



Performance review

9M-FY2019

January 14, 2019

Natural beneficiary of transforming savings environment

Leading equity broker in India¹ powered by ICICIdirect

Strong online presence aided by pan India distribution

2nd largest non - bank mutual fund distributor²

Garnering scale in wealth management business

Leading investment bank in equity capital market³



1. By brokerage revenue; 2. Source: AMFI (in terms of revenue), period: FY18
3. Equity Capital Market (ECM): IPO/FPO/InvIT, QIP/IPP, Rights issue, Offer for sale

Agenda

- Key highlights
- Business performance
- Industry



Agenda

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- Business performance
- Industry



Key highlights : 9M-FY2019

Subdued market and MF regulatory changes impacting performance

- 4% decline in consolidated revenues
 - Broking : (6)%, Distribution : 7%, Corporate Finance : (24)%
- 8% decline in profit after tax

Continued traction in retail clients acquisition and engagement

- Over 3.2 lac new clients acquired
- 12.2 lac overall active clients increased by 10%
- 17% triggered SIPs count up from 5.9 lac to 6.9 lac

Leading position in retail businesses; robust IB deal pipeline

- 8.5% broking market share
- 19% increase in Mutual Fund average AUM vs. Market 14%
- 26 completed Investment Banking deals, increased traction in advisory



Strategic initiatives rolled out

Client acquisition

- Deployed redesigned digital process of client acquisition
 - Faster client onboarding post Aadhaar development
- Mobile application for business partners
 - Better service delivery by partners to clients; improved scalability

Client engagement

- eATM: Unique proposition for providing liquidity to clients
 - Instant credit post stock sale up to ₹ 50K a day within 30 min.
- Direct2U: Advisory based solution for UHNIs
 - Allow MF direct plans, completes product suite for UHNIs
- Tie up with health insurer



Agenda

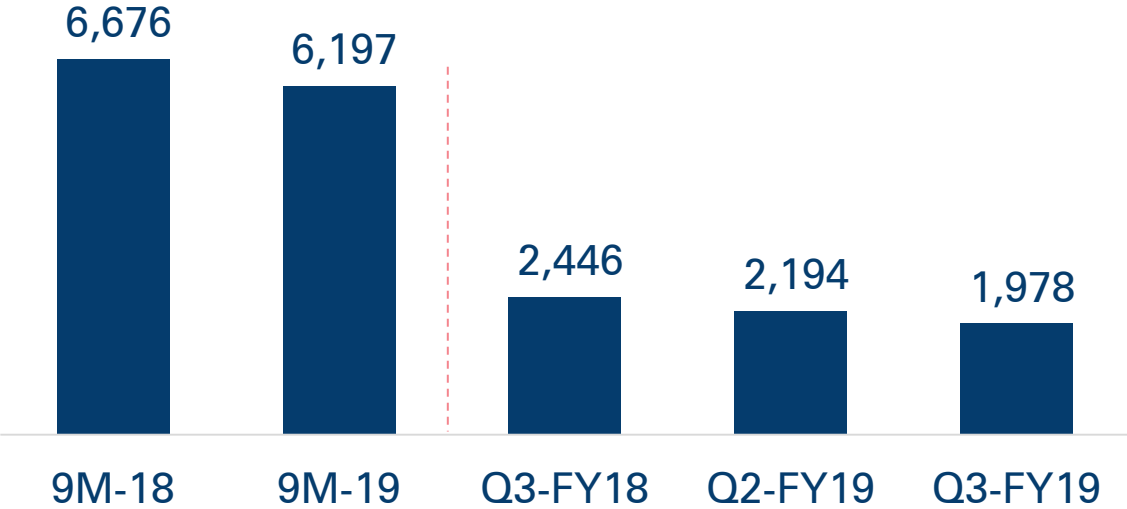
- Key highlights
- **Business performance**
- Industry



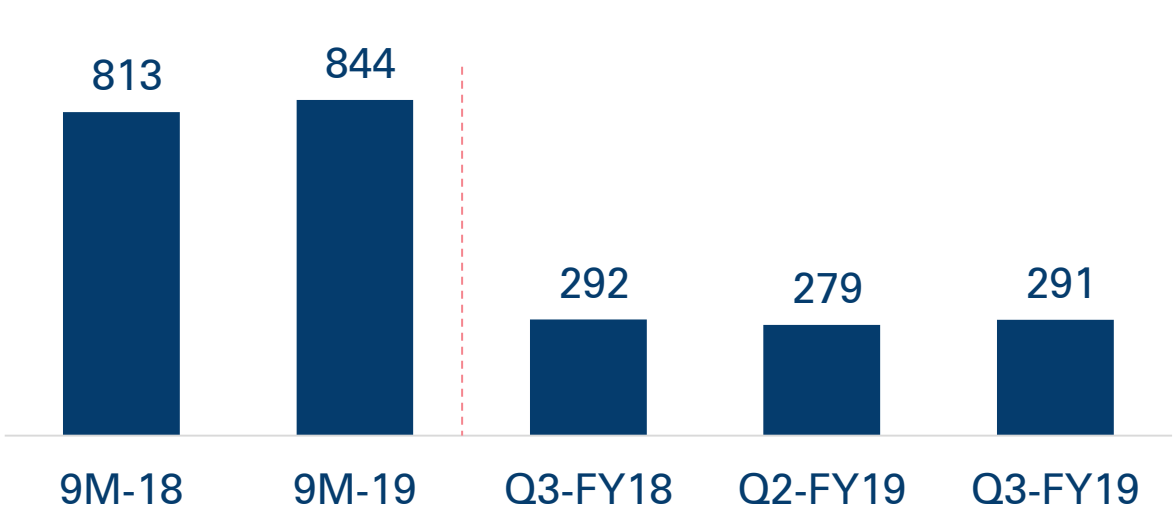
Leading equity broker in India

- Revenue declined due to subdued market conditions
- Institutional broking revenue increased by 4%; traction in block deals

Retail Brokerage (₹ million)



Institutional Brokerage (₹ million)



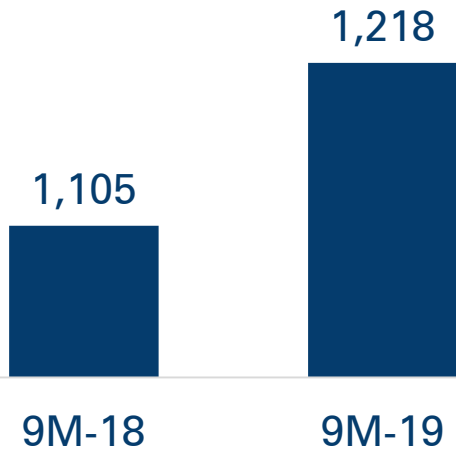
Period: 9M-FY2019 vs 9M-FY2018

Growing client base and engagement

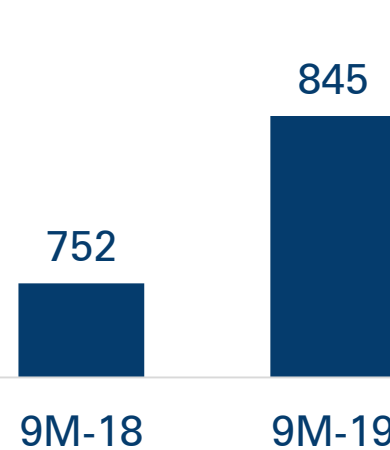
- 10% increase in overall active client; 12% increase in NSE active clients[#]
- 4.3 million strong base of operational accounts
- Over 3.2 Lacs new client acquisition in 9M-FY19
- 8.5% market share

Consistently growing clients base (in thousand)

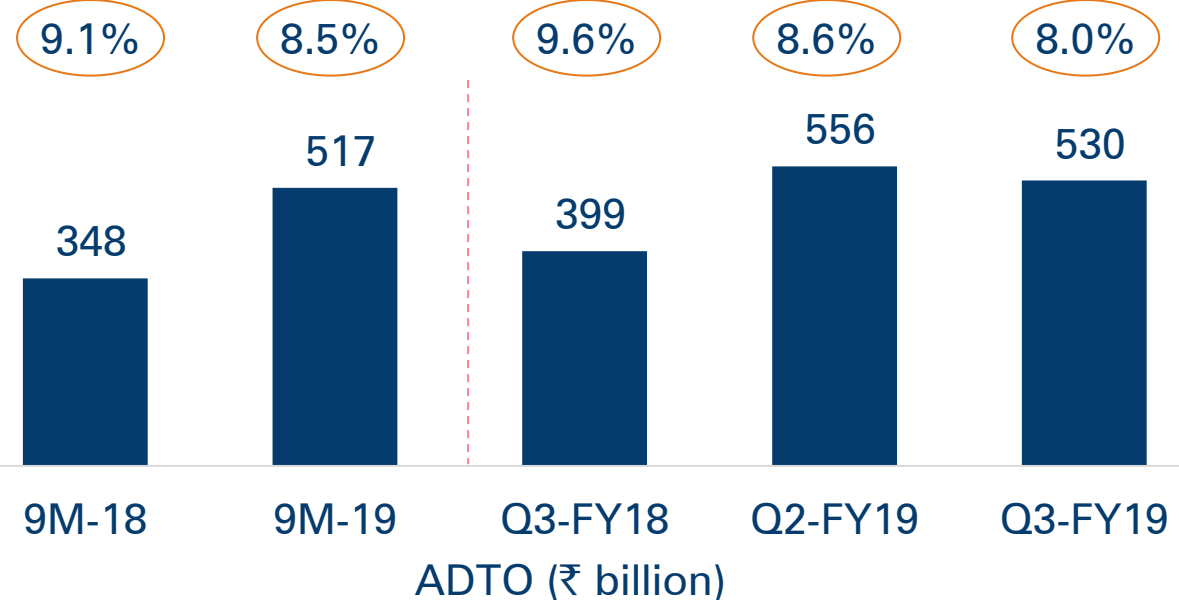
Overall active client



NSE Active client[#]



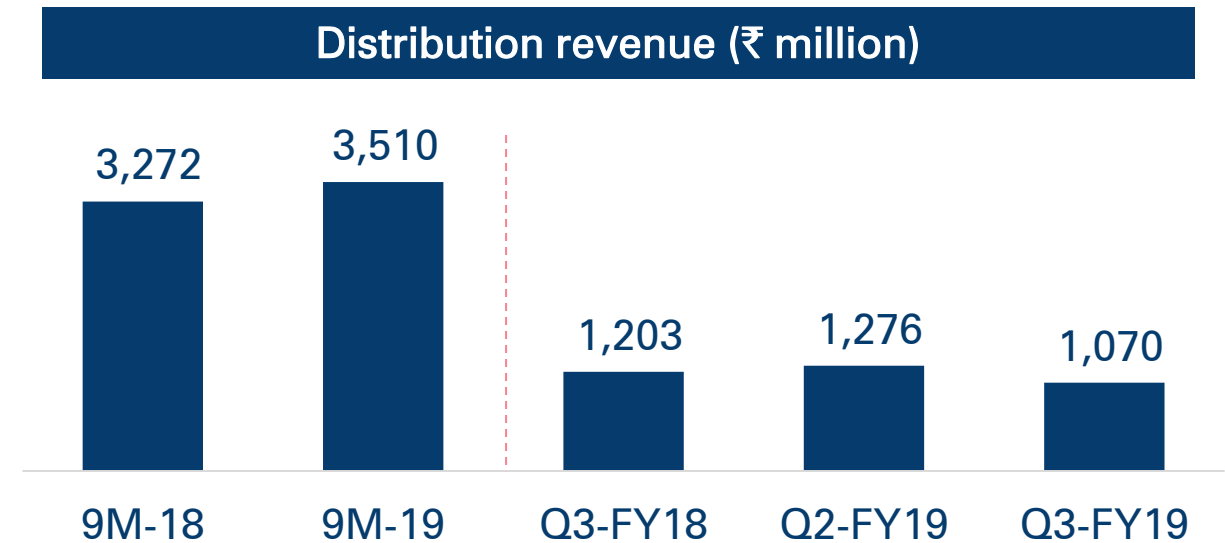
Lower participation in derivative segment resulting in lower market Share



#Source: NSE, Trailing 12 month; Period: 9M-FY2019 vs 9M-FY2018; SEBI, BSE

Distribution business helping diversify revenues

- **7% distribution revenue growth**
 - 6% growth in MF
 - 4% growth in LI revenue
- **Revenue contribution at 27% from 24%**



Strong online presence aided by pan India distribution

- Presence over 75+ cities with ~200 branches
- Presence in 3,100+ ICICI Bank branches

- 1,350+ relationship managers and product specialists
- Wealth management solutions for HNIs/Family offices, 330+ member team

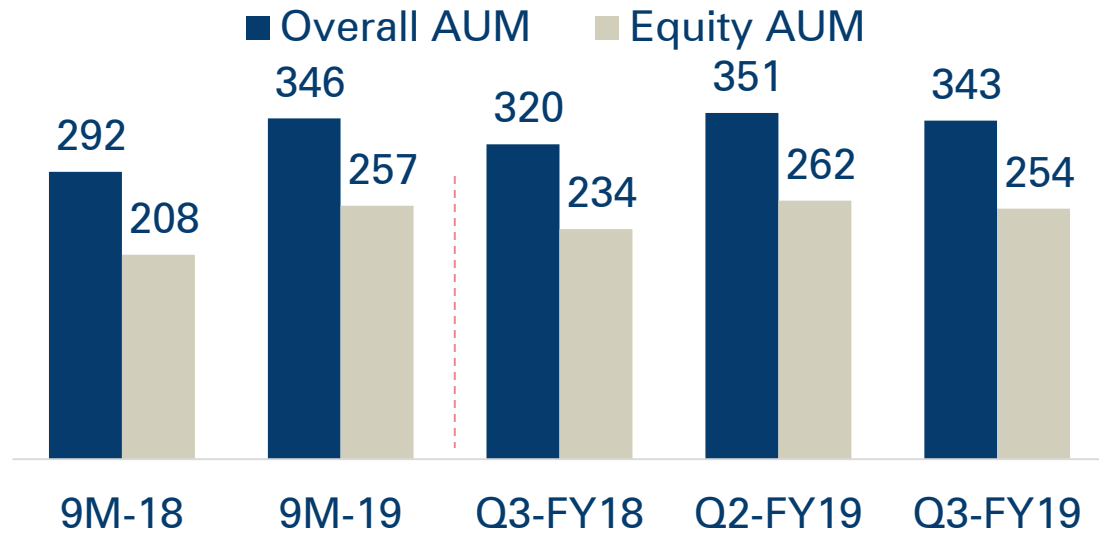
- Over 650 cities with 6,500+ sub-brokers, authorized persons, IFAs and IAs
- Significant presence in the Tier-II and Tier-III cities



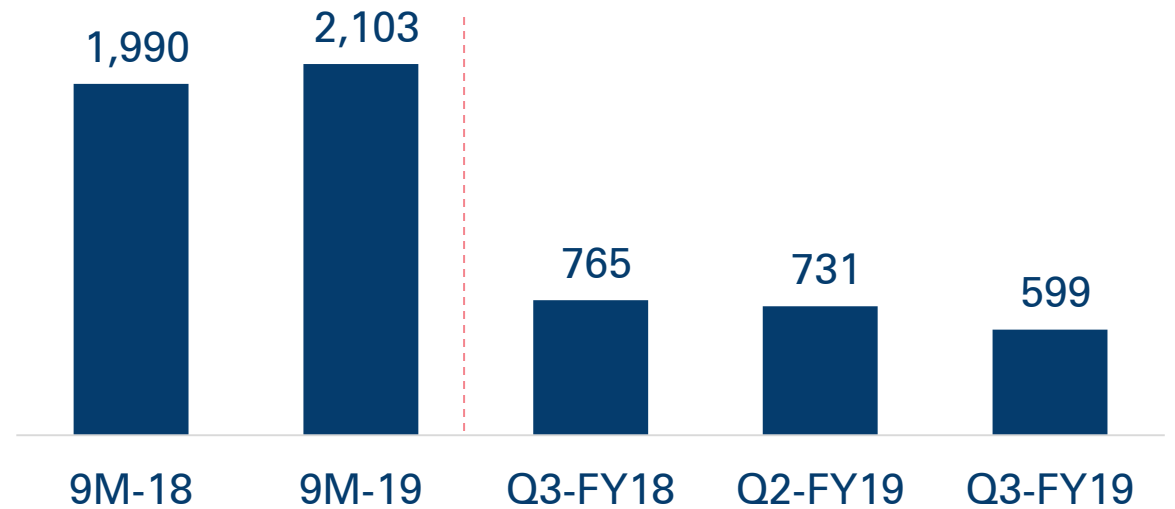
Leading non-bank MF distributor

- 6% growth in MF revenues
 - Significant regulatory changes impacting MF commission
- 19% growth in MF average AUM vs. 14% in Market
- 17% growth in SIP count¹ from 0.59 mn to 0.69 mn

MF Average AUM (₹ billion)



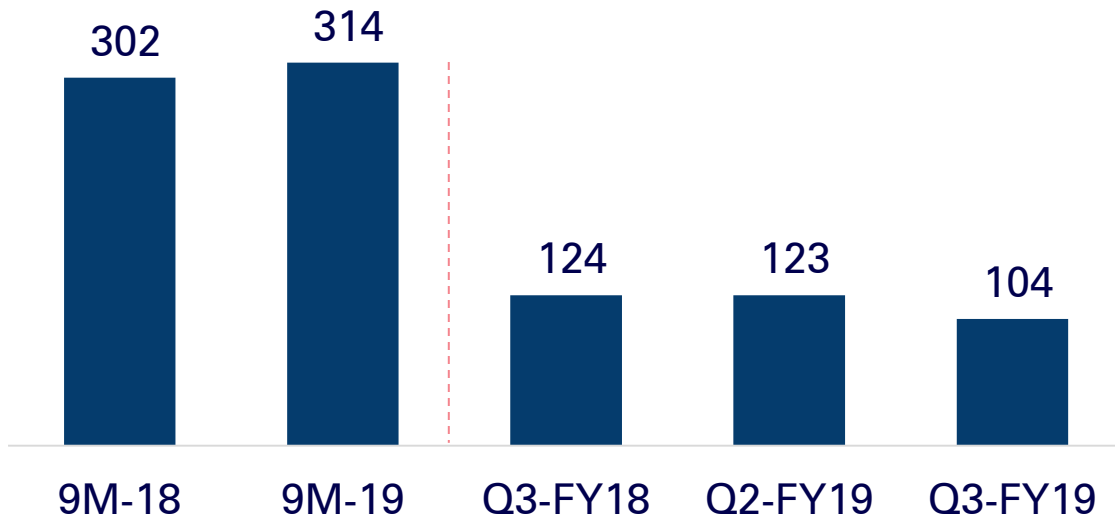
MF Revenue (₹ million)



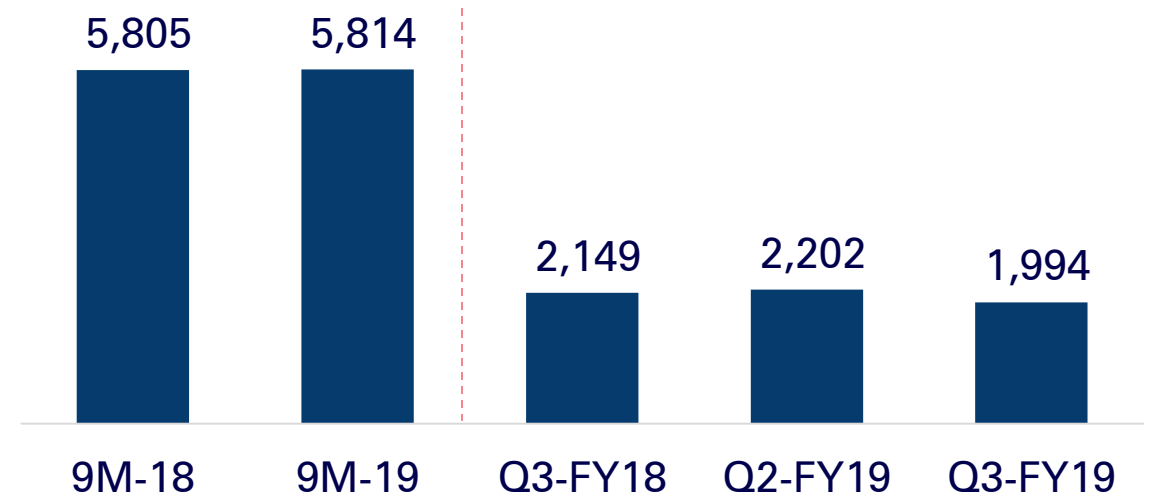
Life Insurance

4% growth in Life Insurance revenue

Life Insurance Revenue (₹ million)



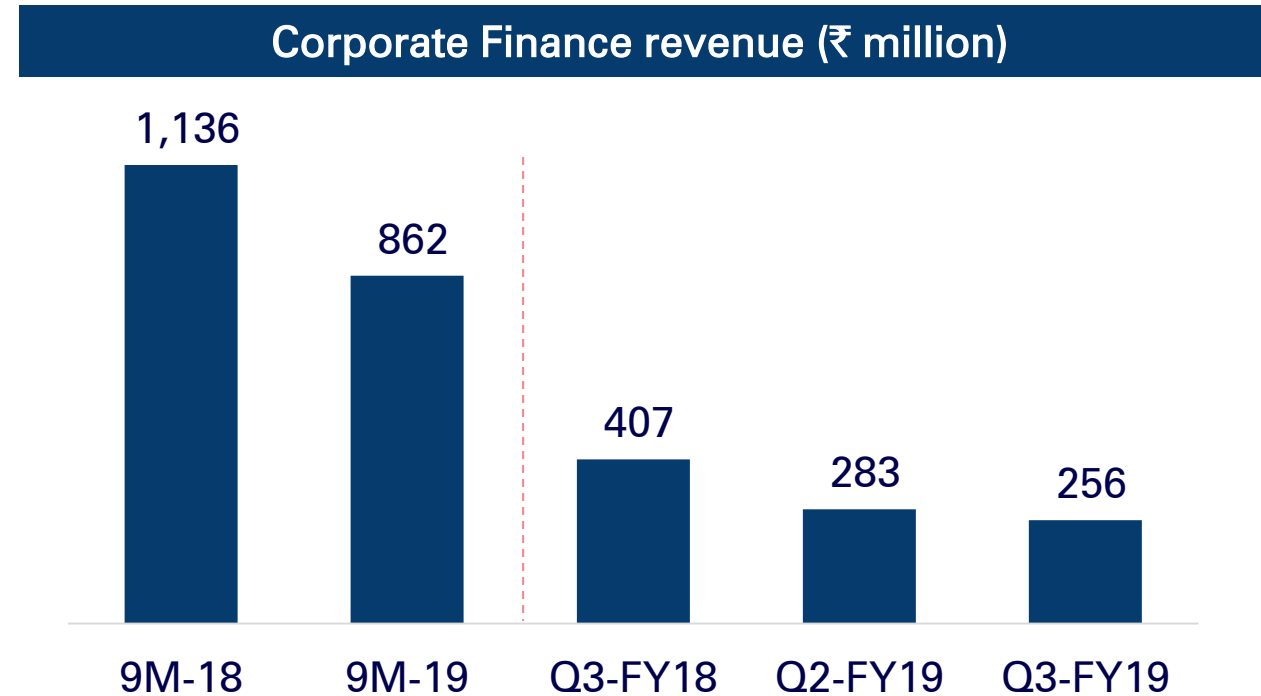
Life Insurance Premium (₹ million)



Period: 9M-FY2019 vs 9M-FY2018




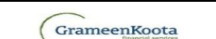
Leading Investment Bank in India

- 26 deals across various products
- 10 advisory deals compared to 5 advisory deals in FY2018
- 77% decline in Market ECM mobilization
- 24% decline in revenue, robust deal pipeline



Corporate finance deals

IPO/ FPO/ InvIT

 INDINFRAVIT TRUST ₹ 31.5 bn	INDINFRAVIT Trust
 HDFC ASSET MANAGEMENT COMPANY LIMITED ₹ 28.0 bn	HDFC Asset Management Co.
 Aavas FINANCIAL SERVICES ₹ 16.4 bn	Aavas Financiers Ltd.
 GrameenKoota ₹ 11.3 bn	Credit access Grameen Ltd.

Offer for Sale

 Coal India Ltd. ₹ 52.7 bn	Coal India Ltd.
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Rights

 HCC ₹ 5.0 bn	Hindustan Construction Co. Ltd.
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Buy Back

 Dainik Jagran No.1 WORLD'S LARGEST READ DAILY ₹ 2.9 bn	Jagran Prakashan Ltd.
 AkzoNobel ₹ 2.4 bn	Akzo Nobel India Ltd
 Justdial ₹ 2.2 bn	Just Dial Ltd.
 Radio City ₹ 0.6 bn	Music Broadcast Ltd.

Open Offer

 IDBI BANK ₹ 126.0 bn	IDBI Bank Ltd.
 MERCK ₹ 6.5 bn	MERCK Ltd.
 SQS ₹ 1.3 bn	SQS India BFSI Ltd.
 LKP ₹ 0.6 bn	LKP Finance Ltd.

Advisory

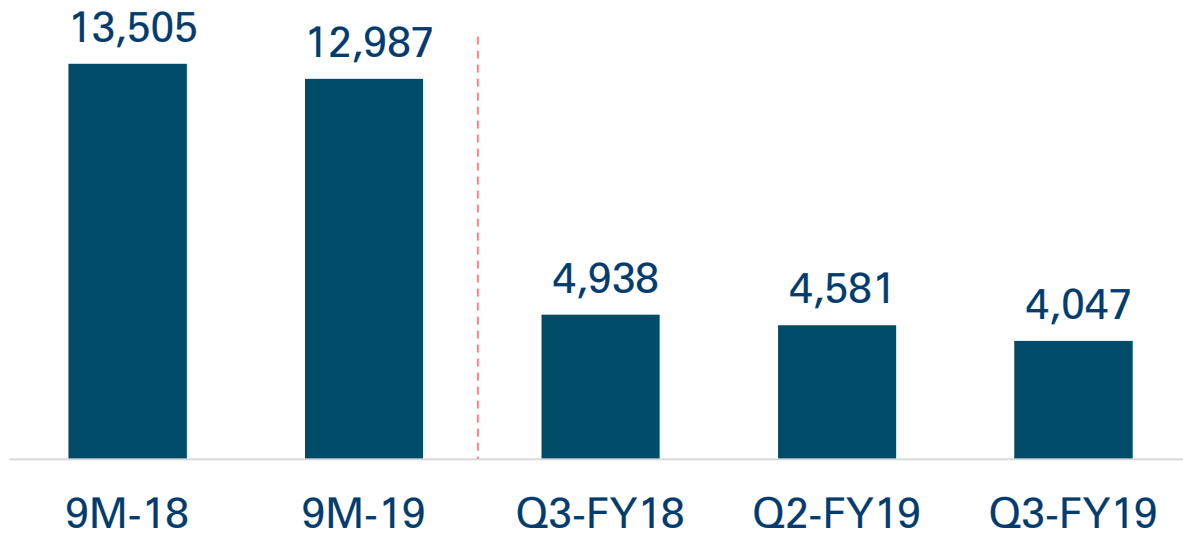
 IDBI BANK	IDBI Bank Ltd.
 BAYER	Bayer CropScience
 KIMS HOSPITALS ₹ 8.5 bn	KIMS Hospitals
 Apollo HOSPITALS ₹ 5.3 bn	Apollo Hospital Enterprise Ltd.
 MCLEOD RUSSEL ₹ 4.7 bn	McLeod Russel India
 ESAF SMALL FINANCE BANK ₹ 4.6 bn	ESAF Small Finance Bank
 FEDERAL BANK ₹ 4.0 bn	Federal Bank
 STANLEY ₹ 1.7 bn	Stanley Lifestyles
 duroflex ₹ 1.6 bn	Duroflex Pvt. Ltd
 SHINRYO	Shinryo Suvidha Engineers India Pvt



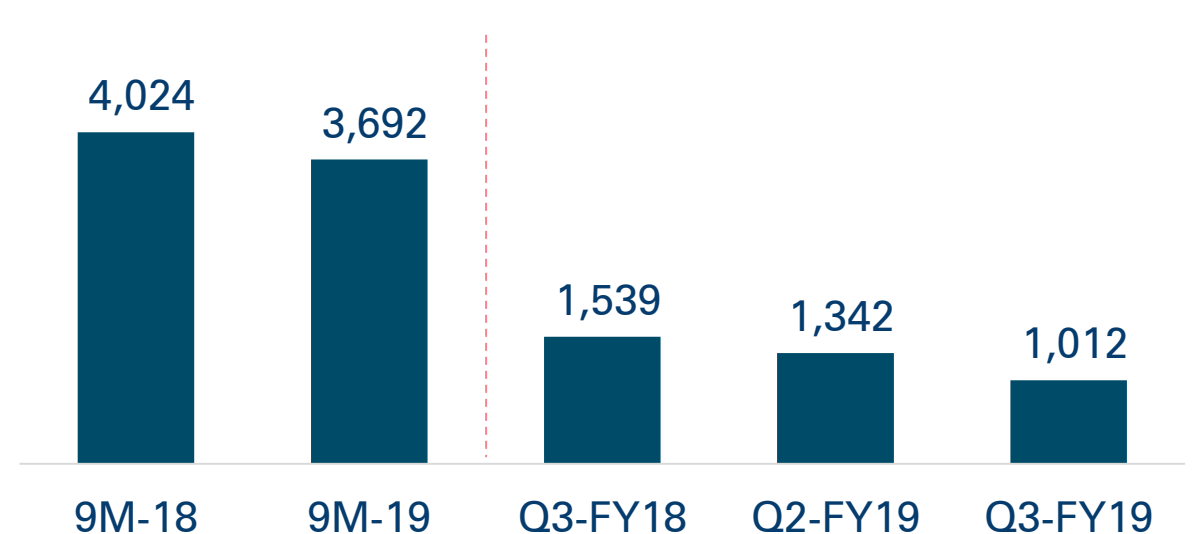
Financial performance

- 4% decrease in consolidated revenue
- 8% decrease in consolidated PAT
- Cost to income ratio: 56%, absolute cost down by 1%
- Return on equity (annualised): 9M-FY19 : 55%

Revenue (₹ million)



Profit After Tax (₹ million)



Period: 9M-FY2019 vs 9M-FY2018, Return on equity = $\text{PAT} : \text{Average networkth excluding Other Comprehensive Income and Translation reserve}$

Consolidated P&L: Y-o-Y

(₹ million)

Particulars	9M-FY18	9M-FY19	Y-o-Y%	FY18
Revenue	13,505	12,987	(4)%	18,610
Employee benefits expenses	4,179	4,217	1%	5,504
Operating expenses	1,104	946	(14)%	1,677
Finance costs	354	323	(9)%	495
Other expenses	1,715	1,818	6%	2,410
Total Expenses	7,352	7,304	(1)%	10,086
Profit before tax	6,153	5,683	(8)%	8,524
Tax expense	2,129	1,991	(6)%	2,989
Profit after tax	4,024	3,692	(8)%	5,535
Other comprehensive income (OCI)	(16)	(21)	31%	(16)
Total comprehensive income (TCI)	4,008	3,671	(8)%	5,519



Period: 9M-FY2019 vs 9M-FY2018

Consolidated P&L: Quarter

(₹ million)

Particulars	Q2-FY19	Q3-FY19	QoQ%	Q3-FY18	YoY%
Revenue	4,581	4,047	(12)%	4,938	(18)%
Employee benefits expenses	1,435	1,416	(1)%	1,329	7%
Operating expenses	341	354	4%	464	(24)%
Finance costs	108	85	(21)%	130	(35)%
Other expenses	620	611	(1)%	672	(9)%
Total Expenses	2,504	2,466	(2)%	2,595	(5)%
Profit before tax	2,077	1,581	(24)%	2,343	(33)%
Tax expense	735	569	(23)%	804	(29)%
Profit after tax	1,342	1,012	(25)%	1,539	(34)%
Other comprehensive income (OCI)	0 [#]	(6)	-	6	-
Total comprehensive income (TCI)	1,342	1,006	(25)%	1,545	(35)%



amount less than ₹ 1 million, Period: Q-o-Q: Q3-FY19 vs. Q2-FY19, Y-o-Y: Q3-FY19 vs Q3-FY18

Segment performance: Y-o-Y

(₹ million)

Particulars	9M-FY18	9M-FY19	Y-o-Y%	FY18
Segment Revenue				
Broking & commission	12,166	11,972	(2)%	16,882
Advisory services	1,136	862	(24)%	1,440
Investment & trading	203	153	(25)%	288
Total Revenue	13,505	12,987	(4)%	18,610
Segment Result				
Broking & commission	5,561	5,219	(6)%	7,747
Advisory services	526	374	(29)%	657
Investment & trading	66	90	36%	120
Total Result	6,153	5,683	(8)%	8,524

Note –Advisory services includes Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities



Period: 9M-FY2019 vs 9M-FY2018

Segment performance : Quarter

(₹ million)

Particulars	Q2-FY19	Q3-FY19	QoQ%	Q3-FY18	YoY%
Segment Revenue					
Broking & commission	4,241	3,764	(11)%	4,489	(16)%
Advisory services	283	256	(10)%	407	(37)%
Investment & trading	57	27	(53)%	42	(36)%
Total Revenue	4,581	4,047	(12)%	4,938	(18)%
Segment Result					
Broking & commission	1,904	1,516	(20)%	2,169	(30)%
Advisory services	144	60	(58)%	173	(65)%
Investment & trading	29	5	(83)%	1	400%
Total Result	2,077	1,581	(24)%	2,343	(33)%

Note –Advisory services includes Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities



amount less than ₹ 1 million, Period: Q-o-Q: Q3-FY19 vs. Q2-FY19, Y-o-Y: Q3-FY19 vs Q3-FY18

Balance Sheet : Assets

(₹ million)

ASSETS	At March 31, 2018	At Dec 31, 2018
Financial assets (A)	25,976	21,743
Cash/Bank and cash equivalents	15,460	13,359
Stock in trade	380	331
Receivables	3,101	2,292
Loans	5,782	4,977
Investments	39	36
Other financial assets	1,214	748
Non-financial assets (B)	2,763	2,609
Deferred tax assets (net)	666	691
Fixed assets, Capital work in progress and Intangible assets	421	433
Other non financial assets	1,676	1,485
Assets (A+B)	28,739	24,352



Balance Sheet : Equity and Liabilities

(₹ million)

EQUITY AND LIABILITIES	At March 31, 2018	At Dec 31, 2018
Financial liabilities (A)	14,512	9,343
Derivative financial instruments	2	6
Payables	7,737	5,564
Debt securities	6,724	3,718
Deposits & Other financial liabilities	49	55
Non-financial liabilities (B)	5,750	5,764
Current tax liabilities (Net)	-	107
Other non financial liabilities and provisions	5,750	5,657
Equity (C)	8,477	9,245
Equity share capital	1,611	1,611
Other equity	6,866	7,634
Equity and Liabilities (A+B+C)	28,739	24,352



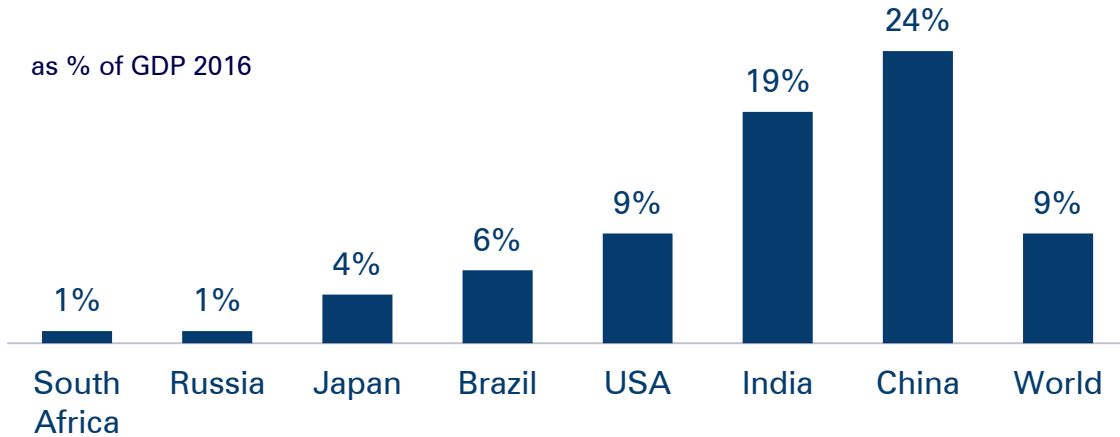
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- Business performance
- **Industry**

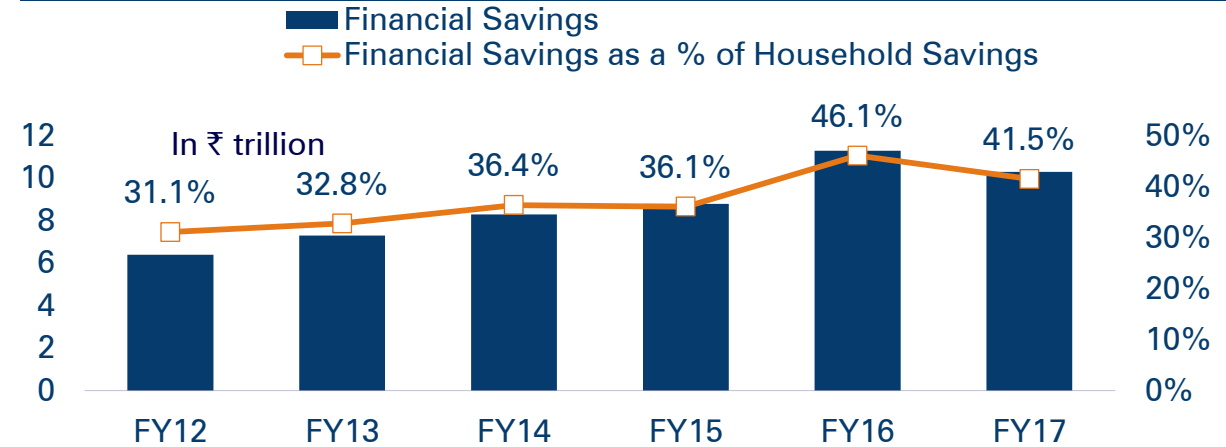


India: Financialisation and equitisation of savings

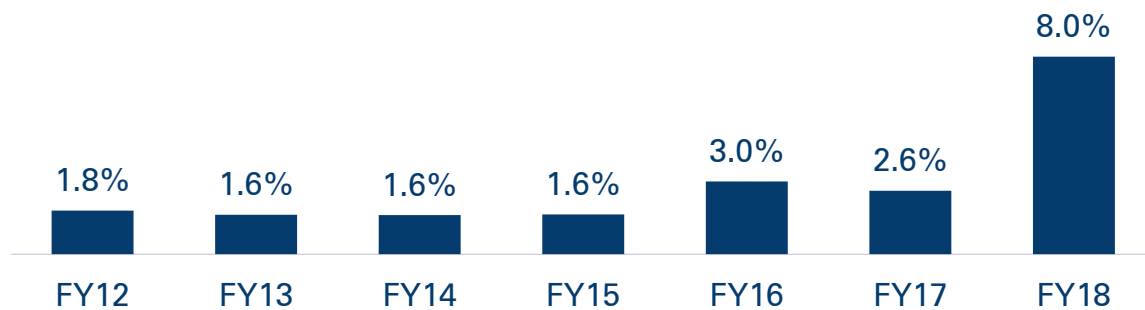
India Household saving highest among growing economies



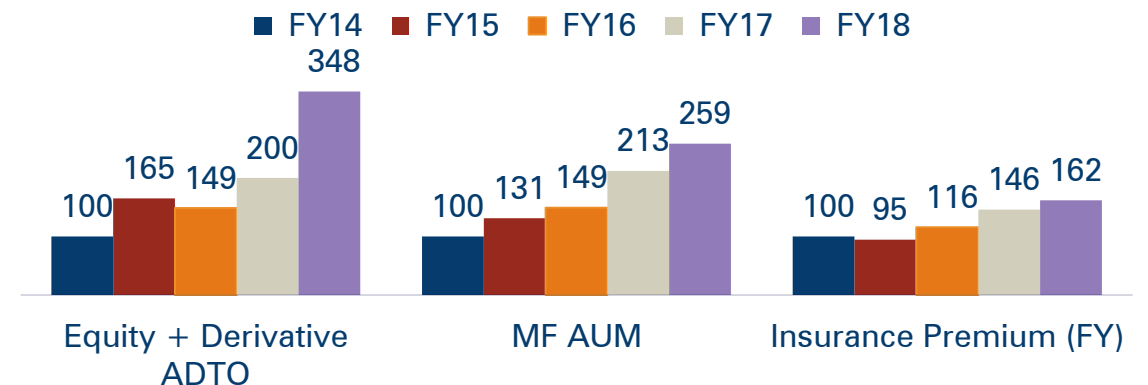
Rising Financial Savings



Growing Incremental investments in shares & debentures



High growth Across financial asset Classes#

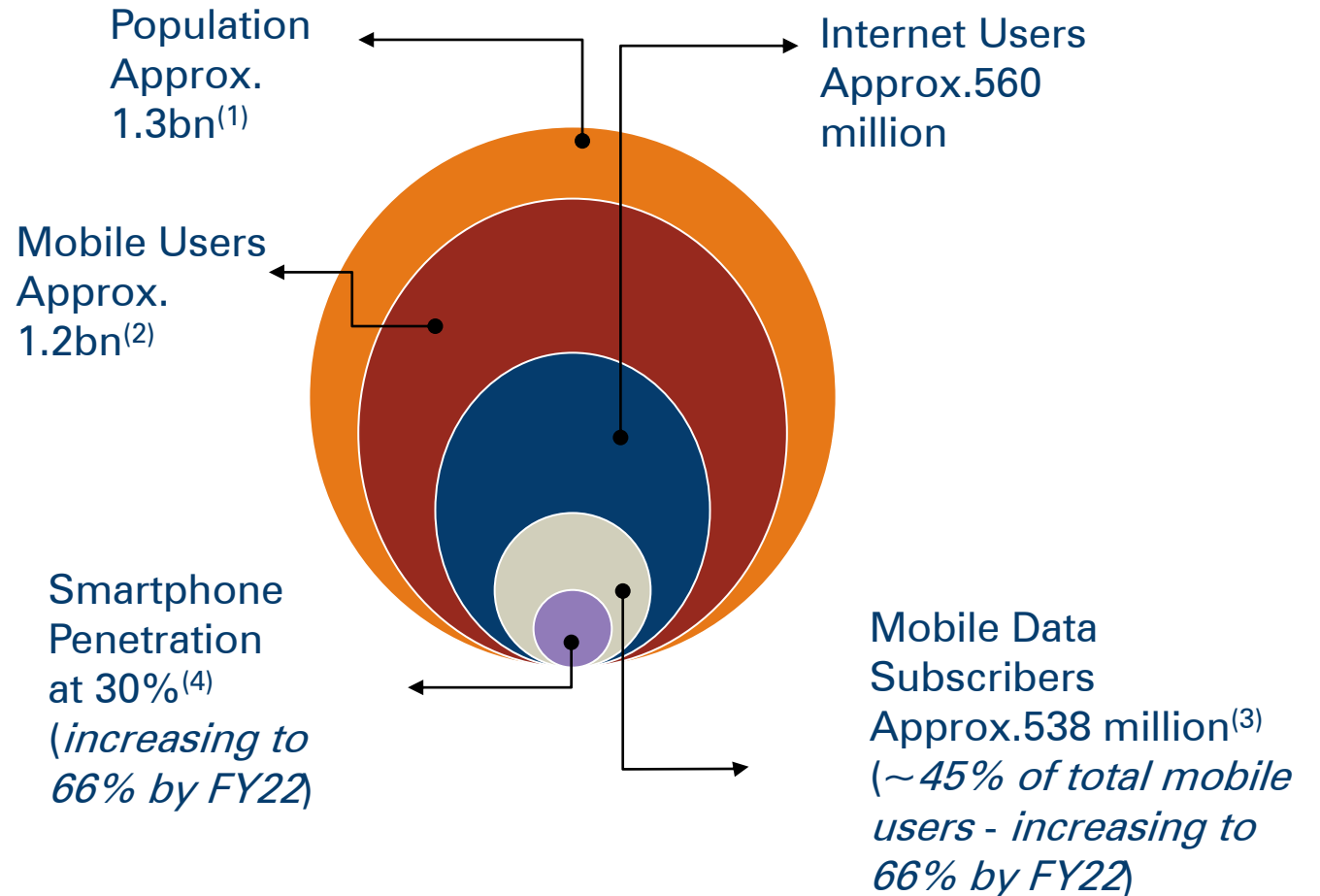


Include investment in shares and debentures of credit / non-credit societies and investment in mutual funds (other than Specified Undertaking of the UTI) (Source: RBI, MOSPI)

Source: RBI, IRDA, AMFI, NSE, BSE, EIU; ADTO: Average daily turnover; # Indexed to 100 in FY 14

Digital infrastructure set to expand exponentially

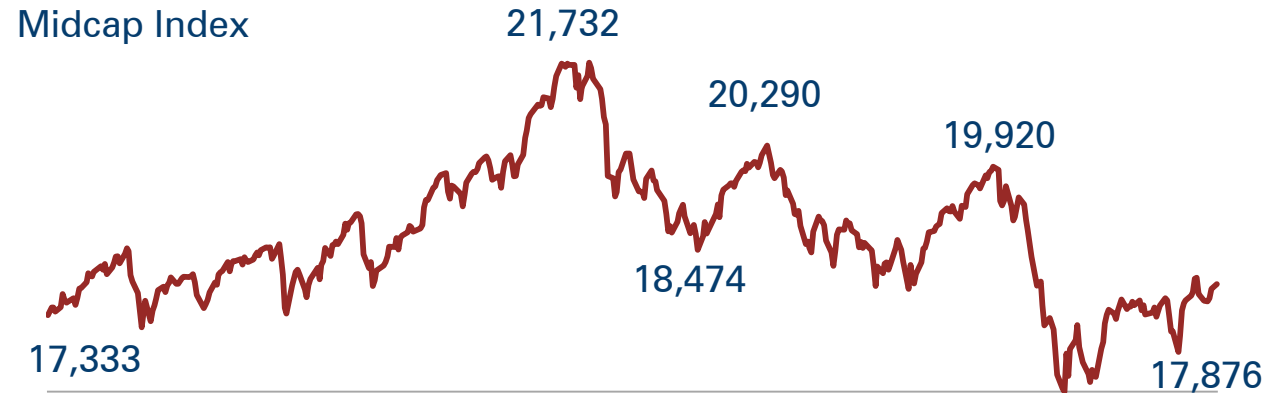
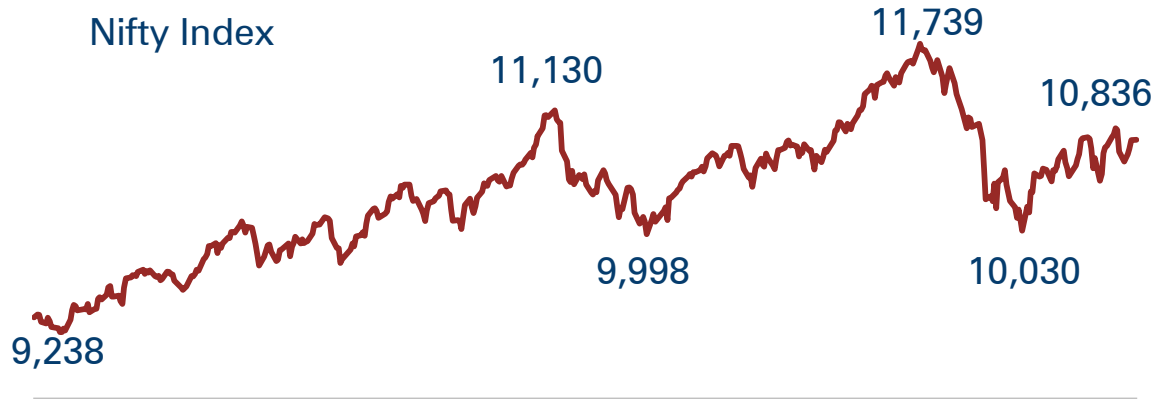
- Supportive structural reforms leading to positive change in consumer behavior
- Demonetization
- Aadhaar
- Financial inclusion
- Goods & Services Tax
- Direct Benefit Transfer



(1) Population in 2016 (Source: EIU); (2) Source: CRISIL Report; (3) Calculated as total mobile users (Approx. 1.2bn) * Share of mobile data subscribers as a proportion of overall mobile users in FY18 (~40%) (Source: TRAI and CRISIL Report); (4) In FY17 (Source: CRISIL Report)

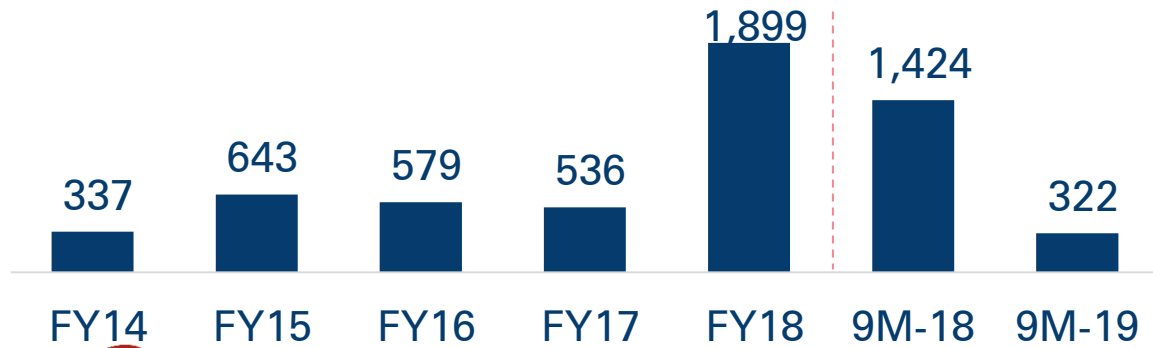
Market witnessing short term headwinds

Secondary market witness higher volatility

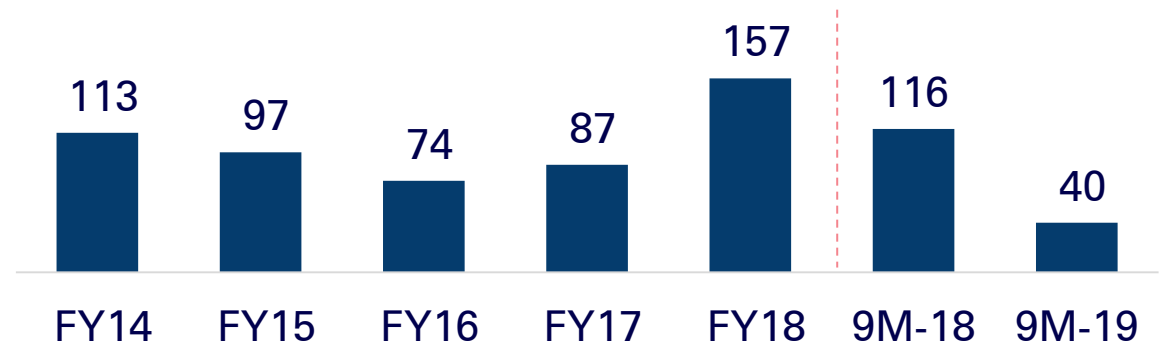


Subdued primary market, fund raising through equity slowed down

ECM Issuance mobilized (₹ billion)

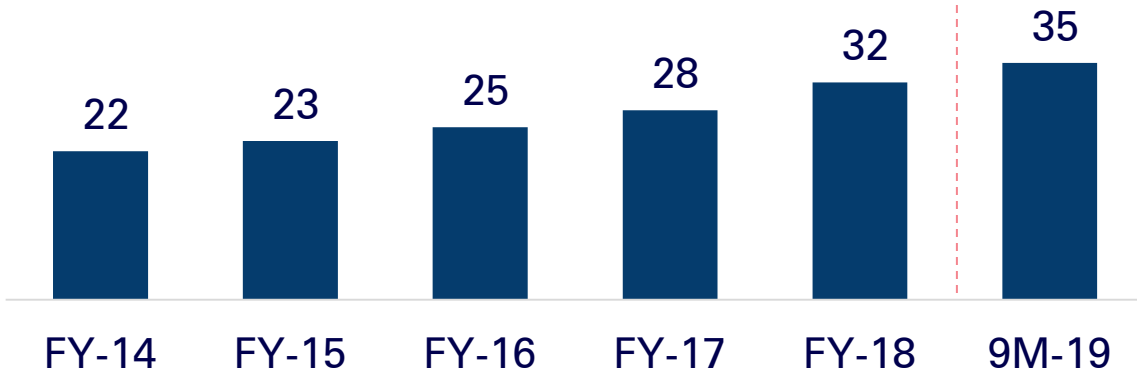


ECM Issuance count

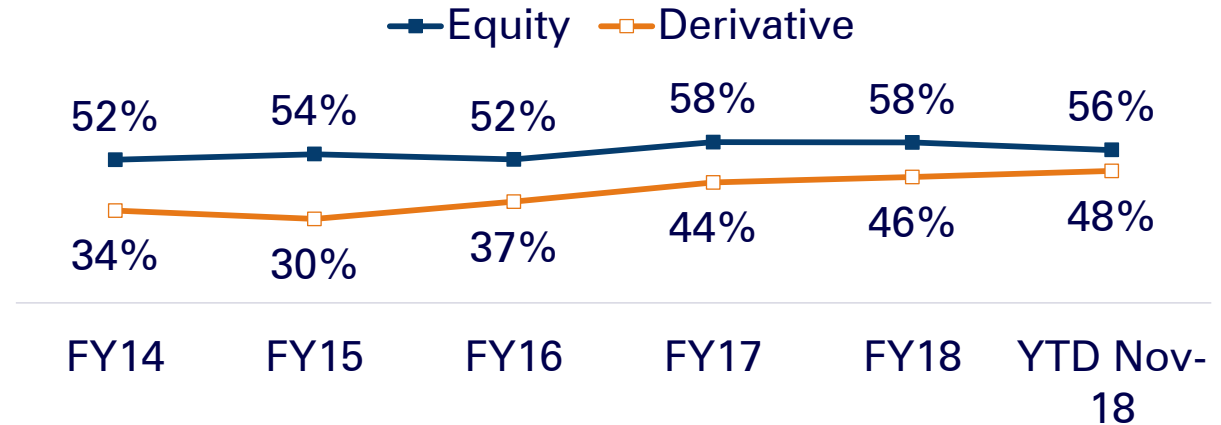


Broking: Growing retail participation

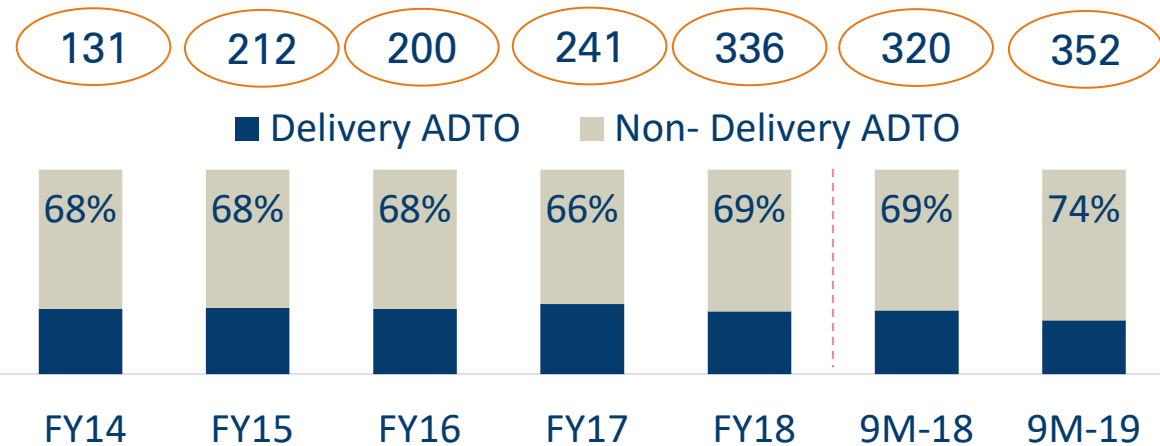
Rise in demat accounts (In million)



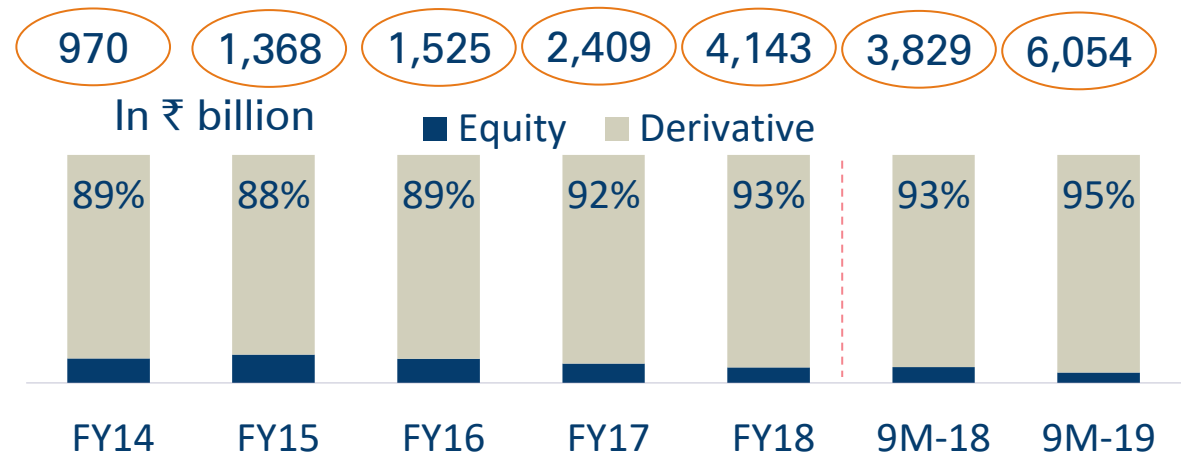
Increased retail participation



Growing share of trading volume (₹ billion)



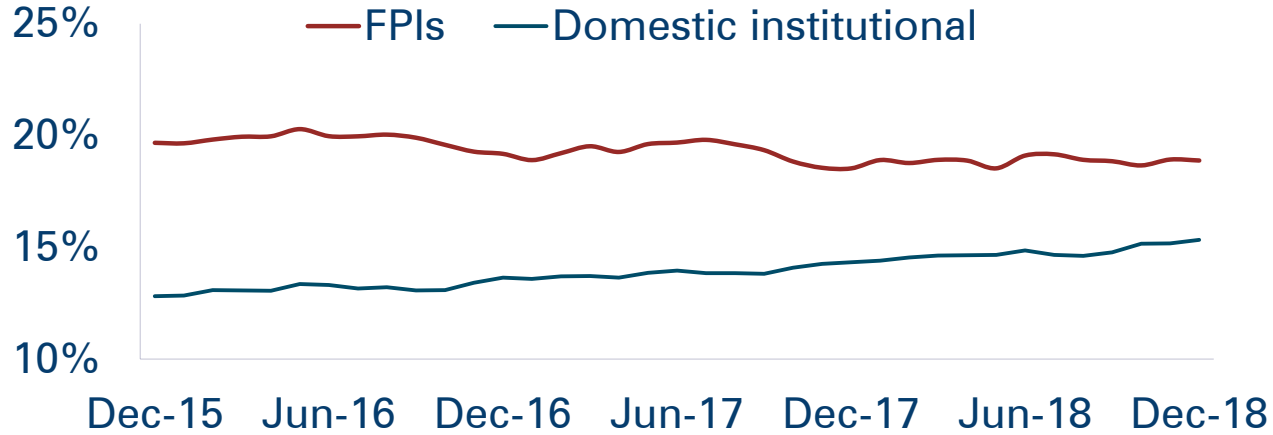
Secondary market volume growth led by derivative volume#



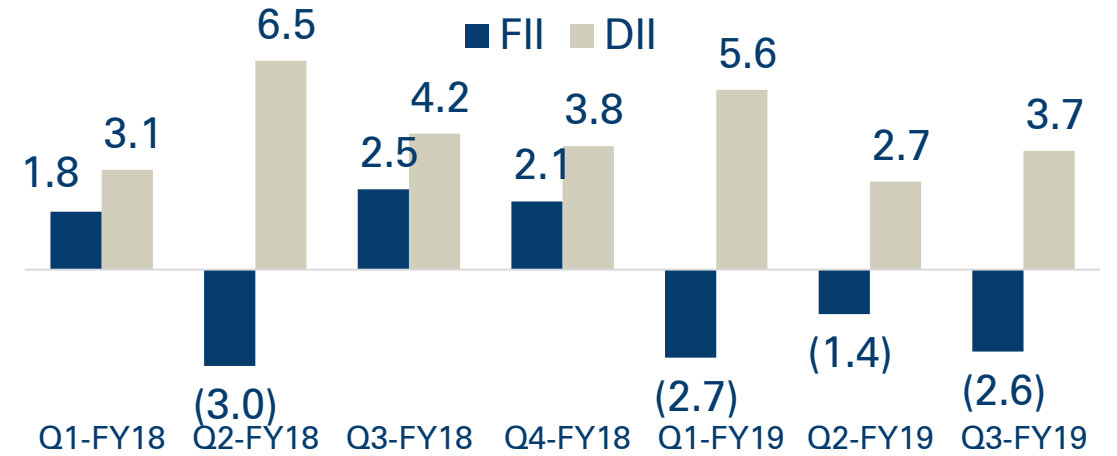
Source: NSE, BSE, SEBI, NSDL, CDSL; ADTO – Average daily turnover, YTD Nov-18: Apr 18 to Nov 18; #Excluding proprietary volume

Institutional broking: DIIs becoming more relevant

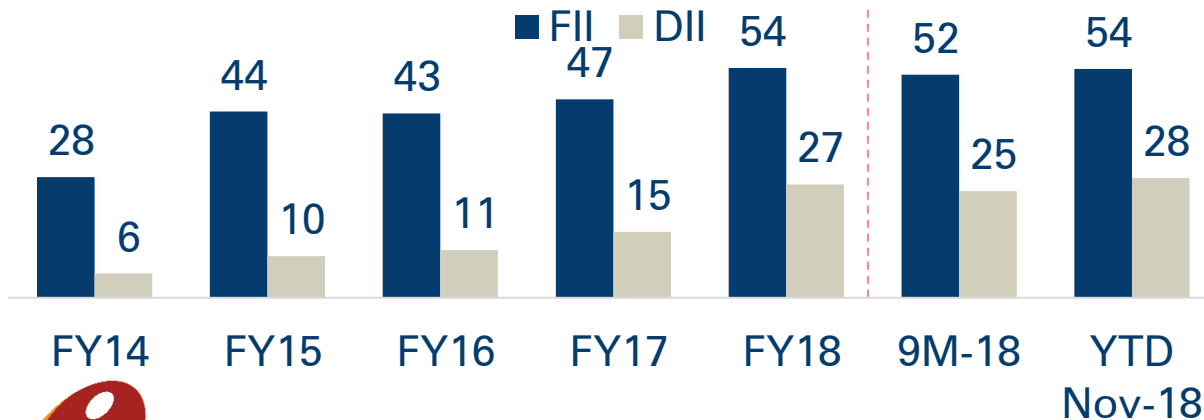
Holding % of market capitalisation



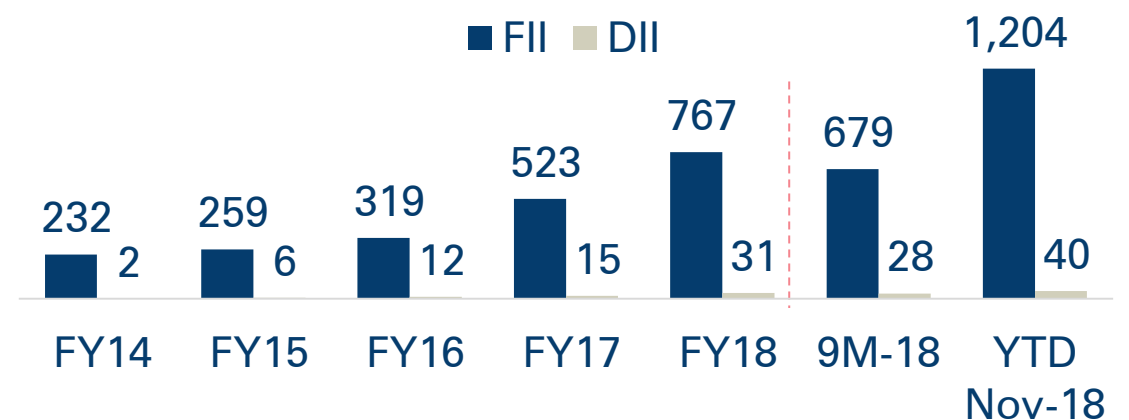
Equity Flow in USD billion



Equity ADTO in (₹ billion)

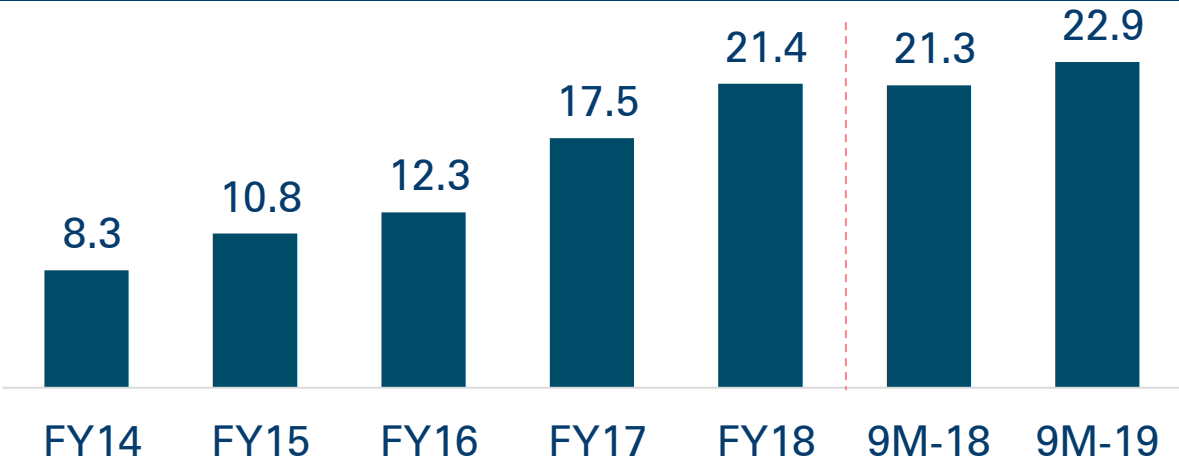


Derivative ADTO in (₹ billion)

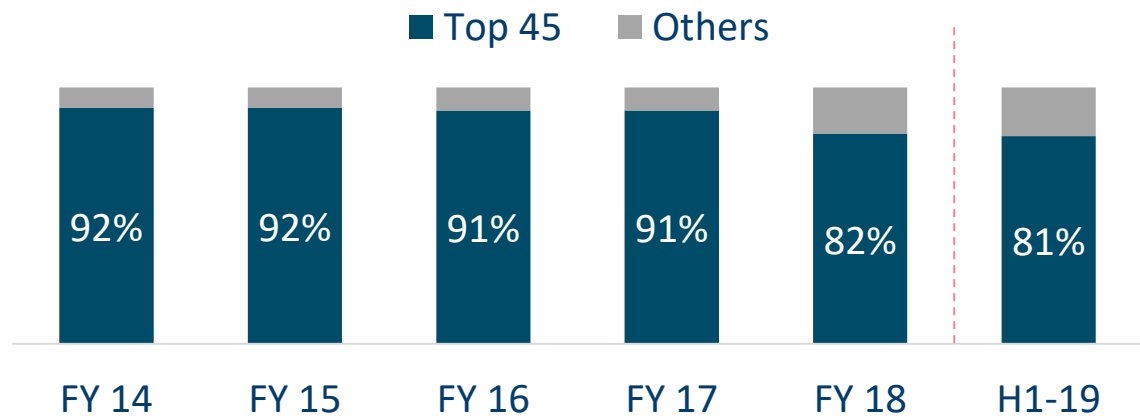


Saving landscape: Increasing managed equity

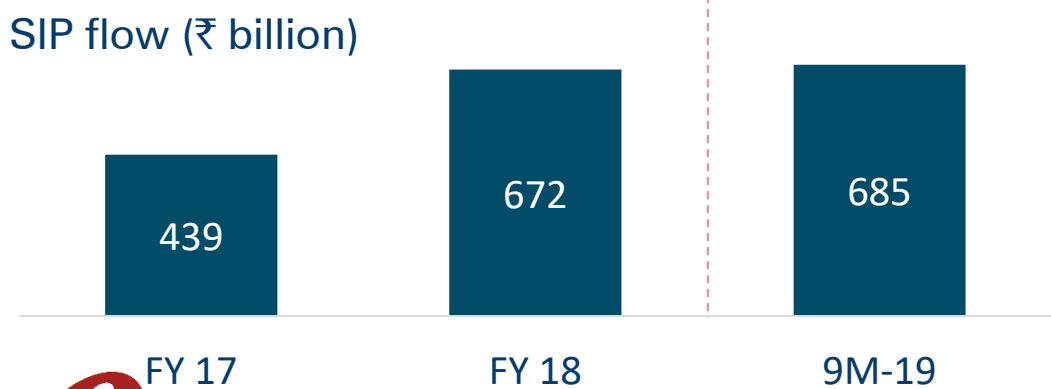
Mutual Fund (Exit) AUM (₹ trillion)



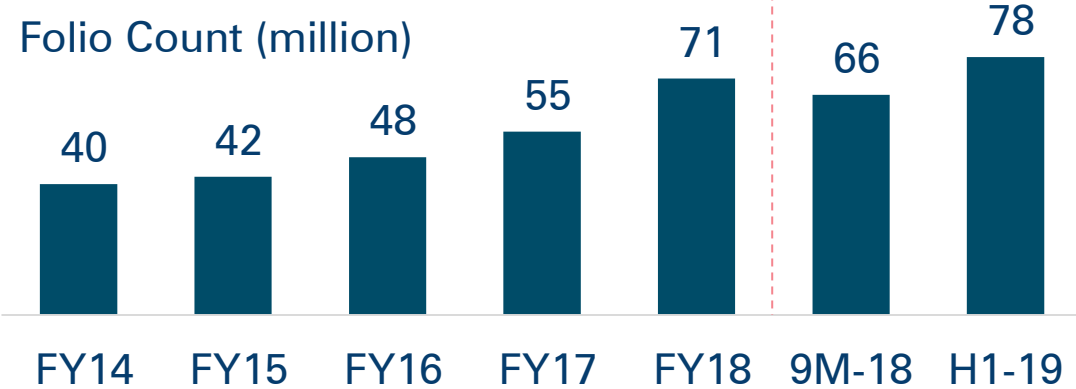
Growing share of beyond top 45 cities in MF AUM



More systematic retail participation through SIP



Mutual Fund folio



Source: AMFI; H1-19: Apr 18-Sep 18

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