April 24, 2018

General Manager
Listing Department
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai 400 001

Vice President
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza',
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Subject: Earnings call

This is in furtherance to our Letter dated April 19, 2018 on the captioned subject.

Please find enclosed the investor presentation and the opening remarks for the result call held on April 24, 2018 to discuss the performance of the Company for FY2018.

The same has also been uploaded on the Company's website and can be accessed at https://www.iciciprulife.com/about-us/investor-relations.html

Thanking you.

Yours sincerely,

For ICICI Prudential Life Insurance Company Limited

VManek

Vyoma Manek
Company Secretary
ACS 20384

Registered Office : ICICI Prudential Life Insurance Company Limited
ICICI PruLife Towers,1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, India.
Tel.: +91 22 4039 1600 • Fax : +91 22 2437 6638 • Visit us at : www.iciciprulife.com
CIN : L66010MH2000PLC127837

Performance update

FY2018

April 24, 2018

Agenda

- Indian life insurance
- Company strategy and performance
- Opportunity
- Industry overview

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Categories of products

Savings	
Linked	• Transparent • Choice of asset class • Low charges and minimal lapse risk for customers
Par	• Return upside through segment surplus[1] i.e. income net expense/reserve • High lapse risk for customers
Non-Par savings	• Guaranteed returns • High lapse risk for customers

Life cover 10 times annual premium similar across savings products

Protection	
Individual life/health	Pure mortality/morbidity risk cover
Credit cover	Pure mortality/morbidity cover to borrowers
Group life	Pure mortality cover for formal/informal groups

1. 90% of segment surplus belongs to customers

Saving products: persistency impact

- Significant loss for traditional saving product (Par and Non par) customers in case of discontinuance before the maturity date

Year of surrender	Total Premiums paid	Maximum surrender penalty	
		Unit Linked	Traditional
Year 1	100,000	14,000	100,000
Year 2	200,000	20,000	200,000
Year 3	300,000	27,000	210,000
Year 4	400,000	32,000	200,000
Year 5	500,000	Nil	250,000
Year 6	600,000	Nil	300,000
Year 7	700,000	Nil	350,000

Notes:
1. Unit linked surrender penalty includes average admin charges
2. Actual surrender penalty for non linked could be lower for certain products
3. Assuming policy term greater than 10 years

Agenda

- Indian life insurance
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- Opportunity
- Industry overview

Strategy: Market share + profitable growth

Objective

Grow Value of New Business (VNB)

Focus on retail through multi-channel distribution

Customer centric products

Saving opportunity

Protection opportunity

Superior business quality to deliver enhanced customer and shareholder value

Technology as business enabler

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FY2018: Key highlights

₹ bn	FY2015	FY2016	FY2017	FY2018	YOY growth	3 year CAGR
Value of New Business (VNB)[1]	2.70	4.12	6.66	12.86	93.1%	68.3%
VNB Margin[1]	5.7%	8.0%	10.1%	16.5%	-	-
APE[2]	47.44	51.70	66.25	77.92	17.6%	18.0%
Savings APE	*46.68*	*50.31*	*63.64*	*73.45*	*15.4%*	*16.3%*
Protection APE	*0.76*	*1.39*	*2.60*	*4.46*	*71.5%*	*80.4%*
13th month persistency[3] (excluding single premium)	78.2%	81.8%	84.7%	86.9%[4]	-	-
Cost/TWRP (Savings LOB)	14.8%	13.8%	13.3%	11.8%	-	-

VNB growth driven by increase in savings and protection APE, improvement in persistency and cost ratios

1. Based on actual cost
2. Annualized premium equivalent
3. As per IRDA circular dated January 23, 2014; excluding group and single premium policies
4. 11M-FY2018 persistency

Components may not add up to the totals due to rounding off

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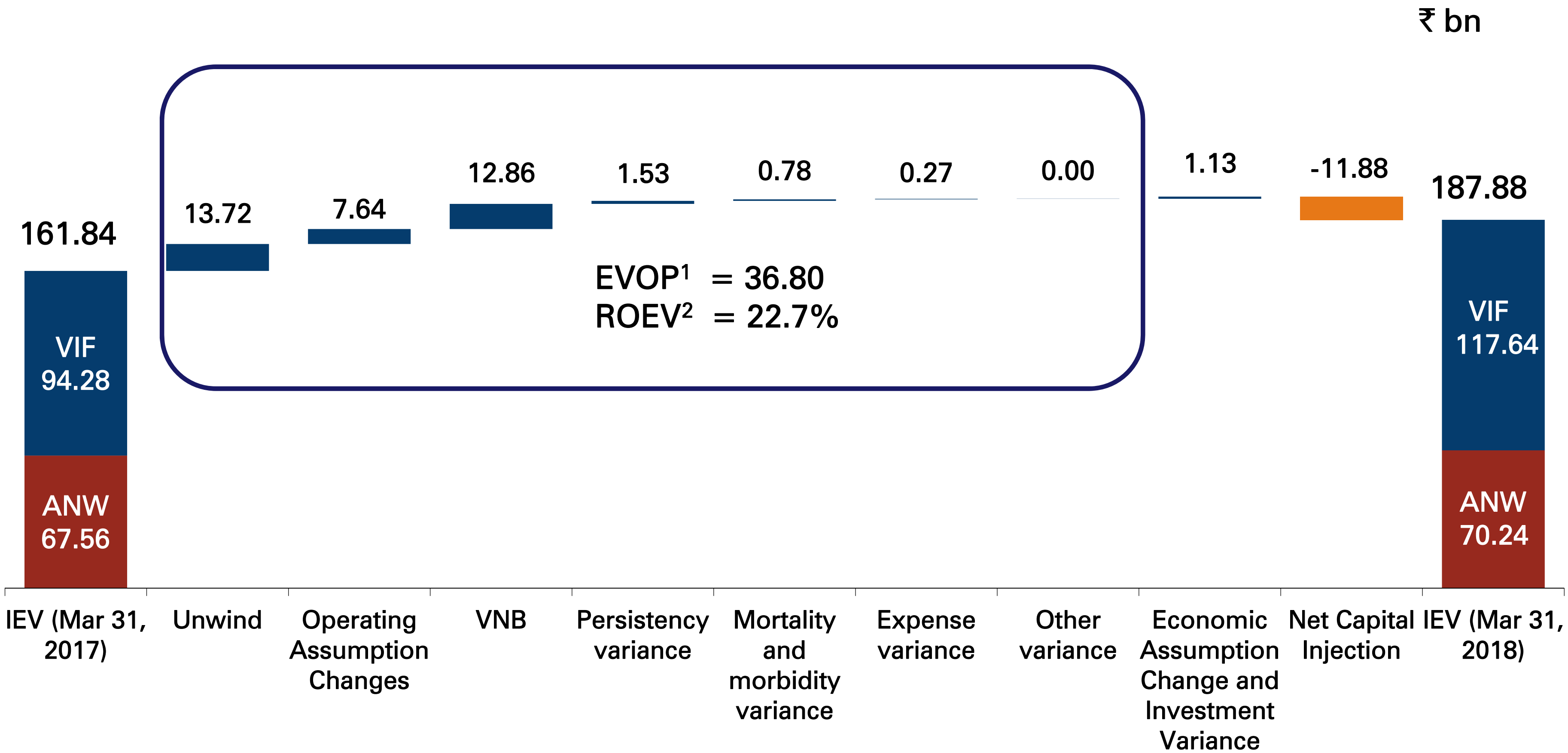
Analysis of movement in IEV (FY2018)



1. EVOP is the embedded value operating profit net of tax
2. ROEV is the return on embedded value net of tax

EV results prepared as per APS 10 and reviewed by Milliman Advisors LLP
Components may not add up to the total due to rounding off

Embedded Value growth

₹ bn	FY2015	FY2016	FY2017	FY2018
Value of In force (VIF)	82.88	84.25	94.28	117.64
Adjusted Net worth	54.33	55.14	67.56	70.24
Embedded Value[1]	137.21	139.39	161.84	187.88
Return on Embedded Value (ROEV)[2]	15.4%	16.2%	16.5%	22.7%
EV growth-pre dividend	24.8%	12.1%	20.6%	23.4%
EV growth-post dividend	16.5%	1.6%	16.1%	16.1%
VNB as % of opening EV[2]	2.3%	3.0%	4.8%	7.9%
Operating assumption changes and variance as % of opening EV[2]	3.2%	4.0%	2.9%	6.3%

1. As per Indian Embedded Value (IEV) method
2. Difference of FY2015 closing EV and FY2016 opening EV shown as operating assumption changes in FY2016

Components may not add up to the totals due to rounding off

Focus on Retail

Focus on Retail

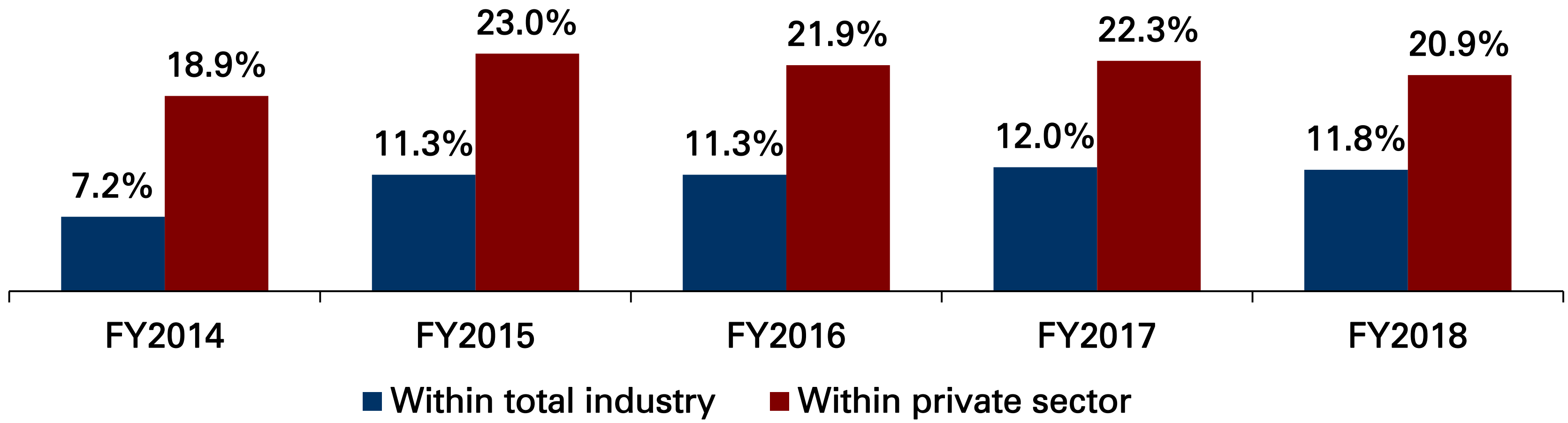
₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Retail APE	65.18	75.78	16.3%	17.5%	17.4%
Group APE[1]	1.07	2.13	99.1%	47.8%	10.9%
Total APE	66.25	77.92	17.6%	18.0%	17.1%
Retail as % Total APE	98.4%	97.3%	-	-	-
Retail AUM	1,083.15	1,235.21	14.0%	12.9%	15.1%
% Total AUM	88.1%	88.5%	-	-	-

Technology as business enabler

- End to end app for digital onboarding and servicing
- First financial institution to tie up with UIDAI; integration with PAN, bank partners, credit bureaus and payment gateways for superior onboarding
- Optical Character Recognition (OCR) for automated document management
- Real time processing of cases through robotics

1. Including group protection
Components may not add up to the totals due to rounding off

Retail market share[1]



RWRP (₹ bn)	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
ICICI Pru	64.08	74.61	16.4%	17.5%	17.6%
Private Sector	287.00	356.68	24.3%	21.3%	14.9%
Industry	532.67	634.70	19.2%	15.9%	6.2%
Nominal GDP (₹ bn)	152,537	167,517	9.8%	10.3%	11.0%

1. Retail weighted received premium (RWRP) basis
Source: Life Insurance Council, CSO

Multi-channel distribution

₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Bancassurance	37.72	40.75	8.0%	13.7%	21.5%
Agency	15.41	19.79	28.4%	19.6%	11.0%
Direct	7.98	10.54	32.1%	36.1%	31.6%
Corporate agents and brokers	4.07	4.70	15.5%	12.3%	2.0%
Group[1]	1.07	2.13	99.1%	47.8%	10.9%
Total APE	66.25	77.92	17.6%	18.0%	17.1%

Technology as business enabler

- Strong technological integration with bank partners
- Paperless and online journey for agent enrollment, training and certification
- Use of Geo Tags for lead allocation in direct channels
- Modular, API based plug and play system architecture for new partner onboarding

1. Including group protection

Components may not add up to the totals due to rounding off

Customer centric products

Customer centric products

₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Savings	63.64	73.45	15.4%	16.3%	16.3%
ULIP	55.69	63.81	14.6%	17.4%	28.4%
Par	6.38	8.46	32.6%	10.6%	35.5%
Non par	0.72	0.40	-44.4%	-0.8%	-50.5%
Group	0.86	0.78	-9.3%	8.5%	-4.5%
Protection[1]	2.60	4.46	71.5%	80.4%	42.1%
Total APE	66.25	77.92	17.6%	18.0%	17.1%

- Creating value for customers and shareholders through:
  - Higher persistency and cost efficiency for savings
  - Using technology for smooth onboarding and superior risk management for protection

1. Protection includes retail and group protection products

Components may not add up to the totals due to rounding off

Savings: persistency

		FY2014	FY2015	FY2016	FY2017	FY2018
13th month persistency (excluding single premium)[1]	ULIP	70.3%	79.4%	82.6%	85.2%	86.8%[2]
	Par	62.5%	74.4%	77.2%	82.8%	88.4%[2]
Sensex returns		19%	25%	-9%	17%	11%

- Consistent improvement in persistency in last five years
- Improvement in both ULIP and Par categories
- Within ULIPs, similar persistency for polices across asset allocations

1. As per IRDA circular dated January 23, 2014; excluding group and single premium policies
2. 11M-FY2018 persistency

Savings: cost efficiency

Savings LOB	FY2014	FY2015	FY2016	FY2017	FY2018
Cost/TWRP	18.4%	14.8%	13.8%	13.3%	11.8%
Cost / Average AUM	3.1%	2.5%	2.5%	2.6%	2.4%

Technology as business enabler

- 64% of new business policies issued within 2 days in FY2018
- Technology and analytics for customer screening and pitching: one of the drivers for highest average premium in industry
- ~6% of existing client sold a new policy in FY2018

Protection

- Comprehensive suite of products to cover income protection, credit life and critical illness
- Term product with 34 critical illness riders
- Liability cover available on retail as well as group platform

Technology as business enabler

- Use of analytics and real time connectivity with different eco- systems for automated underwriting based on risk profile
- Pioneers in Tele underwriting
- Convenience of medical tests at home

- 40.8% of total retail new business policies are protection
- New business sum assured has grown by 36.5% from ₹ 2,447.19[1] billion to ₹ 3,340.93 billion

1. Restated for revised definition of Group new business

Superior business quality to deliver enhanced customer and shareholder value

Retail persistency (excluding single premium)[1]

Month	FY2014	FY2015	FY2016	FY2017	11M-FY2018
13th month	70.9%	78.2%	81.8%	84.7%	86.9%
25th month	65.9%	65.1%	70.1%	73.0%	77.6%
37th month	34.5%	61.6%	60.7%	65.5%	67.7%
49th month	19.4%	30.0%	59.3%	58.3%	62.3%
61st month	11.0%	13.9%	24.1%	53.8%	54.0%

1. As per IRDA circular dated January 23, 2014; excluding group and single premium policies

Renewal premium

₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Retail renewal premium	142.19	174.97	23.1%	22.3%	16.8%

Technology as business enabler

- More than 250,000 premium payment centres across India
- First in the industry to implement eNACH: paperless method for authorizing recurring payments
- Premium payment options like Paytm, UPI, Bharat QR, Google Tez app and Airtel Payment Bank
- 60% of renewal premium receipted through electronic mediums[1]

1. Transactions processed through online, direct debit and ECS

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Superior customer service

	FY2014	FY2015	FY2016	FY2017	FY2018
13th month persistency[1] (excluding single premium)	70.9%	78.2%	81.8%	84.7%	86.9%[2]
Claim Settlement Ratio[3]	94.1%	93.8%	96.2%	96.9%	97.9%
Grievance Ratio[4]	253	185	153	95	92

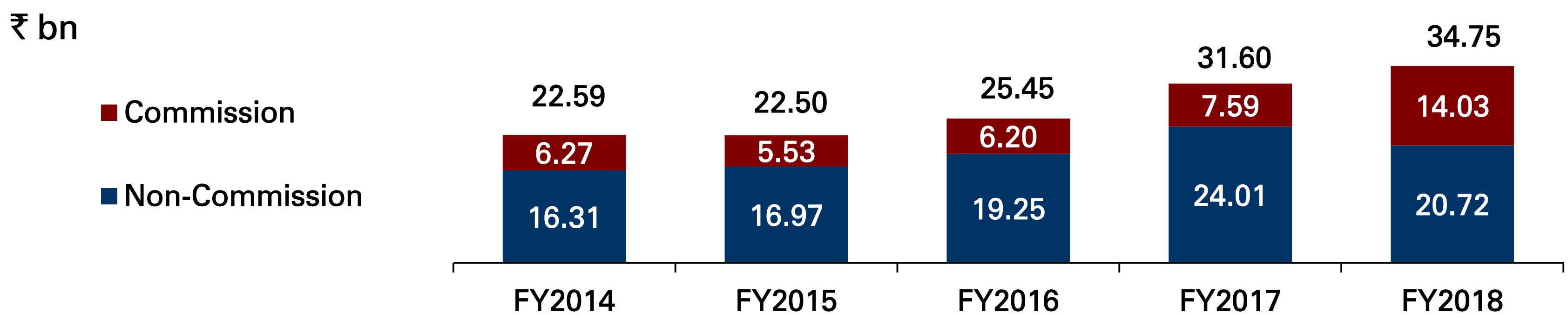
Technology as business enabler

- Omni channel customer view across all service channels including distributors
- 72% service transactions are self service
- Online platform enabled for partners to service customers
- 96% of customer initiated payouts are processed electronically
- Claims TAT[5] decreased from 6 days in FY2014 to 3 days in FY2018

1. As per IRDA circular dated January 23, 2014; excluding group and single premium policies
2. 11M-FY2018 persistency
3. Individual Death Claims
4. Number of grievances per 10,000 new business
5. Average turn around time for non-investigated claims from receipt of last requirement

Cost efficiency

	FY2014	FY2015	FY2016	FY2017	FY2018
Expense ratio (excl. comm)[1]	13.6%	11.6%	11.0%	11.4%	8.2%
Commission ratio[2]	5.2%	3.8%	3.5%	3.6%	5.5%
Cost/TWRP	18.8%	15.4%	14.5%	15.1%	13.7%



Technology as business enabler

- 93% of new business applications initiated through digital platform
- APE has grown at a CAGR of 16.5% from FY2012 to FY2018 compared to 3.1% CAGR of employee count
- Employee productivity[3] has grown at a CAGR of 16.5% from ₹ 2.12 million in FY2012 to ₹ 5.30 million in FY2018

1. Expense ratio: All expenses (excl. commission) / Total premium - 90% of single premium)
2. Commission ratio: Commission / (Total premium - 90% of single premium)
3. RWRP/Average no. of employees during the period

Components may not add up to the total due to rounding off

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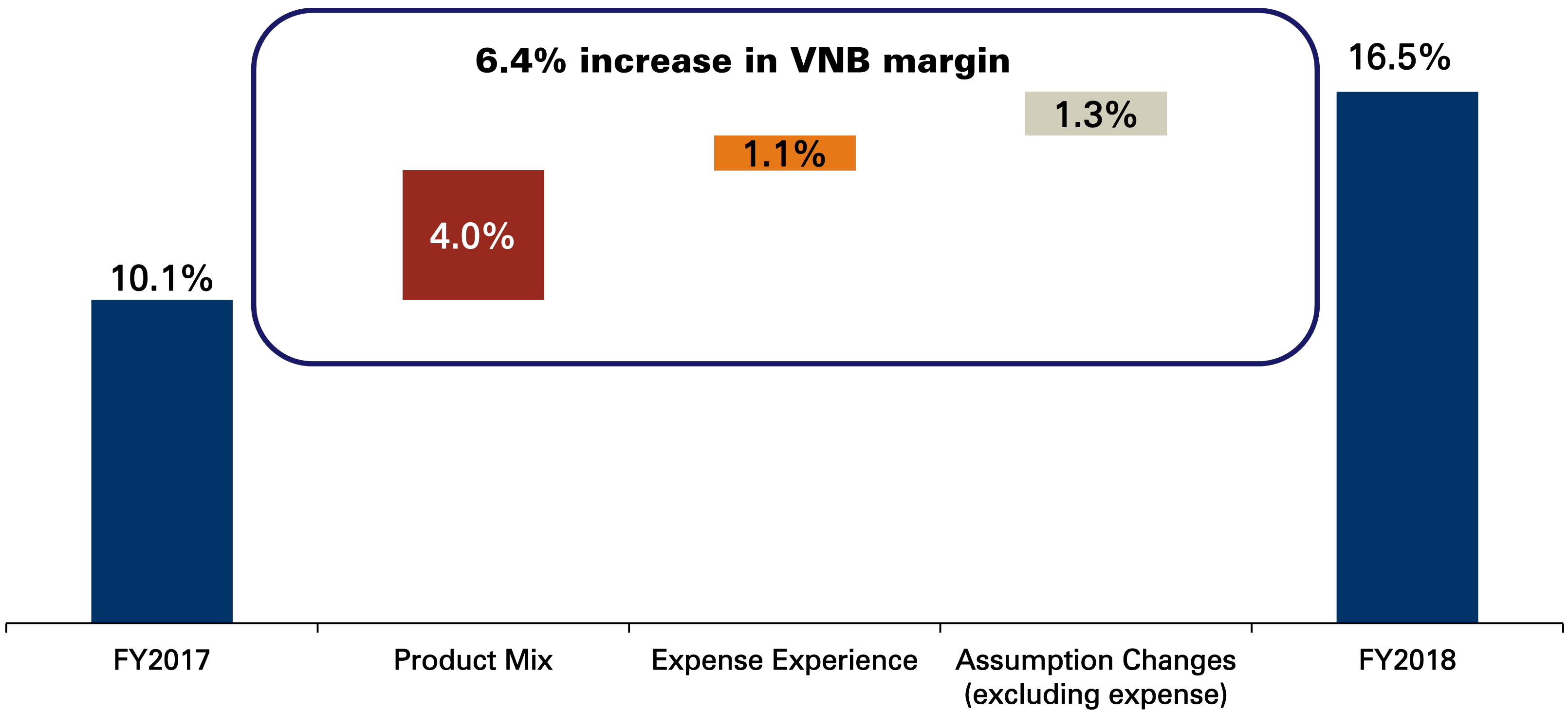
Grow Value of New Business

Value of New Business (VNB)

₹ bn	FY2015	FY2016	FY2017	FY2018	CAGR	
					1 year	3 year
VNB[1]	2.70	4.12	6.66	12.86	93.1%	68.3%
VNB Margin[1]	5.7%	8.0%	10.1%	16.5%	-	-



1. Based on actual cost

Financial summary

Profit breakup

₹ bn	FY2015	FY2016	FY2017	FY2018
Non participating surplus	10.58	11.70	10.87	9.62
Participating surplus (Shareholders' share)	0.39	0.38	0.43	0.52
Shareholders' income (net of expenses)	4.88	5.64	6.55	7.06
Profit before tax	15.85	17.72	17.85	17.20
Tax	0.49	(1.21)	(1.03)	(1.00)
Profit after tax	16.34	16.50	16.82	16.20
New business premium (APE)	47.44	51.70	66.25	77.92
Savings APE	46.68	50.31	63.64	73.45
Protection APE	0.76	1.39	2.60	4.46

- Solvency ratio of 252% as on March 31, 2018
- Final dividend proposed for FY2018 ₹ 3.30 per share including special dividend of ₹ 1.1 per share[1]
- Total dividend of ₹ 9.62 billion for FY2018 (excl. DDT)

1. Subject to AGM approval

Components may not add up to the totals due to rounding off

ICICI PRUDENTIAL LIFE INSURANCE

Financial summary

₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Retail new business premium	70.66	84.02	18.9%	19.4%	18.2%
Retail renewal premium	142.19	174.97	23.1%	22.3%	16.8%
Group premium	10.69	11.70	9.4%	13.4%	-8.7%
Total premium	223.54	270.69	21.1%	20.9%	14.9%
Assets under management (AUM)	1,229.19	1,395.32	13.5%	11.7%	13.5%

Summary

- Strong growth potential for both saving as well protection
- Focus on growing Value of New Business through
  - Customer centric products
  - Strong technology platform
  - Multi channel architecture
  - Superior business quality
- Low interest rate risk and credit risk
- Strong capital position

Agenda

- Indian life insurance
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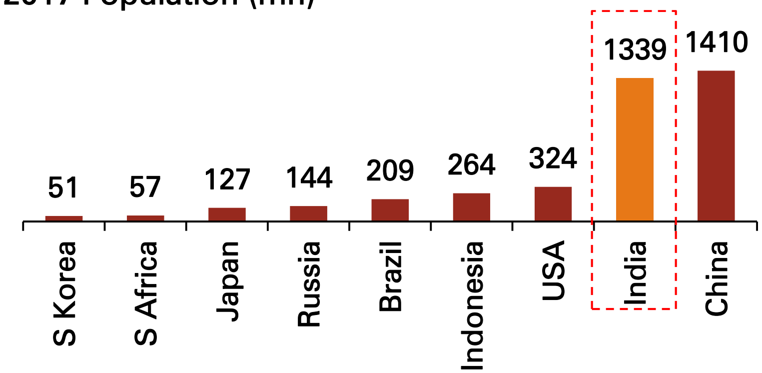
Favourable demography

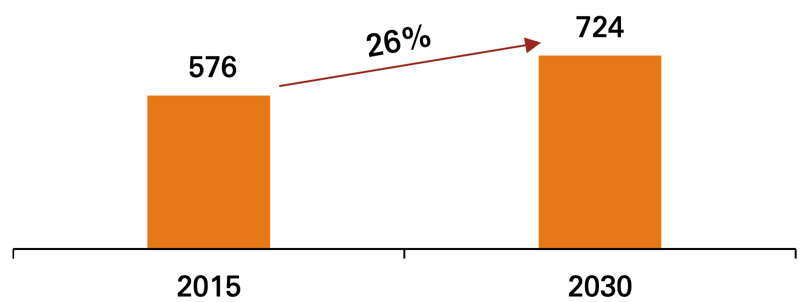
Large and Growing Population Base[1]

2017 Population (mn)



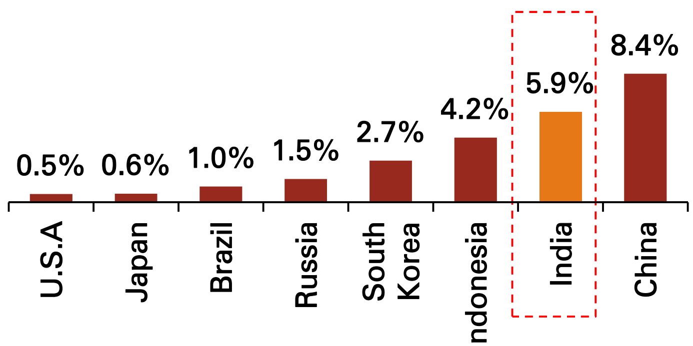
High Share of Working Population[1]

Population of age 25-59 years: India (mn)

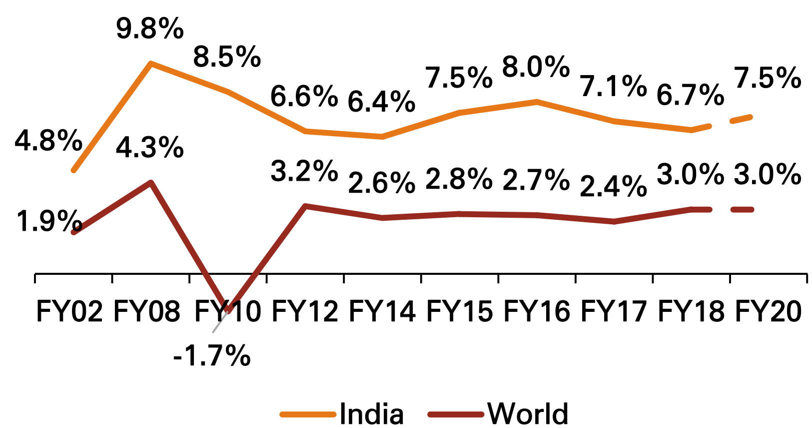


Rising Affluence[2]

GDP per capita CAGR
(FY2007-FY2017)



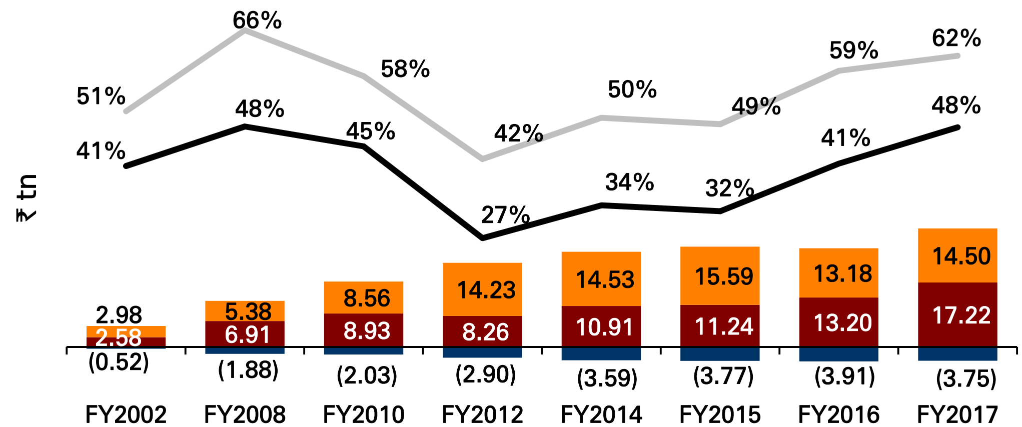
Driving GDP Growth [2]



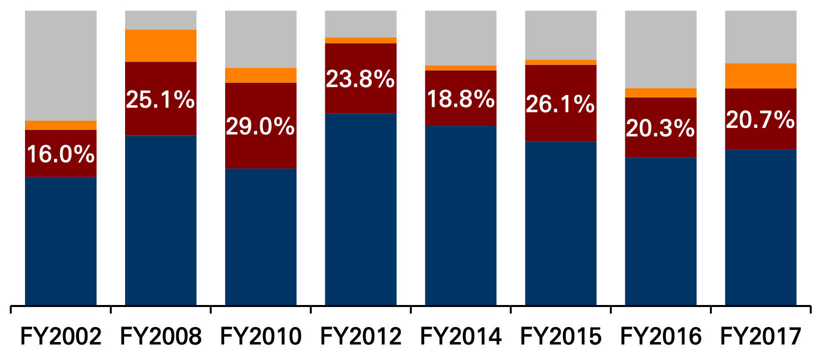
1. Source: UN Population Division
2. Source: World Bank

Financialisation of savings: opportunity for insurance

Household savings (excl. currency)[1]



Distribution of financial savings (excl. currency)[2]



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Life insurance premium[3] as % of GDP	3.3%	2.9%	2.8%	2.6%	2.7%	2.7%

- Financialisation of savings aided by Direct Benefit Transfer, RERA and GST

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

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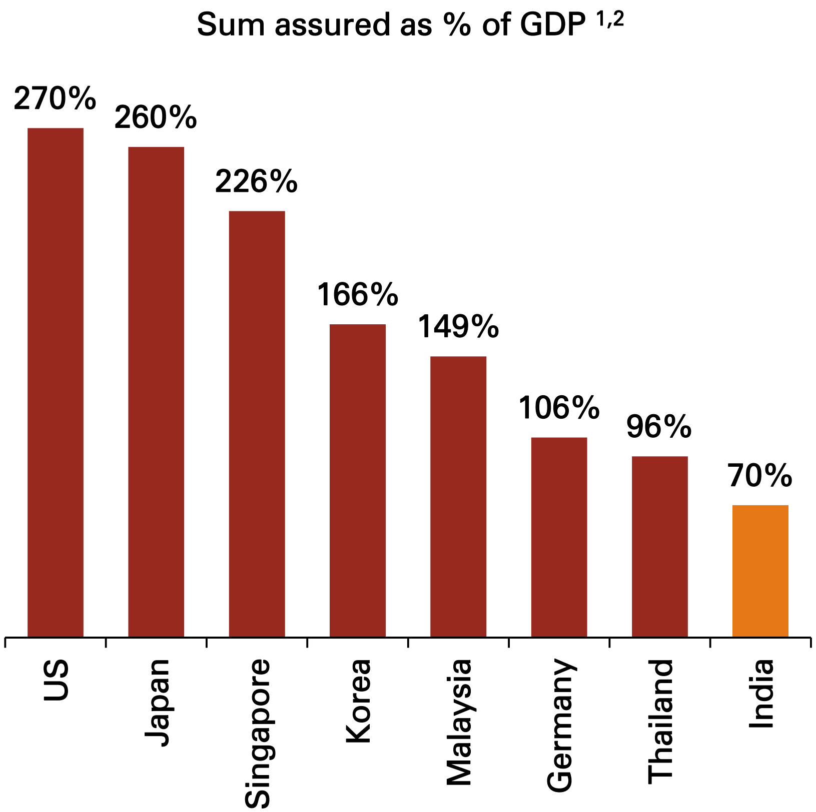
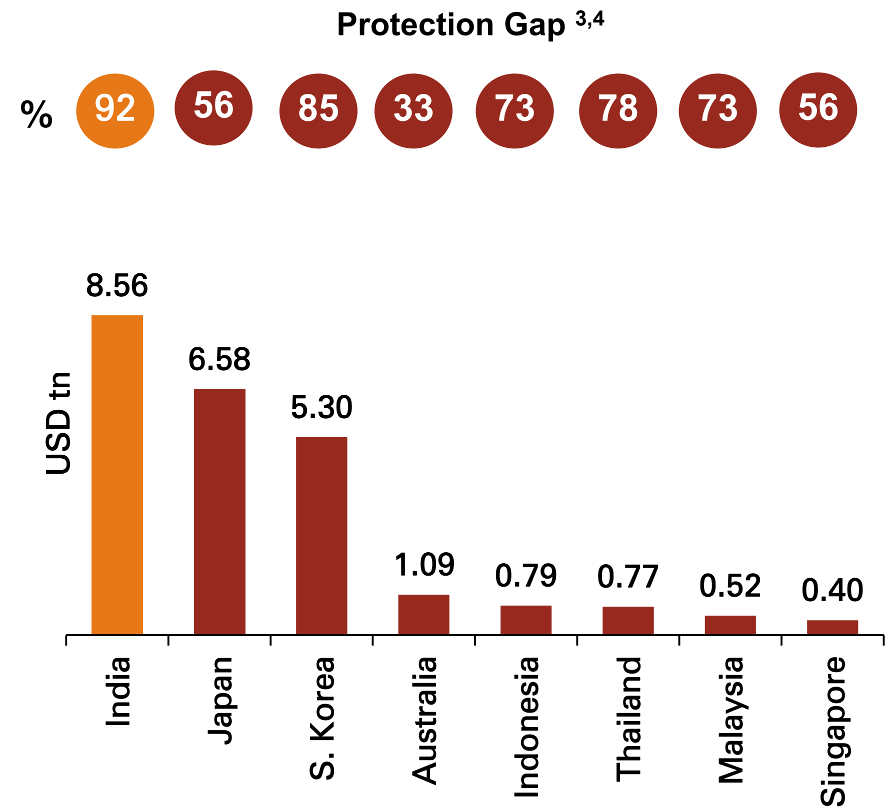
Protection opportunity: Income replacement

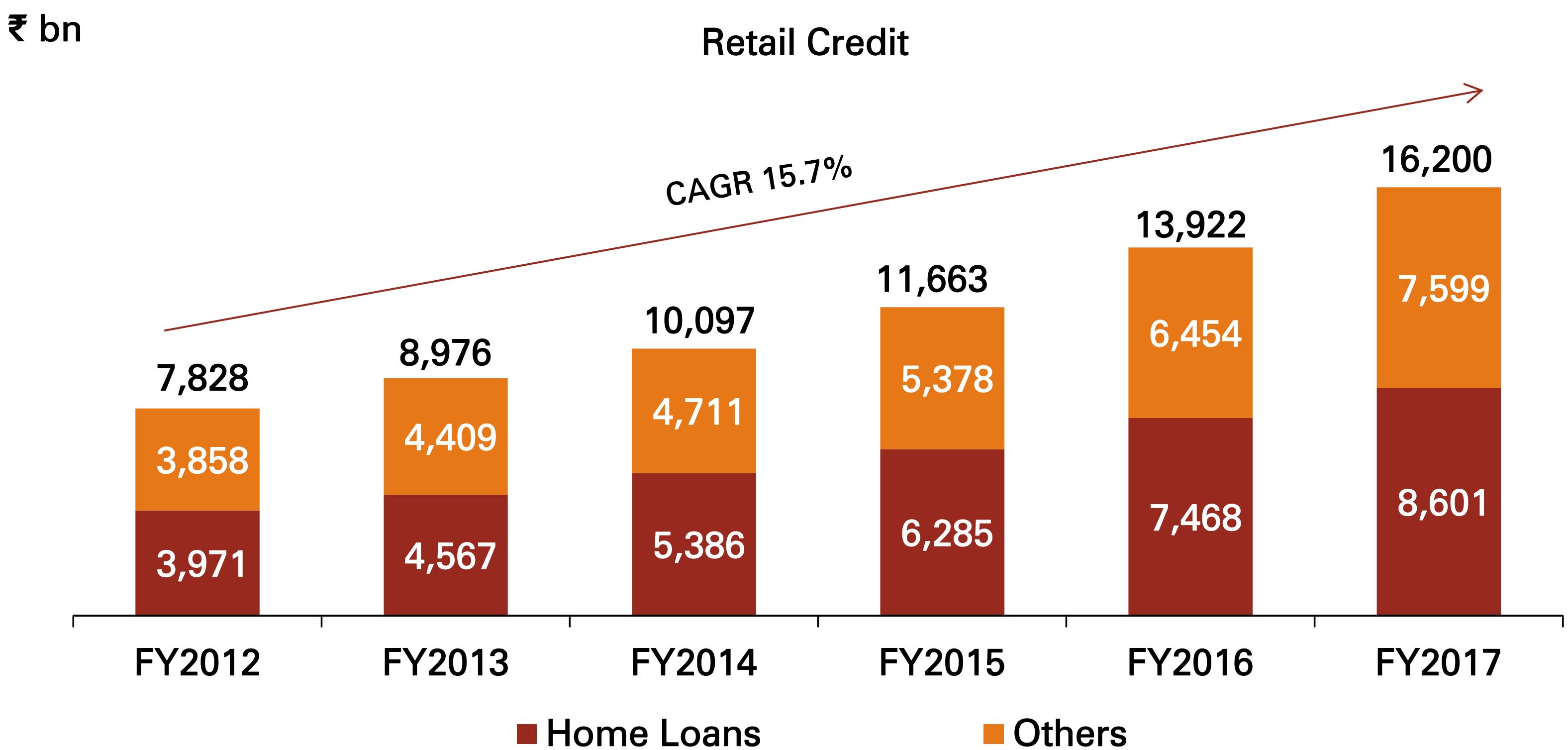




- Sum assured as % of GDP low compared to other countries
- Protection gap for India US $ 8.56 trillion

1. As of FY2017 for India and FY2015 for others
2. Source: McKinsey analysis 2015 , CIRC Annual report 2015, Life Insurance Council, CSO
3. Protection Gap (%): Ratio of protection lacking/protection needed
4. Source: Swiss Re, Economic Research and Consulting 2015

Protection opportunity: Liability cover



- Retail credit has been growing at a healthy pace
- Credit life is voluntary

Source: RBI

Components may not add up to the totals due to rounding off

Protection opportunity

Gross direct premium (₹ bn)	FY2007	FY2017	CAGR
Health	33.31	310.68	25.0%
Motor	110.80	517.13	16.7%
Motor Own Damage (OD)	77.39	251.40	12.5%
Motor Third Party (TP)	33.41	265.73	23.0%

- Protection premium ~ ₹ 100 bn for life insurance industry in FY2018

Source: General Insurance Council and company estimate

Agenda

- Indian life insurance
- Company strategy and performance
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Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2017
New business premium[1] (₹ bn)	116	21.5% →	550	-5.8% →	408	14.3% →	532
Total premium (₹ bn)	501	23.2% →	2,654	4.3% →	3,281	12.9% →	4,185
Penetration (as a % to GDP)	2.1%		4.1%		2.6%		2.7%
Assets under management (₹ bn)	2,304	24.0% →	12,899	12.6% →	23,361	13.0% →	29,806
In-force sum assured[2] (₹ bn)	11,812*	15.5% →	37,505	15.8% →	78,091	16.9% →	106,699
In-force sum assured (as % to GDP)	50.1%		57.9%		62.7%		69.9%

Industry is back to growth

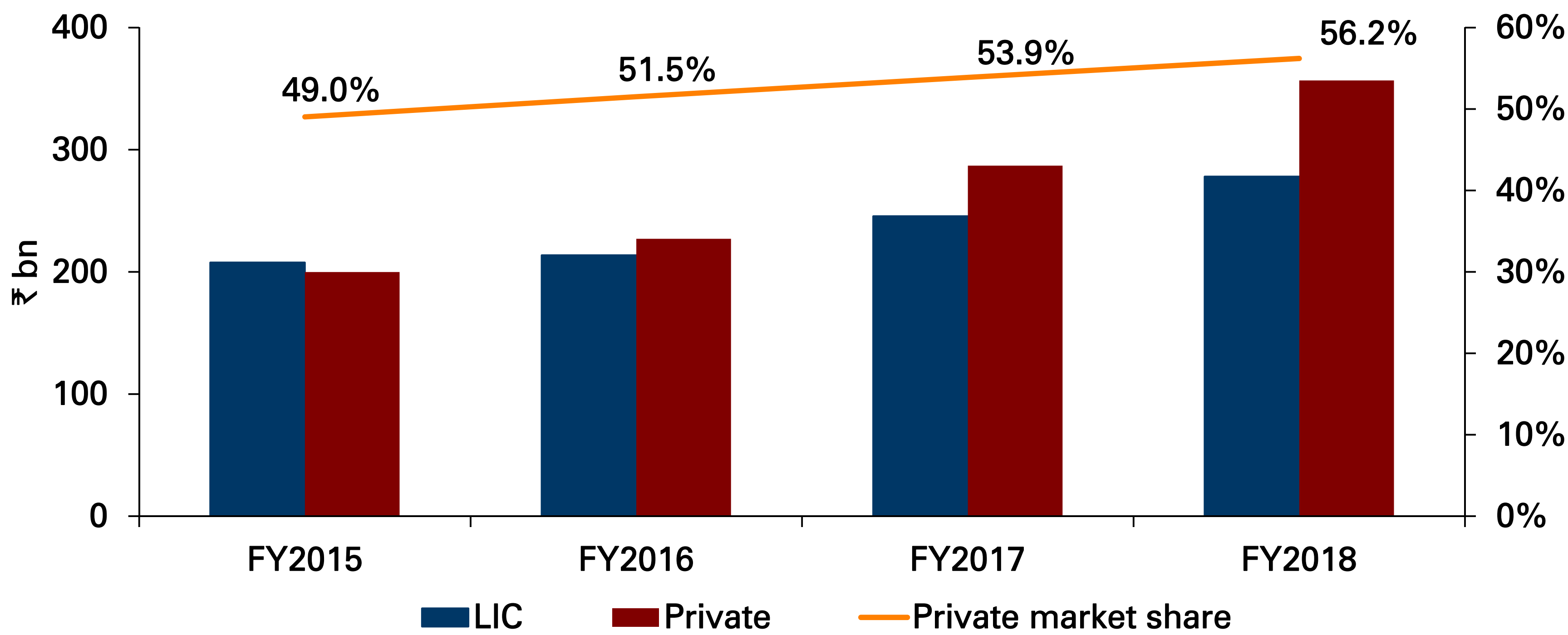
1. Retail weighted received premium (RWRP)
2. Individual and Group in-force sum assured

Source: IRDAI, CSO, Life Insurance Council

* Company estimate

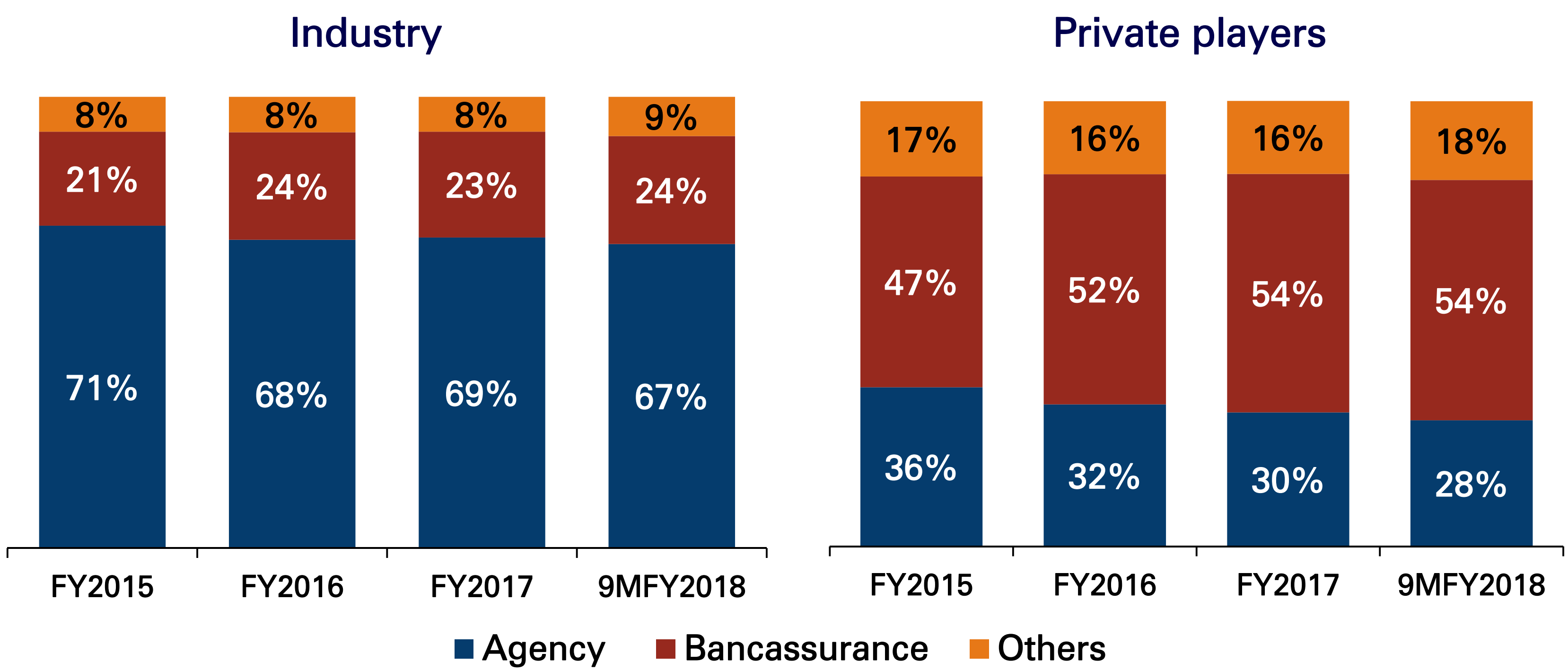
New business[1]

Growth	FY2015	FY2016	FY2017	FY2018
Private	15.9%	13.6%	26.4%	24.3%
LIC	-26.3%	2.9%	14.7%	13.2%
Industry	-10.3%	8.1%	20.7%	19.2%



1. Retail weighted new business premium
Source : Life Insurance Council

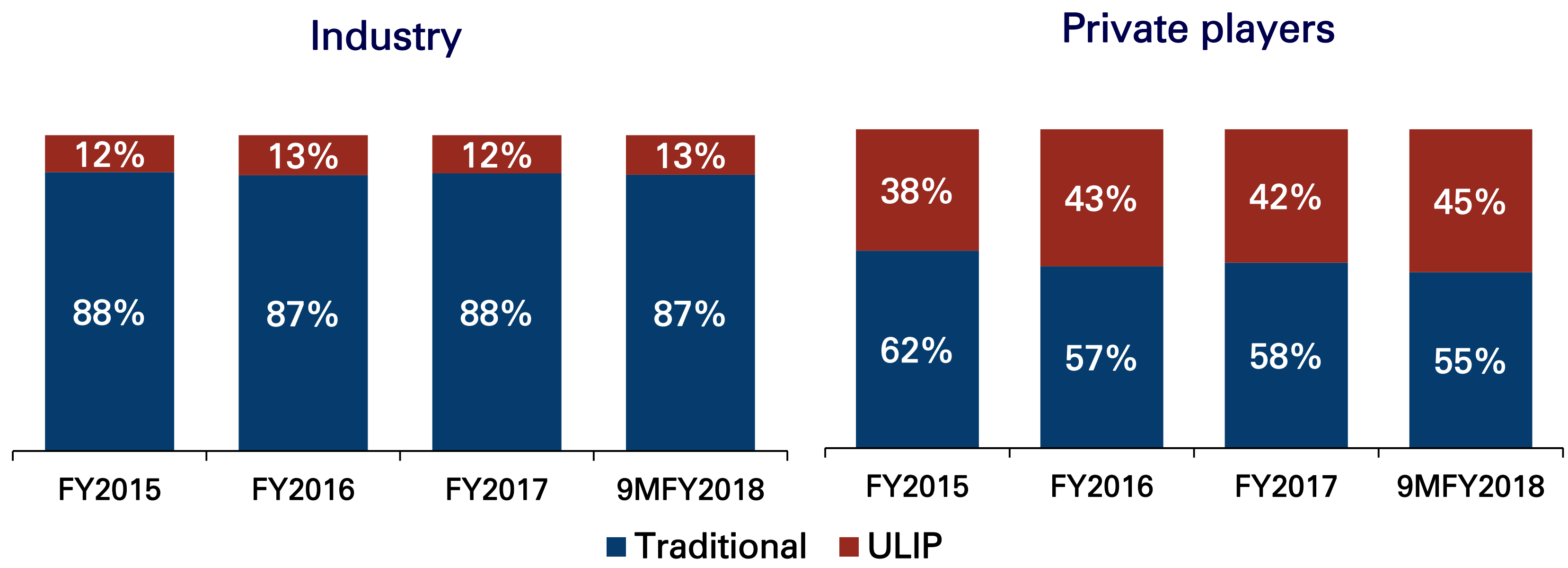
Channel mix[1]



- Given a well developed banking sector, bancassurance has become largest channel for private players

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

Product mix[1]



- Strong customer value proposition of ULIPs
  - Transparent and low charges
  - Lower discontinuance charges compared to other savings products
  - Choice and flexibility of asset allocation

1. New business premium basis
Source: Life Insurance Council

Annexures

Revenue and P&L a/c

₹ bn	FY2015	FY2016	FY2017	FY2018
Premium earned	153.07	191.64	223.54	270.69
Premium on reinsurance ceded	(1.46)	(1.65)	(1.99)	(2.58)
Net premium earned	151.61	189.99	221.55	268.11
Investment income	192.51	17.91	156.35	119.96
Other income	0.18	0.21	0.88	0.75
Total income	344.30	208.11	378.78	388.82
Commission paid	5.53	6.20	7.59	14.03
Expenses	20.05	22.71	28.17	26.37
Tax on policyholders fund	0.50	0.70	0.79	1.20
Claims/benefits paid	122.57	124.27	149.98	172.81
Increase in actuarial liability[1]	179.80	36.51	174.40	157.21
Total Outgo	328.45	190.39	360.93	371.62
Profit before tax	15.85	17.72	17.85	17.20
Tax charge	(0.49)	1.22	1.03	1.00
Profit after tax	16.34	16.50	16.82	16.20

1. Including movement in non linked FFA

Components may not add up to the totals due to rounding off

Balance sheet

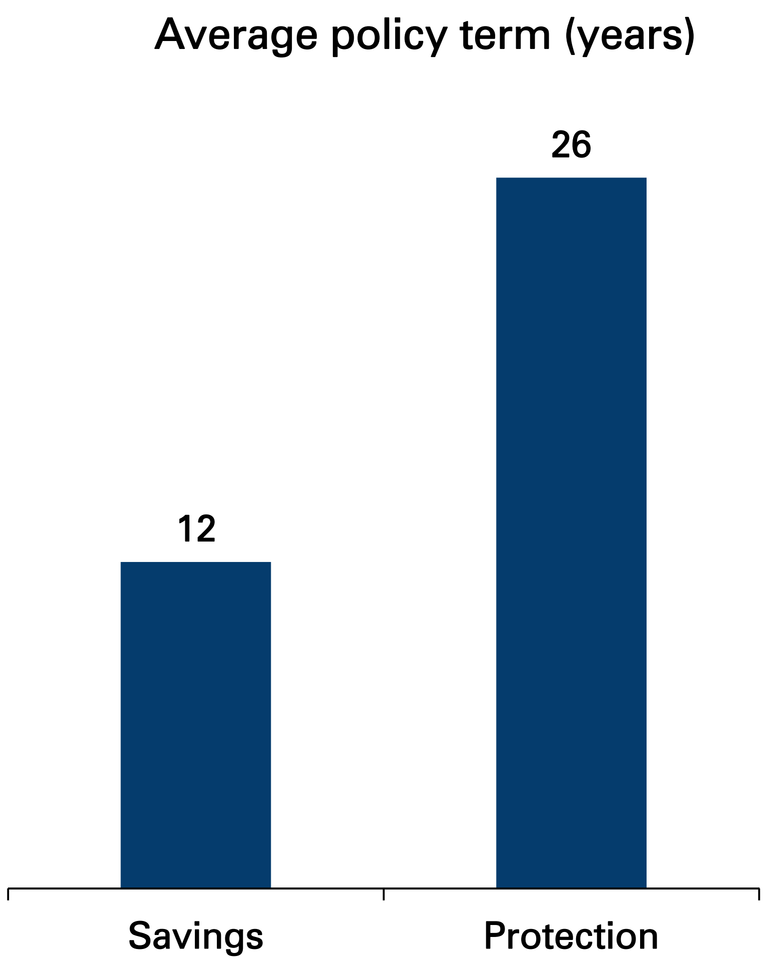
₹ bn	Mar 31, 2015	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018
Investments				
- Shareholders’	58.57	62.16	66.40	77.49
- Policyholders’	188.58	215.16	270.67	332.89
- Linked	747.78	752.96	878.78	975.02
Fixed assets	2.15	2.20	2.14	4.22
Cash & bank balances	2.55	2.00	2.14	2.04
Advances and other assets	12.53	13.19	27.29	26.55
Total assets	1,012.16	1,047.66	1,247.43	1,418.21
Shareholders’ net worth				
- Equity capital	48.16	48.22	48.55	48.59
- Profit and loss account	0.48	2.51	12.68	16.96
- Fair value change	4.03	2.52	2.85	3.30
Policy liabilities	920.34	955.50	1,130.47	1,284.95
Policyholders’ fair value change	12.32	10.29	18.47	21.17
Fund for future appropriation	5.27	6.62	6.04	8.78
Current liabilities & provisions	21.56	22.01	28.36	34.48
Total liabilities	1,012.16	1,047.66	1,247.43	1,418.21

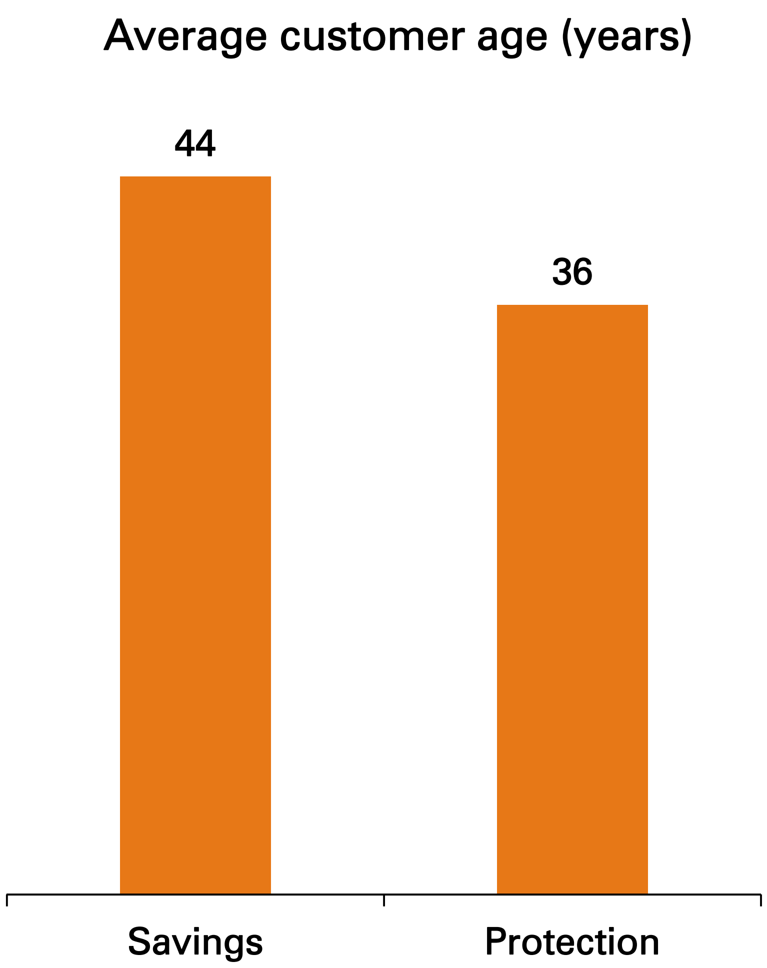
Components may not add up to the totals due to rounding off

Average APE by product categories

Average retail APE per policy (₹)	FY2015	FY2016	FY2017	FY2018
ULIP	129,087	149,777	169,701	180,746
Par	38,430	44,533	56,325	62,379
Non par	25,233	23,656	39,153	54,187
Protection	4,408	10,284	9,815	9,123
Total	73,047	87,194	92,735	90,620

Policy term and customer age[1]





1. For FY2018; protection excludes credit life

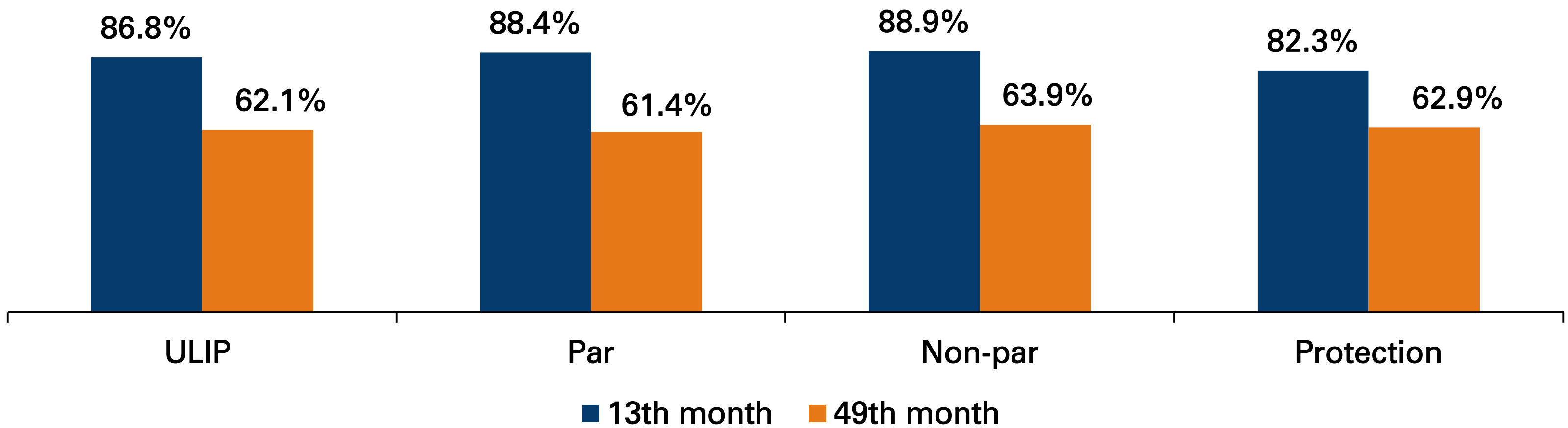
Channel wise product mix[1]

Channel Category	Product Category	FY2015	FY2016	FY2017	FY2018
Bancassurance	ULIP	88.4%	88.9%	92.1%	89.8%
	Par	10.0%	9.1%	5.3%	7.3%
	Non par	0.0%	0.0%	0.4%	0.1%
	Protection	1.5%	2.0%	2.2%	2.7%
	Total	100.0%	100.0%	100.0%	100.0%
Agency	ULIP	78.5%	76.4%	79.5%	81.8%
	Par	19.2%	19.6%	14.2%	13.5%
	Non par	1.0%	0.8%	2.0%	0.4%
	Protection	1.3%	3.2%	4.3%	4.3%
	Total	100.0%	100.0%	100.0%	100.0%
Direct	ULIP	90.5%	84.3%	85.3%	88.0%
	Par	2.8%	7.7%	5.0%	4.3%
	Non par	4.7%	3.6%	3.1%	2.4%
	Protection	2.0%	4.4%	6.5%	5.3%
	Total	100.0%	100.0%	100.0%	100.0%
Corporate Agents and Brokers	ULIP	62.0%	47.4%	46.5%	36.8%
	Par	34.4%	49.0%	44.1%	49.9%
	Non par	2.4%	0.5%	0.4%	0.5%
	Protection	1.2%	3.1%	9.0%	12.8%
	Total	100.0%	100.0%	100.0%	100.0%

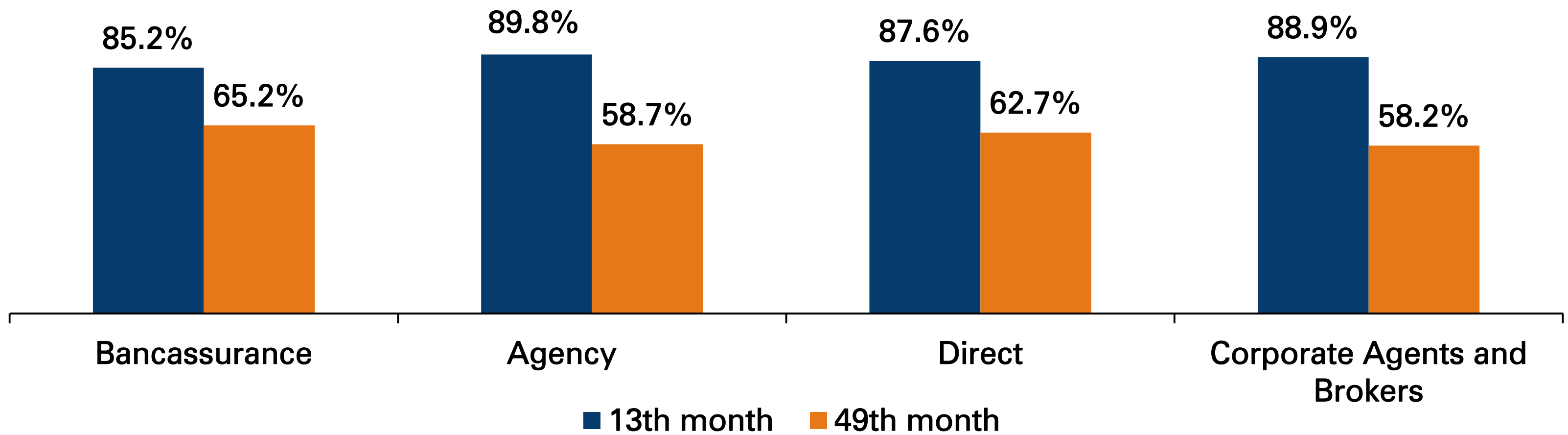
1. Retail Annualized Premium Equivalent (APE) basis

Persistency excluding single premium[1]

Persistency across Product Categories



Persistency across Channel Categories



1. 11M-FY2018 persistency

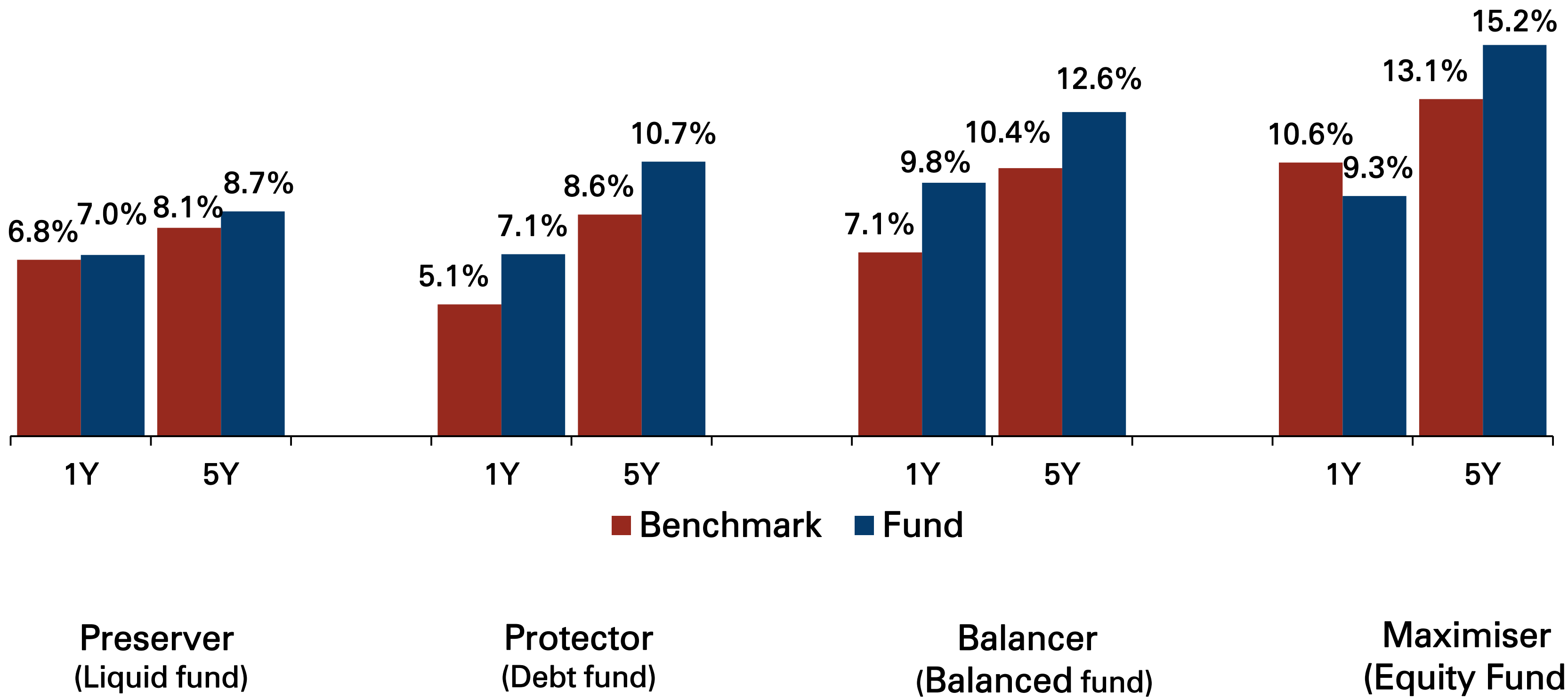
As per IRDA circular dated January 23, 2014; excluding group and single premium policies

Retail persistency (including single premium)

Month	FY2014	FY2015	FY2016	FY2017	11M-FY2018
13th month	71.5%	79.0%	82.4%	85.7%	87.8%
25th month	68.4%	65.9%	71.2%	73.9%	78.8%
37th month	57.3%	64.3%	61.6%	66.8%	68.9%
49th month	20.3%	54.4%	62.2%	59.3%	63.6%
61st month	12.7%	14.5%	46.0%	56.2%	54.8%

As per IRDA circular dated January 23, 2014

Fund performance



87.4% of linked portfolio outperformed benchmark indices since inception*

* As on March 31, 2018

Embedded Value

Analysis of movement in EV[1]

<table>
<tr><th>₹ bn</th><th>FY2015</th><th>FY2016</th><th>FY2017</th><th>FY2018</th></tr>
<tr><td>Opening EV</td><td>117.75</td><td>137.21[2]</td><td>139.39</td><td>161.84</td></tr>
<tr><td>Unwind</td><td>11.70</td><td>12.58</td><td>12.21</td><td>13.72</td></tr>
<tr><td>Value of New Business (VNB)</td><td>2.70</td><td>4.12</td><td>6.66</td><td>12.86</td></tr>
<tr><td>Operating assumption changes</td><td>1.60</td><td>1.04[2]</td><td>1.00</td><td>7.64</td></tr>
<tr><td>Persistency variance</td><td rowspan="4">2.12</td><td>2.01</td><td>0.99</td><td>1.53</td></tr>
<tr><td>Mortality and morbidity variance</td><td>0.79</td><td>0.98</td><td>0.78</td></tr>
<tr><td>Expense variance</td><td>0.59</td><td>0.35</td><td>0.27</td></tr>
<tr><td>Other variance</td><td>1.09</td><td>0.76</td><td>0.00</td></tr>
<tr><td>EVOP</td><td>18.12</td><td>22.23</td><td>22.95</td><td>36.80</td></tr>
<tr><td>Return on embedded value (ROEV)</td><td>15.4%</td><td>16.2%</td><td>16.5%</td><td>22.7%</td></tr>
<tr><td>Economic assumption change and investment variance</td><td>11.11</td><td>(5.64)</td><td>5.82</td><td>1.13</td></tr>
<tr><td>Net capital injection</td><td>(9.77)</td><td>(14.41)</td><td>(6.32)</td><td>(11.88)</td></tr>
<tr><td>Closing EV</td><td>137.21</td><td>139.39</td><td>161.84</td><td>187.88</td></tr>
</table>

1. As per Indian Embedded Value (IEV) method
2. Difference of FY2015 closing EV and FY2016 opening EV shown as operating assumption changes in FY2016

Components may not add up to the totals due to rounding off

EV methodology ... (1/2)

- EV results prepared based on the Indian Embedded Value (IEV) methodology and principles as set out in Actuarial Practice Standard 10 (APS10) issued by the Institute of Actuaries of India (IAI)

EV methodology … (2/2)

- EV consists of Adjusted Net Worth (ANW) and Value of in-force covered business (VIF)
  - ANW is market value of assets attributable to shareholders, consisting of
    - Required Capital
    - Free Surplus
  - Value of in-force covered business (VIF) is
    - Present value of future profits; adjusted for
    - Time value of financial options and guarantees;
    - Frictional costs of required capital; and
    - Cost of residual non-hedgeable risks

Components of ANW

- Required capital (RC)
  - The level of required capital is set equal to the amount required to be held to meet supervisory requirements
  - It is net of the funds for future appropriation (FFAs)
- Free surplus (FS)
  - Market value of any assets allocated to, but not required to support, the in-force covered business

Components of VIF … (1/4)

- Present value of future profits (PVFP)
  - Present value of projected distributable profits to shareholders arising from in-force covered business
  - Projection carried out using ‘best estimate’ non-economic assumptions and market consistent economic assumptions
  - Distributable profits are determined by reference to statutory liabilities

Components of VIF … (2/4)

- Frictional Cost of required capital (FC)
  - FCs represent investment management expenses and taxation costs associated with holding the Required capital
  - Investment costs reflected as an explicit reduction to the gross investment return

Components of VIF … (3/4)

- Time value of financial options and guarantees (TVFOG)
  - TVFOG represents additional cost to shareholders that may arise from the embedded financial options and guarantees
  - Stochastic approach is adopted with methods and assumptions consistent with the underlying embedded value

Components of VIF … (4/4)

- Cost of residual non-hedgeable risk (CRNHR)
  - CRNHR is an allowance for risks to shareholder value to the extent not already allowed for in the TVFOG or the PVFP
  - Allowance has been made for asymmetric risks of operational, catastrophe mortality / morbidity and mass lapsation risk
  - CRNHR determined using a cost-of-capital approach
  - Allowance has been made for diversification benefits among the non-hedgeable risks, other than the operational risk
  - 4% annual charge applied to capital required

Components of EV movement … (1/2)

- Operating assumption changes
  - Impact of the update of non-economic assumptions both on best estimate and statutory bases to those adopted in the closing EV
- Expected return on existing business (unwind)
  - Expected investment income at opening reference rate on VIF and ANW
  - Expected excess ‘real world’ investment return over the opening reference rate on VIF and ANW
- Value of new business
  - Additional value to shareholders created through new business during the period

Components of EV movement … (2/2)

- Operating experience variance
  - Captures impact of any deviation of actual experience from assumed in the opening EV during the inter-valuation period
- Economic assumption changes and Investment variance
  - Impact of the update of the reference rate yield curve, inflation and valuation economic assumptions from opening EV to closing EV
  - Captures the difference between the actual investment return and the expected 'real world' assumed return
- Net capital injection
  - Reflects any capital injected less any dividends paid out

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Key assumptions underlying EV … (1/2)

- Discount rate and Fund earning rates
  - Set equal to reference rates which is proxy for risk free rates
  - Reference rates derived on the basis of zero coupon yield curve published by the Clearing Corporation of India Limited
- Expenses and commission
  - Based on the Company's actual expenses during FY2017 with no anticipation for productivity gains or cost efficiencies
  - Commission rates are based on the actual commission payable to the distributors

Key assumptions underlying EV … (2/2)

- Mortality and morbidity
  - Based on Company's experience with an allowance for future improvements in respect of annuities
- Persistency
  - Based on Company's experience
- Taxation
  - Taxation costs reflect the reduction in costs due to dividend income being tax exempt

Sensitivity analysis (FY2018)

Scenario	% change in EV	% change in VNB
Increase in 100 bps in the reference rates	(2.1)	(4.9)
Decrease in 100 bps in the reference rates	2.2	5.2
10% increase in the discontinuance rates	(1.3)	(8.6)
10% decrease in the discontinuance rates	1.4	9.1
10% increase in mortality/ morbidity rates	(1.0)	(5.4)
10% decrease in mortality/ morbidity rates	1.0	5.5
10% increase in acquisition expenses	Nil	(9.2)
10% decrease in acquisition expenses	Nil	9.2
10% increase in maintenance expenses	(1.0)	(3.5)
10% decrease in maintenance expenses	1.0	3.5
Tax rates increased to 25%	(4.6)	(7.9)

Economic assumptions underlying EV

Tenor (years)	Reference Rates		
	March 31, 2016	March 31, 2017	March 31, 2018
1	7.24%	6.35%	6.57%
5	8.22%	7.78%	8.21%
10	8.34%	8.02%	8.31%
15	8.40%	8.03%	8.11%
20	8.46%	8.03%	7.97%
25	8.50%	8.03%	7.91%
30	8.52%	8.03%	7.88%

CSR: making an impact

CSR: ICICI Foundation

ICICI academy of skills	ICICI digital villages

ICICI academy of skills

- Network of 24 fully operational centres to provide sustainable livelihood opportunities to underprivileged youth
- Industry relevant vocational skill building programs (12 weeks) at no-cost basis
- Knowledge Partnerships with industry leaders; financial literacy & skills to adapt to an organized working environment
- 100% placement of the trained youth; 92,750 youth trained

ICICI digital villages

- Complete digitization of financial transactions and commercial activities
- Providing vocational training based on local needs and facilitating market linkage
- Provide access to credit facility to help villagers earn a sustainable livelihood
- 1,06,341 youth from 700 villages trained

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CSR: Focus areas

Consumer awareness

- Consumer awareness and education campaign
- 98,390 eIA accounts opened
- 6755 registrations for health checkup

Education

- Catalysts for Social Action (Program Asha) & SOS Children's Villages of India to support underprivileged children with the objective of enhancing their development and rehabilitation outcomes

Sustainable livelihood

- World Wide Fund for Nature (WWF India), & Nature Conservation Foundation (NCF), supporting skilling of Western Himalayan communities on tourism, handicraft making.
- SPARC India: vocational training of over 160 differently abled women & youth

Healthcare

- Program with Tata Memorial Hospital (Mumbai & Kolkata) and Genesis Foundation for treatment of underprivileged children diagnosed with cancer and cardiac ailments
- Over 180 children supported on treatment

ICICI PRUDENTIAL LIFE INSURANCE

Awards and accolades 2017 & 2018

Winner of the Money Today Financial award 2017-18 for Best Term Insurance provider

Silver Shield for Excellence in Financial Reporting by Institute of Chartered Accounts of India (ICAI) for FY17 Annual Report

Ranked as the no. 1 brand in the "Top Riser" category as per BrandZ Top 50 Most Valuable Indian Brands 2017

Winner of the D&B – India's Leading BFSI Companies and Awards 2017 Life (Private Sector) category

ICICI PRUDENTIAL
LIFE INSURANCE

Glossary

- **Annualized Premium Equivalent (APE) -** Annualized Premium Equivalent (APE) is the sum of 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

ICICI Prudential Life Insurance Company

Earnings Conference call – Quarter ended March 31, 2018 (Q4-FY2018)

April 24, 2018

Please note that the transcript has been edited for the purpose of clarity and accuracy. Certain statements in this call are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors.

Sandeep Batra: Good afternoon and welcome to the results call of ICICI Prudential Life Insurance Co for FY2018. I have Satyan Jambunathan, CFO and Vikas Gupta head of Investor relations. We will walk you through the developments during the quarter as well as the presentation on the performance for FY2018. We have put up the results presentation on our website. You could access it as we walk through the performance presentation.

Indian life insurance

Let me start by giving a quick recap of what we, in the life insurance industry do. In the Indian financial services industry, we are uniquely positioned to cover a range of customer needs. We can offer a range of savings products across fixed income and equity platforms. We can also offer annuity, term plans and defined benefit health plans.

Broadly, all our products can be categorised into either savings or protection. Savings products are offered on three platforms- linked, participating and non-participating. These platforms differ in terms of choice of asset allocation, charges, transparency and surrender penalties. However life cover offered is the same across all savings products i.e. 10 times annual premium. The exception to this 10 times cover being annuity products. As highlighted by IRDAI's product committee, surrender penalty in the traditional savings (non-linked) products are significantly high and there is a need for improving their surrender value proposition.

Protection products are available in retail, group and credit life platforms. These products provide cover for life, disability, critical illness and accidental death. These are pure risk low cost products. We remain committed to selling customer centric products and that is reflected in our product mix.

Strategy & performance

As we have highlighted earlier our objective continues to be to grow the absolute value of new business (VNB). We are a retail focused company with a strong orientation towards superior business quality and robust risk management. We intend to capitalise on the opportunities in the long term savings and protection segment using customer centric products delivered through our multi-channel distribution architecture. We leverage technology extensively with clear focus on business outcomes.

During the year we lost our private market leadership which we had held since inception. Our APE grew by 17.6% during FY2018. Within this our Protection APE grew by 71.5%. During the same period our Value of New Business was ₹ 12.86 bn, a growth of 93.1% over FY2017. Over a 3 year period VNB has grown at a CAGR of 68.3% driven by consistent growth in savings business, significantly higher growth in protection business, consistent improvement in persistency and cost ratios.

Savings APE and protection APE had grown at a CAGR of 16.3% and 80.4% respectively over the last 3 years. Our 13^{th} month persistency which we believe is the most important indicator of quality of business was 86.9% in 11MFY2018 for the retail regular premium business. In our calculation of persistency we do not include group premium. With a view to improving the quality of disclosure, we are now disclosing the persistency excluding single premium policies as well. We believe that this is the highest in the industry. The savings business continues to improve on the back of cost efficiencies. Further details of VNB growth are available in the presentation.

Our Indian Embedded value increased from ₹ 161.84 bn in FY2017 to ₹ 187.88 bn in FY2018. Embedded value operating profit increased from ₹ 22.95 bn in FY2017 to ₹ 36.80 bn in FY2018. Return on Embedded value improved to 22.7% against 16.5% in FY2017. If we look at the contributors of RoEV, VNB as % of opening EV increased from 2.3% in FY2015 to 7.9% in FY2018. Our operating variances have been consistently positive. Pre Dividend EV has grown by 23.4% over last year.

With regards to EV and VNB computation, we would like to highlight the following points

1. We have aligned the method of measurement of group term APE with rest of the industry. Earlier entire premium received under Group term was recognised as new business single premium. We are now considering premiums under all new lives as new business regular premium; while premium received from the remaining lives are considered as renewal premium. Impact of this change on VNB is a positive impact of ₹ 0.14 bn.

2. We have aligned the tax rate used in EV and VNB to effective tax rate from our earlier practice of gross tax rate. This is consistent with some of the disclosures in the industry. Earlier this difference was getting recognised under "other variances" in the EV movement. EV and VNB impact of above change is captured under the head "operating assumption change" in the EV movement and the VNB movement summary.

3. There has been no material change in the persistency assumptions of savings products.

We are a retail focused company. The retail segment contributes more than 97% of new business APE and around 88.5% of the company's AUM. We have been using technology to simplify the process at various stages of a customer lifecycle. We were the first financial institution in the country to tie up with UIDAI and use Aadhar for e-KYC. We are also using robotics to reduce the processing time of policies.

Retail Market share for the company was 11.8% in FY2018 as compared to 12.0% in FY2017. Our growth has been consistently ahead of the industry over the last 3 year and 5 year period.

We have a balanced channel mix and all our channels have been growing consistently. We have been using technology to drive growth across channels. We have a strong systems integration with our existing partners and we use modular plug and play model for faster on-boarding of new partners. We also use geo tags for lead allocation in our direct channels. In the agency channel, the entire on-boarding process for a new agent is now paperless.

Our savings products have grown at a rate of ~16% over last 1, 3 and 5 year period. As we have articulated our focus on protection segment, it has grown at multiple of savings segment over the same period at 71.5% during FY2018. In the savings segment we have been focused on creating value for customer and shareholders by consistently improving persistency and the cost ratio. Our persistency has improved consistently over the last 5 years for both linked and non-linked categories. Within the linked segment, the equity mix is broadly in the range of 50%-60%, with certain customers choosing a predominantly fixed income portfolio and many others a predominantly equity. What is important is that the persistency is similar across these range of asset allocation choices. Use of technology has helped in improving the cost ratio of our savings business. 64% of our policies get issued within 2 days. Use of analytics for underwriting based on customer profiles is one of key reasons for our having the highest average premium across the industry. For the protection segment, we have a comprehensive suite of products with focus on value creation through smooth on-boarding and robust risk management. We use analytics and real time connectivity with different eco-systems for automated underwriting. We have been pioneers in tele-underwriting in the country. We offer convenience of medical tests at home to our customers. All these have resulted in a strong growth in the protection business. During FY2018 protection policies contributed ~40% of total retail policies.

We have a strong focus on business quality. Our 13th month persistency for retail regular premium business was 86.9% for 11mFY2018 which we believe is the best in industry. We have seen meaningful improvement in persistency across cohorts for 11mFY2018. Our renewal premium has grown by 23.1% for FY2018 and at a CAGR of more than 20% for the last 3 years. We are the first in the industry to offer paperless registration of ECS mandates. We offer approximately 250,000 physical points of presence for renewal payment. For online payment we also offer e-wallets, UPI, Bharat QR etc. 60% of our renewal premium is collected through the digital medium.

Technology has also helped in improving customer experience for service transactions. 72% of service transaction are based on self-service. We have also enabled online platforms for partners to service customers. Our average time for claims settlement has improved from 6 days in FY2014 to 3 days in FY2018.

Our total cost to TWRP ratio was 13.7% for FY2018 compared to 15.1% for FY2017. 93% of new business applications are initiated on our digital platform. Technology has helped in improving employee productivity from ₹ 2.12 million in FY2012 to ₹ 5.30 million in FY2018.

Our PAT for FY2018 was ₹ 16.20 billion compared to ₹ 16.82 billion for FY2017. This drop in PAT is on account of new business growth, particularly in the protection business. The Board has recommended a final dividend of ₹ 3.30 per share including special dividend of ₹ 1.10 per share which translates to 59.8% of PAT (excluding DDT) for H2-FY2018. Given the growth opportunities, special dividend may come down over FY2019. The dividend proposal is subject to shareholder approval. Our solvency as on 31st March 2018 was 252%

To summarise, we aim to tap the growth potential for both savings and protection segments. Our business objective continues to be growing the absolute VNB. Our customer centric approach across the value chain from products to claims management and strong focus on business quality position us well to capitalise on this opportunity. Our multi-channel architecture is backed by a strong technology platform. We have a strong capital position to support growth.