

July 21, 2021

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Sub: Outcome of earnings call held for results for the quarter ended June 30, 2021

Ref: NSE Symbol - ISEC and BSE Scrip Code - 541179

This is further to our letter dated July 15, 2021 regarding the earnings call which was scheduled to be held on July 21, 2021.

Please find enclosed herewith the investor presentation and the opening remarks for the earnings call held on July 21, 2021 to discuss the financial results for the quarter ended June 30, 2021.

The same has also been uploaded on the website of the Company *i.e.* www.icicisecurities.com.

Thanking you,

Yours faithfully,
For ICICI Securities Limited



Rupesh Jadhav
Chief Manager

Encl.: As above

Member of National Stock Exchange of India Ltd, BSE Ltd and Metropolitan Stock Exchange of India Ltd.
SEBI Registration : INZ000183631
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office (Institutional):
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Corporate Office (Retail):
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C., Turbhe, Navi Mumbai - 400 705
Tel (91 22) 4070 1000
Fax (91 22) 4070 1022

Name of Compliance Officer (Broking Operations) : Mr. Anoop Goyal
Email Address: complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com





Performance update

Q1-FY2022

July 20, 2021

Agenda

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

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INNOVATION



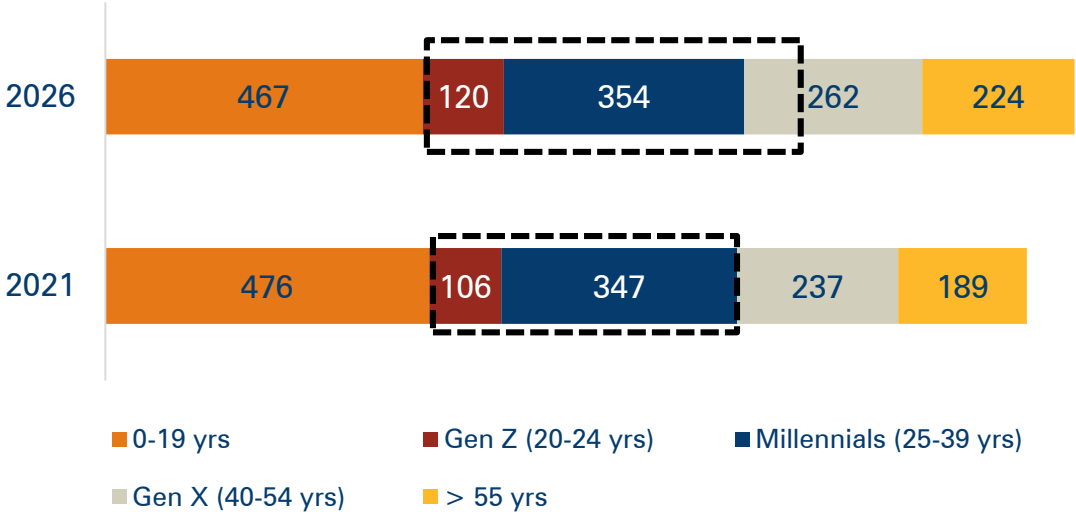
TECHNOLOGY

India growth opportunity (1/2)

Growing digital natives cohort ...

Digital native population

Population distribution (in millions)



Digital natives comprising GenZ and Millennials are expected to increase by 15 mn - 20 mn annually for next 10 years¹

...supported by improving digital infrastructure...

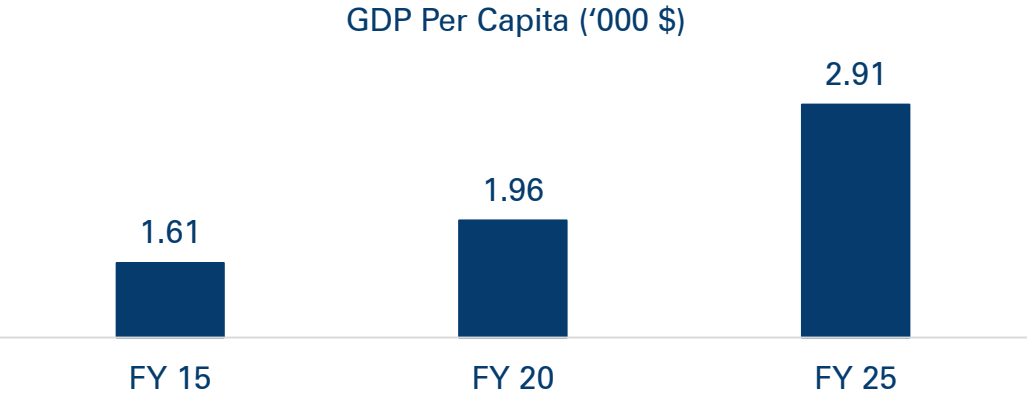
- ❖ Digital India led by “Aadharisation”
- ❖ Internet users 622 mn², 43% of population
- ❖ Mobile connection: 1.2 billion³; 79% of the total population
- ❖ Data cost down by >95% since 2013³
- ❖ Capital flowing into fintech driving innovation



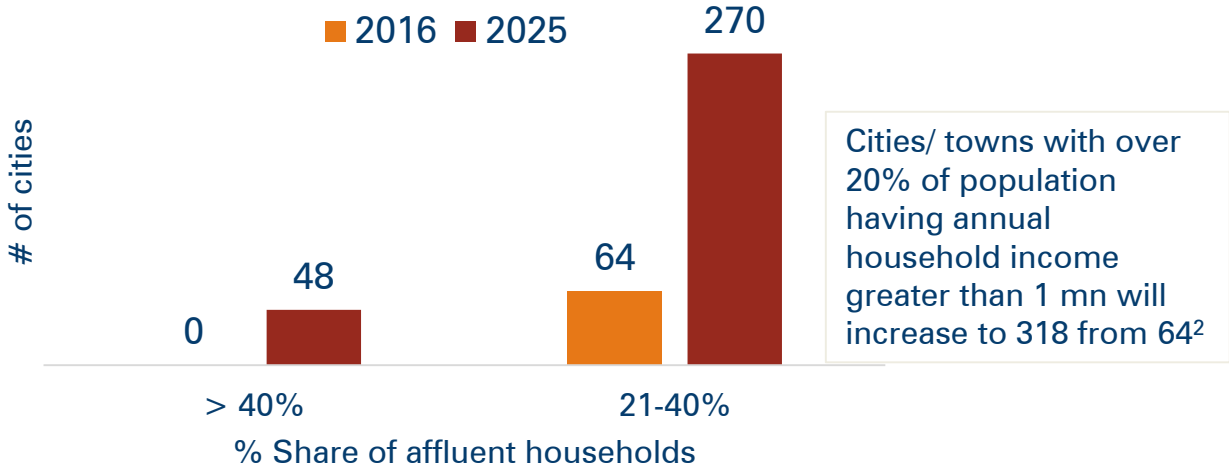
1. Source: Census of India, 2. Source: Kantar, 2020 3. Source: Mckinsey,2018 .

India growth opportunity (2/2)

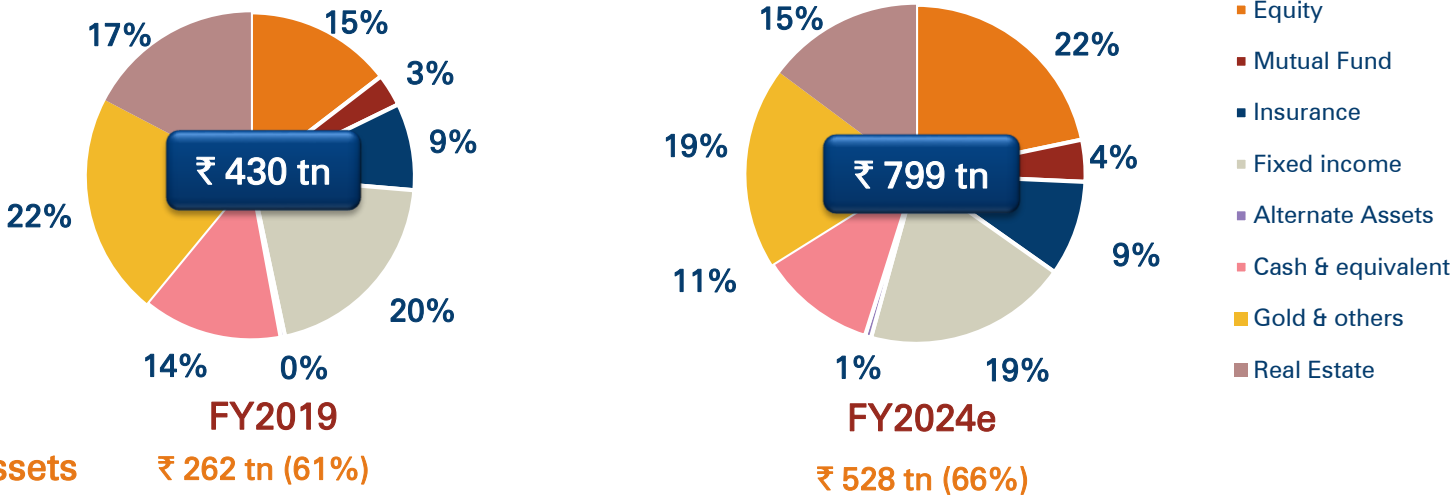
...growing GDP per capita¹...



...& widely spread affluence across India & Bharat...



...is expected to drive increase in financial Assets³



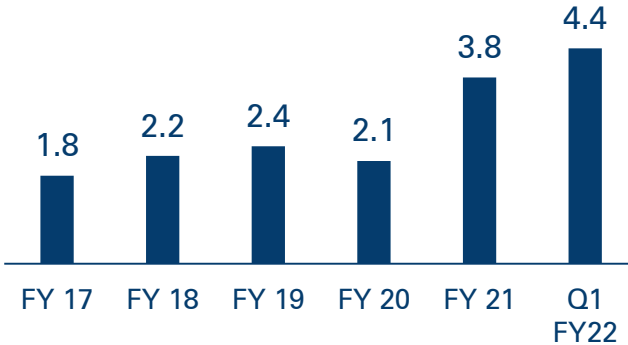
Core opportunity remains intact, pandemic has frontloaded the digital aspects

1. Source: IMF , 2. Source: BCG, 3. Source: Karvy wealth report

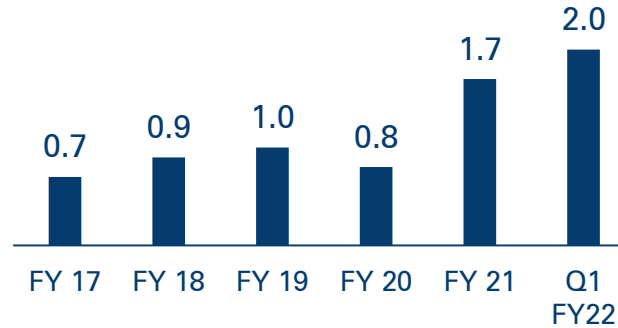
ICICI Securities franchise continues to gain momentum

Affluent franchise with strong position across businesses

Total assets¹ (₹ tn)



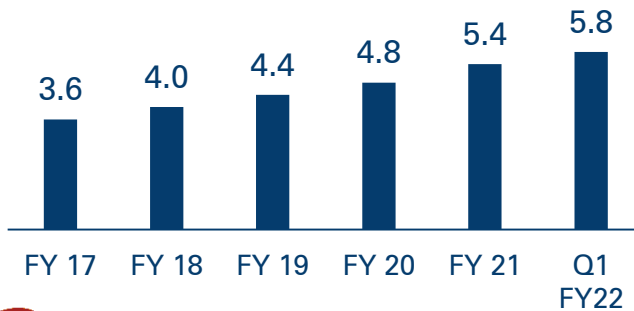
Private wealth client assets² (₹ tn)



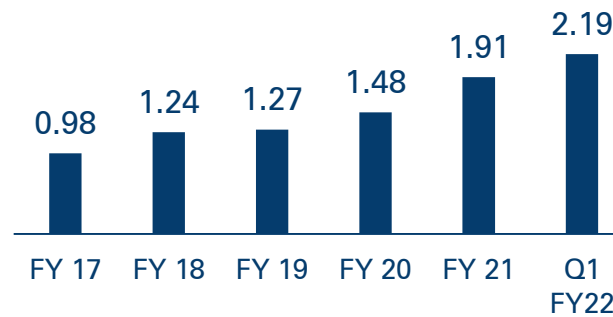
- ❖ One of the largest equity and wealth management franchise
- ❖ 5th largest MF distributor by revenue in FY20⁴
- ❖ Over 10% market share in ETF and SGB distribution⁵
- ❖ Consistently ranked amongst top ECM players⁶

Scale

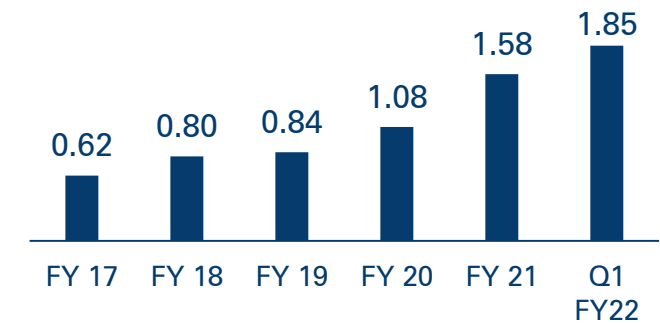
Client base (mn)



Overall active clients³ (mn)



NSE active clients³ (mn)

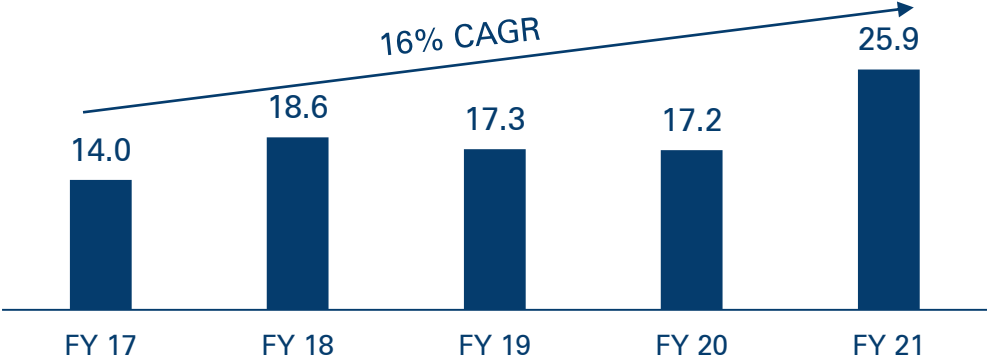


1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
 2. Assets of our clients with more than 1 cr AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding
 3. active clients are for trailing 12 months 4. FY20, Source AMFI
 5. ETF – Exchange Traded Funds (Market share for March 2021; Non Institutional market share, SGB – Sovereign Gold Bonds (Market share for Q1 FY22)
 6. ECM market share source Prime Database

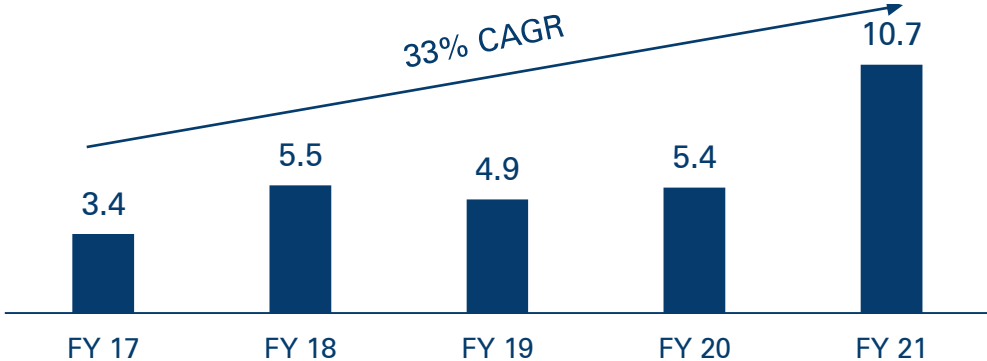
ICICI Securities franchise continues to gain momentum

Free cashflow generating high operating leverage model

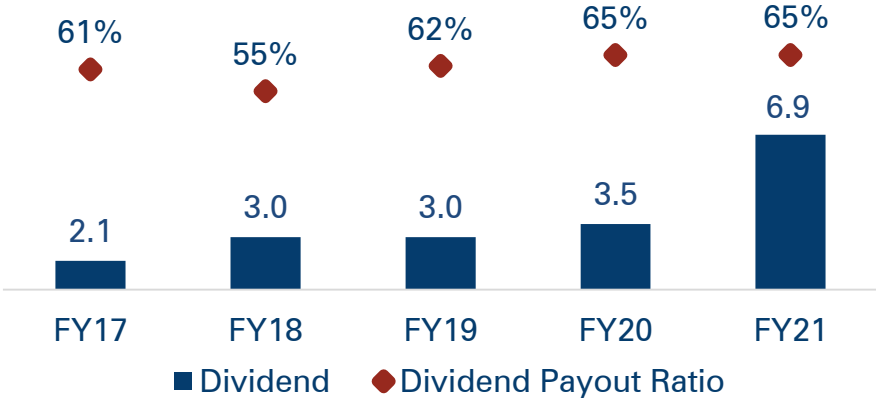
Revenue (₹ bn)



PAT (₹ bn)

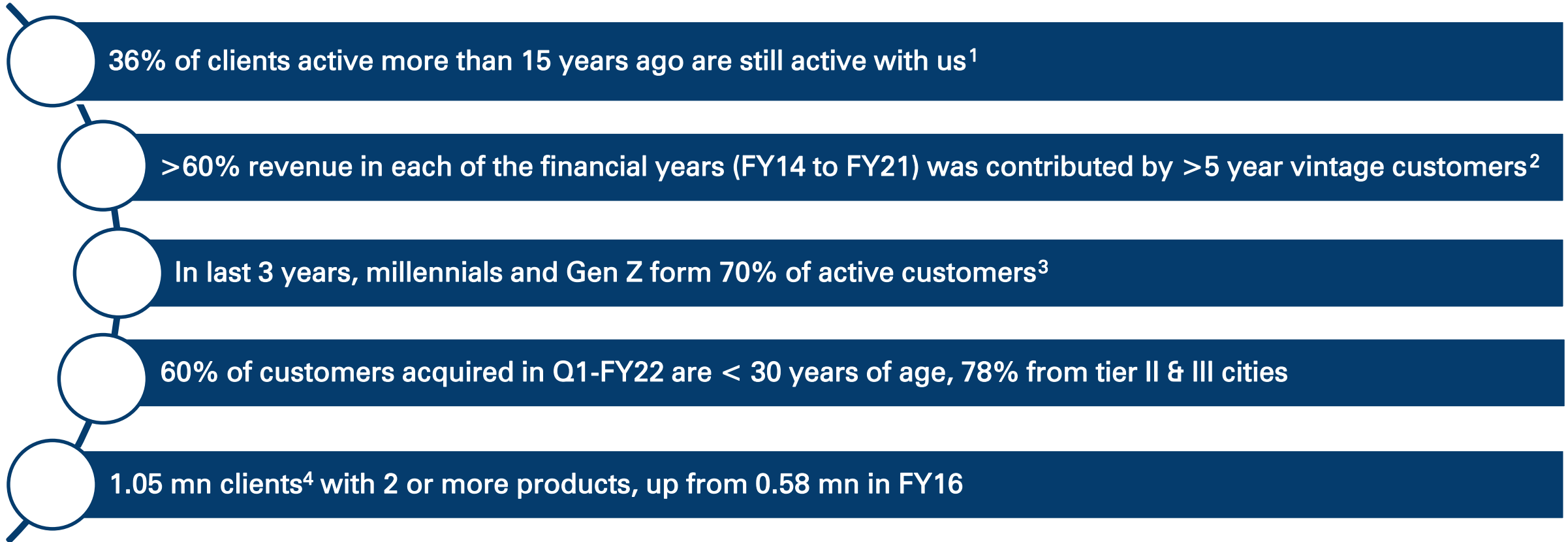


Dividend Payout (₹ bn)



ROE consistently around 50% (FY16 to 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
4. As at Q1-FY22

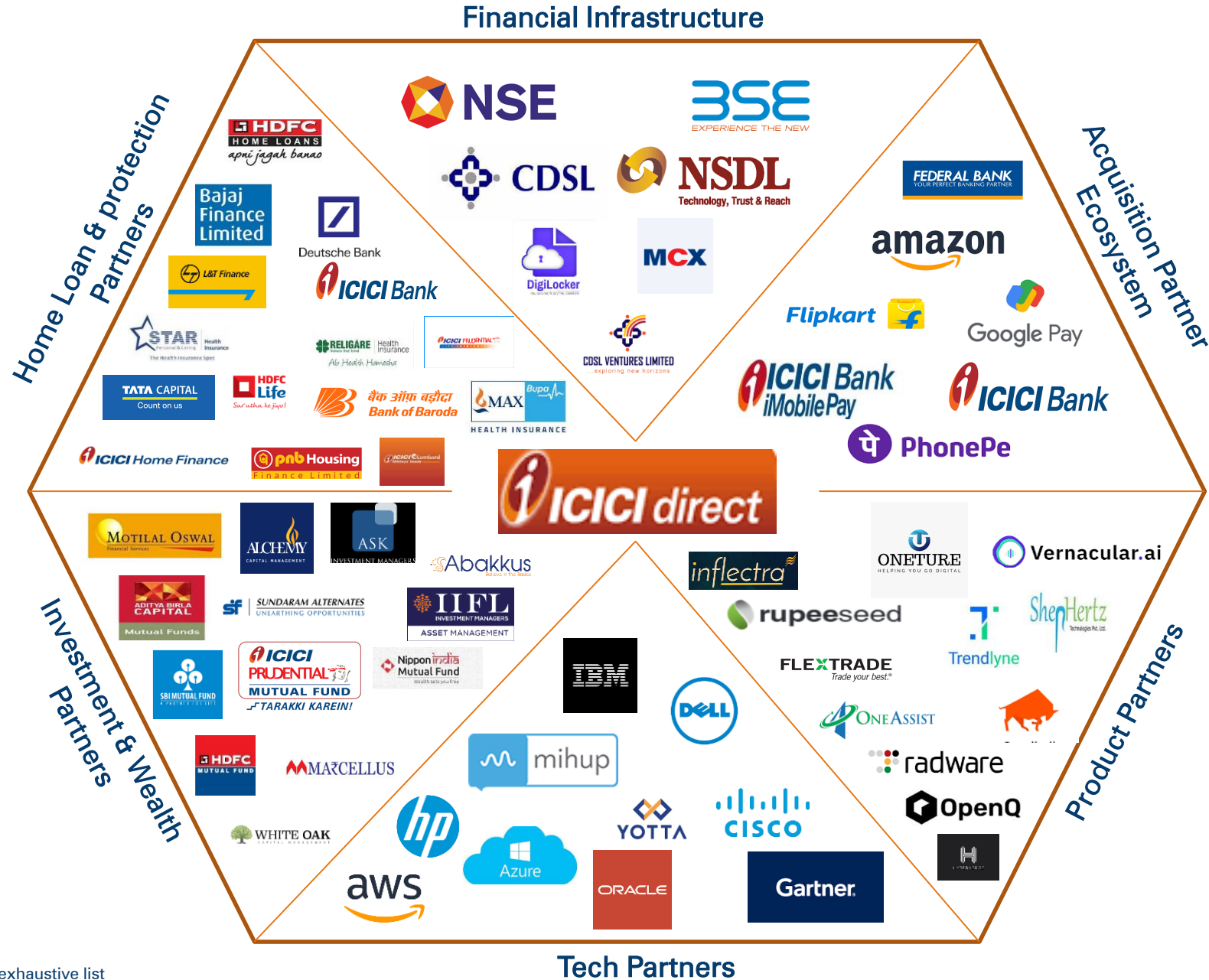
Uniquely positioned to harness entire India

<p>Segment Coverage</p>	 <p>Private Wealth</p>	 <p>Mass Affluent</p>	 <p>Millennial & Genz</p>
<p>Target Investor profile</p>	<p>HNI & Ultra HNIs</p>	<p>Mid to high net worth</p>	<p>Upcoming digital native</p>
<p>Propositions</p>			
<p>Omni channel strategy ranging from RM led assisted digital to completely digital</p>			



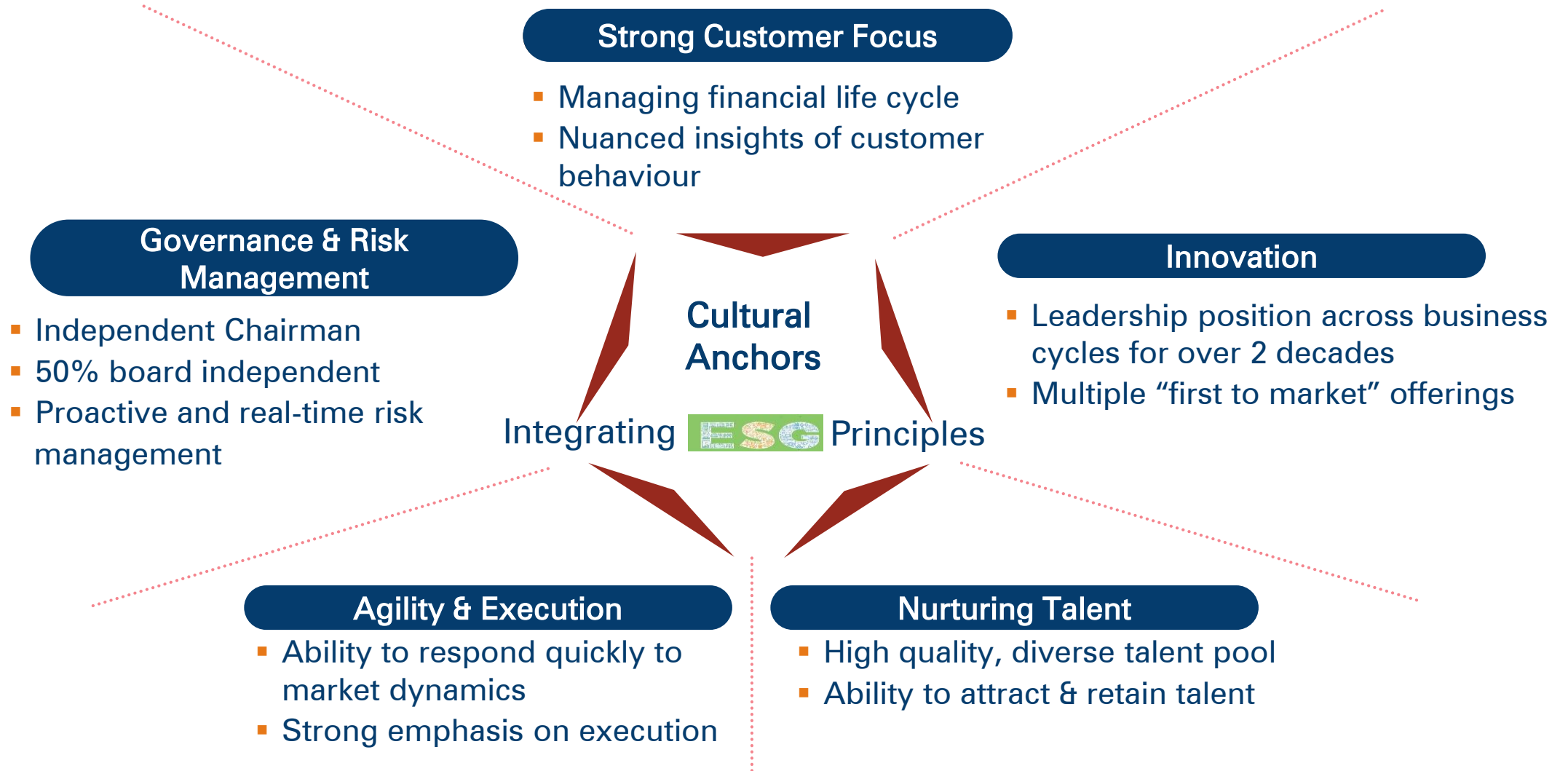
Unique non-credit play for entire Indian financial services opportunity

Digitally integrated platform of financial ecosystems



Indicative only, not an exhaustive list

Cultural Anchors & focus on earning trust



A diversified digital platform

Unique business model

- Virtually no inventory and supply chain risk
- Low credit and receivables risk
- Strong liquidity position
- High Return on Equity and asset light business model

Wide range of products under one digital platform

- Open architecture business model
- Investments, loans, deposits and protection
- 50+ products and services

Scalable digital capabilities and infrastructure

- 99% equity transactions performed online
- 95% mutual fund transactions performed online
- 95% of our account opening is digital, balance is phygital

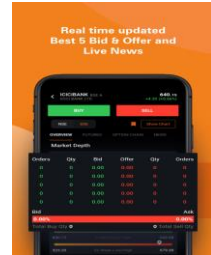


Continuously modernizing digital & Tech capabilities



API-fication

- 180 APIs ready for various products like Equity, FNO, MF, Currency and Commodities
- 500 APIs completed for backend and RMS access



Markets App

- Live for Equity and FNO
- Charts, small graphs, get quotes and other features
- Simplified and Intuitive journeys



New age product & services

- Trading strategy: UAT completed, Exchange approvals in place, ready to go-live

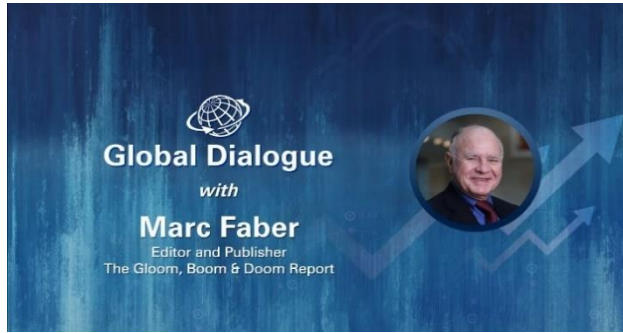


Architecture change

- Rate refresh moved to cloud.
- Reduced database load to the tune of 140K requests per minute. Will take more transaction load.



Customer education at heart



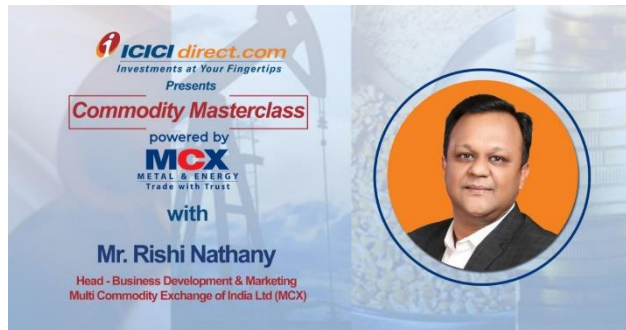
Global Dialogue: Interaction with renowned global market leaders on market outlook and investment strategy



Economic Outlook: Shares insights on performance of the economy and inflation trends



Market Wraps: Weekly wraps to understand the performance of the stock market and forecast with top stock picks



Masterclass: Helps clients understand the basics of investing in commodity markets

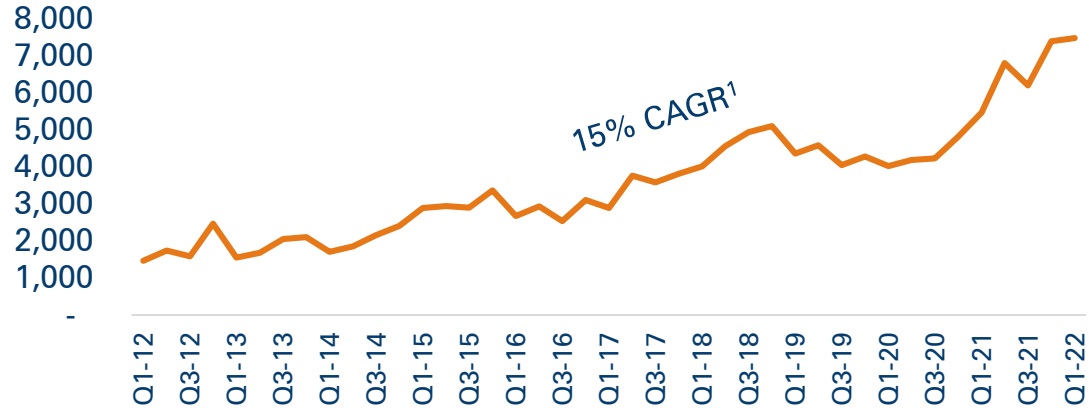


Investalk: Expert Fund Manager sessions across mutual fund industry to help clients understand the market outlook and top investment ideas



Secular business model

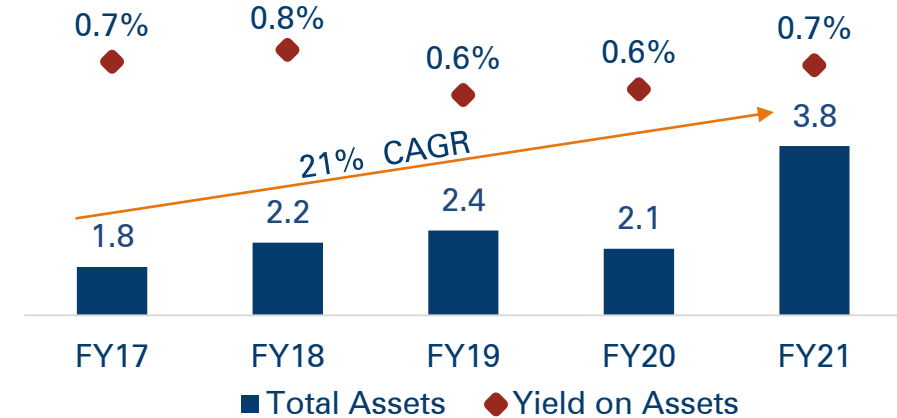
Secular trend of quarterly overall revenues



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%

Consistent yield on client assets²



- 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.)

Agenda

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

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INNOVATION



TECHNOLOGY

Emerging as full stack digital platform

WEALTH & INVESTMENTS

- Fixed income & deposits
- Equity
- Currency & Commodity
- Mutual Fund
- PMS
- Global Investing

PROTECTION

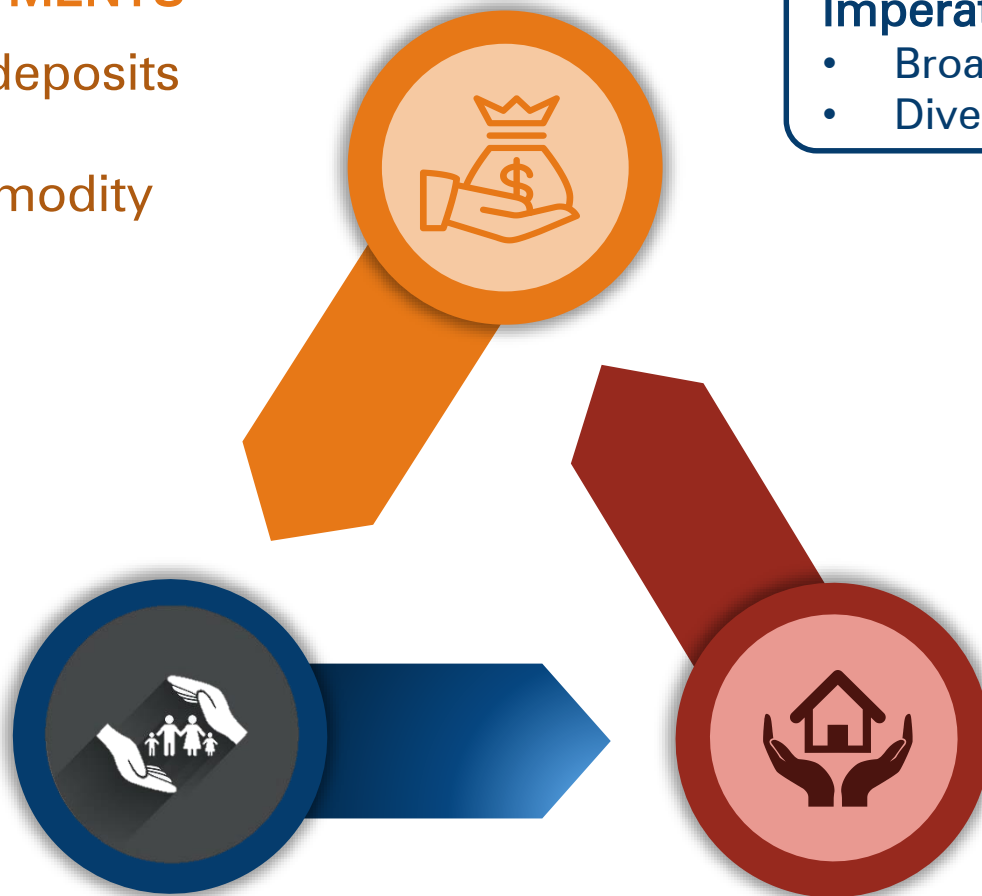
- Life
- General
- Health

Imperatives:

- Broad base business model
- Diverse and granular revenue streams

ASSETS & LOAN DISTRIBUTION

- Digital Loans
- MTF & ESOP
- Mortgage
- LAS



To emerge as full stack open architecture digital platform for serving financial services needs of retail Indian across life stages



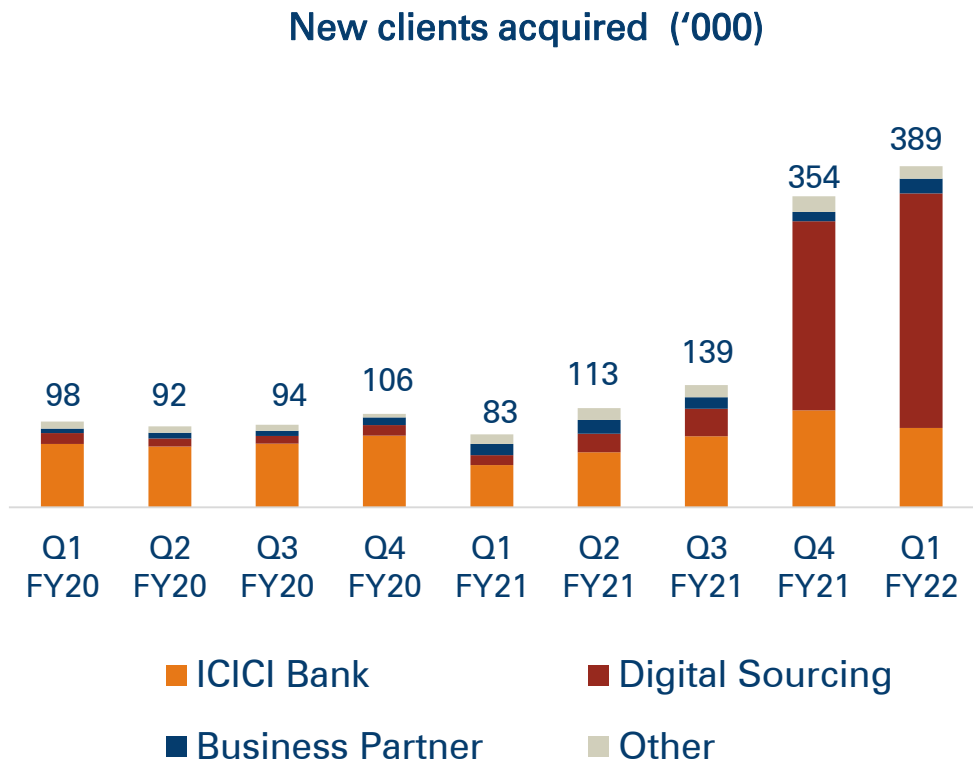
Our strategic anchors are helping us transform



Progress against strategic anchors discussed in the following slides

#1 Our digital sourcing has helped us scale up, diversify and deepen the reach of sourcing

	Q1-FY2020	Q1-FY2022
Scale up Quarterly sourcing of new clients	98,000	389,000
Diversify Contribution from Open Digital sourcing	13%	69%
Digital Natives Clients acquired below 30 yrs age	43%	60%
Deepen Contribution from tier II & III cities	58%	78%



Federal Bank partnership, ICICIdirect Money app & recently launched ICICIdirect Markets app to add momentum to diversification of new account sourcing going forward

#2 Our product propositions have helped us attract high intent customers thereby improving/retaining quality

Prime
Increase in subscriber base

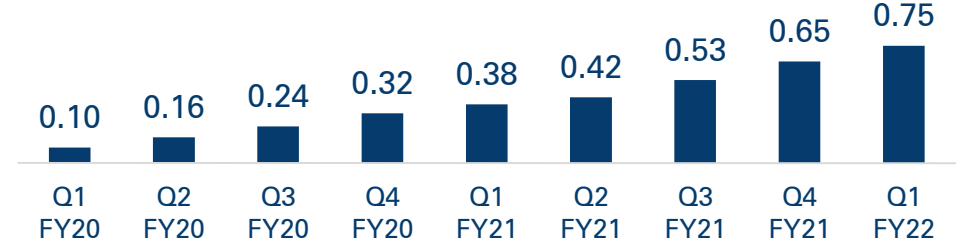
Q1-FY2020

0.10 mn

Q1-FY2022

0.75 mn

Prime customer base (mn)



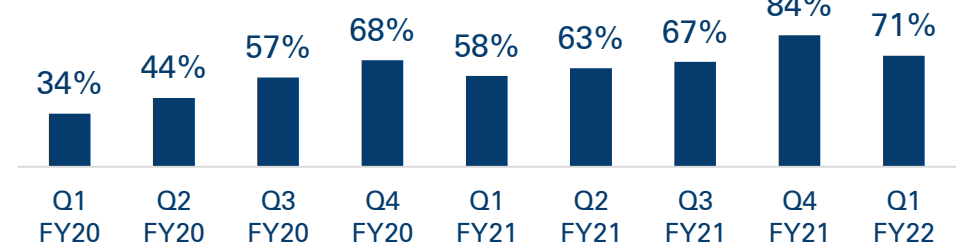
Quality
Activation ratio of new customers

34%



71%

Activation rates

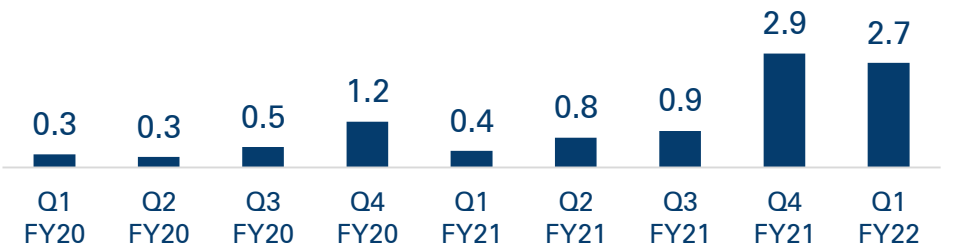


Engaged
Quarterly Incremental NSE active

0.3 lacs

2.7 lacs

Incremental NSE active (lacs)

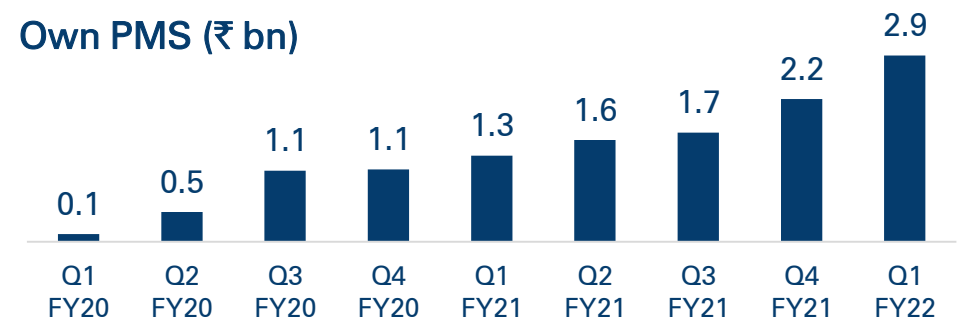
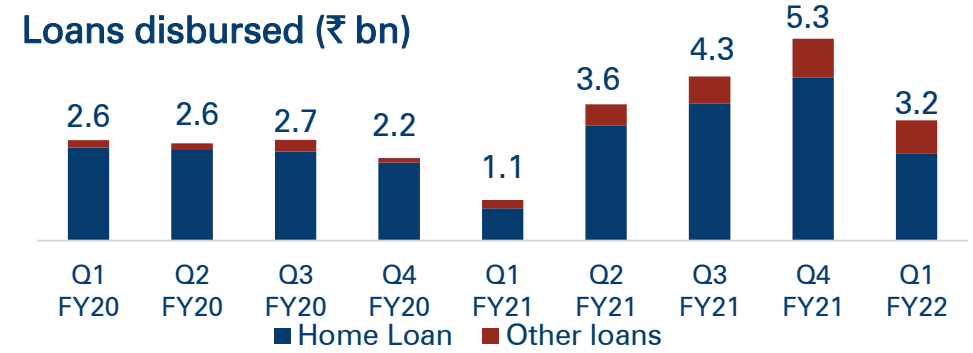
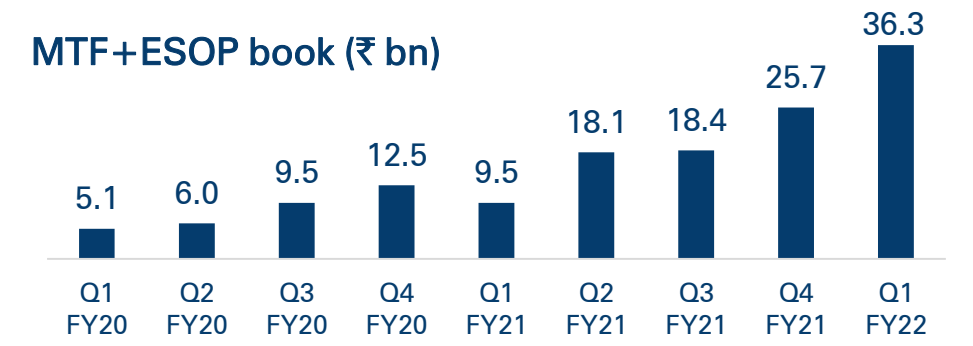


Latest initiatives to further propel acquisition of high intent clients

- ICICIdirect NEO-launched in December-gaining traction; over 100k subscribers added

#3.1 Expanding product suite to monetize full value of clients..

<p>MTF + ESOP Enhanced focus on loan books</p>	<p>Q1-FY2020 ₹ 5.1 bn</p>	<p>Q1-FY2022 ₹ 36.3 bn</p>
<p>Loan products Expanded the suite to 12 loan products</p>	<p>₹ 2.6 bn</p>	<p>₹ 3.2 bn</p>
<p>Proprietary PMS Growing traction in our in-house PMS</p>	<p>₹ 0.1 bn</p>	<p>₹ 2.9 bn</p>



#3.2 Expanding product suite to monetize full value of clients..

New products gaining traction

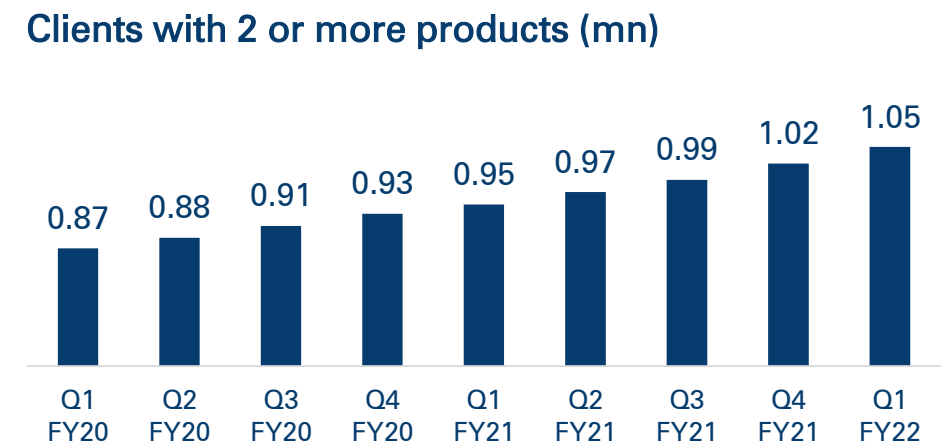
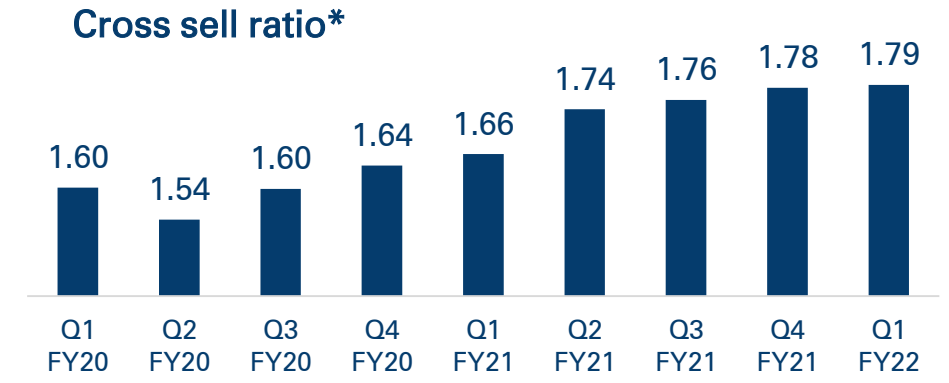
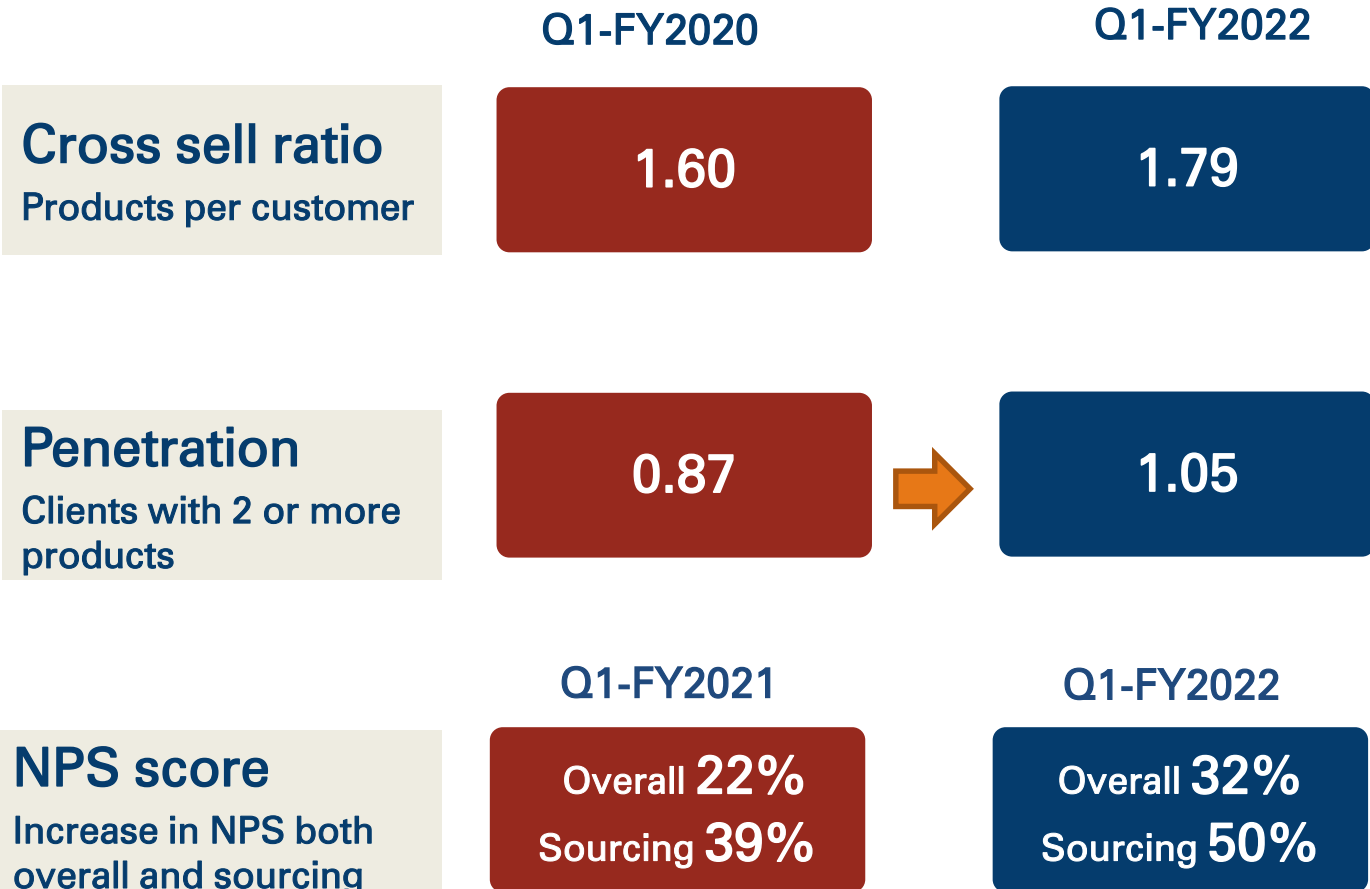
Idirect Global	~\$24mn AUM since launch in August 2020
Commodity	Launched in Q2 FY20; retail market share of 2.9% in June FY21
One click Equities	Over 100k equity portfolios subscribed
One click MF	18% share in new MF SIP
Premium portfolios	Curated equity portfolios: 1600+ HNI subscribers on boarded since launch
Prime	Prime fees at ₹164mn up from ₹21mn in Q1 FY20

New Initiatives during the quarter

Idirect Global	Expanded access to UK, Japan, HK, Germany and Singapore markets in addition to USA
Masters of the Street	Launched 'Masters of Street', portfolios advised by India's leading investment advisors
Insurance	Strengthened our offerings by adding HDFC Life & Max Bupa Health Insurance

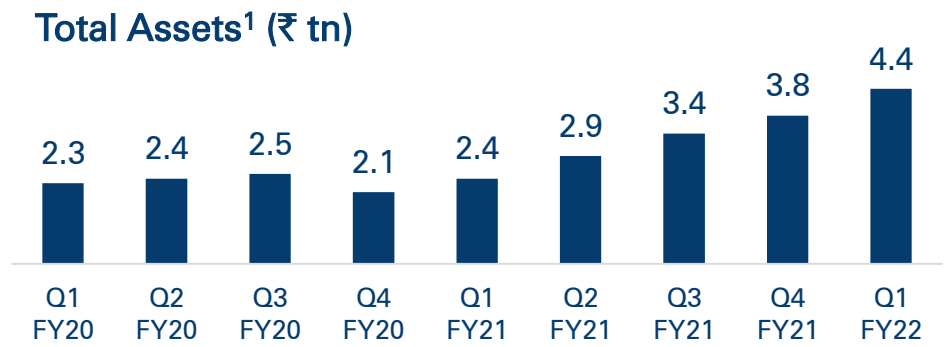
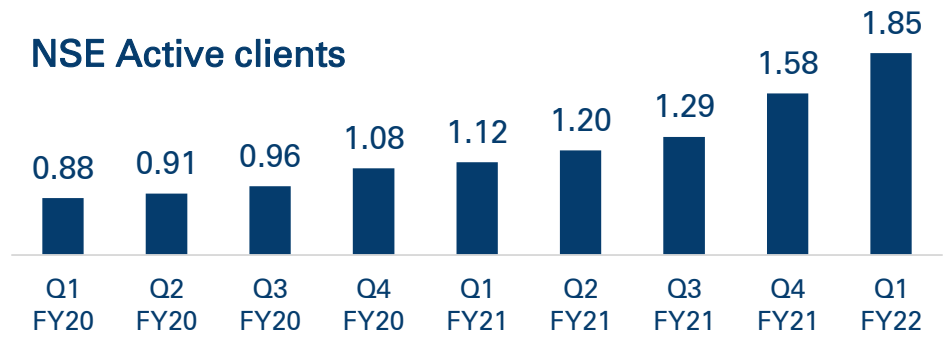
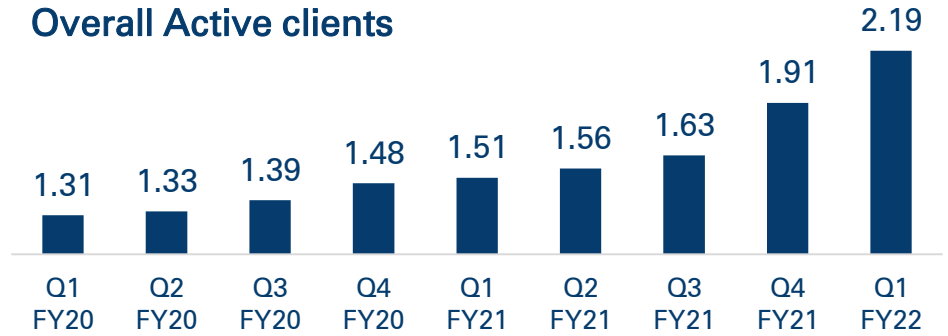
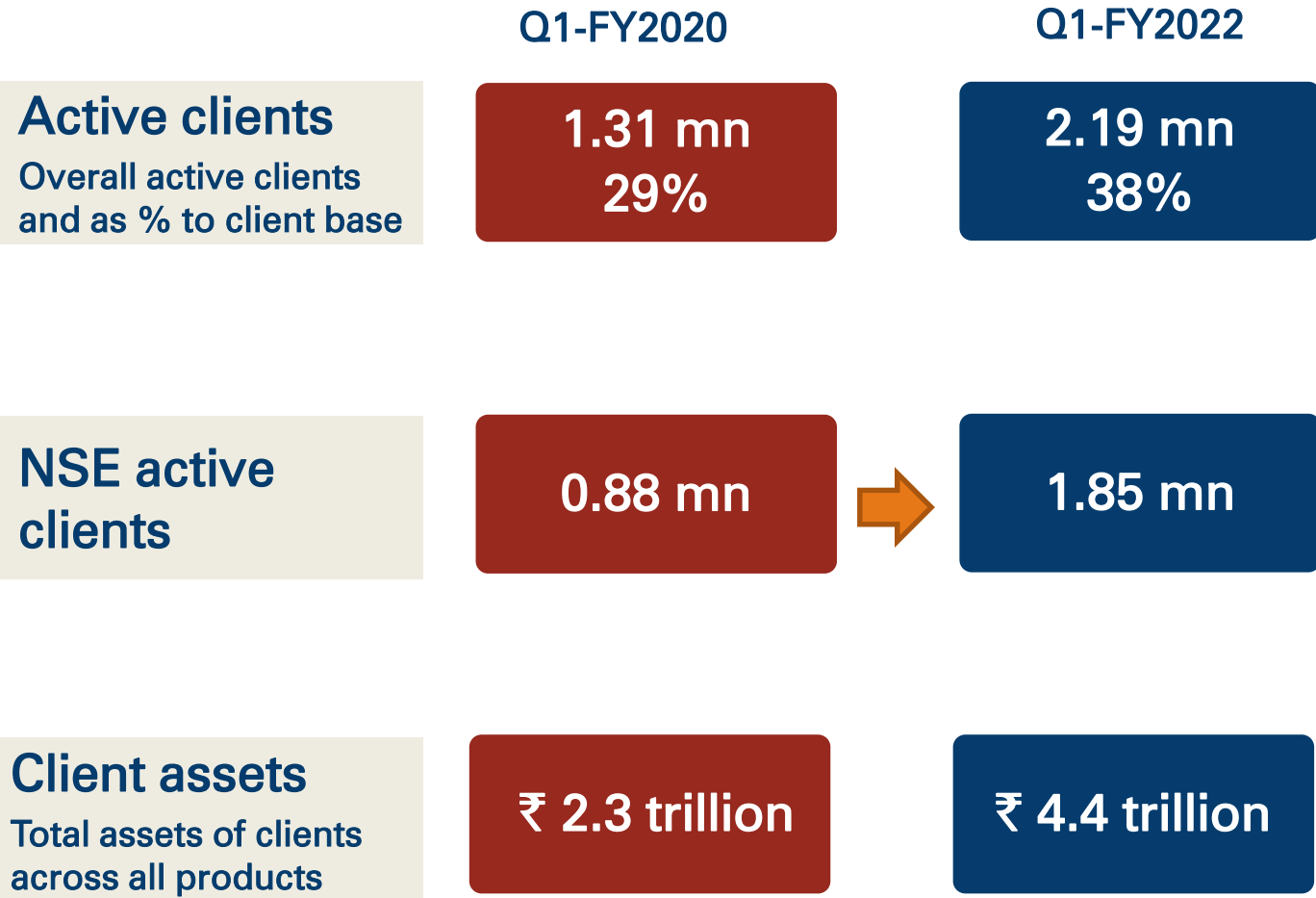


#4 We have used analytics and digital agility to provide better experience to customers...



* Active clients and transaction considered for rolling 12 months (excluding customers acquired in last 90 days)

.. and the scale of our business in terms of assets & clients

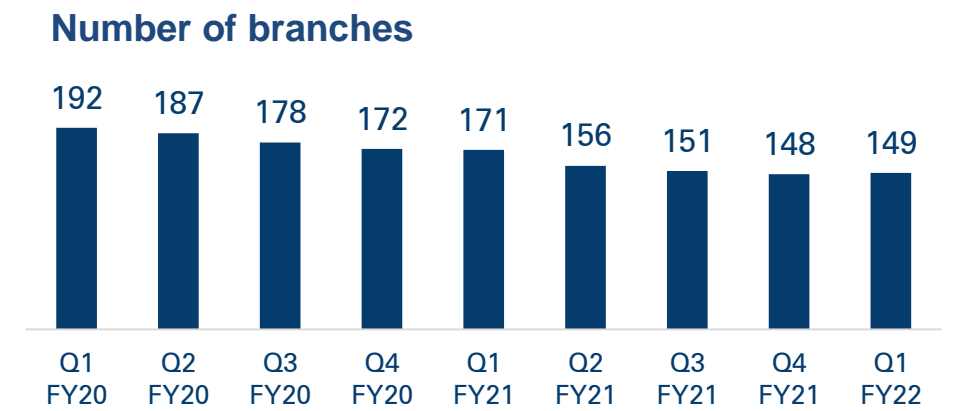
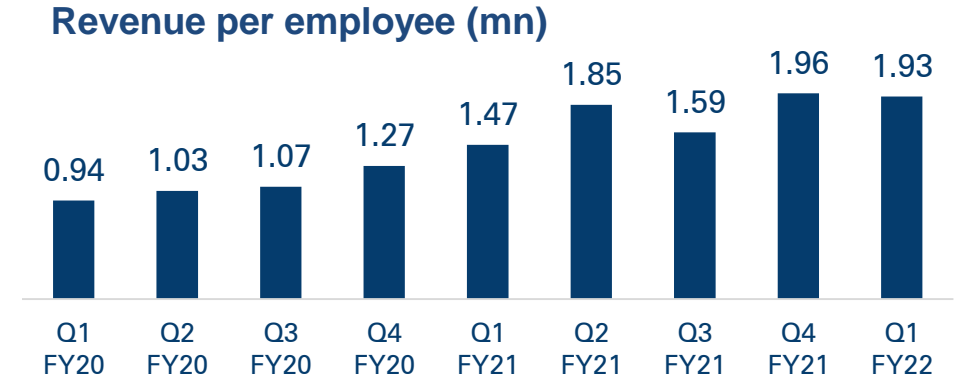


Capability to monetize gaining momentum

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

#5 Enhancing operating leverage to improve margins

	Q1-FY2020	Q1-FY2022
Cost to income ratio	56%	44%
Revenue per employee	0.94 mn	1.93 mn
Number of branches	192	149



Efforts to variabilise cost has resulted in it increasing to >45% in Q1-FY22 from <30% in Q1-FY20



Agenda

- ISEC Franchise
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- **Business Performance**

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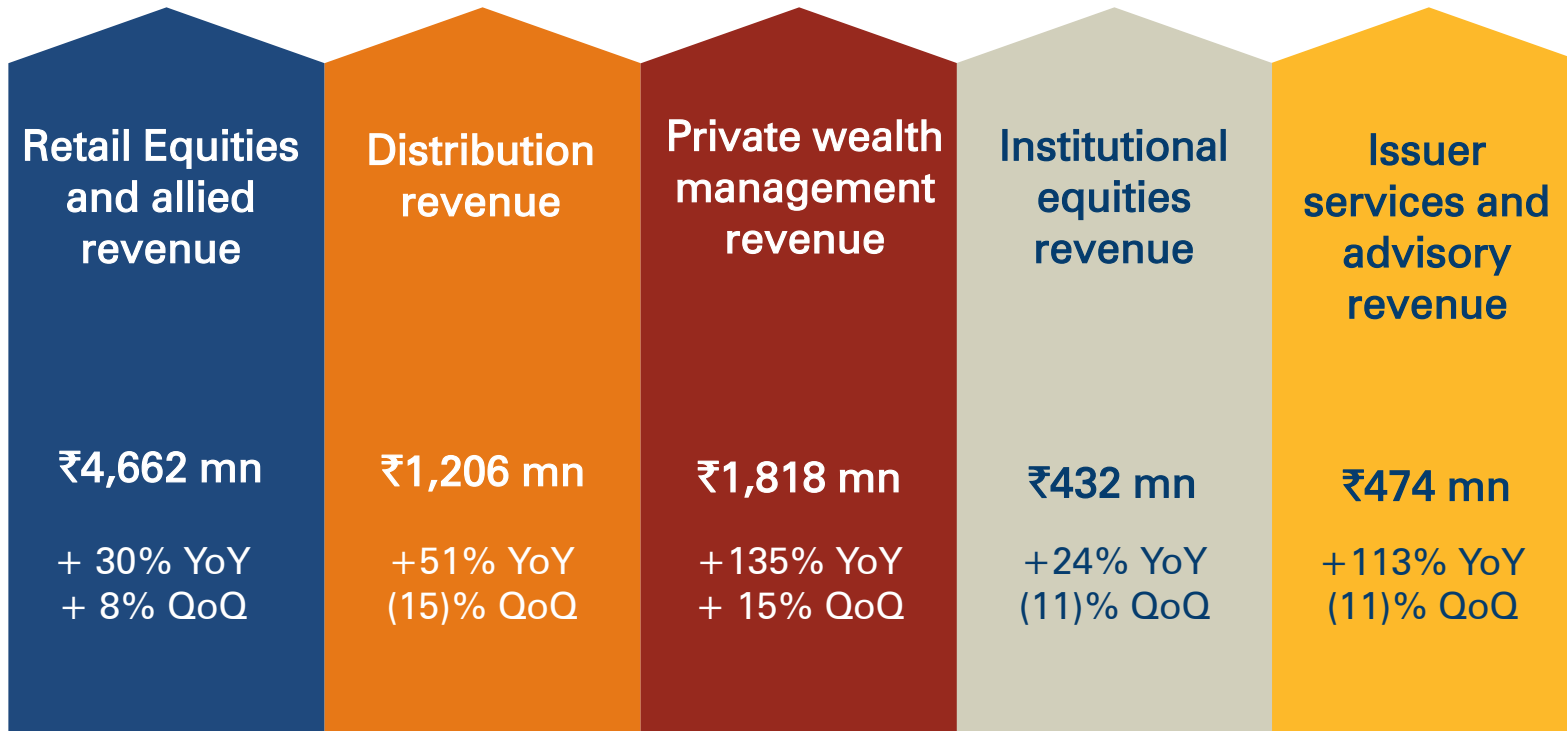
TECHNOLOGY

Financial Highlights

Q1 FY22

Revenue: ₹7,477 mn (+37% YoY, +1% QoQ)

PAT: ₹3,107 mn (+61% YoY, (6)% QoQ)



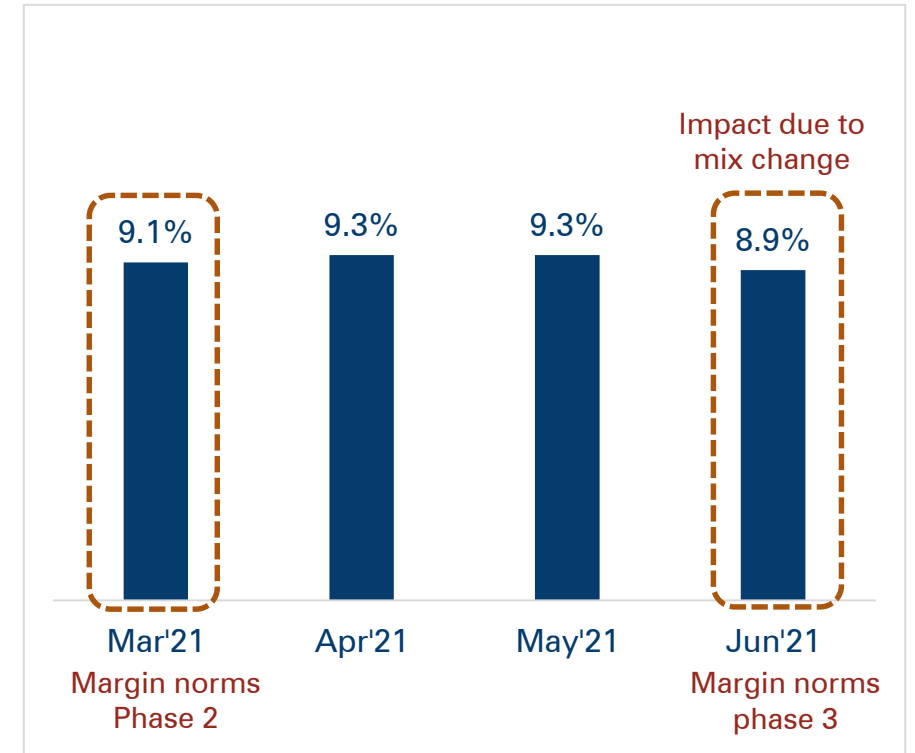
Business Performance

Equities business

Equity segment volumes and market share

- Equity ADTO increased by 8% YoY
- Retail market share stable in June even after implementation of phase 3 of margin norms
 - Decline in June market share primarily due to change in market mix in favor of institutional

Equity Volume Market Share¹



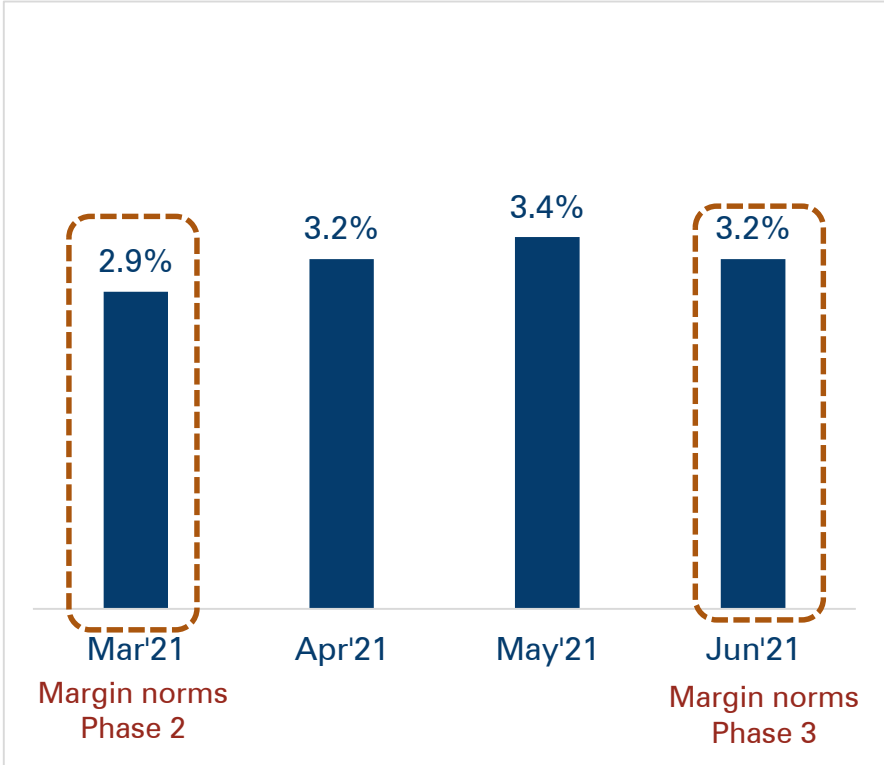
Business Performance

Equities business

Derivatives segment volumes & market share

- ISEC derivative ADTO decreased by 4% YoY, up 16% sequentially
- Derivative market share increased by 30bps in Jun'21 compared to Mar'21 when phase 2 was implemented

Derivative Volume Market Share¹



1. Combined market share for retail and institutional clients

Business Performance

Equities business – Approach to regain market share

- **Platform**
 - Launched the all new ICICIdirect Markets app to provide best in class experience for traders and investors
 - Working on 2 new platforms for advanced derivative traders to be launched soon
- **Research based solutions**
 - Research backed solutions in form of One click equity, Premium portfolios and Masters of the street
 - One click derivative portfolios
- **Tools & Propositions**
 - ICICIdirect NEO seeing green shoots with 100,000 customers enrolling in just few months of launch
 - Launching new features and relevant tools (iTrack, iAlert, iLens, Payoff analyser, Options express)
- **Ecosystem (API & Quant based ecosystem is underway)**
 - Will provide 3rd party platforms, direct connectivity platforms for back testing strategies, one touch derivatives
 - 180 APIs ready for various products like Equity, FNO, MF, Currency and Commodities
 - ICICIdirect Breeze API to be with best in class features for historical data for Retail Traders to be launched soon
- Margin funding book witnessing strong growth with one of the most attractively priced MTF plan at 8.9%



Business Performance

Equities business

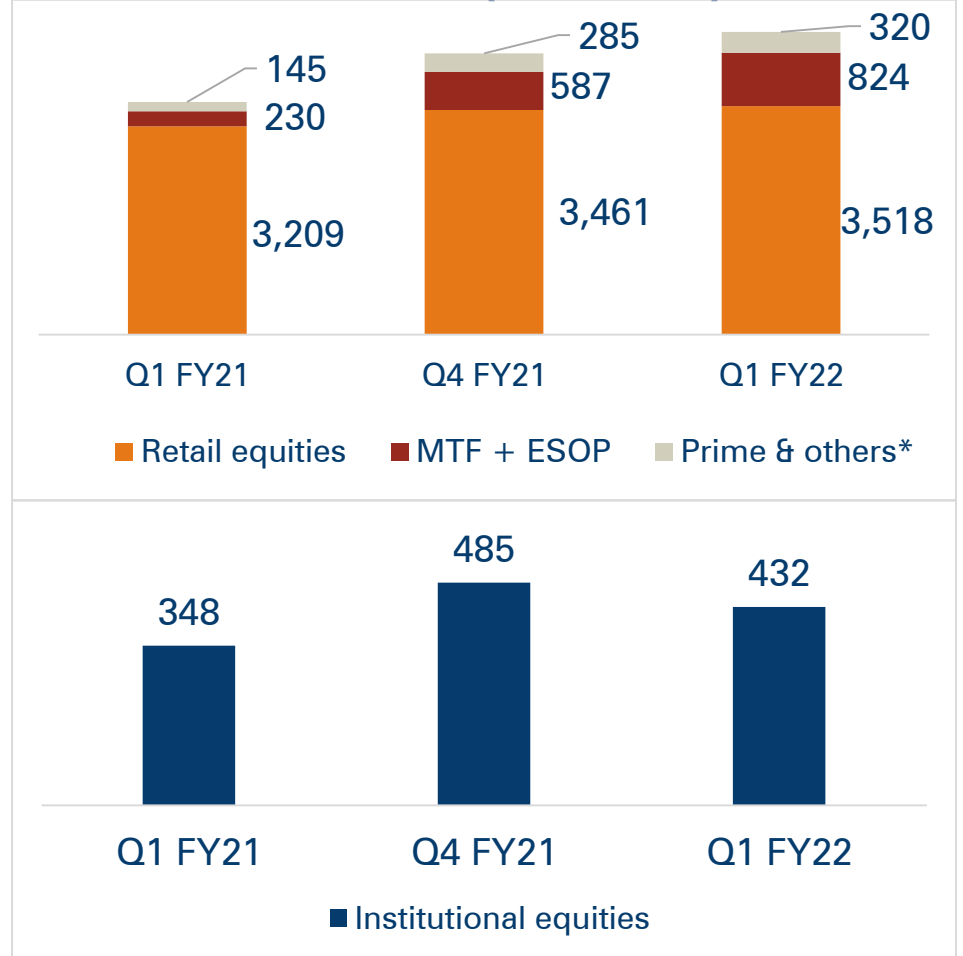
Retail equities and allied¹ revenue up by 30% YoY, +8% QoQ

- Retail brokerage revenue grew by 10% YoY, 2% sequentially
- Allied income now 25% of total retail equities revenue up from 10% YoY
 - Primarily on account of average MTF and ESOP book growth from ₹ 9.5 bn to ₹ 36.3 bn YoY

Institutional equities² revenue up by 24% YoY

- Franchise consolidated its position among the top domestic institutions
- Strengthened FII franchise by entering into partnerships
- Started coverage of 13 new companies in the quarter; total research coverage increased from 308 to 321

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

* Others include NEO fees, and other fees and charges

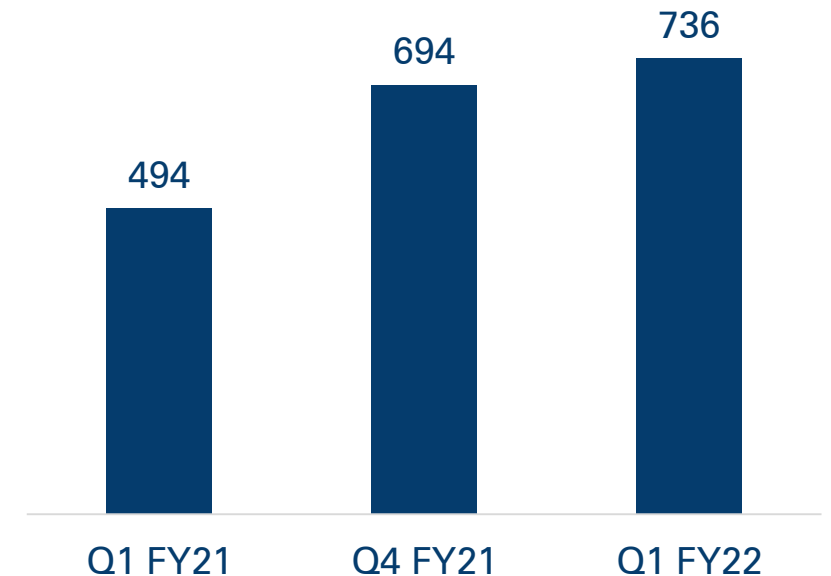
Period: Q1-FY2022 vs Q1-FY2021; Sequential: Q1-FY2022 vs Q4-FY2021

Business Performance

Distribution business – Mutual Funds

- Distribution revenue at ₹ 1,206 mn, up 51% YoY
 - Sequential decline of 15% due to lockdown and reduced risk appetite
- Mutual Fund revenue up by 49% YoY
 - ISEC Mutual Fund average AUM¹ up 38%, at all time high
 - Our gross flows grew faster than the industry
 - Market share increased from 0.21% to 0.30%
- Concerted efforts on to increase market share
 - Launched exclusive mobile app for mutual fund investments
 - Over 100k downloads
- SIP count² for Q1 FY22 is 0.85 mn, up from 0.63 mn YoY
 - Market share in SIP flow increased to 4.08% from 3.17%
 - SIP flows increased by 40% YoY to ~₹ 11 bn

Revenue (₹ million)



Period: Q1-FY2022 vs Q1-FY2021; Sequential: Q1-FY2022 vs Q4-FY2021

1. AUM excluding direct

2. SIP Count: triggered as on last month of period

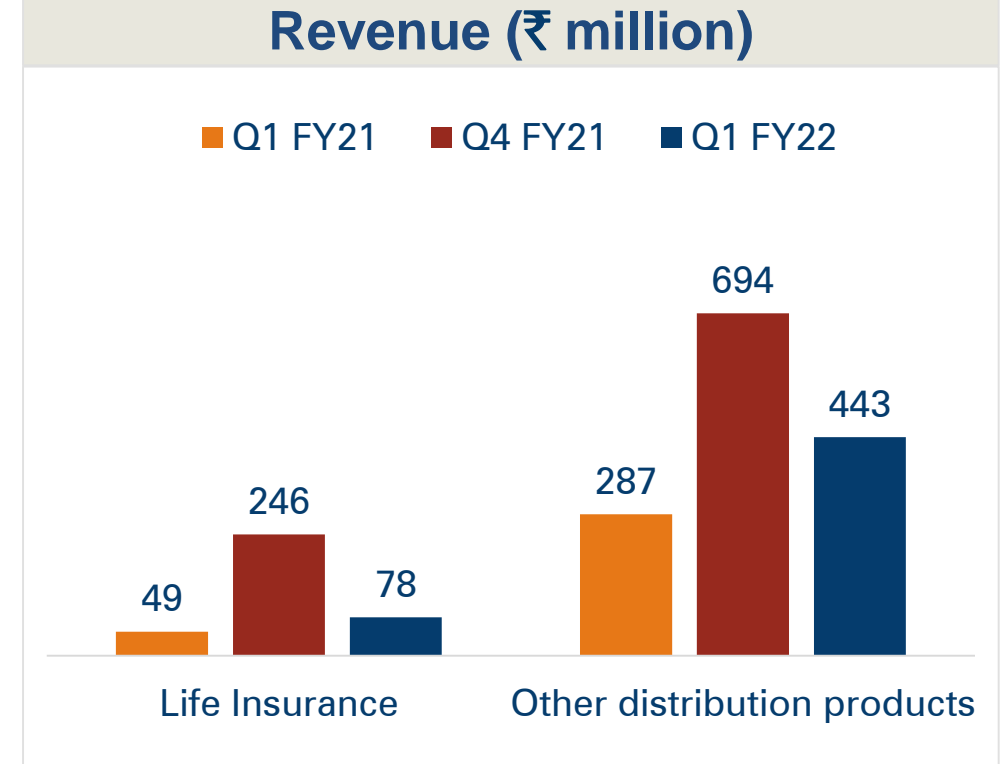
Source: AMFI

Business Performance

Distribution business – Other distribution products

Other distribution products¹ revenue up 56% YoY

- Sequential decline of 36% due to lockdown, reduced risk appetite and cyclicalty
- Life Insurance revenue up 59% YoY
- Strong growth in AIF & PMS, up 62% YoY
 - Proprietary PMS at ₹ 2.9 bn; up from ₹ 1.3 bn in Q1-FY21
- Loan disbursement at ₹ 3.2 bn, up 198% YoY
- SGB distribution market share at 10%²
- ETF distribution market share at 13%³



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



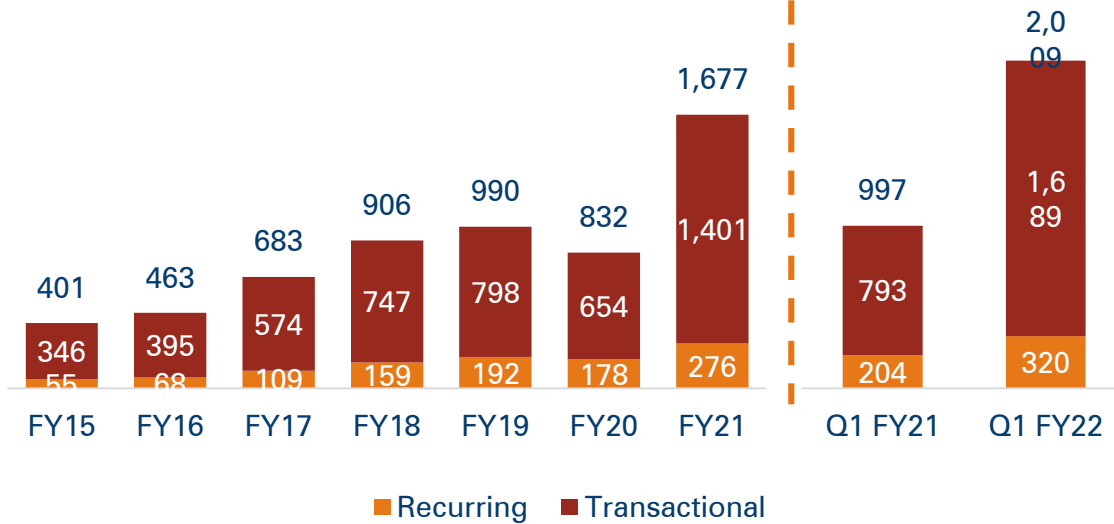
1. Group of products which are being focused on to grow overall distribution revenue and include insurance, PMS, AIF, bonds, NPS, deposits etc. and exclude income such as IPO, marketing fees and paid educational programs
2. As at Q1FY22, Sovereign gold bonds
3. As at Mar 2021, Exchange traded funds
Period: Q1-FY2022 vs Q1-FY2021; Sequential: Q1-FY2022 vs Q4-FY2021

Business Performance

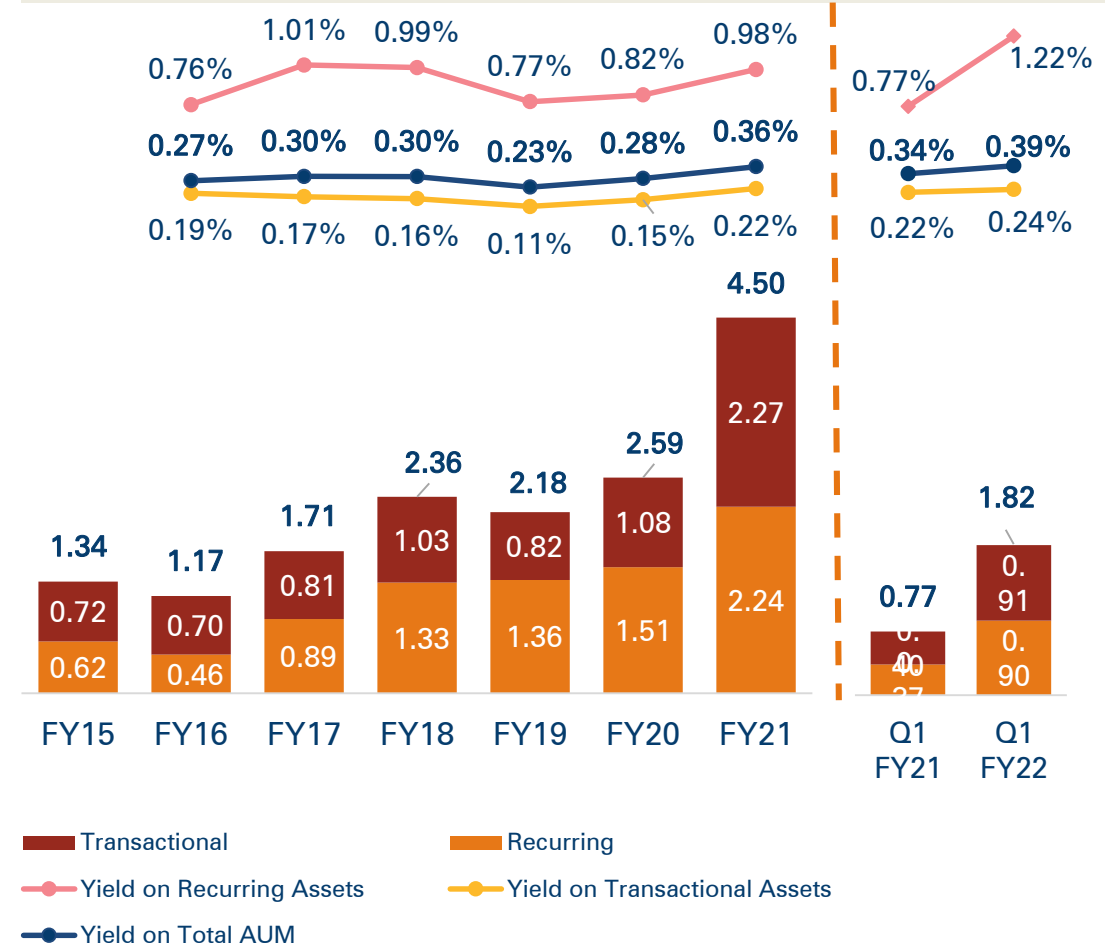
Private Wealth Management

- Total AUM at ~₹ 2.01 tn, up 102%
- Total Revenue at ₹ 1.82bn, up 135%
- Overall yield* at 0.39% compared to 0.34% in Q1FY21
- Clients: ~54,900; 7,500+ clients added during the quarter

Wealth Management Assets (₹ bn)



Wealth Management Revenue (₹ bn)

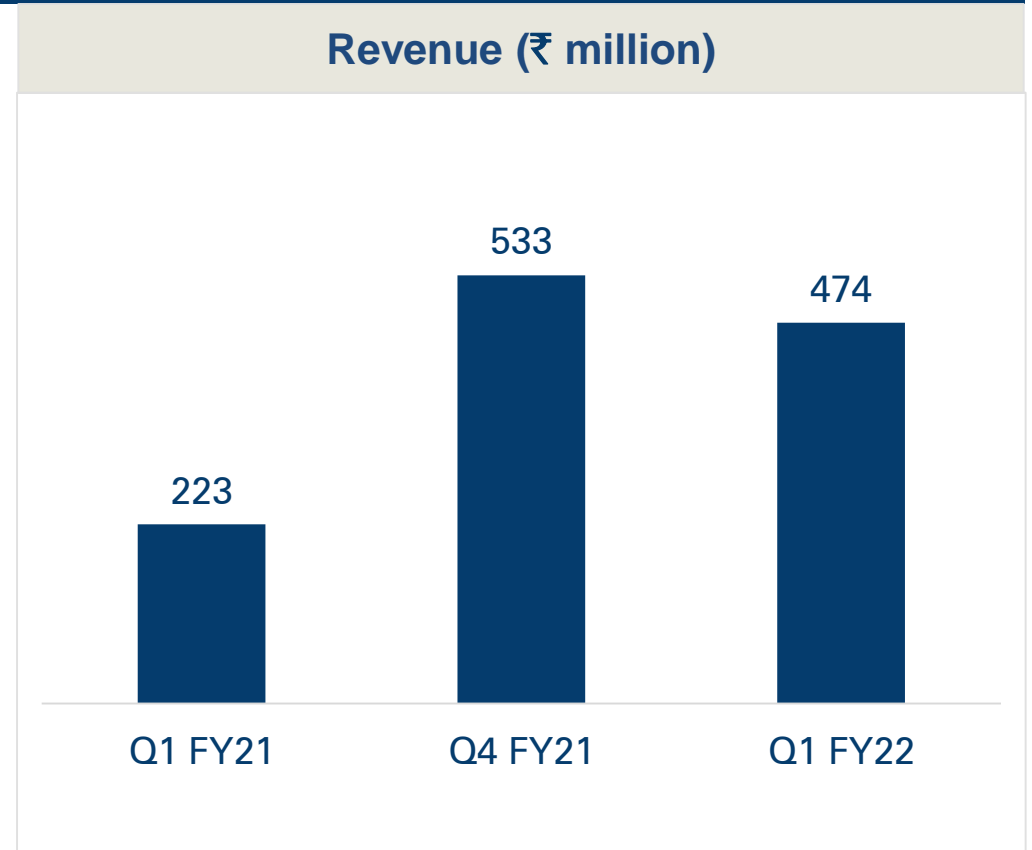


Period: Q1-FY2022 vs Q1-FY2021; Sequential: Q1-FY2022 vs Q4-FY2021
 *Yields are on average assets for the current & preceding period, quarterly yields are annualized

Business Performance

Issuer Services and Advisory

- Issuer Services & Advisory revenue up by 113%
 - Sequentially down as IPO launch plans impacted due to lockdown
- Executed 10 Investment banking deals in Q1-FY22 vs 3 in Q1-FY21
- #2 in IPO/FPO/ InvIT/ REIT¹ issuance, 58% market share
- Strong IPO² pipeline, 22 deals amounting over ₹437 bn
- Continued focus on building non-IPO revenue



1. Source: Prime database for Q1FY22

2. IPO:IPO/FPO/InvIT/REIT, Source: SEBI

*Period: Q1-FY2022 vs Q1-FY2021; Sequential: Q1-FY2022 vs Q4-FY2021

Way forward

Core components of strategy remain intact

We continue to focus on all five anchors of our strategy, following areas require immediate attention

- **Invest in next gen technology capabilities to remain cutting edge**
 - Advanced analytics, CRM capabilities, cyber security, capacity enhancement, use of AI/ML tools as well as UI/UX interfaces to improve user experience
- **Digitize & decongest processes and products & enhance customer experience**
- **Personalisation at scale by introducing AI/ML as well as deep integration with partners**
- **Strengthen proposition to cater to GenZ, Millennials and Tier II & III segments**
- **Create vibrant eco system for retirees**
- **Continued focus on operating leverage**
- **Continue to improve Net promoter score (NPS) and cross sell ratios**
- **Fortifying our talent pool**
 - Talent acquisition in all areas of focus, broad basing ESOPs, leverage stability and brand of the company to attract right talent
- **Deeper integration of ESG principles in business strategy**



The recent market disruption has frontloaded the opportunity and reaffirmed our strategy of providing comprehensive financial services to a retail Indian—powered digitally—in an open architecture format

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	Q1-FY21	Q4-FY21	Q1-FY22	Q-o-Q%	Y-o-Y%
Revenue	5,464	7,393	7,477	1%	37%
Operating Expenses	305	807	592	(27)%	94%
Employee benefits expenses	1,728	1,059	1,509	42%	(13)%
Other expenses	608	808	791	(2)%	30%
Total operational expenses	2,641	2,674	2,892	8%	10%
Finance Cost	229	306	418	37%	83%
Total expenses	2,870	2,980	3,310	11%	15%
Profit before tax	2,594	4,413	4,167	(6)%	61%
Tax	663	1,118	1,060	(5)%	60%
Profit after tax	1,931	3,295	3,107	(6)%	61%
Other Comprehensive Income (OCI)	2	27	(59)	-	-
Total Comprehensive Income (TCI)	1,933	3,322	3,048	(8)%	58%



Segment performance

(₹ million)

Particulars	Q1-FY21	Q4-FY21	Q1-FY22	Q-o-Q%	Y-o-Y%
Segment Revenue					
Broking & Distribution ¹	5,031	6,729	6,852	2%	36%
Issuer Services and Advisory ²	223	533	474	(11)%	113%
Treasury ³	210	131	151	15%	(28)%
Income from operations	5,464	7,393	7,477	1%	37%
Segment Profit before tax					
Broking & Distribution ¹	2,463	4,022	3,847	(4)%	56%
Issuer Services and Advisory ²	8	338	261	(23)%	3163%
Treasury ³	123	53	59	11%	(52)%
Total Result	2,594	4,413	4,167	(6)%	61%



Balance sheet : Assets

(₹ million)

ASSETS	At June 30, 2020	At March 31, 2021	At June 30, 2021
Financial assets (A)	51,554	77,851	99,770
Cash/Bank and cash equivalents	27,881	38,792	44,851
Securities for trade & Derivatives financial instrument	6,522	4,662	4,585
Receivables	1,540	4,586	2,030
Loans	14,872	29,015	47,540
Investments	26	29	33
Other financial assets	713	767	731
Non-financial assets (B)	4,440	3,958	4,172
Deferred tax assets (net)	625	560	581
Right-of-use assets	1,312	962	1,120
Fixed assets, CWIP & Intangible assets	533	726	787
Current tax assets & other non financial assets	1,970	1,710	1,684
Assets (A+B)	55,994	81,809	103,942



Balance sheet : Equity and Liabilities

(₹ million)

EQUITY AND LIABILITIES	At June 30, 2020	At March 31, 2021	At June 30, 2021
Financial liabilities (A)	35,389	57,009	76,406
Payables	8,747	10,265	11,155
Derivative financial instruments	-	5	-
Debt securities	20,346	35,210	48,236
Lease liabilities	1,378	1,061	1,235
Deposits & Other financial liabilities	4,918	10,468	15,780
Non-financial liabilities (B)	6,538	6,579	6,160
Equity (C)	14,067	18,221	21,376
Equity share capital	1,611	1,611	1,613
Other equity	12,456	16,610	19,763
Equity and Liabilities (A+B+C)	55,994	81,809	103,942



Additional data points

Particulars	Q1-FY21	Q2-FY21	Q3-FY21	Q4-FY21	Q1-FY22
Equity market ADTO ¹ (bn)	454	470	471	573	571
Derivative market ADTO ¹ (bn)	9,183	12,145	16,477	22,572	24,143
Total market ADTO ¹ (bn)	9,637	12,615	16,948	23,145	24,713
ISEC total ADTO (bn)	867	1,118	1,093	732	838
ISEC Blended market share (%)	9.0%	8.9%	6.5%	3.2%	3.4%
ISEC Blended Equity market share (%)	10.7%	11.1%	10.5%	9.6%	9.2%
ISEC Blended Derivative market share (%)	8.9%	8.8%	6.3%	3.0%	3.3%
Mutual fund average AUM (bn)	318	352	383	413	440
Mutual fund average Equity AUM (bn)	236	262	287	314	346
Life Insurance Premium (mn)	1,231	1,729	1,783	2,909	1,248



1. Excludes proprietary volumes, source: NSE, BSE, AMFI

ICICI SECURITIES LIMITED

Earning Conference Call
Quarter ended June 30, 2021 (Q1-FY22)

July 21, 2021

Operator remarks

Good morning ladies and gentlemen and welcome to the Earnings Conference Call of ICICI Securities Limited for the quarter ended June 30, 2021.

We have with us today on the call Mr. Vijay Chandok – Managing Director and Chief Executive Officer, Mr. Ajay Saraf – Executive Director, Mr. Harvinder Jaspal – Chief Financial Officer, Mr. Vishal Gulechha – Head Retail Equities, Mr. Kedar Deshpande – Head Retail Distribution, Product & Services Group, Mr. Anupam Guha – Head Private Wealth Management, Mr. Subhash Kelkar – Chief Technology & Digital Officer, Mr. Ketan Karkhanis – Head Retail Distribution business and Mr. Prasannan Keshavan – Head Operations.

For the duration of this presentation, all participant lines will be in the listen-only mode. I will be standing-by for the Q&A session. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

The business presentation can be found on the company's corporate website, icicisecurities.com under Investor Relations.

I would now like to call Mr. Chandok to take over the proceedings.

Mr. Vijay Chandok

Good morning to all of you and welcome to the ICICI Securities first quarter earnings call for fiscal 2022.

I trust that you and your near and dear ones are safe and healthy & I hope it remains that way as we emerge from the impact of the second wave of the pandemic.

I am sure that by now you would have already perused through our quarter one results and the presentation. Before we get into the Q&A, I would share some of my observations and insights relevant to our industry.

- 1) Pandemic has frontloaded the opportunity for our industry
- 2) Market is consolidating in favour of larger and digital players
- 3) Pricing is increasingly becoming commoditized and experiences, features, personalisation, relationships, and value added services which facilitate the customer in his wealth creation and preservation journey are becoming important differentiators.
- 4) One has observed that market is segmented and sub-segmented ranging from the young GenZ and millennial investor to GenX and the baby boomers & the needs of each segment, sub-segment and micro-segment are different. Most companies are treating all customers alike by focusing on low cost execution. What these customers need is low cost personalisation. Emerging winning companies would need to increasingly demonstrate these capabilities.
- 5) Behaviour shifts are visible across age segments towards use of digital methods of account opening and transacting.
- 6) We are increasingly getting convinced that the growth in new demat accounts is not merely triggered by a combination of factors arising out of pandemic related developments but signals a structural shift of emergence of a new generation of investors-the GenZ. These investors who are digital natives are coming into the market in large numbers. Demographic data suggests that the

population of this segment of newcomers is going to be significant for the next several years. It is important for companies to recognise and harness this opportunity in a format that fits into the sensibilities and preferences of the segment.

- 7) Value creation in our industry will require demonstration of operating leverage and ability to monetise lifetime value of customers through a full range of products and services delivered digitally in a personalised manner rather than having a narrow focus on products and product related yields.
- 8) Our business has demonstrated a secular growth trend over the last decade if viewed from a window of three year blocks.
- 9) It is important to not just focus on the visible part of technology. This is the technology that faces the customer in the form of easy journeys and interfaces; but also on the invisible technology which provides cyber security, privacy, flexibility, scalability, salience and response time, reliability and uptime in a business like ours which is a business of trust and winning companies will have to invest in both these aspects of technology actively.

We, as a company, have focussed on all aspects and continue to focus on all these aspects that I spoke about as we are in the process of transforming ICICI direct into a digital platform play straddling three important segments of the financial services landscape namely savings and investments, insurance services and distribution of loan products thereby enabling us to monetise value across the customer's life-stage.