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Press Release

9MFY19 Performance Highlights

- 1.2 million active clients, +10% Vs 9MFY18
- 3.2+ lakh new clients acquired
- Revenue at ₹1,299 crore; PAT at ₹ 369 crore
- PAT margin at 28%; Absolute cost down by 1%
- Return on Equity (RoE) continued to remain robust at ~ 55% (annualized)

Mumbai, Jan 14, 2019 – ICICI Securities (ISec), a part of the ICICI Group and a leading investment services firm in India, today announced financial results for nine month period ending December 31st, 2018 (9MFY19).

For 9MFY19, the company reported revenue of ₹1,299 crore against ₹1,351 crore in the year ago period. Profit After Tax (PAT) stood at ₹369 crore against ₹402 crore in 9MFY18. During the fiscal, there were several short term headwinds like volatile market, NBFC liquidity crisis, frozen state of primary market, and significant regulatory changes, which impacted the overall business sentiment and performance.

Commenting on the performance of the company **Ms. Shilpa Kumar, Managing Director and Chief Executive Officer**, said, "As the fundamental India growth story continues, we believe that the structural opportunity in the financial savings market remains attractive. Our long term growth strategy is two pronged – increased customer acquisition and increased engagement with them. With that in mind, we continue to invest in newer products and services across all our business lines and we are fully committed to play a leading role in India's financialisation journey."

ISec has rolled out several new product and process innovations with a view to increase its customer acquisition and engagement.

- The company has relaunched its digitized customer acquisition process – **T20** -- under which a customer can be on-boarded in 20 mins and begin trading immediately after that.
- ISec launched a revolutionary new offering '**eATM orders**' under which retail investors get upto Rs 50,000 per day from their share sale proceeds transferred to their accounts within 30 minutes of trade (vs T+2 settlement cycle followed normally) at no extra cost.
- In order to tap the potential in tier 2/3 cities, ISec has launched a **mobile app** for its Business Partners, numbering ~6,500, which will help in better service delivery by them and deepen their client engagement and improve scalability.
- For its Private Wealth clients, an offering called **Direct2U** under the Investment Advisory Services has been launched which besides allowing them to invest in direct MF schemes for a fee, also provides process-based risk assessment, defined asset allocation strategies and active investment advisory.
- In order to further enhance client engagement, the company is looking at providing **more health insurance options** on its platform and has already tied-up with a standalone health insurance specialist company.

In the **Broking** segment, ISec has over 43 lac operational accounts, of which over 3.2 lac were added during the current fiscal. Restrictions on saving of Aadhaar data impacted the pace of new client acquisition. Overall active clients increased by 10% to 1.2 million in 9MFY19 from the year ago period. ISec's equity ADTO growth of 10% outpaced the 4% growth for the industry during the period.

Total brokerage revenue (excluding interest income) stood at ₹704 crore in 9MFY19 against ₹749 crore in 9MFY18.

Distribution revenue in 9MFY19 stood at ₹351 crore which is an improvement of 7% from the year ago period. Distribution business contributed 27% to our overall revenue in 9MFY19, up from 24% in 9MFY18.

Mutual Fund distribution remains a strong contributor to this segment, accounting for 60% of distribution revenue in 9MFY19, against 61% in 9MFY18. Disallowing payment of upfront MF commission to distributor had a significant impact on the company's distribution business. Average AUM of the mutual funds distributed by the company increased by 19% to ₹346 billion in 9MFY19 against 14% for the industry. ISec is India's second largest non-bank MF distributor by revenue with a strong offline presence through a network of ~200 ICICIdirect branches in 75+ cities, a nationwide network of 6,500+ sub-brokers, authorized persons, IFAs & IAs, and presence in 3,100+ ICICI Bank branches.

In terms of the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. Results for the period ended December 31, 2018 are in compliance with Indian Accounting Standards (IND AS). The results for the period ended December 31, 2017 have been restated to comply with IND AS.

About ICICI Securities

ICICI Securities Limited (ISec) is a subsidiary of ICICI Bank Ltd. The company began its operation in May 1995 and continues to grow its operation through expanding its client base and providing different type of services.

ICICI Securities Ltd is a technology-based firm offering a wide range of financial services including investment banking, institutional broking, retail broking, private wealth management, and financial product distribution.

ICICI Securities sees its role as 'Creating Informed Access to the Wealth of the Nation' for its diversified set of clients that include corporates, financial institutions, high net-worth individuals and retail investors.

ICICI Securities is listed on National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). For details, visit: www.icicisecurities.com

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', '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 broking business and other financial 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 exploration of merger and acquisition opportunities, our ability to integrate mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, 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 insurance regulations and other regulatory changes in India and other jurisdictions on us. ICICI Securities Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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