



# Performance update

**Q3-FY2022**

January 18, 2022

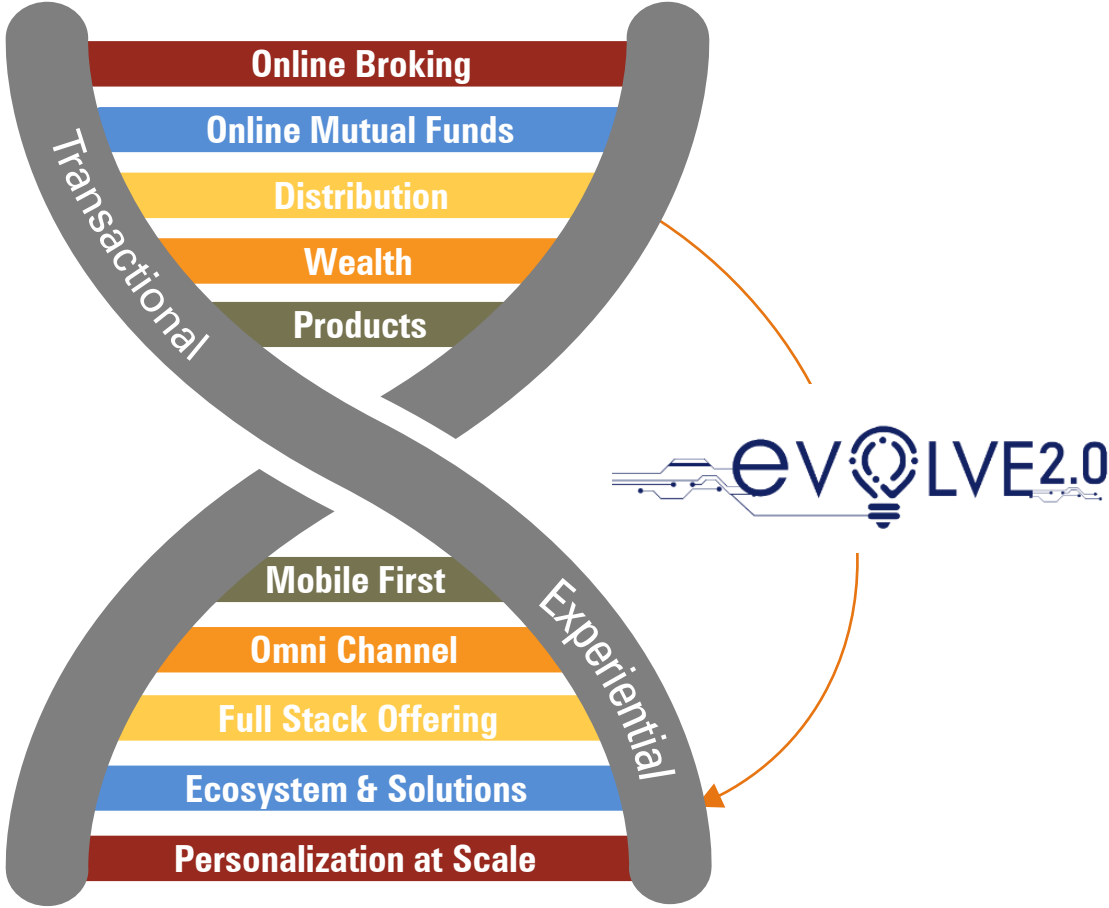
# Agenda

- **Strategy and key outcomes**
- Business Performance
- ISEC Franchise

Being there never  
**mattered more**

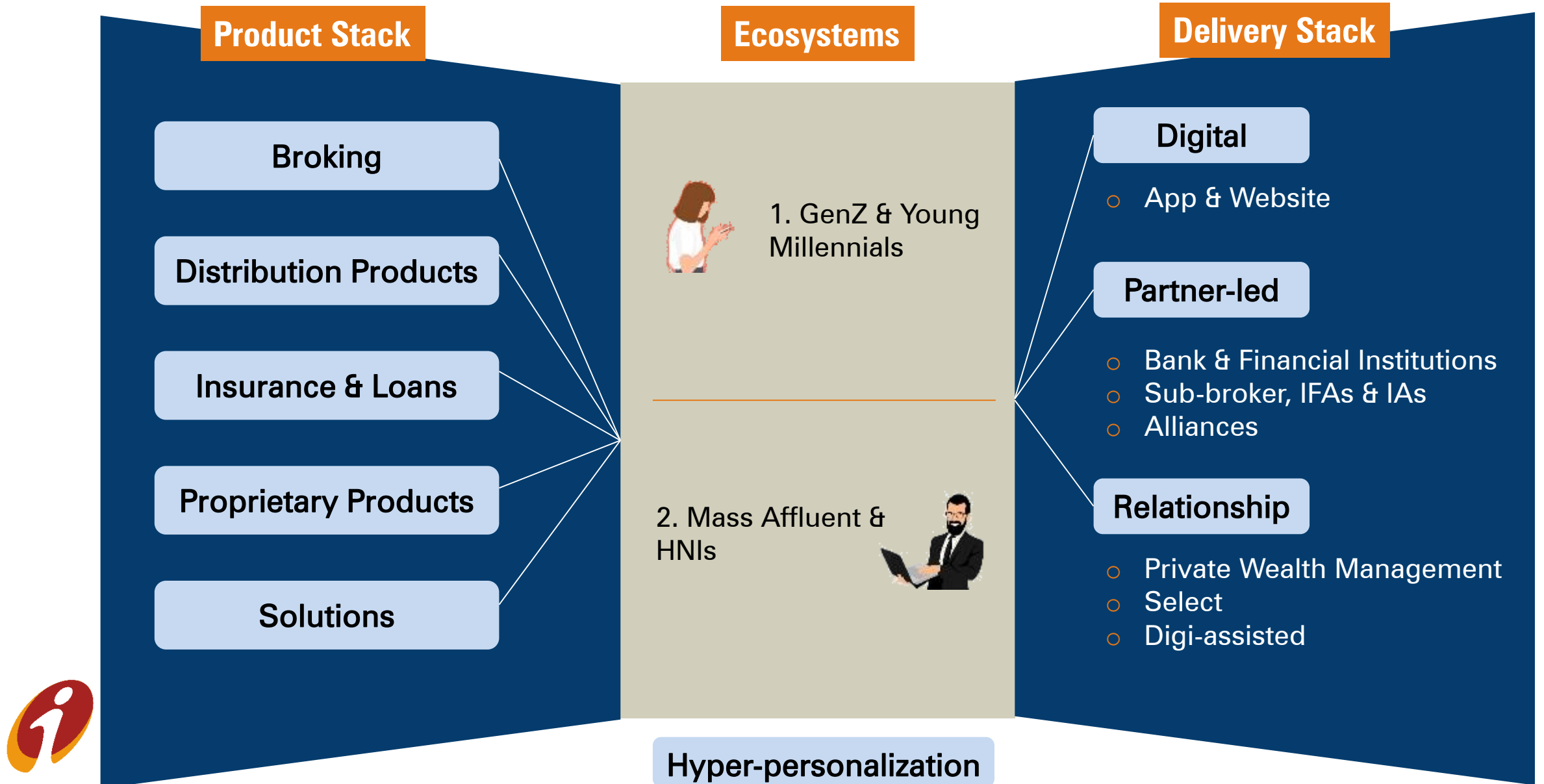


# Transformation from Transactional to Experiential



Partnering our clients through their entire financial journey

# Evolving into digital “NEO financial services’ marketplace”



# Transformation agenda

|      |      |      |
|------|------|------|
| 2017 | 2021 | 2025 |
|------|------|------|

Positioning

E-broker

One stop shop

Digitally Integrated  
Financial Marketplace

Approach

Product focused  
customer centric lens

Customer focused lens

Customer ecosystem lens



NEO financial services' marketplace

# Execution Markers

Customer acquisition

Customer Assets

Diversification

Cost/ Income Ratio

Proposition & experience enhancement



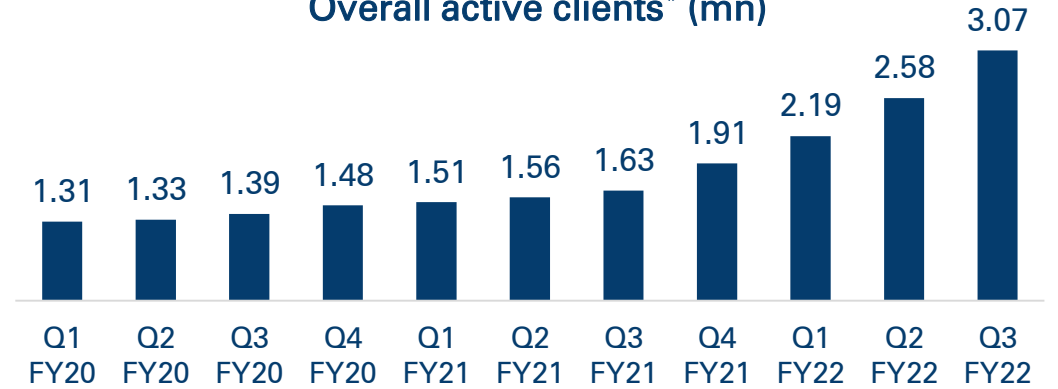
# Key outcomes

## Customer Acquisition

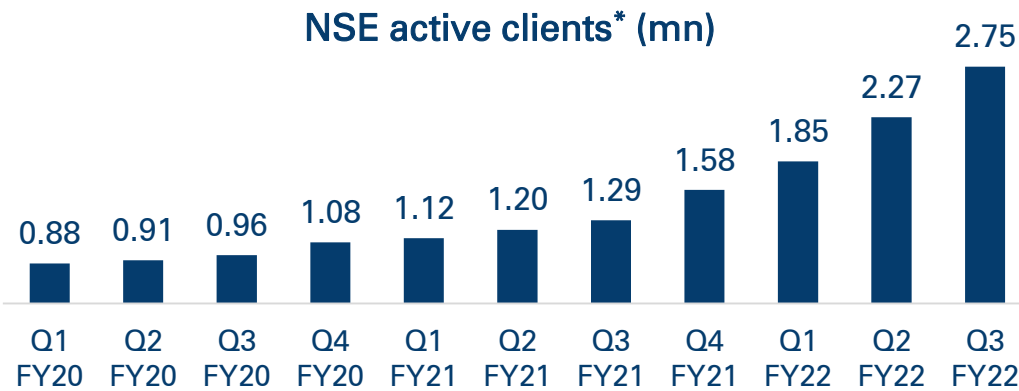
New clients acquired ('000)



Overall active clients\* (mn)



NSE active clients\* (mn)



Prime customers

0.53 mn

0.96 mn

Non-ICICI bank %

42%

81%

Clients <30yrs age

44%

68%

Clients from tier II & III

69%

87%

Activation ratio

67%

74%

NPS Score –Overall/  
Sourcing

26%/  
50%

36%/  
51%

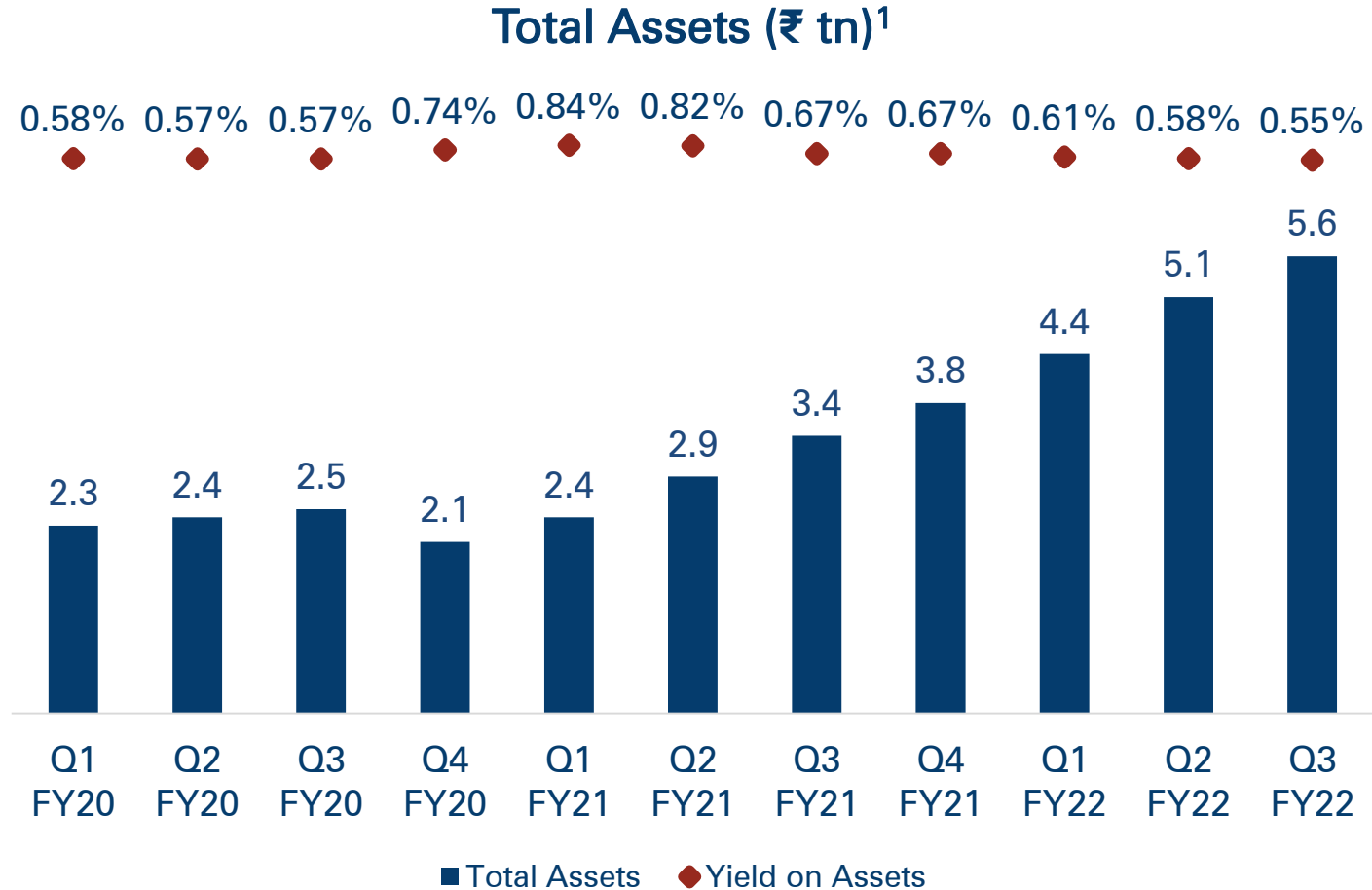
~ 7% market share in incremental demat accounts



\* Active in trailing 12 months

# Key outcomes

## Customer Assets



₹ 5.6 trillion Client Assets



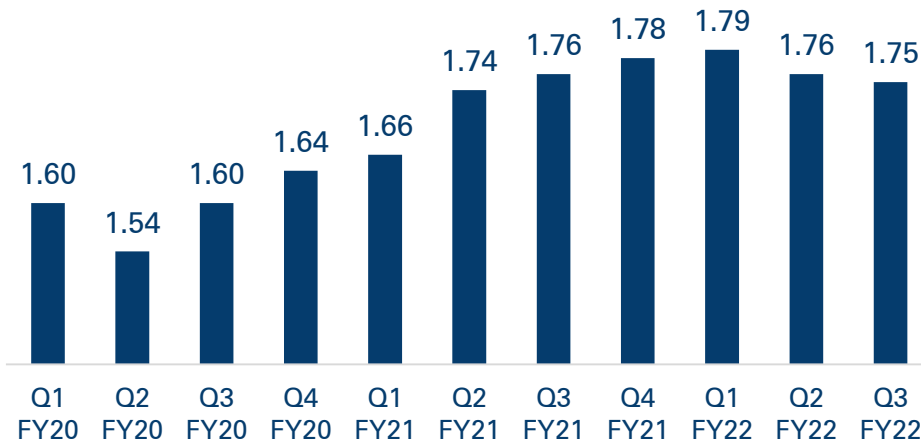
1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
2. Yield generated on all the assets of our clients (assets include their holding value across all product categories e.g. demat holding of equity shares, home loan, FD, mutual fund, PMS etc.)



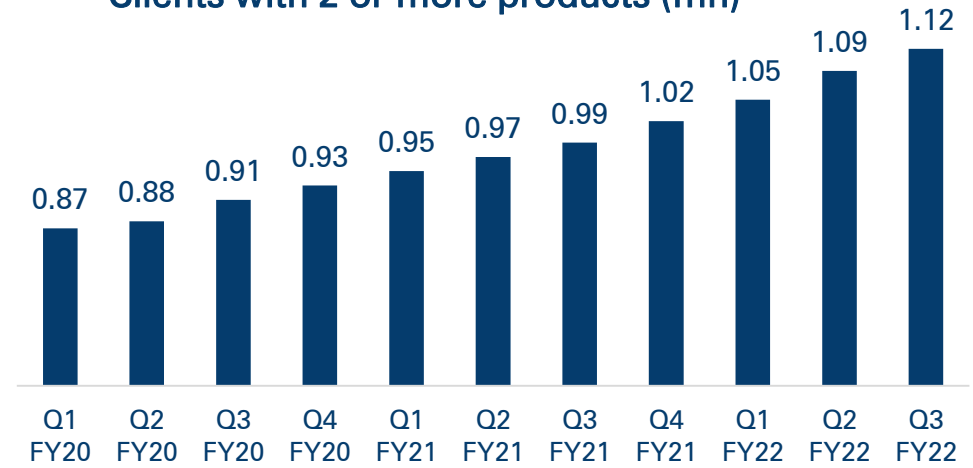
# Key outcomes

## Diversification

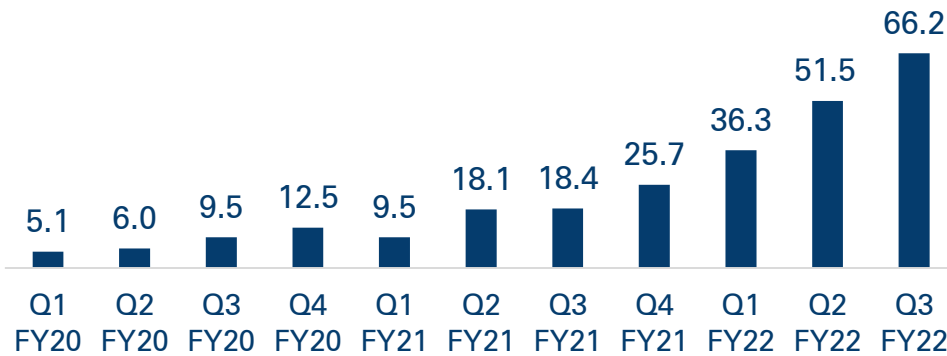
Cross sell ratio<sup>1</sup>



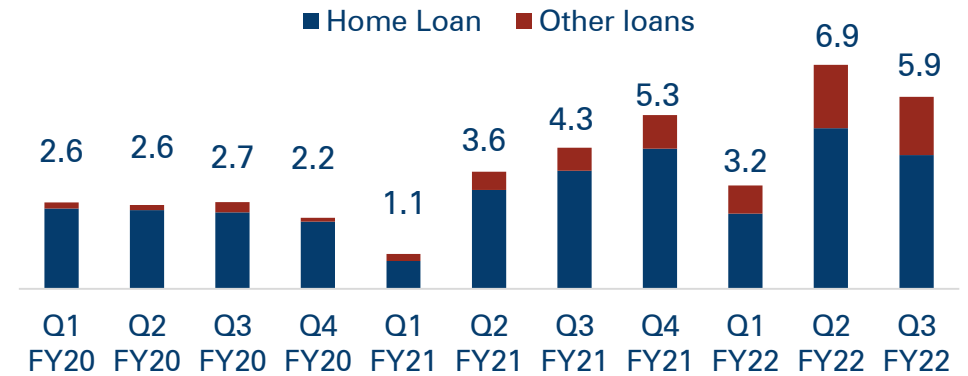
Clients with 2 or more products (mn)



MTF+ESOP book<sup>2</sup> (₹ bn)



Loans distributed (₹ bn)



**Broking revenue contribution to total revenue at 42% vs 58% YoY**

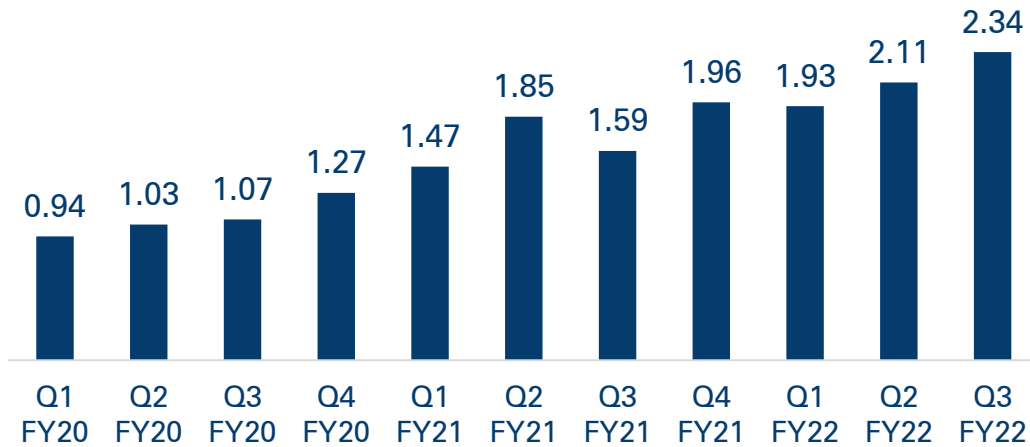


1. Active clients and transaction considered for rolling 12 months (excluding customers acquired in last 90 days)  
 2. Average funded book for the quarter

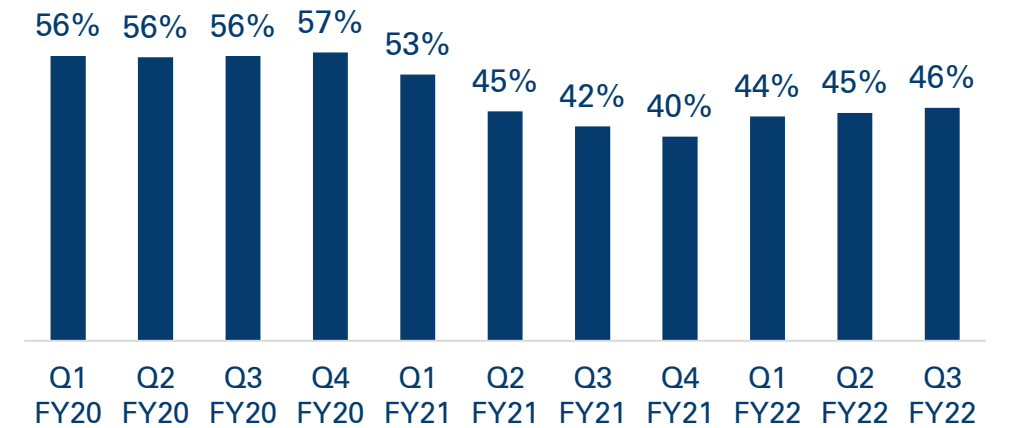
# Key outcomes

## Cost to income ratio

Revenue per employee (₹ mn)



Cost to Income ratio



❖ Variable cost contribution increased to >55% in Q3-FY22 from <30% in Q1-FY20



46% Cost to Income ratio

# Key outcomes

## Proposition & experience enhancement (1/2)

- **Acquisition process enhancement**
  - Improving NRI account opening journey, focus to make it fully digital
  - Enablement of digital onboarding journey with multilingual option to select from
- **Enhanced proposition for investors**
  - New plans for Prime & Prepaid introduced
  - eATM - Payout for equity consideration in 5 minutes
  - Automatic daily portfolio alerts, important corporate action announcements on WhatsApp
  - I-Sec is available on the Mobile App/Website of Small case
  - Launched curated portfolios by more than 25 renowned fund managers in our Global platform through our tie up with Interactive Advisors
  - Launched “Smart Beta” offering, portfolios curated by ICICIdirect Research team



# Key outcomes

## Proposition & experience enhancement (2/2)

### ➤ Tools for traders

- Launched One Click Derivative in F&O
- Launch of Breeze API – Next gen trading API with several innovative features unique in the market

### ➤ Enhancements for non equity investors

- ETF, fixed income and insurance added to ICICIdirect Money app
- Enhanced inventory of bond papers and reduced the ticket size to increase penetration
- Integration with CoverFox under implementation on Car & 2 wheelers insurance and health insurance



# Agenda

- Strategy and key outcomes
- **Business Performance**
- ISEC Franchise

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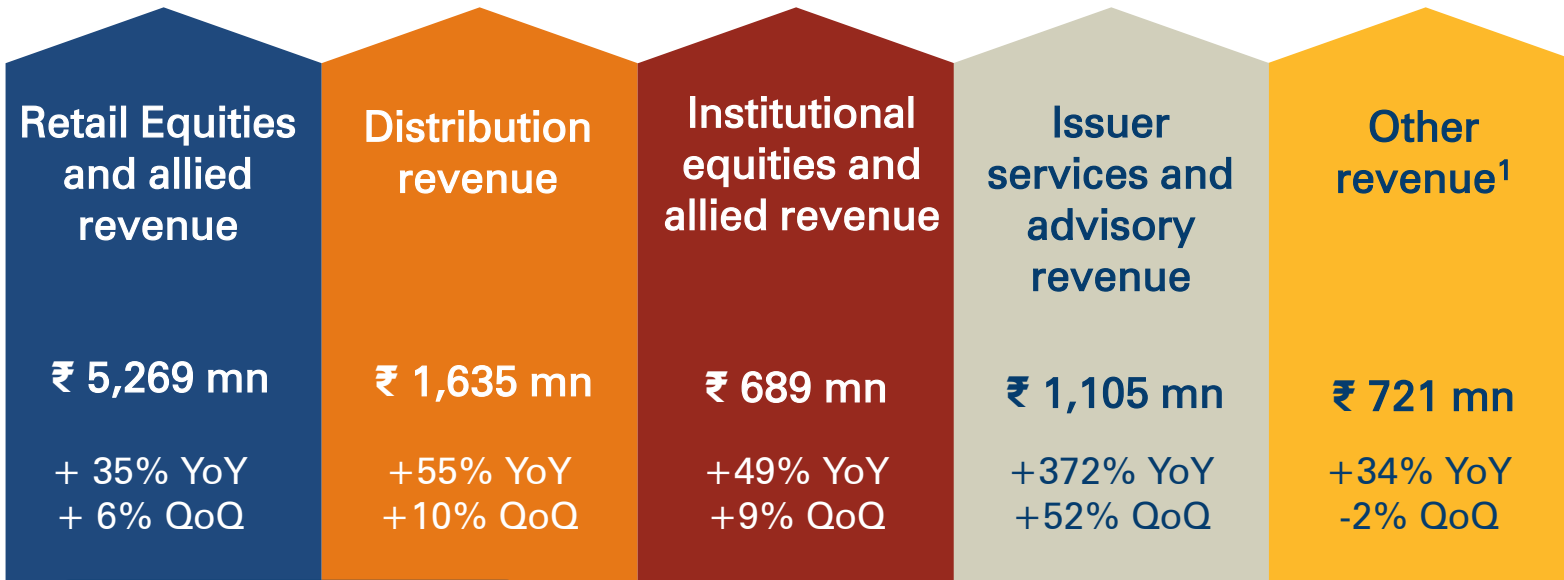


# Financial Highlights

Q3 FY22

Revenue: ₹ 9,419 mn (+52% YoY, +10% QoQ )

PAT: ₹ 3,803 mn (+42% YoY, +8% QoQ)



Private Wealth Management

₹ 2,589 mn +128% YoY  
+12% QoQ



YoY: Q3-FY2022 vs Q3-FY2021; QoQ: Q3-FY2022 vs Q2-FY2022

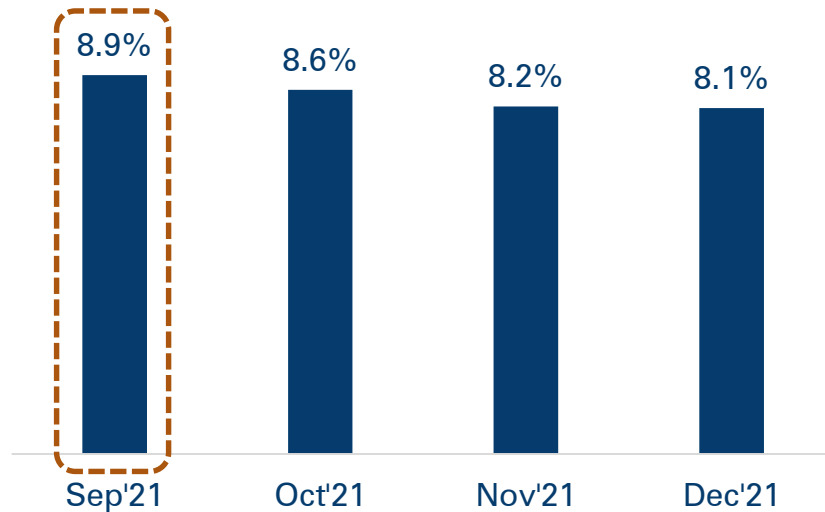
1. Includes Investment & trading, interest revenue from FDs as margin with exchanges and other revenue

# Business Performance

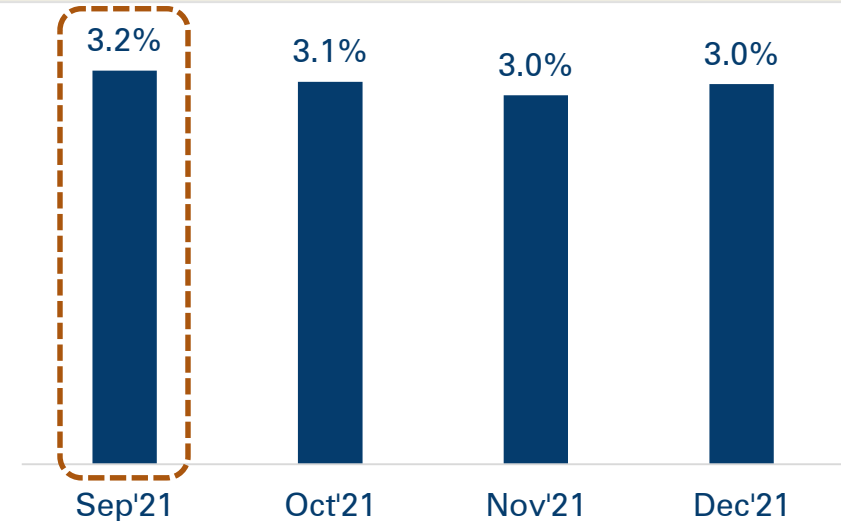
## Equities business

- **Equity market share** - Retail equity market share in a tight range as compared to last quarter, decline primarily driven by Institutional equities
- **Derivative market share** - Market share stabilizing post implementation of last phase of margin norms in Sept'21
  - Slew of Initiatives implemented to improve market share

### Equity Volume Market Share<sup>1</sup>



### Derivative Volume Market Share<sup>1</sup>



Margin norms  
phase 4

Margin norms  
Phase 4

1. Combined market share for retail and institutional clients

# Business Performance

## Equities business

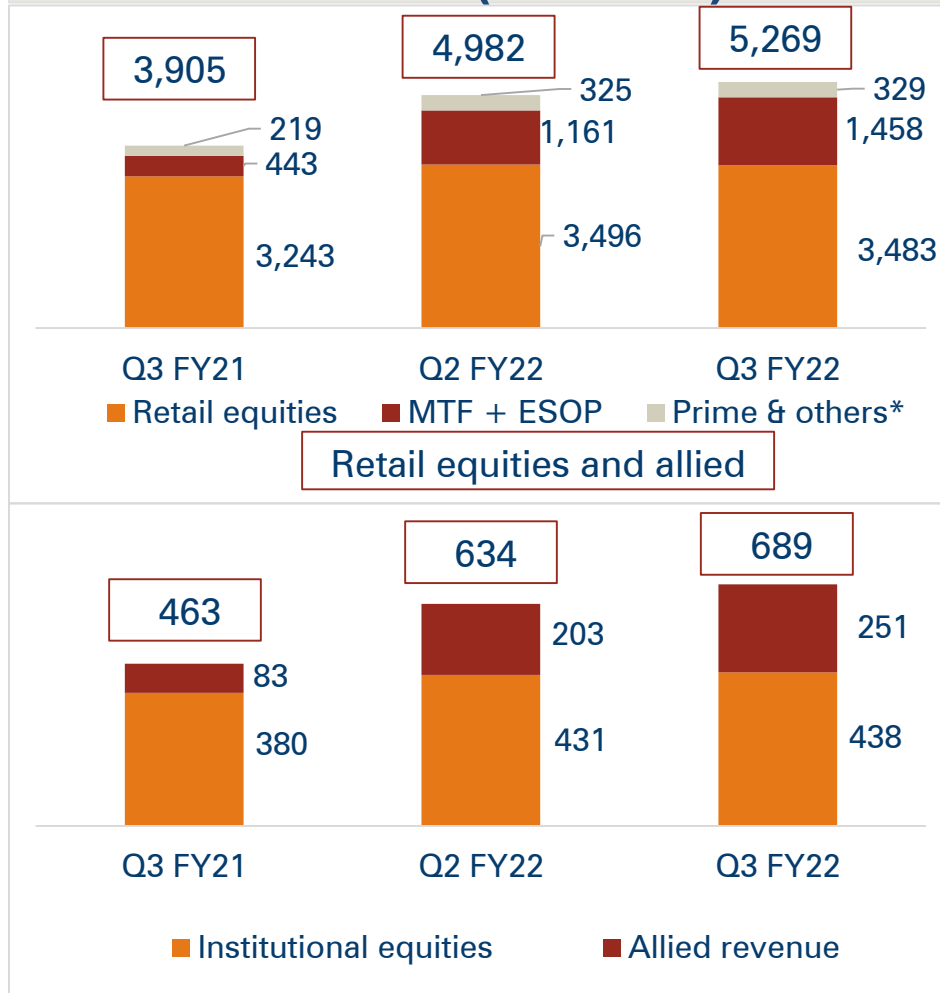
### Retail equities and allied<sup>1</sup> revenue up by 35% YoY, +6% QoQ

- Allied equity contribution increased to 34% in Q3-FY22
  - Driven by growth in MTF and ESOP interest income, +229% YoY
  - Other allied revenue increased by 50% YoY

### Institutional equities & allied<sup>2</sup> revenue up by 49% YoY

- Franchise consolidated its position among the top domestic institutions
- Strengthening FII franchise by entering into partnerships
- Research team secured #1 position in 4 sectors in Asiamoney poll

### Revenue (₹ million)



1. Retail equities includes broking income from cash & derivatives & allied revenue includes ESOP & MTF interest income, Prime fees and other fees and charges  
 2. Institutional equities includes broking income from cash & derivatives, allied revenue primarily consists of revenue transfer from Issuer Services & Advisory segment and certain minor revenue items

\* Others include NEO fees and charges, Depository charges which were previously netted off in expenses and now reclassified as gross revenue  
 Period: Q3-FY2022 vs Q3-FY2021; Sequential: Q3-FY2022 vs Q2-FY2022



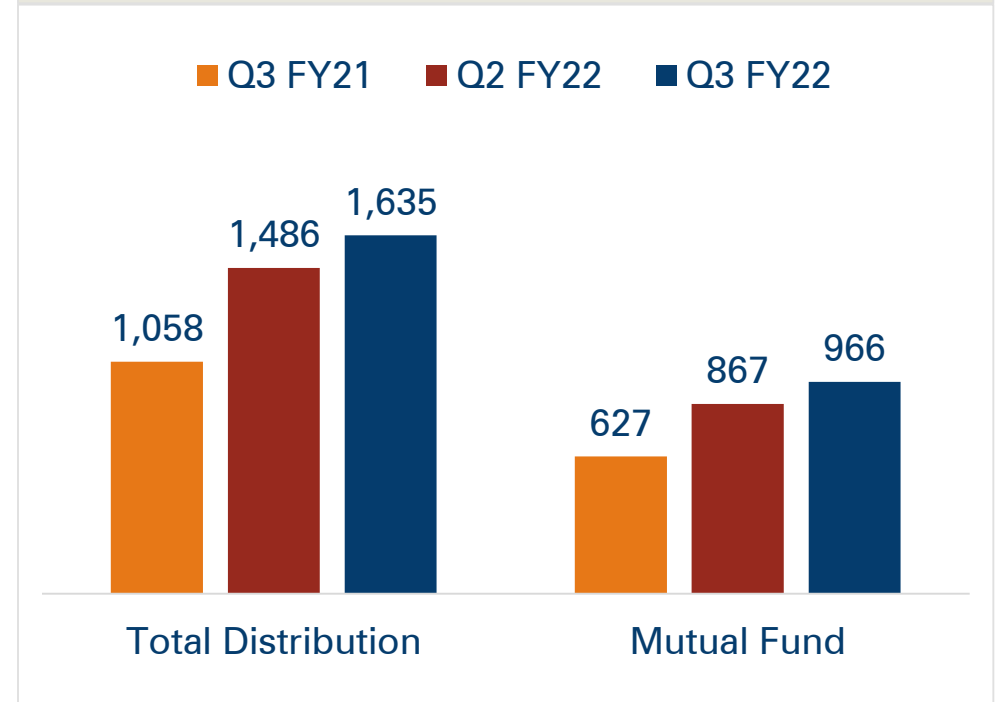
# Business Performance

## Distribution business

Distribution revenue\* at ₹ 1,635 mn, up 55% YoY

- Mutual Fund revenue up by 54% YoY
  - ISEC Mutual Fund average AUM<sup>1</sup> up 31%, at all time high
    - AUM market share<sup>2</sup> at 1.7%, up from 1.5% YoY
  - SIP count<sup>3</sup> for Q3 FY22 is 0.98 mn, up from 0.68 mn YoY
    - Market share in SIP flow increased to 3.9% from 3.7%
    - ISEC SIP flows increased by 47% YoY to ~ ₹ 13 bn

### Revenue (₹ million)



Period: Q3-FY2022 vs Q3-FY2021; Sequential: Q3-FY2022 vs Q2-FY2022

1. AUM excluding direct
  2. Market share including direct
  3. SIP Count: triggered as on last month of period
- \* Reclassified distribution revenue for better representation

Source: AMFI

# Business Performance

## Distribution business

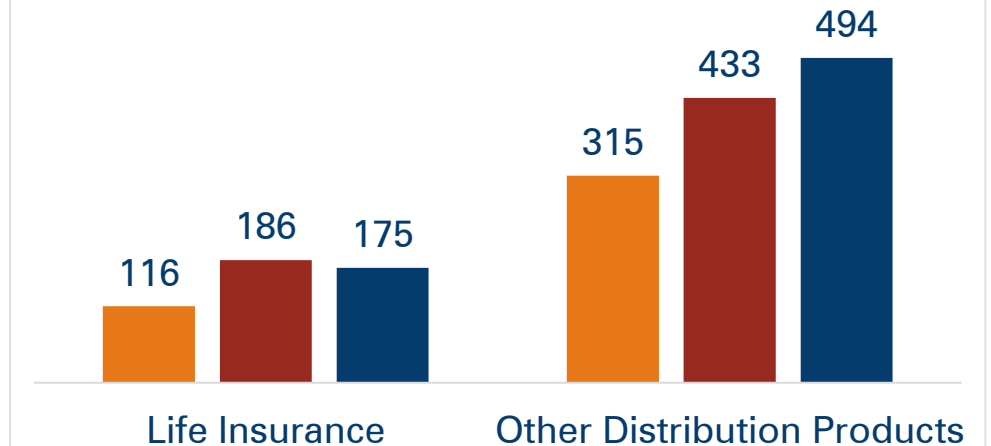
Life Insurance revenue up 51% YoY

Other distribution products<sup>1</sup> revenue up 57% YoY

- Strong growth in AIF & PMS, up 59% YoY
  - Proprietary PMS at ₹ 4.5 bn; up from ₹ 1.7 bn in Q3-FY21
- Loan distribution at ₹ 5.9 bn vs ₹ 4.3 bn in Q3-FY21
- SGB distribution market share at 9.1%<sup>2</sup>
- ETF distribution market share at 12%<sup>3</sup>

### Revenue (₹ million)

■ Q3 FY21 ■ Q2 FY22 ■ Q3 FY22



Deep integration to improve experiences in identified distribution products beyond mutual funds

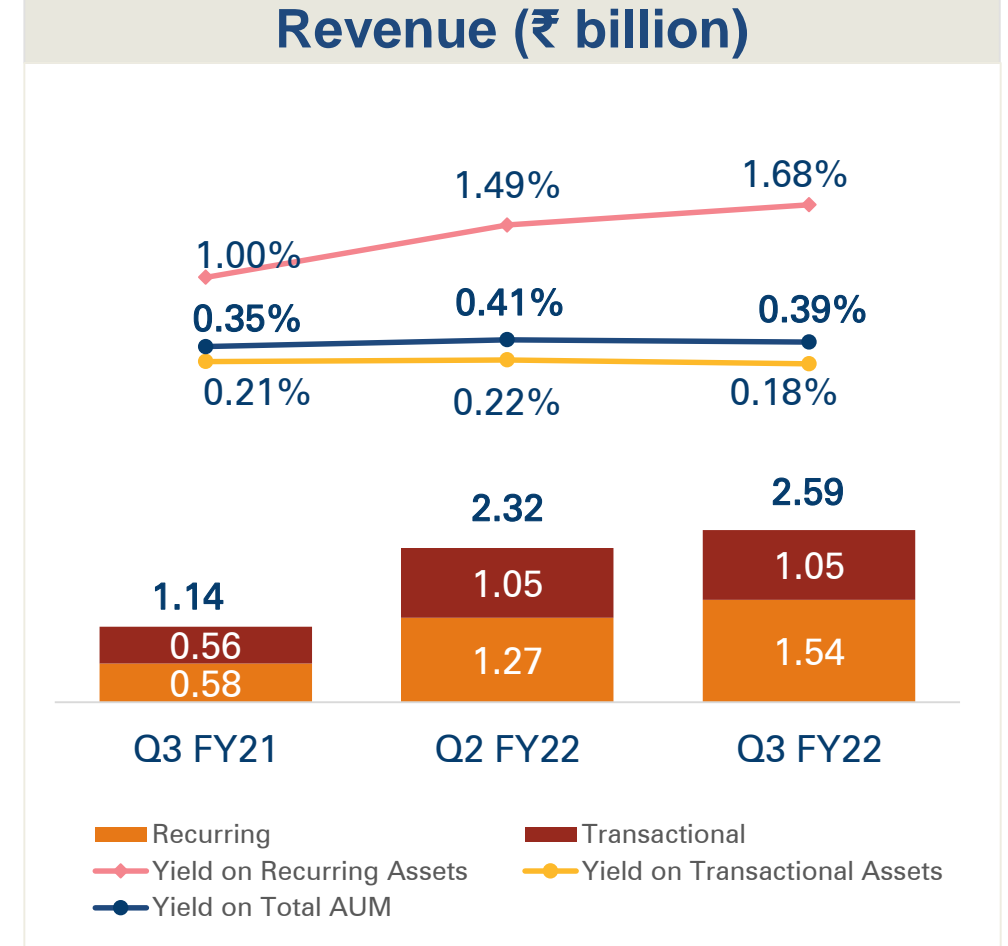
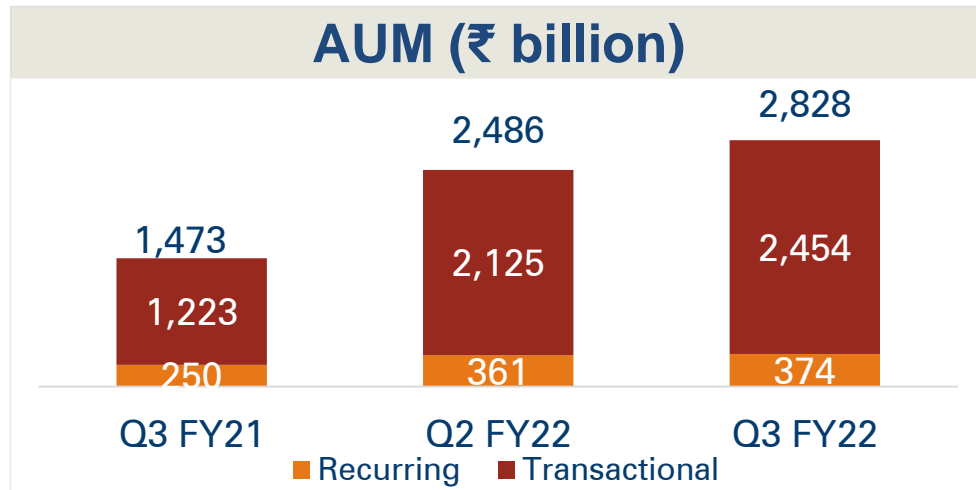


1. Distribution revenue excluding Mutual fund and Life Insurance
  2. Q3FY22, Sovereign gold bonds
  3. As at Sept 2021, Exchange traded funds
- Period: Q3-FY2022 vs Q3-FY2021; Sequential: Q3-FY2022 vs Q2-FY2022

# Business Performance

## Private Wealth Management

- Total AUM at ~ ₹ 2.8 tn, up 92%
- Total Revenue at ₹ 2.6 bn, up 128%
- Overall yield\* at 0.39% compared to 0.35% in Q3FY21
- Clients: ~65,140; ~3,290 clients added during the quarter

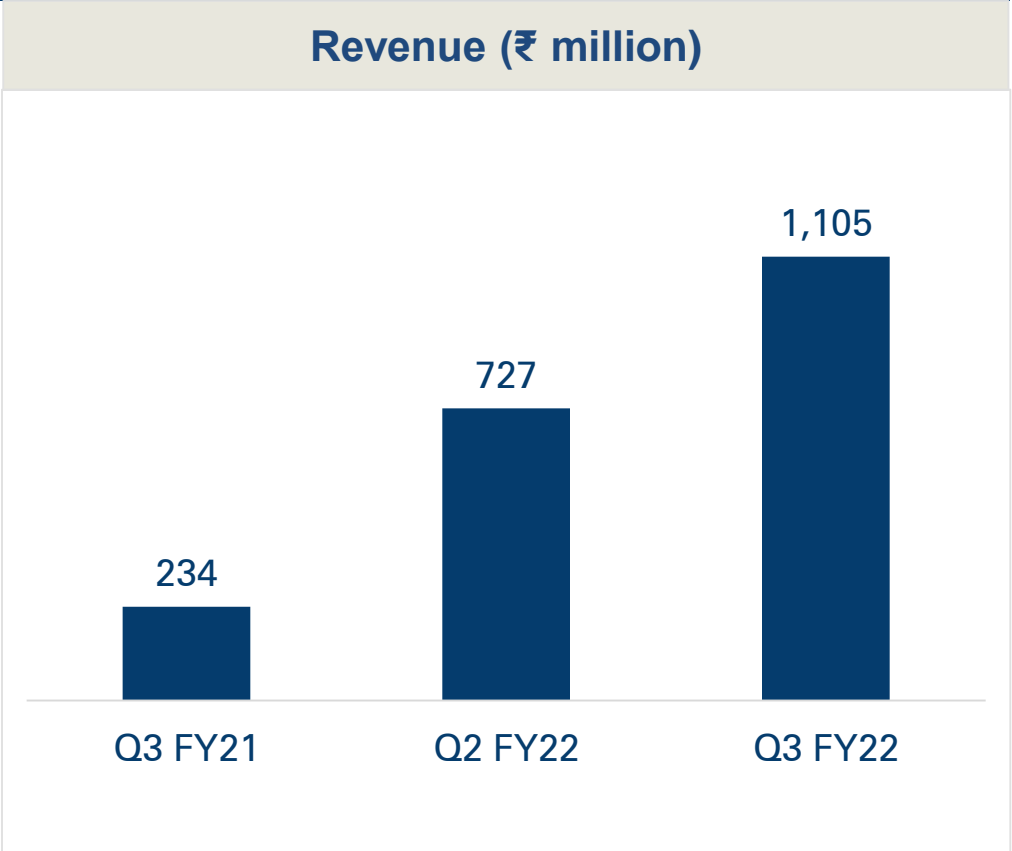


Period: Q3-FY2022 vs Q3-FY2021; Sequential: Q3-FY2022 vs Q2-FY2022  
 \*Yields are on average assets for the current & preceding period, quarterly yields are annualized

# Business Performance

## Issuer Services and Advisory

- Issuer Services & Advisory revenue up by 372%
- #1 in IPO/FPO/InvIT/REIT issuance<sup>1</sup>, 68% mobilization market share
- Strong IPO<sup>2</sup> pipeline, 63 deals amounting over ₹ 850 bn
- Continued focus on building non-IPO revenue



1. Source: Prime database for 9MFY22 (By amount issued)  
2. IPO:IPO/FPO/InvIT/REIT  
\*Period: Q3-FY2022 vs Q3-FY2021; Sequential: Q3-FY2022 vs Q2-FY2022

# Way forward

## Core components of strategy remain intact

- **Invest in next gen technology capabilities to remain cutting edge** - Advanced analytics, CRM capabilities, cyber security, capacity enhancement, AI/ML tools, UI/UX interfaces
- **Invest in capabilities** - Talent acquisition in all areas of focus, broad basing ESOPs
- **Strengthen proposition** to cater to GenZ, Millennials and Mass affluent and HNIs
- **Digitize & decongest** processes and products & enhance customer experience
- **Personalisation** at scale by introducing AI/ML as well as deep integration with partners
- Continue to improve **Net promoter score (NPS)** and **cross sell ratios**
- Continued focus on **operating leverage**
- Deeper integration of **ESG principles in business strategy**



**Evolving into digital “NEO financial services’ marketplace”**

# Agenda

- Strategy and key outcomes
- Business Performance
- **ISEC Franchise**

Being there never  
**mattered more**



# ICICI Securities Franchise



## Total Assets

₹ 5.6 tn<sup>1</sup>

23% 5Y CAGR (FY16-21)



## Wealth Assets

₹ 2.8 tn<sup>2</sup>

29% 5Y CAGR (FY16-21)



## Client base

7.0 mn<sup>3</sup>

5x increase in client acquisition YoY



## Revenue

₹ 25.9 bn<sup>4</sup>

18% 5Y CAGR (FY16-21)



## Profit After Tax

₹ 10.7 bn<sup>4</sup>

35% 5Y CAGR (FY16-21)



## Dividend

₹ 21.5 per share<sup>4</sup>

34% 5Y CAGR (FY16-21)



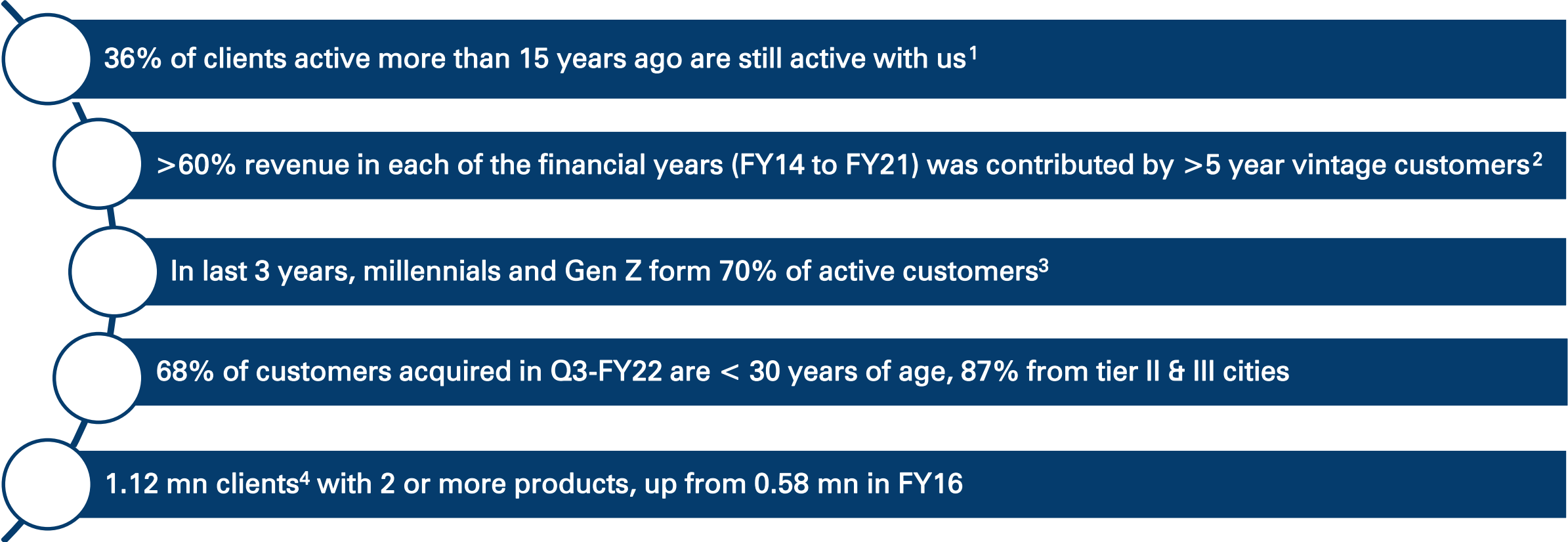
1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on Dec,31 2021

2. 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, as on Dec, 31 2021

3.As on Dec, 31 2021

4. FY21

# Sticky, diverse & multifaceted client base



Ability to attract millennials & Gen Z and retain vintage customers

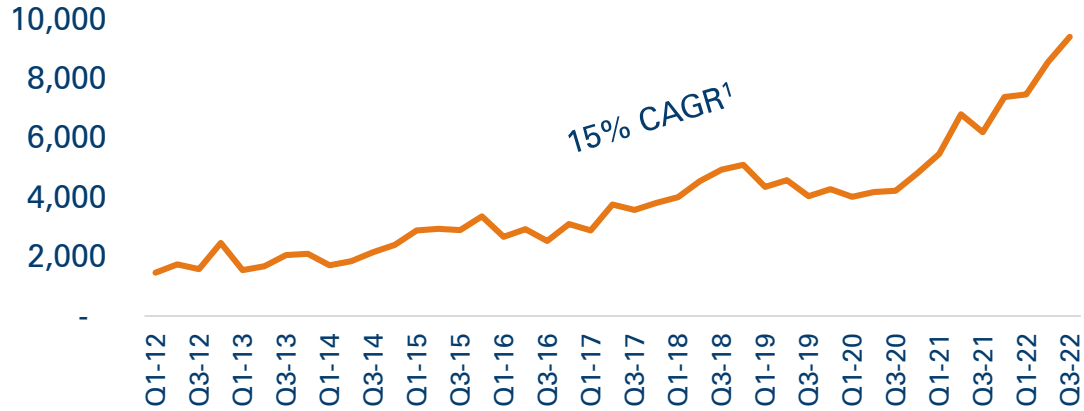


1. As at FY21  
2. Based on retail broking revenues  
3. Customers below 40 years of age, FY19 to FY21  
4. As at Q3-FY22

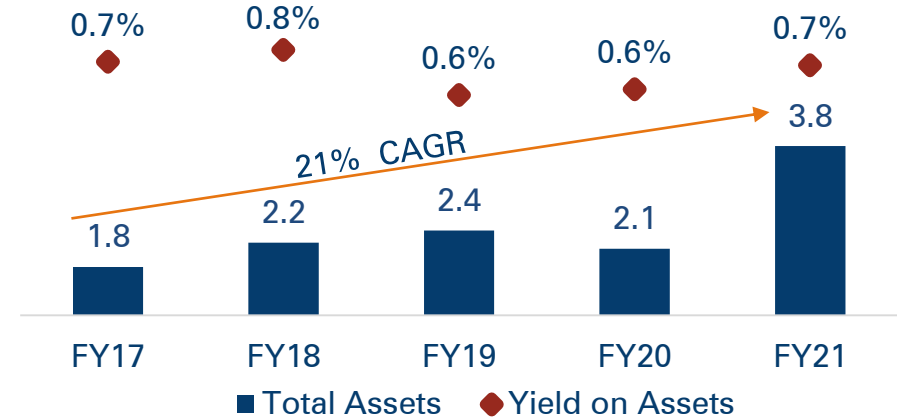


# Secular business model

## Secular trend of quarterly overall revenues



## Consistent yield on client assets<sup>2</sup>



## Growth in PAT across cycles (₹ bn)

| Year        | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21  |
|-------------|------|------|------|------|------|------|------|------|------|-------|
| PAT (₹ bn)  | 0.78 | 0.64 | 0.91 | 2.94 | 2.39 | 3.39 | 5.54 | 4.91 | 5.42 | 10.68 |
| 3 Year CAGR |      |      |      | 56%  | 55%  | 55%  | 23%  | 27%  | 17%  | 24%   |

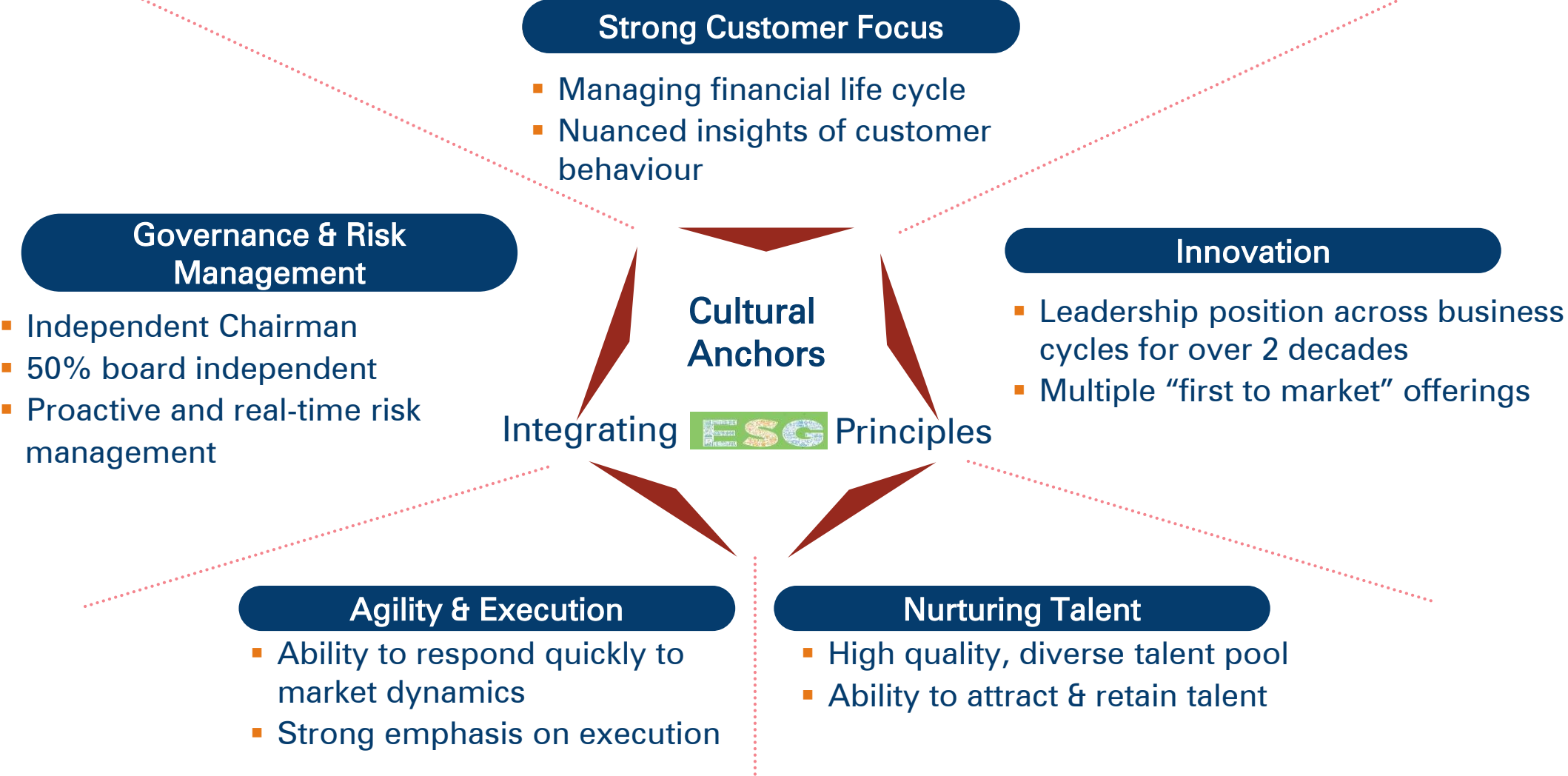
- ❖ Business model has remained secular as seen by rolling 3 year periods with a minimum of 17% PAT CAGR over the last decade
- ❖ The company has displayed capabilities to scale down cost and maximize profit during tough times

**3Y PAT CAGR ranging from 17% to 55% over different market cycles**



1. Annual growth rate from FY12 to FY21  
 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.)

# Cultural Anchors & focus on earning trust



# Uniquely positioned to harness entire Indian financial services opportunity

Segment Coverage



Best in class plans



New age digital platforms



Propositions

Investment tools



Trading tools



Knowledge ecosystem



Channel

Omni channel strategy ranging from RM led assisted digital to completely digital



Unique non-credit play for entire Indian financial services opportunity

# 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**

# Appendix

# Consolidated P&L

(₹ million)

| Particulars                             | Q3-FY21      | Q2-FY22      | Q3-FY22      | Q-o-Q%     | Y-o-Y%     |
|---|--------------|--------------|--------------|------------|------------|
| <b>Revenue</b>                          | <b>6,200</b> | <b>8,566</b> | <b>9,419</b> | <b>10%</b> | <b>52%</b> |
| Operating Expenses                      | 413          | 577          | 794          | 38%        | 92%        |
| Employee benefits expenses              | 1,297        | 1,683        | 1,729        | 3%         | 33%        |
| Other expenses                          | 659          | 1,016        | 971          | (4)%       | 47%        |
| <b>Total operational expenses</b>       | <b>2,369</b> | <b>3,276</b> | <b>3,494</b> | <b>7%</b>  | <b>47%</b> |
| Finance Cost                            | 253          | 581          | 827          | 42%        | 227%       |
| <b>Total expenses</b>                   | <b>2,622</b> | <b>3,857</b> | <b>4,321</b> | <b>12%</b> | <b>65%</b> |
| <b>Profit before tax</b>                | <b>3,578</b> | <b>4,709</b> | <b>5,098</b> | <b>8%</b>  | <b>42%</b> |
| Tax                                     | 908          | 1,197        | 1,295        | 8%         | 43%        |
| <b>Profit after tax</b>                 | <b>2,670</b> | <b>3,512</b> | <b>3,803</b> | <b>8%</b>  | <b>42%</b> |
| Other Comprehensive Income (OCI)        | 1            | 23           | 23           | -          | > 100%     |
| <b>Total Comprehensive Income (TCI)</b> | <b>2,671</b> | <b>3,535</b> | <b>3,826</b> | <b>8%</b>  | <b>43%</b> |



# Segment performance

(₹ million)

| Particulars                      | Q3-FY21      | Q2-FY22      | Q3-FY22      | Q-o-Q%     | Y-o-Y%     |
|----------------------------------|--------------|--------------|--------------|------------|------------|
| <b>Segment Revenue</b>           |              |              |              |            |            |
| Broking & Distribution           | 5,792        | 7,529        | 8,085        | 7%         | 40%        |
| Issuer Services and Advisory     | 234          | 727          | 1,105        | 52%        | 372%       |
| Treasury                         | 174          | 310          | 229          | (26)%      | 32%        |
| <b>Income from operations</b>    | <b>6,200</b> | <b>8,566</b> | <b>9,419</b> | <b>10%</b> | <b>52%</b> |
| <b>Segment Profit before tax</b> |              |              |              |            |            |
| Broking & Distribution           | 3,396        | 3,982        | 4,231        | 6%         | 25%        |
| Issuer Services and Advisory     | 74           | 520          | 742          | 43%        | 903%       |
| Treasury                         | 108          | 207          | 125          | (40)%      | 16%        |
| <b>Total Result</b>              | <b>3,578</b> | <b>4,709</b> | <b>5,098</b> | <b>8%</b>  | <b>42%</b> |





# Balance sheet : Assets

(₹ million)

| <b>ASSETS</b>   | <b>At Dec 31, 2020</b> | <b>At Sep 30, 2021</b> | <b>At Dec 31, 2021</b> |
|---|------------------------|------------------------|------------------------|
| <b>Financial assets (A)</b>                             | <b>58,638</b>          | <b>114,370</b>         | <b>133,036</b>         |
| Cash/Bank and cash equivalents                          | 31,803                 | 49,604                 | 50,949                 |
| Securities for trade & Derivatives financial instrument | 3,266                  | 1,800                  | 5,506                  |
| Receivables   | 4,458                  | 2,863                  | 4,305                  |
| Loans   | 18,352                 | 59,107                 | 71,032                 |
| Investments   | 28                     | 36                     | 100                    |
| Other financial assets                                  | 731                    | 960                    | 1,144                  |
| <b>Non-financial assets (B)</b>                         | <b>4,103</b>           | <b>4,262</b>           | <b>4,239</b>           |
| Deferred tax assets (net)                               | 666                    | 574                    | 540                    |
| Right-of-use assets                                     | 1,047                  | 1,039                  | 979                    |
| Fixed assets, CWIP & Intangible assets                  | 702                    | 861                    | 940                    |
| Current tax assets & other non financial assets         | 1,688                  | 1,788                  | 1,780                  |
| <b>Assets (A+B)</b>                                     | <b>62,741</b>          | <b>118,632</b>         | <b>137,275</b>         |



# Balance sheet : Equity and Liabilities

(₹ million)

| <b>EQUITY AND LIABILITIES</b>          | <b>At Dec 31, 2020</b> | <b>At Sep 30, 2021</b> | <b>At Dec 31, 2021</b> |
|--|------------------------|------------------------|------------------------|
| <b>Financial liabilities (A)</b>       | <b>40,630</b>          | <b>91,899</b>          | <b>110,200</b>         |
| Payables                               | 10,423                 | 12,571                 | 9,307                  |
| Derivative financial instruments       | 1                      | 5                      | -                      |
| Debt securities & borrowings           | 22,936                 | 58,626                 | 83,544                 |
| Lease liabilities                      | 1,134                  | 1,157                  | 1,100                  |
| Deposits & Other financial liabilities | 6,136                  | 19,540                 | 16,249                 |
| <b>Non-financial liabilities (B)</b>   | <b>7,253</b>           | <b>6,135</b>           | <b>6,224</b>           |
| <b>Equity (C)</b>                      | <b>14,858</b>          | <b>20,598</b>          | <b>20,851</b>          |
| Equity share capital                   | 1,611                  | 1,613                  | 1,613                  |
| Other equity                           | 13,247                 | 18,985                 | 19,238                 |
| <b>Equity and Liabilities (A+B+C)</b>  | <b>62,741</b>          | <b>118,632</b>         | <b>137,275</b>         |



# Additional data points

| Particulars  | Q1-FY21 | Q2-FY21 | Q3-FY21 | Q4-FY21 | Q1-FY22 | Q2-FY22 | Q3-FY22 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Equity market ADTO <sup>1</sup> (bn)                 | 454     | 470     | 471     | 573     | 571     | 512     | 512     |
| Derivative market ADTO <sup>1</sup> (bn)             | 9,183   | 12,145  | 16,477  | 22,572  | 24,143  | 31,840  | 38,048  |
| Total market ADTO <sup>1</sup> (bn)                  | 9,637   | 12,615  | 16,948  | 23,145  | 24,713  | 32,352  | 38,560  |
| ISEC total ADTO (bn)                                 | 867     | 1,118   | 1,093   | 732     | 838     | 1,029   | 1,191   |
| ISEC Blended market share (%)                        | 9.0%    | 8.9%    | 6.5%    | 3.2%    | 3.4%    | 3.2%    | 3.1%    |
| ISEC Blended Equity market share (%)                 | 10.7%   | 11.1%   | 10.5%   | 9.6%    | 9.2%    | 8.8%    | 8.3%    |
| ISEC Blended Derivative market share (%)             | 8.9%    | 8.8%    | 6.3%    | 3.0%    | 3.3%    | 3.1%    | 3.0%    |
| Mutual fund average AUM <sup>2</sup> (bn)            | 318     | 352     | 383     | 413     | 440     | 483     | 503     |
| Mutual fund average Equity AUM <sup>2</sup> (bn)     | 236     | 262     | 287     | 314     | 346     | 394     | 417     |
| Mutual fund gross flow market share <sup>3</sup> (%) | 0.21%   | 0.27%   | 0.28%   | 0.31%   | 0.30%   | 0.31%   | 0.25%   |
| Life Insurance Premium (mn)                          | 1,231   | 1,729   | 1,783   | 2,909   | 1,248   | 1,906   | 1,919   |



1. Excludes proprietary volumes, source: NSE, BSE, AMFI
2. AUM excluding direct
3. Market share including direct