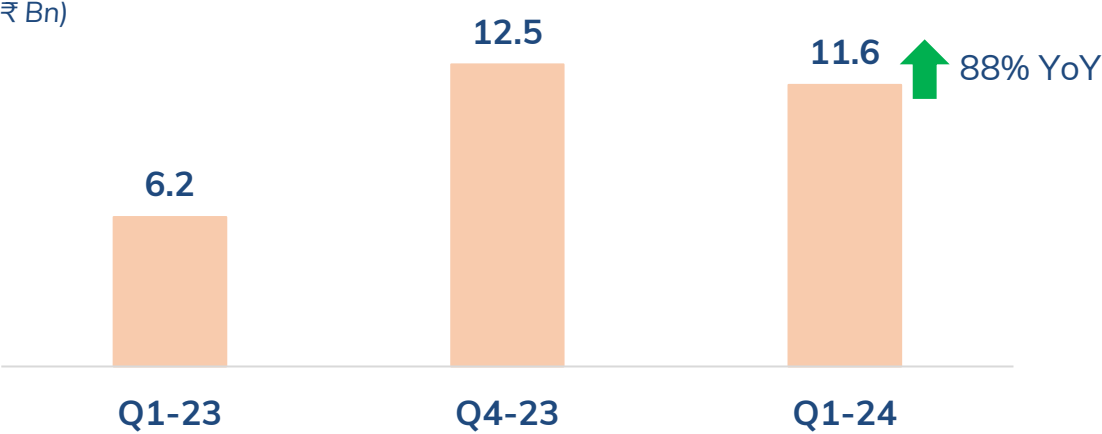
*Others include Commodity and Currency

Q1FY24 Performance: Traction in focus areas

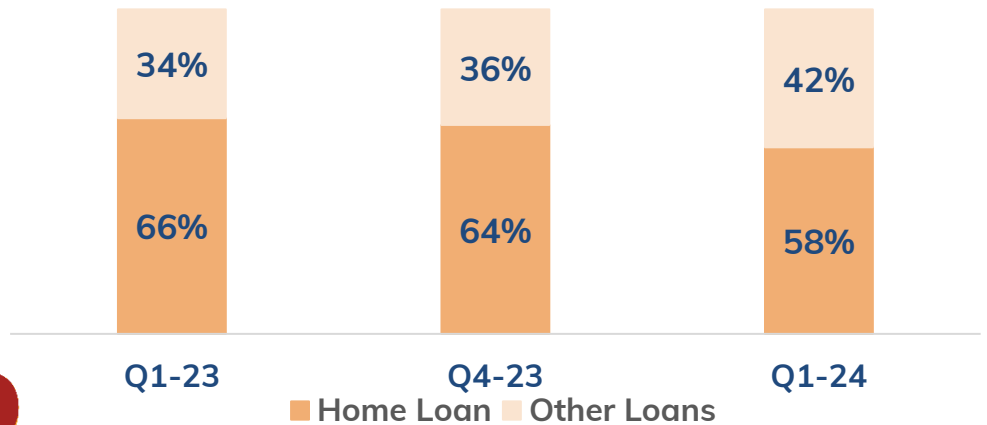
Loans

Consistent growth in total loans distributed

(in ₹ Bn)



Increasing proportion of other loans



- Loans worth ₹ 11.6 Bn distributed in Q1FY24, up 88% YoY
- Insta Pre-approved cards program went live during the quarter

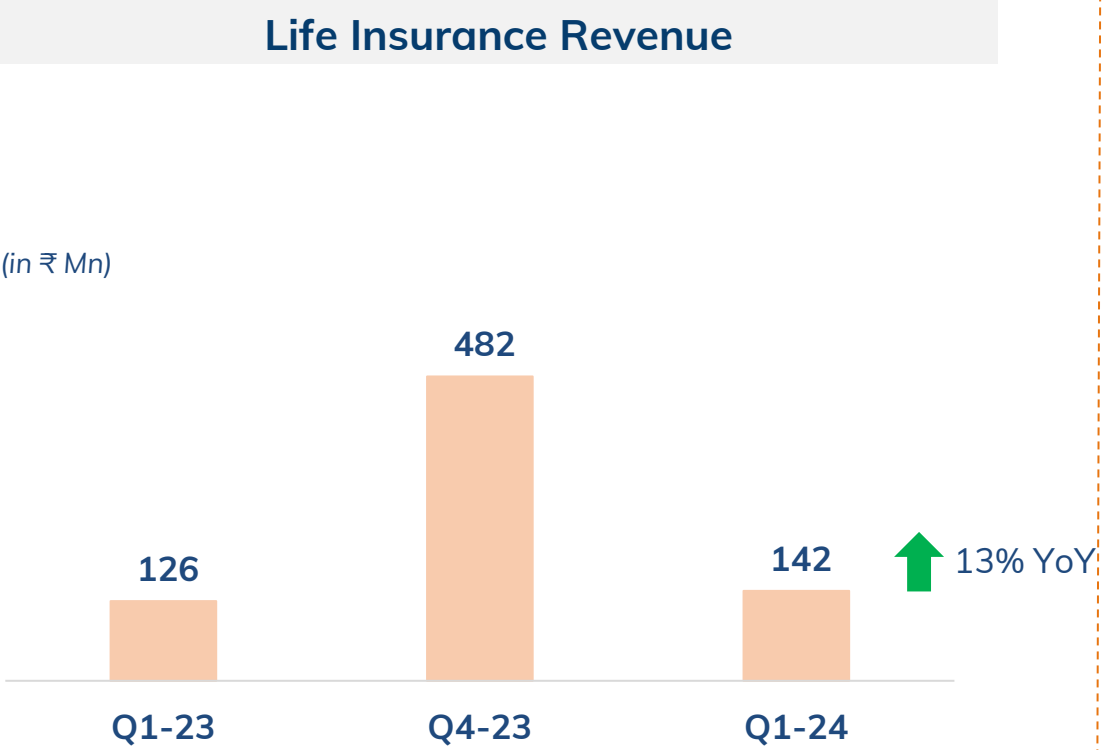
PILLARS OF GROWTH

- Partnership with Multiple Lending partners
- Existing customer base of 9 Mn + customers
- Digitization and decongestion of processes
- Targeted offering through data analytics



Q1FY24 Performance: Traction in focus areas

Insurance



- Q1FY24 Life Insurance revenue at INR 142 Mn, up 13% YoY
- Policy count increased by 55% YoY, with growing traction in General Insurance

PILLARS OF GROWTH

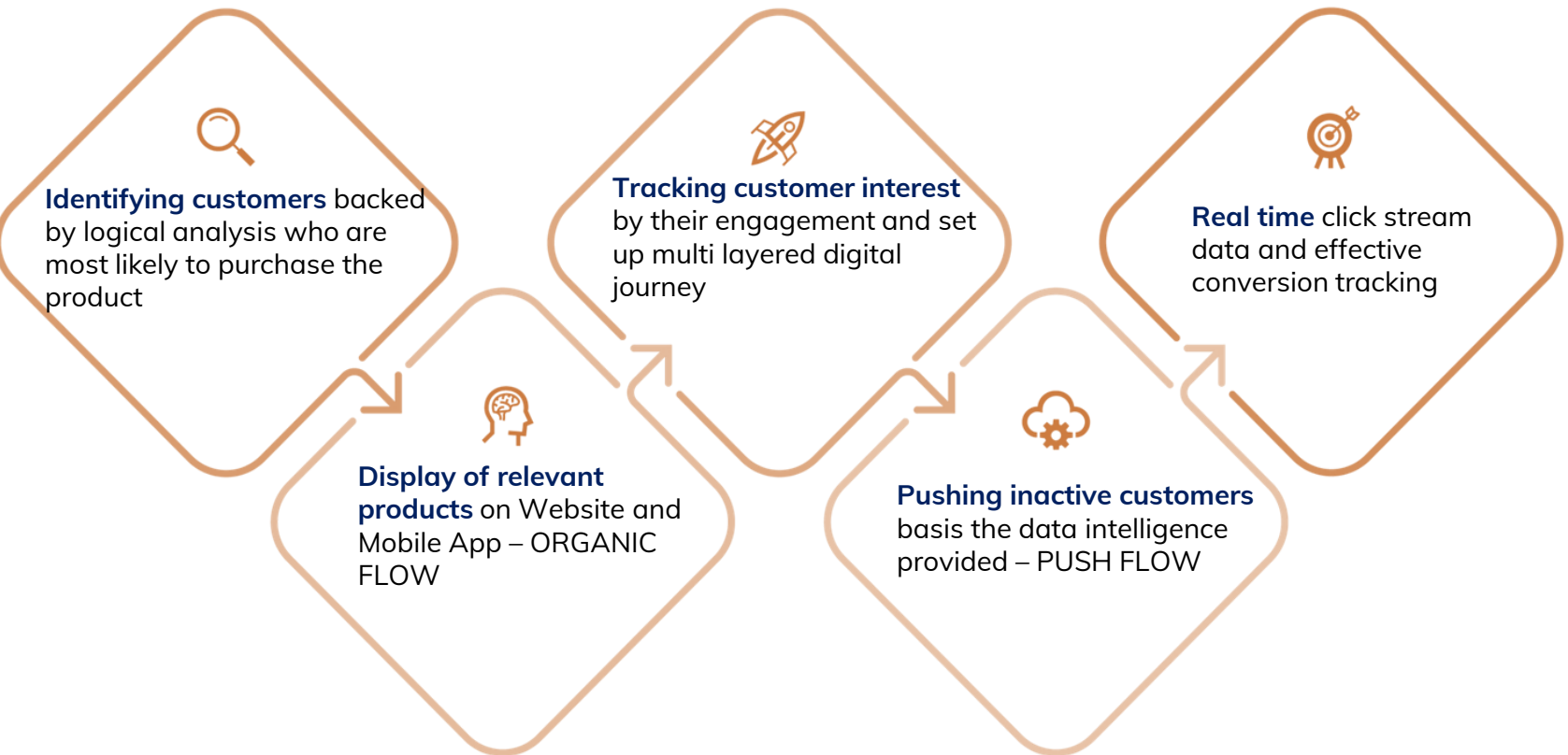
- New IRDA guidelines favorable for distributors
- 12 insurance partners through Open Architecture
- Differentiated product offerings with strong digital analytics
- Intuitive and digitized customer journeys for General Insurance



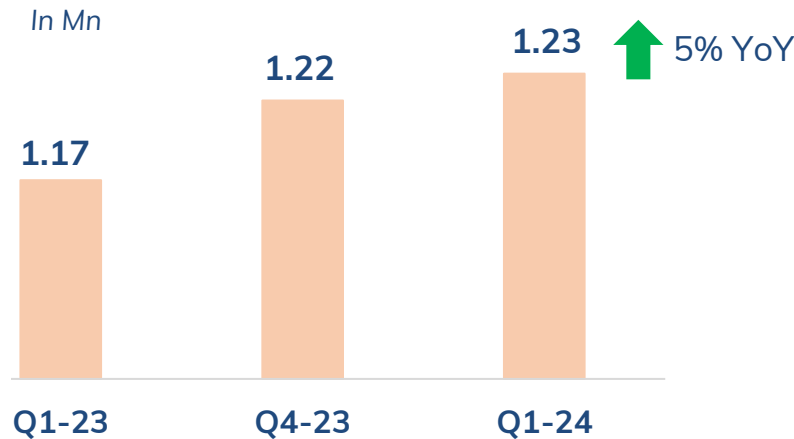
Q1FY24 Performance: Traction in focus areas

Personalization

Synergy between analytics data model and engagement

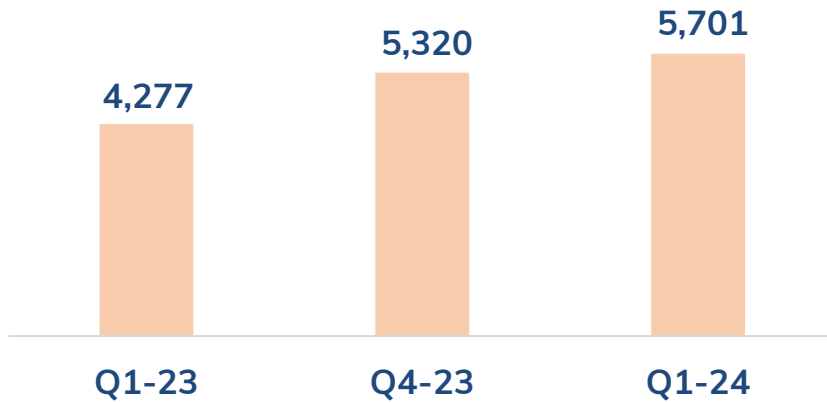


Improving cross sell demonstrated from increasing number of client with 2 or more products, leading to revenue diversification

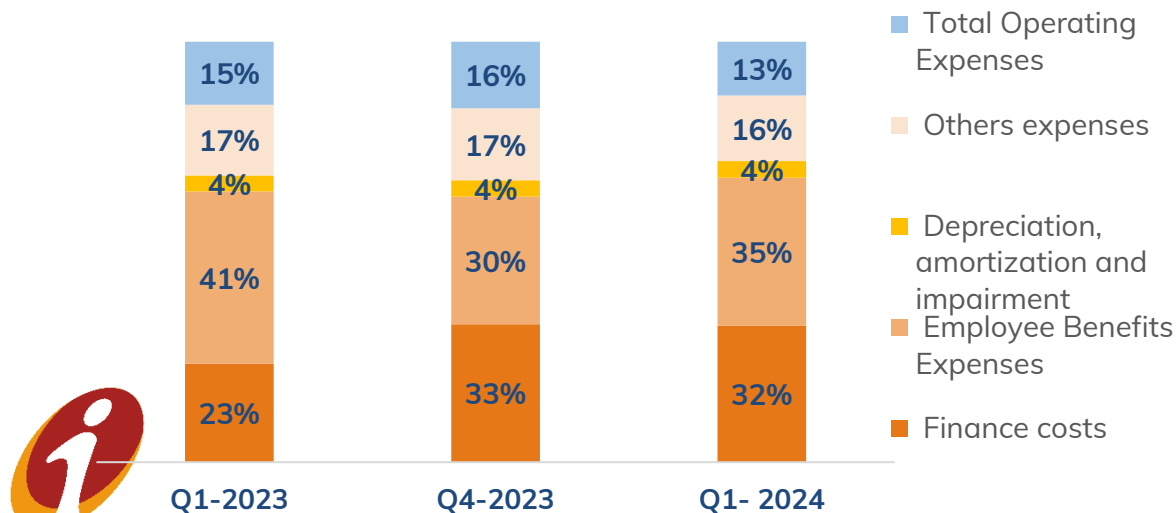


Q1FY24 Performance: Cost

Total Cost (₹ Mn)



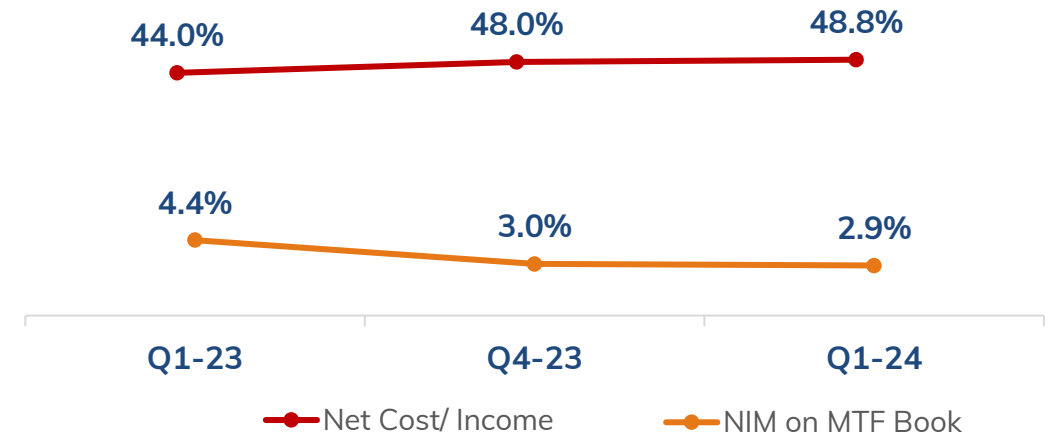
Increasing Proportion of Finance Cost



Increase in Cost,

- Primarily on account of increase in cost of funds for MTF Book
- MTF cost absorbed to cushion price volatility for customers
- Increase in Employee cost due to annual increments, ESOPs and new hirings
- Franchise enhancing spend on technology and analytics to harness growth opportunities

Net Cost/ Income and MTF Book NIM

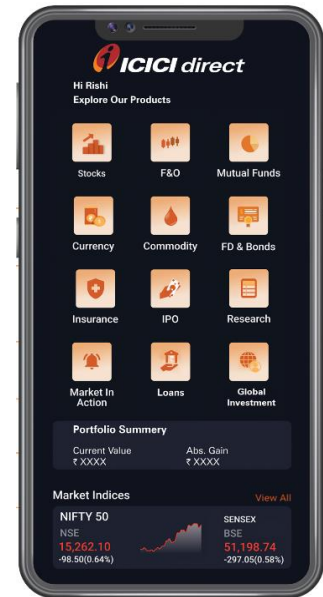


* Cost / Net Income: Cost = (Employee benefit expenses + operating expense + Depreciation, amortization and impairment + Other expenses + Impairment on financial instruments), Net Income = Gross Revenue – Finance Cost – Fees & Commission Expenses

Due to substantial scale up of our MTF book, we have transitioned to Cost/Net Income as per industry standards and accordingly have also disclosed NIMs on MTF book. For earlier disclosure, you can refer our disclosure excel

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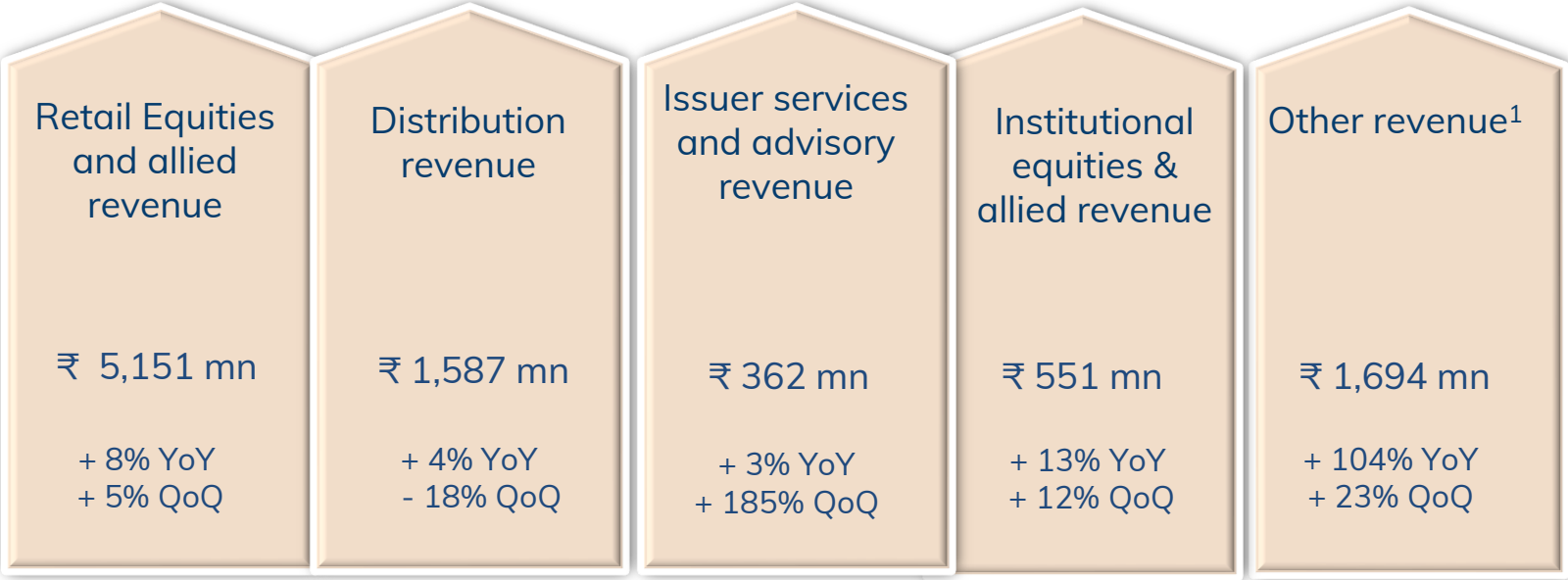
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Q1FY24 Business Performance

Business segment wise Revenue Breakup



Private Wealth Management

₹ 2,640 mn + 15% YoY
+ 4% QoQ

- Revenue grew 6% QoQ and 18% YoY at ₹ 9,344 mn led by growth in broking income with cash segment gaining momentum and growth in Investment banking segment
- Retail equities & allied revenue grew 5% QoQ and 8% YoY due to increase in cash volumes and growth in equity allied business
- Issuer services and advisory income grew by 185% QoQ and 3% YoY
- PAT grew 3% QoQ and was down by 1% YoY at 2,709 mn

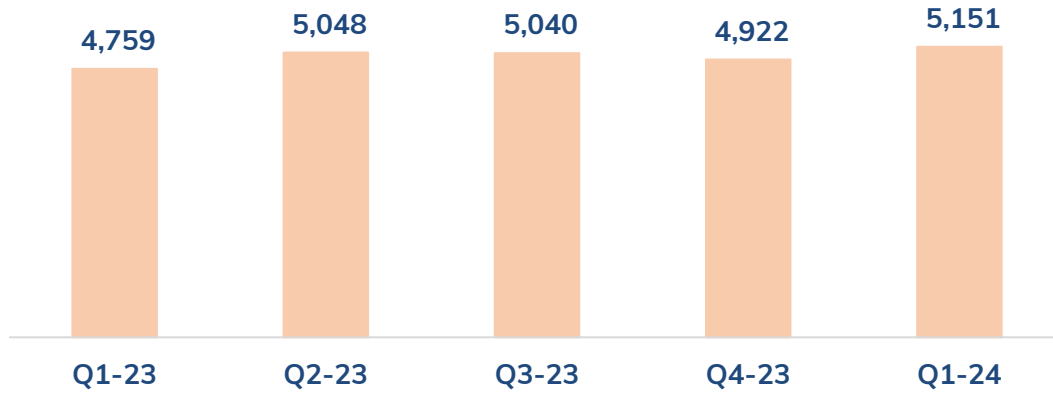


YoY: Q1-FY2023 vs Q1-FY2024; QoQ: Q1-FY2024 vs Q4-FY2023
 1. Includes Investment & trading, interest revenue from FDs as margin with exchanges and other revenue

Q1FY24 Business Performance : Retail Equities Business

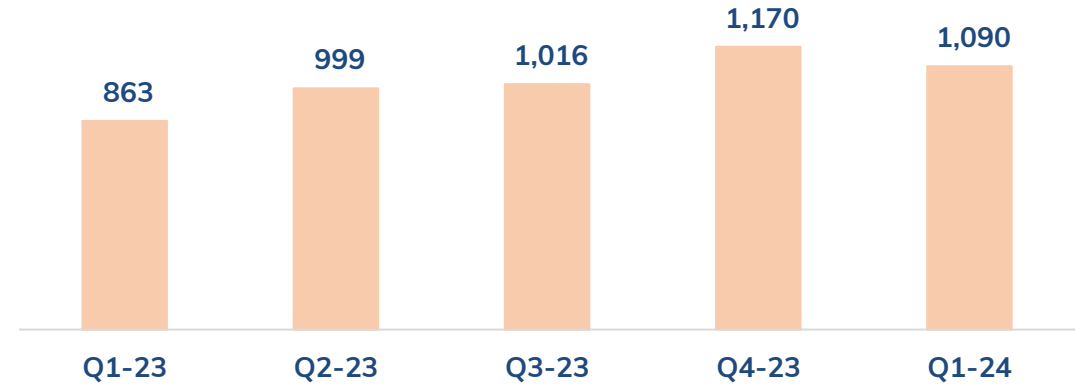
Increasing Retail equities and allied Revenue

(in ₹ Mn)

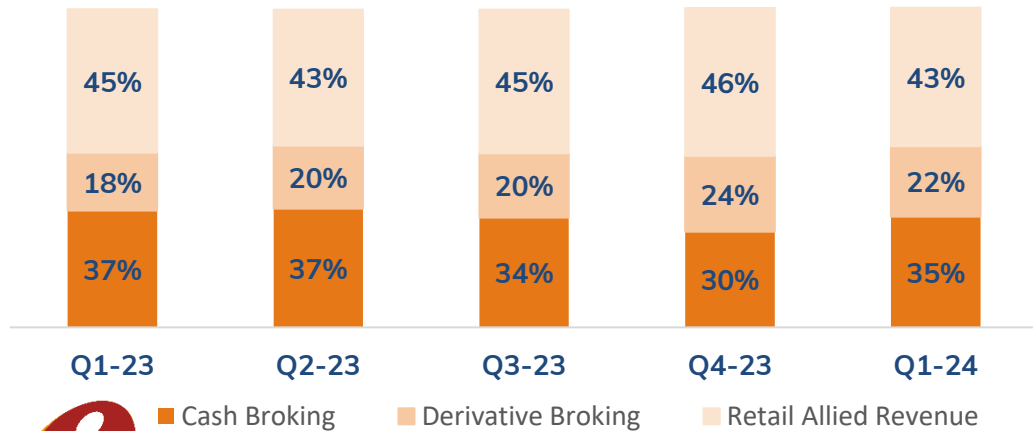


Derivative broking revenue grew by 26% YoY

(in ₹ Mn)

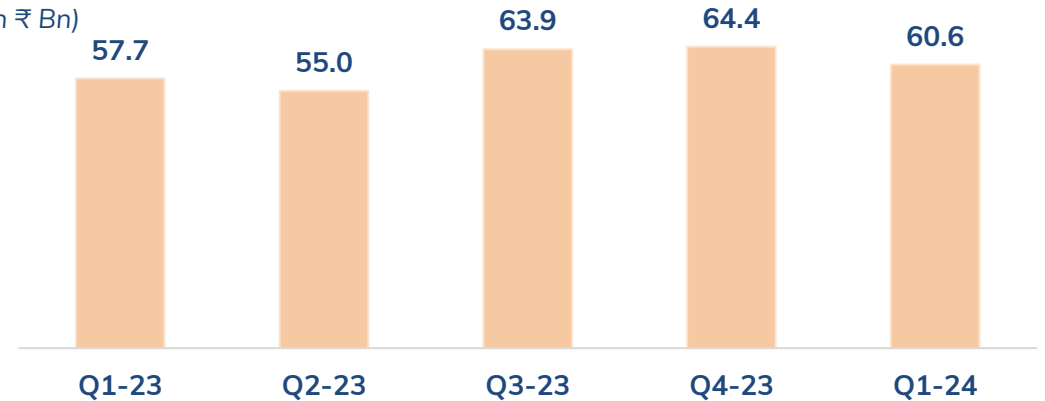


Diversification in Equity Revenue with reducing component of cyclical component, i.e. cash broking



MTF book grew 5% YoY; leader with market share at ~22%

(in ₹ Bn)

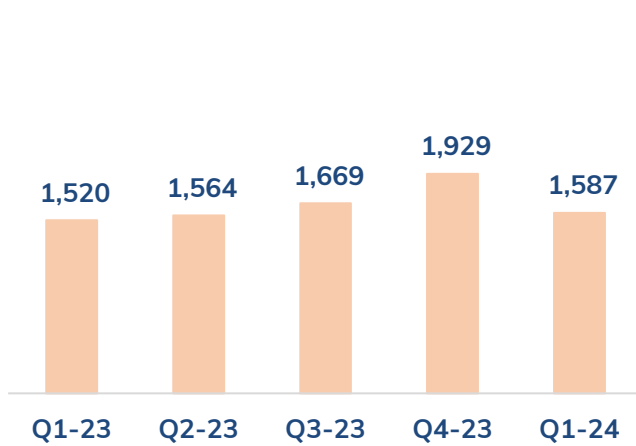


■ Cash Broking
 ■ Derivative Broking
 ■ Retail Allied Revenue

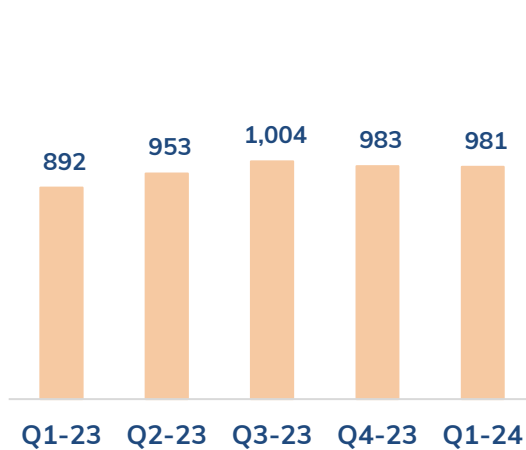
Continued focus on Texturization to reduce proportion of cyclical components

Q1FY24 Business Performance: Distribution Business

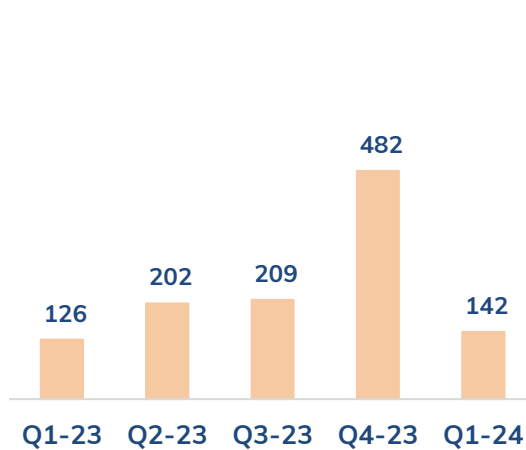
Distribution Revenue (in ₹ Mn)



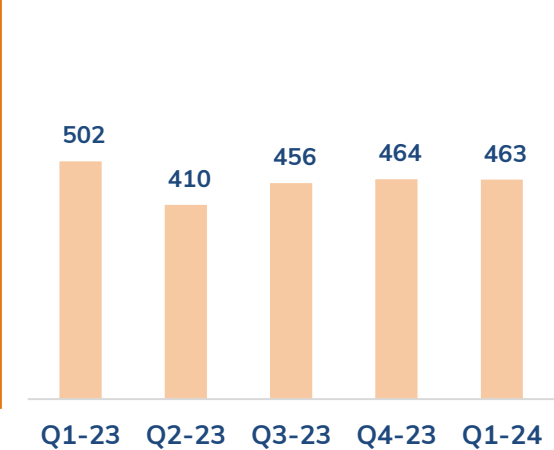
Mutual Fund (in ₹ Mn)



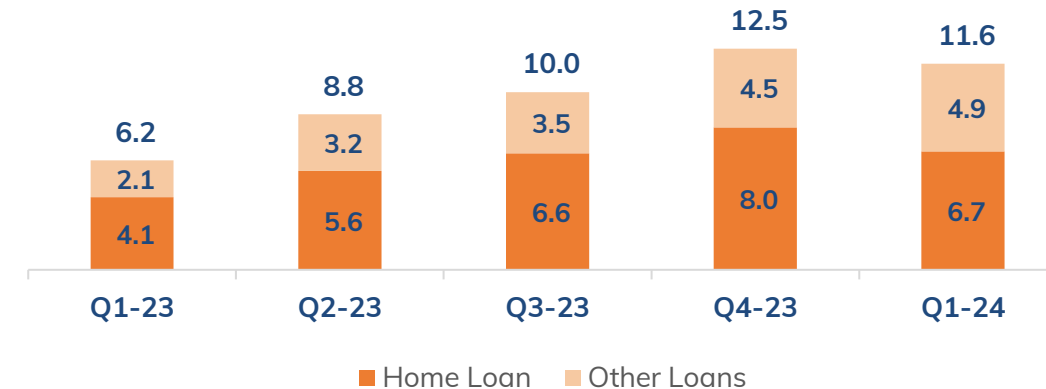
Life Insurance (in ₹ Mn)



Other Distribution (in ₹ Mn)



Scaling up of Loans Disbursement (in ₹ Bn)



- Distribution revenue at ₹ 1,587 mn, up 4% YoY and was sequentially down as Q4 is generally a strong quarter for Insurance
- MF AUM and SIP market share stood at 1.7% and 2.9% in Q1FY24

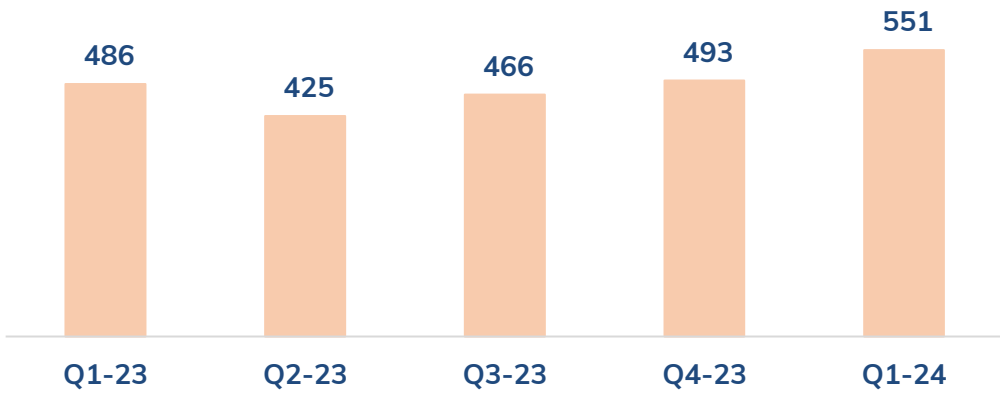


Q1FY24 Business Performance : Institutional Business

Institutional equities revenue was up 13% YoY & 12% QoQ

- The growth is attributable to momentum gain in Cash ADTOs
- Franchise consolidated its position among the top domestic institutions
- Strengthening FII franchise by entering into partnerships

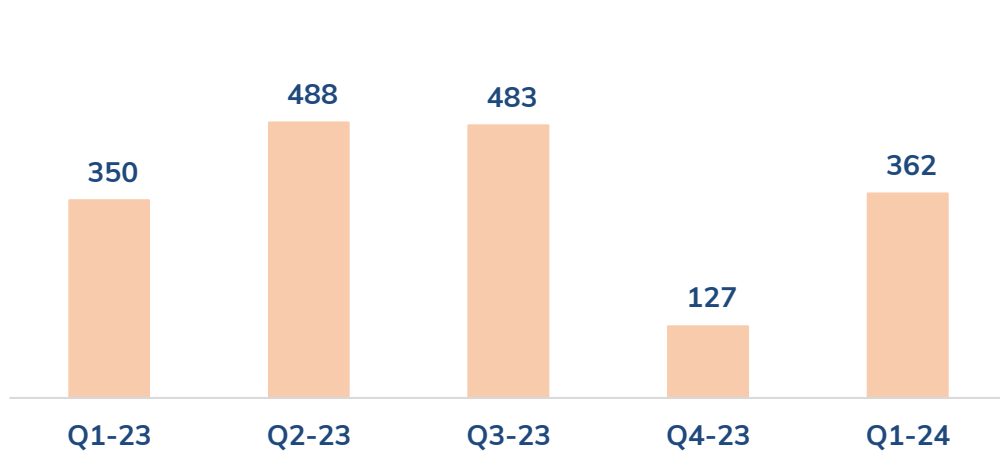
Institutional equities and allied Revenue (in ₹ Mn)



Issuer Services & Advisory revenue was up 3% YoY & 185% QoQ

- YoY growth in revenue generation due to increasing deals
- Strong IPO¹ pipeline, 41 deals amounting over ₹ 739 bn; in addition mandate of 22 deals where amount is yet to be decided
- Continued focus on building non-IPO revenue

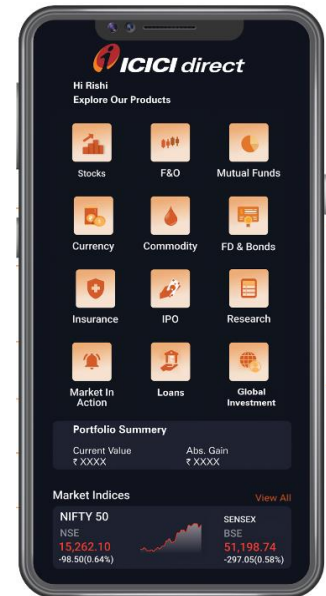
Issuer services and advisory (in ₹ Mn)



¹ IPO:IPO/FPO/InvIT/REIT

Agenda

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 - **ISEC Franchise**



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ISEC Franchise: Pivots of Transformation

E-Broker Inception – FY19

Strategy

Product Focused Approach

Diversified Customer Base

Dependent on ICICI Bank for customer sourcing

Increased Product Offerings

Significantly dependent on Retail and Institutional Equity

Technology, Analytics & Culture

Physical Process & onboarding
“Build in-house” approach

Wealth- Tech FY20 – FY23

Customer 360 Degree Approach

Open Architecture Sourcing

Embracing opportunity in savings & investments, distribution of loans & insurance

Digital acquisition & Online process
Agile Approach
Hyper-Personalization

KEY OUTCOMES

- Franchise with significant scale and size
- Meaningful market share across segments
- Scale up of Wealth Franchise
- Growth in Assets
- Consistent Earnings
- Scale up of Wealth Franchise



ISEC Franchise :Significant scale and size

Total Client Assets
₹2.4 tn¹ → ₹5.9 tn¹
25% CAGR (FY19 – FY23)

Wealth Client Assets
₹1 tn² → ₹3.2 tn²
34% CAGR (FY19 – FY23)

Client Base
4.4 mn → 9.1 mn
20% CAGR (FY19 – FY23)

Revenue
₹17.3 bn → ₹34.3 bn
19% CAGR (FY19 – FY23)

Profit After Tax
₹4.9 bn → ₹11.2 bn
23% CAGR (FY19 – FY23)

Return on Equity
42%
For FY23

Client Acquisition
0.5mn → 1.6 mn
38% CAGR (FY19 – FY23)

NPS Score³
20.8% → 42.7%

Dividend
₹9.4 → ₹19.0
Over 50% Consistent Payout

- India's trusted brand for financial services from the house of ICICI
- Business in Transformation: E-Broker to Wealth-tech Platform
- One of the Largest Wealth Franchise in the country
- Meaningful market share across segments
- Leading and Established Institutional Franchise
- Responsible Franchise committed to purposeful ESG Agenda

Sustained Financial Performance and Shareholding Returns



1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on Mar, 31 2023 and Mar, 31 2019

2. Assets of our clients with more than INR 10 mn AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on Mar, 31 2023 and Mar, 31 2019

3. For Q4 FY19 and Q4 FY23

ISEC Franchise: Meaningful market share across segments

12.2% Retail equity

22.2% Leadership position in MTF

3.6% Retail derivative

7.2% Commodity

9.5% Sovereign Gold Bond

6.6% NSE Active

3.5% Incremental Demat Account

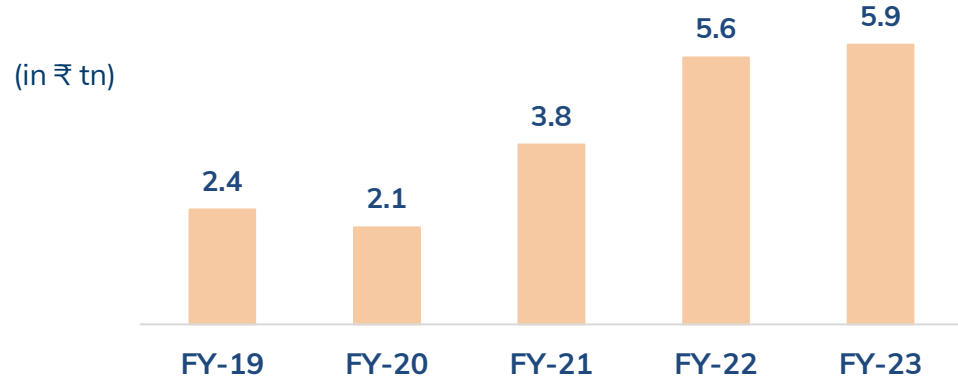
1.7% Mutual Fund AUM

2.9% SIP

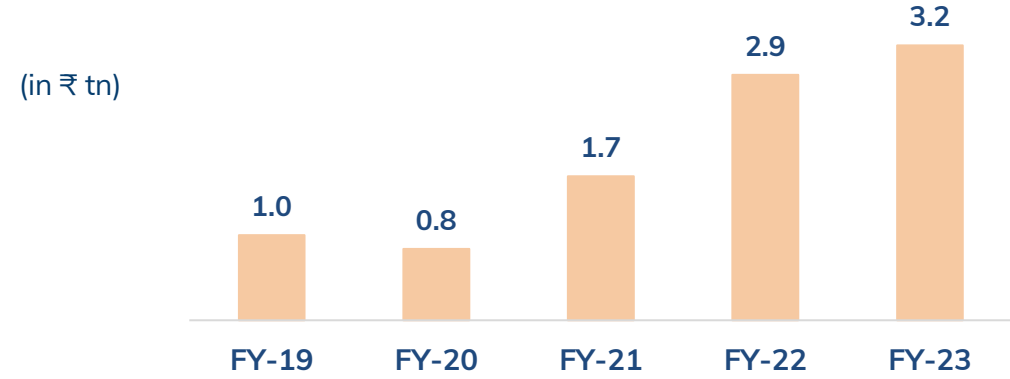
12.2%* ETF Market Share

ISEC Franchise: Customer Assets

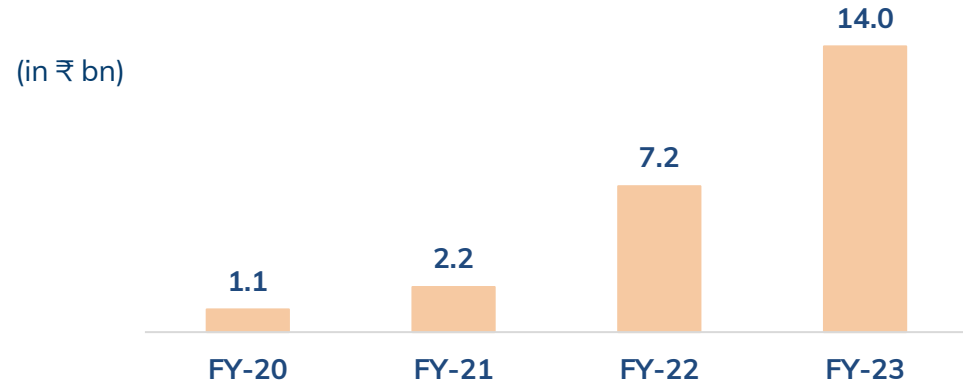
Consistent increase in Total Assets over long term ¹



Leading wealth manager in the country with steady increase in Wealth AUM²

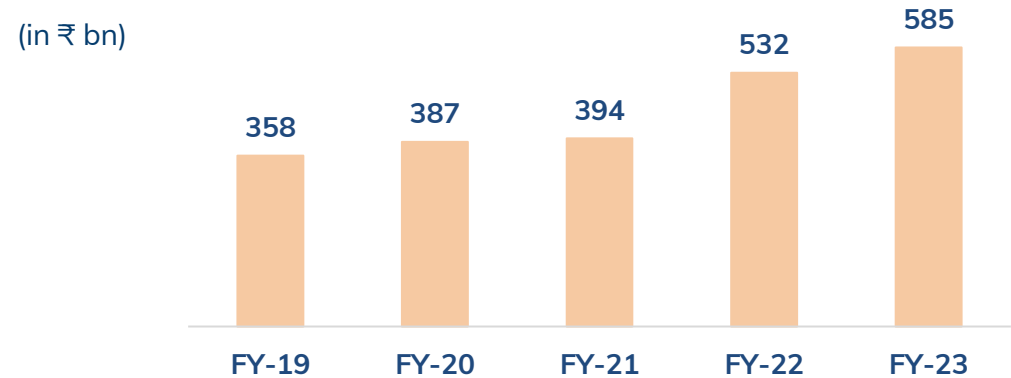


ISEC PMS Scaling Up



PMS was launched in FY20

Growing MF Assets demonstrating strong distribution franchise³

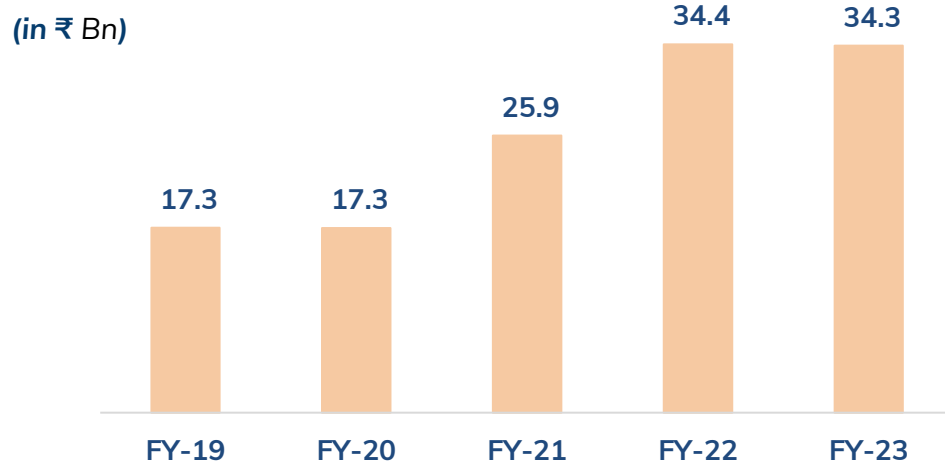


₹ 5.9 trillion Client Assets

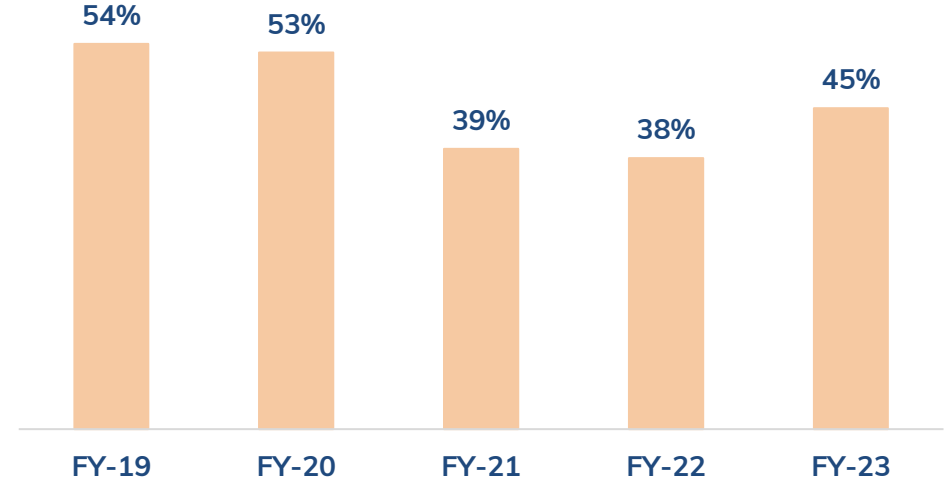
1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
2. Assets of our clients with more than INR 10 mn AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on Mar, 31 2023
3. AUM including direct

ISEC Franchise: Growth in Earnings

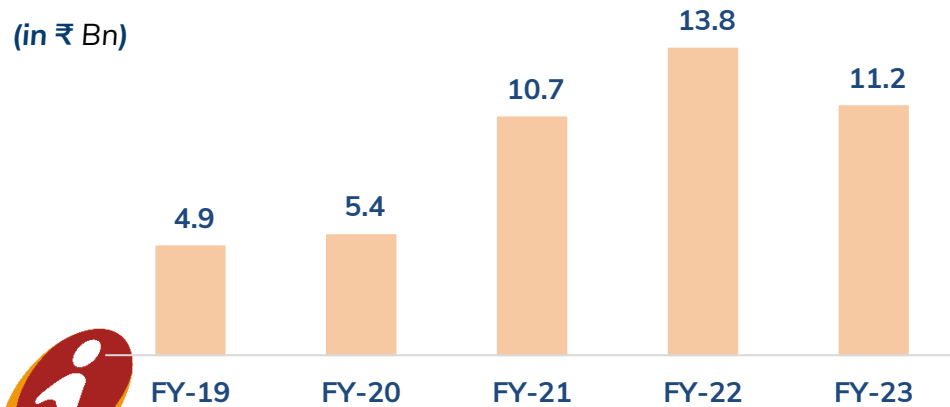
Stable revenue despite multiple headwinds



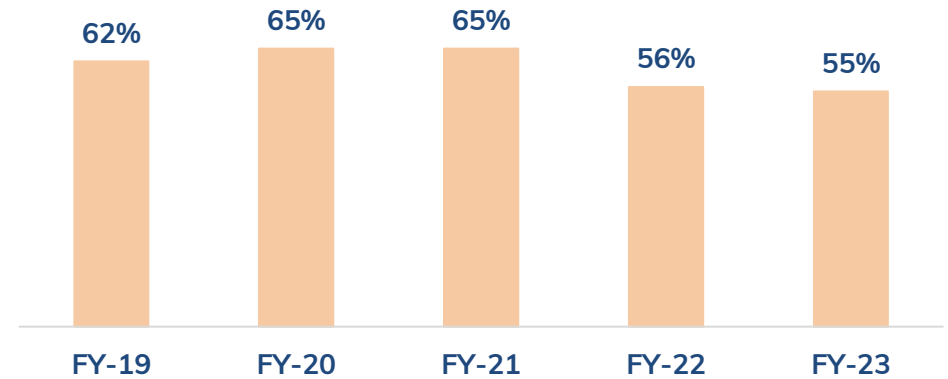
Cost / Net Income



Decline in PAT as company is investing in key areas to harness future opportunity



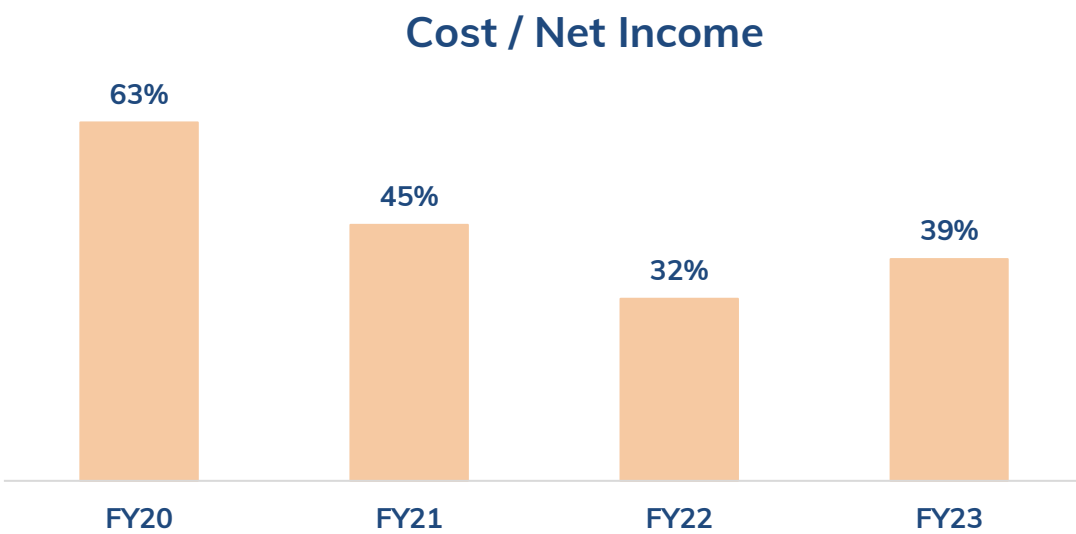
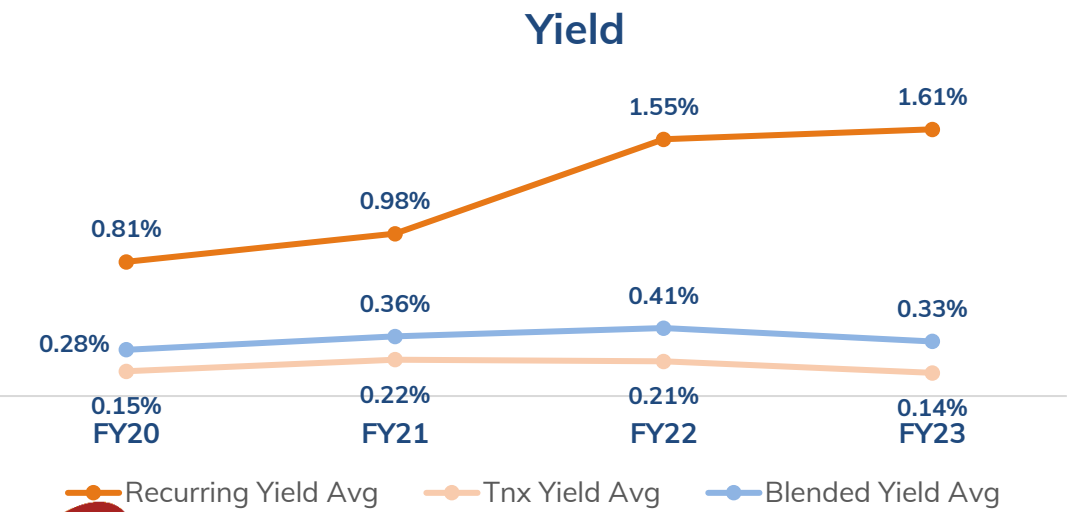
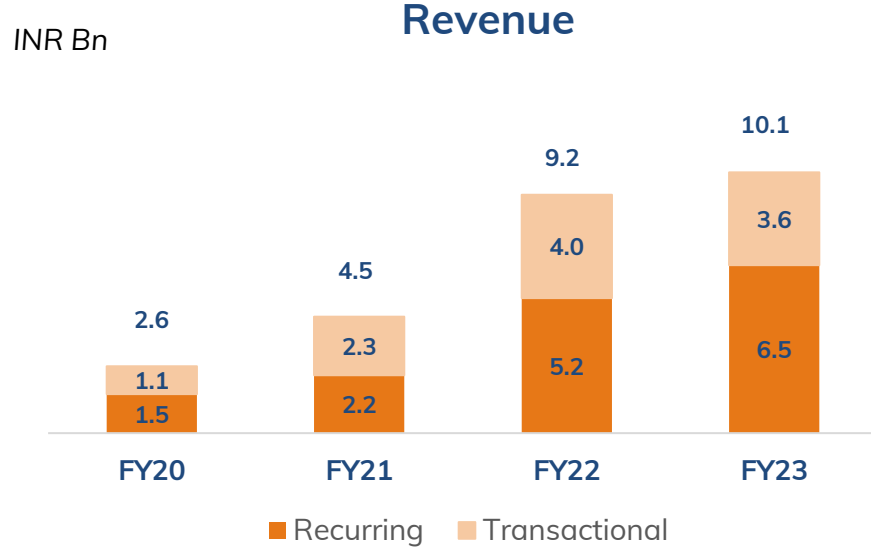
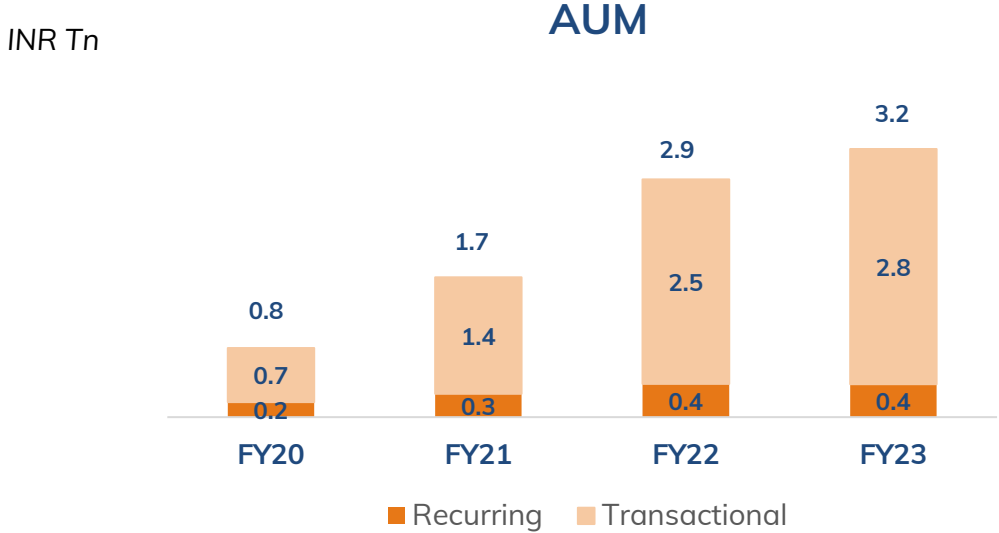
Consistent Dividend Payout of > 50%



*Cost / Net Income: Cost = (Employee benefit expenses + operating expense + Depreciation, amortization and impairment + Other expenses + Impairment on financial instruments), Net Income = Gross Revenue – Finance Cost – Fees & Commission Expenses

Due to substantial scale up of our MTF book, we have transitioned to Cost/Net Income as per industry standards and accordingly have also disclosed NIMs on MTF book. For earlier disclosure, you can refer our disclosure excel

ISEC Franchise: Consistently performing wealth segment



*Cost / Net Income: Cost = (Employee benefit expenses + operating expense + Depreciation, amortization and impairment + Other expenses + Impairment on financial instruments), Net Income = Gross Revenue – Finance Cost – Fees & Commission Expenses

Leading Institutional Franchise

ISSUER ADVISORY AND SERVICES



Leading Investment Bank

- IPOs, FPOs, REITs & InVITs
- Transactions worth INR ~5.3 Tn
- Part of every 2nd IPO launched



Experienced Deal Team

- Strong sector team with experience across sectors
- Strong deal pipeline across advisory and IPO



Strong Research & Institutional Reach

- Institutional Investor reach through Sales & Research team



Bloomberg | Quint

First Indian Lead Manager to Top Equity Table



Source: Prime Database



Best Private Bank in India 2022

ASIAMONEY

Best Securities House in India 2021 & 2022

Largest M&A Deal Maker in 2020 & 2021

Advised on over 140+ transactions since April 2020

IPO/FPO
REIT/InVIT

56
Issues

~ INR 1,837 Bn

M&A &
Private
Equity

12
Transactions

~ INR 1,136 Bn

Rights Issue
& Structured
Finance

15
Issue

~ INR 840 Bn

QIPs/OFS/
Pref.

37
Issues

~ INR 1,055 Bn

Open Offer/
Buyback/
Delisting

14
Transactions

~ INR 388 Bn

Block
Transactions

12
Blocks

~ INR 92 Bn

INSTITUTIONAL BROKING HOUSE

RESEARCH & STRATEGY

- 30+ sectors: 89 of top 100 cos covered
- Large team: 30+ professionals

SALES

- Bandwidth across US, EU/UK, APAC & India
- 12 member team catering to 200+ DII's & 150+ FPI's

TRADING

- Services across Cash, Derivatives, DMA
- Chinese wall between DMA & Cash
- Among the leaders in market share for DII's & FPI's

CORPORATE ACCESS

- CXO level reach with 500+ corporates
- Yearly conferences in APAC, US
- Flagship Bengaluru Day, Financials, ESG & sectorial conferences in India

Strategy Update: Progress vis-à-vis aspiration

Pivoted from a product centric approach to a more focused customer centric approach

	2021	2023	2025 Aspirations
Assets	₹3.8 Tn	₹5.9 tn	₹10 tn
Cost / Net Income *	39%	45%	<35%
Diversification	Texturized equity and augmented non equity	Broking revenue < 40% Allied revenue > 20% Distribution revenue > 20%	3/4 categories contributing significantly to revenue streams
Customer Acquisition	5%	7%	>10% mkt share

On track on our journey to build a Diversified Financial Market Place



* Net Cost / Net Income: Cost = (Employee benefit expenses + operating expense + Depreciation, amortization and impairment + Other expenses + Impairment on financial instruments), Net Income = Gross Revenue – Finance Cost – Fees & Commission Expenses

Responsible Franchise committed to a purposeful ESG Agenda

- Board approved ESG framework articulating our approach of conducting ESG related aspects [\(link\)](#).
- Executive level ESG Forum comprising of cross functional heads
- Enhanced ESG disclosure in our ESG and BRSR Reports

BUSINESS ETHICS & GOVERNANCE

- Segregation of Board and Executive Management
- 50% independent directors on board, 100% independent directors in audit committee
- Imbibing strong ethical culture in the organization through comprehensive policies on Code of Conduct and Business Ethics, AML, POSH amongst others

DATA PROTECTION

- Information Security Management Policy and Cyber Security & Cyber Resilience Policy in place to protect against cyber-attacks, threats & vulnerabilities
- Personal Data Protection Standard to increase employee awareness of data protection, acceptable data handling practices

POSITIVE IMPACT CSR & SUSTAINABLE DEVELOPMENT

- Sustainable livelihood
- Health Care Services
- Contribution to Incubators for support to Startups and R&D
- Towards a more inclusive society
- Environmental conservation

HUMAN CAPITAL

- Human rights policy
- Diversity, Equity and Inclusion Policy
- Training, Development and Mentoring



Committed to creating a meaningful and positive impact

ESG Snapshot

ENVIRONMENTAL FOOTPRINT

- Target to reduce energy consumption by 20%, Paper Consumption by 35% & Travel by 35% over FY25 over FY19 baseline
- Total of Scope 1, 2 & 3 emission reduced by 49% over FY19 baseline
- Gold Certification from the US Green Building Council for our new Prabhadevi location

HUMAN CAPITAL

- 4705 permanent employees
- 28% females in new hires
- Average training hours increased by 46% YoY to 60 per employee/annum
- Articulated formal value proposition 'PLEDGE' for employees



CORPORATE SOCIAL RESPONSIBILITY

- 2 Lac + Lives impacted
- 22 R&D start-ups incubated
- 5,00,000 litre drinking water treated daily
- 15,000 saplings planted across 30 villages
- National CSR Award in Financial Services Sector - '9th Edition Global Safety Summit Awards partnered by Forbes India & UN Global Compact network India

RESPONSIBLE INVESTMENT

- Integrated ESG risks when making proprietary investments
 - Refrain from investing into certain sensitive sectors
- Sustainable development of Financial and Capital markets through ESG based MF offering



Awards and Recognitions



Best private bank - India
Finance Asia Country Awards, 2022



Best IPO & Best QIP The Asset Triple A
Country Awards for Sustainable Finance
2022



ETBFSI.com Excellence Award for '**Best initiative in
Technology Orientation for ICICIdirect Markets app**



MCX Leading Bank Broker Award
FY2021-22



Elets NBFC100 Leader Excellence Award –
**Most Innovative Technology Project for
Markets App**



Asia Money 2022 - **Best Analysts for Metals
and Mining, Telecom, and Utilities**



Euromoney Market Leader Award – 2022 for **Highly
Regarded Market Leader for Investment Banking in
India – 2022**



**'Digital Wealth Manager of the year-
India'** By 'The Asset Triple A Digital
Awards 2022'



**'National CSR Award in Financial Services
Sector'** By 'Global Safety Summit Awards'



1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
2. Yield generated on all the assets of our clients (assets include their holding value across all product categories e.g. demat holding of equity shares, home loan, FD, mutual fund, PMS etc.)

Eminent and Experienced Board



Mr. Vinod Kumar Dhall
Chairman
Independent Director



Mr. Ashvin Parekh
Independent Director



Mr. Subrata Mukherjee
Independent Director



Ms. Vijayalakshmi Iyer
Independent Director



Dr. Gopichand Katragadda
Independent Director



Mr. Prasanna Balachander
Non-Executive Director



Mr. Rakesh Jha
Non-Executive Director



Mr. Vijay Chandok
MD & CEO



Mr. Ajay Saraf
Executive Director

- 9 eminent professionals as Directors with varied backgrounds, pioneers in respective fields
- Well structured performance evaluation process for its Directors including MD & CEO
- 5 Mandatory Committees and 14 Non-mandatory Committees with specialized functions including Risk Management Committee & CSR Committee



P&L summary : Consolidated

(₹ in mn)

	Q1-FY2023	Q4-FY2023	Q1-FY2024	% Y-o-Y	% Q-o-Q
Revenue	7,948	8,852	9,344	18%	6%
Operating Expenses	640	840	729	14%	(13%)
Employee costs	1,750	1,614	2,012	15%	25%
Other expenses	883	1,119	1,114	26%	(1%)
Total operational expenses	3,274	3,573	3,855	18%	8%
Finance Cost	1004	1,747	1,846	84%	6%
Total expenses	4,277	5,320	5,701	33%	7%
Profit before tax	3,670	3,532	3,644	(1%)	3%
Tax	934	905	935	-	3%
Profit after tax	2,736	2,627	2,709	(1%)	3%
Other Comprehensive Income (OCI)	(59)	7	(51)	(14%)	-
Total Comprehensive Income (TCI)	2,677	2,634	2,658	(1%)	1%



Period: Q-o-Q: Q1-FY2024 vs Q4-FY2023; Y-o-Y: Q1-FY2024 vs Q1-FY2023

Balance sheet: Assets

(₹ in mn)

ASSETS	At Mar 31, 2023	At Jun 30, 2023
Financial assets (A)	1,50,278	1,62,638
Cash/Bank and cash equivalents	67,908	80,938
Securities for trade & Derivatives financial instrument	9,163	3,445
Receivables	7,734	5,795
Loans	64,199	70,999
Investments	77	79
Other financial assets	1,197	1,382
Non-financial assets (B)	5,410	5,793
Deferred tax assets (net)	374	378
Right-of-use assets	969	1,043
Fixed assets, CWIP & Intangible assets	1,917	2,263
Current tax assets & other non financial assets	2,150	2,109
Assets (A+B)	1,55,688	1,68,431



Balance sheet: Equity and Liabilities

(₹ in mn)

EQUITY AND LIABILITIES	At Mar 31, 2023	At Jun 30, 2023
Financial liabilities (A)	1,21,471	1,32,032
Payables	9,148	8,760
Derivative financial instruments	-	1
Debt securities	87,887	98,630
Borrowings (Other than debt securities)	5039	2,120
Lease liabilities	1,083	1,157
Deposits & Other financial liabilities	18,314	21,364
Non-financial liabilities (B)	5,692	5,076
Equity (C)	28,525	31,323
Equity share capital	1,614	1,615
Other equity	26,911	29,708
Equity and Liabilities (A+B+C)	1,55,688	1,68,431





Thank You