

August 9, 2021

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: Investor presentation**

Please note the updated investor presentation enclosed alongwith this letter.

Thanking you.

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**



**Sonali Chandak**  
**Company Secretary**  
**ACS 18108**

**Encl.: As above**



# Performance update

August 09, 2021

# July 2021 update

# Premium growth

₹ billion	Q4-FY2021	FY2021	Q1-FY2022	July 2021	4M-FY2022
APE <sup>1</sup>	25.09	64.62	12.19	5.69	17.88
YoY growth	27.1%	(12.5%)	48.1%	29.0%	41.5%
RWRP <sup>2</sup>	21.49	54.54	9.42	4.77	14.19
YoY growth	27.3%	(17.9%)	43.7%	25.3%	36.9%
New business sum assured	2,051.84	6,166.84	1,768.62	500.33	2,268.94
YoY growth	22.1%	8.0%	88.6%	38.7%	74.8%
New business premium	51.33	130.32	25.59	11.57	37.16
YoY growth	22.9%	5.5%	70.6%	36.3%	58.2%

# 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
APE <sup>1</sup>	64.62	25.09	12.19
<i>YoY growth</i>	<i>(12.5%)</i>	<i>27.1%</i>	<i>48.1%</i>
New business premium (NBP) <sup>2</sup>	130.32	51.33	25.59
<i>YoY growth</i>	<i>5.5%</i>	<i>22.9%</i>	<i>70.6%</i>
<i>Market share</i> <sup>3</sup>	<i>7.2%</i>	<i>7.7%</i>	<i>7.7%</i>

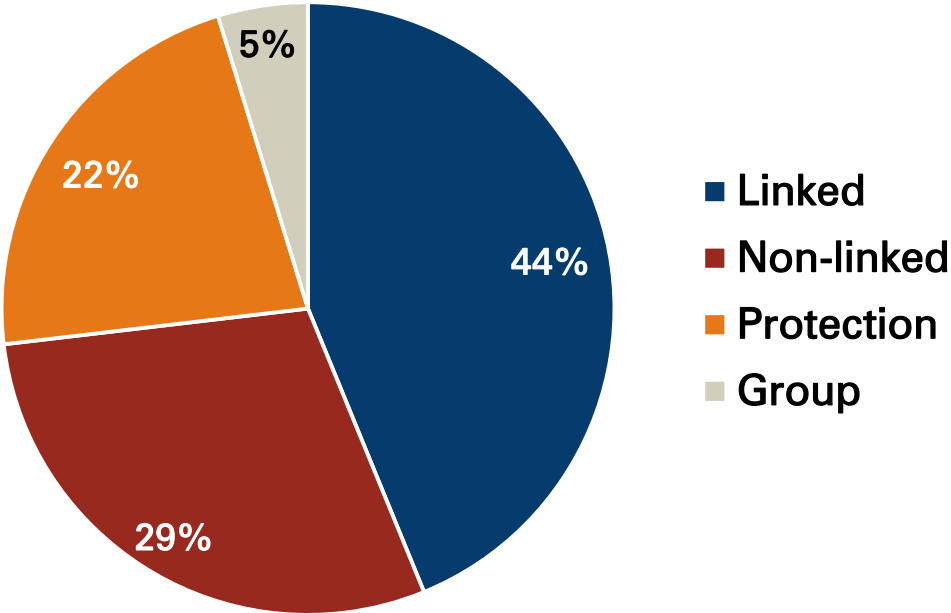
Continued strong growth; increase in market share compared to FY2021



# Premium growth: Product and Distribution

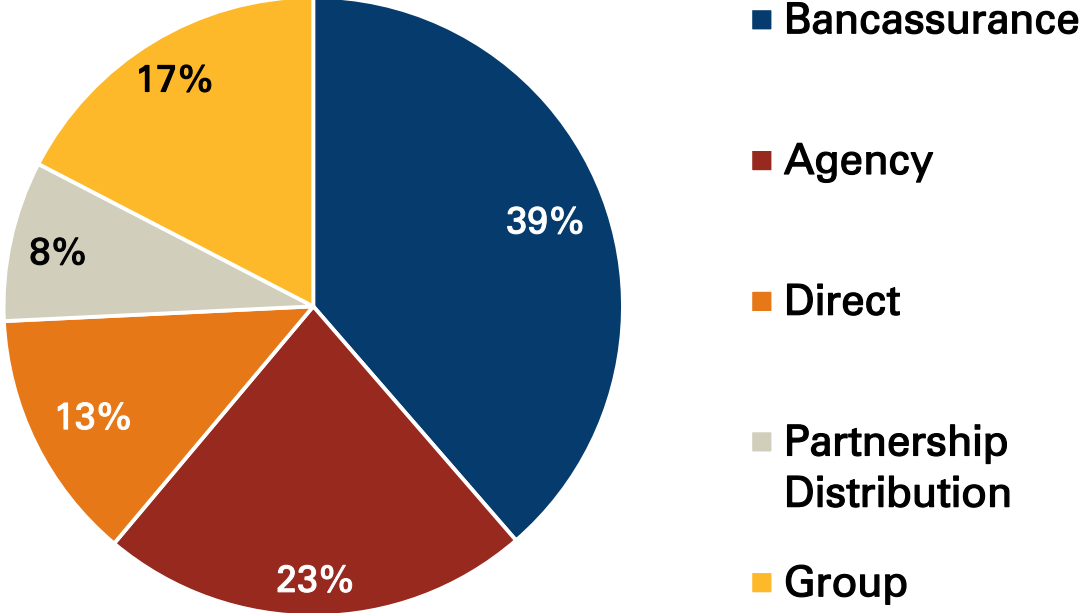
## Product mix APE

Q1-FY2022



## Distribution mix APE

Q1-FY2022



Well diversified product and distribution mix

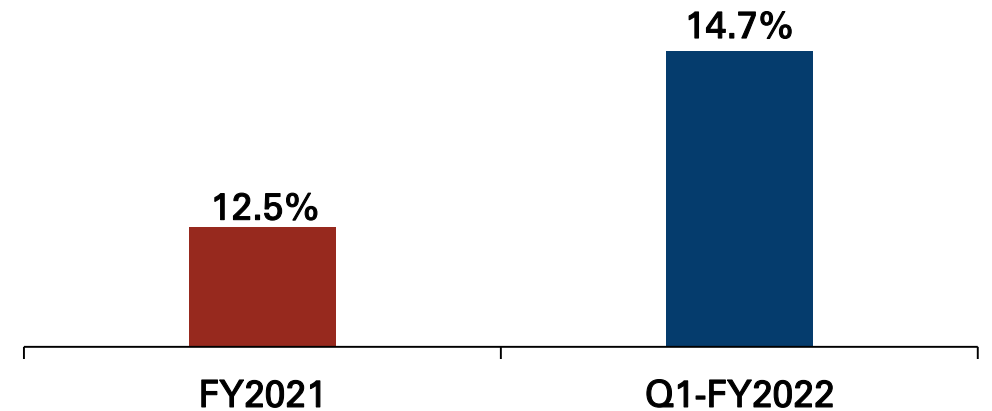
# Protection growth

Protection  
focus

Continue to grow both retail and group lines of  
business

₹ billion	FY2021	Q4- FY2021	Q1- FY2022
Protection APE	10.46	3.44	2.70
<i>YoY growth</i>	<i>(6.3%)</i>	<i>(2.3%)</i>	<i>26.2%</i>
Sum assured market share <sup>1</sup>	12.5%	11.6%	14.7%

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



- Despite supply side challenges, protection APE grew by 26% in Q1-FY2022
- Overall market leadership based on new business sum assured

# Persistency improvement

Persistency

Improve persistency across all cohorts

Persistency <sup>1</sup>	11M-FY2021	2M-FY2022	
13 <sup>th</sup> month	84.8%	85.4%	↑ 60 bps
49 <sup>th</sup> month	63.0%	63.1%	↑ 10 bps

Continued improvement in persistency



Computed as per IRDAI circular dated January 23, 2014  
 1. Retail excluding SP

# Productivity improvement

## Productivity

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

₹ billion	Q1-FY2021	FY2021	Q1-FY2022
Cost/TWRP <sup>1</sup>	14.8%	14.8%	20.1%
Cost/TWRP (savings LOB)	8.8%	9.6%	11.9%

Expense growth in line with new business growth

# Resilient Balance Sheet

## Insurance risks

- COVID-19 claims net of reinsurance of ₹ 5.00 billion for Q1-FY2022
- Provisions of ₹ 4.98 billion held for future COVID-19 claims including IBNR provision
- Net of COVID-19 mortality experience in line with provisions

## Strong solvency ratio

- Solvency ratio of 194% at June 30, 2021

## High quality assets

- 97% of fixed income in sovereign or AAA; 0.4% of fixed income below AA
- Zero NPA since inception

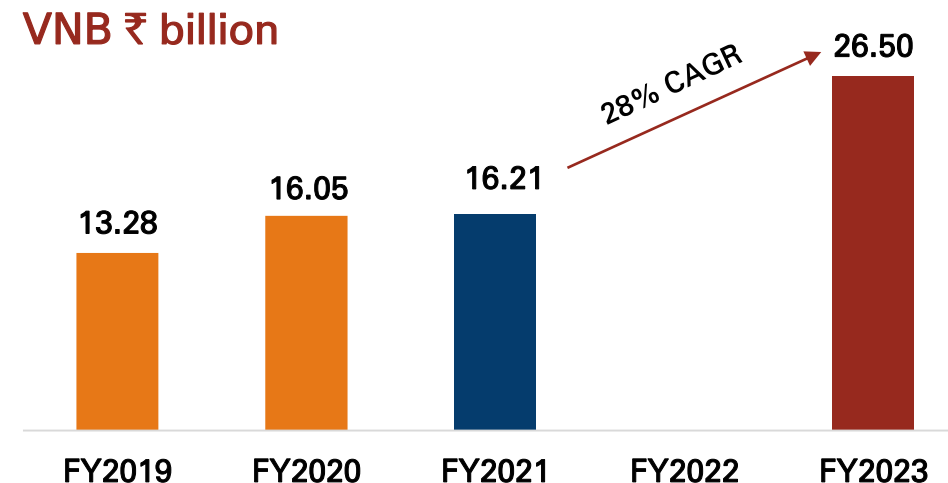
## Liability profile

- 82% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 1.2% of liabilities

# Way forward

Aspire to double the FY2019 VNB by FY2023

₹ billion	FY2020	FY2021	Q1-FY2022
Value of New Business (VNB) <sup>1</sup>	16.05	16.21	3.58
VNB growth	20.9%	1.0%	78.1%
VNB margin	21.7%	25.1%	29.4%



- 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

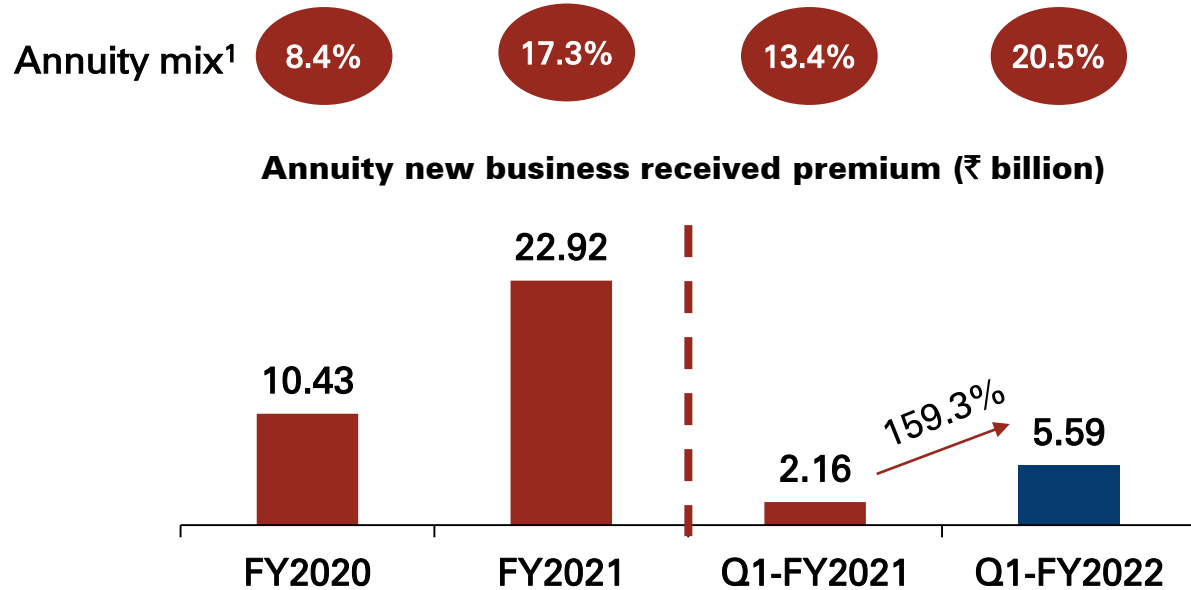
Segments	APE (₹ billion)			Mix	
	FY2021	Q1-FY2022	Growth (%)	FY2021	Q1-FY2022
<b>Savings</b>	<b>54.16</b>	<b>9.50</b>	<b>56.0%</b>	<b>83.8%</b>	<b>77.9%</b>
Linked	30.90	5.35	49.0%	47.8%	43.9%
Non-linked	17.79	2.99	66.1%	27.5%	24.5%
Annuity	2.29	0.58	163.6%	3.5%	4.8%
Group	3.18	0.58	18.4%	4.9%	4.8%
<b>Protection</b>	<b>10.46</b>	<b>2.70</b>	<b>26.2%</b>	<b>16.2%</b>	<b>22.1%</b>
<b>Total APE</b>	<b>64.62</b>	<b>12.19</b>	<b>48.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Strong growth across product segments

# Pension and Annuity

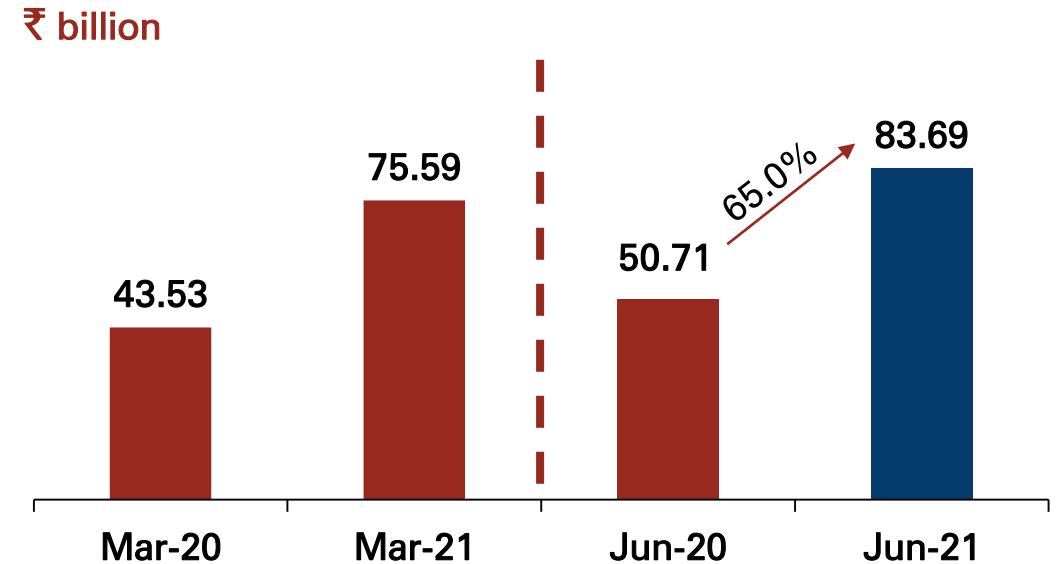
A comprehensive pension provider

## Annuity



Annuity grew by 159% in Q1-FY2022

## Pension fund management (AUM)



Pension fund AUM grew by 65% over June 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 further increased from 15% in FY2021 to 17% in Q1-FY2022

## Strategy: Create depth and add width

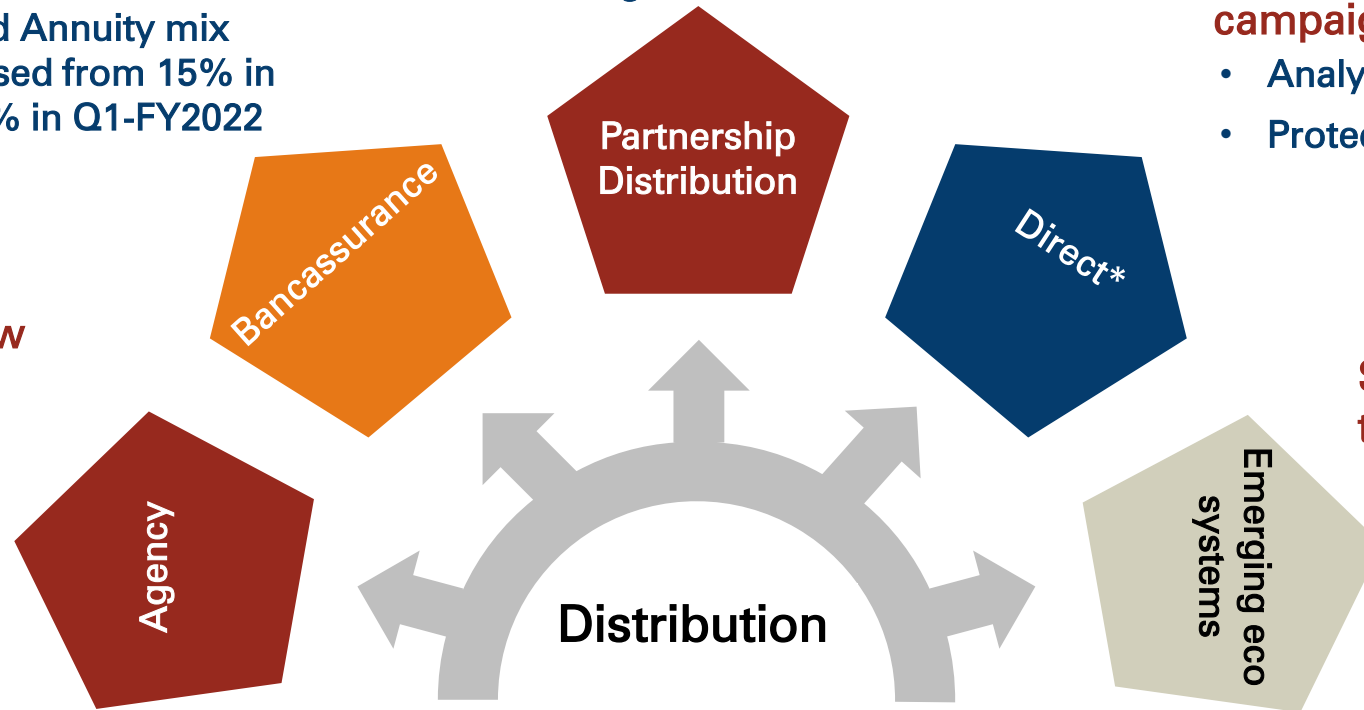
- ~700 partnerships; 24 new partnerships
- Protection and Annuity mix 23%, Non-linked savings 68%

## Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection and Annuity mix 21%

## Strategy: Invest and grow

- 4,518 agents recruited during Q1-FY2022
- Diversified product mix: Protection and Annuity 13%, Non-linked savings 52% and linked 35%



## Strategy: Partner with non-traditional distributors

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

~700 partnerships including 23 banks; > 191,000 advisors

# Performance across distribution channels

Channels	APE (₹ billion)			Mix (%)	
	FY2021	Q1-FY2022	Growth (%)	FY2021	Q1-FY2022
Bancassurance	27.34	4.71	44.5%	42.3%	38.6%
Agency	15.39	2.74	35.0%	23.8%	22.5%
Direct	8.10	1.60	58.4%	12.5%	13.1%
Partnership distribution	5.87	1.02	43.7%	9.1%	8.4%
Group	7.93	2.12	72.4%	12.3%	17.4%
Total APE	64.62	12.19	48.1%	100.0%	100.0%

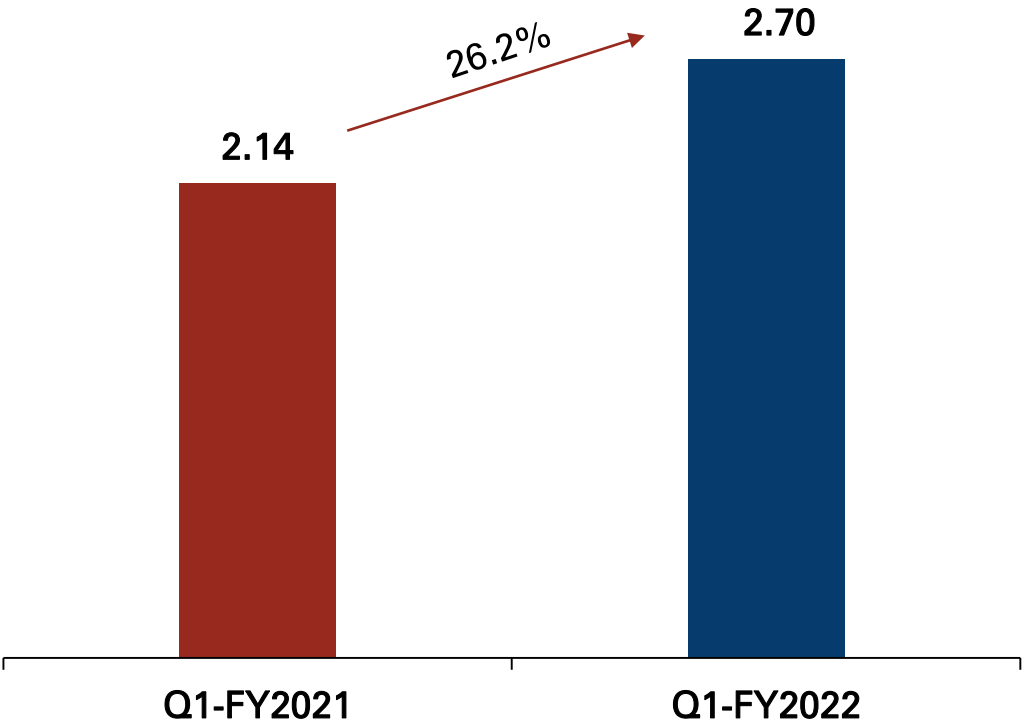
Strong growth across distribution channels

# 4P: Protection

# Protection business

## Protection APE

₹ billion



Protection APE grew by 26% in Q1-FY2022

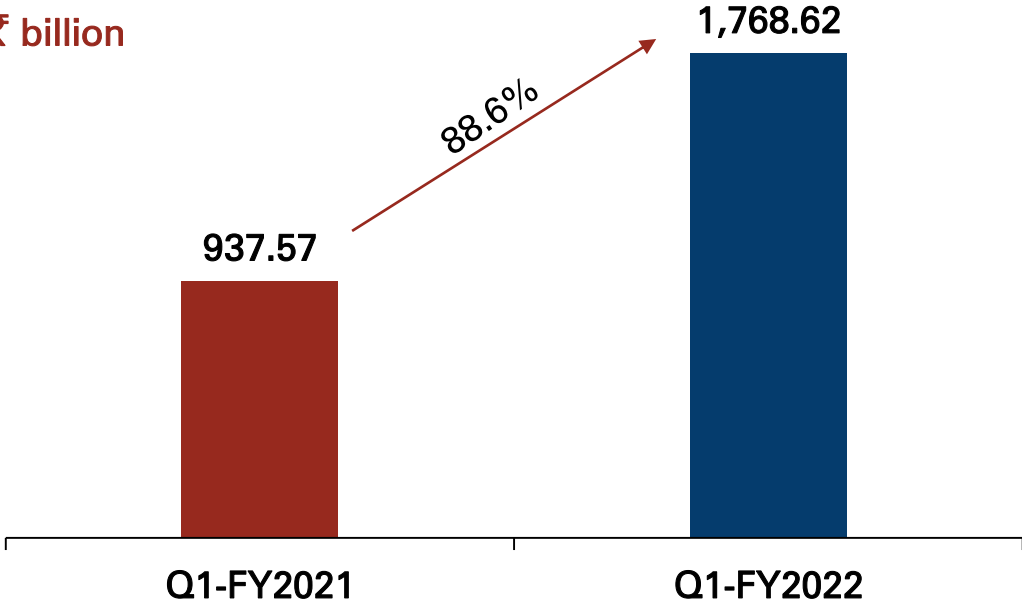
## Sum assured<sup>1</sup>

Market share (%)

10.7%

14.7%

₹ billion



Sum assured grew by 89% in Q1-FY2022



1. New business

# 4P: Persistency



# Persistency

## Retail excluding single premium

Month	2M-FY2021	11M-FY2021	2M-FY2022
13 <sup>th</sup> month	81.8%	84.8%	85.4%
25 <sup>th</sup> month	73.4%	73.6%	73.7%
37 <sup>th</sup> month	65.4%	66.3%	65.8%
49 <sup>th</sup> month	63.9%	63.0%	63.1%
61 <sup>st</sup> month	56.8%	58.3%	57.8%

## Retail including single premium

Month	2M-FY2021	11M-FY2021	2M-FY2022
13 <sup>th</sup> month	84.1%	86.9%	87.6%
25 <sup>th</sup> month	76.3%	76.8%	76.9%
37 <sup>th</sup> month	67.8%	69.3%	69.4%
49 <sup>th</sup> month	66.2%	65.5%	65.6%
61 <sup>st</sup> month	58.2%	60.2%	59.9%

Continued focus on persistency improvement

# 4P: Productivity

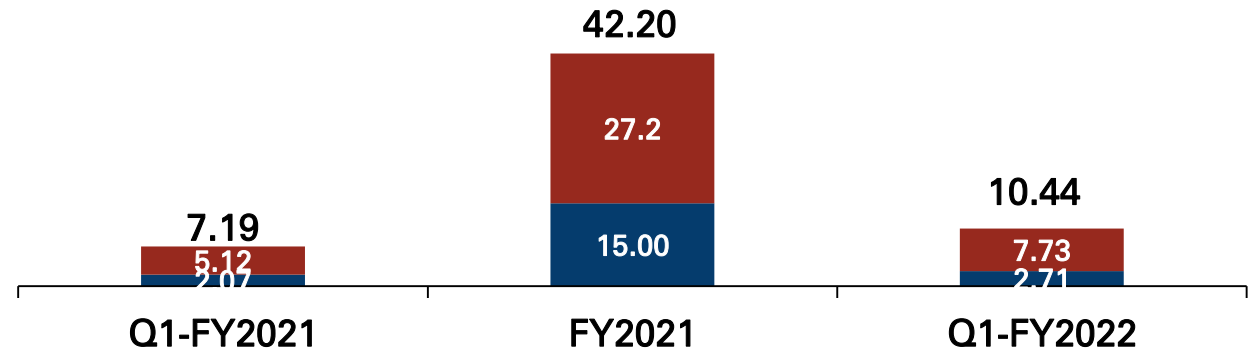
# Productivity: Cost efficiency

	Q1-FY2021	FY2021	Q1-FY2022
Expense ratio (excl. commission) <sup>1</sup>	10.5%	9.5%	14.9%
Commission ratio <sup>2</sup>	4.2%	5.3%	5.2%
Cost/TWRP <sup>3</sup>	14.8%	14.8%	20.1%
Cost/Average AUM <sup>4</sup>	1.8%	2.3%	1.9%
Cost/TWRP (Savings LOB)	8.8%	9.6%	11.9%

₹ billion

■ Commission

■ Non Commission



- Expense growth in line with new business growth
  - 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 Q1-FY2022



## Cognitive automation

End-to-end process automation using intelligent and cognitive tools

- ❑ **Application:** Addition/ modification to members data (in a group policy) through an end-to-end automated process with in-built risk management controls
- ❑ **Business impact:** 50% reduction in turn around time, 24x7 process with robust compliance and accuracy



## Demand generation

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

- ❑ Empowering partners with campaigns for demand generation on digital channels like WhatsApp, messengers and email
- ❑ Prospect level tracking and instant nudges to the relationship manager based on prospect's interest
- ❑ Visibility of lead funnel to the partner's sales management team

First in the industry



## UPI Auto pay

Allows customers to enable recurring e-mandate using any UPI application

- ❑ Instant registration
- ❑ Wet signature, bank login, card authentication not required
- ❑ Timely alerts and notifications for mandate registration and recurring debits

# VNB growth levers update (4P's)

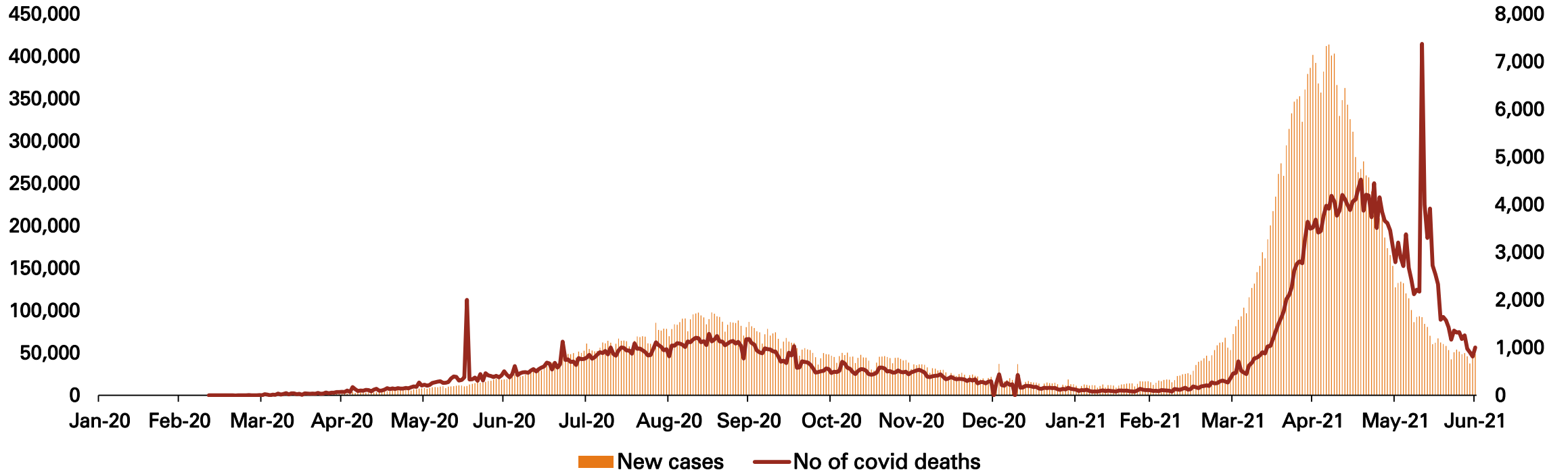
₹ billion	FY2021	Q1-FY2022	Growth
Value of New Business (VNB) <sup>1</sup>	16.21	3.58	78.1%
VNB margin	25.1%	29.4%	NA

₹ billion	FY2021	Q1-FY2022	Growth
Premium growth (APE)	64.62	12.19	48.1%
Protection growth (APE)	10.46	2.70	26.2%
Persistency (13 <sup>th</sup> month) <sup>2</sup>	84.8% <sup>3</sup>	85.4%	NA
Persistency (49 <sup>th</sup> month) <sup>2</sup>	63.0% <sup>3</sup>	63.1%	NA
Productivity (Cost/TWRP: Savings) <sup>4</sup>	9.6%	11.9%	NA

# Financial update

# The second wave of COVID-19

## Trend in COVID-19 new cases and deaths



- 18.2 million new COVID-19 infections recorded in Q1-FY2022 (12.2 million in FY2021) with 236,532 reported death cases (162,892 in FY2021)

# Impact of COVID-19 on mortality

- Total claims on account of COVID-19 for Q1-FY2022: ₹ 11.19 billion<sup>1</sup> (FY2021: ₹ 3.54 billion)
  - Claims net of reinsurance: ₹ 5.00 billion (FY2021: ₹ 1.98 billion)
- Provision of ₹ 4.98 billion (March 2021: ₹ 3.32 billion) held for future COVID-19 claims including IBNR<sup>2</sup>

## Q1-FY2022 vs. FY2021

Country level deaths <sup>3</sup>	1.45x
Our claims proportion of country deaths	1.27x
Average net claim amount	1.37x
Net COVID-19 claims	2.52x

Q1-FY2022 net claims plus provisions held at June 2021 covers 5 times the net claims in FY2021

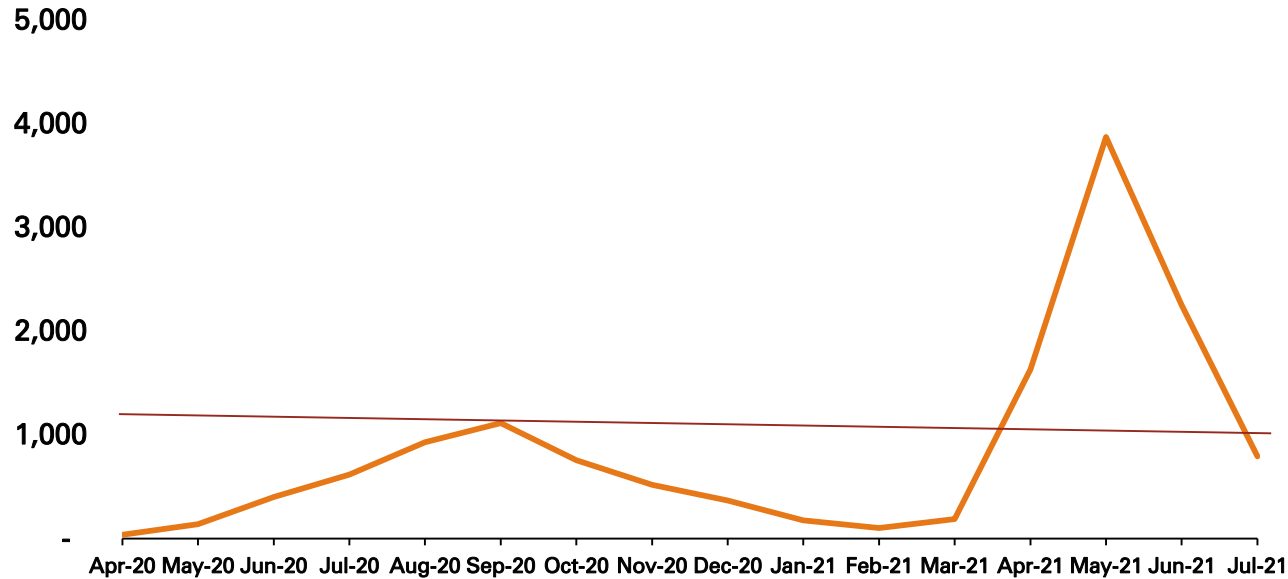


1. Includes settled as well as notified and in process claims
2. Incurred but not reported
3. Source: [www.prsindia.org](http://www.prsindia.org) (compiled based on data published by Ministry of Health and Family Welfare, Government of India)



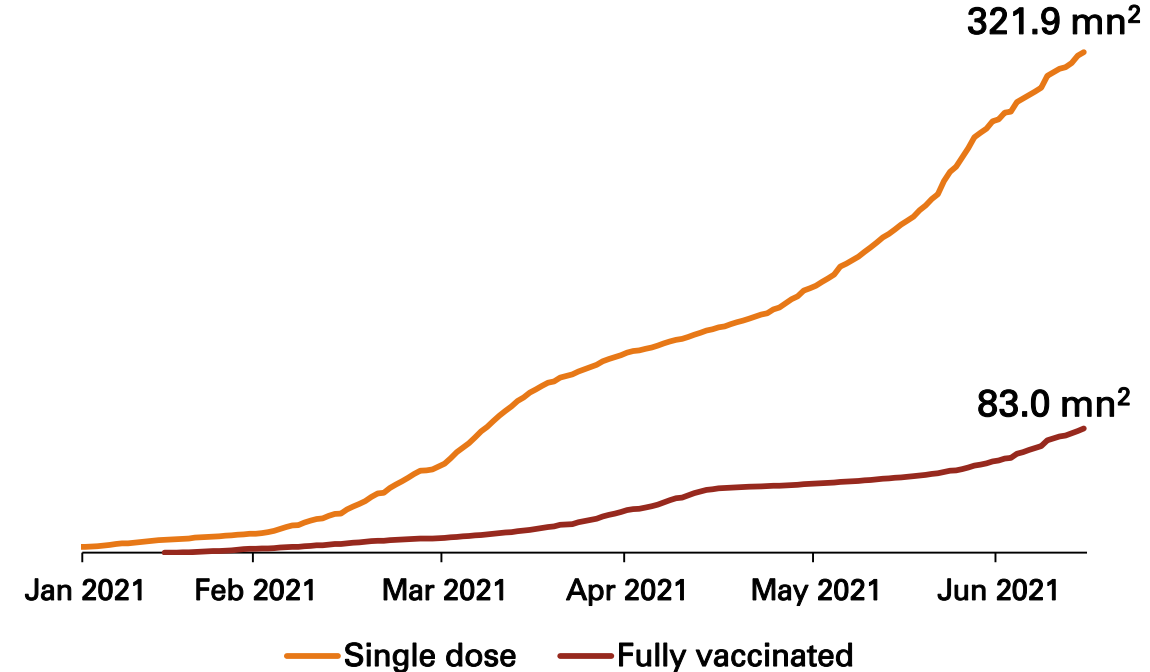
# Recent trend on deaths and vaccination

## Average daily number of deaths



Avg. deaths in July<sup>1</sup> are lesser than the peak in first wave

## Vaccination picking up pace



- ~6% of population fully vaccinated
- ~24% of population received at least one dose

1. From July 1, 2021 to July 19, 2021  
2. As on July 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	Q1-FY2021	FY2021	Q1-FY2022
Profit before Tax	3.11	10.81	(2.16)
Profit after Tax	2.88	9.60	(1.86)
Solvency ratio	205.1% <sup>1</sup>	216.8% <sup>2</sup>	193.7%
AUM	1,700.06 <sup>1</sup>	2,142.18 <sup>2</sup>	2,231.71 <sup>1</sup>

- Profit for the quarter impacted due to COVID-19 related claims and provisions
- AUM grew by 31% over June 2020
  - Equity and fixed income AUM above ₹ 1 trillion each at June 2021

# 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

Engaging with investee companies

Disclosing voting actions

ESG Integration

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

Dedicated person, entire team being trained

Exclusion: Restricted exposure to



Thermal power



Coal



Defence



Tobacco



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

\* At March 31, 2021



# 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



L I F E I N S U R A N C E

# 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 handheld 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

**On premise data lake** 


**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
- ❖ 3-click PASA onboarding
- ❖ Smart doc upload with instant OCR
- ❖ E-Quote app
- ❖ Video risk verification 
- ❖ Tele & video underwriting


RPA enabled issuance

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

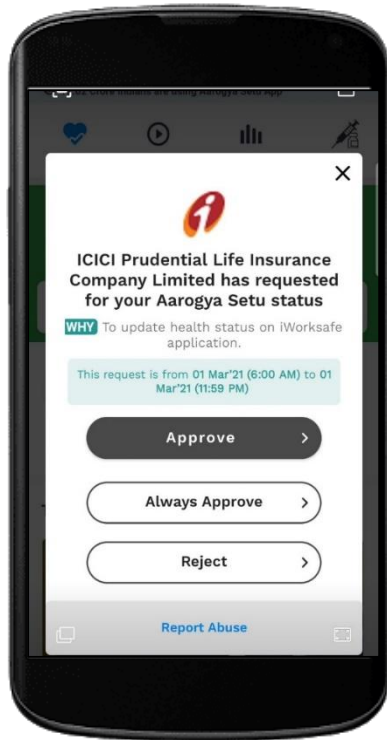
# Empowering stakeholders

## Contactless interactions, interfaces



### COVID companion app

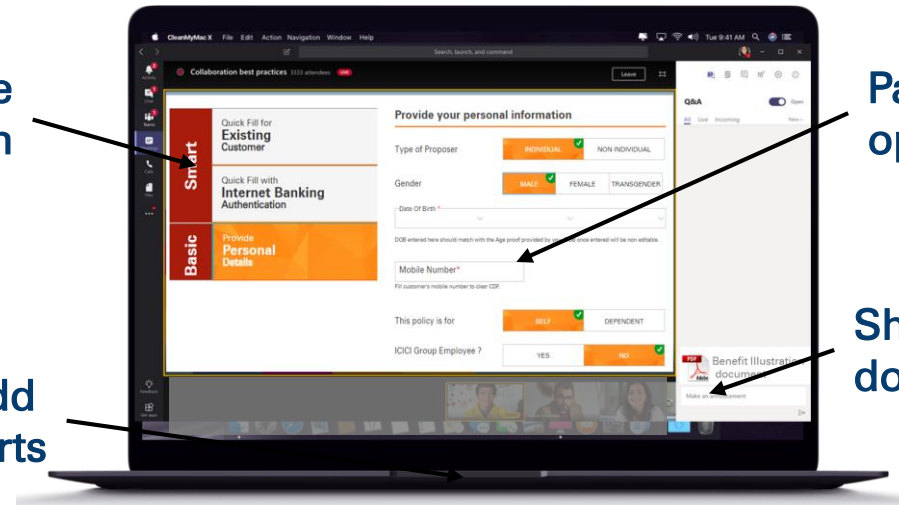
- Fetches health status from Arogya setu



### 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 Risk	ESG Controversy	ESG Disclosure	ESG Stakeholder	ESG Strategy	ESG Impact	ESG Innovation	ESG Leadership
1	Infosys	81.190	AAA	Low	None	High	High	High	High	High	High
2	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
3	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
4	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
5	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
6	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
7	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
8	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
9	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
10	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
11	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
12	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
13	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
14	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
15	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
16	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
17	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
18	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
19	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
20	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
21	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
22	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
23	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
24	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
25	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
26	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
27	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
28	State Bank of India	78.171	AA	Low	None	High	High	High	High	High	High
29	ICICI Prudential Life Insurance Co.	72.5	BB	Low	None	High	High	High	High	High	High
30	State Bank of India	72.5	BB	Low	None	High	High	High	High	High	High

ICICI Pru Signature - Best ULIP policy of the year



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



Sustain Labs Paris in association with BW Businessworld

Adjudged one of the Most Valuable Indian Brand



'BrandZ Top 75 Most Valuable Indian Brands 2020'

Business Today – Money Today Financial Awards 2020

Excellence in Claims and Customer Service



FICCI Insurance Industry Awards 2020

Awarded by Product of the Year Private Limited

Best Contact Centre



Customer Fest Leadership Awards 2021





# Agenda

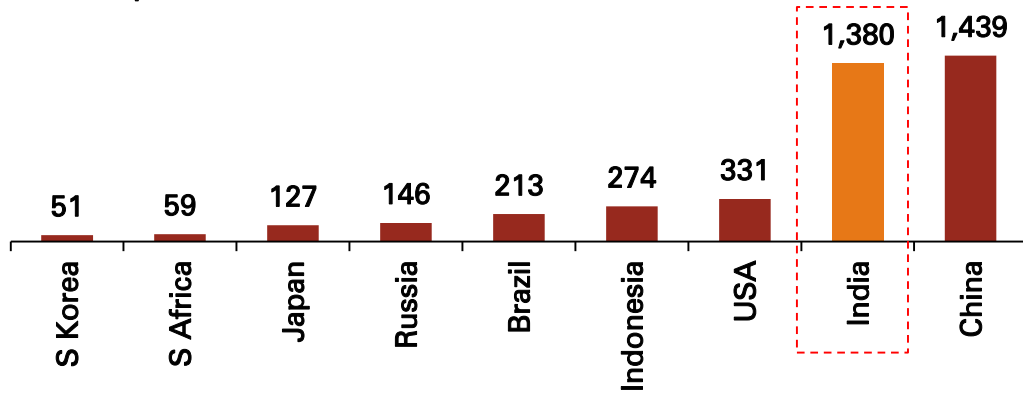
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

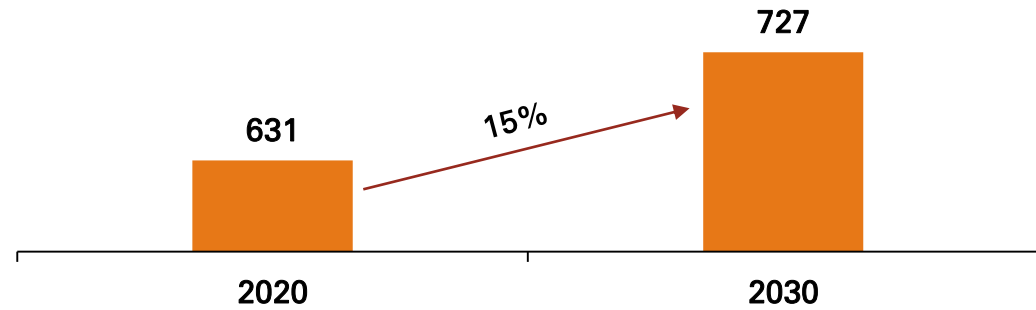
## Large and growing population base<sup>1</sup>

2020 Population (mn)

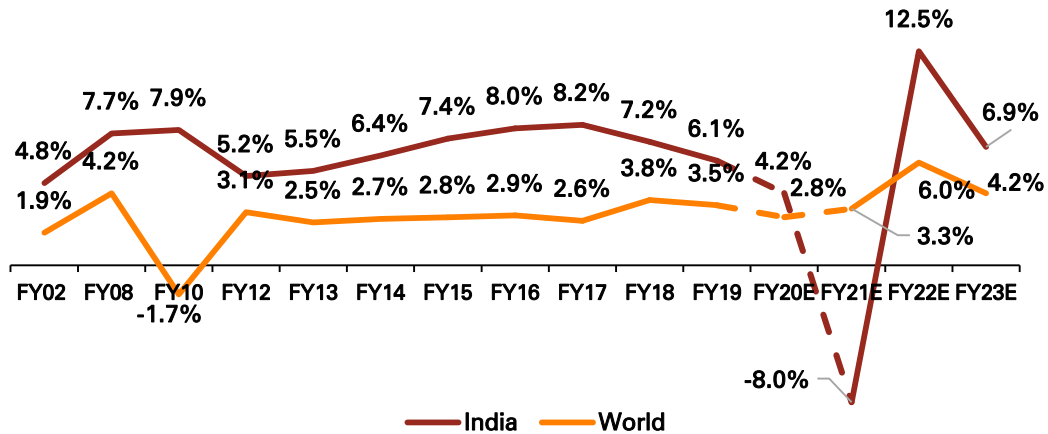


## High share of working population<sup>1</sup>

Population of age 25-59 years (in mn)

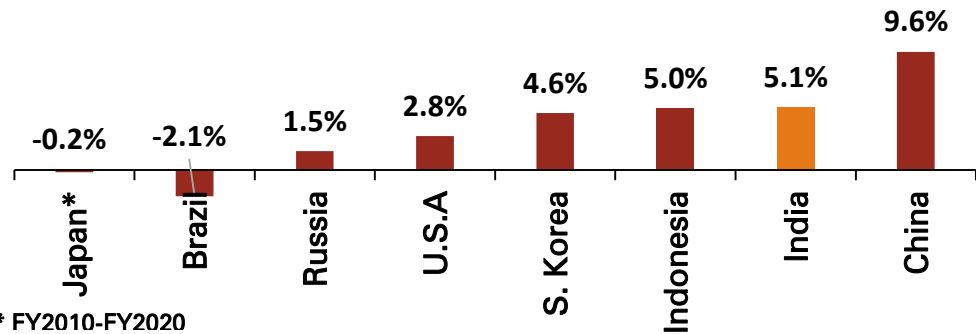


## Driving GDP growth<sup>2</sup>



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

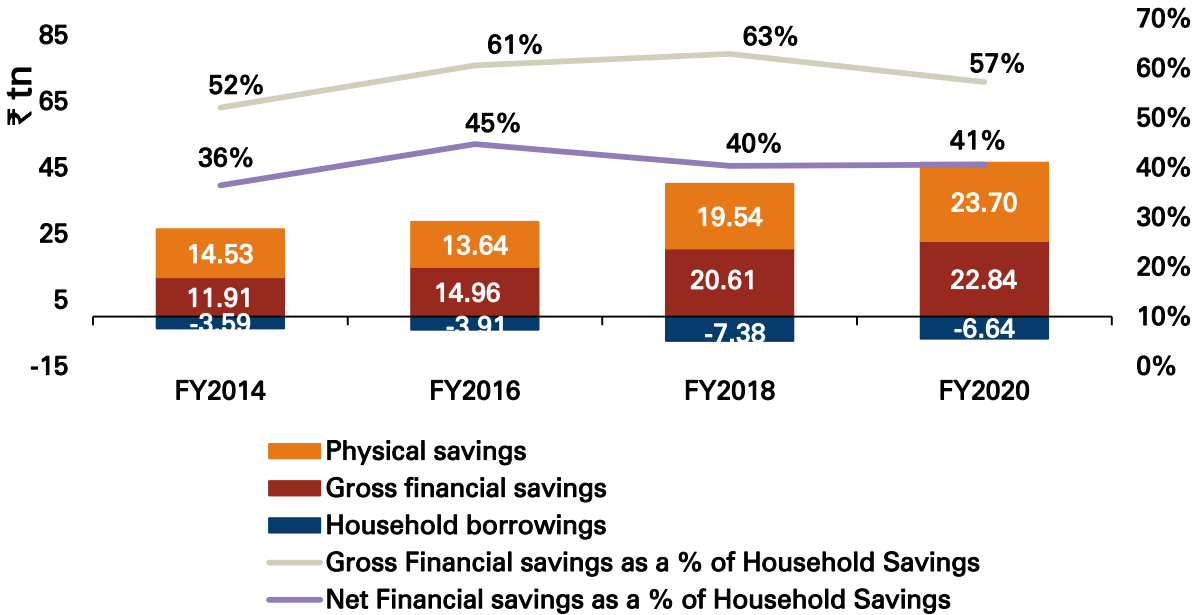
GDP per capita CAGR (FY2010-FY2021)



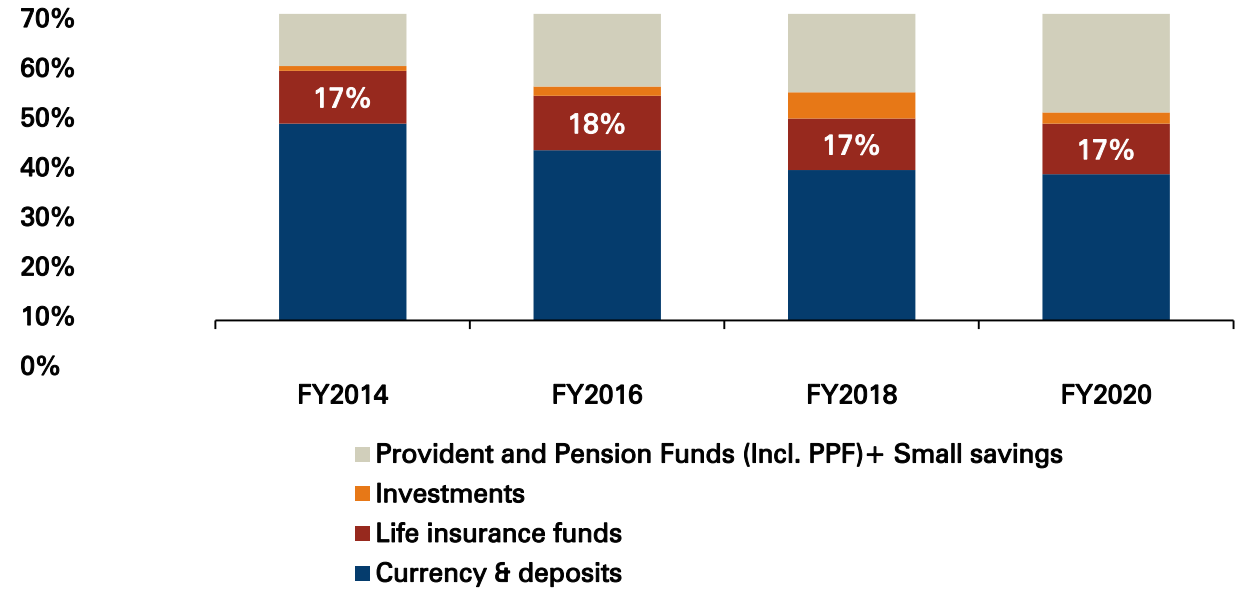
1. Source: UN population division
2. Source: WEO Update, April 2021
3. Source: The World Bank

# 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
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%

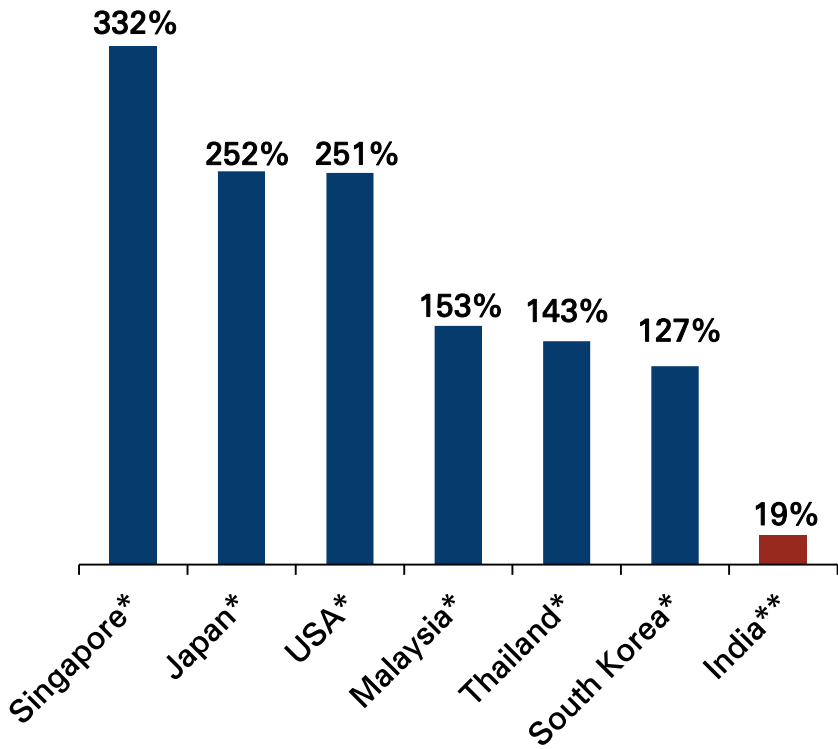


1. Source: RBI and CSO
2. Source: RBI
3. Total life insurance industry premium including renewal; Source: IRDAI



# Protection opportunity: Low penetration

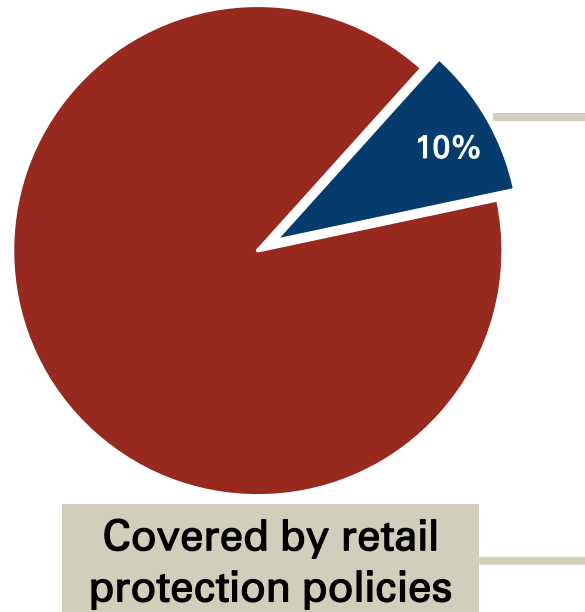
Sum Assured as a % of GDP<sup>1,2</sup>



\* Total sum assured

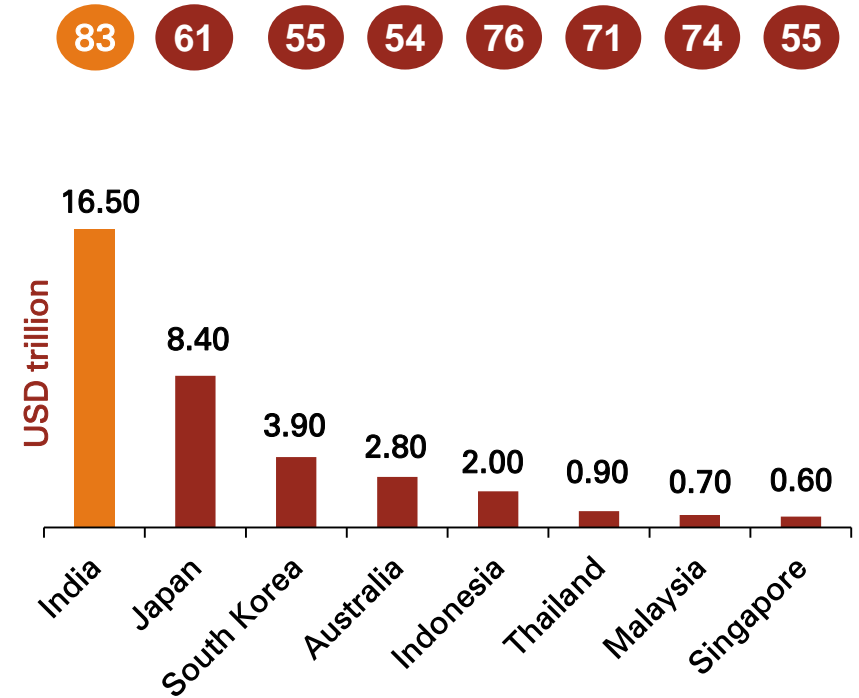
\*\* Retail protection sum assured (company estimates)

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



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

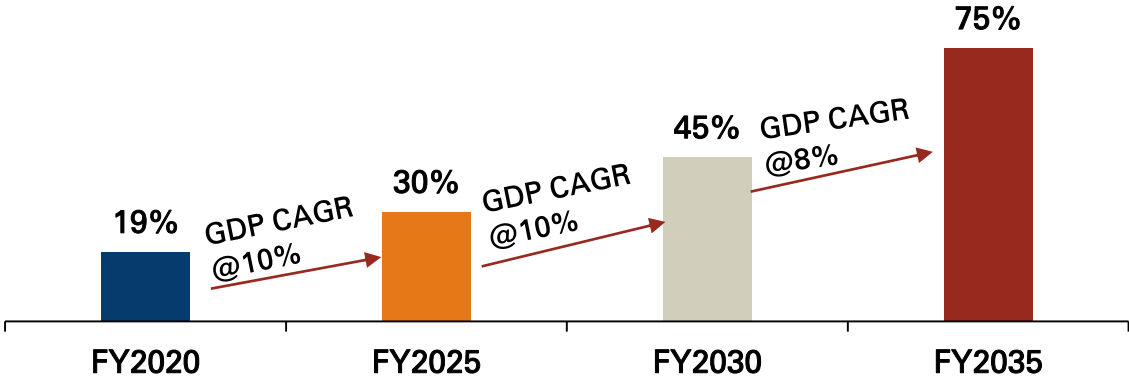
Protection gap(%)<sup>4,5</sup>



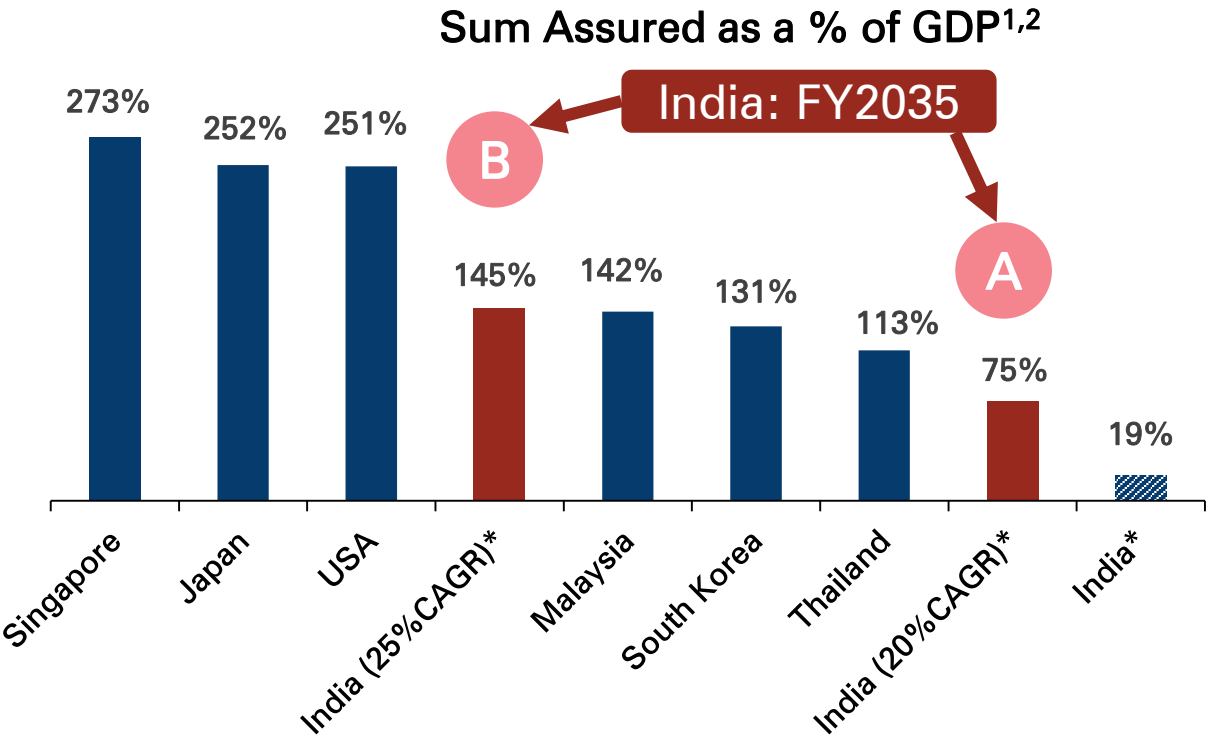
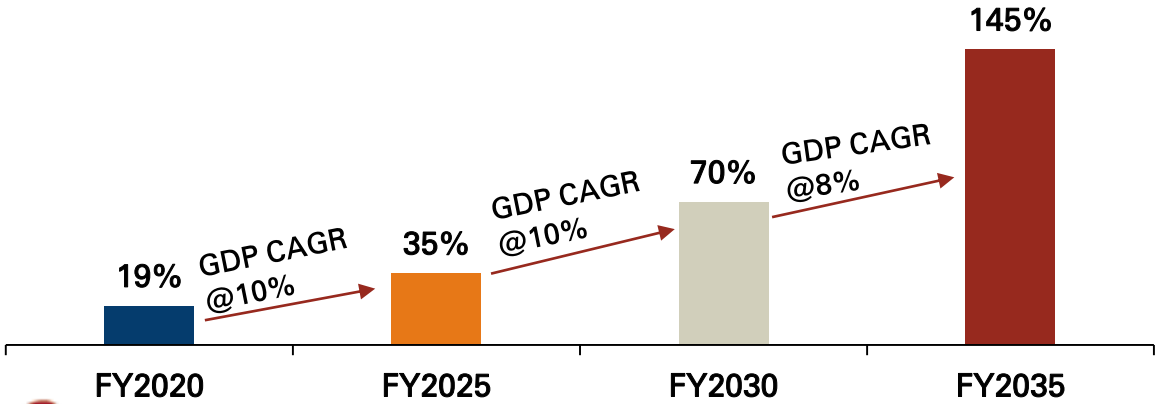
1. As of FY2020 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income > ₹ 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



\* For retail protection sum assured (company estimates)

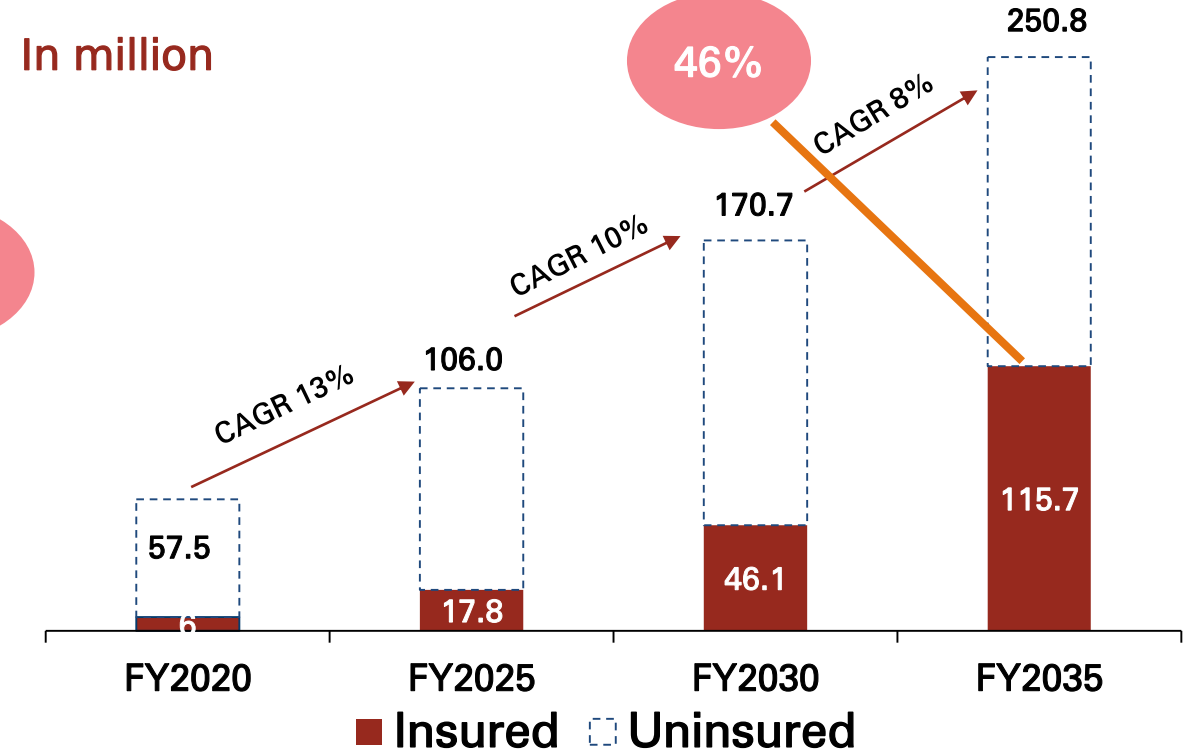
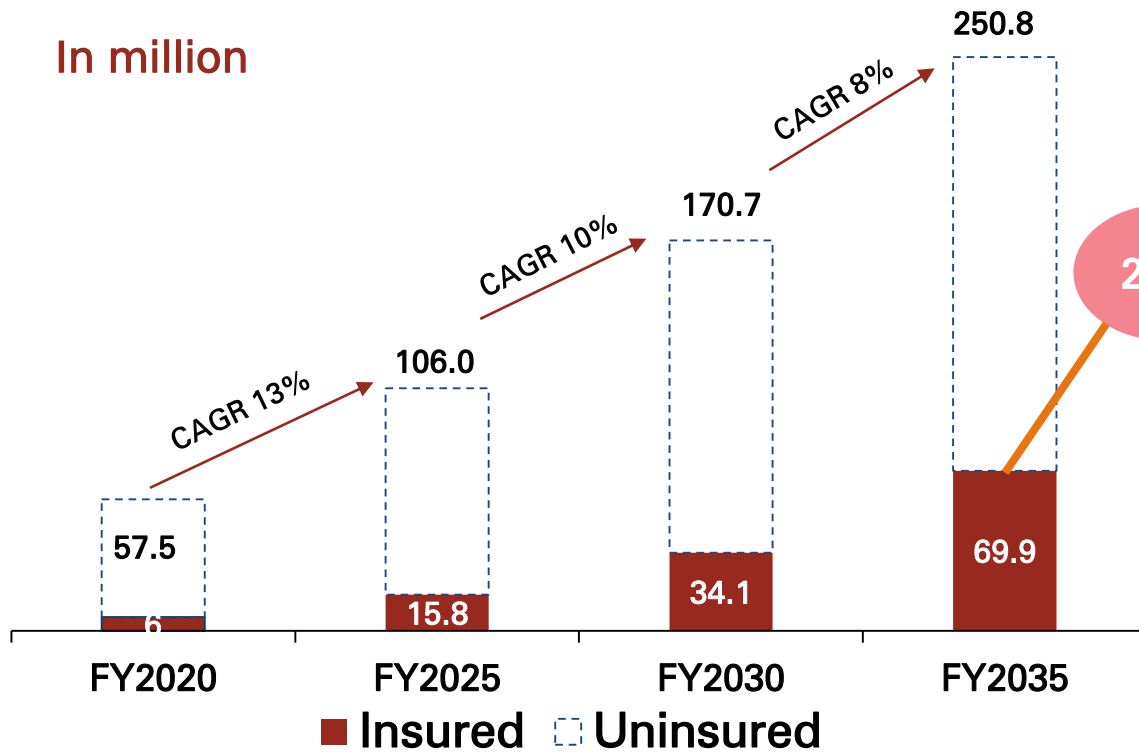


1. FY2020 GDP data for India (Source: National Statistics Office, protection sum assured source: company estimates)  
 2. As of FY2018 for US, Japan, South Korea. Others as of FY2017 (Source: McKinsey estimates)

# 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

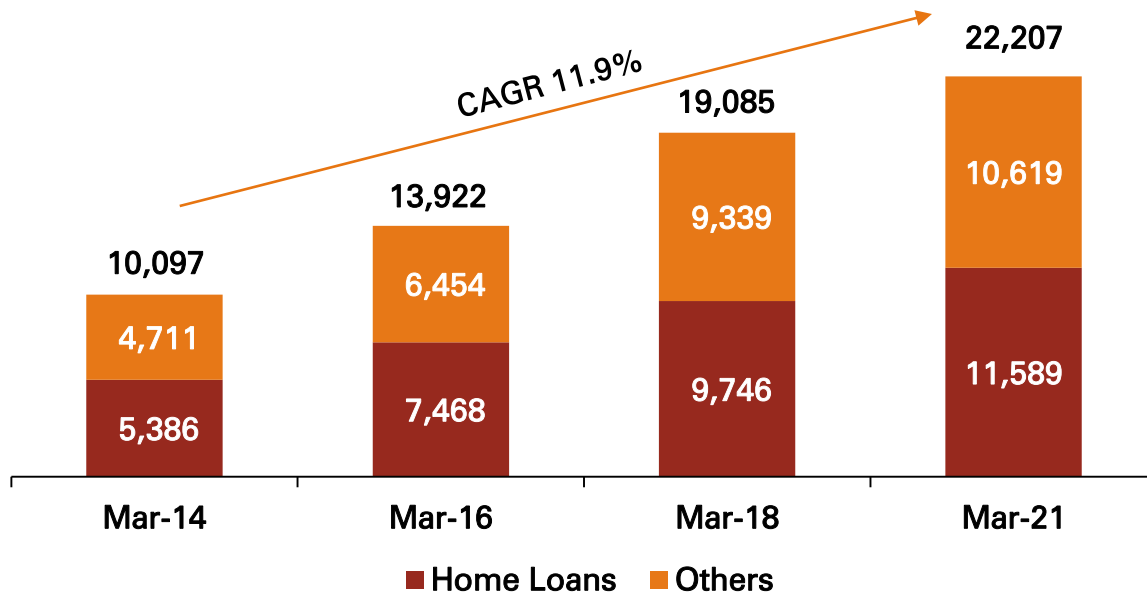


Even at accelerated policy growth rates, at best ~50% of India's addressable population can be expected to be covered in 15 years

# 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



1. Source: RBI

2. Source: General Insurance Council and company estimate  
Components may not add up to the totals due to rounding off

# Agenda

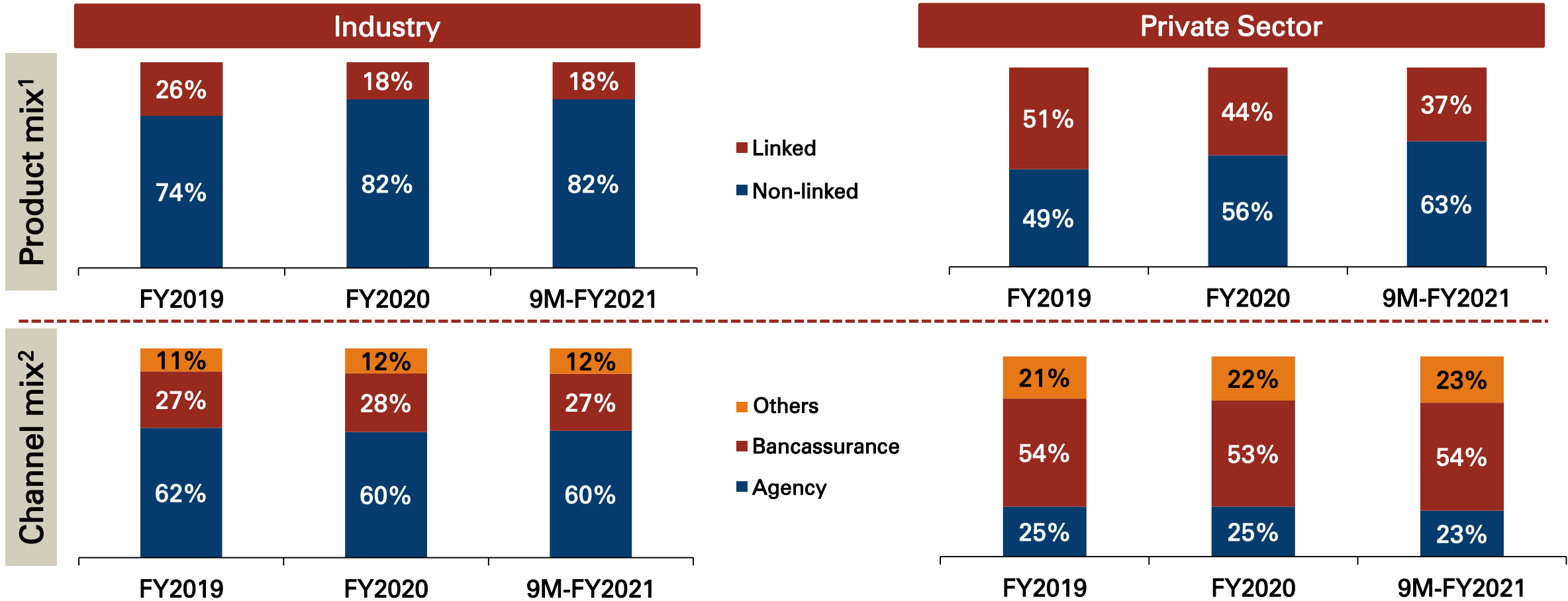
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2020
New business premium <sup>1</sup> (₹ bn)	116	21.5%	550	-5.8%	408	12.5%	735
Total premium (₹ bn)	501	3.2%	2,654	4.3%	3,281	11.6%	5,683
Penetration (as a % to GDP)	2.1%		4.1%		2.6%		2.8%
Assets under management (₹ bn)	2,304	24.0%	12,899	12.6%	23,361	10.1%	37,757
In-force sum assured <sup>2</sup> (₹ bn)	11,812*	15.5%	37,505	15.8%	78,091	17.3%	173,077
In-force sum assured (as % to GDP)	50.1%		57.9%		62.7%		85.1%

# 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

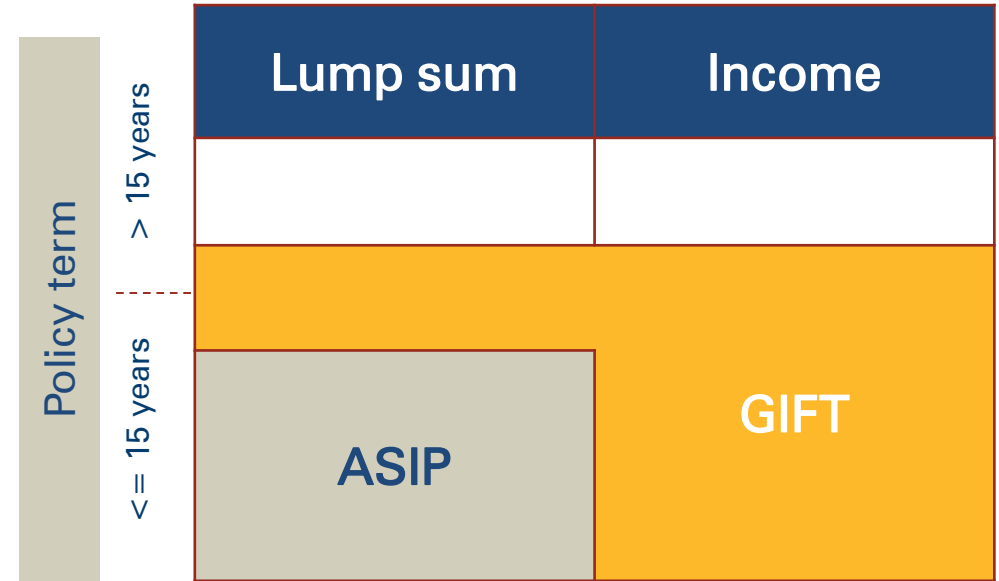
# Annexures



# 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



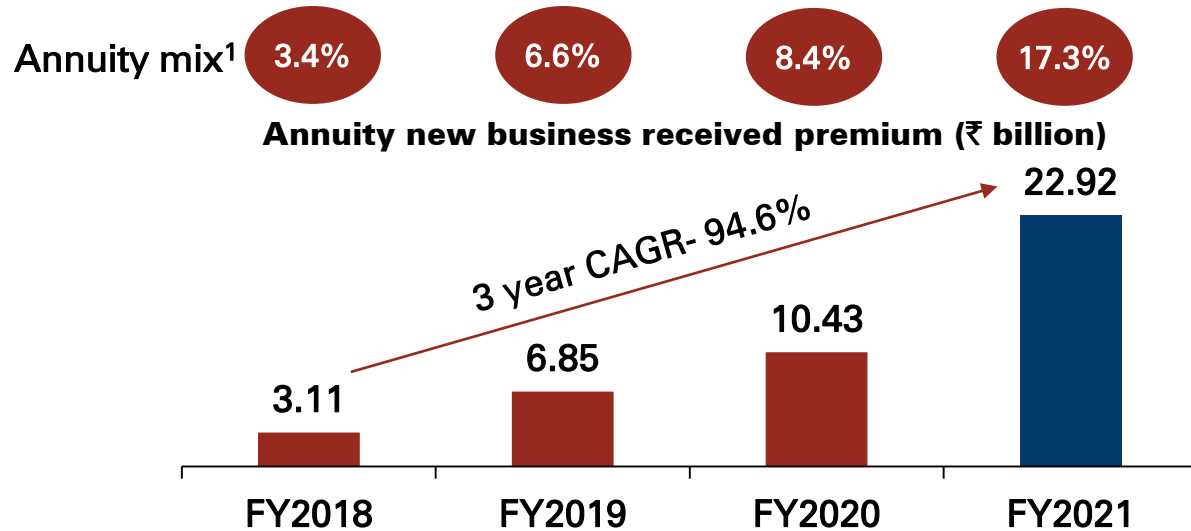
- Annuity (GPP): Average deferment period < 5 years

Review of pricing based on current interest rate environment

# Pension and Annuity

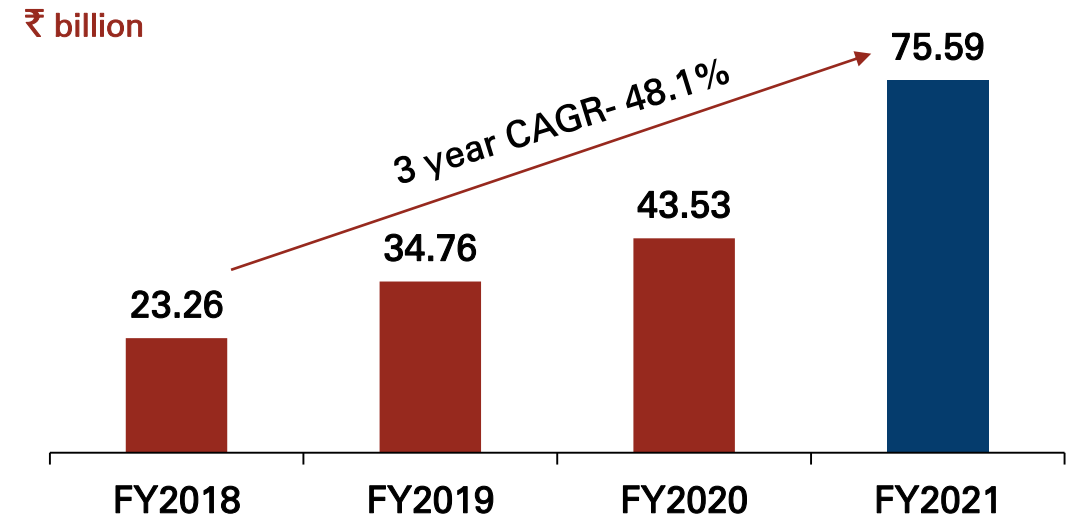
A comprehensive pension provider

## 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

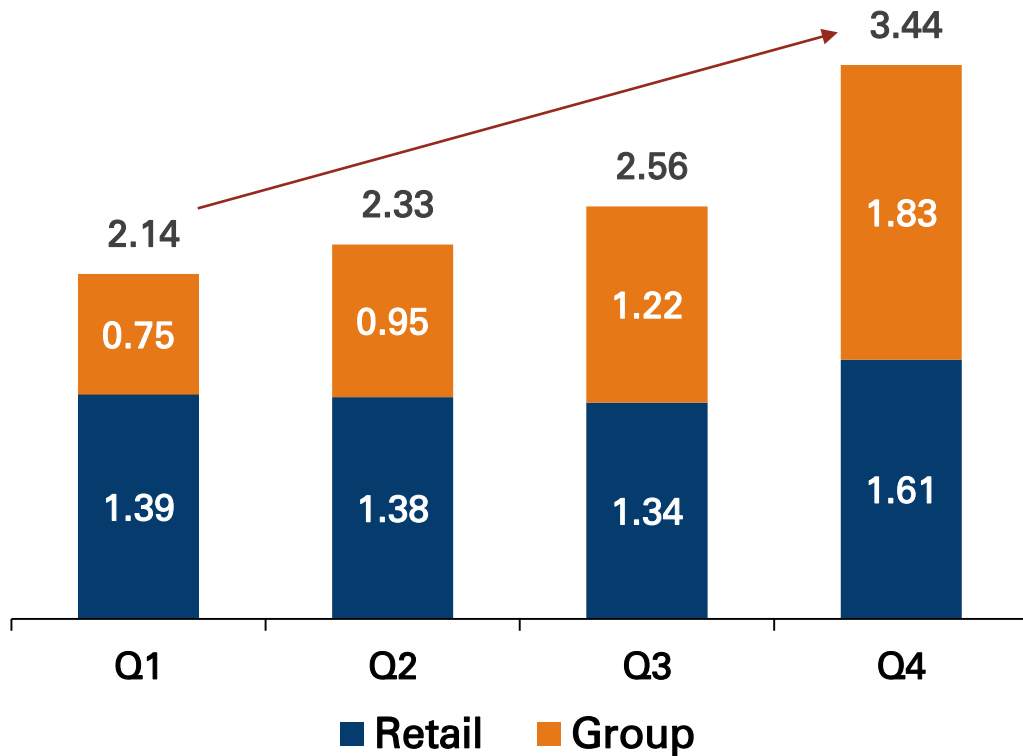


1. % of new business received premium as per financials

# Protection business

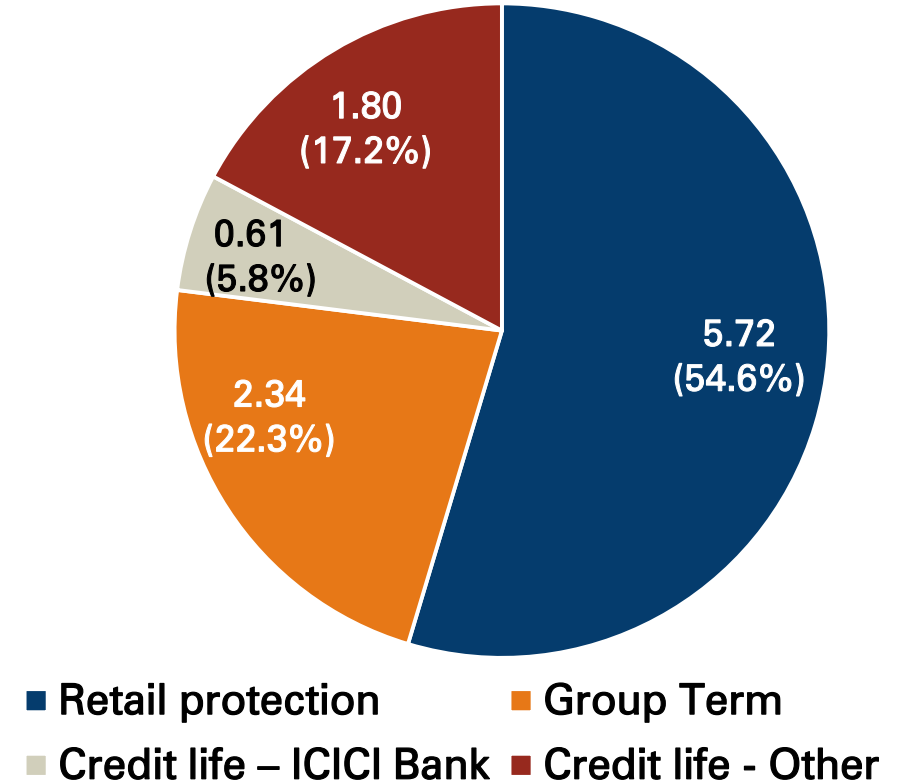
## Retail and Group Protection APE (FY2021)

₹ billion



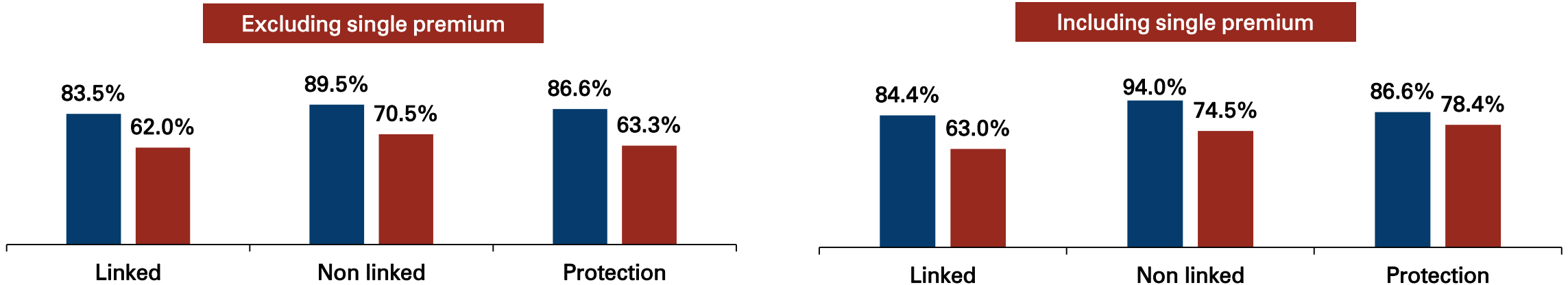
## Protection split based on APE\* (FY2021)

₹ billion

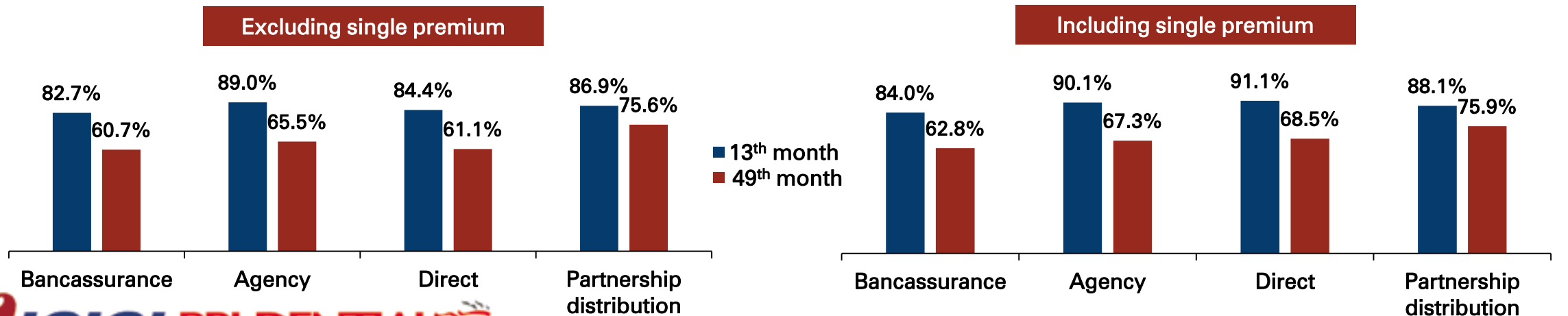


# Retail persistency

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



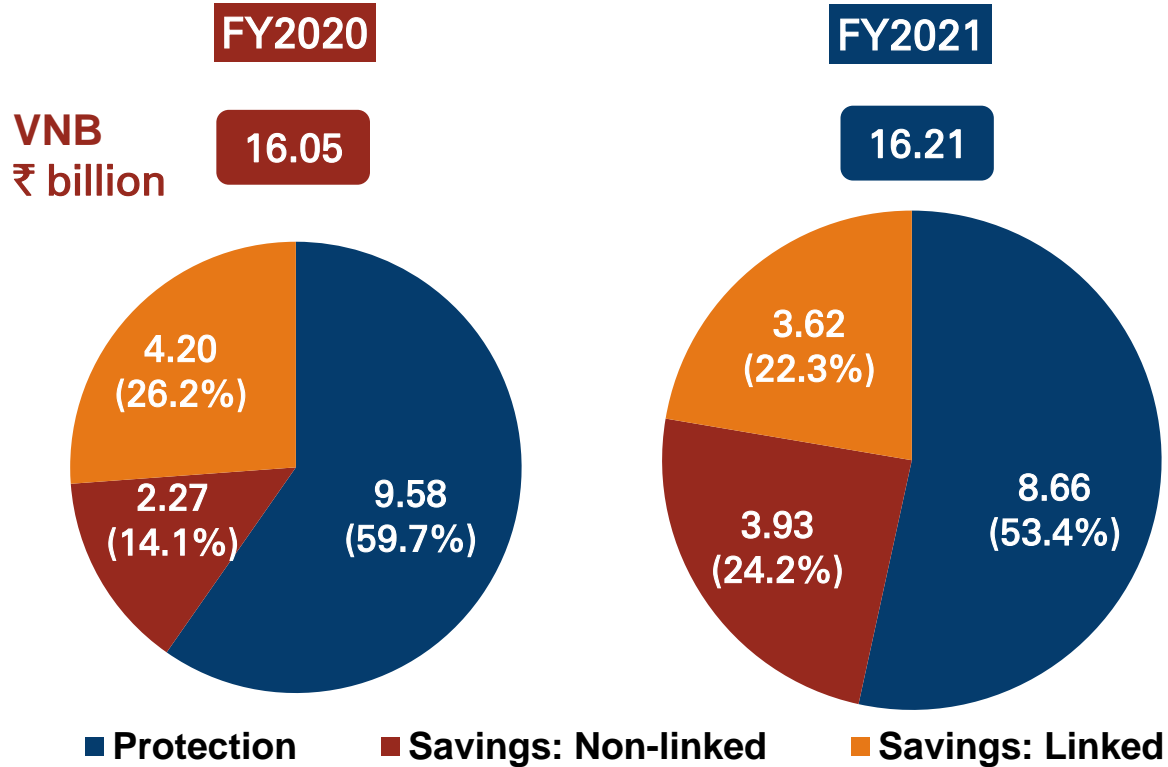
## Persistency<sup>1</sup> across channel categories



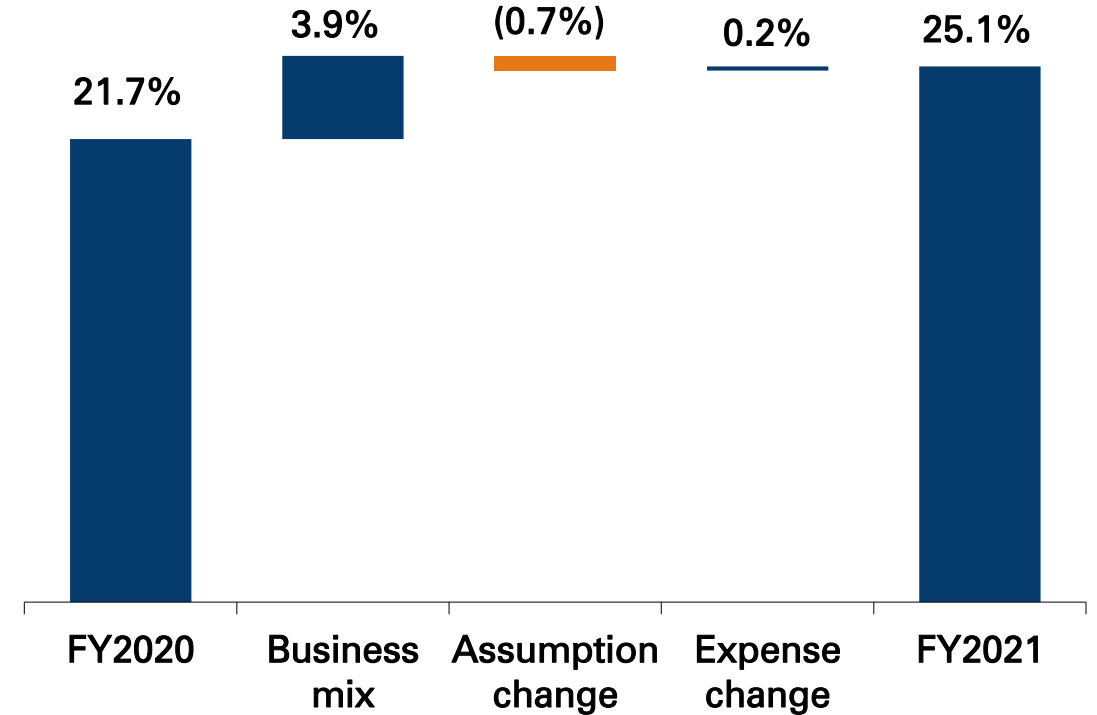
1. 11M-FY2021 persistency  
As per IRDA circular dated January 23,2014; excluding group

# Value of New Business (VNB)

## VNB contribution\*

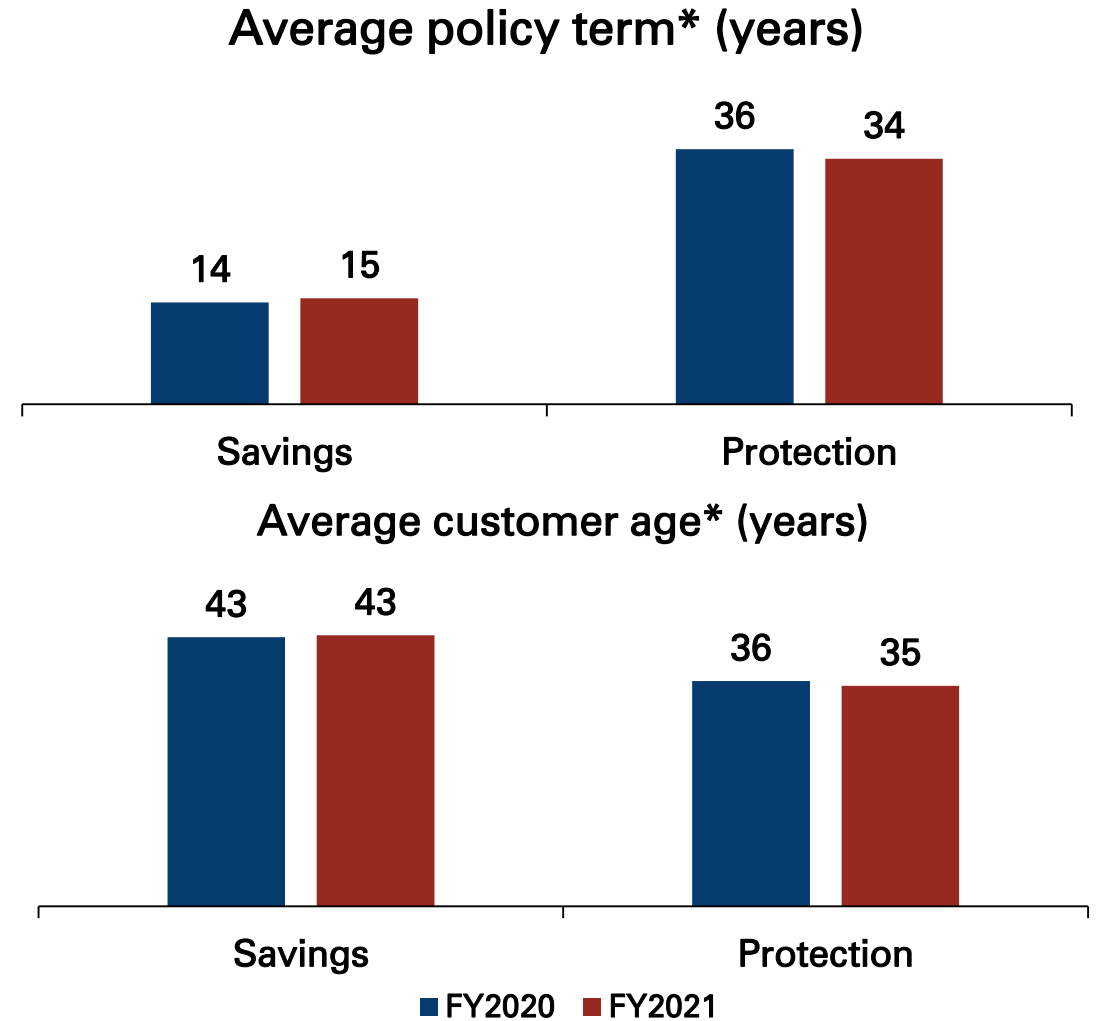


## VNB margin movement



# 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>

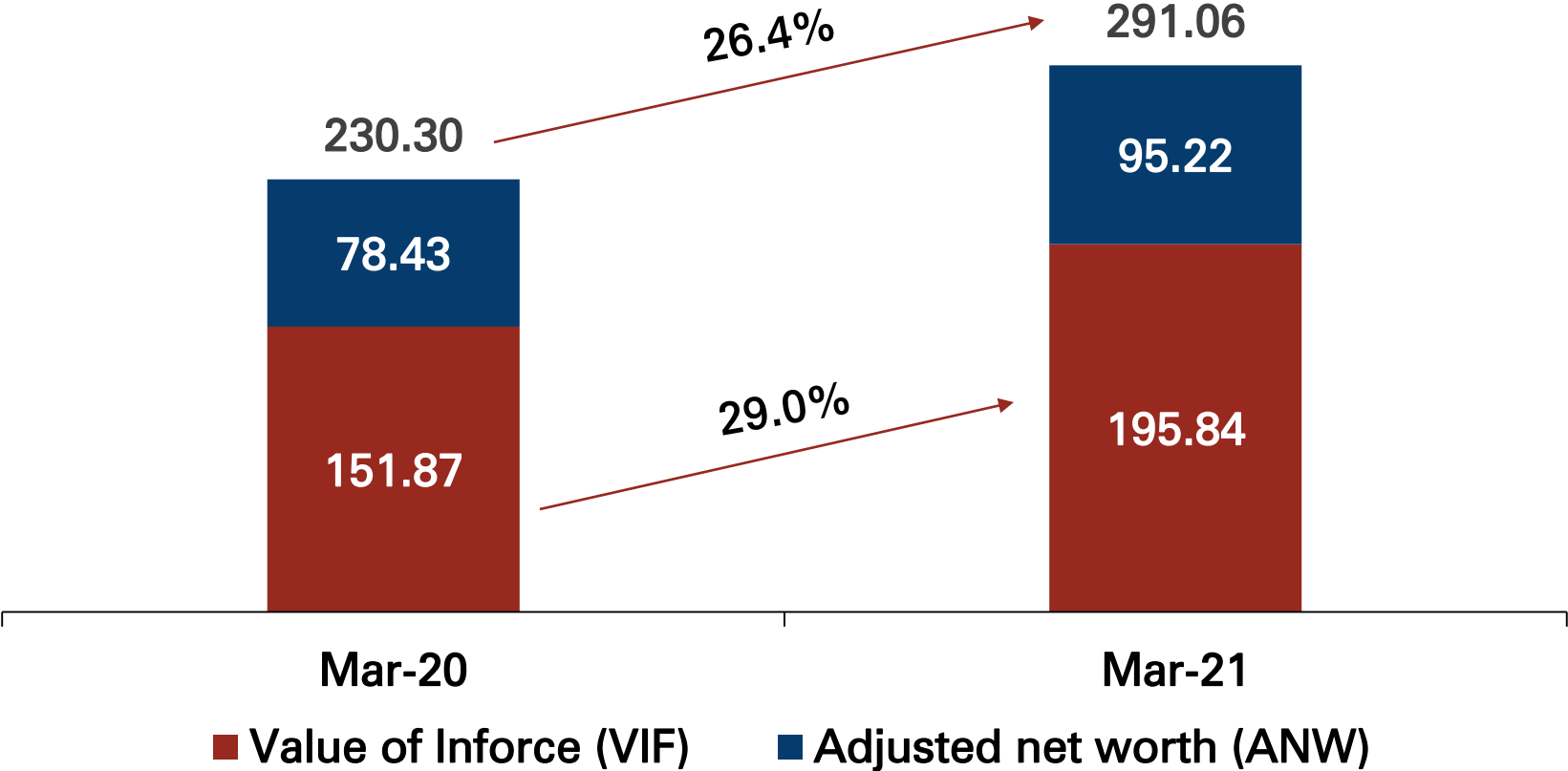
Product category	Channel category	FY2019	FY2020	FY2021
ULIP	Bancassurance	65.5%	68.2%	64.9%
	Agency	20.5%	16.3%	16.6%
	Direct	12.0%	13.0%	16.1%
	Partnership distribution	2.1%	2.5%	2.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	14.2%	10.8%	17.8%
	Agency	44.5%	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<sup>1</sup>

₹ billion



VIF grew by 29% to ₹ 195.84 billion and EV grew by 26% to ₹ 291.06 billion



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

# 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%

# 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)

# Economic assumptions underlying EV

Tenor (years)	References Rates	
	Mar 31, 2021	Jun 30, 2021
1	3.91%	3.94%
5	7.38%	7.50%
10	7.93%	8.05%
15	7.48%	7.78%
20	7.02%	7.50%
25	6.72%	7.32%
30	6.55%	7.22%

# 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**