



Performance review FY2018

April 14, 2018

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ICICI Securities: Natural beneficiary of transforming savings environment

Largest equity broker in India* powered by ICICIdirect

Strong online presence aided by pan India distribution

2nd largest non - bank mutual fund distributor#

Garnering scale in wealth management business

Leading investment bank in equity capital market

* By brokerage revenue and active customers in equities on the NSE since FY14 (Source: CRISIL Report)

Source: AMFI, period: FY17

Equity Capital Market (ECM): IPO/FPO/InvIT, QIP/IPP, Rights issue, Offer for sale)



Agenda

Key highlights

Business performance and strategy

Industry



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Financial performance for the year

32% growth in consolidated revenue

FY18: ₹ 18,593 mn vs FY17: ₹ 14,042 mn

65% growth in consolidated PAT

FY18: ₹ 5,577 mn vs FY17: ₹ 3,386 mn

85% Return on net worth

Equity dividend of ₹ 9.4* per share for FY18

Equity dividend for FY18 includes interim dividend declared and paid as well as proposed final dividend



Financial performance for the quarter

35% growth in quarterly consolidated revenue

Q4-FY18: ₹ 5,146 mn vs Q4-FY17: ₹ 3,815 mn

91% growth in quarterly consolidated PAT

Q4-FY18: ₹ 1,586 mn vs Q4-FY17: ₹ 832 mn

21% Return on networth[#]

Final equity dividend recommended : ₹ 3.9* per share

[#] Not annualised



Business highlights

Revenue growth across all business segments (Y-o-Y)

Broking : 32%, Distribution : 34%, Corporate Finance : 19%

Continue to gain broking market share: 9.0%

4.6 lac new clients acquired

29% Y-o-Y growth in active clients on NSE

44% Y-o-Y growth in mutual fund average AUM

ECM issues managed - FY18: 23 vs FY17: 14

Equity Capital Market (ECM): IPO/FPO/InvIT, QIP/IPP,
Rights issue, Offer for sale)



Agenda

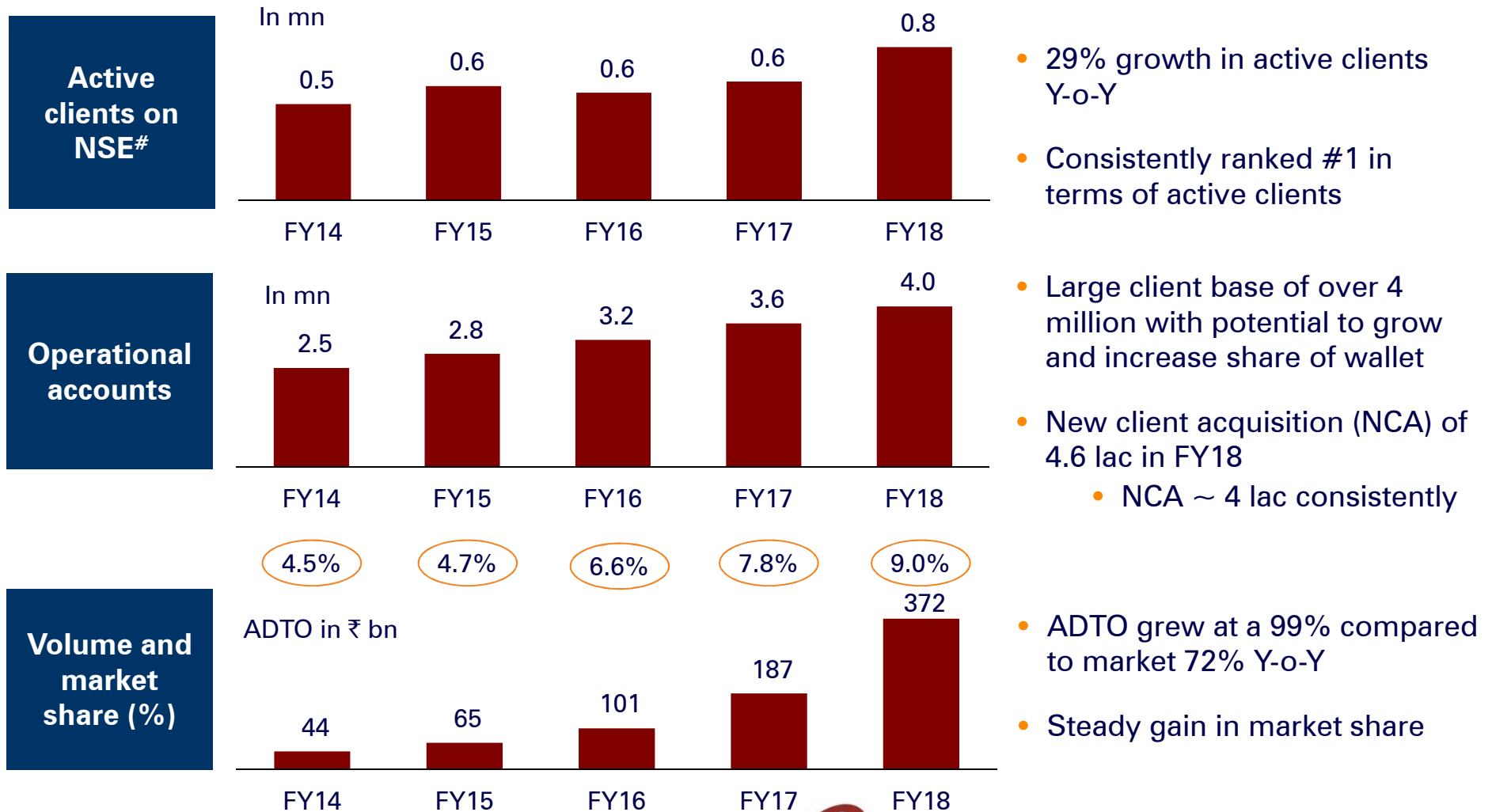
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Leading equity broker in India

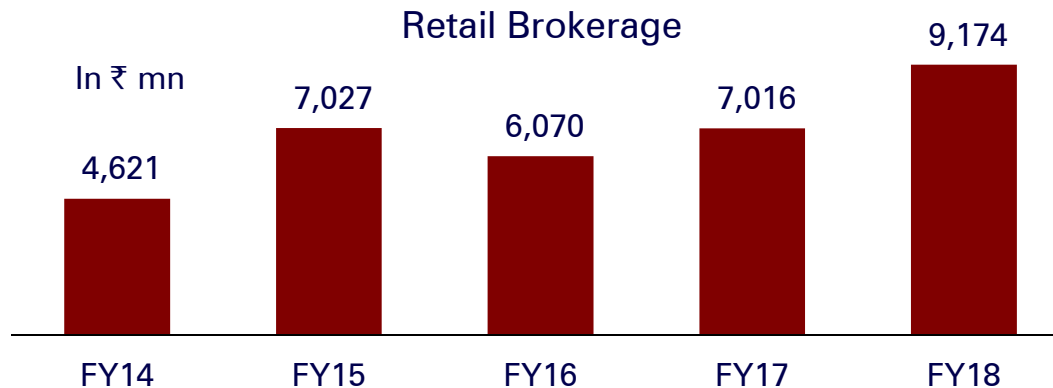


ADTO : Turnover on NSE and BSE excluding proprietary

Market share : The ratio of our ADTO to the sum of the ADTO on NSE and BSE excluding proprietary turnover



Retail focused technology platform



- Highest ever brokerage revenue of over ₹ 9 bn in FY18
- Increase of 31% over FY17
- ~ 90% contribution in overall broking revenue

ICICIdirect : 3-in-1 Proprietary electronic brokerage platform

- Over 95% broking transaction performed online
- Over 25% equity transactions through mobile devices on NSE

- Comprehensive portfolio management tools
- Robust real-time risk management

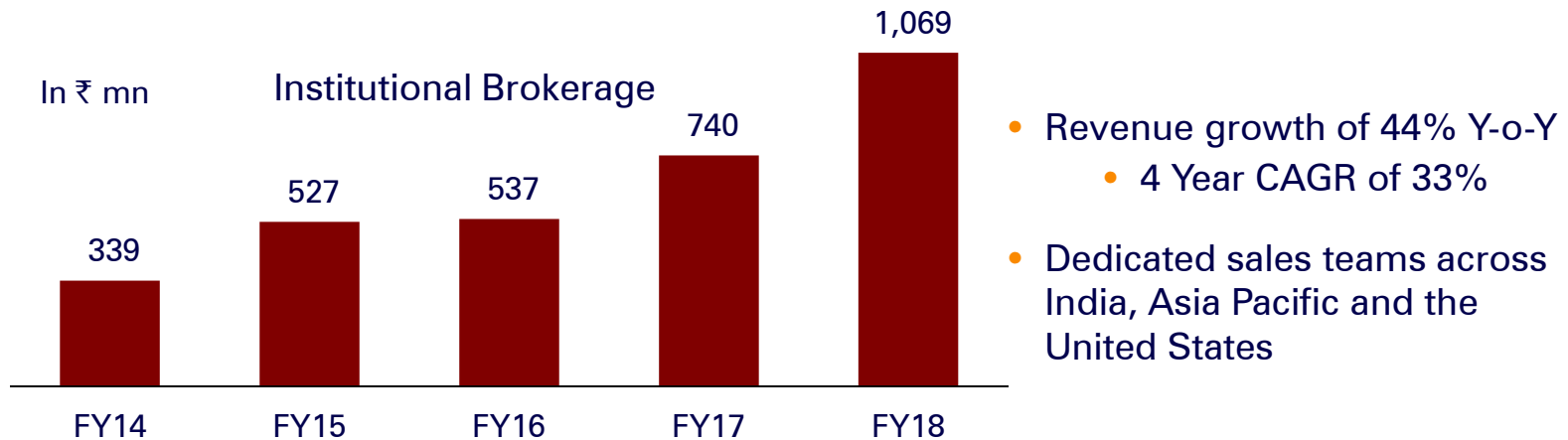
Research

- Coverage of ~ 250 Indian stocks across sectors
- 40+ member team

New Initiative: Launch of margin trading product, Online AIF, Factor based portfolios



Growing scale of institutional broking



Servicing large cross-section of institutional clients

- Leading procurement in IPOs, QIPs, OFSs and Block deal
- Direct market access (DMA) capabilities

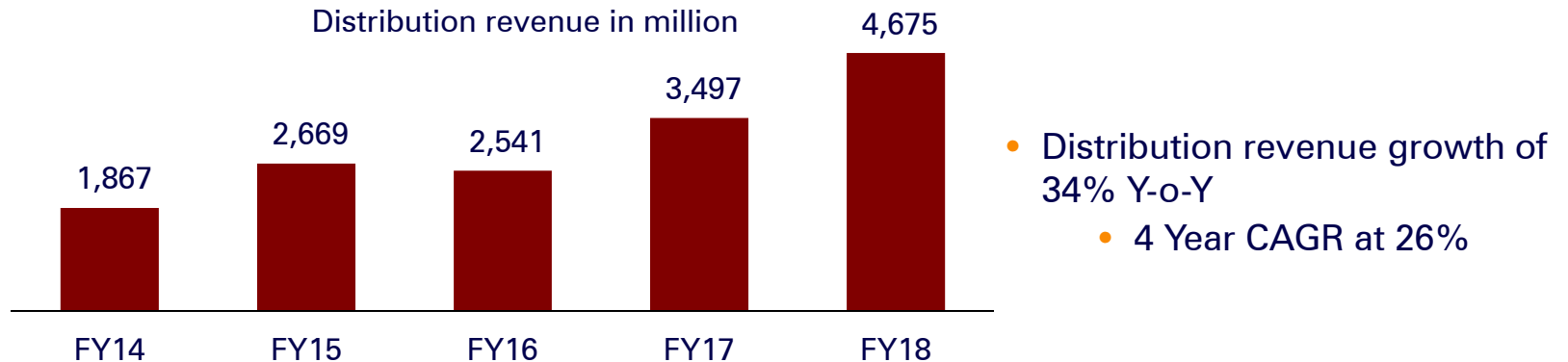
Research

- Coverage of 230+ Indian stocks across sectors
- Macro and thematic coverage
- 30+ member team

- Conducted international investor conference in USA, Asia Pacific
- Deep rooted relationships with global fund managers



Strong and growing distribution business



Nationwide Distribution Network

- Pan India distribution network supplementing strong online presence
- 200+ branches across 75+ cities
- Presence in 2,600+ ICICI Bank branches

Select/ Premier

- 1,200+ relationship managers and product specialists
- Private Wealth Management (PWM)
- 350+ member team
 - Customized services to HNI and certain family offices

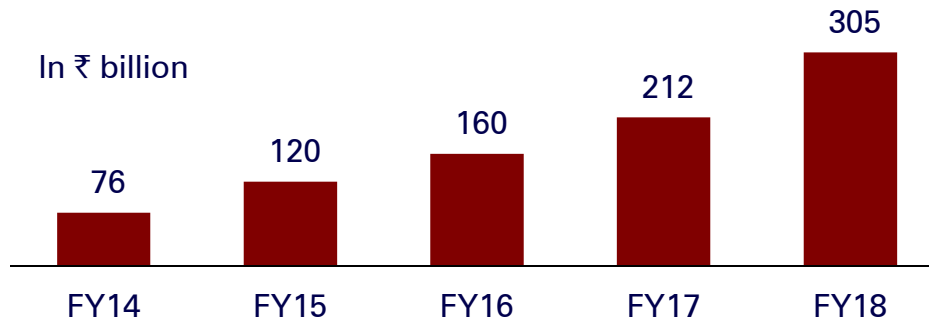
Licensed Independent Intermediaries

- ~ 5,400+ sub-brokers, authorized persons, IFAs and IAs
- Significant presence in the Tier-II and Tier-III cities



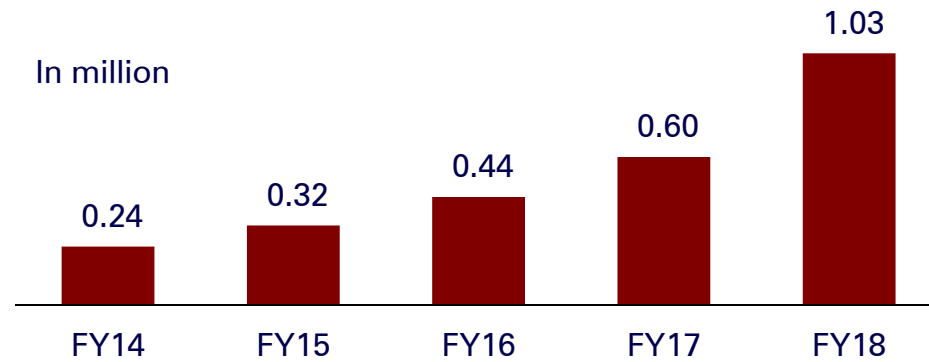
Leading non-bank MF distributor

Mutual Fund Average AUM



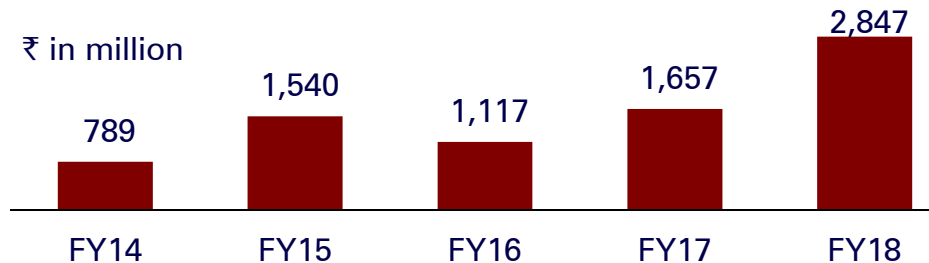
- AUM grew at 44% Y-o-Y
- “Open-source” distribution model
- Distributes 2,500+ mutual funds

Mutual Fund SIP count



- Strong growth in SIP FY18
 - No. of SIP increased by 70% Y-o-Y

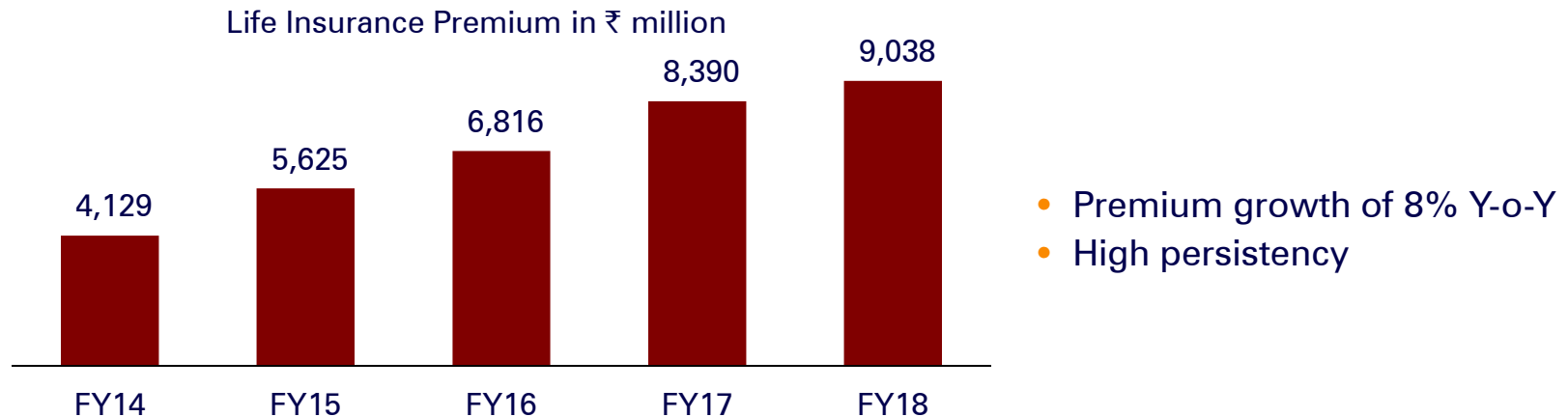
Mutual Fund revenue



- Mutual fund revenue grew at 72% Y-o-Y
 - 4 Year CAGR of 38%



Diverse third party product bouquet

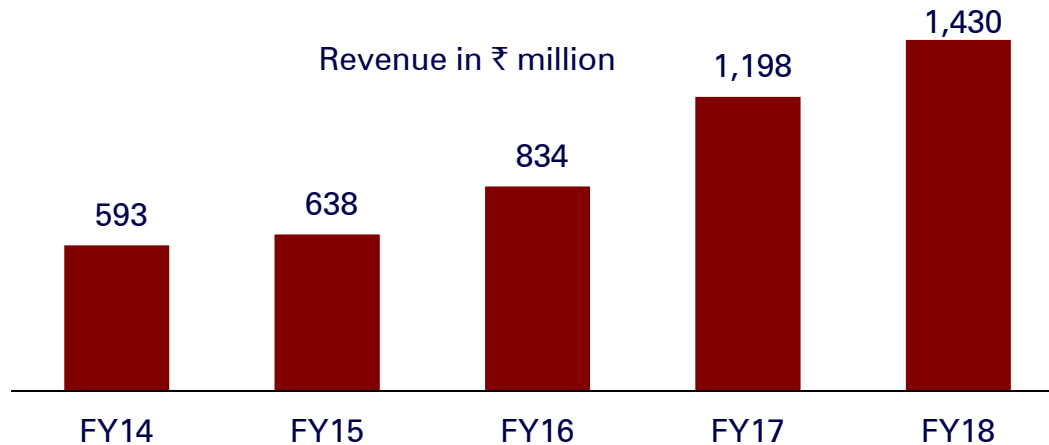


Multiple 3rd party products supporting “one-stop shop” proposition

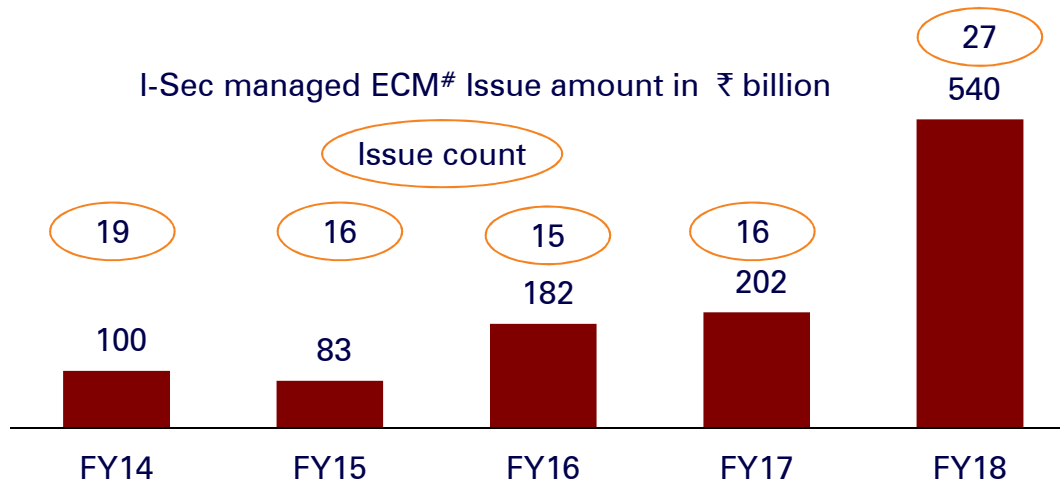
- Life and general insurance products
- Participation in IPOs, OFS, public bond offerings
- 3rd party corporate fixed deposits
- Portfolio management services
- Loan products from ICICI Bank
- Alternate investment funds
- Amongst the first to distribute National Pension System policies online



Leading Investment Bank in India



- Investment banking revenue crossed ₹ 1.4 billion in FY18 with a growth of 19% Y-o-Y




















- Issue amount grew by 167% Y-o-Y
- No. of deals grew by 69% Y-o-Y

#ECM : Includes IPO/FPO/InvIT, QIP/IPP, Rights Issue, Offer for Sale, Source: Primedatabase



Marquee deal of FY2018

IPO/FPO/InvIT		QIP/IPP			
 SBI Life INSURANCE With Us, You're Sure ₹ 83.9 bn	Sbi Life Insurance	 ICICI Lombard GENERAL INSURANCE ₹ 57.0 bn	ICICI Lombard General Insurance	 Union Bank of India ₹ 20.0 bn	Union Bank Of India
 IRB IRB InvIT Fund ₹ 50.3 bn	IRB InvIT Fund	 HUDCO ₹ 12.1 bn	Housing & Urban Development	 Edelweiss ₹ 15.3 bn	Edelweiss Financial Services
 AU AU SMALL FINANCE BANK ₹ 19.1 bn	Au Small Finance Bank	 Galaxy Global Suppliers to Global Brands ₹ 9.4 bn	Galaxy Surfactants	 JINDAL STEEL & POWER ₹ 12.0 bn	Jindal Steel & Power
 Aster ₹ 9.8 bn	Aster DM Healthcare	 SIS Security and Intelligence Services (India) Limited ₹ 7.8 bn	Security & Intelligence Services	 Mahindra FINANCE ₹ 10.6 bn	Mahindra & Mahindra Financial
 SANDHAR Growth. Motivation. Better Life. ₹ 5.1 bn	Sandhar Technologies	 matrimony.com ₹ 5.0 bn	Matrimony.Com	 Quess ₹ 8.7 bn	Quess Corp
 NEWGEN ₹ 4.2 bn	Newgen Software Technologies			 IT Cem Commitment, Reliability & Quality ₹ 3.4 bn	ITD Cementation



Marquee deal of FY2018

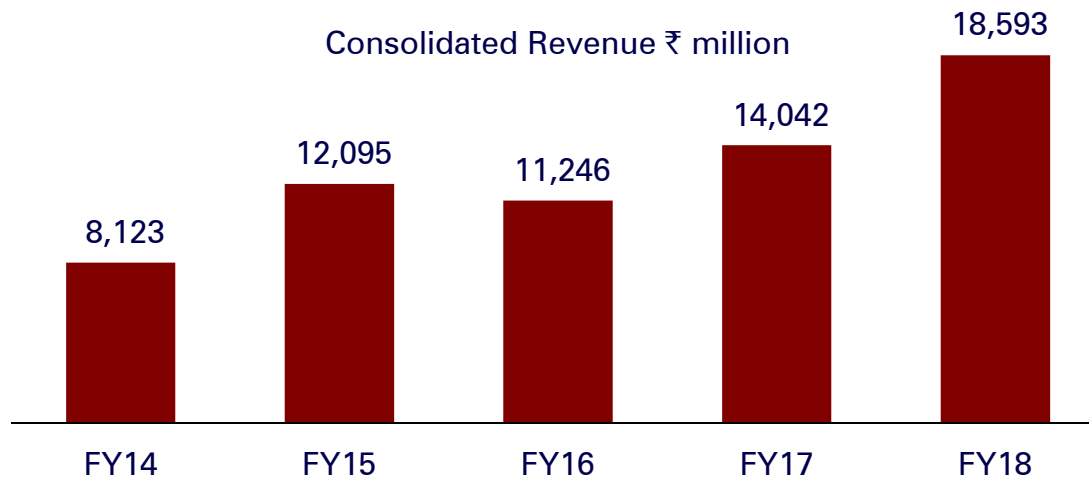
QIP/IPP		Offer for Sale		Rights Issue	
 SRIKALAHASTHI PIPES ₹ 2.5 bn	Srikalahasthi Pipes	 एन एम डी सी ₹ 12.3 bn	NMDC Ltd	 TATA STEEL ₹ 127 bn	Tata Steel
 ₹ 2.0 bn	Ramkrishna Forgings	 नालको ₹ 12.0 bn	National Aluminium Co	 ₹ 3.0 bn	Mahindra Lifespace Developers
 ₹ 1.5 bn	Satin Creditcare Network	 ₹ 7.2 bn	NLC India Ltd		
		 ₹ 4.1 bn	Hindustan Copper Ltd.		

Marquee deal of FY2018

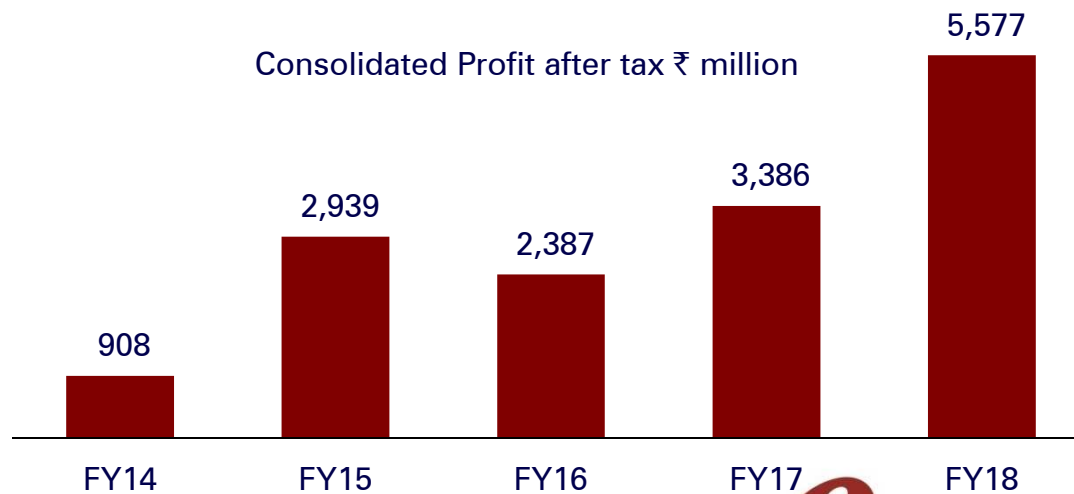
Buyback		Advisory	
 ₹ 3.9 bn	SKF India Ltd.	 ₹ 24.7 bn	Fairfax Financial Holdings Ltd.
 ₹ 1.5 bn	Marathon Nextgen Realty Ltd	 Technology, Trust & Reach	IDBI Bank Ltd.
 ₹ 0.6 bn	Sobha Ltd	 We grow the business You build ₹ 12.9bn	Small Business Fincredit India
 ₹ 0.4 bn	VRL Logistics Ltd	 ₹ 5.3 bn	Actis PE (Pine Labs)
		 ₹ 5.2 bn	Larsen & Tourbo Ltd



Strong financial performance



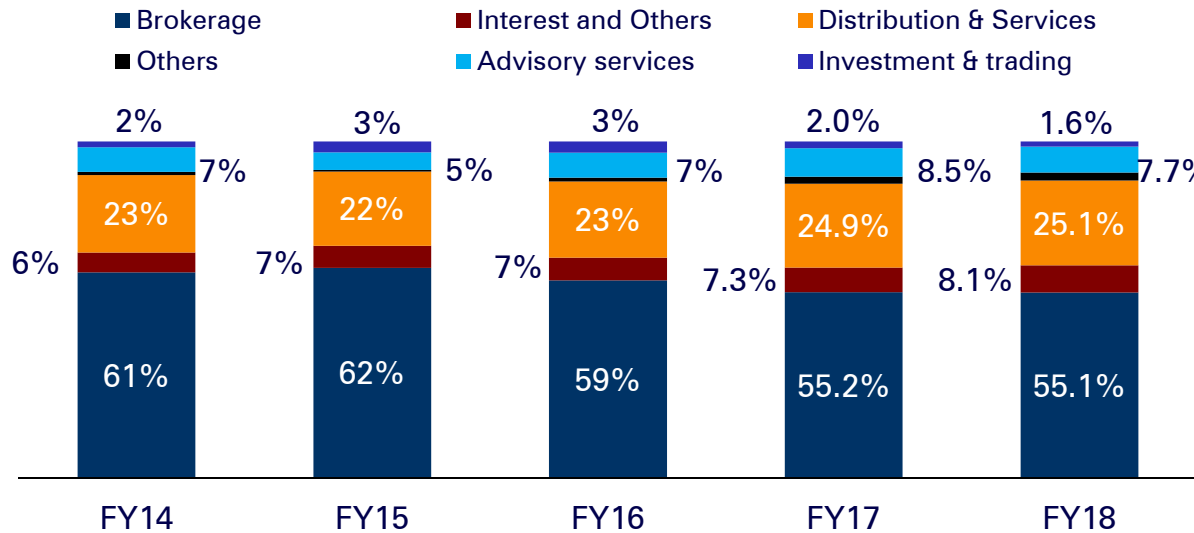
- 32% Y-o-Y growth in consolidated revenue
- 4 Year CAGR 23%



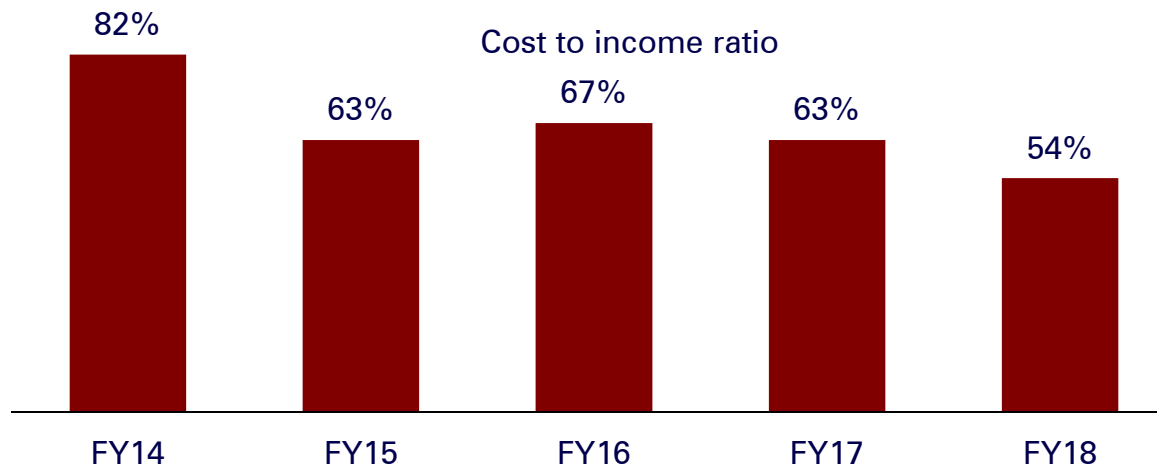
- PAT grew at 65% Y-o-Y due to increased cost efficiency
- 4 Year CAGR 57%



Diverse revenue and operating leverage



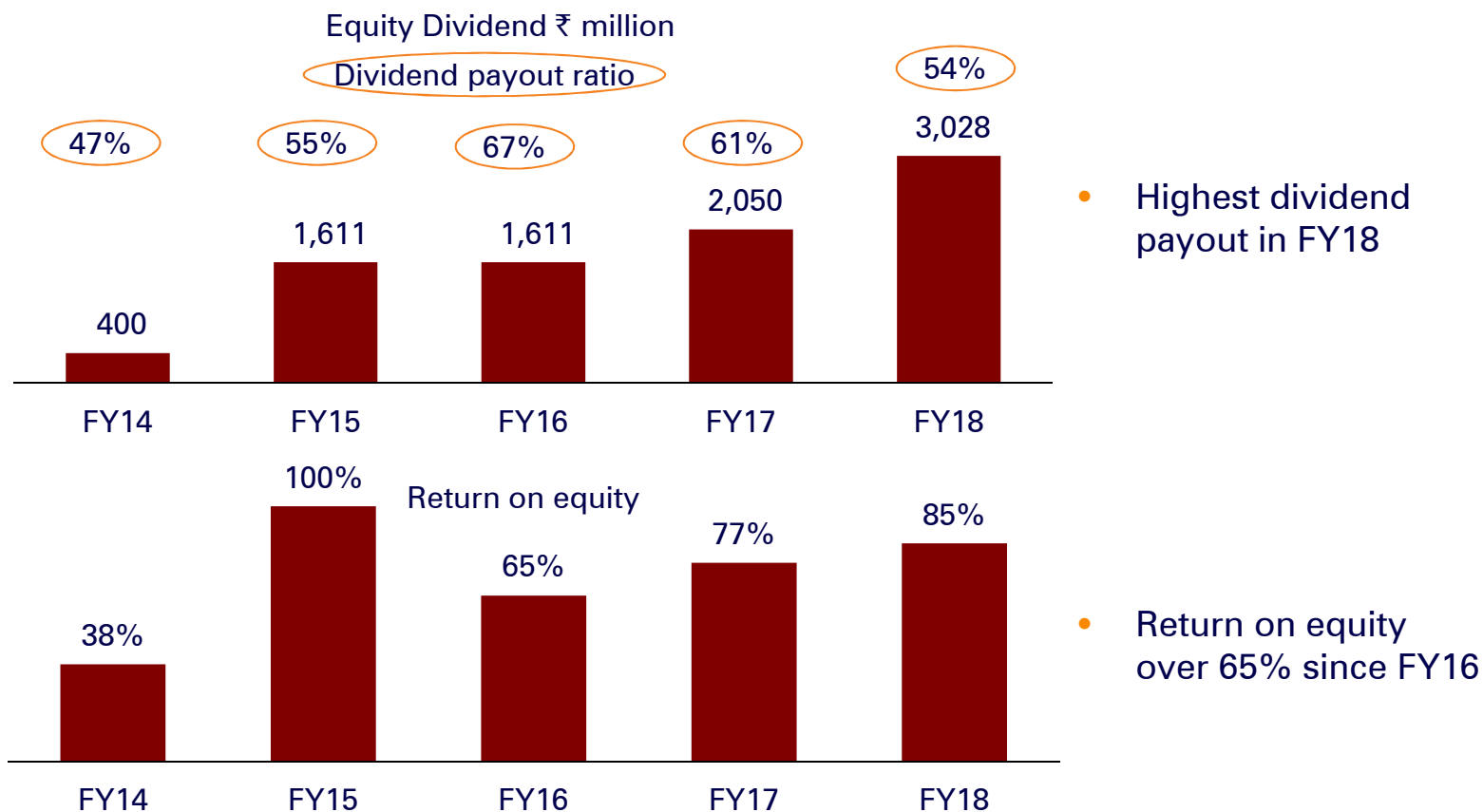
- Diversified revenue portfolio supported by strong and growing distribution business



- Effective cost management leveraging the efficiency inherent in technology business model



Consistent dividend payout



Equity dividend : FY 18 includes interim dividend and proposed final dividend

Dividend payout (%) = Dividend on equity shares / (profit after tax – (dividend on preference shares + dividend distribution tax on preference shares))

Return on net worth (%) = Net profit after tax / average net worth for the year end. Net worth represents share capital, and reserves and surplus excluding foreign currency translation reserves at the end of the year



Consolidated P&L

(₹ million)

Particulars	FY2017	FY2018	YoY%
Revenue	14,042	18,593	32%
Expenses			
Employee benefits expenses	4,847	5,453	13%
Operating expenses	1,288	1,683	31%
Finance costs	289	495	71%
Other expenses	2,398	2,413	1%
Total Expenses	8,822	10,044	14%
Profit before tax	5,220	8,549	64%
Tax expense	1,834	2,972	62%
Profit after tax	3,386	5,577	65%



Segment performance

(₹ million)

Particulars	FY2017	FY2018	YoY%
Segment Revenue			
Broking & commission	12,567	16,874	34%
Advisory services	1,198	1,430	19%
Investment & trading	277	289	4%
Total Revenue	14,042	18,593	32%
Segment Result			
Broking & commission	4,721	7,755	64%
Advisory services	364	674	85%
Investment & trading	135	120	(11)%
Total Result	5,220	8,549	64%



Consolidated balance sheet

(₹ million)

EQUITY AND LIABILITIES	At March 31, 2017	At March 31, 2018
1. Shareholders' funds	4,896	8,342
2. Non-current liabilities	1,164	1,435
3. Current Liabilities	14,414	19,025
a) Short-term borrowings	3,954	6,725
b) Other current liabilities	10,460	12,300
Equity and Liabilities (1+2+3)	20,474	28,802
ASSETS		
1. Fixed assets	375	421
2. Deferred tax assets (Net)	578	736
3. Long-term loans, advances and other non-current assets	2,193	1,489
4. Current assets	17,328	26,156
a) Cash and cash equivalents	8,824	14,973
b) Short-term loans and advances	8,504	11,183
Assets (1+2+3+4)	20,474	28,802



Key strategy

Strengthen our leadership position in the brokerage business

Continue investing in technology and innovation

Strategically expand our financial product distribution business through cross-selling

Leverage our leadership in equity capital markets to strengthen our financial advisory businesses

Diversify our revenue streams and continue reducing revenue volatility



Agenda

Key highlights

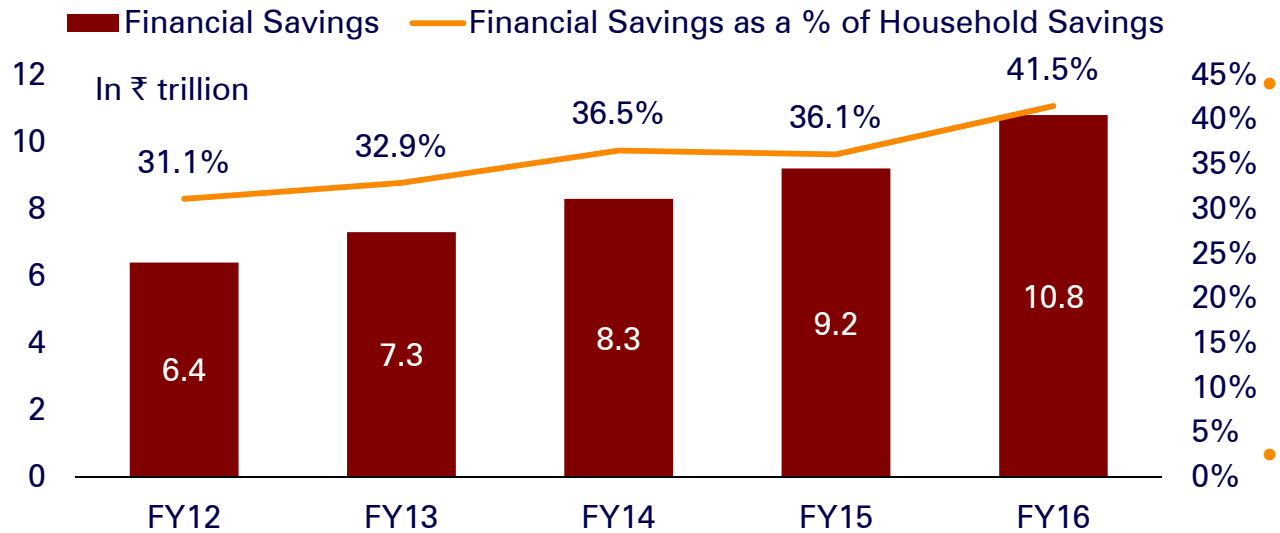
Business performance and strategy

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Increasing Share of Financial Savings

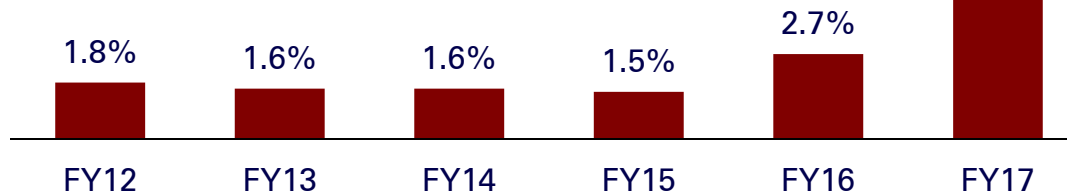
Increasing Share of Financial Savings



- The share of financial savings as a proportion of household savings increased steadily from 31.1% in FY 12 to 41.5% in FY 16

- Household savings are increasingly shifting from physical assets to financial assets – a fundamental change in behavior

Incremental investments in shares & debentures



- In FY17, investment in shares & debentures increased to 10.0%

Include investment in shares and debentures of credit / non-credit societies and investment in mutual funds (other than Specified Undertaking of the UTI) (Source: RBI, MOSPI)

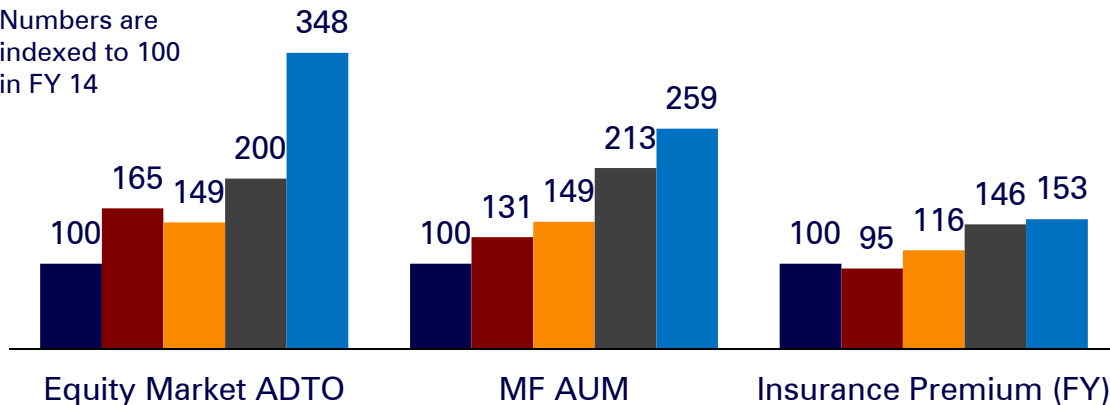


Financial sector being the key beneficiary

Growth Across Financial Asset Classes

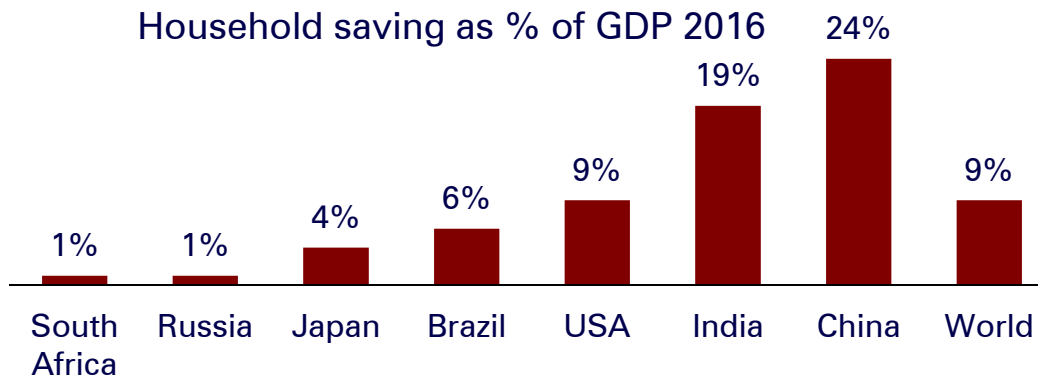
■ FY14 ■ FY15 ■ FY16 ■ FY17 ■ FY18

Numbers are indexed to 100 in FY 14



Financial sector being the key beneficiary of improved economic conditions and changing savings pattern, growth has been observed across various asset classes

Household saving as % of GDP 2016



India has high-savings economy, with household savings as a proportion of GDP at 19%

Insurance : First year individual new business premium (FY18 number are estimated , Mar 18 number taken as 1.3 times of Feb 18 business)

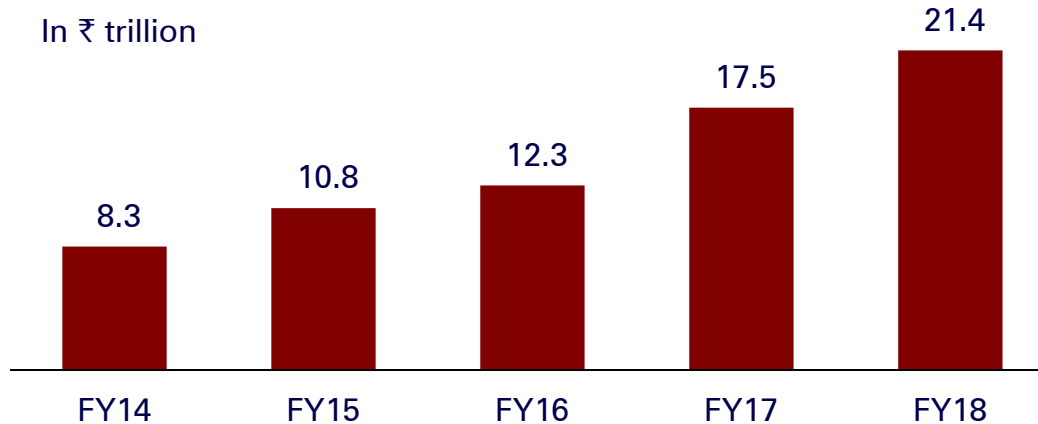
ADTO: Average daily turnover

Source: RBI, IRDA, AMFI, NSE, BSE, EIU



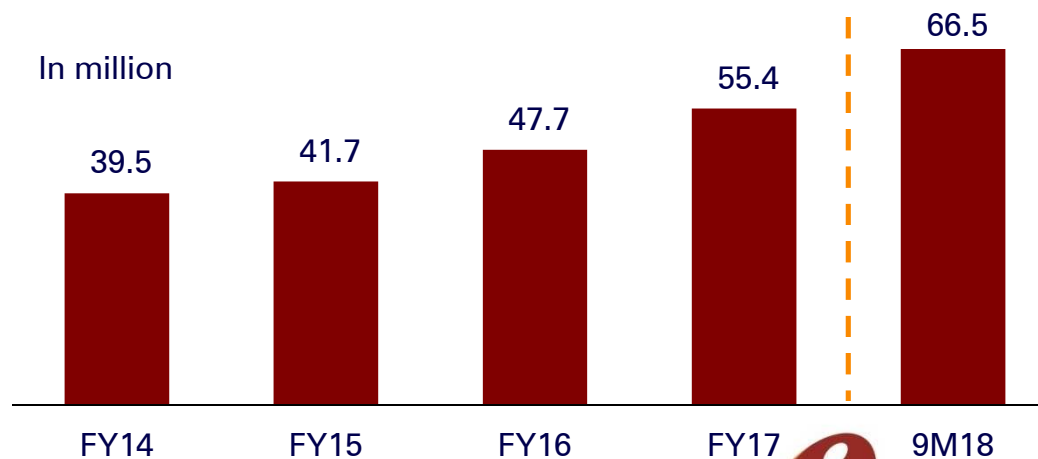
Growing mutual fund Industry AUM

Mutual Fund (Exit AUM)



- Mutual Fund industry witnessed significantly higher growth of increased financial savings and improving investor awareness about mutual funds as an asset

Mutual Fund Folios (Exit)

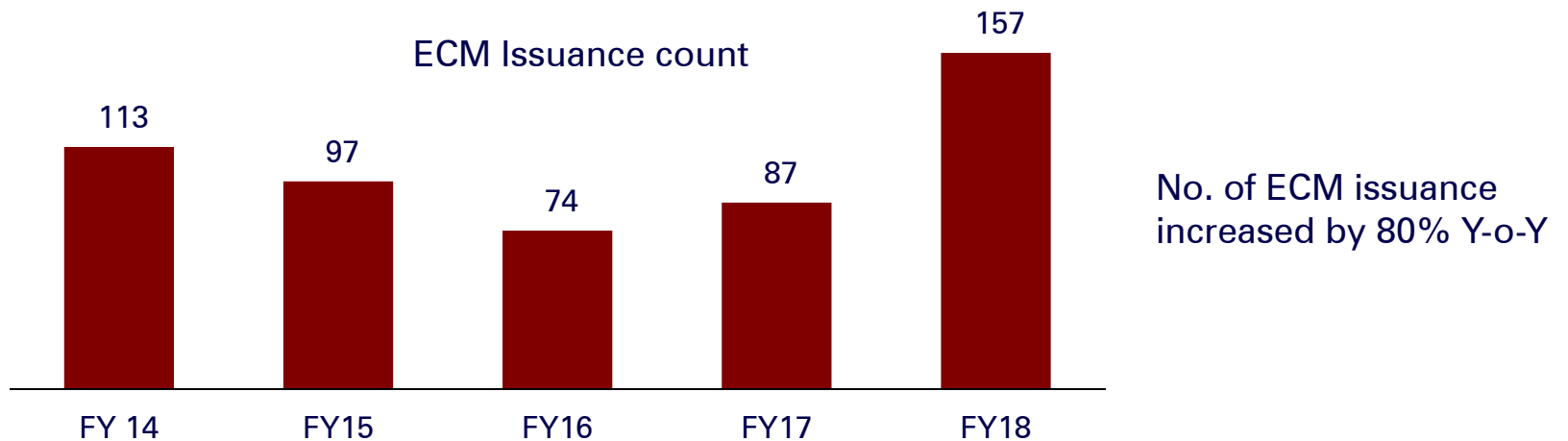
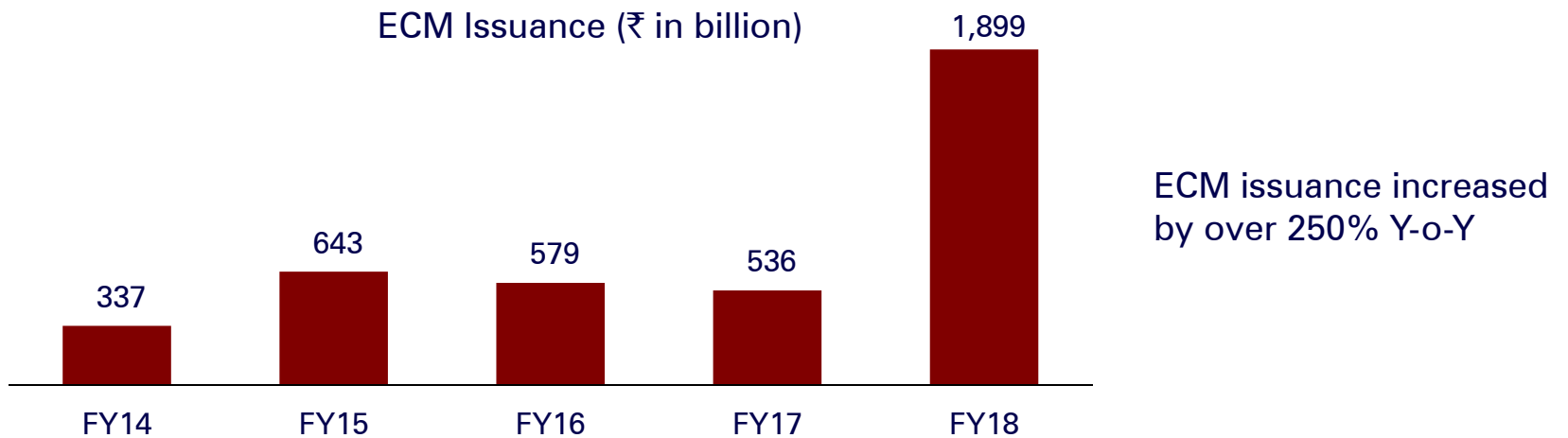


- MF AUM (Exit) increased by 22% in FY 18 from FY 17
- MF folios count has increased by 20% in 9M18 from FY17

Source: AMFI



Increase in primary market issuances



ECM : Includes IPO/FPO/InvIT, QIP/IPP, Rights Issue, Offer for Sale, Source: Primedatabase



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.

This release does not constitute an offer of securities.





Thank you

