

January 17, 2024

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**

This is further to our letter dated January 5, 2024, with reference to the earnings conference call to be hosted by the Company on Thursday, January 18, 2024, with investors and analysts at 8:30 a.m. IST.

Please find enclosed the business presentation for 'earnings conference call' to discuss the performance of the Company for 9M - FY2024.

The audio recording and transcript of the earnings conference call will be posted on the Company's website, within the prescribed regulatory timelines.

Please take the same on your record.

Thanking you,

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**

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

**Encl.: As above**



# Performance update: 9M-FY2024

January 17, 2024

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview



# Agenda

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



# Key strategic elements

4D framework enabling our 4P strategy



4P strategy

Customer centricity continues to be at the core



Integrating ESG with business management



VNB: Value of New Business  
ESG: Environmental, Social & Governance

# 4D framework

## Data analytics

- Deeper understanding of customer lifestyle & income segments
- Identify opportunities across diverse customer segments & geographies
- Extensive use of analytics to support risk-based decision making

## Diversified propositions

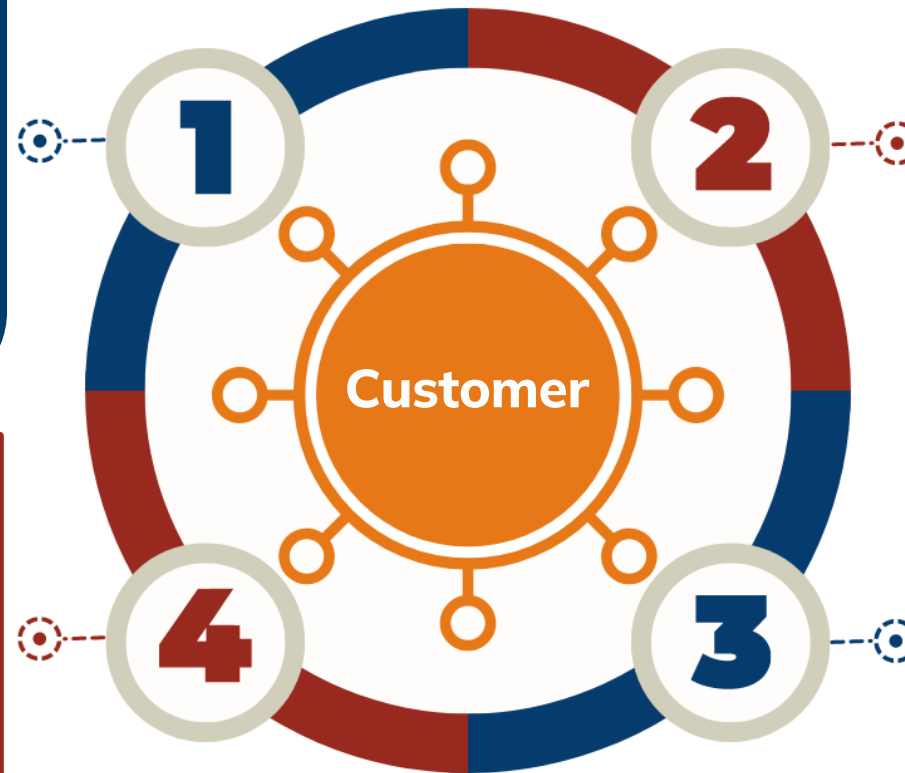
- Offer suitable customer proposition through appropriate distribution
- Provide holistic solution across customer life stages through innovative products

## Depth in Partnerships

- Deep mining of partner specific customer opportunities
- Focus on quality metrics to enhance customer proposition
- Building capabilities & integrating with partner ecosystem

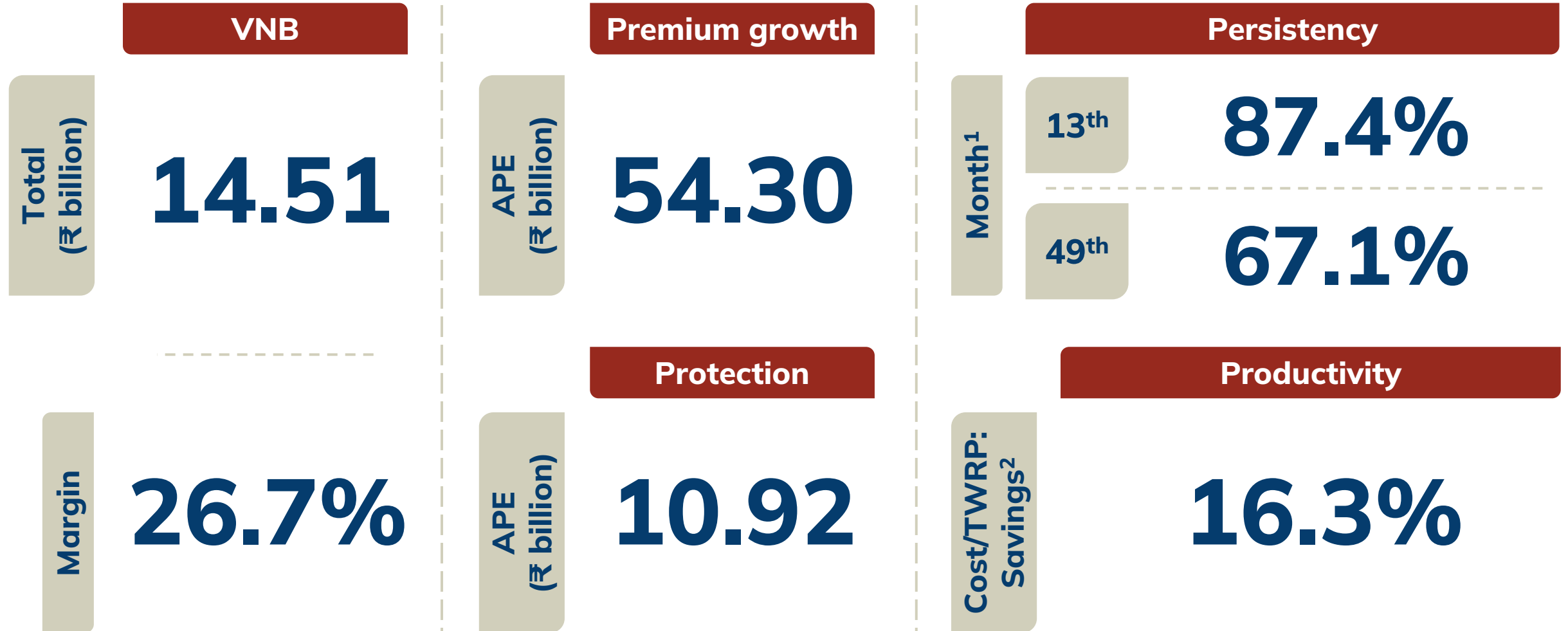
## Digitalisation

- Offer simplified & hassle-free experience across customer life cycle using digital ecosystem
- Leverage digital tools to strengthen distribution capabilities
- Empower partners with customer centric digital support



Risk calibrated growth with focus on quality

# Performance snapshot: 9M-FY2024



# Customer focused & most partnerable Company

**Best claim settlement ratio** among private insurers for Q1-FY2024 & Q2-FY2024

**Enhanced customer proposition:** Complete suite of products available for varied customer needs

**Simplified customer onboarding:** ~80% of policies issued using digital KYC<sup>1</sup> in Q3-FY2024

**Consistent improvement in customer experience:** 13M Persistency<sup>2</sup> @ 87.4%

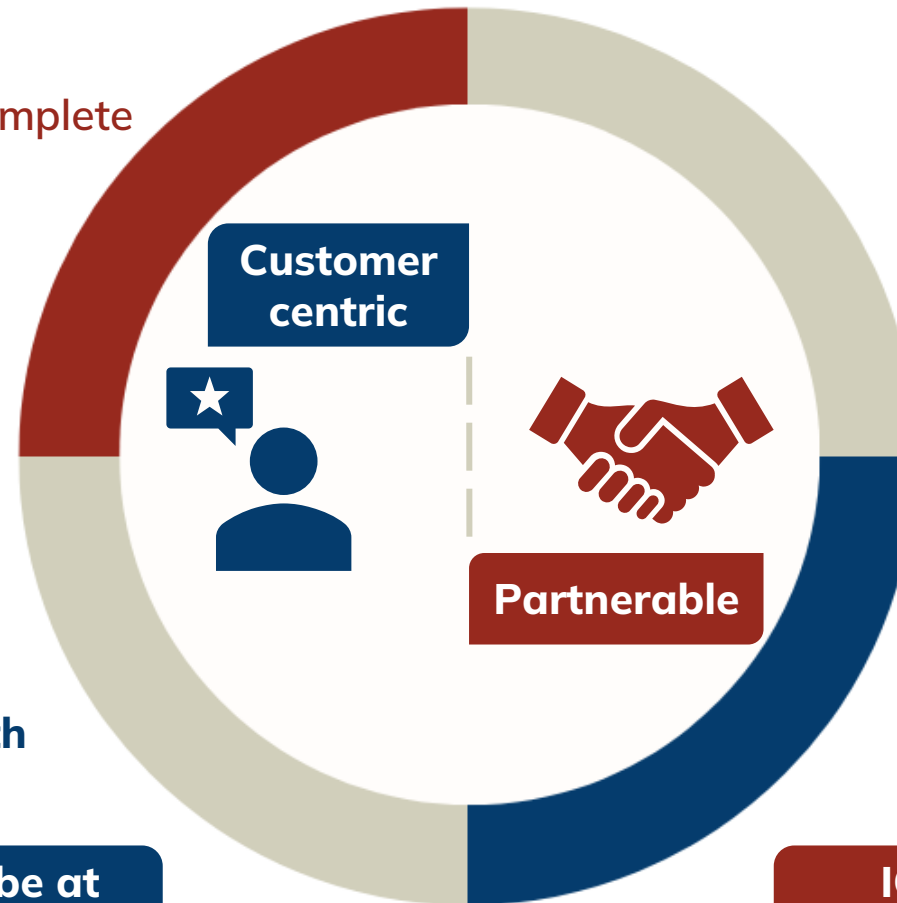
**Strong & resilient balance sheet with zero NPA** since inception

**Seamless process:** ~40% of savings policies issued on same day in Q3-FY2024

**Same day commission:** Available for select advisors

**Simplified partner integration:** New distribution partner onboarded in <2 weeks

**Data analytics driven risk management:** ~70%\* reduction in cases with higher propensity for fraud & early claims



**Customer centricity continues to be at the core**

**ICICI Pru Stack: Array of platform capabilities for our partners**



<sup>1</sup>Includes Aadhar, CKYC & Banker's confirmation; <sup>2</sup>Regular & Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; \*For savings policies in the period October 2023 to November 2023; NPA: Non Performing Assets



# 4P strategic elements

4D framework enabling our 4P strategy



VNB: Value of New Business  
ESG: Environmental, Social & Governance

## 4P strategy

**Customer centricity continues to be at the core**



**Integrating ESG with business management**

# 4P: Premium growth

# Premium growth (1/2)

## Premium growth

- Build capacity & enhance efficiency in proprietary channels
- Focus on new partnership additions & increase share of shop in existing
- Focus to grow annuity line of business

Channels		Q3- FY2024	Growth	9M- FY2024	Growth		Q3- FY2024	9M- FY2024
Agency	APE (₹ billion)	5.78	12.0%	14.76	7.1%	Mix	30.3%	27.2%
Direct		2.95	12.6%	8.03	18.8%		15.4%	14.8%
Bancassurance		5.12	2.4%	15.13	(6.9%)		26.8%	27.9%
Partnership distribution		2.10	(1.9%)	6.86	11.2%		11.0%	12.6%
Group		3.13	(4.6%)	9.52	(8.8%)		16.4%	17.5%
<b>Total APE</b>		<b>19.07</b>	<b>4.7%</b>	<b>54.30</b>	<b>1.7%</b>		<b>100.0%</b>	<b>100.0%</b>

**RWRP growth of ~10% y-o-y in Q3-FY2024**



APE: Annualised Premium Equivalent  
 RWRP: Retail Weighted Received Premium  
 Y-o-Y: Year-on-year  
 Total may not add up due to rounding off

# Premium growth (2/2)

## Premium growth

- Build capacity & enhance efficiency in proprietary channels
- Focus on new partnership additions & increase share of shop in existing
- Focus to grow annuity line of business

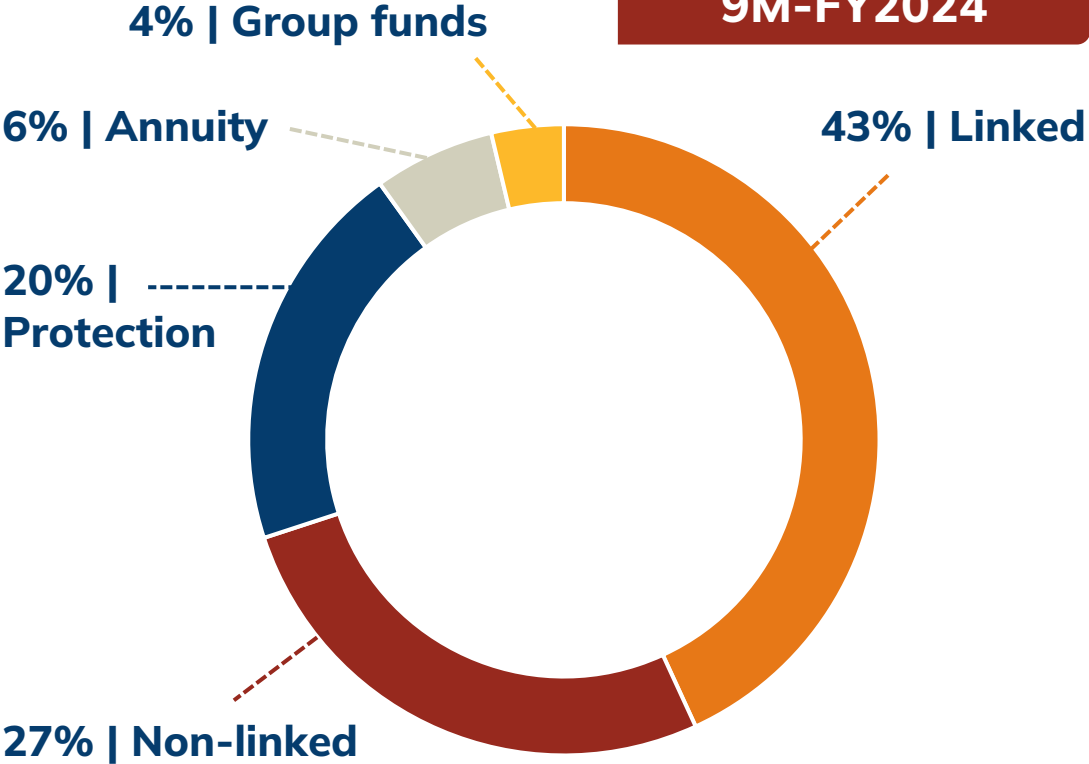
Segments		Q3- FY2024	Growth	9M- FY2024	Growth		Q3- FY2024	9M- FY2024
Savings	APE (₹ billion)	15.49	4.6%	43.39	1.1%	Mix	81.2%	79.9%
Linked		8.46	8.9%	23.40	5.7%		44.4%	43.1%
Non-linked		5.22	(1.3%)	14.58	(4.5%)		27.3%	26.8%
Annuity		1.22	17.3%	3.39	0.6%		6.4%	6.2%
Group funds		0.60	(15.5%)	2.03	(5.1%)		3.1%	3.7%
Protection		3.58	5.3%	10.92	4.0%		18.8%	20.1%
Retail protection		1.05	26.5%	3.43	55.9%		5.5%	6.3%
<b>Total APE</b>		<b>19.07</b>	<b>4.7%</b>	<b>54.30</b>	<b>1.7%</b>		<b>100.0%</b>	<b>100.0%</b>

**Strong growth in annuity & retail protection in Q3-FY2024**

# Premium growth: Product & Distribution

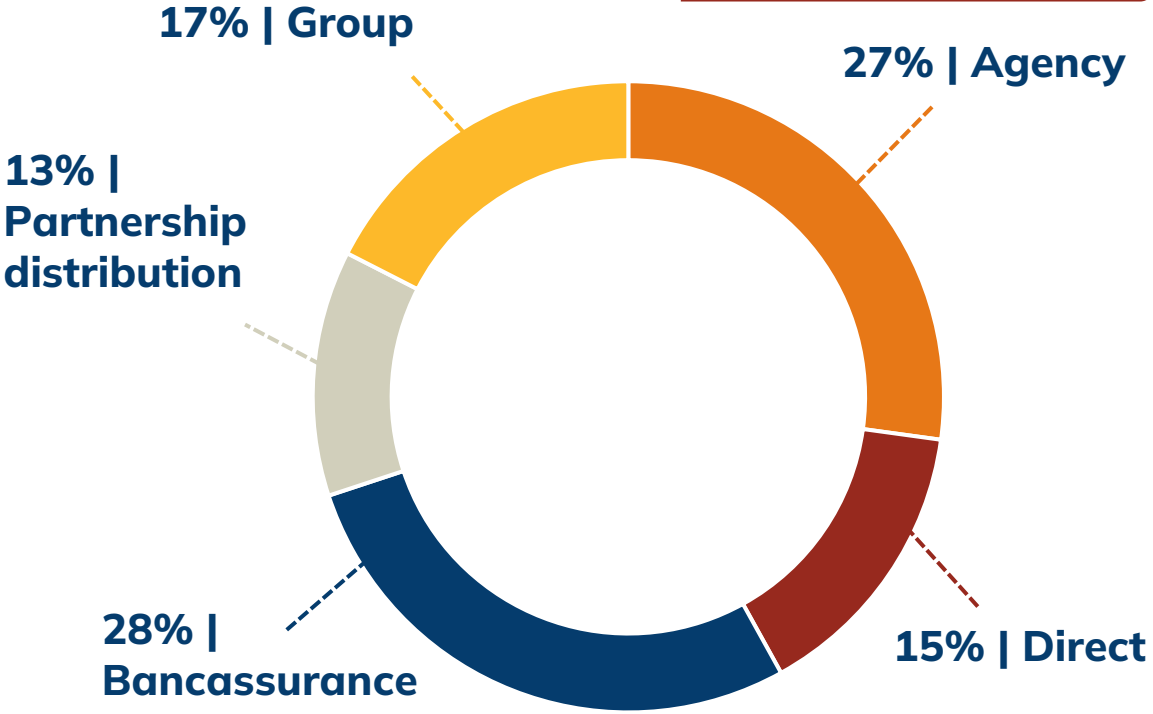
## Product mix

9M-FY2024



## Distribution mix

9M-FY2024



**Well diversified product & distribution mix**



Based on Annualised Premium Equivalent

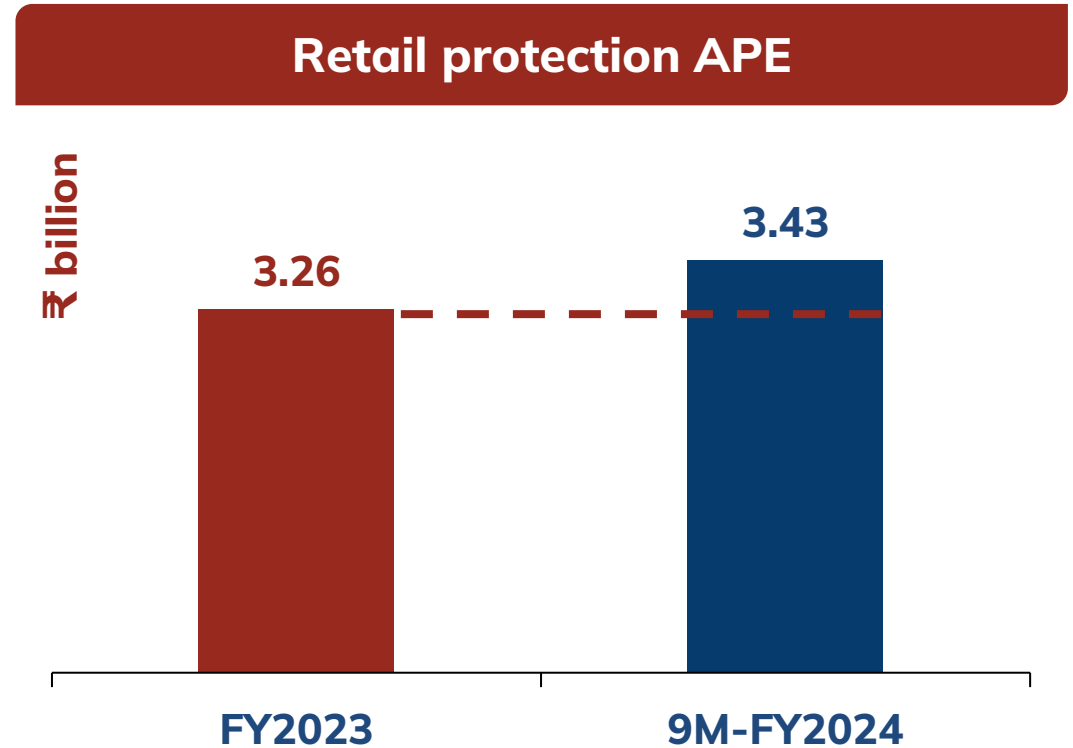
# 4P: Protection

# Protection growth

## Protection focus

- Focus on retail protection growth
- Increase protection with rider attachment
- Focus on opportunities in group protection

(₹ billion)	9M-FY2023	9M-FY2024
Protection APE <sup>1</sup>	10.50	10.92
Retail protection APE	2.20	3.43
Protection mix <sup>2</sup>	19.7%	20.1%
Sum assured	6,921.93	7,228.49



## Continued strong growth in retail protection



<sup>1</sup>Includes term with return of premium; FY2023: ₹ 0.74 bn, 9M-FY2024: ₹ 0.63 bn

<sup>2</sup>As % of total APE (retail & group combined)

APE: Annualised Premium Equivalent

Sum assured based on overall new business

# 4P: Persistency



# Persistency improvement

## Persistency

Continue to focus on improving persistency across all cohorts

Month		8M- FY2023	FY2023	8M- FY2024		8M- FY2023	FY2023	8M- FY2024
13 <sup>th</sup> Month	Regular & Limited pay	86.1%	85.4%	87.4% ↑	Fully paid & Single premium	100.0%	99.9%	99.8%
25 <sup>th</sup> Month		77.1%	77.1%	79.6% ↑		99.9%	99.7%	99.6%
37 <sup>th</sup> Month		70.0%	71.5%	71.5% ↑		100.0%	100.0%	99.4%
49 <sup>th</sup> Month		63.9%	63.9%	67.1% ↑		97.1%	98.4%	99.7%
61 <sup>st</sup> Month		64.2%	65.8%	64.9% ↑		99.0%	98.5%	98.3%

Consistent improvement in persistency ratios across cohorts

# 4P: Productivity

# Productivity improvement

Productivity

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

(₹ billion)

9M-  
FY2023

FY2023

9M-  
FY2024

Y-o-Y  
Growth

Total expenses

41.44

64.75

53.16

28.3%

Cost/TWRP<sup>1</sup>

20.8%

21.5%

25.3%

-

Cost/TWRP<sup>1</sup> (savings LOB)

13.9%

14.2%

16.3%

-

Cost structure realigned post regulatory changes;  
Capacity creation to support future growth



<sup>1</sup>Total Cost including commission/ TWRP  
TWRP: Total weighted received premium (Total premium – 90% of single premium)  
LOB: Line of business; Y-o-Y: Year-on-year

# Resilient balance sheet

## Insurance risks

- Emerging mortality experience within expectation
- Persistency experience monitored regularly & witnessed improvement across all cohorts

## Strong solvency ratio

- Solvency ratio of 196.5% at December 31, 2023
- Ability to raise additional sub debt

## High quality assets<sup>1</sup>

- 96.4% of fixed income in sovereign or AAA; 0.4% of fixed income below AA
- Zero NPA since inception

## Liability profile

- 73.9% of liabilities largely pass on market performance to customers
- Non-par guaranteed savings & annuities: Derivatives to hedge interest rate risks

# VNB growth levers update (4P)

		(₹ billion)	9M-FY2023	FY2023	9M-FY2024	
VNB	Value of New Business (VNB)		17.10	27.65	14.51	
	VNB margin		32.0%	32.0%	26.7%	
		(₹ billion)	9M-FY2023	FY2023	9M-FY2024	
4P	Premium growth (APE)		53.41	86.40	54.30	
	Protection growth (APE)		10.50	15.04	10.92	
	Persistency	13th month <sup>1</sup>		86.1%	85.4%	87.4%
		49th month <sup>1</sup>		63.9%	63.9%	67.1%
	Productivity (Cost/TWRP: Savings) <sup>2</sup>		13.9%	14.2%	16.3%	

# Financial metrics

(₹ billion)

9M-FY2023

FY2023

9M-FY2024

Profit after Tax

5.76

8.11

6.79

Solvency ratio<sup>1</sup>

212.2%

208.9%

196.5%

AUM<sup>1</sup>

2,518.84

2,511.91

2,866.76

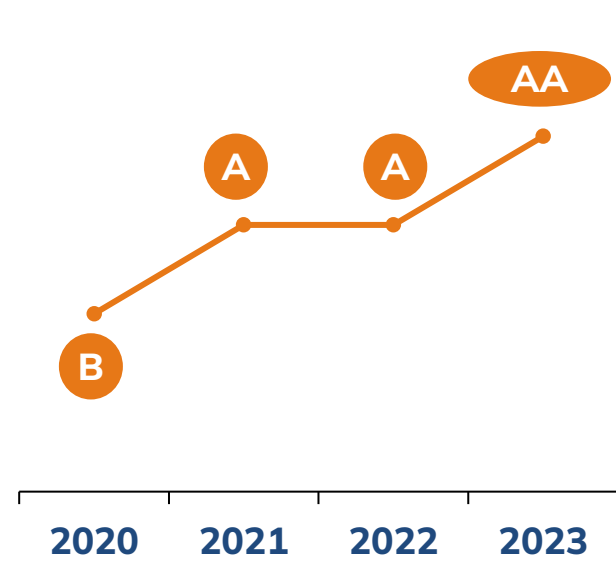
**Solvency ratio continues to be strong**

# Environmental, Social & Governance (ESG)

# ESG Update & Framework



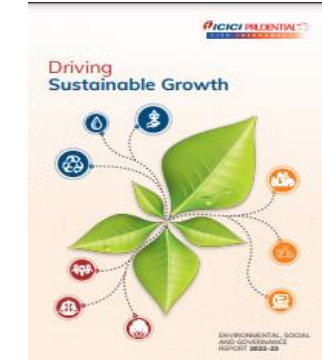
## ESG rating by MSCI



## Disclosure under IR<sup>1</sup> framework FY2023



Integrated annual report since FY2020



ESG report since FY2020



BRSR<sup>2</sup> as per SEBI since FY2022

- Highest rated Indian insurer as per two of the leading ESG rating agencies
- Conferred the 'Best Sustainability Report' & 'Best Overall Sustainable Performance' awards from 'World Sustainability' and 'Transformance Forums'
- Decarbonization plan formulated for scope 1 and 2 emissions
- Gender diversity stable at 29% for Company in 9M-FY2024

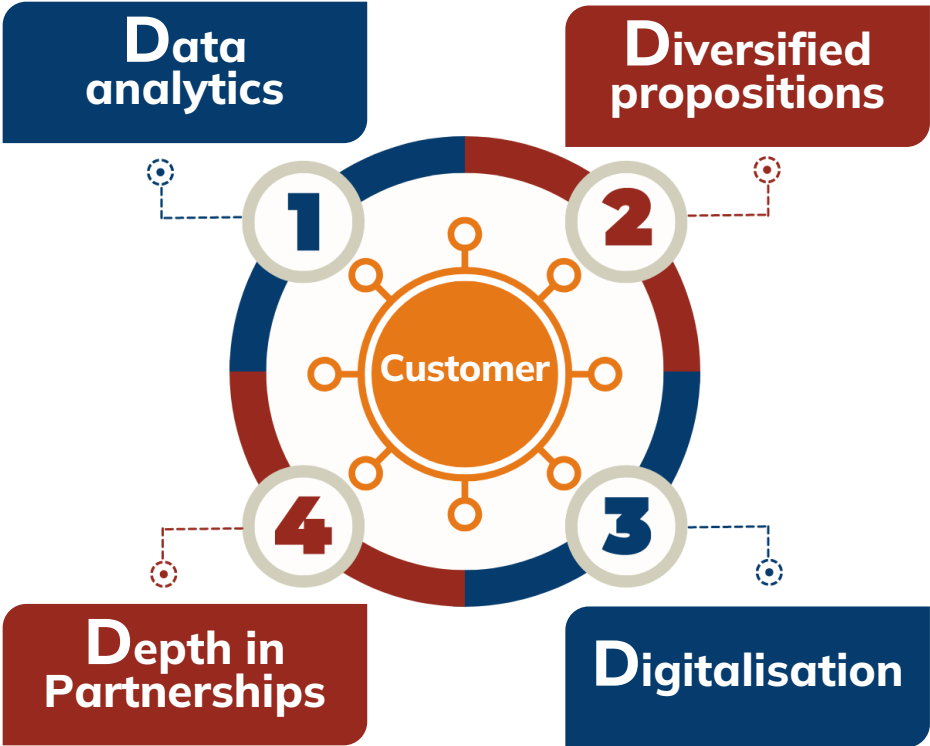


<sup>1</sup> Integrated reporting  
<sup>2</sup> Business Responsibility and Sustainability Report



# 4D framework

4D framework enabling our 4P strategy



Risk calibrated growth with focus on quality



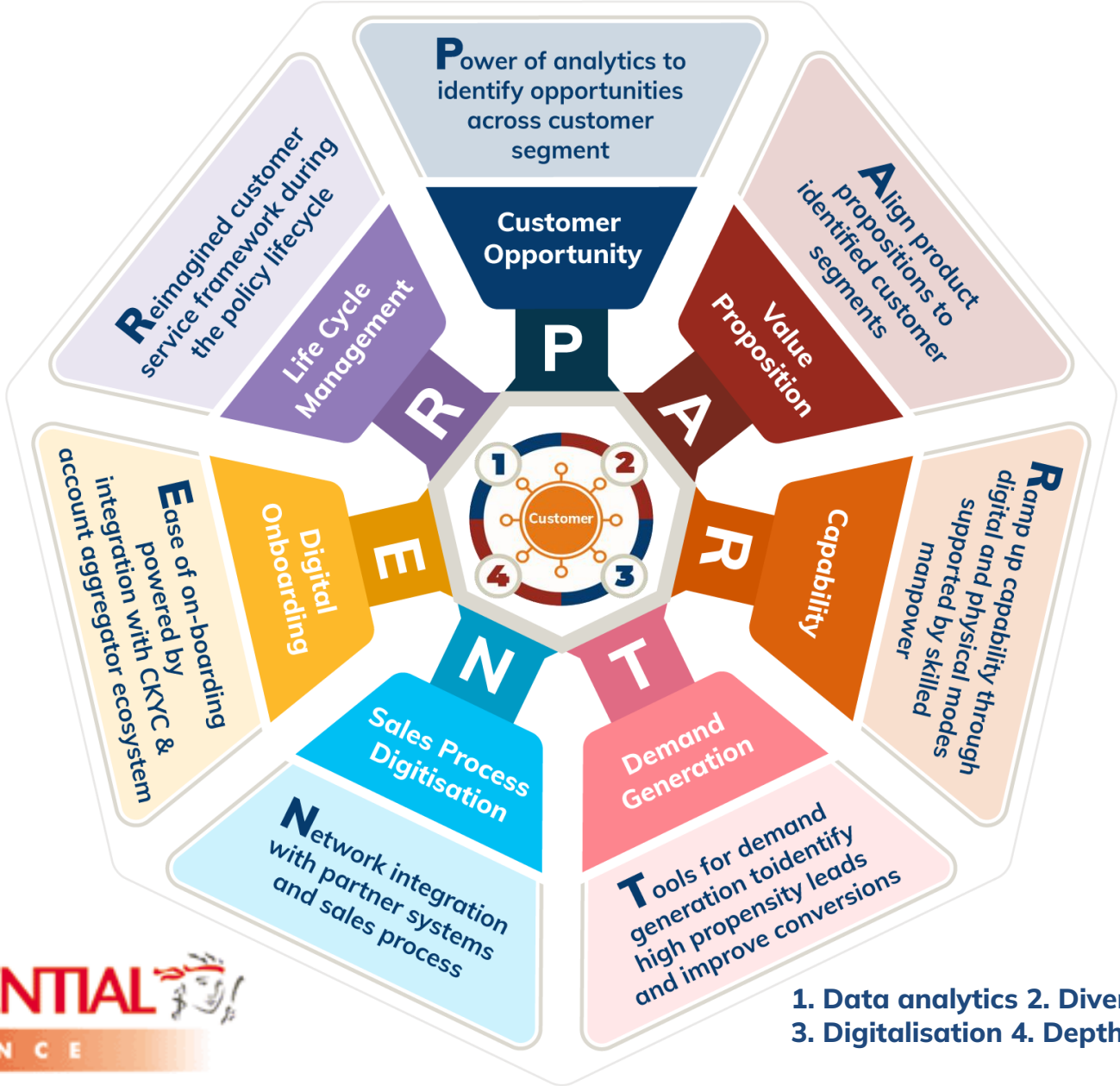
4P strategy

Customer centricity continues to be at the core



Integrating ESG with business management

# ICICI Pru Stack: Suite of platform capabilities



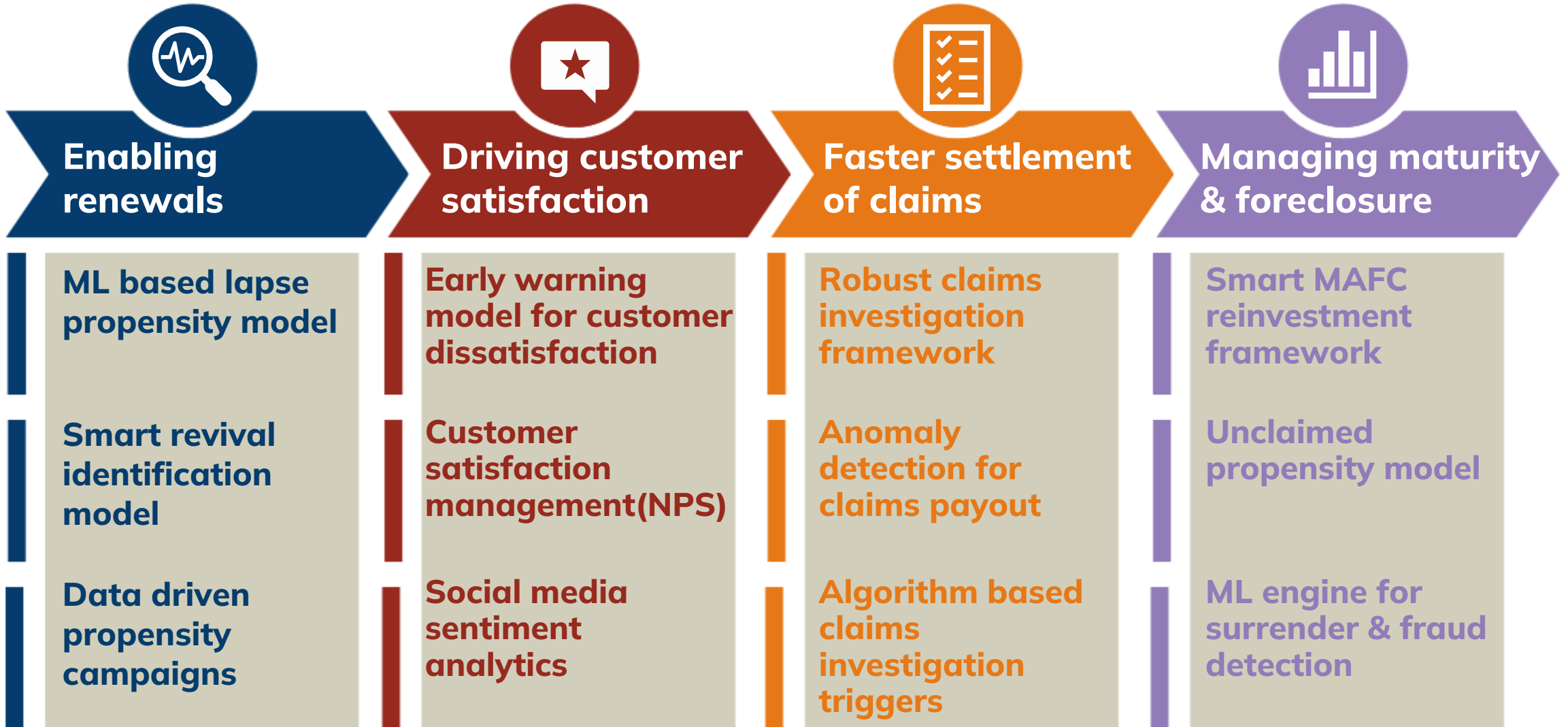
Array of platform capabilities to help us deliver superior value propositions to our customers, in collaboration with our partners

# 4D: Data analytics

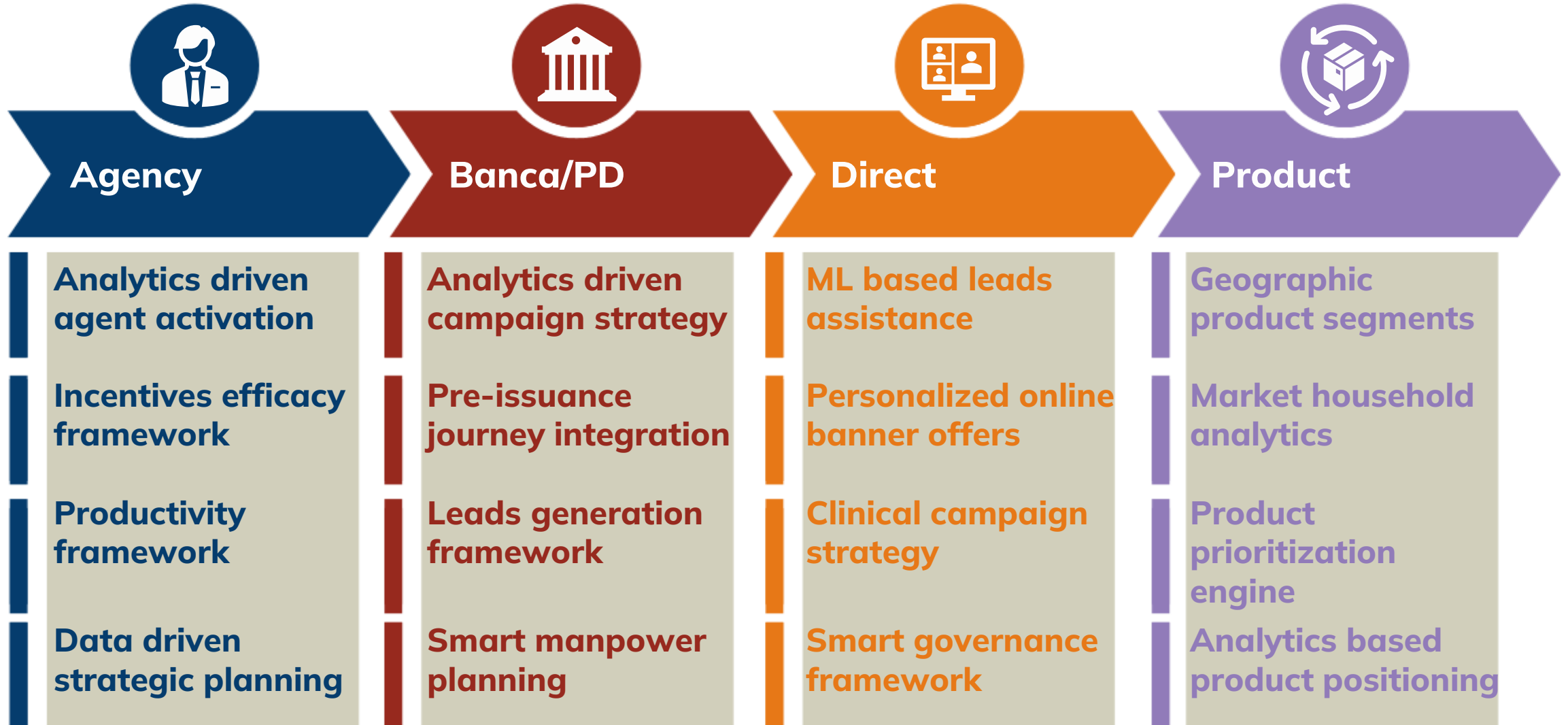
# Customer centric analytics powering New Business



# Customer centric analytics powering Operations



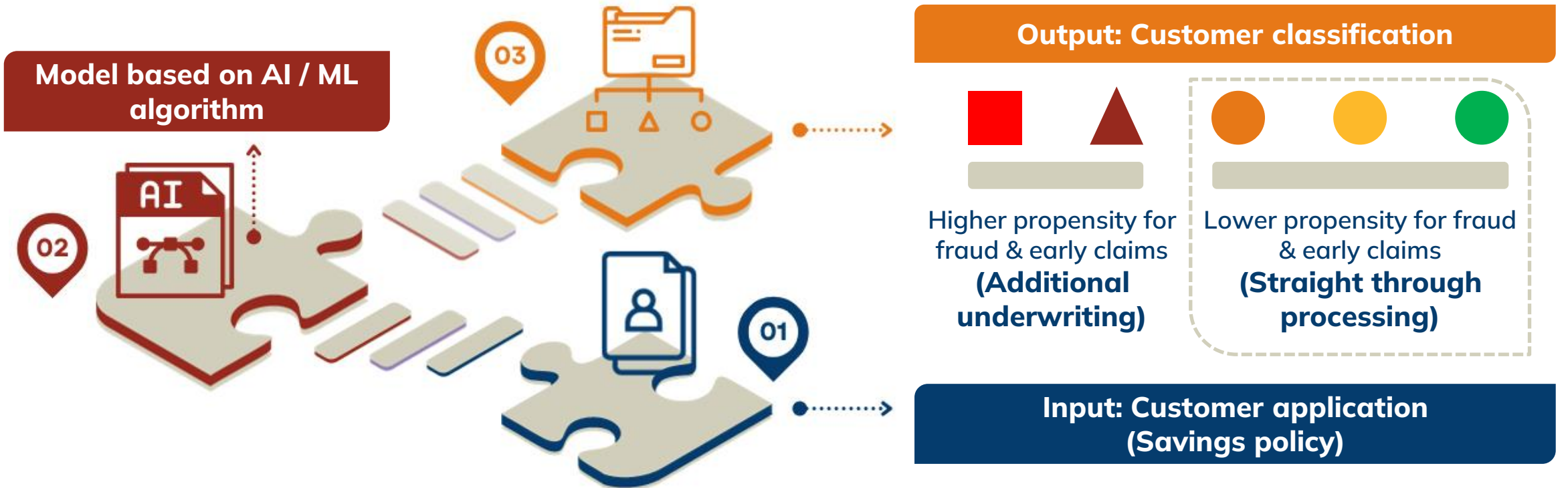
# Analytics engine powering Business & Product



# Key initiatives 9M-FY2024: AI based risk management

## Risk Management

Focus on **extensive utilisation of AI & ML along with data analytics** to mitigate insurance risk at onboarding stage

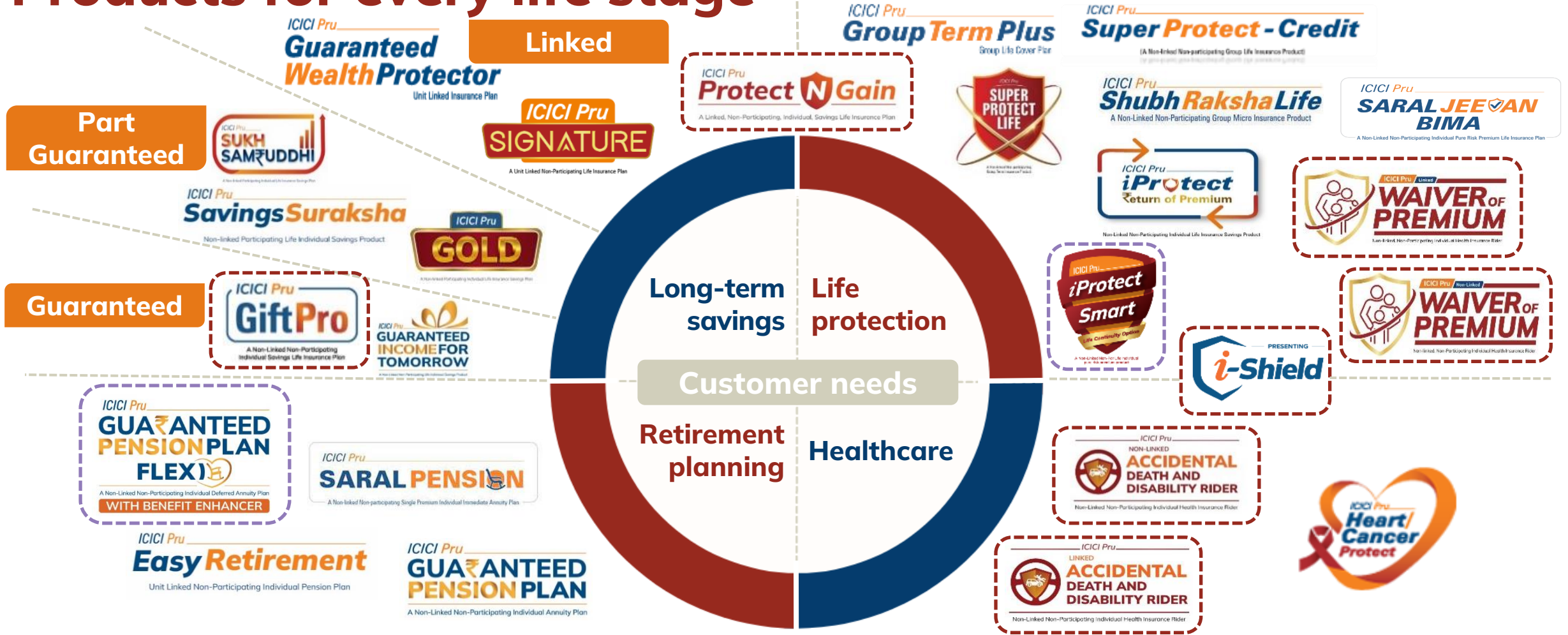


**~70%\* reduction in cases with higher propensity for fraud & early claims**

# 4D: Diversified propositions



# Products for every life stage



**Deliver value proposition to serve varied customer needs**

# Key initiatives 9M-FY2024: Innovation



# Innovation: ICICI Pru GPP Flexi with Benefit Enhancer



- Industry's first annuity product to give back 100% of the premiums paid at any time
- Regular pay deferred annuity plan with **Benefit enhancer option**
- Joint-life with Waiver of Premium option ensures the **financial security of the spouse**
- Offers **loan against policy** to meet temporary liquidity needs
- In alignment with the proposed regulations on offering policyholders **fair and appropriate surrender value**

# 4D: Digitalisation

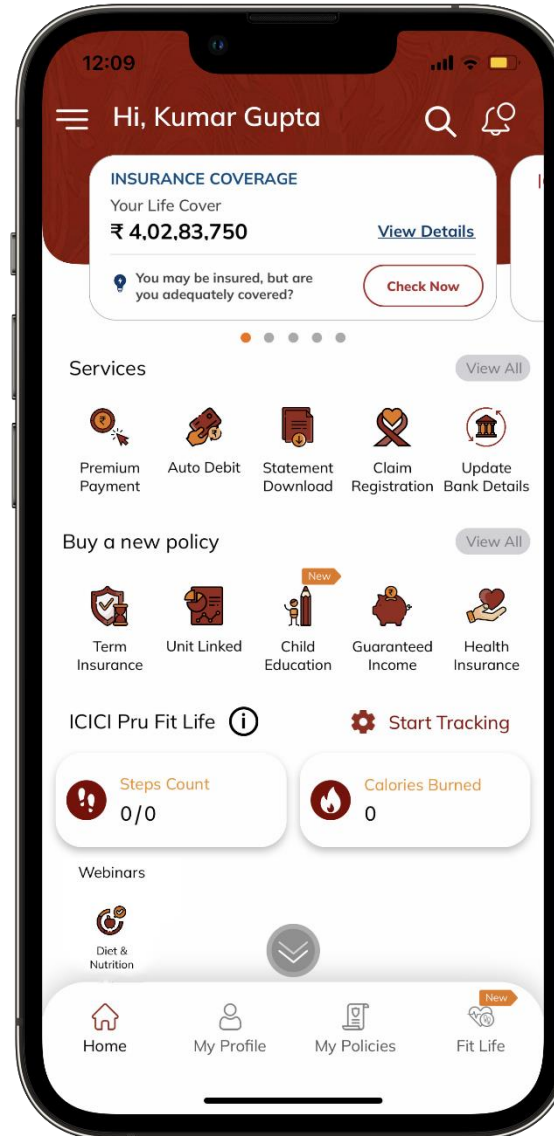
# Digital @ICICI Prulife

~3.3 million digital service interactions every month

2.5 million+ app downloads

One of the highly rated app: 4.3 & 4.0 rating on app store & play store respectively

Access to over 60 types of policy transactions



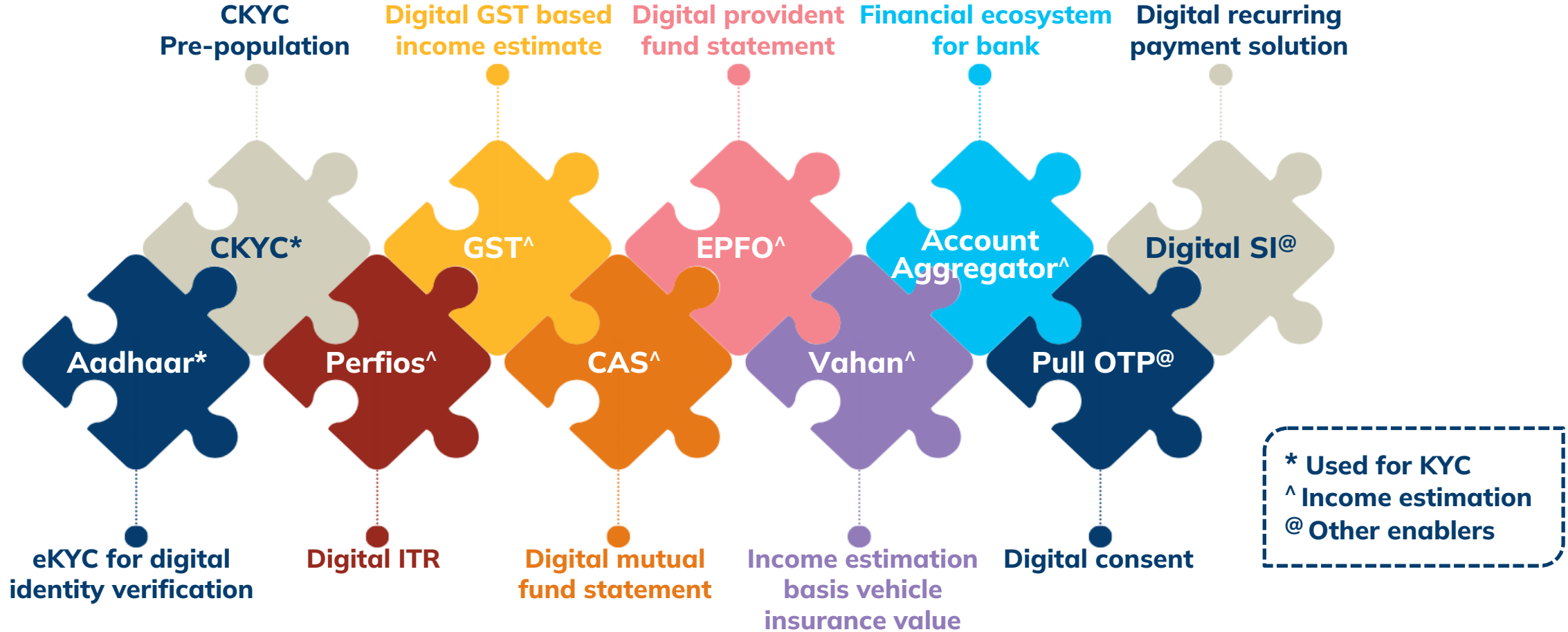
99% digital logins & 100% e-insurance account for eligible base

92.7% service interactions are via self-help / digital modes

98% of pages with system uptime of more than 99%

Fitness tracker

# Key initiatives 9M-FY2024: Digital infrastructure



**Integration with central agencies for simplified digital customer onboarding; ~80% of policies issued using digital KYC<sup>1</sup> & ~40% of savings policies issued on same day in Q3-FY2024**

# New business & growth

## Pre-sales

- **Collaboration platform**  
Online meetings, joint sales calls, invite experts & share content
- **Lead Management System**  
Enabled with enhanced voice capability & geographical tagging
- **Saksham & My Coach**  
On-the-go e-learning platform with AI capabilities to improve pitch
- **Digital demand generation**  
Platform to generate interest, qualify leads with nurture framework & funnel management

## Onboarding & issuance

- **InstaPlan**  
Pre-sales tool to create customised solution for customer by combining multiple products on the go
- **Digital journey**  
Smart quote app | End-to-end digital onboarding with form pre-fill Aadhaar & CKYC | Smart doc upload with instant OCR | Video risk verification | Tele & video underwriting | Video welcome kit
- **Leveraging eco system**  
Leverage digital public infrastructure by integrating with multiple platforms to get income details for financial underwriting

## Partner integration

- **Retail partners:**  
Partner integration portal | Easy UI with pre-coded premium quotation pages | Data pre population | Digital payment with SI & digital consent | Video based pre-issuance verification on WhatsApp | Video verification & CKYC as a service enabled
- **Group portal**  
End-to-end automated process for on-boarding | Instant certificate of issuance | Instant refund into customer account, in case of cancellation

# Customer service

## Empowering customers

- **Self service**
  1. ~3.3 mn digital service interactions monthly
  2. >92.7% service interactions are via self-help/ digital modes
- **Renewals**
  1. Flexible premium payment options including multiple UPI
  2. Humanoid : 2-way conversational AI bot with speech recognition capability deployed in customer calls for renewal collection
- **e-Insurance account**

Facility provided to 4mn+ policyholders to access their insurance policy details
- **Quick claim assistance**

Provided through digital claim registration process, real time tracking through chatbot/WhatsApp, and AI-based pre-claim assessment & claim processing

## Omni channel

- **Customer mobile application**

2.5mn+ app downloads with best app rating among the peers
- **24x7 chat/voice assistants**

Customers have the flexibility to place service requests & queries 24X7 on LiGo chat bot & WhatsApp bot
- **IVR**

Visual, intuitive and traditional IVRs cater to 64% of eligible customers & thus helps improving productivity
- **Digital Life Verification**

Facility provided for retail annuity customers



# 4D: Depth in Partnerships

# Distribution reach & strategy

**42** banks

28%<sup>1</sup> | Bancassurance

**Strategy: Build profitability**

- 3 new bank tie-ups done
- Access to >20,300 bank branches
- Protection & Annuity mix 23%

15%<sup>1</sup> | Direct\*

**Strategy: Digital focused upsell campaigns**

- Analytics driven upsell channel
- Protection & Annuity mix 45%

**1,052** partnerships

13%<sup>1</sup> | Partnership Distribution

**Strategy: Create depth & add width**

- 144 partnerships added in 9M-FY2024
- Non-linked savings 54% & Protection & Annuity mix 36%

**201,000+** advisors

27%<sup>1</sup> | Agency

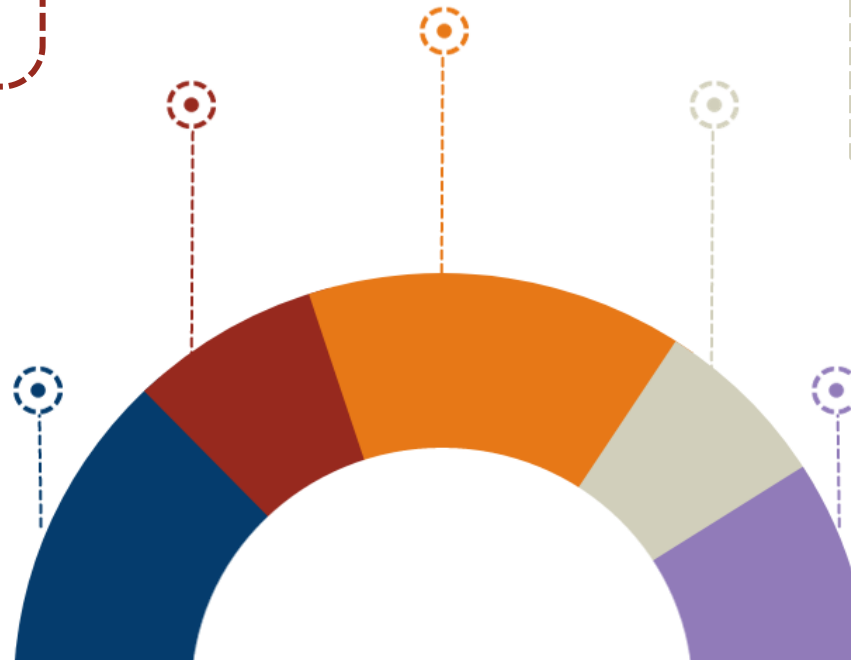
**Strategy: Invest & grow**

- 28,788 advisors recruited in 9M-FY2024
- Linked 46%, Non-Linked savings 31% & Protection & Annuity mix 23%

18%<sup>1</sup> | Group

**Strategy: Increase attachment & market share**

- Profitable & risk calibrated growth in group protection
- Retail cross sell to members of group policy holders



<sup>1</sup>Channel mix (based on APE) & all other figures for 9M-FY2024

Product mix based on new business premium (retail)

\*Direct comprises sales through company website & employees on roll

# Awards & Accolades

# Awards & Accolades: Q3-FY2024

**Quantic India**



**Best Use of Technology in Customer Service (Life Insurance)**

**Quantic India**



**Best Transformative Security Initiative (Life Insurance)**

**ASSOCHAM Award**



**Best Technology Enabled Transformation – Runner Up**

**Indian Chamber of Commerce (ICC)**



**Best Innovation and Diversification – India**

**ET Now**



**Sales Champion - Life Insurance (Large)**

**League of American Communications Professionals (LACP)**



**Gold Award for the Company's FY2023 Integrated Annual Report**

**Transformance**



**Best Sustainability Report (BFSI)**

**Transformance**



**Best Overall Sustainable Performance (BFSI)**



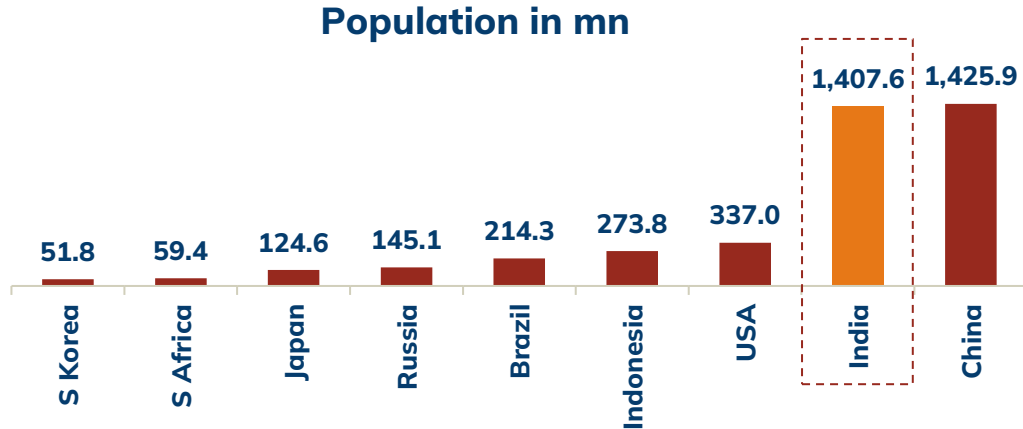
# Agenda

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

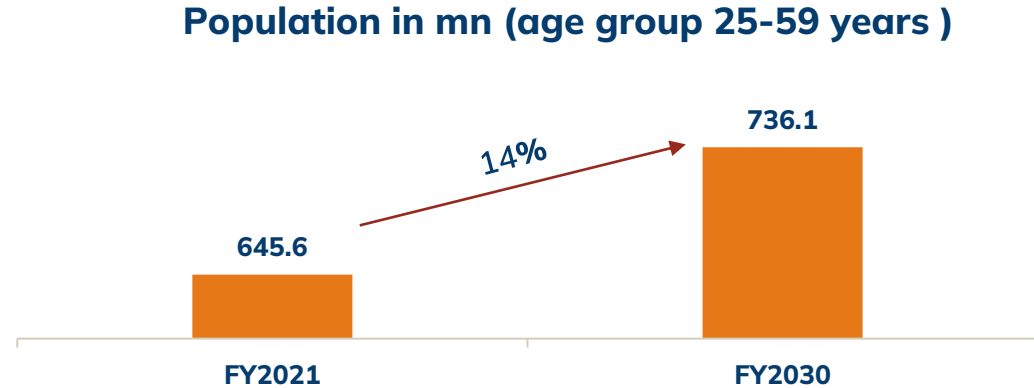


# Favorable demography

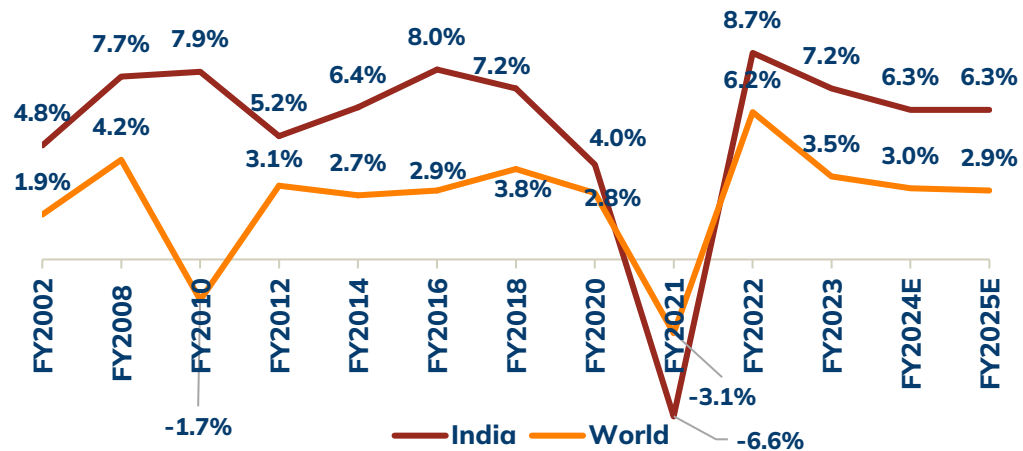
## Large & growing population base<sup>1</sup>



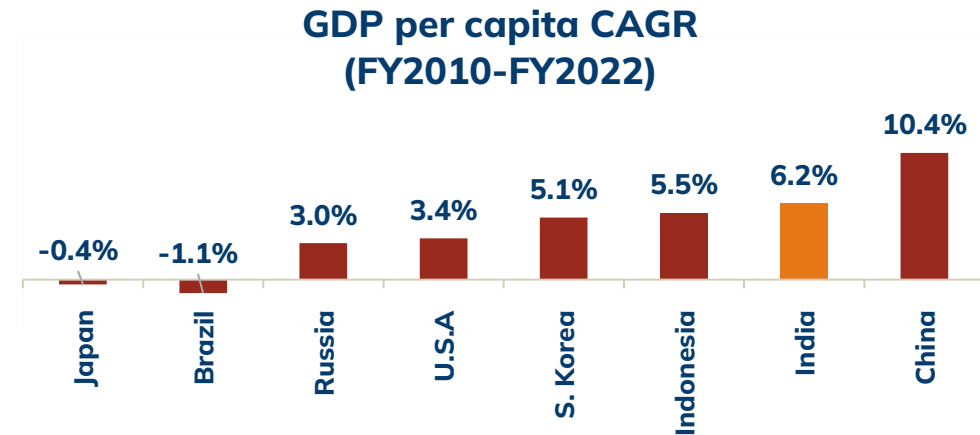
## High share of working population<sup>1</sup>



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



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



<sup>1</sup>Source: UN population division at July 2022

<sup>2</sup>Source: World Economic Outlook update, October 2023

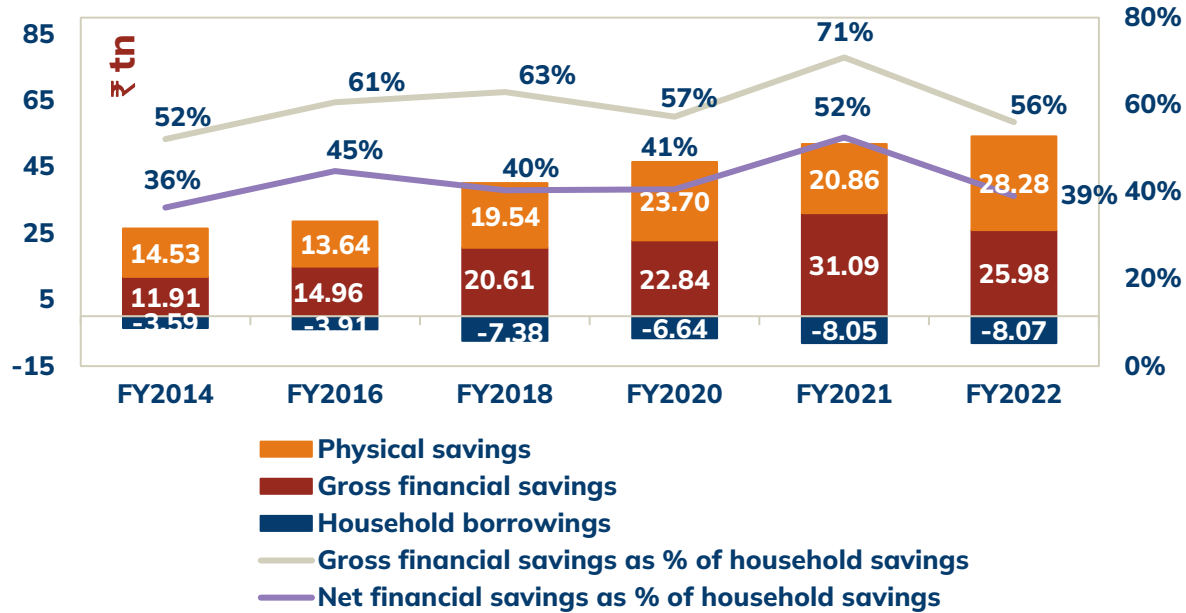
<sup>3</sup>Source: The World Bank

Compound annual growth rate (CAGR)

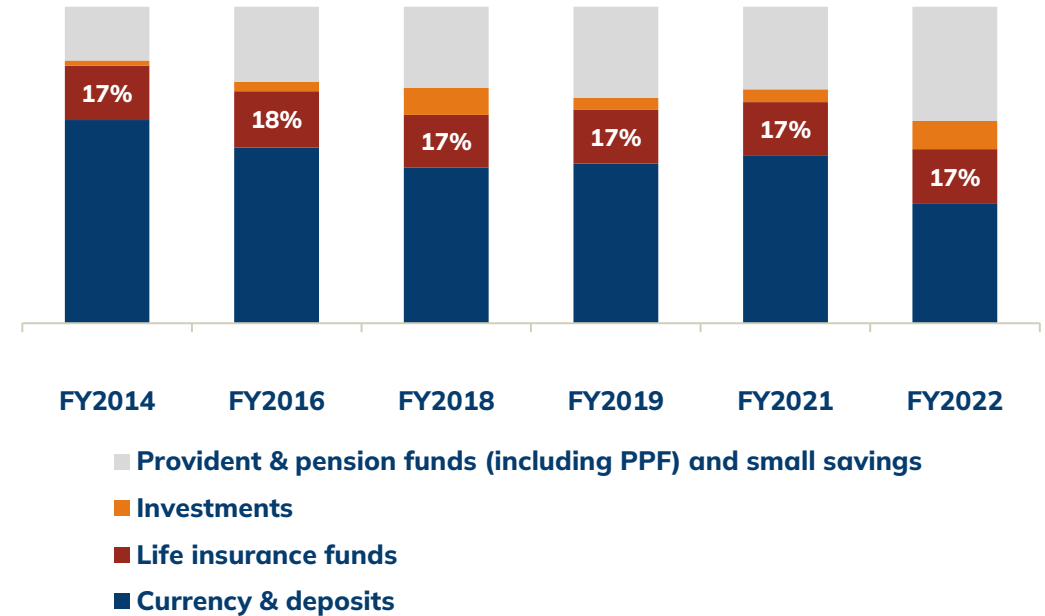
Gross domestic product (GDP)

# 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    FY2022    FY2023

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%    2.9%    3.0%

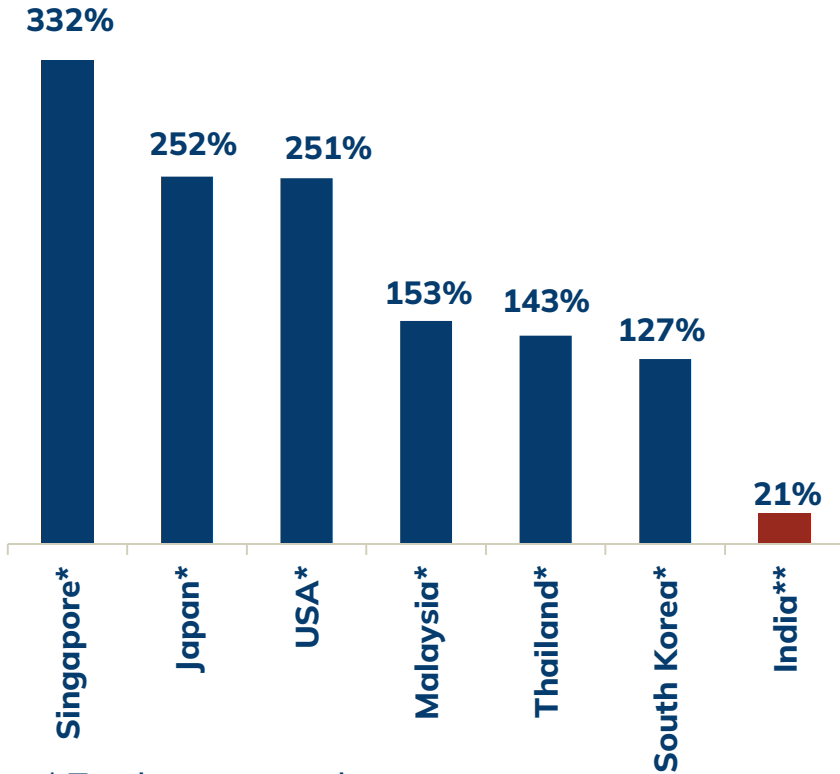
<sup>1</sup>Source: RBI & CSO

<sup>2</sup>Source: RBI

<sup>3</sup>Total life insurance industry premium including renewal; Source: IRDAI

# Protection opportunity: Low penetration

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



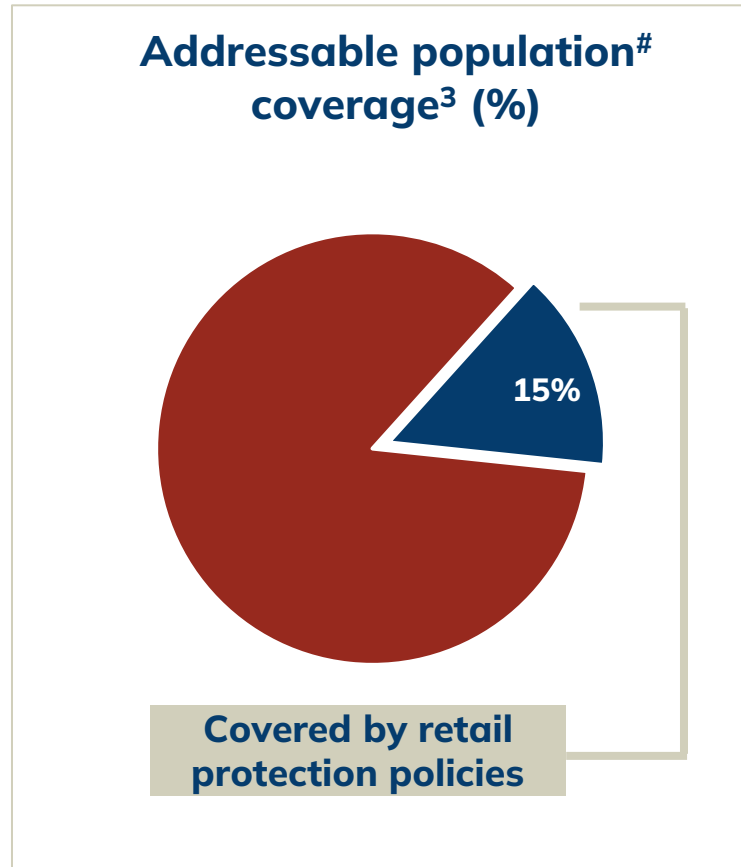
\* Total sum assured

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

<sup>1</sup>FY2023 for India; Source: NSO & Company estimates

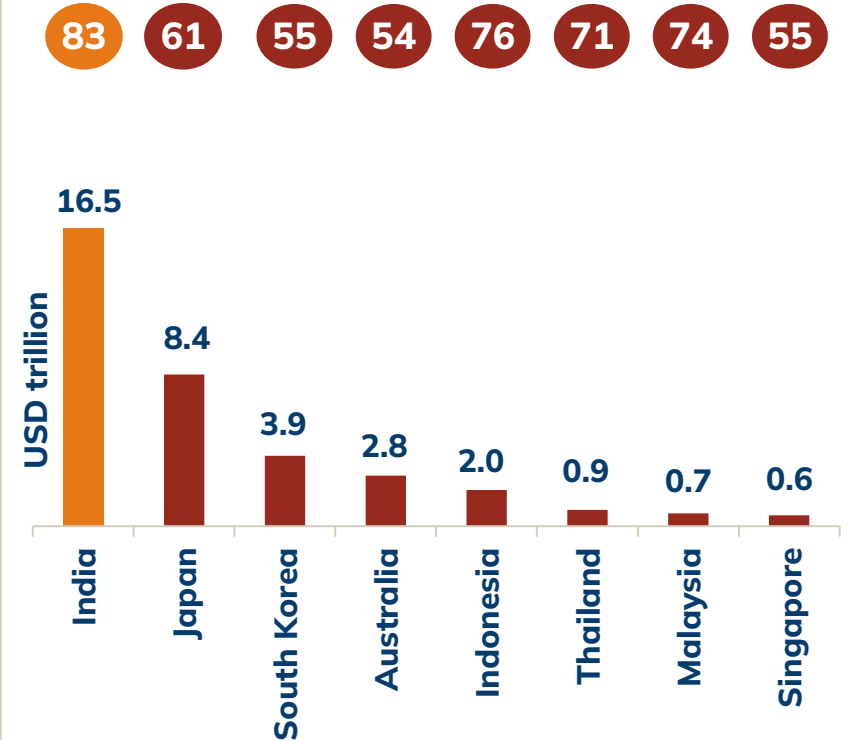
<sup>2</sup>FY2018 for USA & Japan; FY2020 for other countries; Source: McKinsey estimates

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



<sup>3</sup>Inforce no. of lives for retail protection/no. of returns with income > ₹ 0.25 mn

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



<sup>4</sup>Protection gap (%): Ratio of protection lacking/ protection needed

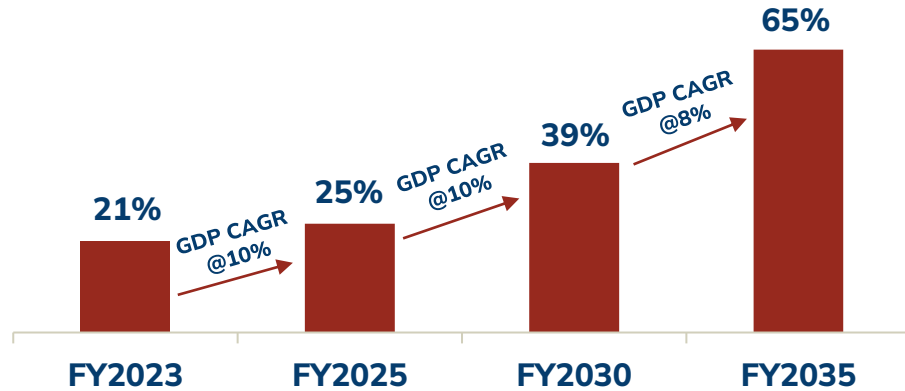
<sup>5</sup>Source: Swiss Re, Closing Asia's mortality protection gap, 2020

<sup>#</sup>Income tax department data with individual income > ₹ 0.25 mn & company estimates

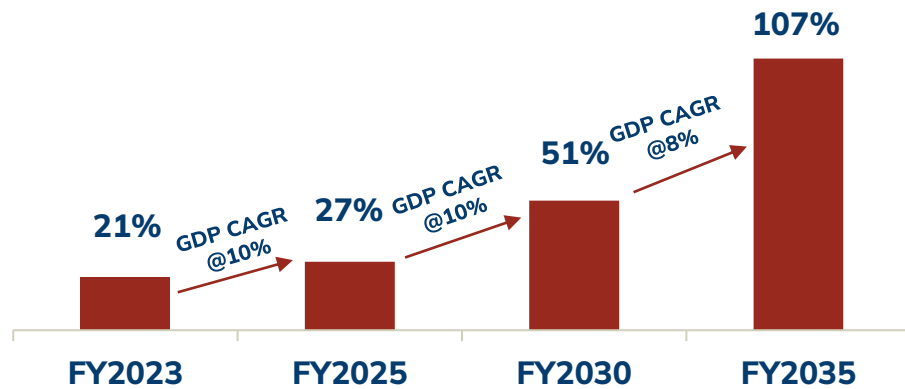


# Protection opportunity: Sum assured (SA) as % of GDP

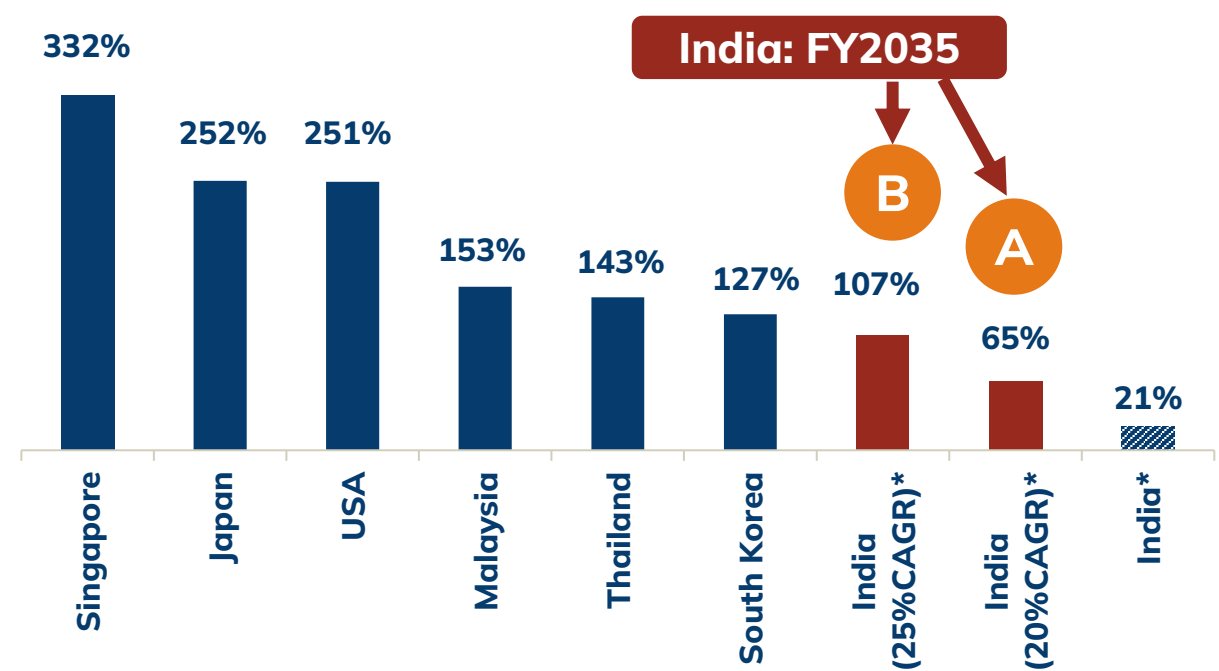
**A** SA as % of GDP (SA growth @ 20% CAGR)



**B** SA as % of GDP (SA growth @ 25% CAGR)



SA as % of GDP<sup>1,2</sup>



<sup>1</sup>FY2023 for India; Source: NSO & Company estimates

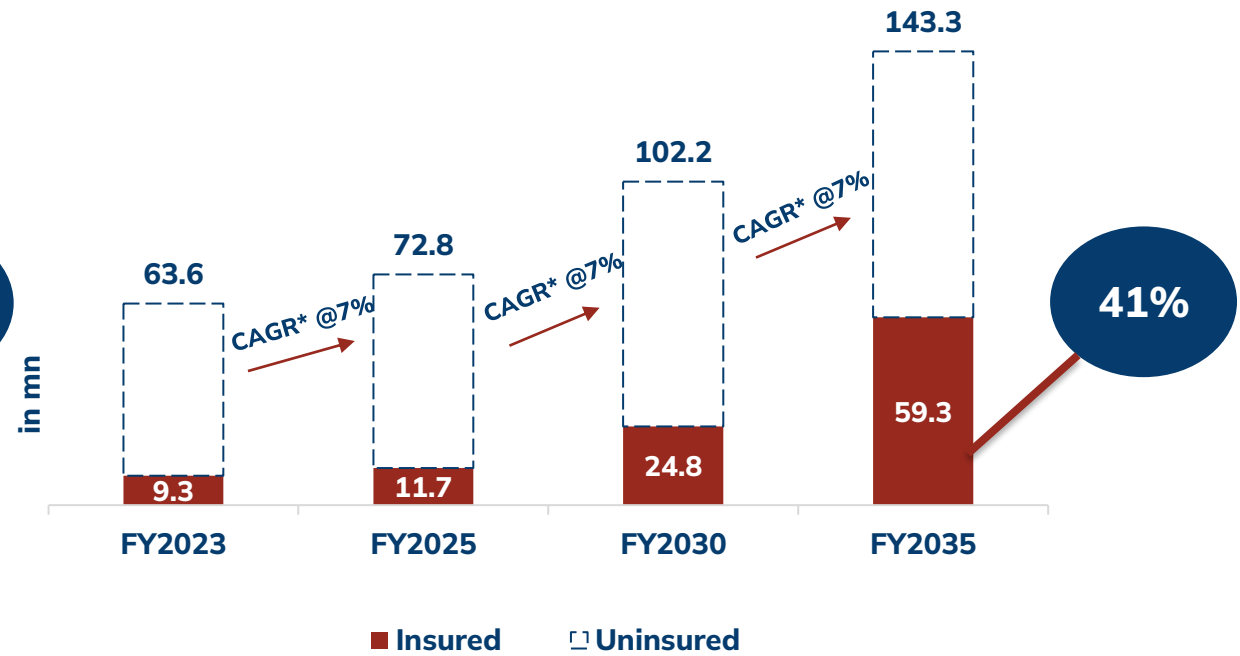
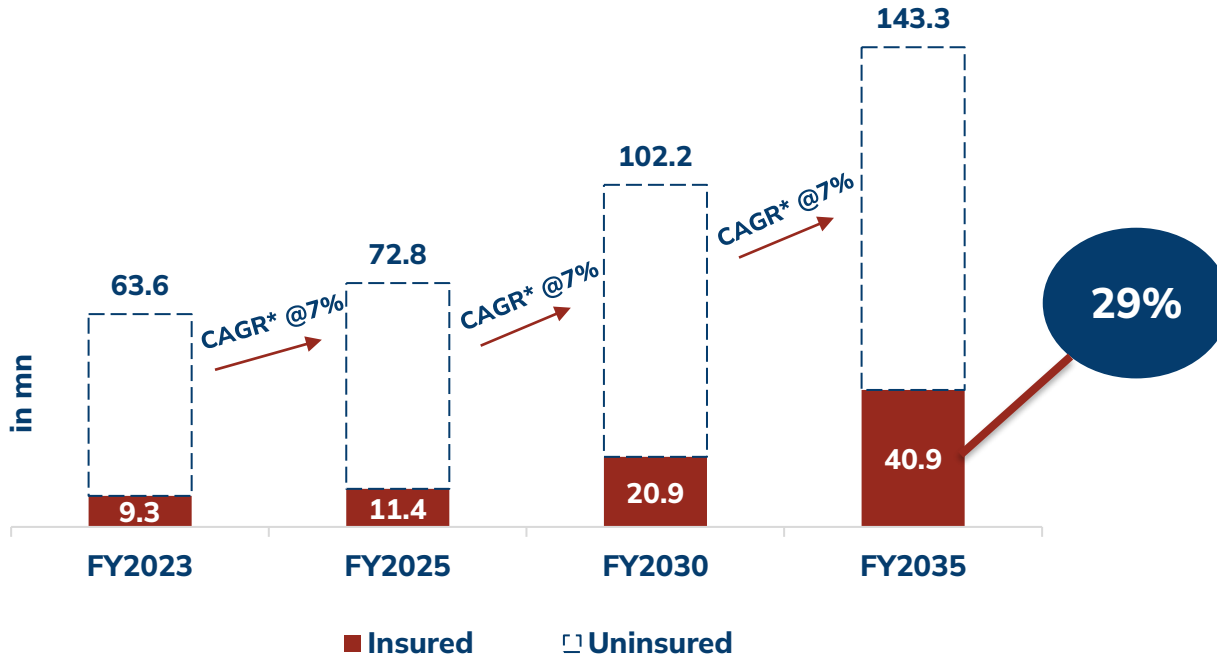
<sup>2</sup>FY2018 for USA & Japan; FY2020 for other countries; Source: McKinsey estimates

\*For retail protection sum assured (company estimates)

# Protection opportunity: Addressable population (%)

15% CAGR in new policy count<sup>1</sup>

20% CAGR in new policy count<sup>1</sup>



~40% of India's addressable population expected to be covered by FY2035<sup>2</sup>

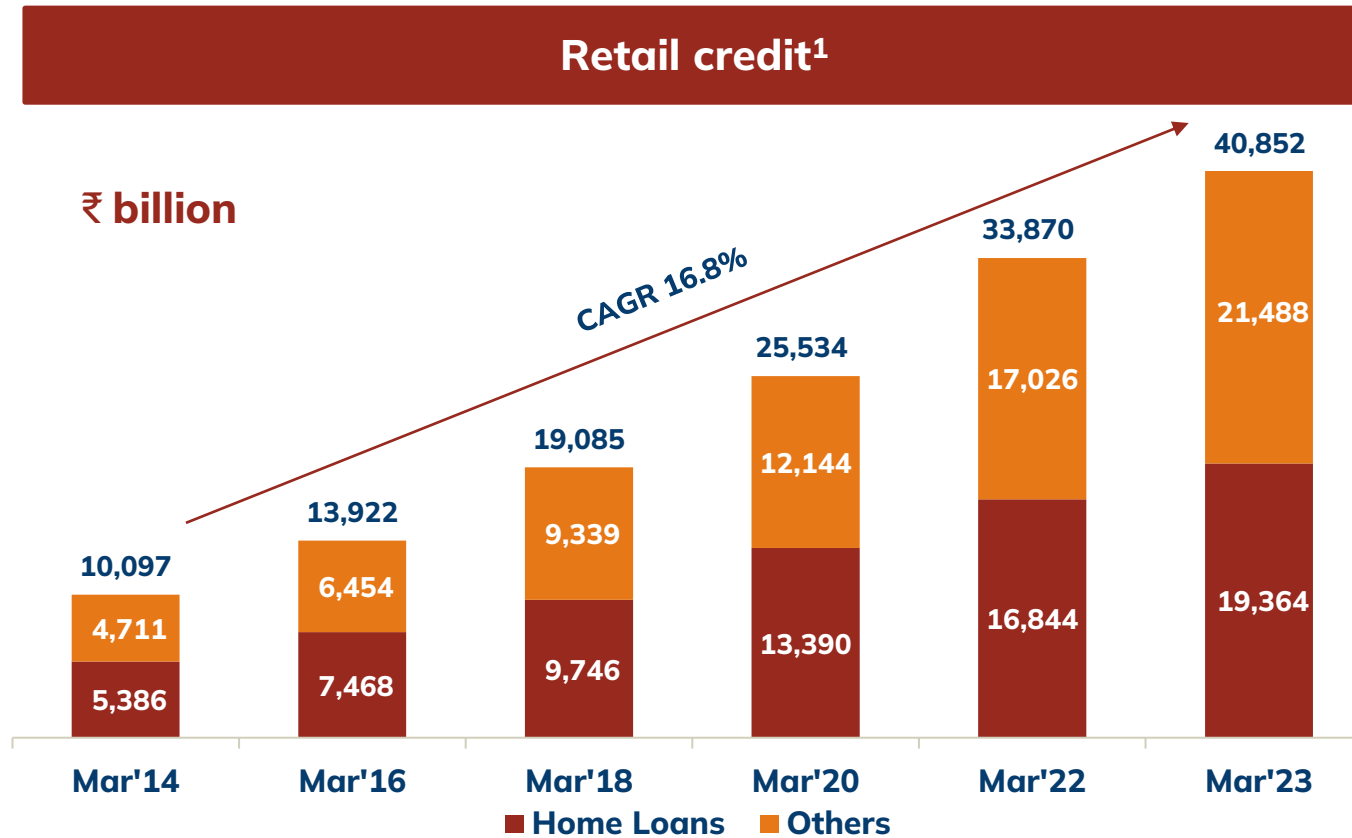
<sup>1</sup>Assumed 10% lapse rate for in-force policies each year

<sup>2</sup>Estimates at accelerated policy growth rates of 20% CAGR

Compound annual growth rate (CAGR)

\*Industry opportunity size

# Indicators of protection opportunity



- Healthy growth in retail credit
- Credit life is voluntary

**Health & motor<sup>2</sup>**

Gross direct premium (₹ billion)	FY2023
<b>Health</b>	<b>906.68</b>
<b>Motor</b>	<b>812.92</b>
Motor own damage (OD)	317.84
Motor third party (TP)	495.08

<sup>1</sup>Source: RBI: Deployment of Gross Bank Credit by Major Sector

<sup>2</sup>Source: General Insurance Council

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

# Agenda

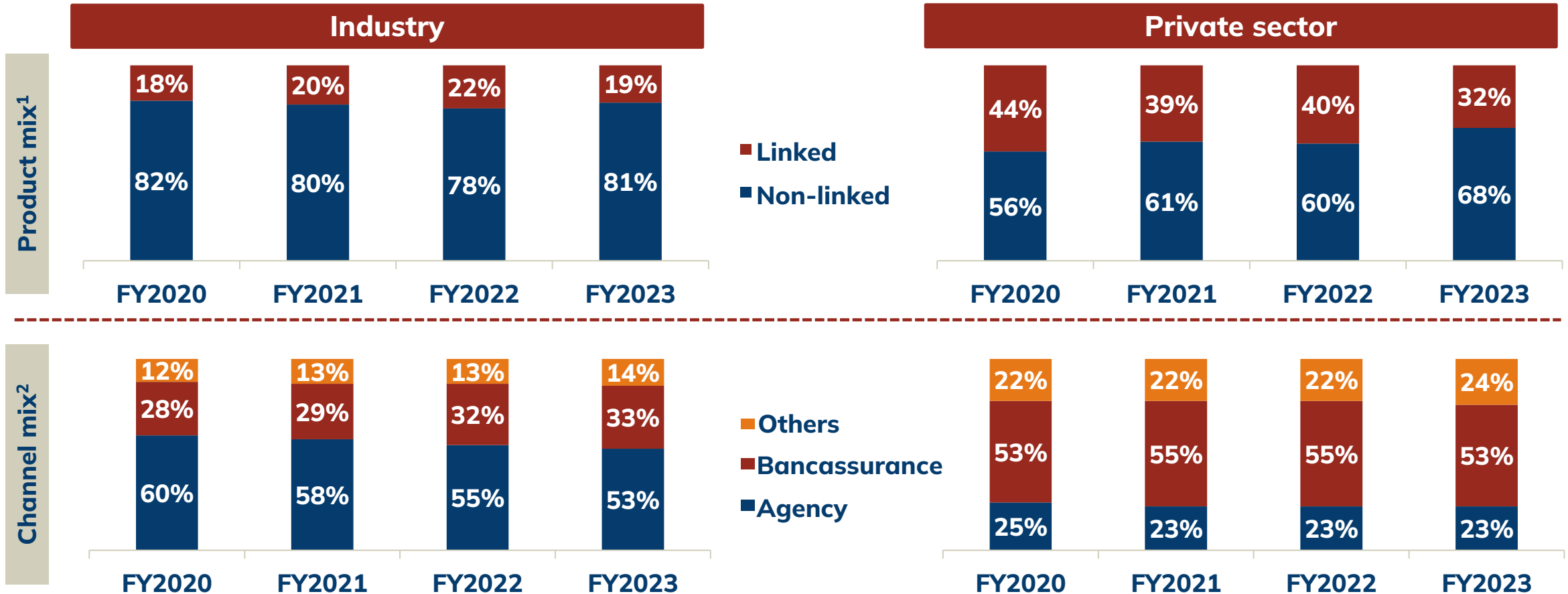
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002	FY2010	FY2015	FY2023
New business premium <sup>1</sup> (₹ bn)	116	550	408	1,040
		21.5%	(5.8%)	12.4%
Total premium (₹ bn)	501	2,654	3,281	7,825
		23.2%	4.3%	11.5%
Penetration (as % to GDP)	2.1%	4.1%	2.6%	3.0%
Assets under management (₹ tn)	2.3	12.9	23.4	54.1
		24.0%	12.6%	11.0%
In-force sum assured <sup>2</sup> (₹ tn)	11.8*	37.5	78.1	239.2
		15.5%	15.8%	15.0%
In-force sum assured (as % to GDP)	50.1%	57.9%	62.7%	87.8%

# Industry overview



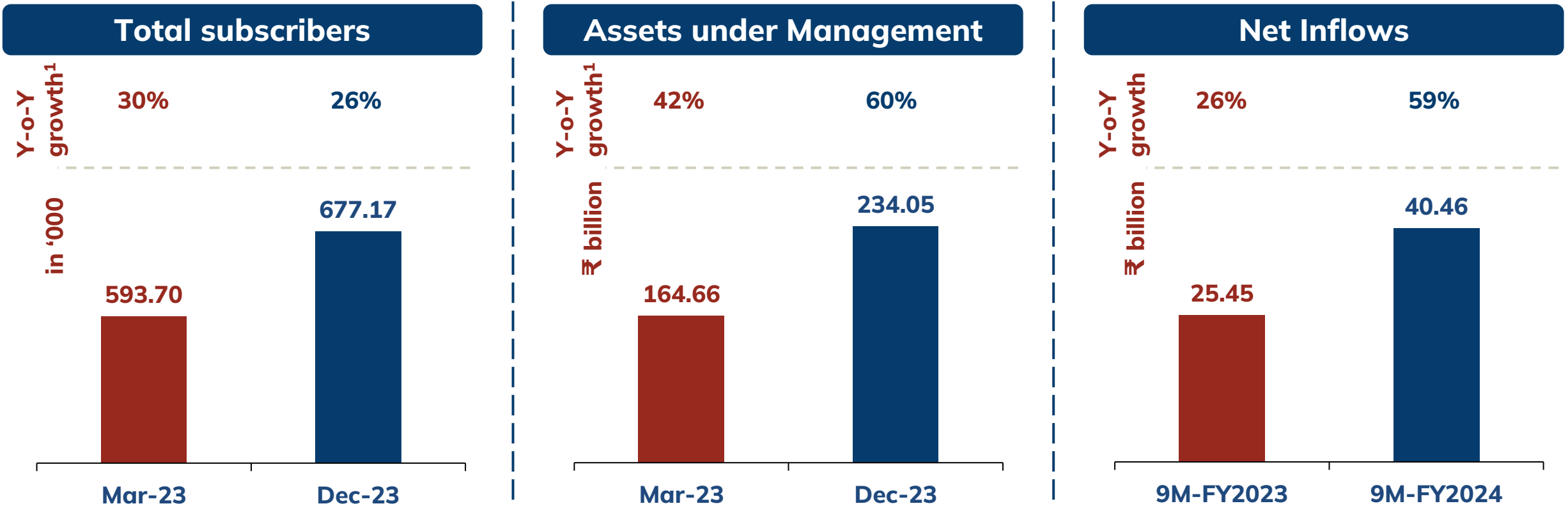
**Well developed banking sector enables bancassurance to be largest channel for private players**



<sup>1</sup>Based on new business weighted premium  
<sup>2</sup>Based on individual new business premium  
 Source: Life insurance council

# Annexures

# Retirement focus: ICICI Pru PFM opportunity



40% of NPS retirement corpus mandated for annuity conversion, significantly enhances insurance industry's annuity growth outlook



# Interest rate risk management

## Guaranteed return savings product

- Derivatives used to lock in yields for future premiums
- Underlying bonds for derivatives selected based on tenure of liability

## Retail protection business

- Asset liability duration matching using derivatives

## Annuity products

- Duration matching & cash flow matching
- Derivatives undertaken to lock in yields for future premiums & match asset liability durations

Review of pricing based on current interest rate environment

# Awards & Accolades: 9M-FY2024 (1/2)

**Quantic India**



**Best Use of Technology in Customer Service (Life Insurance)**

**Quantic India**



**Best Transformative Security Initiative (Life Insurance)**

**ASSOCHAM Award**



**Best Technology Enabled Transformation – Runner Up**

**Indian Chamber of Commerce (ICC)**



**Best Innovation and Diversification – India**

**ET Now**



**Sales Champion - Life Insurance (Large)**

**League of American Communications Professionals (LACP)**



**Gold Award for the Company's FY2023 Integrated Annual Report**

**Transformance**



**Best Sustainability Report (BFSI)**

**Transformance**



**Best Overall Sustainable Performance (BFSI)**

# Awards & Accolades: 9M-FY2024 (2/2)

Asia's Best CSR Practices Awards by CMO Asia



Best Sustainability Report

National Awards for Excellence in CSR & Sustainability



Best Overall Sustainable Performance

National Awards for Excellence in CSR & Sustainability



Best Sustainability Report

ASSOCHAM Award



Organisational excellence & contribution to the insurance sector

Customer FEST Awards 2023



Best Data/Analytics Team of the Year

Customer FEST Awards 2023



Best Use of Data & Insights in a Transformation Project

Customer FEST Awards 2023



Best Use of Mobile to Enhance Customer Experience

Customer FEST Awards 2023



Best Data Enablement Campaign in a Loyalty Programme

Reputation Today Awards

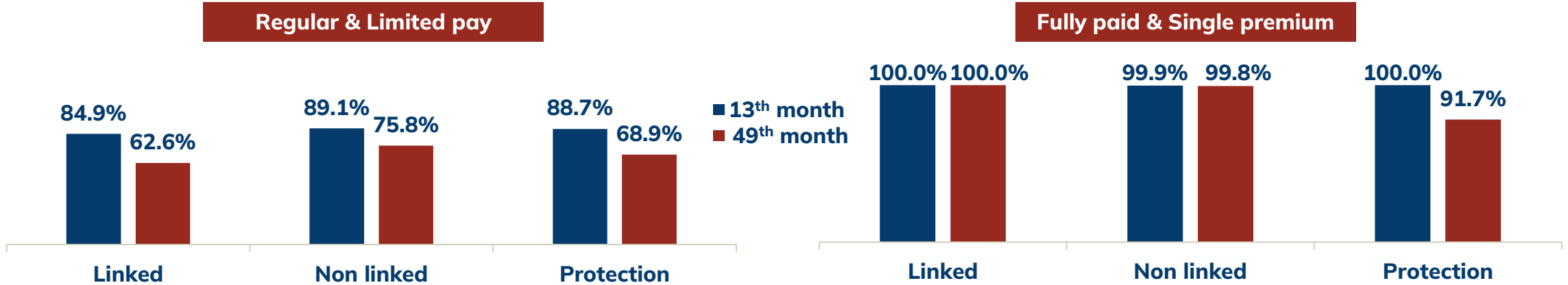


Top 30 Top Corporate Communication Teams for 2023

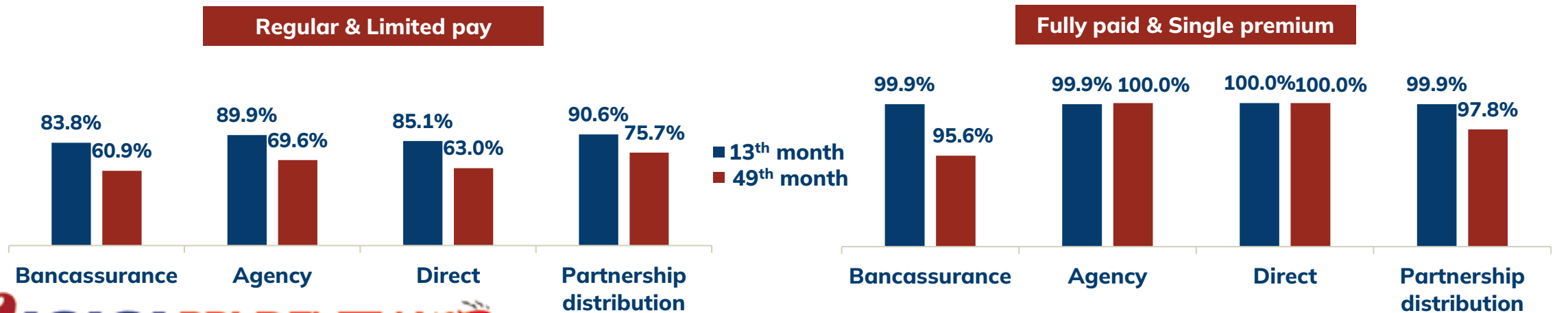


# Retail persistency: FY2023

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



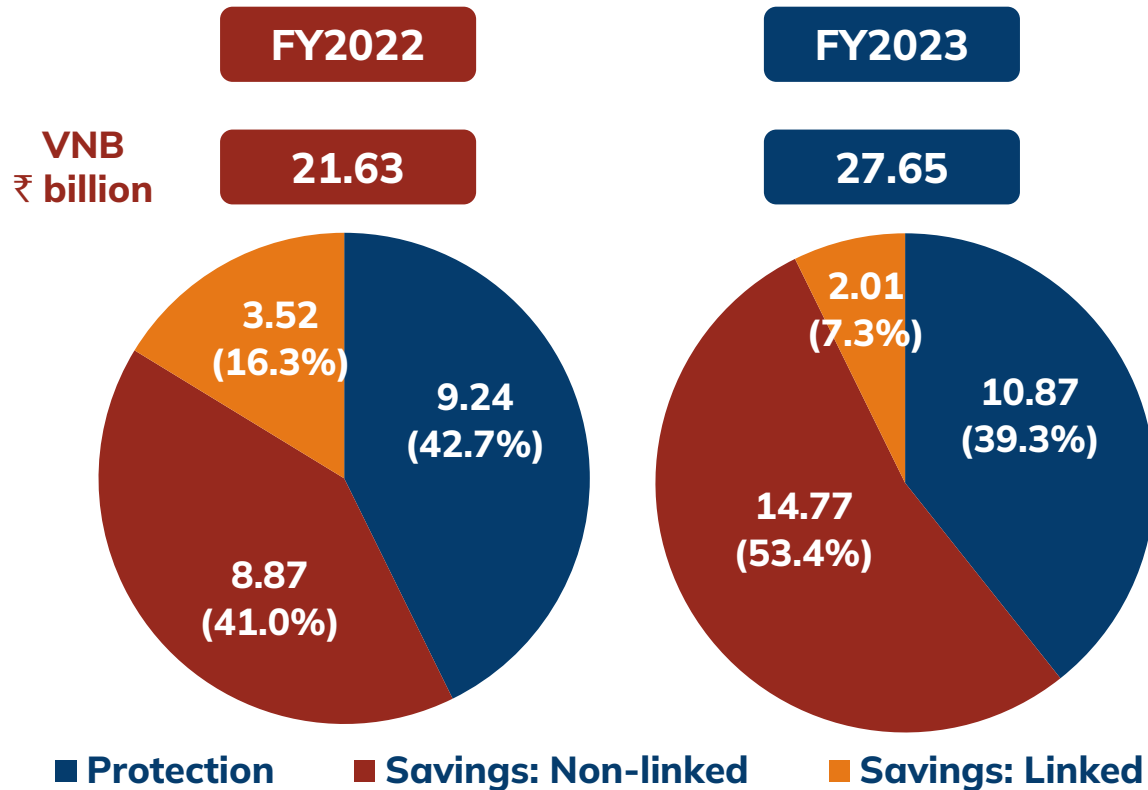
## Persistency<sup>1</sup> across channel categories



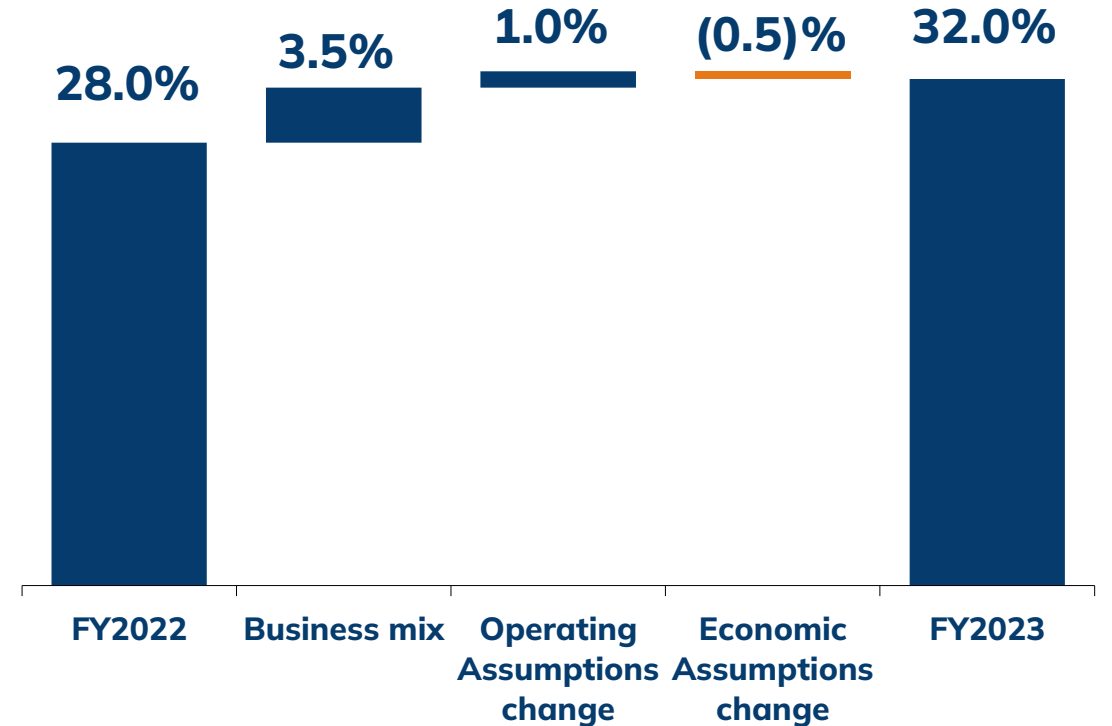
<sup>1</sup>Persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021

# Value of New Business (VNB)

## VNB contribution\*



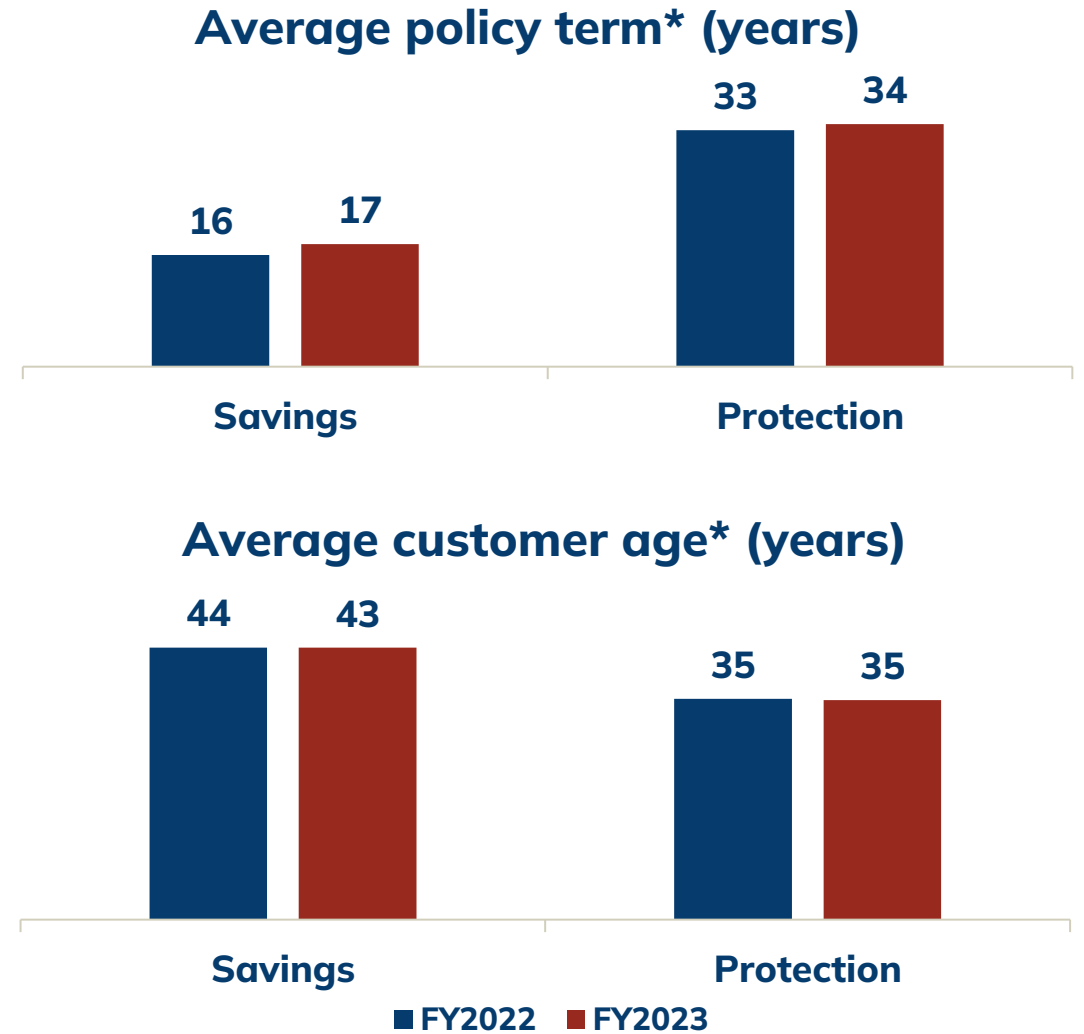
## VNB margin movement



## Well diversified pools of profit

# Average APE by product categories

Segment (₹)	FY2022	FY2023
ULIP	163,770	177,057
Non-linked savings	94,925	119,748
Protection	22,608	23,086
<b>Total</b>	<b>100,407</b>	<b>118,928</b>



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

Channel category	Product category	FY2021	FY2022	FY2023
Bancassurance	ULIP	73.3%	70.7%	57.0%
	Non-linked savings	11.6%	19.2%	31.7%
	Annuity	4.3%	4.9%	7.3%
	Protection	10.9%	5.2%	4.0%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	33.3%	42.6%	35.6%
	Non-linked savings	57.0%	48.8%	55.4%
	Annuity	2.1%	3.9%	6.4%
	Protection	7.7%	4.7%	2.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	61.4%	73.4%	69.0%
	Non-linked savings	21.2%	13.6%	17.4%
	Annuity	7.8%	6.6%	8.4%
	Protection	9.6%	6.4%	5.3%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	13.1%	13.7%	8.8%
	Non-linked savings	70.5%	71.8%	75.8%
	Annuity	2.9%	2.1%	6.7%
	Protection	13.5%	12.4%	8.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

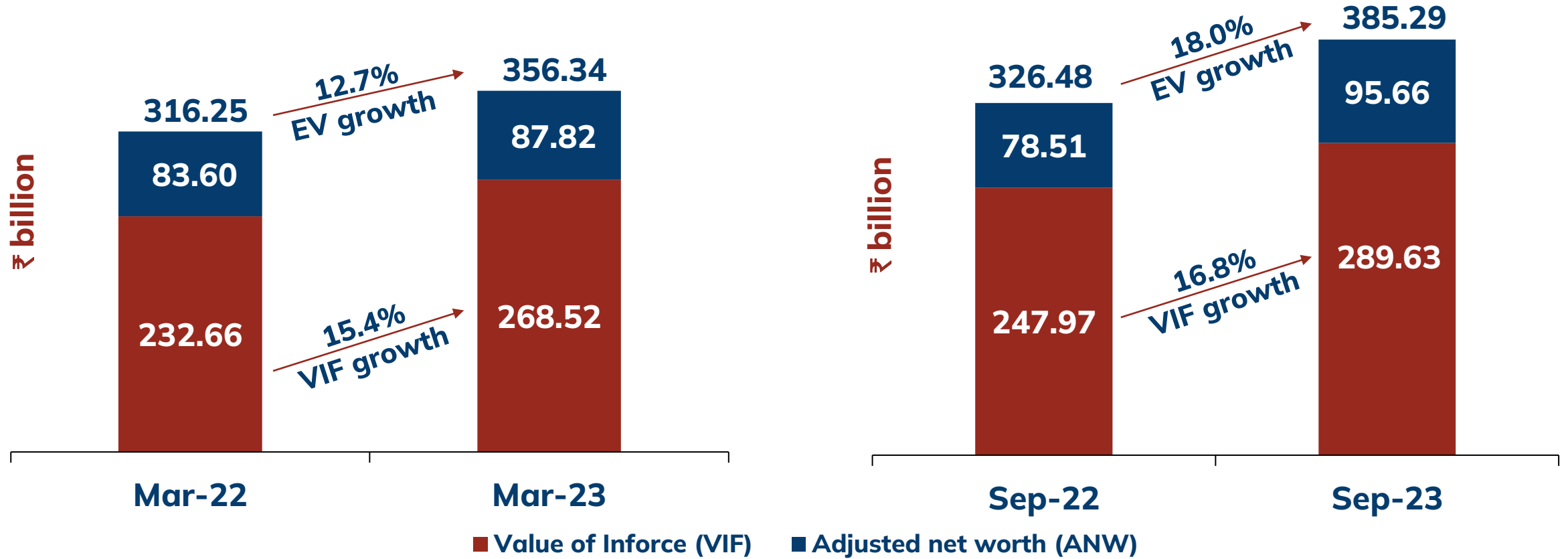
# Product wise channel mix<sup>1</sup>

Product category	Channel category	FY2021	FY2022	FY2023
ULIP	Bancassurance	64.9%	57.0%	46.6%
	Agency	16.6%	20.8%	26.1%
	Direct	16.1%	19.6%	23.7%
	Partnership distribution	2.5%	2.6%	3.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	17.8%	27.3%	25.0%
	Agency	49.3%	42.1%	39.1%
	Direct	9.7%	6.4%	5.7%
	Partnership distribution	23.3%	24.1%	30.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	51.1%	49.1%	36.5%
	Agency	14.0%	23.8%	28.8%
	Direct	27.5%	22.0%	17.6%
	Partnership distribution	7.4%	5.1%	17.0%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	51.9%	39.6%	31.0%
	Agency	20.6%	21.7%	18.4%
	Direct	13.6%	16.2%	17.2%
	Partnership distribution	13.8%	22.5%	33.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



# Embedded value

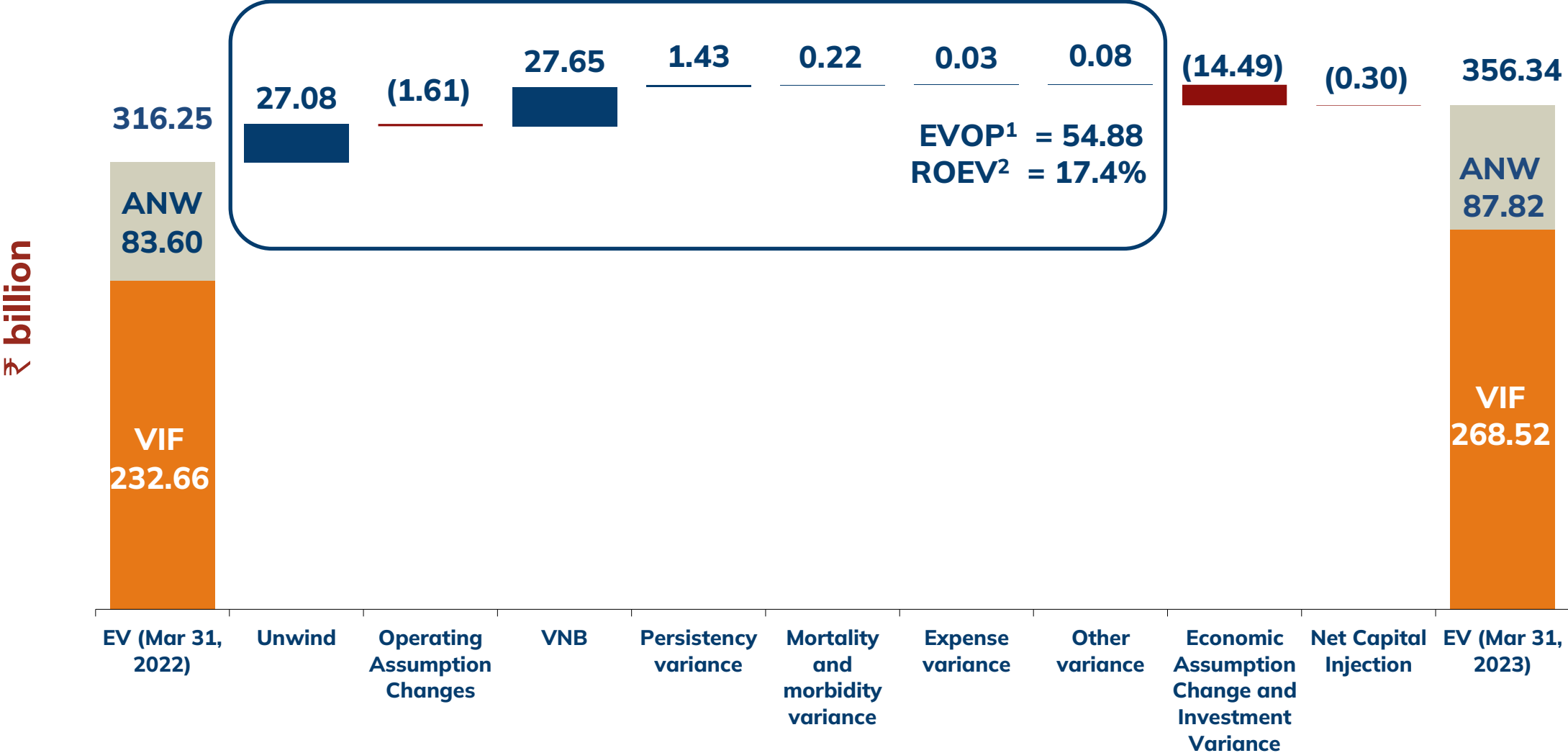
# Embedded value (EV)<sup>1</sup>



**Continued strong growth in VIF**

<sup>1</sup>As per Indian Embedded value (IEV) method  
Total may not add up due to rounding off

# Analysis of movement in EV



<sup>1</sup> EVOP is the embedded value operating profit net of tax

<sup>2</sup> ROEV is the return on embedded value net of tax

EV results prepared as per APS 10 and reviewed by Milliman Advisors LLP

ANW: Adjusted new worth; VIF: Value of in-force; EV: Embedded value; VNB; Value of new business 66

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

₹ billion	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Opening EV</b>	<b>187.88</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>
<b>Unwind</b>	<b>15.84</b>	<b>17.25</b>	<b>16.61</b>	<b>20.85</b>	<b>27.08</b>
<b>Value of New Business (VNB)</b>	<b>13.28</b>	<b>16.05</b>	<b>16.21</b>	<b>21.63</b>	<b>27.65</b>
<b>Operating assumption changes + Operating variance</b>	<b>8.89</b>	<b>(0.42)</b>	<b>2.24</b>	<b>(10.56)</b>	<b>0.15</b>
<i>Operating assumption changes</i>	<i>4.20</i>	<i>(2.25)<sup>2</sup></i>	<i>3.09</i>	<i>(0.91)</i>	<i>(1.61)</i>
<i>Operating variance</i>	<i>4.69</i>	<i>1.83</i>	<i>(0.85)</i>	<i>(9.64)</i>	<i>1.76</i>
<i>Persistency variance</i>	<i>2.66</i>	<i>0.85</i>	<i>1.10</i>	<i>1.51</i>	<i>1.43</i>
<i>Mortality and morbidity variance</i>	<i>1.97</i>	<i>0.42</i>	<i>(2.37)<sup>3</sup></i>	<i>(11.87)<sup>3</sup></i>	<i>0.22</i>
<i>Expense variance</i>	<i>0.04</i>	<i>0.01</i>	<i>0.01</i>	<i>0.07</i>	<i>0.03</i>
<i>Other variance</i>	<i>0.02</i>	<i>0.56</i>	<i>0.41</i>	<i>0.64</i>	<i>0.08</i>
<b>EVOP</b>	<b>38.01</b>	<b>32.88</b>	<b>35.05</b>	<b>31.92</b>	<b>54.88</b>
<b>Return on embedded value (ROEV)</b>	<b>20.2%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>11.0%</b>	<b>17.4%</b>
Economic assumption change and investment variance	(1.22)	(14.76)	25.67	(4.37)	(14.49)
Net capital injection	(8.43)	(4.05)	0.04	(2.36)	(0.30)
<b>Closing EV</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>	<b>356.34</b>

<sup>1</sup>As per Indian Embedded Value (IEV) method

<sup>2</sup>Negative impact of ₹ 5.49 billion due to change in effective tax rate

<sup>3</sup>Mortality variance includes the negative impact of COVID claims  
Components may not add up to the totals due to rounding off

# Sensitivity analysis

Scenario	% change in VNB		% change in EV	
	FY2022	FY2023	FY2022	FY2023
Increase in 100 bps in the reference rates	(3.5)	(4.2)	(4.2)	(3.5)
Decrease in 100 bps in the reference rates	3.2	4.8	4.6	3.7
10% increase in the discontinuance rates	(4.9)	(3.4)	(1.0)	(0.5)
10% decrease in the discontinuance rates	5.3	3.6	1.0	0.6
10% increase in mortality/morbidity rates	(8.3)	(10.0)	(1.9)	(1.9)
10% decrease in mortality/morbidity rates	8.4	10.1	1.9	2.0
10% increase in acquisition expenses	(10.1)	(11.8)	Nil	Nil
10% decrease in acquisition expenses	10.1	11.8	Nil	Nil
10% increase in maintenance expenses	(2.3)	(2.3)	(0.7)	(0.8)
10% decrease in maintenance expenses	2.3	2.3	0.7	0.8
Tax rates increased to 25%	(10.3)	(10.4)	(6.3)	(6.4)
10% increase in equity values	0.6	0.4	1.9	1.7
10% decrease in equity values	(0.6)	(0.4)	(1.9)	(1.7)

# Economic assumptions underlying EV & VNB

Tenor (years)	Reference rates	
	March 31, 2023	December 31, 2023
1	7.2%	7.2%
5	7.5%	7.5%
10	7.6%	7.6%
15	7.7%	7.6%
20	7.7%	7.7%
25	7.7%	7.8%
30	7.7%	7.9%

# Glossary (1/2)

- **Annualized Premium Equivalent (APE):** APE is the sum of the annualized first year premiums on regular premium policies, & ten percent of single premiums, from both individual & group customers
- **Retail Weighted Received Premium (RWRP):** Premiums actually received by the insurers under individual products & weighted at the rate of ten percent for single premiums
- **Total Weighted Received Premium (TWRP):** Measure of premiums received on both retail & group products & is the sum of first year & renewal premiums on regular premium policies & ten percent of single premiums received during any given period
- **Sum Assured:** The amount that an insurer agrees to pay on the occurrence of a stated contingency
- **Cost Ratio:** Cost ratio is a measure of the cost efficiency of a Company. Expenses are incurred by the Company on new business as well as renewal premiums. Cost ratio is computed as a ratio of all expenses incurred in a period comprising commission, operating expenses, provision for doubtful debts & bad debts written off to total weighted received Premium (TWRP)
- **Persistency Ratio:** Persistency ratio is the percentage of policies that have not lapsed & is expressed as 13<sup>th</sup> month, 49<sup>th</sup> month persistency etc. depicting the persistency level at 13<sup>th</sup> month (2<sup>nd</sup> year) & 49<sup>th</sup> month (5<sup>th</sup> year) respectively, after issuance of contract

# Glossary (2/2)

- **Value of New Business (VNB):** VNB is used to measure profitability of the new business written in a period. It is present value of all future profits to shareholders measured at the time of writing of the new business contract. Future profits are computed based on long-term assumptions which are reviewed annually. VNB is also referred to as NBP (new business profit). VNB margin is computed as VNB for the period/APE for the period. It is similar to profit margin for any other business
- **Embedded Value (EV):** 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):** EVOP is a measure of the increase in the EV during any given period due to matters that can be influenced by management
- **Return on Embedded Value (RoEV):** RoEV is the ratio of EVOP for any given period to the EV at the beginning of that period
- **Solvency Ratio:** Solvency ratio is calculated as ratio of Available Solvency Margin (ASM) over Required Solvency Margin (RSM)
- **Assets Under Management (AUM):** AUM refers to the carrying value of investments managed by the company & includes loans against policies & net current assets pertaining to investments



# 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**