



# Performance update: H1-FY2022

October 19, 2021

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview



# Agenda

- **Company strategy and performance**
- Opportunity
- Industry overview



# Key strategic elements



# Premium growth

## Premium growth

- Deepen penetration in under-served customer segments
- Enhance current distribution
- Create new distribution
- Augment capability in Health and Protection
- Increase focus on Pension and Annuity

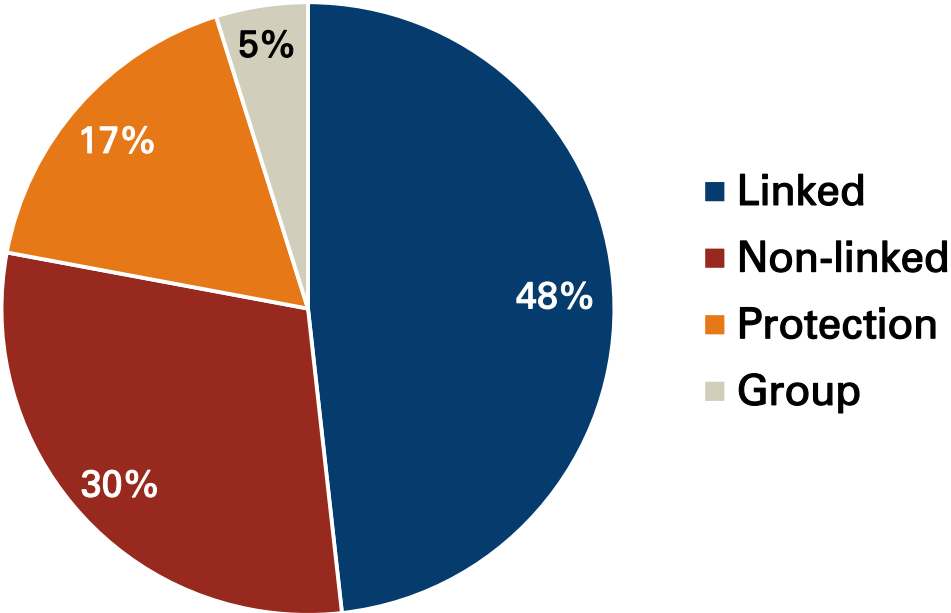
₹ billion	FY2021	Q4- FY2021	Q1- FY2022	Q2- FY2022	H1- FY2022
APE <sup>1</sup>	64.62	25.09	12.19	19.77	31.96
<i>YoY growth</i>	<i>(12.5%)</i>	<i>27.1%</i>	<i>48.1%</i>	<i>34.9%</i>	<i>39.7%</i>
New business premium (NBP) <sup>2</sup>	130.32	51.33	25.59	39.02	64.61
<i>YoY growth</i>	<i>5.5%</i>	<i>22.9%</i>	<i>70.6%</i>	<i>32.0%</i>	<i>45.0%</i>
<i>Market share</i> <sup>3</sup>	<i>7.2%</i>				<i>7.6%</i>

62% sequential growth in APE for Q2-FY2022

# Premium growth: Product and Distribution

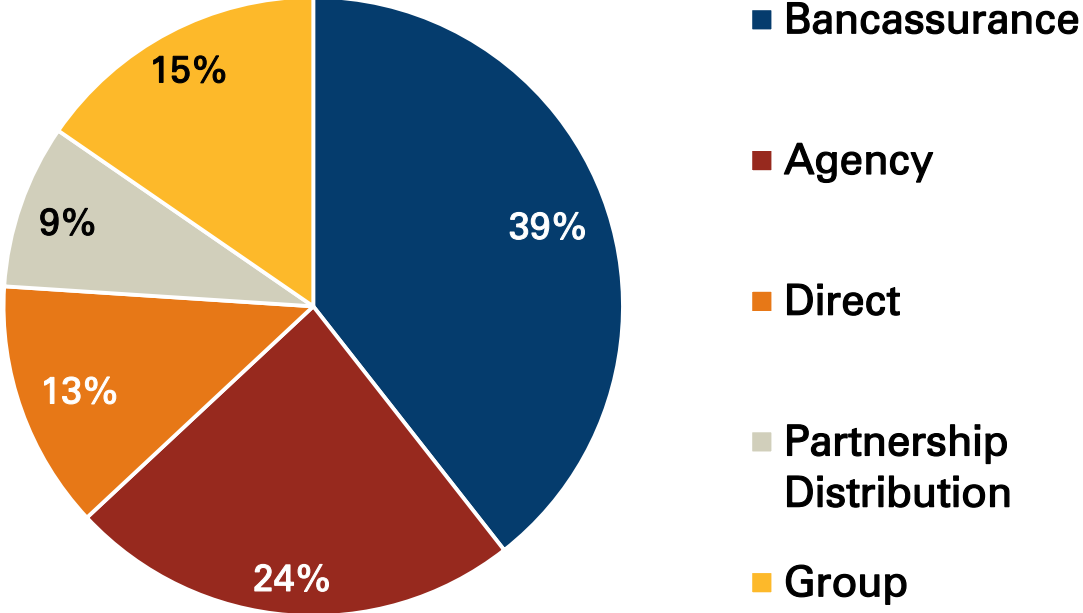
## Product mix APE

H1-FY2022



## Distribution mix APE

H1-FY2022



Driven by well diversified product and distribution mix

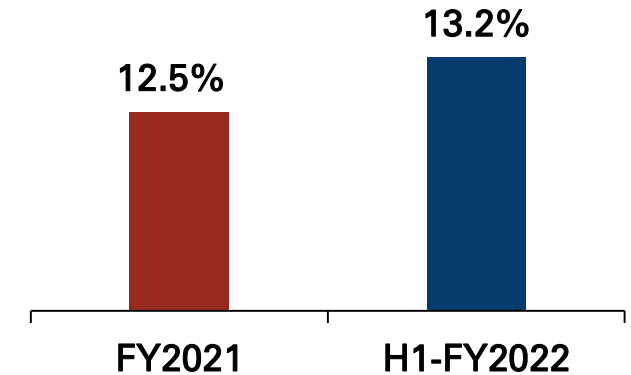
# Protection growth

Protection focus

Continue to grow both retail and group lines of business

₹ billion	FY2021	Q4-FY2021	Q1-FY2022	Q2-FY2022	H1-FY2022
Protection APE	10.46	3.44	2.70	2.81	5.50
YoY growth	(6.3%)	(2.3%)	26.2%	20.6%	23.3%

Sum assured market share<sup>1</sup> (%)



- Focused efforts on protection business despite supply side challenges
- Continued private market leadership based on new business sum assured

# Persistency improvement

Persistency

Improve persistency across all cohorts

Persistency#	11M-FY2021*	5M-FY2022	
13 <sup>th</sup> month	84.8%	85.1%	↑ 30 bps
61 <sup>st</sup> month	49.8%	51.6%	↑ 180 bps

Continued improvement in persistency



# Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for regular and limited pay individual policies  
 \* Comparative period figures restated for revised definition



# Productivity improvement

## Productivity

Continue to leverage technology for process re-engineering and to drive productivity

₹ billion	H1-FY2021	FY2021	H1-FY2022
Cost/TWRP <sup>1</sup>	14.3%	14.8%	17.8%
Cost/TWRP (savings LOB)	8.8%	9.6%	11.8%

New business growth ahead of growth in expenses

# Resilient Balance Sheet

## Insurance risks

- COVID-19 claims net of reinsurance of ₹ 8.62 billion for H1-FY2022
- Provisions of ₹ 4.12 billion held for future COVID-19 claims including IBNR provision

## Strong solvency ratio

- Solvency ratio of 199.9% at September 30, 2021

## High quality assets

- 97% of fixed income in sovereign or AAA; 0.3% of fixed income below AA
- Zero NPA since inception

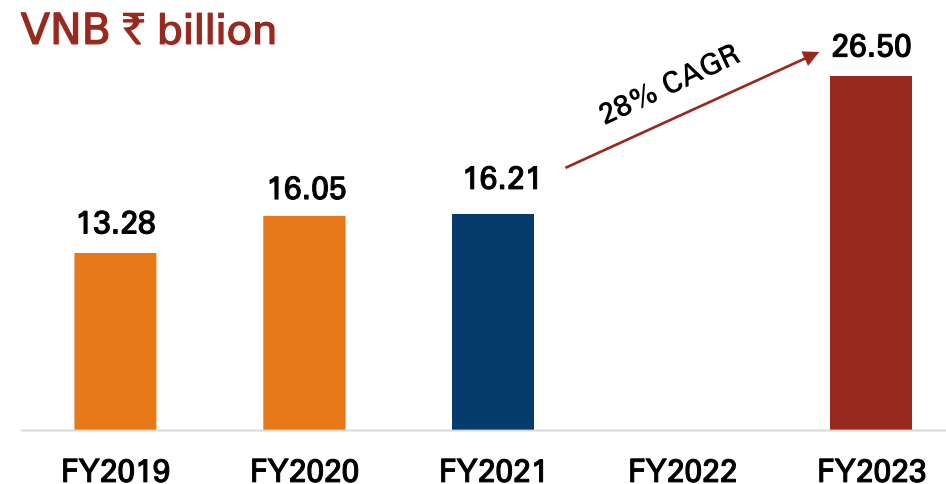
## Liability profile

- 82% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 1.4% of liabilities

# Way forward

Aspire to double the FY2019 VNB by FY2023

₹ billion	FY2020	FY2021	H1-FY2022
Value of New Business (VNB) <sup>1</sup>	16.05	16.21	8.73
VNB growth	20.9%	1.0%	45.0%
VNB margin	21.7%	25.1%	27.3%



- Premium growth: Diversified product & distribution mix to aid higher growth
- Protection: Short term headwinds on retail, expect to maintain the sequential momentum and increase attachment of riders
- Persistency: Continued improvement to aid product margins
- Productivity: Target operating leverage with growth in premium

# Key strategic elements



# 4P: Premium

# Products available across all categories



## Non-linked

## Savings

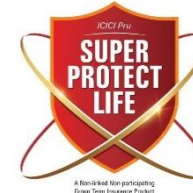
## Linked

Savings with guarantee and equity participation

Guaranteed savings; Immediate/ Deferred Annuity

ULIP: Suite of funds for Equity and Debt

ULIP: with capital guarantee



## Retail

## Protection

## Group

Pure term, term with accident cover

Critical illness, Disease specific

Pure term, Micro insurance, Credit insurance, Critical illness

# Performance across segments

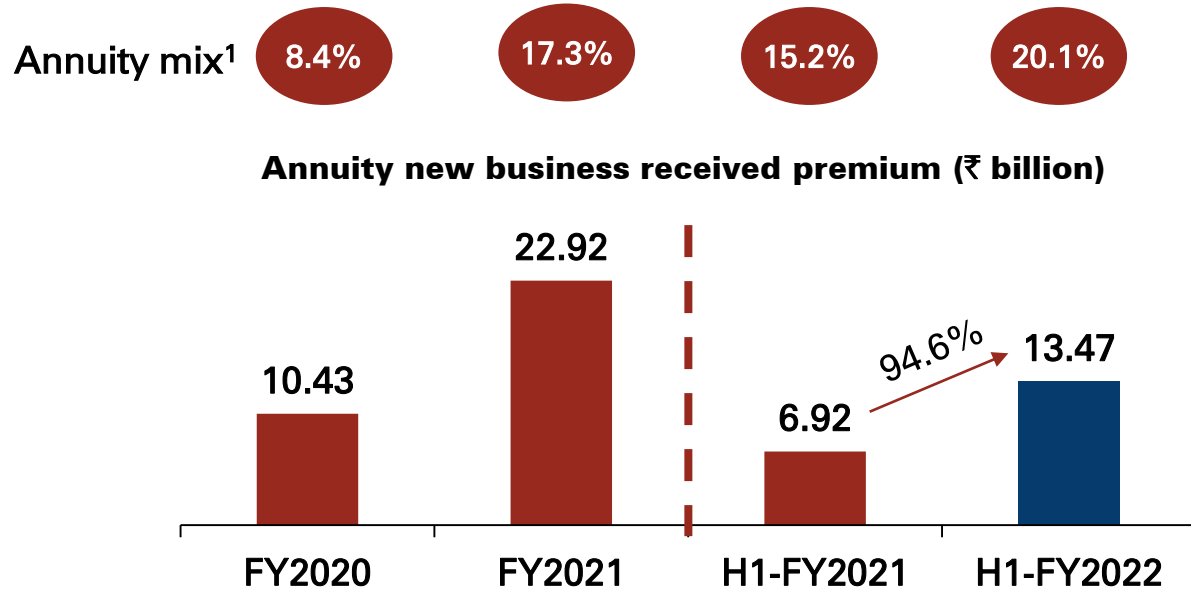
Segments	APE (₹ billion)			Mix	
	FY2021	H1-FY2022	Growth (%)	FY2021	H1-FY2022
<b>Savings</b>	<b>54.16</b>	<b>26.46</b>	<b>43.7%</b>	<b>83.8%</b>	<b>82.8%</b>
Linked	30.90	15.41	45.4%	47.8%	48.2%
Non-linked	17.79	8.12	42.0%	27.5%	25.4%
Annuity	2.29	1.38	97.1%	3.5%	4.3%
Group	3.18	1.55	10.7%	4.9%	4.8%
<b>Protection</b>	<b>10.46</b>	<b>5.50</b>	<b>23.3%</b>	<b>16.2%</b>	<b>17.2%</b>
<b>Total APE</b>	<b>64.62</b>	<b>31.96</b>	<b>39.7%</b>	<b>100.0%</b>	<b>100.0%</b>

Continued strong growth across product segments

# Pension and Annuity

A comprehensive pension provider

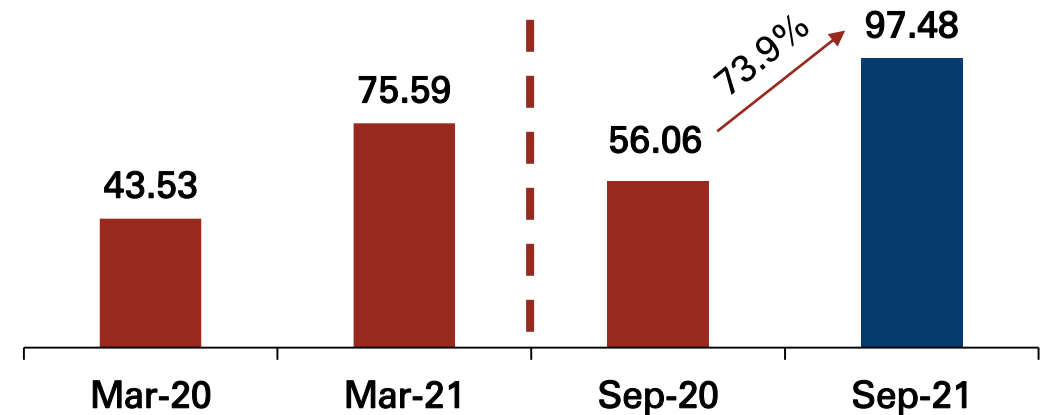
## Annuity



Annuity grew by 95% in H1-FY2022

## Pension fund management (AUM)

₹ billion



Pension fund AUM grew by 74% over Sept. 2020

Significant focus on driving synergy between ICICI Pru Life and ICICI Pru PFM



1. % of new business received premium as per financials



# Enhancing distribution

## Strategy: Build profitability

- 23 bank partnerships
- Protection and Annuity mix 40%

## Strategy: Create depth and add width

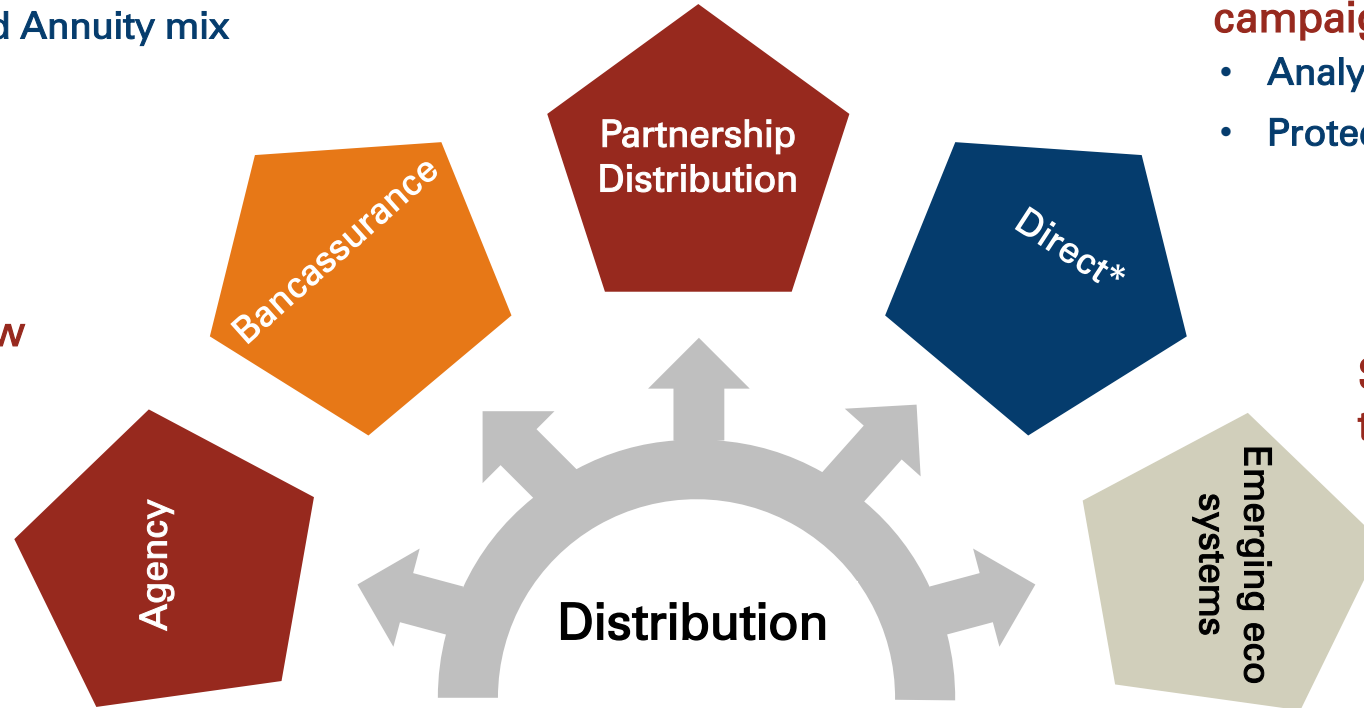
- ~700 partnerships; 53 new partnerships
- Protection and Annuity mix 35%, Non-linked savings 56%

## Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection and Annuity mix 47%

## Strategy: Invest and grow

- 12,078 agents recruited during H1-FY2022
- Diversified product mix: Protection and Annuity 33%, Non-linked savings 35% and linked 33%



## Strategy: Partner with non-traditional distributors

- Tie-up with small finance banks, wallets, payment banks, aggregators etc.
- Product customization

~700 partnerships including 23 banks; > 198,000 advisors

# Performance across distribution channels

Channels	APE (₹ billion)			Mix (%)	
	FY2021	H1-FY2022	Growth (%)	FY2021	H1-FY2022
Bancassurance	27.34	12.60	30.3%	42.3%	39.4%
Agency	15.39	7.55	41.1%	23.8%	23.6%
Direct	8.10	4.15	48.7%	12.5%	13.0%
Partnership distribution	5.87	2.74	39.1%	9.1%	8.6%
Group	7.93	4.92	58.7%	12.3%	15.4%
Total APE	64.62	31.96	39.7%	100.0%	100.0%

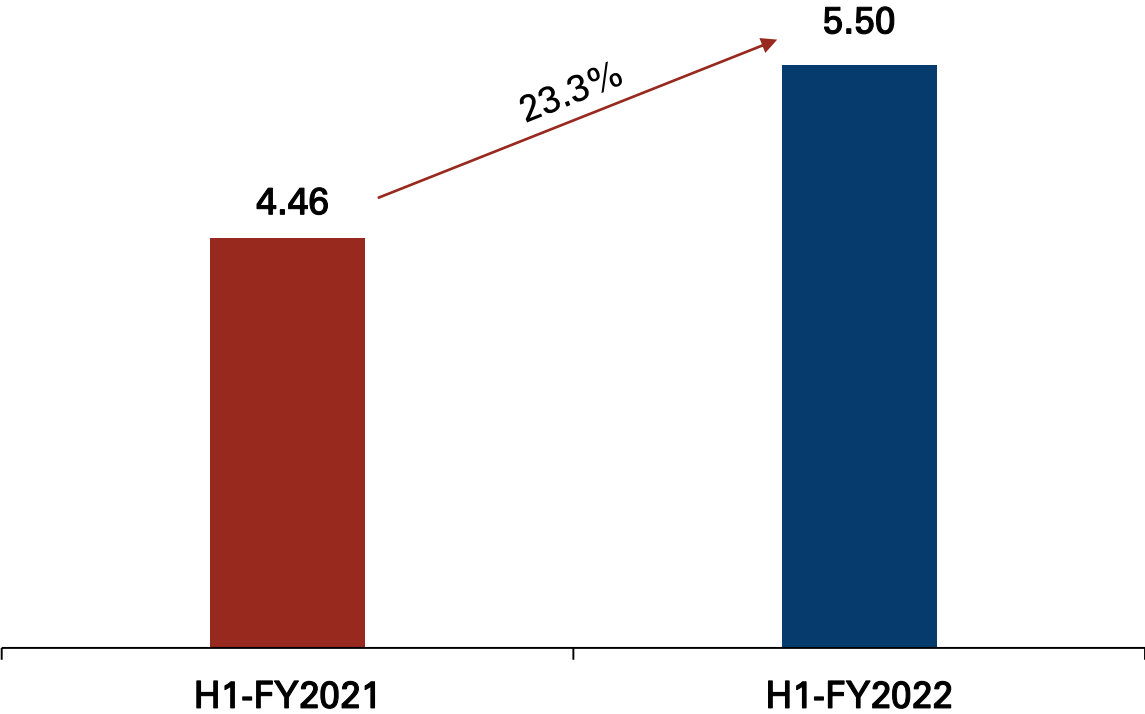
Continued strong growth across distribution channels

# 4P: Protection

# Protection business

## Protection APE

₹ billion



Protection APE grew by 23% in H1-FY2022

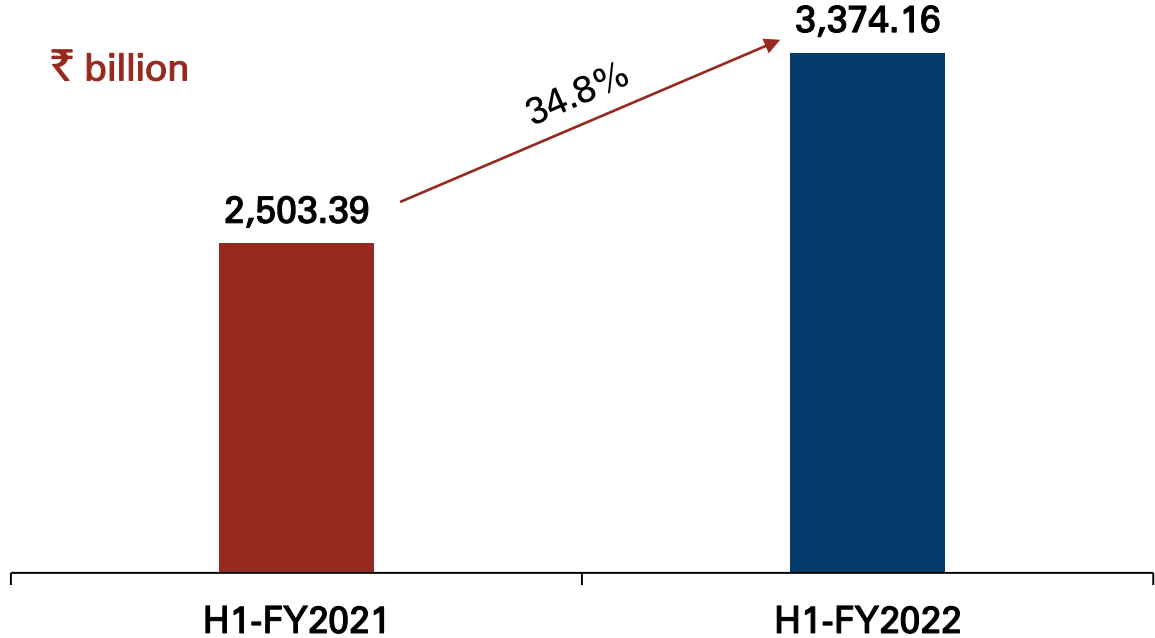
## Sum assured<sup>1</sup>

Market share (%)

12.5%

13.2%

₹ billion



Sum assured grew by 35% in H1-FY2022



1. New business

# 4P: Persistency

# Persistency (1/2)

## Regular and Limited pay

Month	5M-FY2021	11M-FY2021	5M-FY2022
13 <sup>th</sup> month	82.1%	84.8%	85.1%
25 <sup>th</sup> month	73.0%	73.6%	74.6%
37 <sup>th</sup> month	65.2%	66.3%	66.3%
49 <sup>th</sup> month	62.3%	62.2%	62.0%
61 <sup>st</sup> month	51.7%	49.8%	51.6%

## Fully paid and Single premium

Month	5M-FY2021	11M-FY2021	5M-FY2022
13 <sup>th</sup> month	100.0%	100.0%	100.0%
25 <sup>th</sup> month	98.7%	99.3%	99.9%
37 <sup>th</sup> month	97.1%	97.4%	97.7%
49 <sup>th</sup> month	96.9%	97.3%	97.8%
61 <sup>st</sup> month	99.9%	99.5%	99.0%

Continued focus on persistency improvement



Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; comparative period figures restated for revised definition

# Persistency (2/2)

## Retail excluding single premium

Month	5M-FY2021	11M-FY2021	5M-FY2022
13 <sup>th</sup> month	82.1%	84.8%	85.1%
25 <sup>th</sup> month	73.0%	73.6%	74.6%
37 <sup>th</sup> month	65.2%	66.3%	66.3%
49 <sup>th</sup> month	63.8%	63.0%	63.2%
61 <sup>st</sup> month	57.5%	58.3%	57.1%

# 4P: Productivity

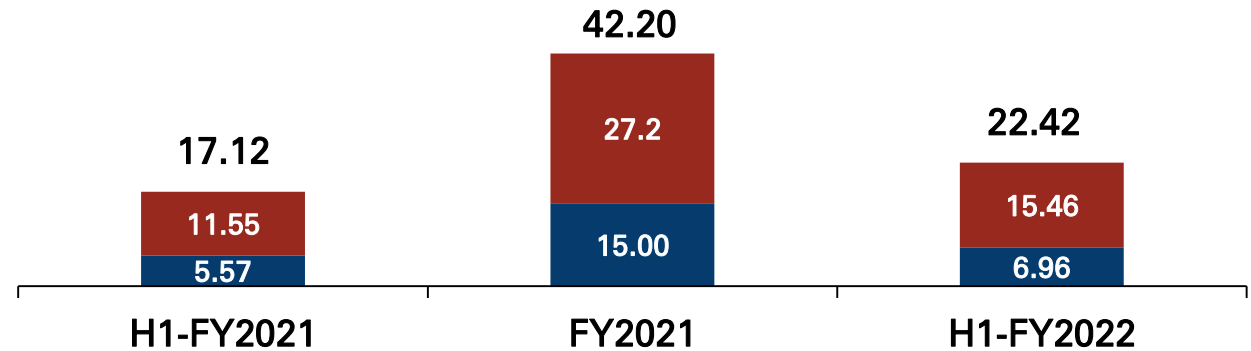


# Productivity: Cost efficiency

	H1-FY2021	FY2021	H1-FY2022
Expense ratio (excl. commission) <sup>1</sup>	9.6%	9.5%	12.3%
Commission ratio <sup>2</sup>	4.6%	5.3%	5.5%
Cost/TWRP <sup>3</sup>	14.3%	14.8%	17.8%
Cost/Average AUM <sup>4</sup>	2.0%	2.3%	2.0%
Cost/TWRP (Savings LOB)	8.8%	9.6%	11.8%

₹ billion

■ Commission  
■ Non Commission



- New business growth ahead of growth in expenses
  - Higher advertising spends and employee costs



1. Expense ratio: All insurance expenses (excl. commission)/(Total premium- 90% of single premium)
  2. Commission ratio: Commission/(Total premium- 90% of single premium)
  3. Cost/(Total premium- 90% of single premium)
  4. Annualized cost/Average assets under management during the period
- Total may not add up due to rounding off

# Key initiatives taken in Q2-FY2022



## Frontline enabler

Form pre-fill with OCR of KYC document within sell-online journey

- ❑ Improves policy issuance TAT with no discrepancy between data filled in and KYC document
- ❑ Ensures first time right for frontline sales force



## Partner enabler

Video verification as a service extended to distribution partners

- ❑ Partner acts as front-end and captures video, while the back-end processing is done by ICICI Prulife system
- ❑ Provides standardized process for partner and ensures faster closer of pre-issuance video verification requirement

On similar lines CKYC is extended to partners, enabling KYC requirement fulfillment during onboarding journey (digitally)



## Group digitization

End-to-end digital journey for group partners

- ❑ Member onboarding with the flexibility of enabling online consent with premium payment options
- ❑ Customizable modular journey
- ❑ Enabled using API / micro services

# VNB growth levers update (4P's)

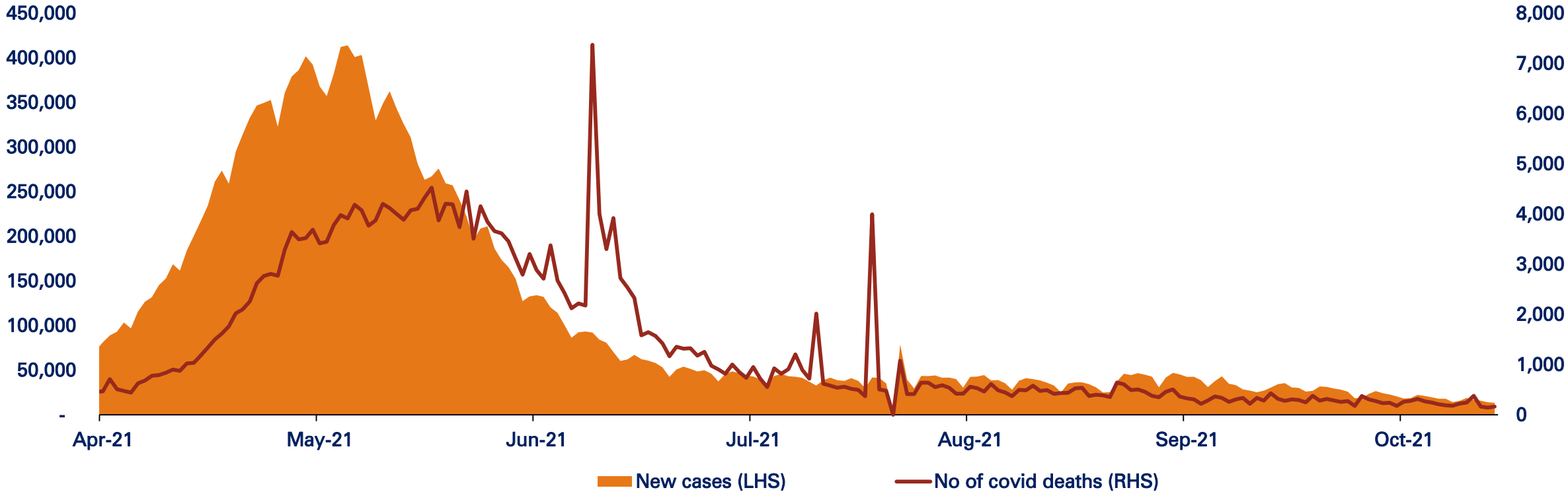
₹ billion	FY2021	H1-FY2022	Growth
Value of New Business (VNB) <sup>1</sup>	16.21	8.73	45.0%
VNB margin	25.1%	27.3%	NA

₹ billion	FY2021	H1-FY2022	Growth
Premium growth (APE)	64.62	31.96	39.7%
Protection growth (APE)	10.46	5.50	23.3%
Persistency (13 <sup>th</sup> month) <sup>2</sup>	84.8% <sup>3</sup>	85.1%	NA
Persistency (61 <sup>st</sup> month) <sup>2</sup>	49.8% <sup>3</sup>	51.6%	NA
Productivity (Cost/TWRP: Savings) <sup>4</sup>	9.6%	11.8%	NA

# Financial update

# The second wave of COVID-19

Trend in COVID-19 new cases and deaths



- 3.4 million new COVID-19 infections recorded in Q2-FY2022 (18.2 million in Q1-FY2022) with 48,880 reported death cases (236,532 in Q1-FY2022)



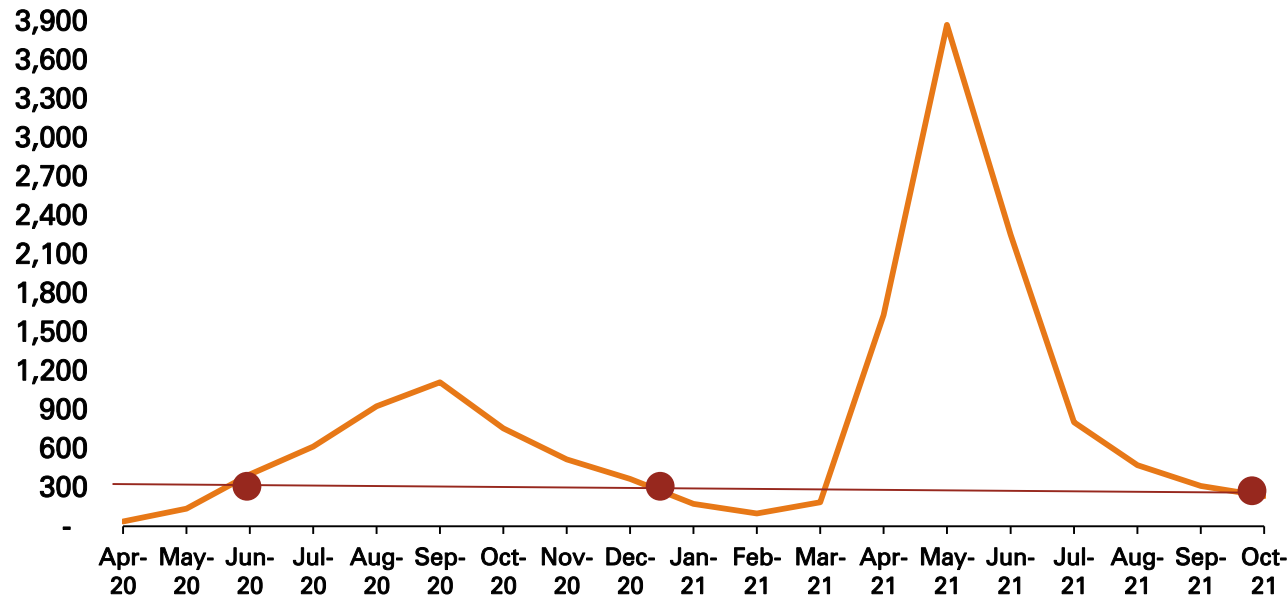
1. As on October 17, 2021  
 Source: [www.prsindia.org](http://www.prsindia.org) (compiled based on data published by Ministry of Health and Family Welfare, Government of India)

# Impact of COVID-19 on mortality

- Total claims on account of COVID-19 for H1-FY2022: ₹ 18.79 billion<sup>1</sup> (FY2021: ₹ 3.54 billion)
  - Claims net of reinsurance: ₹ 8.62 billion (FY2021: ₹ 1.98 billion)
- Provision of ₹ 4.12 billion (March 2021: ₹ 3.32 billion) held for future COVID-19 claims including IBNR<sup>2</sup>

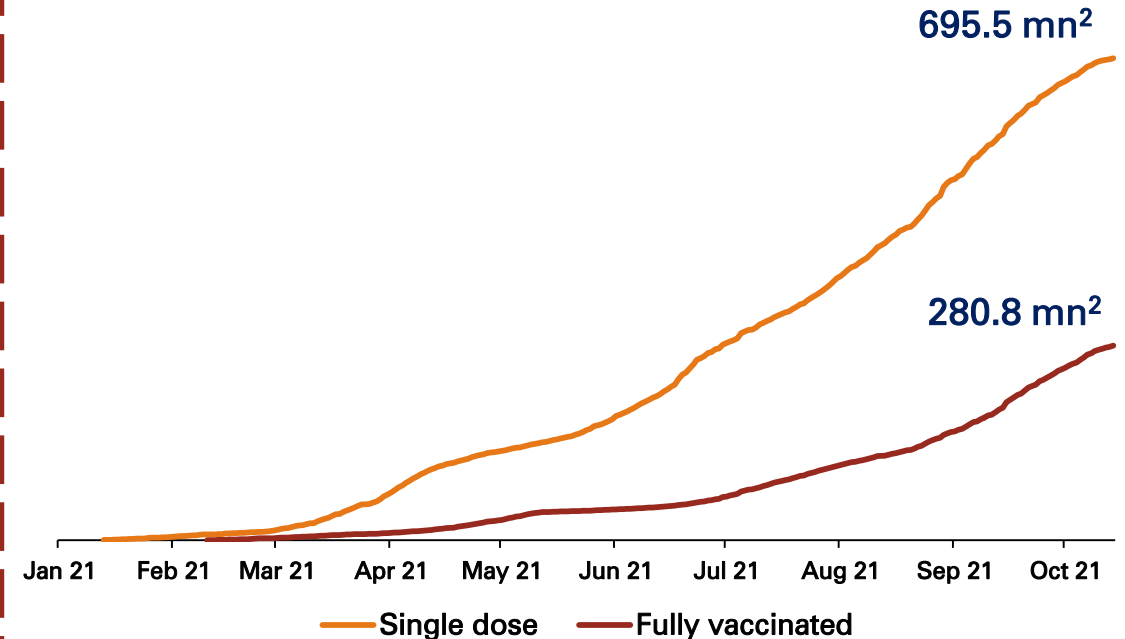
# Recent trend on deaths and vaccination

## Average daily number of deaths



Avg. country deaths in October closer to tail of first wave

## Vaccination picking up pace



- ~21% of population fully vaccinated
- ~52% of population received at least one dose
- ~74% of adult population received at least one dose

1. October average is as of October 17<sup>th</sup>  
 2. As on October 17, 2021

Source: [www.prsindia.org](http://www.prsindia.org) (compiled based on data published by Ministry of Health and Family Welfare, Government of India)

# Financial metrics

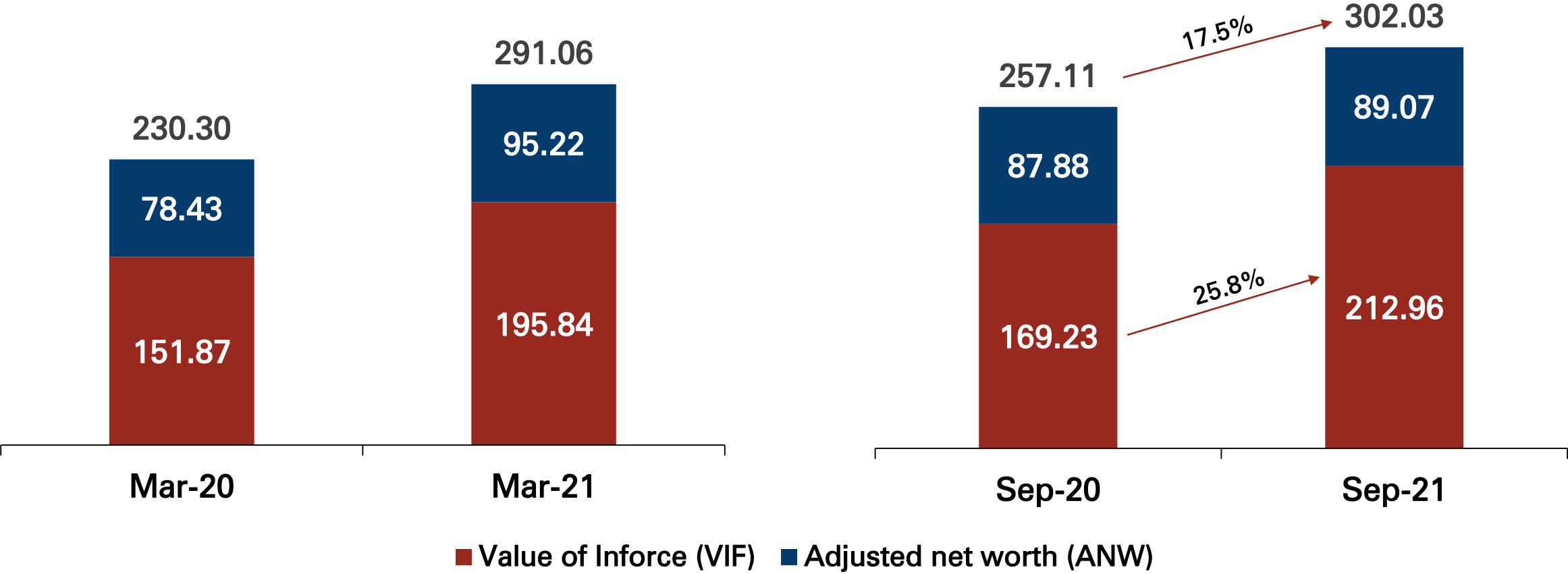
₹ billion	H1-FY2021	FY2021	H1-FY2022
Profit before Tax	6.41	10.81	2.59
Profit after Tax	5.91	9.60	2.59
Solvency ratio	205.0% <sup>1</sup>	216.8% <sup>2</sup>	199.9%
AUM	1,814.92 <sup>1</sup>	2,142.18 <sup>2</sup>	2,370.87 <sup>1</sup>

- Profit after Tax of ₹ 4.45 billion for Q2-FY2022
- AUM grew by 31% over September 2020



# Embedded Value<sup>1</sup>

₹ billion



**Value of Inforce (VIF) grew by 26% over September 2020**



1. As per Indian Embedded value (IEV) method

# Analysis of movement in EV<sup>1</sup>

₹ billion	FY2017	FY2018	FY2019	FY2020	FY2021
Opening EV	139.39	161.84	187.88	216.23	230.30
Unwind	12.21	13.72	15.84	17.25	16.61
Value of New Business (VNB)	6.66	12.86	13.28	16.05	16.21
Operating assumption changes + Operating variance	4.08	10.22	8.89	(0.42)	2.24
<i>Operating assumption changes</i>	1.00	7.64	4.20	(2.25) <sup>2</sup>	3.09
<i>Operating variance</i>	3.08	2.58	4.69	1.83	(0.85)
<i>Persistency variance</i>	0.99	1.53	2.66	0.85	1.10
<i>Mortality and morbidity variance</i>	0.98	0.78	1.97	0.42	(2.37) <sup>3</sup>
<i>Expense variance</i>	0.35	0.27	0.04	0.01	0.01
<i>Other variance</i>	0.76	0.00	0.02	0.56	0.41
EVOP	22.95	36.80	38.01	32.88	35.05
Return on embedded value (ROEV)	16.5%	22.7%	20.2%	15.2%	15.2%
Economic assumption change and investment variance	5.82	1.13	(1.22)	(14.76)	25.67
Net capital injection	(6.32)	(11.88)	(8.43)	(4.05)	0.04
Closing EV	161.84	187.88	216.23	230.30	291.06

# Sensitivity analysis

Scenario	% change in VNB		% change in EV	
	FY2020	FY2021	FY2020	FY2021
Increase in 100 bps in the reference rates	(2.4)	0.7	(2.5)	(2.8)
Decrease in 100 bps in the reference rates	2.2	(1.7)	2.6	3.0
10% increase in the discontinuance rates	(5.0)	(3.1)	(1.1)	(0.9)
10% decrease in the discontinuance rates	5.1	3.2	1.1	1.0
10% increase in mortality/morbidity rates	(9.5)	(10.2)	(1.6)	(1.6)
10% decrease in mortality/morbidity rates	9.6	10.4	1.7	1.6
10% increase in acquisition expenses	(11.6)	(10.5)	Nil	Nil
10% decrease in acquisition expenses	11.6	10.4	Nil	Nil
10% increase in maintenance expenses	(3.0)	(2.5)	(0.8)	(0.6)
10% decrease in maintenance expenses	3.0	2.5	0.9	0.6
Tax rates increased to 25%	(11.4)	(11.1)	(5.8)	(6.2)
10% increase in equity values	0.7	1.3	1.8	2.9
10% decrease in equity values	(0.7)	(1.6)	(1.8)	(2.9)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE



# ESG: Approach and focus areas



Business itself is social in nature: Serving long term financial and protection needs

## 3 pillars of our sustainability framework



**Environmental**  
leaving the planet a better place for our next generation



**Social**  
giving back to the society



**Governance**  
transparency in functioning

## Our focus areas



**Human Capital**



**Responsible Investing**



**Governance & Business Ethics**



**Data Privacy & Security**



**Access to Finance & CSR**



**Environment**

## New initiatives



**Responsible Investing**



**Diversity & inclusion policy**

## Enhanced disclosures/policies



**Human capital**



**Privacy policy**



**Ethical aspects**



**Environmental impact**



# Focus areas: Human capital



## Support during COVID-19

- 1. Workplace safety**
  - COVID-19 protocols
  - Health tracking & contact tracing
- 2. Employee Assistance**
  - Doctor consultation including mental health counselling
  - COVID-19 testing and leave
  - Vaccination facilitation
- 3. Enabling Work From Home**
  - Accessibility & tech support
  - Virtual collaboration tools



## Enabling Productivity

- 1. Talent attraction & on-boarding**
  - >50% of hiring comprise freshers
- 2. Learning & development**
  - ~ 1 million digital learning hours
  - 13,000+ employees certified
  - 85% leadership team > 10 yrs vintage
  - ~66% employees with at least one role change in five years
- 3. Performance & talent management**
  - Alignment to Board KPIs
  - Differentiated rewards and capability development
  - Succession plan and strong bench



## Building an agile & engaged workforce

- 1. Enabling a diverse workforce**
  - Diversity & inclusion policy
  - 40% women among campus hires
  - 40% women in operations and corporate roles
  - Policies catering to life stage needs
- 2. Engagement framework**
  - Align to strategy & culture, enhance connect & belongingness
- 3. Robust grievance redressal framework**
- 4. Voice of employee survey**
  - Feedback on delivery of employee value proposition
  - 90%+ scores achieved in key areas: alignment, morale, health & safety

# Focus areas: Responsible investing



Three pronged approach

Stewardship policy and process

ESG Integration

ICICI Prudential Sustainable Equity Fund

ESG integration framework made operational; subscribed to ESG ratings by an external service provider

Benchmarked against NSE 100 ESG Index

Engaging with investee companies

Exclusion: Restricted exposure to



Thermal power



Coal



Defence



Tobacco



~47% of our AUM\*: Infrastructure/ housing and Government bonds (₹314 billion and ₹689 billion respectively).

# Focus areas: Governance and Data privacy

## Governance Structure



### Board composition

- >50% IDs including Chairman
- Committees: > 50% IDs/ NEDs and chaired by IDs

### Board Diversity

- Policy on Board diversity & criteria on appointment of Directors
- Woman Independent Director

### Evaluation framework

- Evaluation framework for the Directors, Chairman, the Board and its Committees

## Compensation Framework



### Compensation Policy

- Based on Meritocracy and Fairness within the prudent risk management framework

### Governance

- Compensation and KPIs of WTDs approved by BNRC, Board and IRDAI

### Alignment

- WTD compensation aligned to KPIs incl. non-financial & risk parameters; capping & deferral of bonus, malus & claw-back provisions

## Information/Cyber security



### Data Privacy Policy

- Privacy policy covering collection, usage, storage, retention, sharing only for specific purposes with consent and security related aspects



### Cyber Security Framework

- Information and Cyber Security Policy
- ISO 27001: ISMS certification

## Risk Management



### Risk Management Policy

- Board, BRMC & ERC oversight
- Covers financial, operational and reputational risk



### Mitigating risk

- Framework sets out limits and controls for risk exposure
- Risk-based internal audit framework
- ISO 22301: BCM certification

## Business Ethics/Compliances



### Policies

- Code of Conduct
- POSH
- ABC Policy
- AML Policy

- Compliance Policy
- Framework for Managing Conflict of Interest
- Insider Trading Code
- Whistle Blower Policy



LIFE INSURANCE



# Focus areas: Access to finance, CSR and Environment



## Access to Finance

- **46.0 mn** lives covered through micro insurance products
  - **56.8 mn** lives covered in total
- **87.1%** - One of the best persistency<sup>1</sup> ratios (13<sup>th</sup> month) in the industry.
- **24x7 service architecture; >90%** self-help usage
- **97.9%** - One of the best claim settlement ratios<sup>2</sup> in the industry; **1.4 days**<sup>3</sup> average TAT
- Insurance awareness campaigns, focus on right selling & product suitability
- Robust policy & framework for grievance redressal



## CSR

- **₹109.8 million** spent for COVID-19 pandemic and CSR initiatives
- **₹26.5 mn** contributed to PM CARES fund by employees including 1 month salary by top management
- **159,000** Candidates trained till date by ICICI Academy for Skills
- **14,000** families benefited in FY2021



## Environment

- **~2,700 tonnes** of carbon footprint saved through:
  - Responsible consumption of energy
  - Water conservation
  - Replace, reduce and recycle approach
- **95%** of new business applications logged digitally
- **86%** shareholders communicated digitally

# Technology @ICICI Prulife

# Our digital enablers



## Marketing

### Hyper personalization –

Personalized messages to handhold customers throughout journey

### Segmented targeting –

Reaching the customer by mapping their interests/affinities

### Interactive banners –

Banners with built-in calculators for instant and customized quotes

### Search engine optimization –

Use of Machine learning to rank ICICI Pru higher on customers search

### Mobile first –

All our content and journeys are designed for mobile devices



## Data, Analytics, RPA

### Nudge engine/ Actionable insights -

Data analytics based system which suggests the best suited action to achieve the next goal

**Smart solutions** – Pre-approved personalized best offers for instant issuance and persistency backed by data

**Modular data integration approach** to meet partner requirements


**Use of AI & ML** to analyze structured & unstructured data

**Cognitive automation** – End-to-end process automation using intelligent and cognitive automation tools



## Pre-sales

### Collaboration platform –

Online meetings, joint sales calls, invite experts, share content 

### 24x7 cognitive bots –

24x7 query resolution using chat bots viz. Chat Buddy, PSF Guru, Tara

### Lead Management System –

Enhanced with voice capability and geographical tagging

### Learner's Box and MyCoach –

On-the-go e-learning modules via exclusive app and AI powered sales pitch perfection platform

### Demand generation–

Digital platform for generating interest for insurance products, qualifying leads with nurture framework and funnel management

# Our digital enablers

## Onboarding & issuance

**Term by invite** - Pre approved offers with zero documents or medical

### Digital journey

- ❖ End to end digital onboarding
- ❖ Form pre-fill with OCR of KYC document
- ❖ 3-click PASA onboarding
- ❖ Smart doc upload with instant OCR
- ❖ E-Quote app
- ❖ Video risk verification
- ❖ Tele & video underwriting

**Leveraging third party data with pre-population**

## Customer service

### 24x7 chat/voice assistants



- ❖ LiGo chat bot
- ❖ WhatsApp bot
- ❖ Voice bot on IVR
- ❖ E-mail bot
- ❖ Humanoid bot

### Digital customer service

- ❖ Omni-channel experience
- ❖ Mobile application for customer service
- ❖ Digital life verification

### Flexible premium payment options UPI Autopay

**Artificial intelligence** for pre claim assessment and claims processing

## Partner integration

- ❖ **Partner integration portal**
- ❖ **Easy UI** – pre-coded premium quotation pages
- ❖ **Data pre population**
- ❖ No KYC document, digital payment with SI and **digital consent**

### Video based Pre -issuance verification on WhatsApp

- ❖ **Instant Certificate of issuance**
- ❖ **Instant refund** into customer account, in case of cancellation
- ❖ Video verification and CKYC as a service enabled for partners
- ❖ End-to-end digital journey for group partners

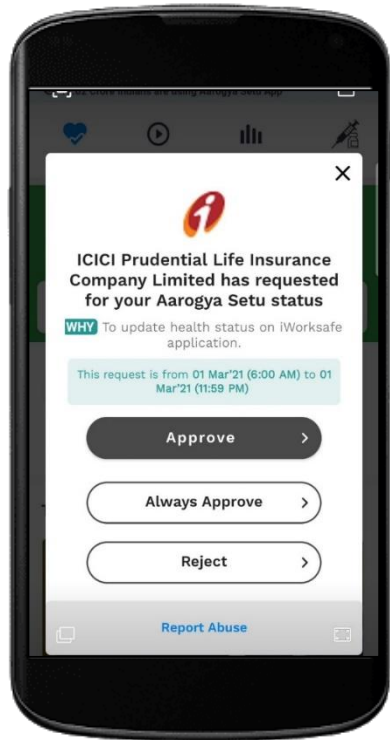
# Empowering stakeholders

## Contactless interactions, interfaces



### COVID companion app

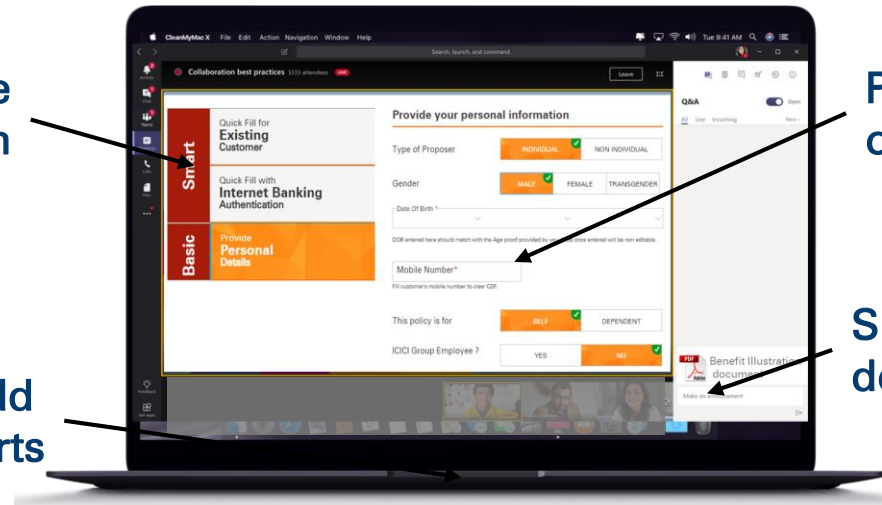
- Fetches health status from Arogya setu



### Collaboration platforms

Share screen

Add experts



Payment options

Share documents

Online meetings (upto 300 users) | Video/Audio call  
| Joint sales call | Share content Chat |  
Invite external guests, experts | Access previous meeting notes | Record sessions



# Awards and accolades

Only insurance Company to be ranked in the Top 30 of India's 'Most Sustainable Companies'

Ranking	Company	ESG Score	ESG Rating	ESG Score	ESG Rating	ESG Score	ESG Rating	ESG Score	ESG Rating
1	Infosys	81.49	AAA	80.00	AAA	77.00	AAA	75.00	AAA
2	Wipro	81.17	AAA	80.00	AAA	77.00	AAA	75.00	AAA
3	Tata Consultancy Services	80.93	AAA	80.00	AAA	77.00	AAA	75.00	AAA
4	Capgemini	80.87	AAA	80.00	AAA	77.00	AAA	75.00	AAA
5	Oracle	80.80	AAA	80.00	AAA	77.00	AAA	75.00	AAA
6	Pharos	80.69	AAA	80.00	AAA	77.00	AAA	75.00	AAA
7	Capgemini	80.65	AAA	80.00	AAA	77.00	AAA	75.00	AAA
8	Infosys	80.60	AAA	80.00	AAA	77.00	AAA	75.00	AAA
9	Wipro	80.50	AAA	80.00	AAA	77.00	AAA	75.00	AAA
10	Tata Consultancy Services	80.40	AAA	80.00	AAA	77.00	AAA	75.00	AAA
11	Capgemini	80.30	AAA	80.00	AAA	77.00	AAA	75.00	AAA
12	Oracle	80.20	AAA	80.00	AAA	77.00	AAA	75.00	AAA
13	Pharos	80.10	AAA	80.00	AAA	77.00	AAA	75.00	AAA
14	Infosys	80.00	AAA	80.00	AAA	77.00	AAA	75.00	AAA
15	Wipro	79.90	AAA	80.00	AAA	77.00	AAA	75.00	AAA
16	Tata Consultancy Services	79.80	AAA	80.00	AAA	77.00	AAA	75.00	AAA
17	Capgemini	79.70	AAA	80.00	AAA	77.00	AAA	75.00	AAA
18	Oracle	79.60	AAA	80.00	AAA	77.00	AAA	75.00	AAA
19	Pharos	79.50	AAA	80.00	AAA	77.00	AAA	75.00	AAA
20	Infosys	79.40	AAA	80.00	AAA	77.00	AAA	75.00	AAA
21	Wipro	79.30	AAA	80.00	AAA	77.00	AAA	75.00	AAA
22	Tata Consultancy Services	79.20	AAA	80.00	AAA	77.00	AAA	75.00	AAA
23	Capgemini	79.10	AAA	80.00	AAA	77.00	AAA	75.00	AAA
24	Oracle	79.00	AAA	80.00	AAA	77.00	AAA	75.00	AAA
25	Pharos	78.90	AAA	80.00	AAA	77.00	AAA	75.00	AAA
26	Infosys	78.80	AAA	80.00	AAA	77.00	AAA	75.00	AAA
27	Wipro	78.70	AAA	80.00	AAA	77.00	AAA	75.00	AAA
28	Tata Consultancy Services	78.60	AAA	80.00	AAA	77.00	AAA	75.00	AAA
29	Capgemini	78.50	AAA	80.00	AAA	77.00	AAA	75.00	AAA
30	Oracle	78.40	AAA	80.00	AAA	77.00	AAA	75.00	AAA

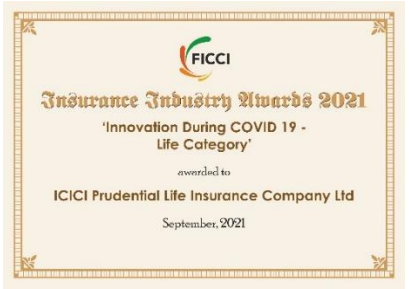
Sustain Labs Paris in association with BW Businessworld

Adjudged one of the Most Valuable Indian Brand



'BrandZ Top 75 Most Valuable Indian Brands 2020'

Innovation During COVID-19



FICCI Insurance Industry Awards 2021

Excellence in Claims and Customer Service



FICCI Insurance Industry Awards 2021

ICICI Pru Guaranteed Pension Plan - Product of the Year 2021 in the Retirement & Pension category



Awarded by Product of the Year Private Limited

Best Contact Centre



Customer Fest Leadership Awards 2021



# Agenda

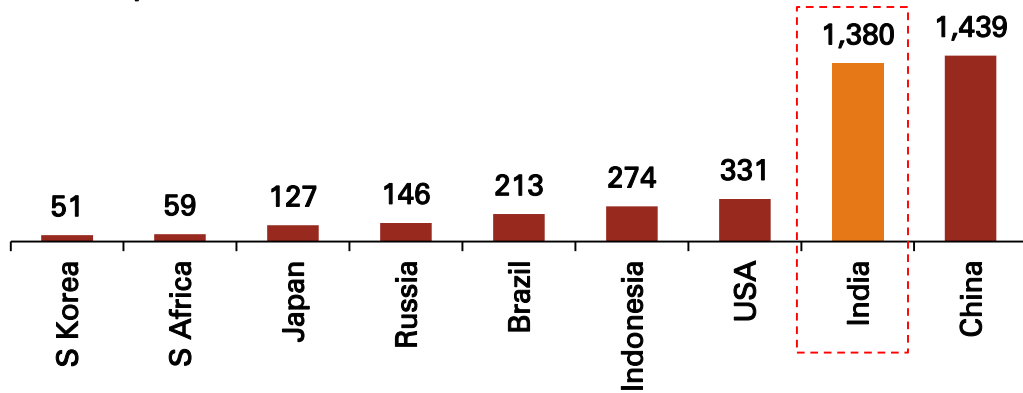
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

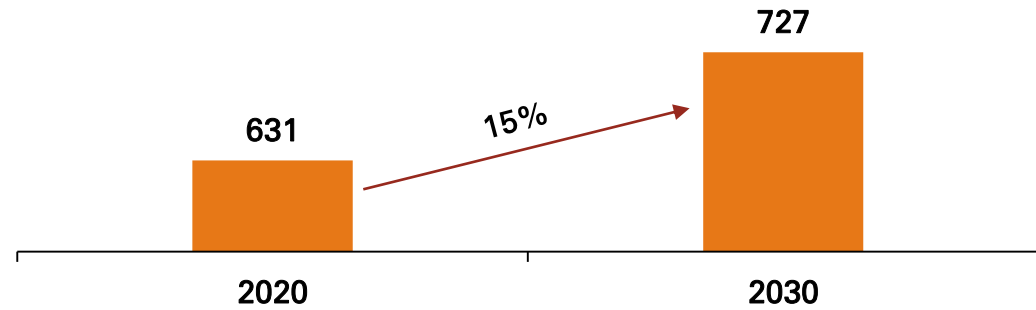
## Large and growing population base<sup>1</sup>

2020 Population (mn)

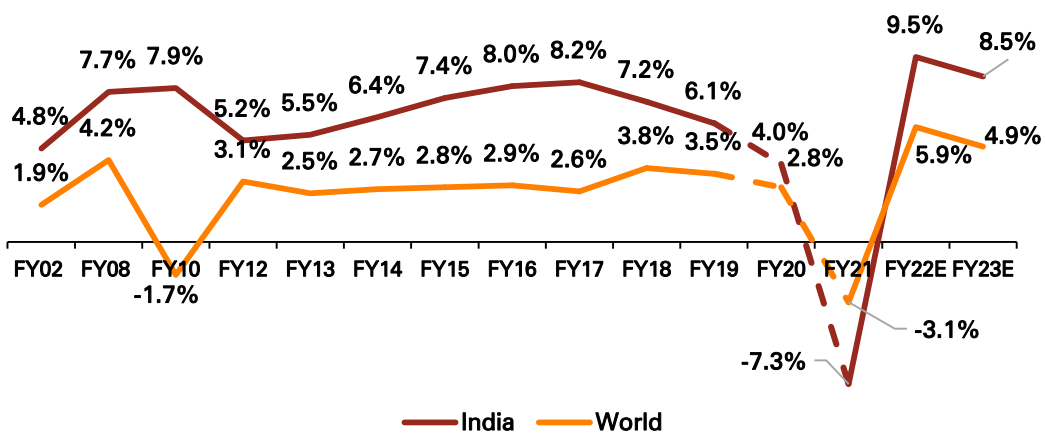


## High share of working population<sup>1</sup>

Population of age 25-59 years (in mn)

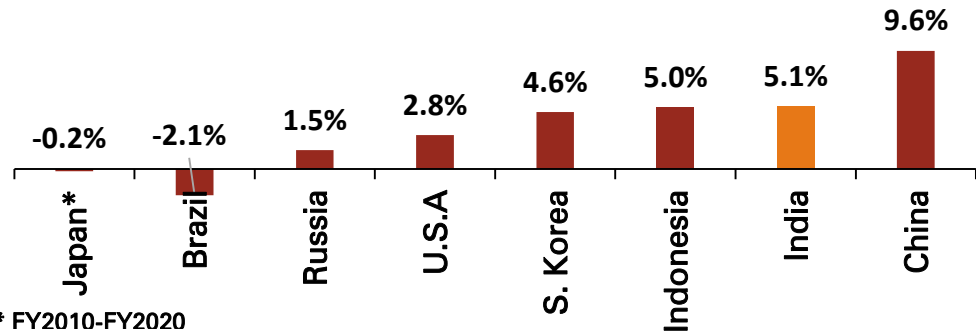


## Driving GDP growth<sup>2</sup>



## Rising affluence<sup>3</sup>

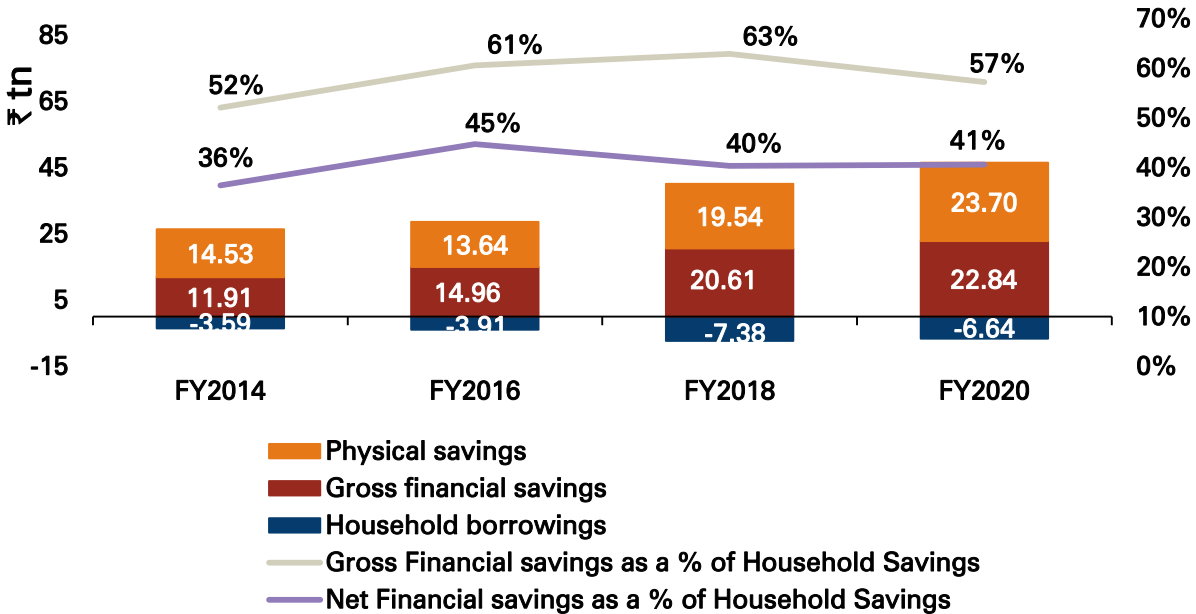
GDP per capita CAGR (FY2010-FY2021)



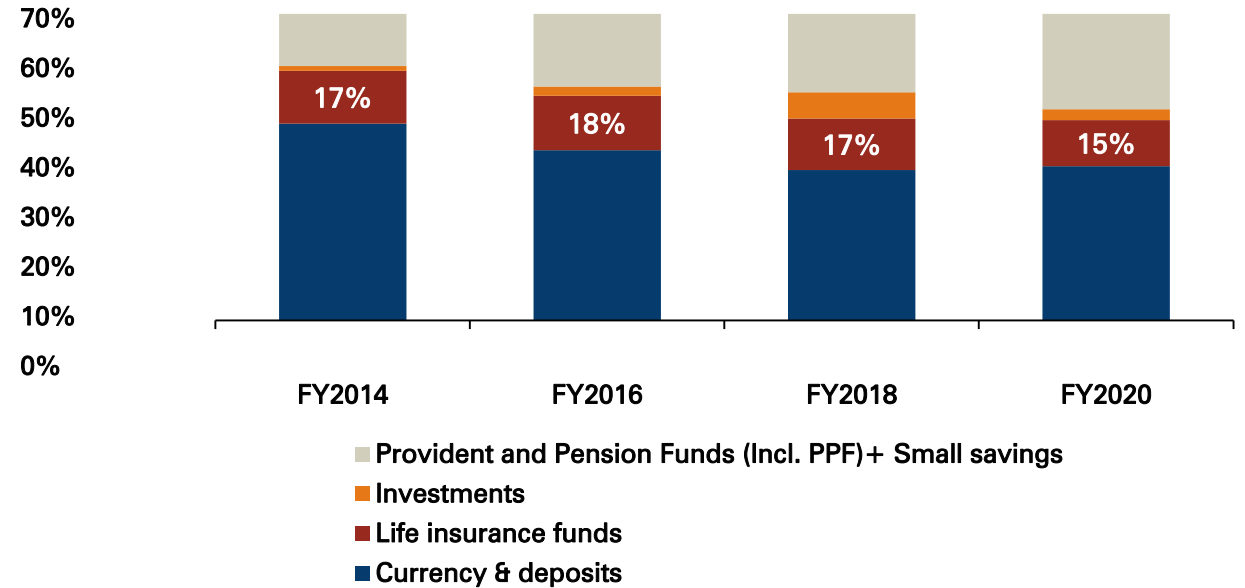


# Financialisation of savings: Opportunity for insurance

## Household savings<sup>1</sup>



## Distribution of financial savings (including currency)<sup>2</sup>



FY2002    FY2008    FY2010    FY2012    FY2014    FY2018    FY2019    FY2020    FY2021

Life insurance premium<sup>3</sup> as % of GDP

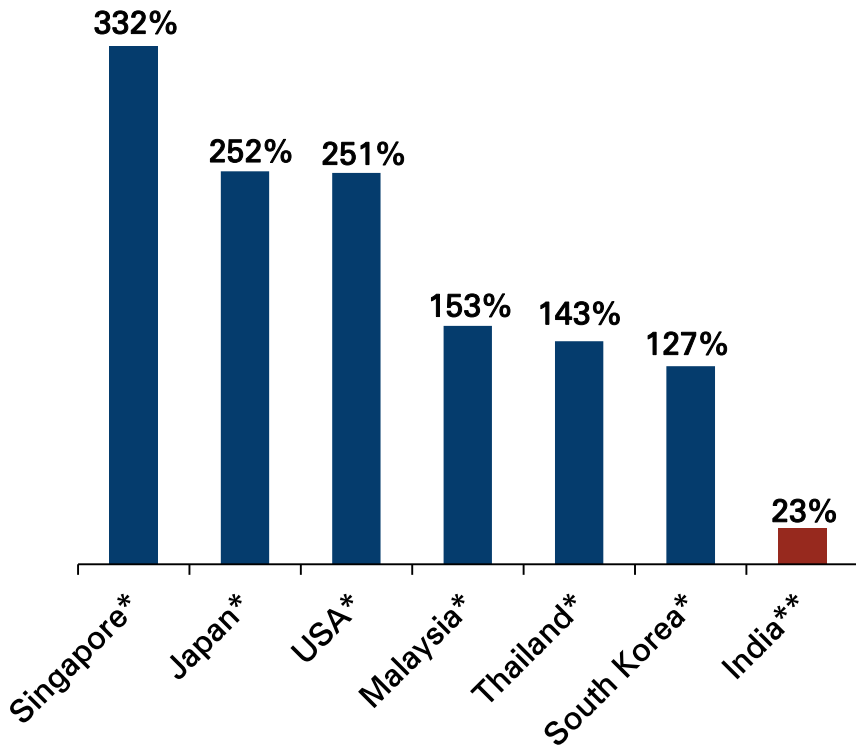
2.1%    4.0%    4.1%    3.3%    2.8%    2.7%    2.7%    2.8%    3.2%



1. Source: RBI and CSO  
 2. Source: RBI  
 3. Total life insurance industry premium including renewal; Source: IRDAI

# Protection opportunity: Low penetration

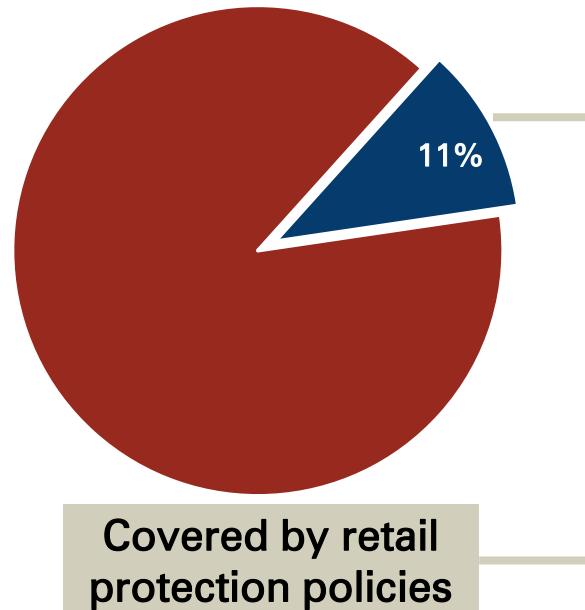
Sum Assured as a % of GDP<sup>1,2</sup>



\* Total sum assured

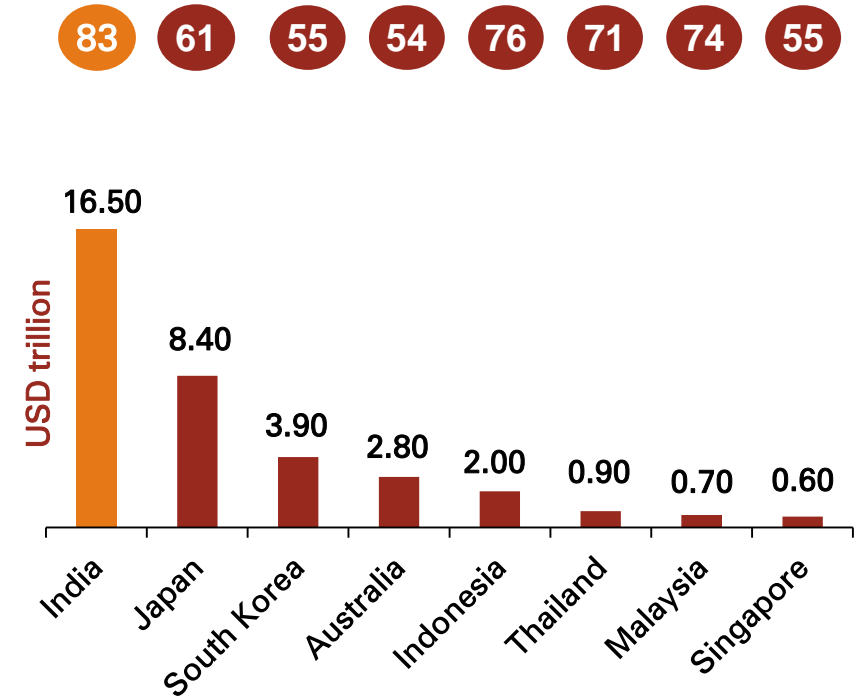
\*\* Retail protection sum assured (company estimates)

Addressable population<sup>#</sup> coverage<sup>3</sup> (%)



# Based on Income Tax Department data for individuals (annual income > ₹ 250,000) and company estimates

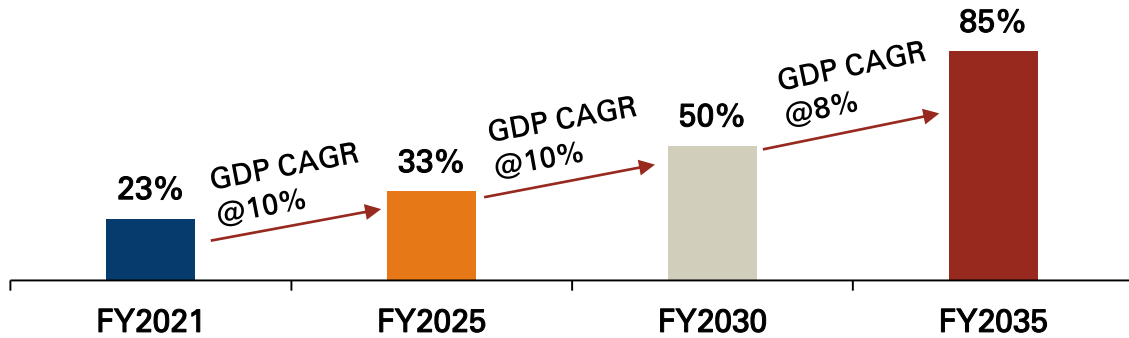
Protection gap(%)<sup>4,5</sup>



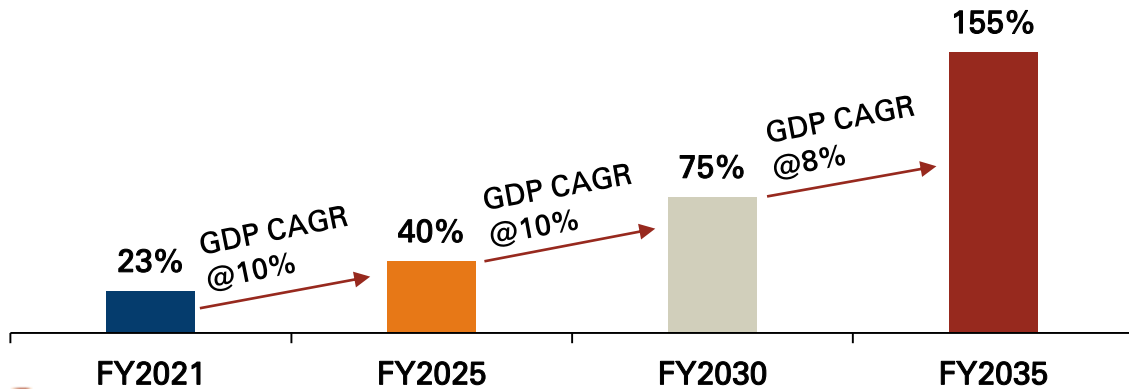
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income > ₹ 250,000
4. Protection gap (%): Ratio of protection lacking/protection needed
5. Source: Swiss Re, Closing Asia's mortality protection gap, 2020

# Protection opportunity: Sum assured as a % of GDP

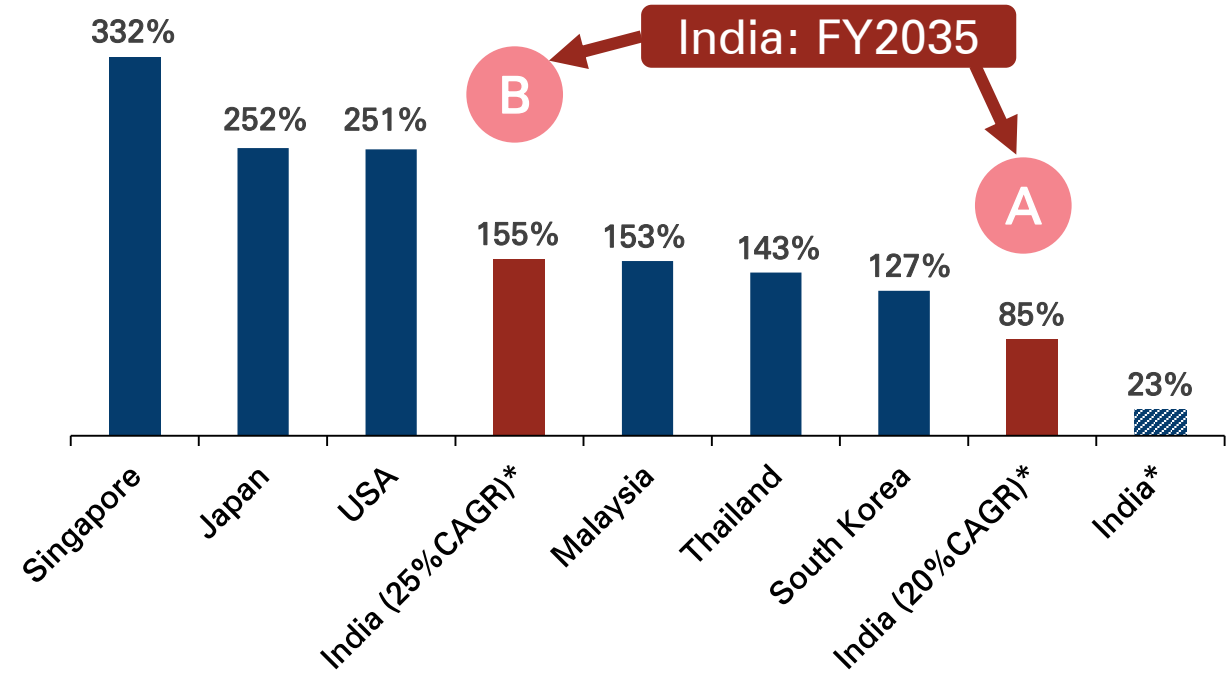
**A** Sum Assured (SA) as a % of GDP:  
Assuming SA growth @ 20% CAGR



**B** Sum Assured (SA) as a % of GDP:  
Assuming SA growth @ 25% CAGR



Sum Assured as a % of GDP<sup>1,2</sup>



\* For retail protection sum assured (company estimates)

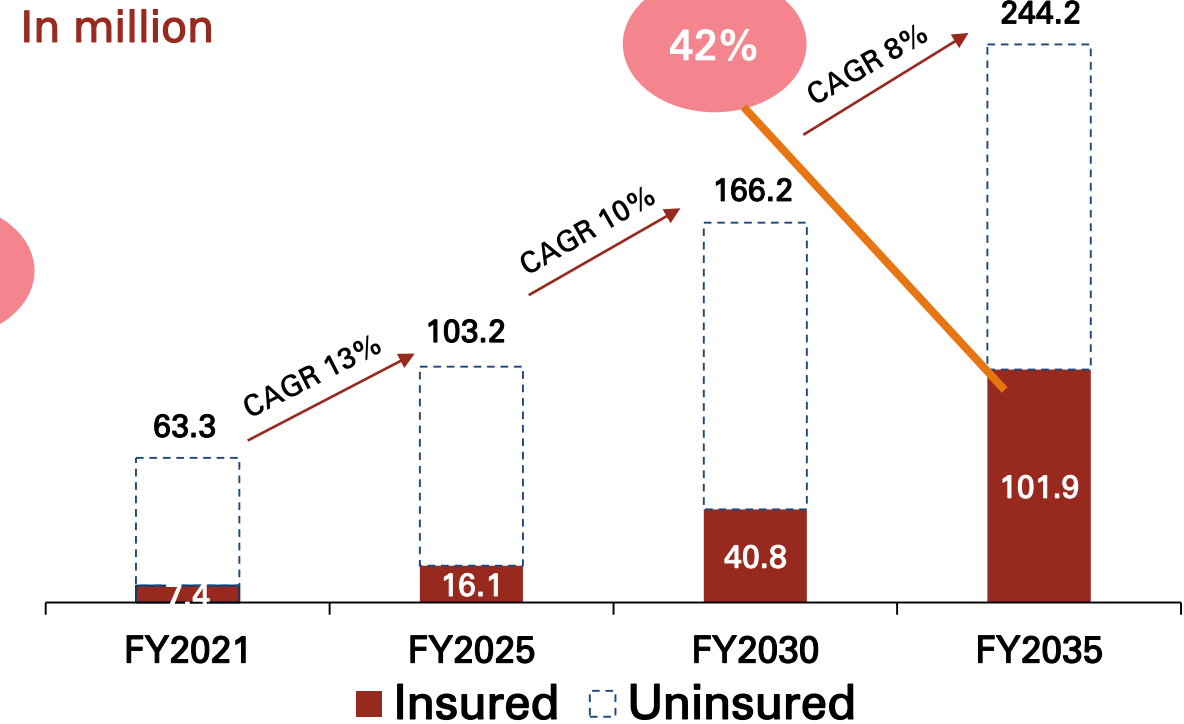
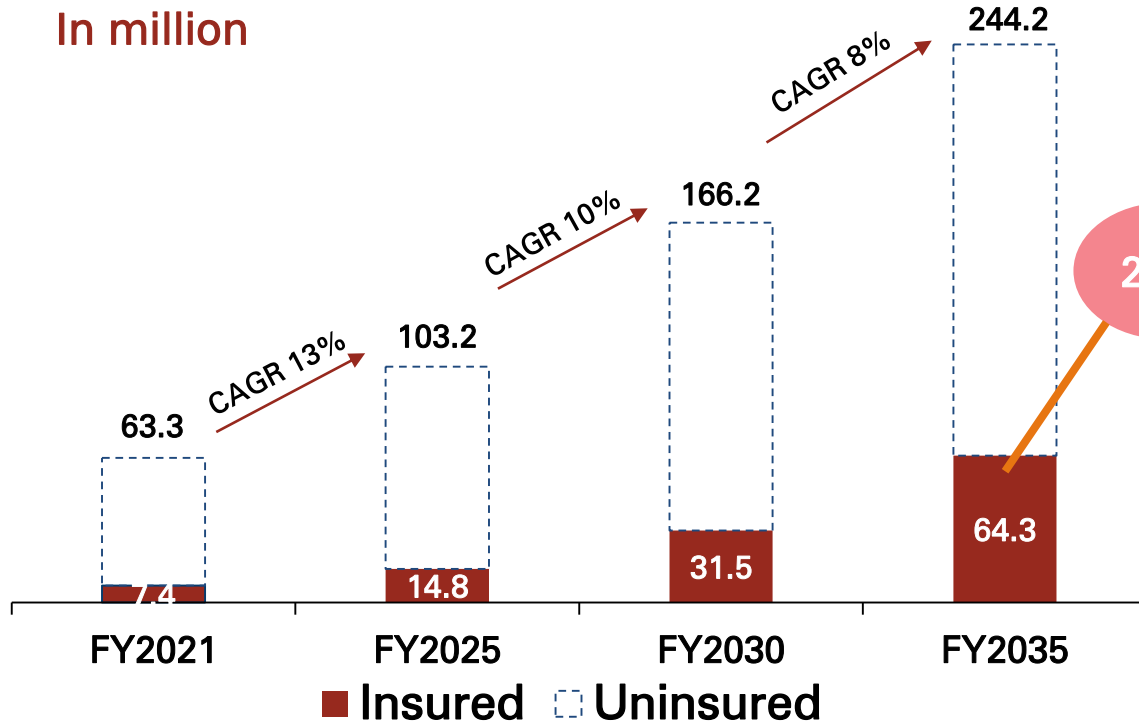


1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates

# Protection opportunity: Addressable population coverage (%)

With 15% CAGR in new policy count from FY2020 to FY2035

With 20% CAGR in new policy count from FY2020 to FY2035

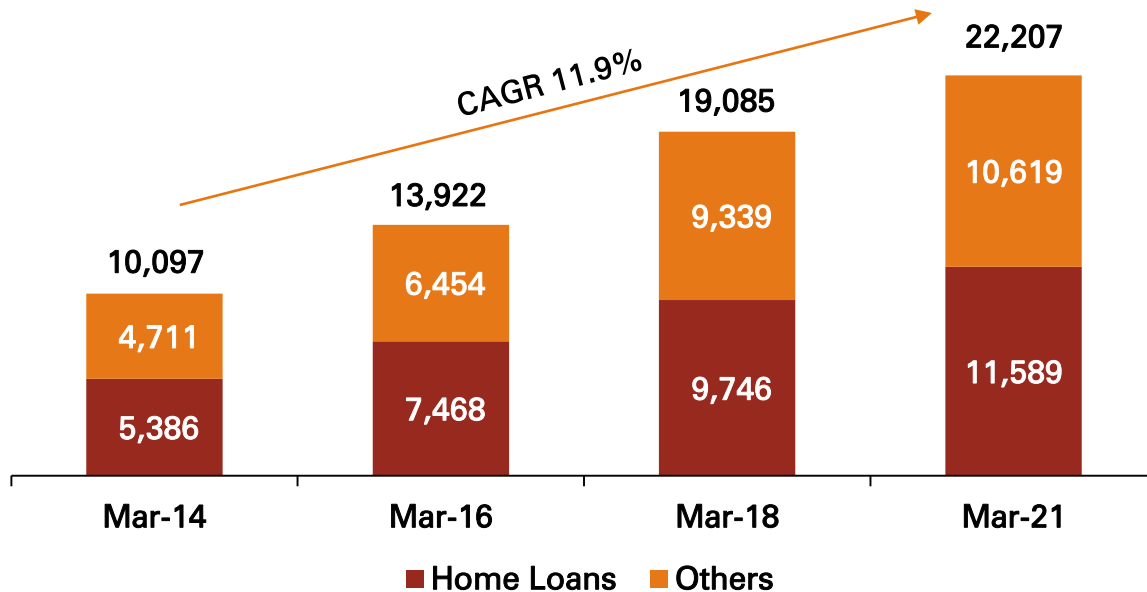


Even at accelerated policy growth rates, at best ~40% of India's addressable population can be expected to be covered in 15 years

# Indicators of protection opportunity

## Retail Credit<sup>1</sup>

₹ billion



- Healthy growth in retail credit
- Credit life is voluntary

## Health & Motor<sup>2</sup>

Gross direct premium  
(₹ billion)

FY2021

Health	585.72
Motor	677.90
- Motor Own Damage (OD)	260.81
- Motor Third Party (TP)	417.09

- Protection premium ~ ₹ 235 billion for life insurance industry in FY2021

# Agenda

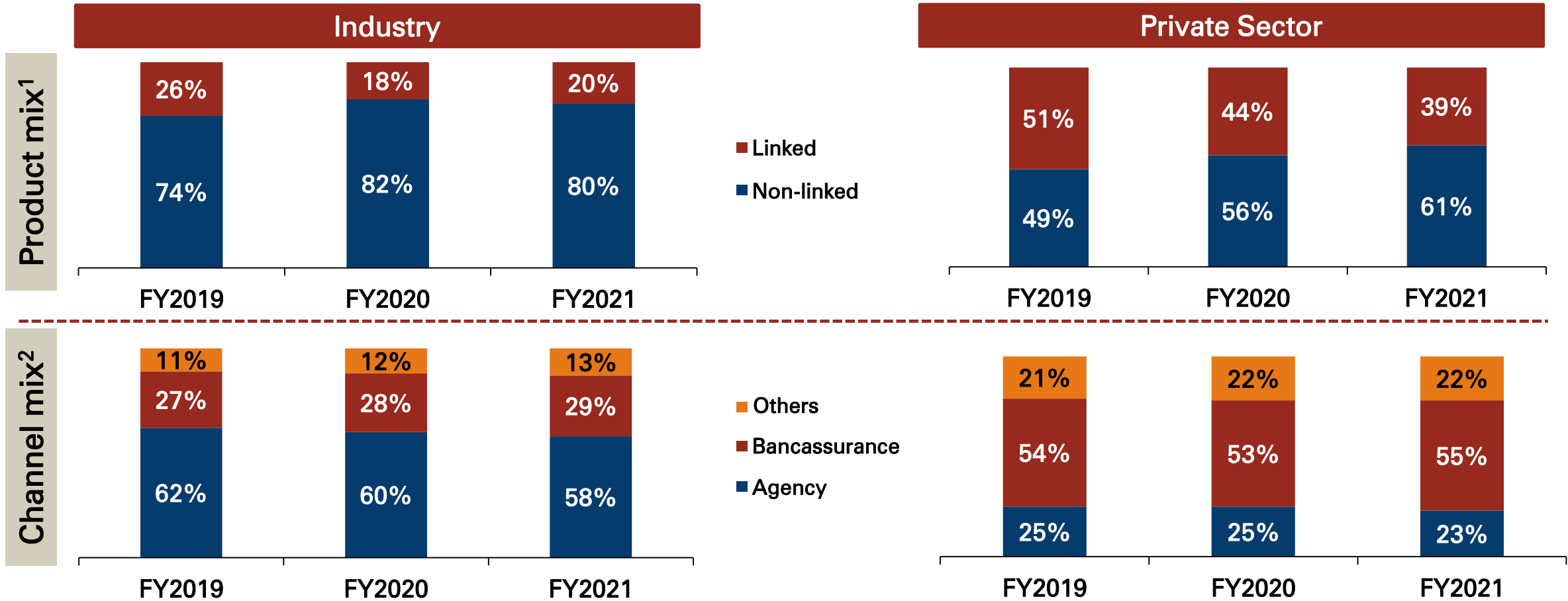
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2021
New business premium <sup>1</sup> (₹ bn)	116	21.5%	550	-5.8%	408	10.8%	757
Total premium (₹ bn)	501	23.2%	2,654	4.3%	3,281	11.4%	6,284
Penetration (as a % to GDP)	2.1%		4.1%		2.6%		3.2%
Assets under management (₹ bn)	2,304	24.0%	12,899	12.6%	23,361	12.2%	46,563
In-force sum assured <sup>2</sup> (₹ bn)	11,812*	15.5%	37,505	15.8%	78,091	15.8%	188,615
In-force sum assured (as % to GDP)	50.1%		57.9%		62.7%		95.5%

# Industry overview



- Given a well developed banking sector, bancassurance continues to be the largest channel for private players



1. New business weighted premium basis  
 2. Individual new business premium basis  
 Source: Life Insurance Council

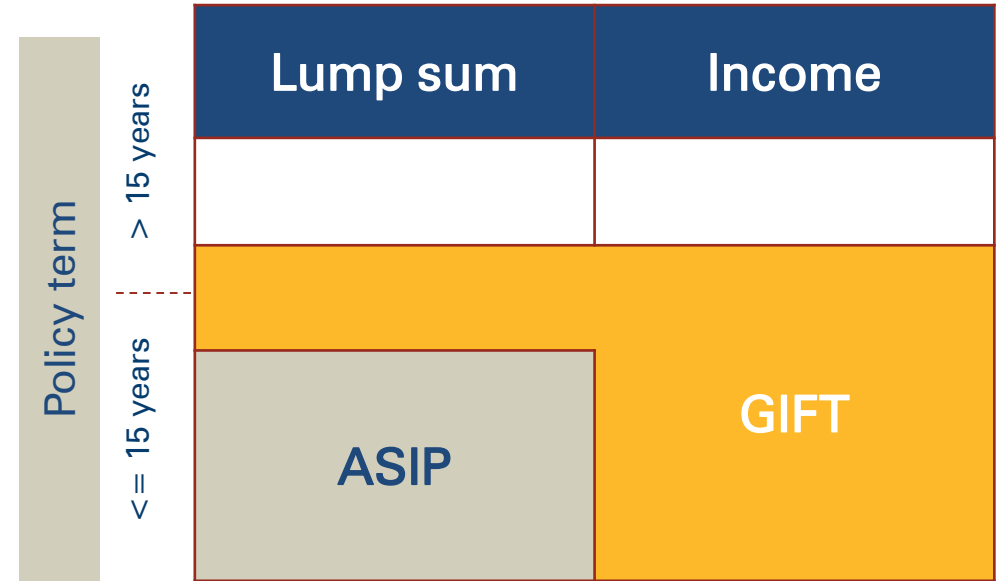


# Annexures

# Risk management: Non-participating business

## Guaranteed return savings product

- Expanded product tenure from a maximum of 15 years to ~20 years
- Interest risk hedged through a combination of cash market instruments and derivatives
  - Hedge program designed for each tranche of new business
  - Locked in yields for future premiums
  - Underlying bonds for derivatives selected keeping in mind liability tenure



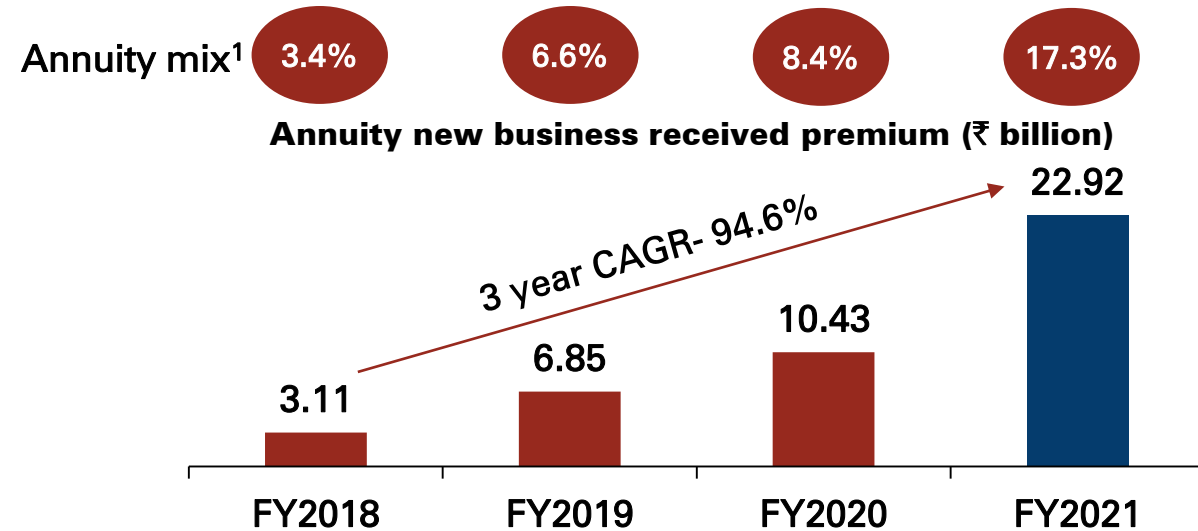
- Annuity (GPP): Average deferment period < 5 years

Review of pricing based on current interest rate environment

# Pension and Annuity

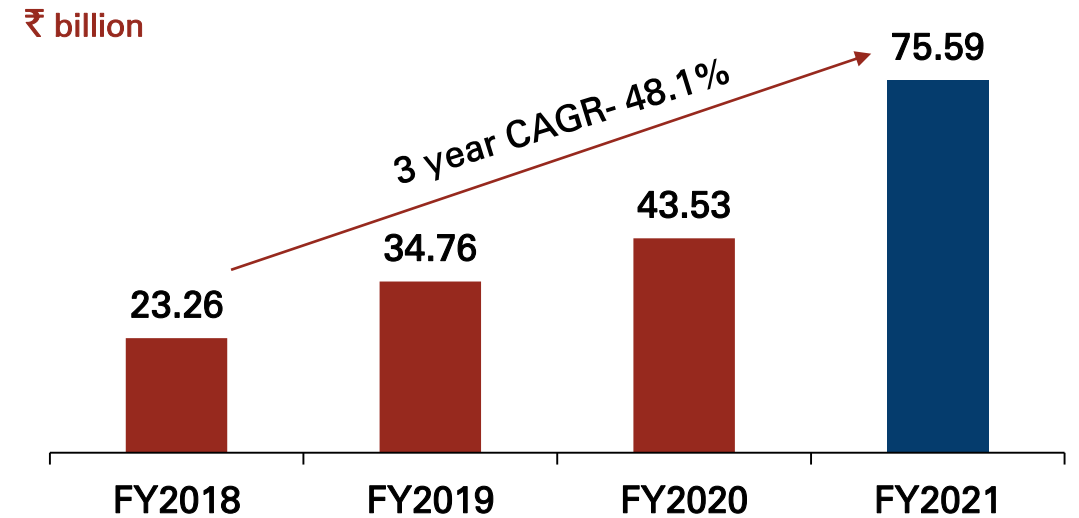
A comprehensive pension provider

## Annuity



- 120% growth in FY2021
- Premium over 7x in three years

## Pension fund management (AUM)



- 74% growth in AUM during FY2021
- AUM over 3x in three years

Significant focus on driving synergy between ICICI Pru Life and ICICI Pru PFM

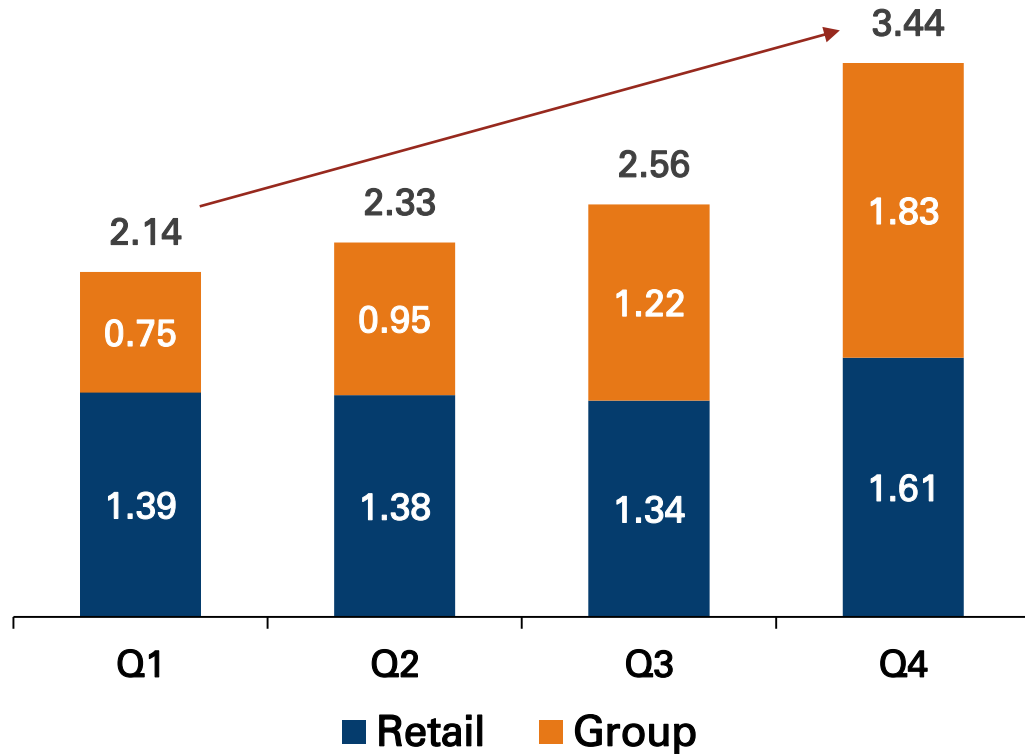


1. % of new business received premium as per financials

# Protection business

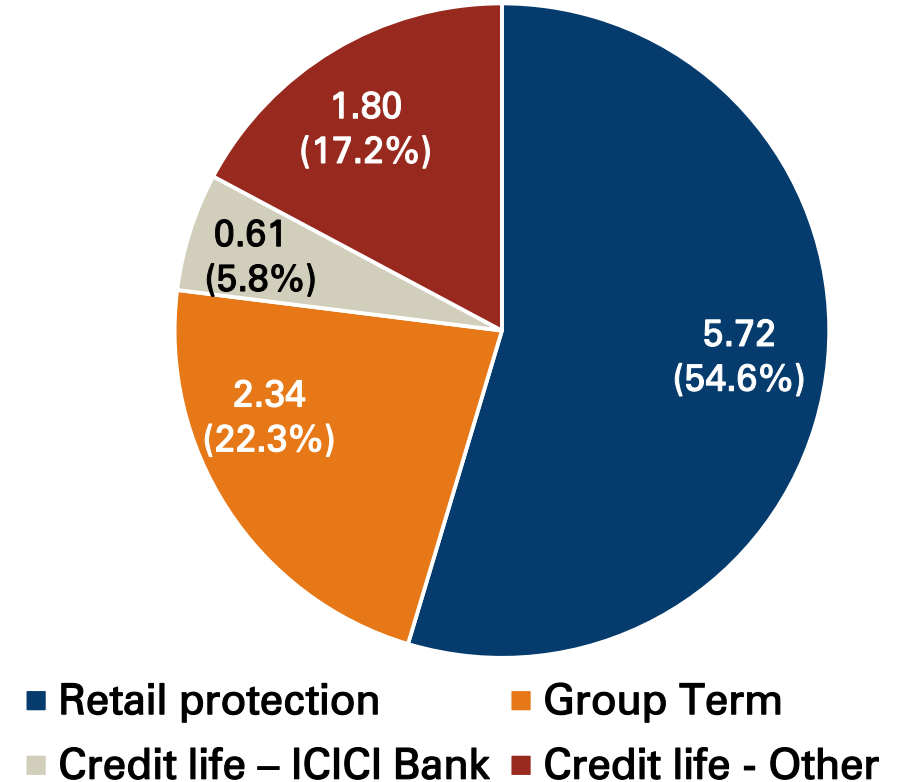
## Retail and Group Protection APE (FY2021)

₹ billion



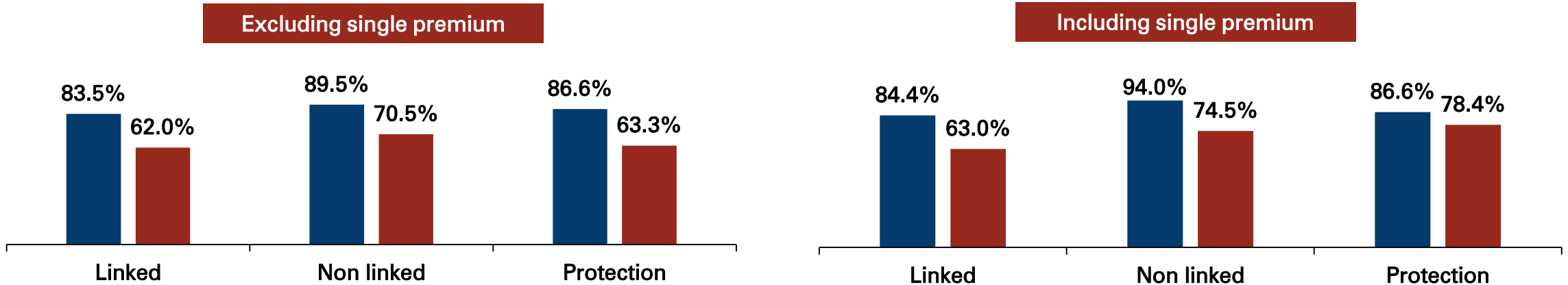
## Protection split based on APE\* (FY2021)

₹ billion

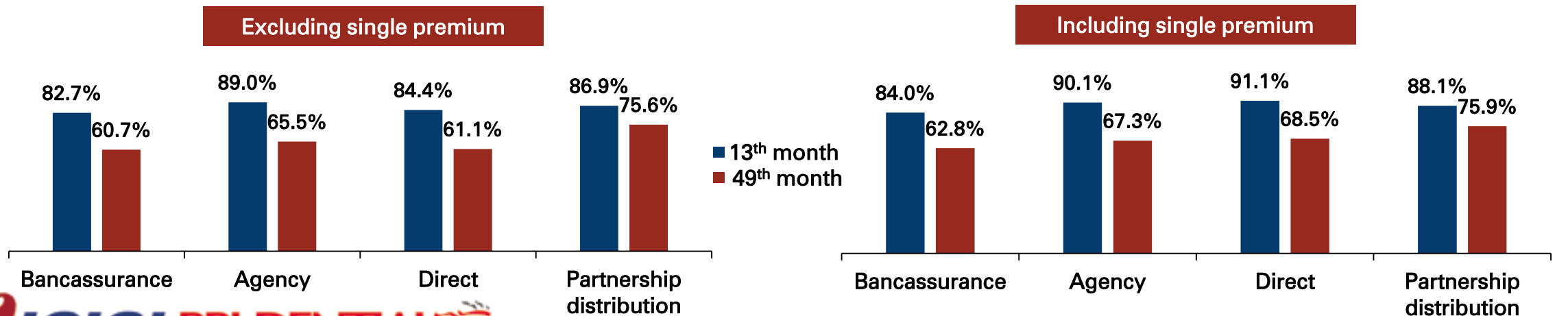


# Retail persistency

## Persistency<sup>1</sup> across product categories

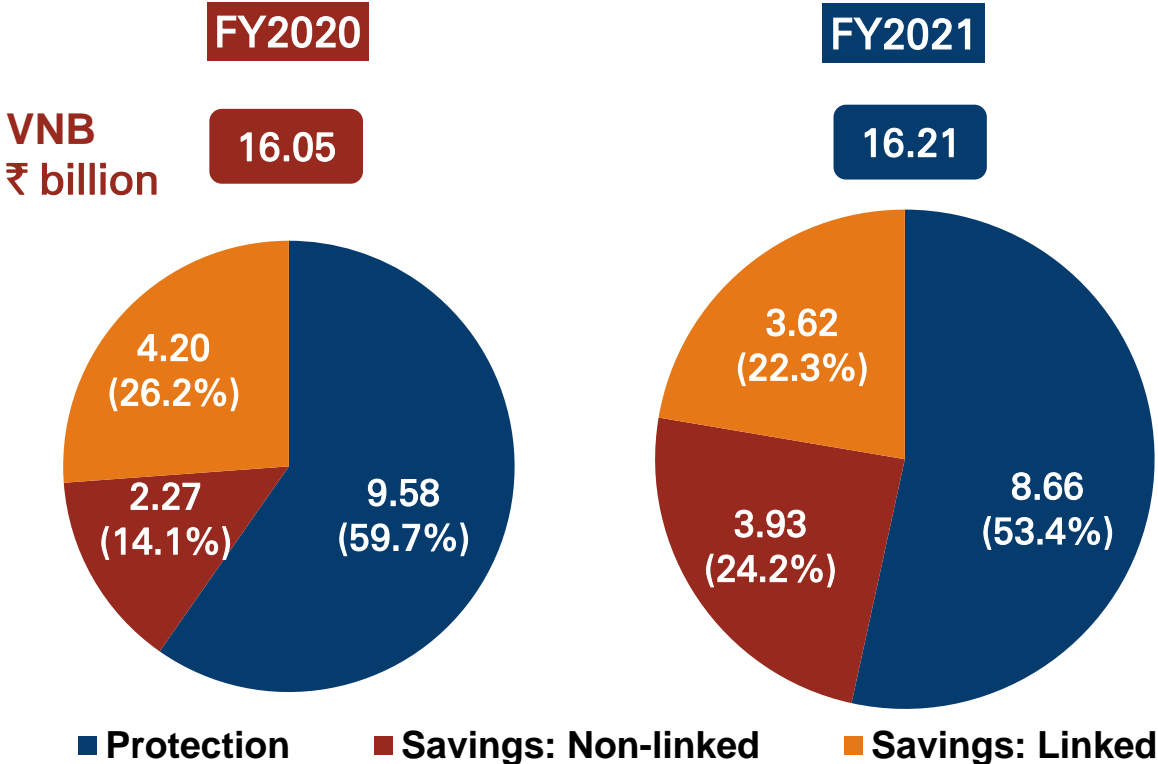


## Persistency<sup>1</sup> across channel categories

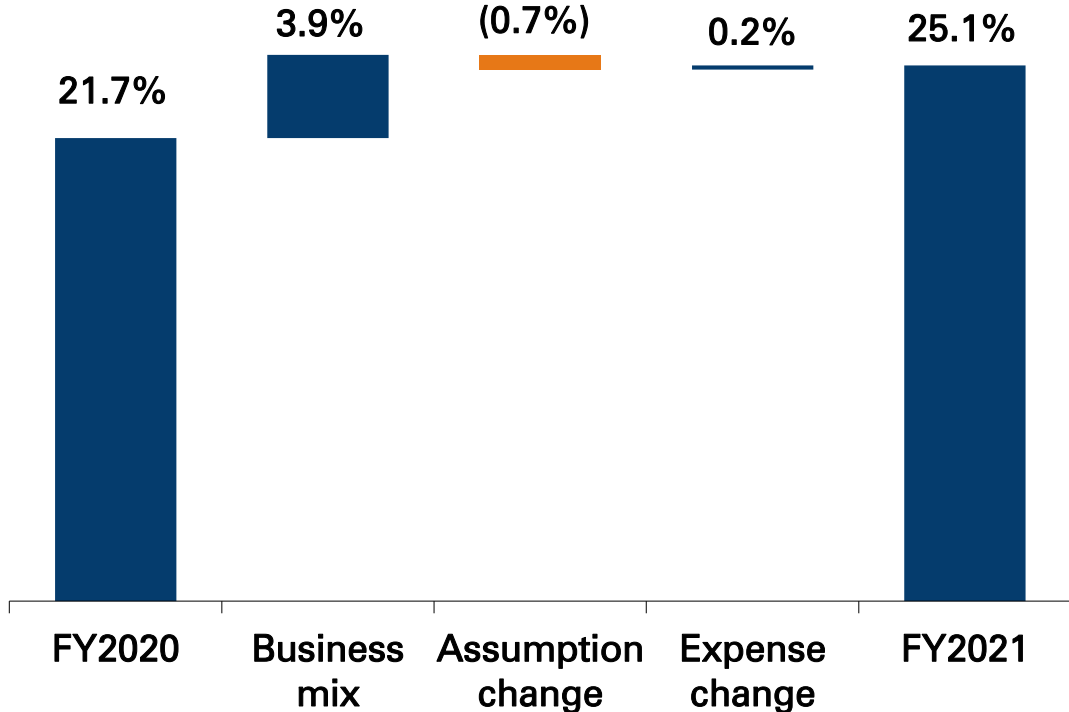


# Value of New Business (VNB)

## VNB contribution\*



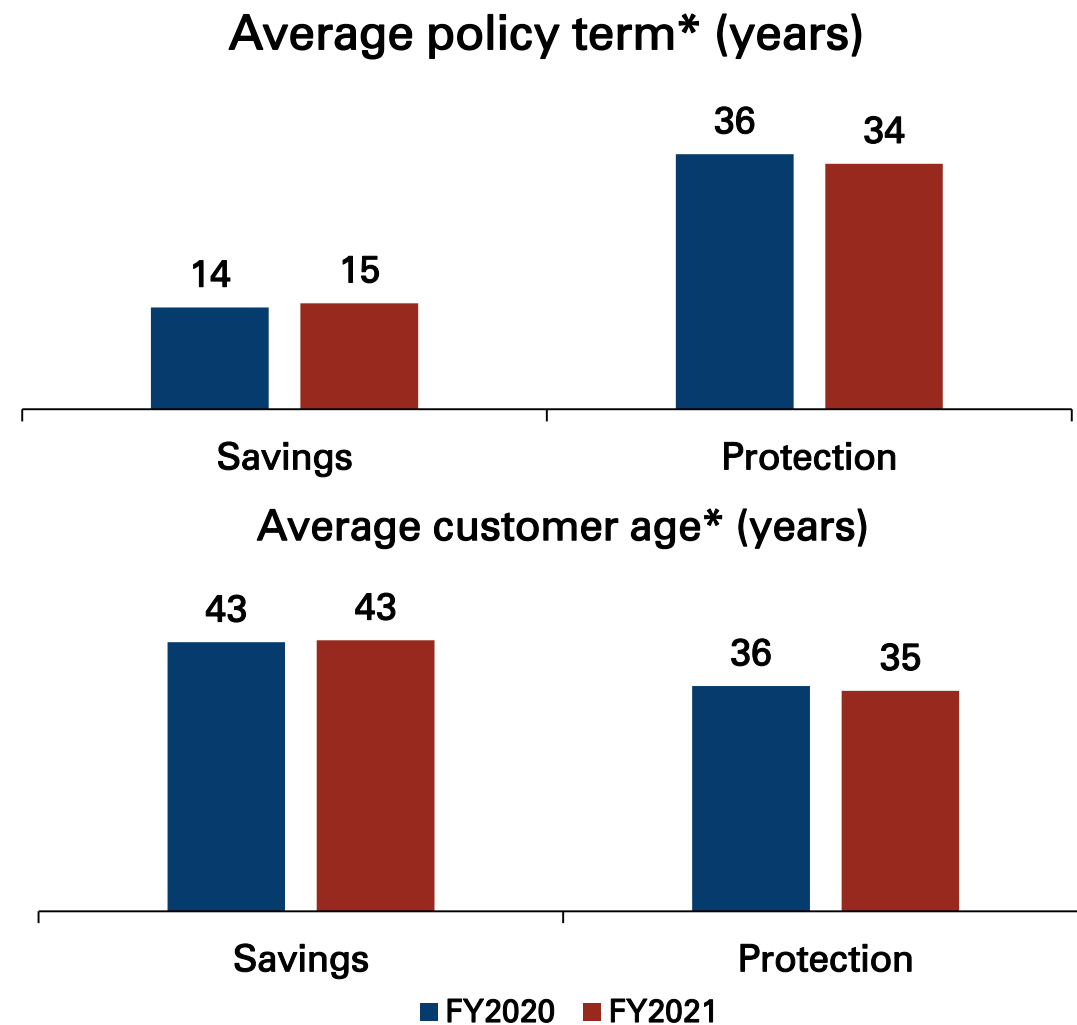
## VNB margin movement



\*Figures in brackets represent share of VNB  
Total may not add up due to rounding off

# Average APE by product categories

Segment (₹)	FY2020	FY2021
ULIP	183,109	154,702
Non-linked savings	72,000	85,654
Protection	23,115	25,149
<b>Total</b>	<b>88,648</b>	<b>85,701</b>



\* Protection excludes credit life

# Channel wise product mix<sup>1</sup>

Channel category	Product category	FY2019	FY2020	FY2021
Bancassurance	ULIP	93.4%	86.8%	73.3%
	Non-linked savings	2.3%	3.3%	11.6%
	Annuity	0.5%	0.7%	4.3%
	Protection	3.9%	9.3%	10.9%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	75.3%	49.9%	33.3%
	Non-linked savings	18.4%	39.2%	57.0%
	Annuity	0.1%	0.6%	2.1%
	Protection	6.2%	10.3%	7.7%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	79.3%	66.7%	61.4%
	Non-linked savings	6.7%	14.4%	21.2%
	Annuity	4.9%	7.2%	7.8%
	Protection	9.0%	11.6%	9.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	28.3%	21.8%	13.1%
	Non-linked savings	49.9%	49.6%	70.5%
	Annuity	0.0%	0.5%	2.9%
	Protection	21.9%	27.8%	13.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



# Product wise channel mix<sup>1</sup>

Product category	Channel category	FY2019	FY2020	FY2021
ULIP	Bancassurance	65.5%	68.2%	64.9%
	Agency	20.5%	16.3%	16.6%
	Direct	12.0%	13.0%	16.1%
	Partnership distribution	2.1%	2.5%	2.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	14.2%	10.8%	17.8%
	Agency	44.5%	53.6%	49.3%
	Direct	9.0%	11.7%	9.7%
	Partnership distribution	32.3%	23.8%	23.3%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	29.0%	29.4%	51.1%
	Agency	2.9%	11.8%	14.0%
	Direct	66.7%	55.3%	27.5%
	Partnership distribution	0.0%	3.5%	7.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	36.9%	45.2%	51.9%
	Agency	22.8%	20.9%	20.6%
	Direct	18.7%	14.0%	13.6%
	Partnership distribution	21.7%	19.8%	13.8%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Embedded value

# Embedded value growth

₹ billion	FY2019	FY2020	FY2021
Value of In force (VIF)	142.69	151.87	195.84
Adjusted Net worth	73.54	78.43	95.22
<b>Embedded value<sup>1</sup></b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>
Return on Embedded Value (ROEV)	20.2%	15.2%	15.2%
EV growth-pre dividend	19.6%	8.4%	26.4%
EV growth-post dividend	15.1%	6.5%	26.4%
VNB as % of opening EV	7.1%	7.4%	7.0%
Operating assumption changes and variance as % of opening EV	4.7%	(0.2%)	1.0%

# Economic assumptions underlying EV

Tenor (years)	References Rates	
	Mar 31, 2021	Sept 30, 2021
1	3.91%	3.92%
5	7.38%	7.15%
10	7.93%	8.16%
15	7.48%	8.08%
20	7.02%	7.76%
25	6.72%	7.46%
30	6.55%	7.26%

# Glossary

- **Annualized Premium Equivalent (APE)** – Annualized Premium Equivalent (APE) is the sum of the annualized first year premiums on regular premium policies, and ten percent of single premiums, from both individual and group customers
- **Assets under management (AUM)** - AUM refers to the carrying value of investments managed by the company and includes loans against policies and net current assets pertaining to investments
- **Embedded Value (EV)** - Embedded Value (EV) represents the present value of shareholders' interests in the earnings distributable from the assets allocated to the business after sufficient allowance for the aggregate risks in the business
- **Embedded Value Operating Profit (EVOP)** - Embedded Value Operating Profit (EVOP) is a measure of the increase in the EV during any given period due to matters that can be influenced by management
- **Retail Weighted Received Premium (RWRP)** - Premiums actually received by the insurers under individual products and weighted at the rate of ten percent for single premiums
- **Total weighted received premium (TWRP)** - Measure of premiums received on both retail and group products and is the sum of first year and renewal premiums on regular premium policies and ten percent of single premiums received during any given period
- **Persistency Ratio** - Persistency ratio is the percentage of policies that have not lapsed and is expressed as 13th month, 49th month persistency etc. depicting the persistency level at 13th month (2nd year) and 49th month (5th year) respectively, after issuance of contract

# 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 to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company, with the United States Securities and Exchange Commission. ICICI Prudential Life Insurance undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



**Thank You**