



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

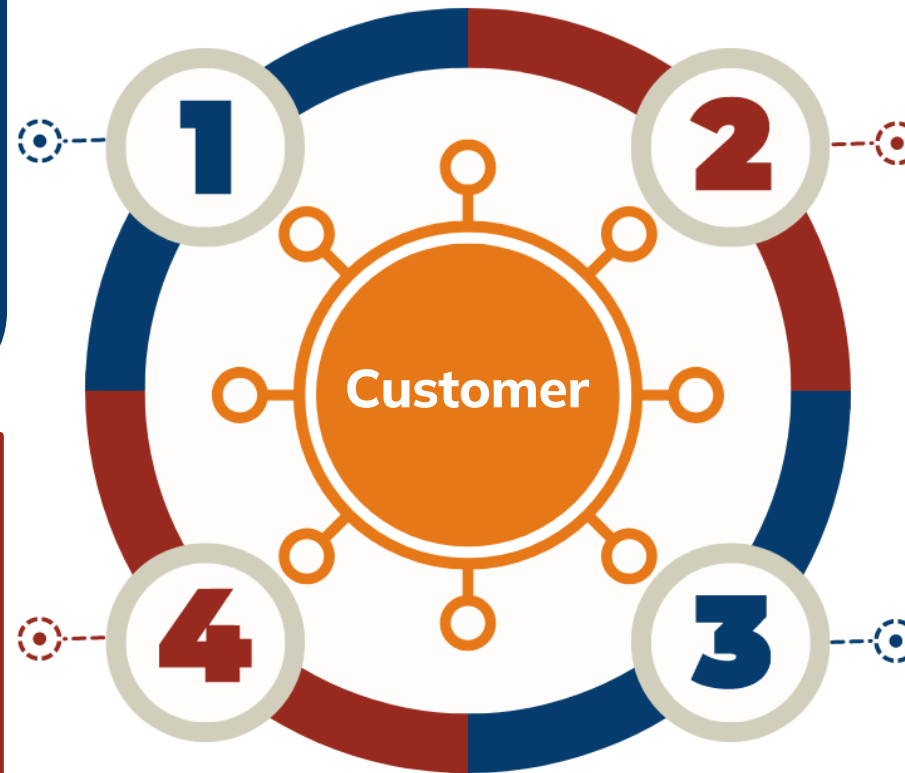
- Offer suitable customer proposition through appropriate distribution
- Provide holistic solution across customer life stages through innovative products

Depth in Partnerships

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

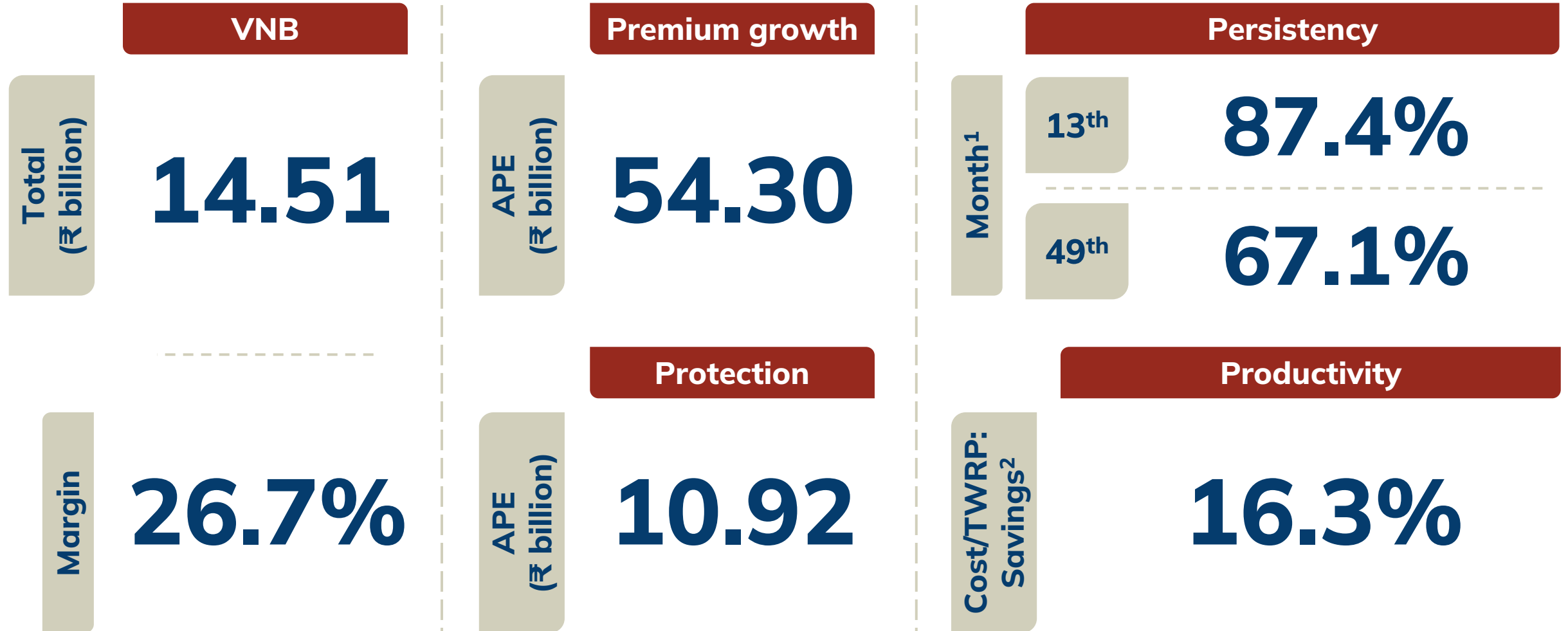
Digitalisation

- 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 KYC¹ in Q3-FY2024

Consistent improvement in customer experience: 13M Persistency² @ 87.4%

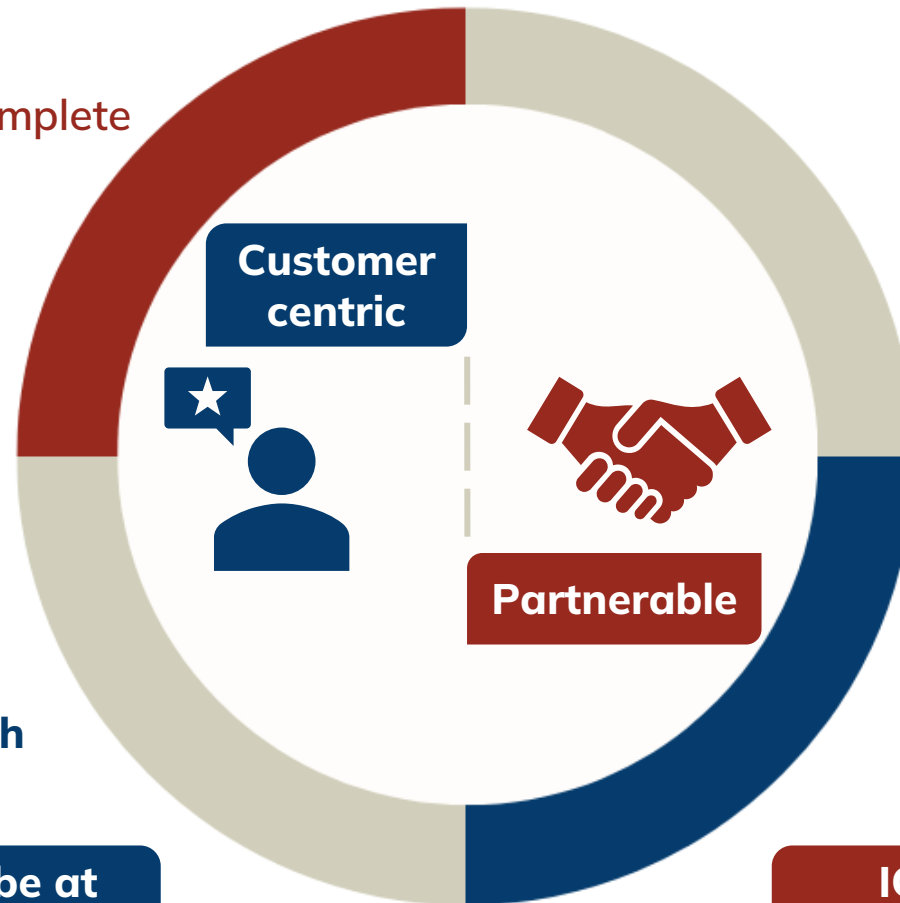
Strong & resilient balance sheet with zero NPA since inception

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



¹Includes Aadhar, CKYC & Banker's confirmation; ²Regular & 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



4P strategy

Customer centricity continues to be at the core



Integrating ESG with business management



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ESG: Environmental, Social & Governance

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%
Total APE		19.07	4.7%	54.30	1.7%		100.0%	100.0%

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

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

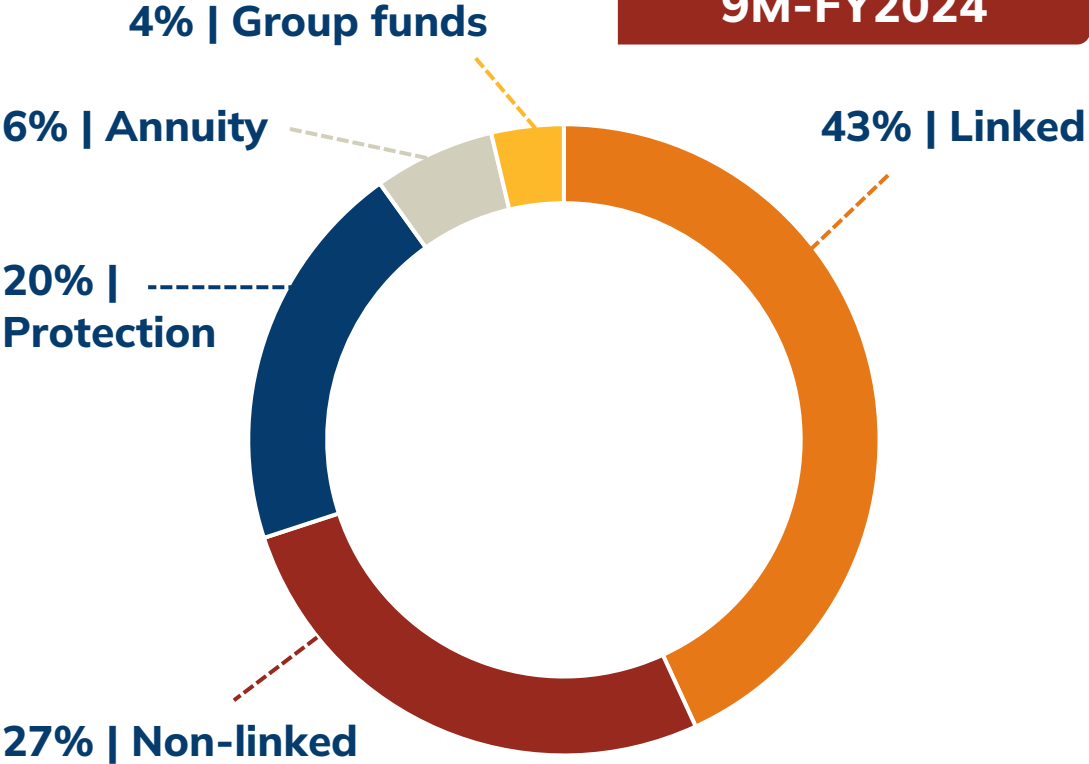
Segments		Q3- FY2024	Growth	9M- FY2024	Growth		Q3- FY2024	9M- FY2024
Savings	APE (₹ billion)	15.49	4.6%	43.39	1.1%	Mix	81.2%	79.9%
Linked		8.46	8.9%	23.40	5.7%		44.4%	43.1%
Non-linked		5.22	(1.3%)	14.58	(4.5%)		27.3%	26.8%
Annuity		1.22	17.3%	3.39	0.6%		6.4%	6.2%
Group funds		0.60	(15.5%)	2.03	(5.1%)		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%
Total APE		19.07	4.7%	54.30	1.7%		100.0%	100.0%

Strong growth in annuity & retail protection in Q3-FY2024

Premium growth: Product & Distribution

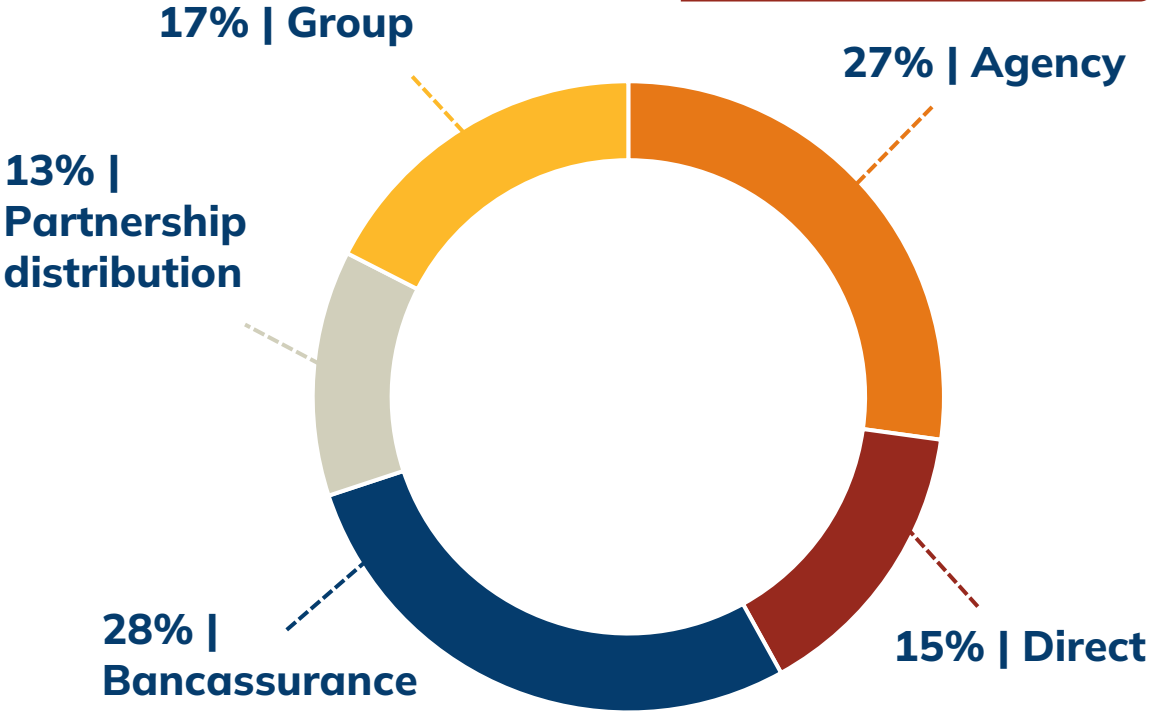
Product mix

9M-FY2024



Distribution mix

9M-FY2024



Well diversified product & distribution mix



Based on Annualised Premium Equivalent

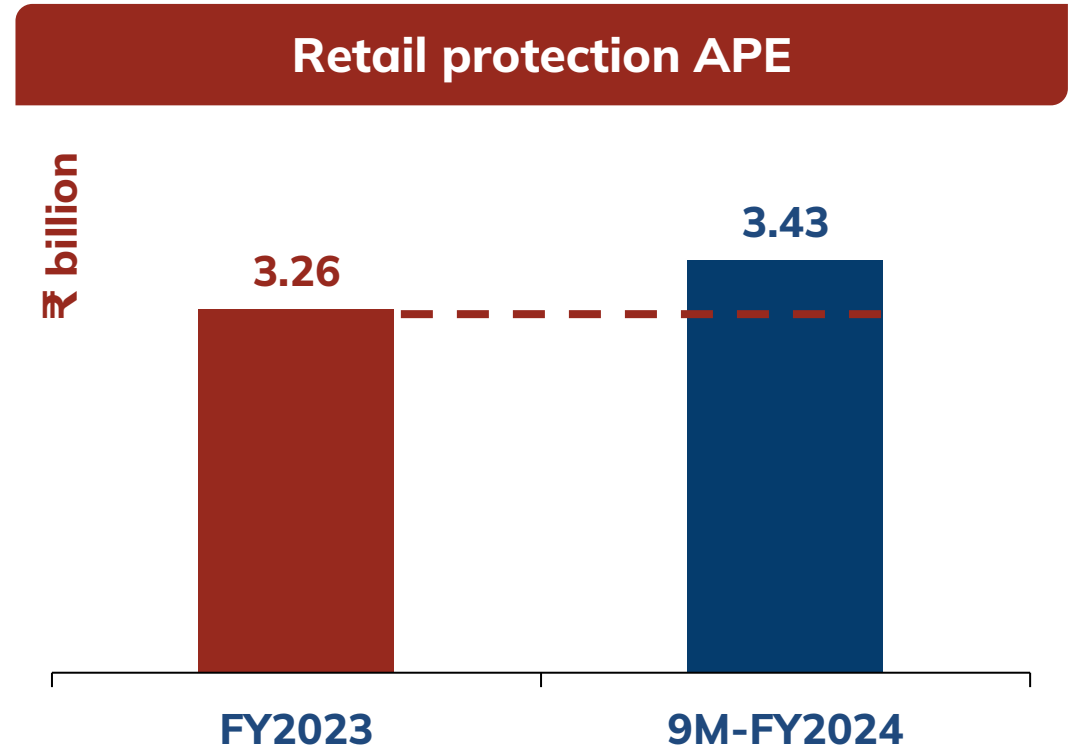
4P: Protection

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 ¹	10.50	10.92
Retail protection APE	2.20	3.43
Protection mix ²	19.7%	20.1%
Sum assured	6,921.93	7,228.49



Continued strong growth in retail protection



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

²As % 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 th Month	Regular & Limited pay	86.1%	85.4%	87.4% ↑	Fully paid & Single premium	100.0%	99.9%	99.8%
25 th Month		77.1%	77.1%	79.6% ↑		99.9%	99.7%	99.6%
37 th Month		70.0%	71.5%	71.5% ↑		100.0%	100.0%	99.4%
49 th Month		63.9%	63.9%	67.1% ↑		97.1%	98.4%	99.7%
61 st 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/TWRP¹

20.8%

21.5%

25.3%

-

Cost/TWRP¹ (savings LOB)

13.9%

14.2%

16.3%

-

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



¹Total 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 assets¹

- 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 ¹		86.1%	85.4%	87.4%
		49th month ¹		63.9%	63.9%	67.1%
	Productivity (Cost/TWRP: Savings) ²		13.9%	14.2%	16.3%	

Financial metrics

(₹ billion)

9M-FY2023

FY2023

9M-FY2024

Profit after Tax

5.76

8.11

6.79

Solvency ratio¹

212.2%

208.9%

196.5%

AUM¹

2,518.84

2,511.91

2,866.76

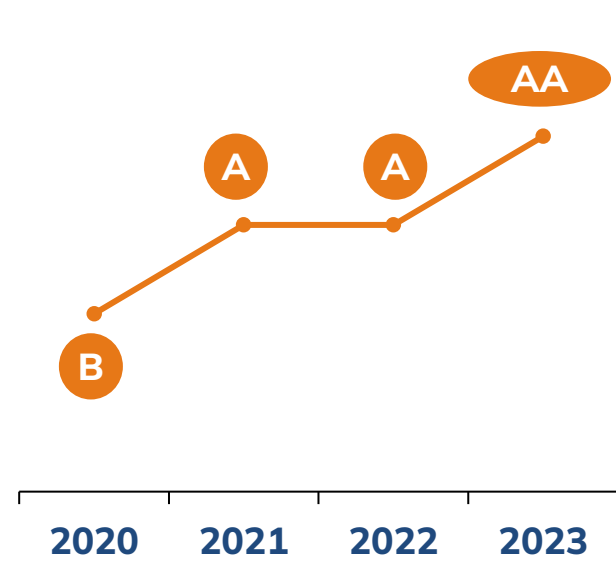
Solvency ratio continues to be strong

Environmental, Social & Governance (ESG)

ESG Update & Framework



ESG rating by MSCI



Disclosure under IR¹ framework FY2023



Integrated annual report since FY2020



ESG report since FY2020



BRSR² 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

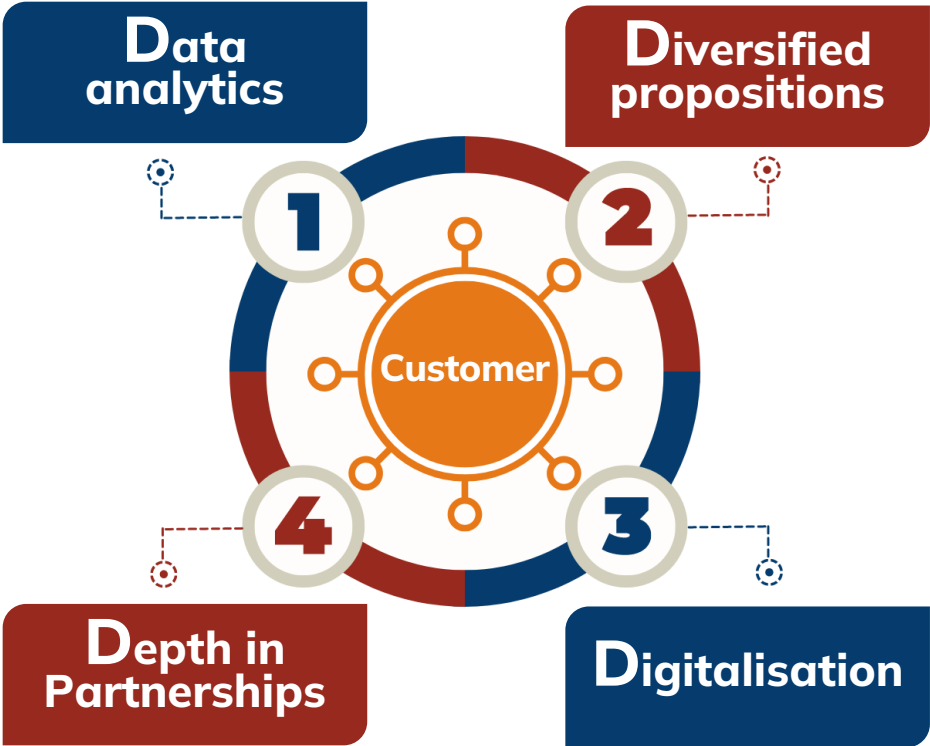


¹ Integrated reporting

² Business Responsibility and Sustainability Report

4D framework

4D framework enabling our 4P strategy



Risk calibrated growth with focus on quality



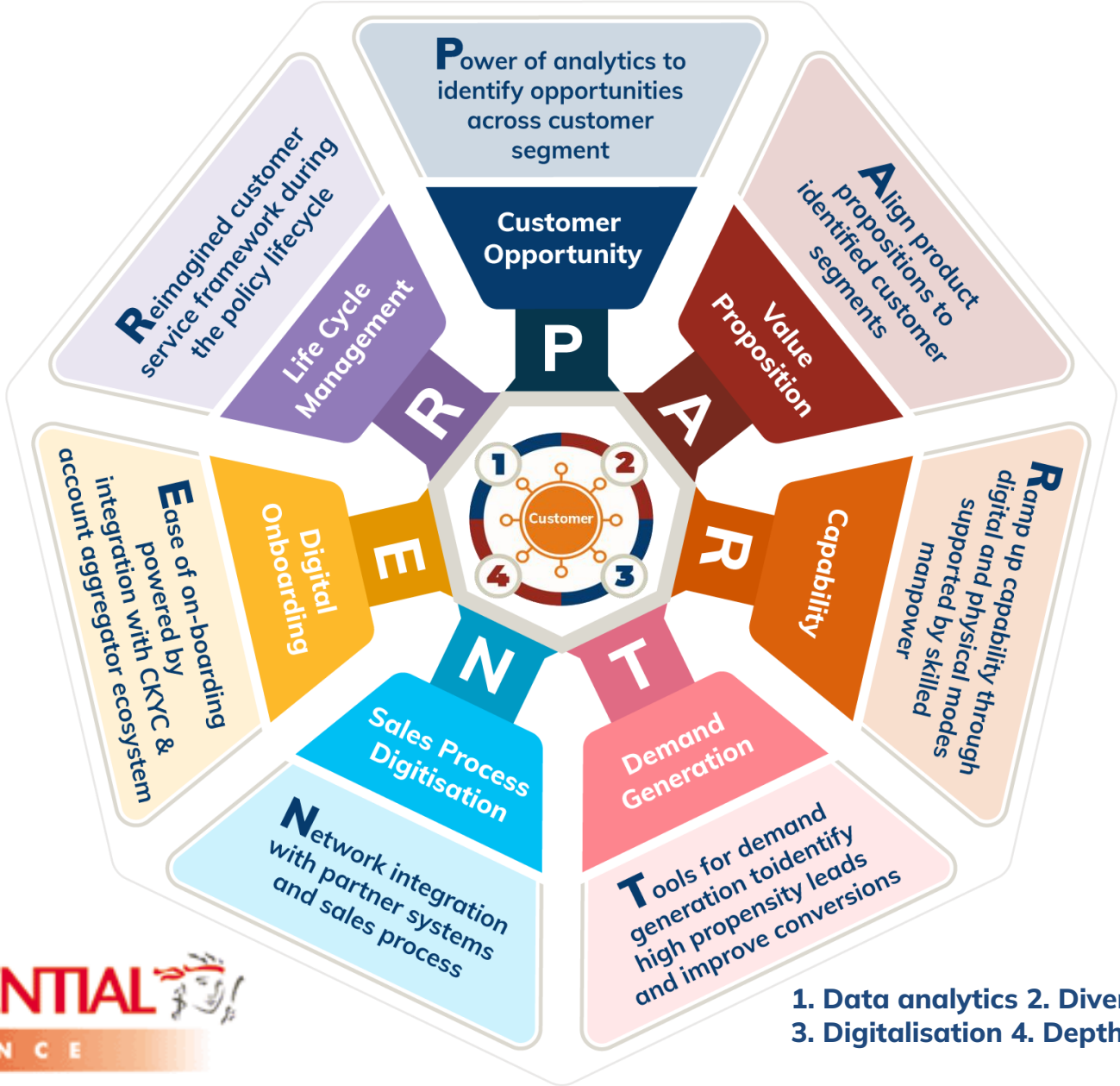
4P strategy

Customer centricity continues to be at the core



Integrating ESG with business management

ICICI Pru Stack: Suite of platform capabilities



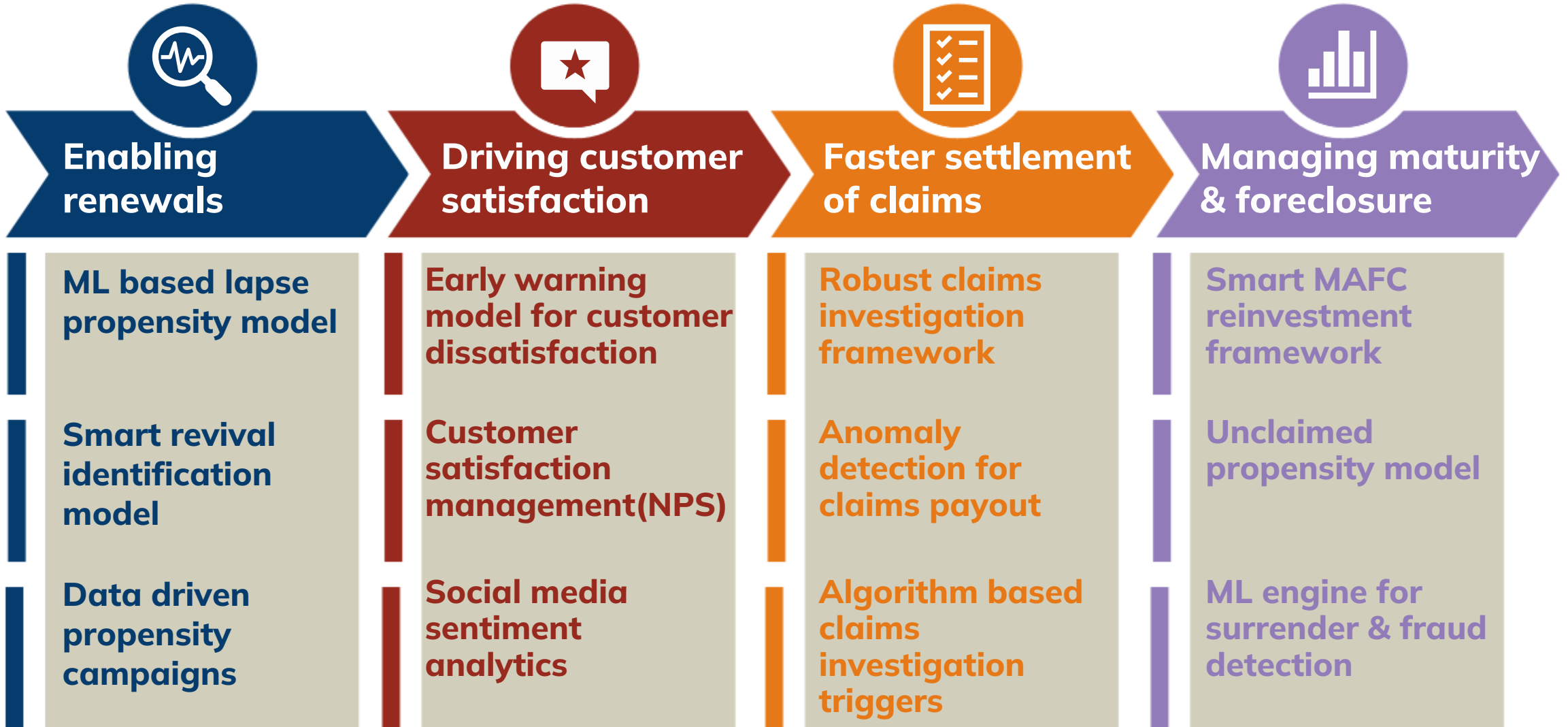
Array of platform capabilities to help us deliver superior value propositions to our customers, in collaboration with our partners

4D: Data analytics

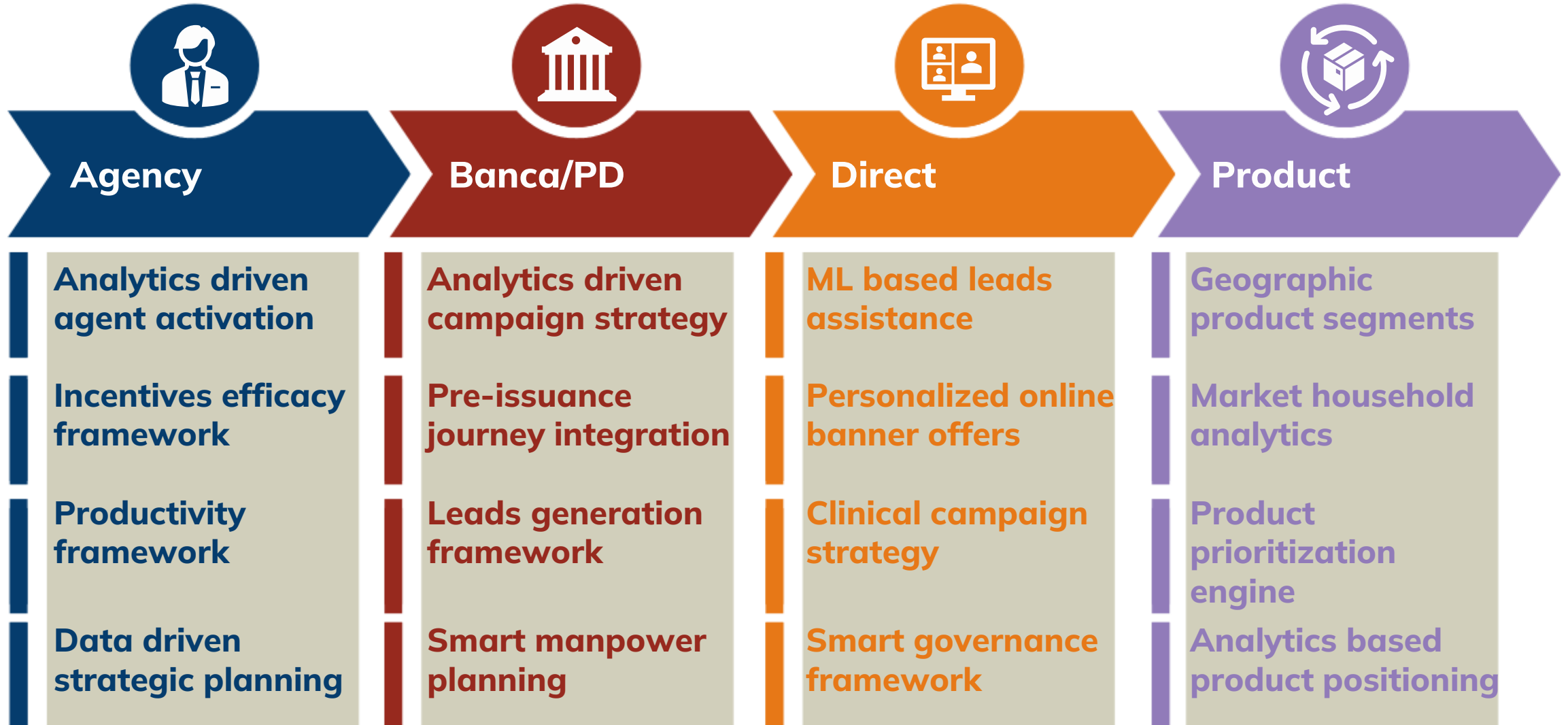
Customer centric analytics powering New Business



Customer centric analytics powering Operations



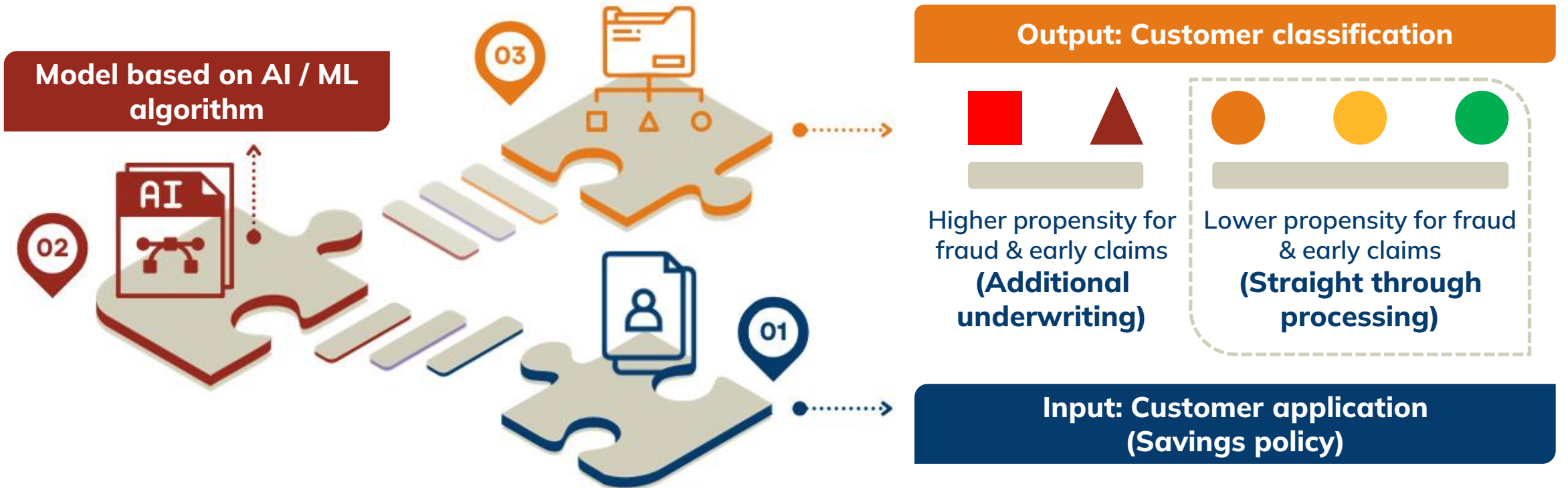
Analytics engine powering Business & Product



Key initiatives 9M-FY2024: AI based risk management

Risk Management

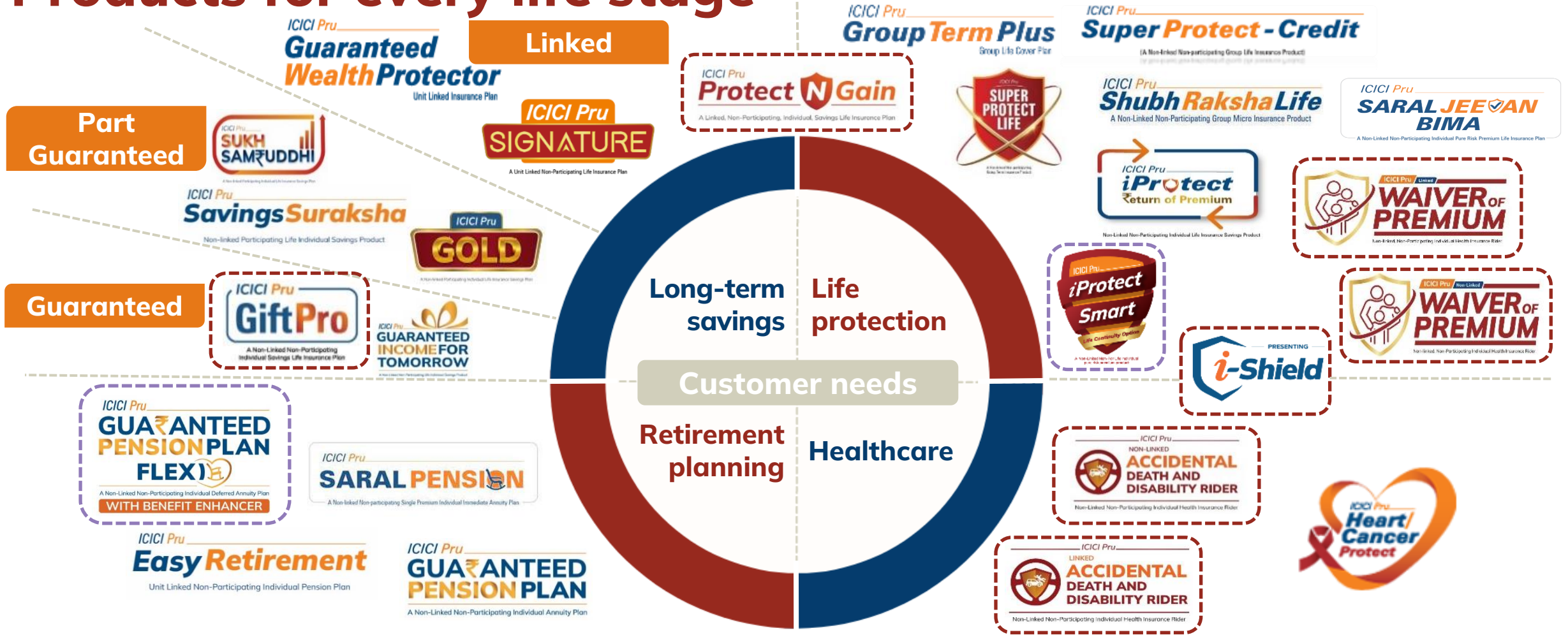
Focus on **extensive utilisation of AI & ML along with data analytics** to mitigate insurance risk at onboarding stage



~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

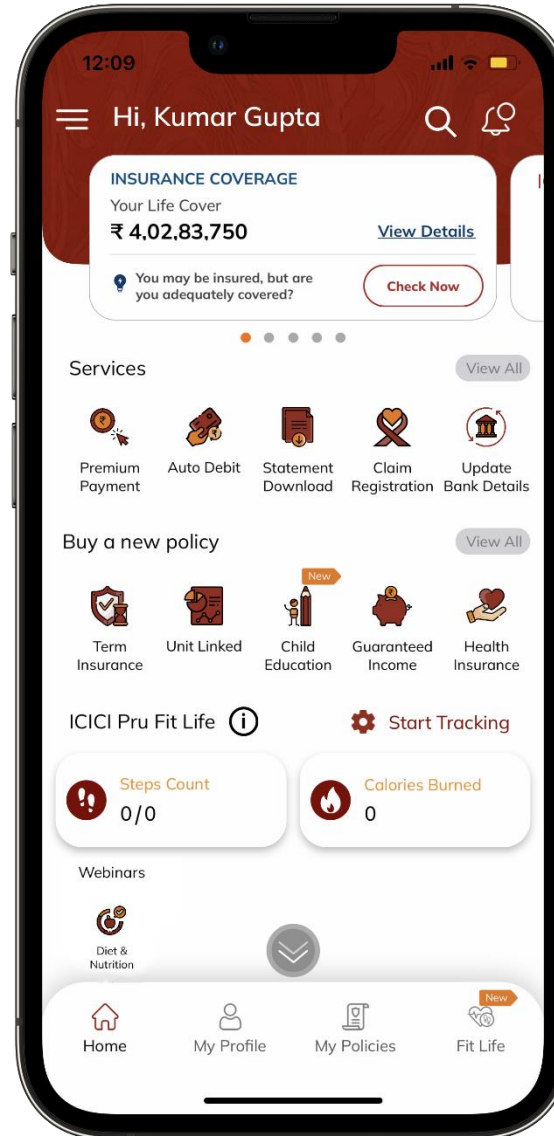
Digital @ICICI Prulife

~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



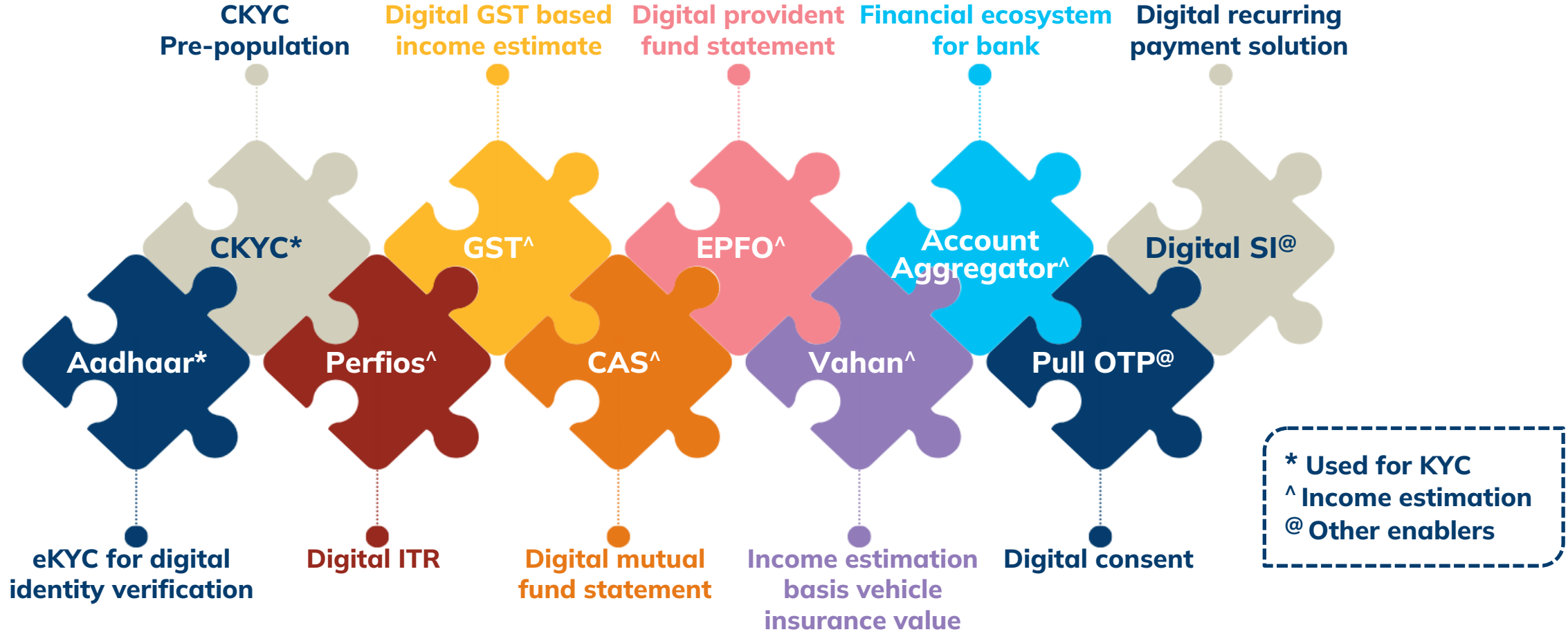
99% digital logins & 100% e-insurance account for eligible base

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 KYC¹ & ~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%¹ | Bancassurance

Strategy: Build profitability

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

15%¹ | Direct*

Strategy: Digital focused upsell campaigns

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

1,052 partnerships

13%¹ | 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%¹ | Agency

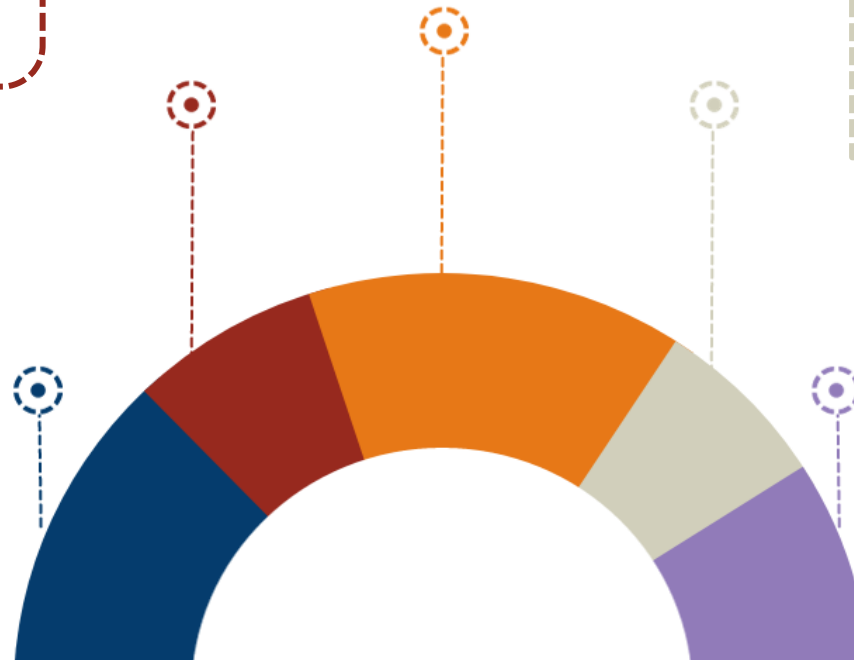
Strategy: Invest & grow

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

18%¹ | Group

Strategy: Increase attachment & market share

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



¹Channel 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)



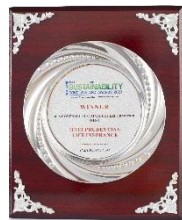
Gold Award for the Company's FY2023 Integrated Annual Report

Transformance



Best Sustainability Report (BFSI)

Transformance



Best Overall Sustainable Performance (BFSI)



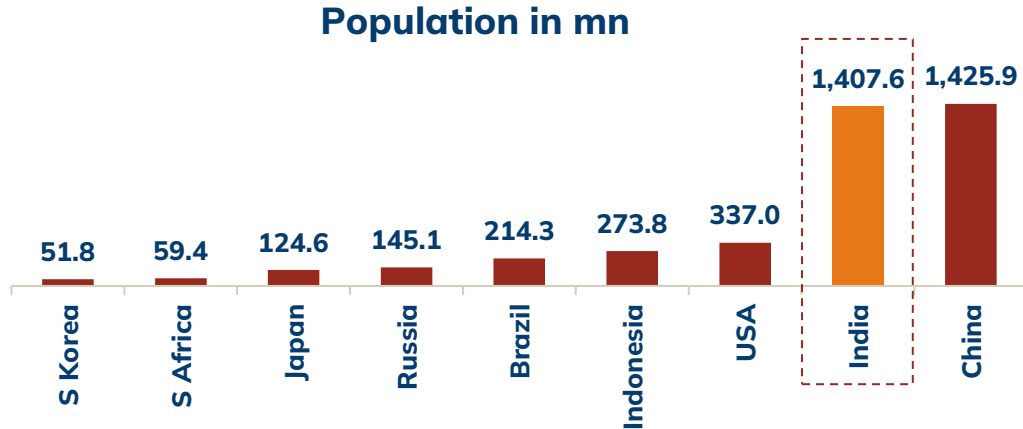
Agenda

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

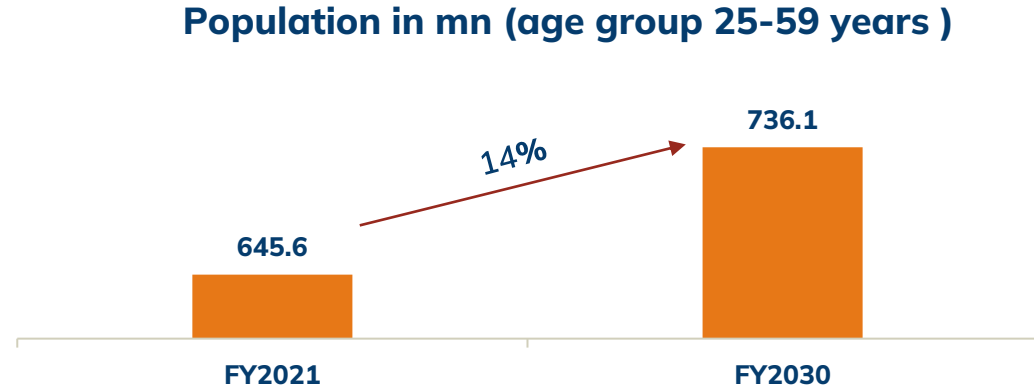


Favorable demography

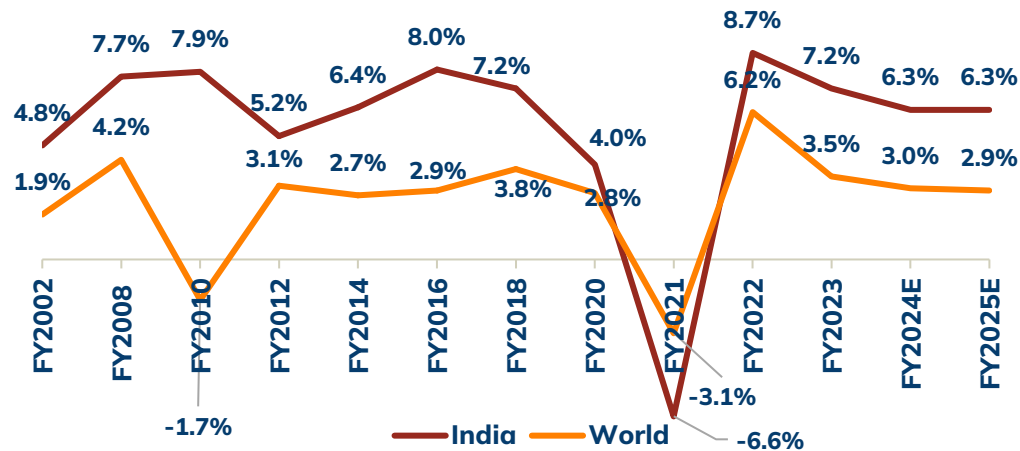
Large & growing population base¹



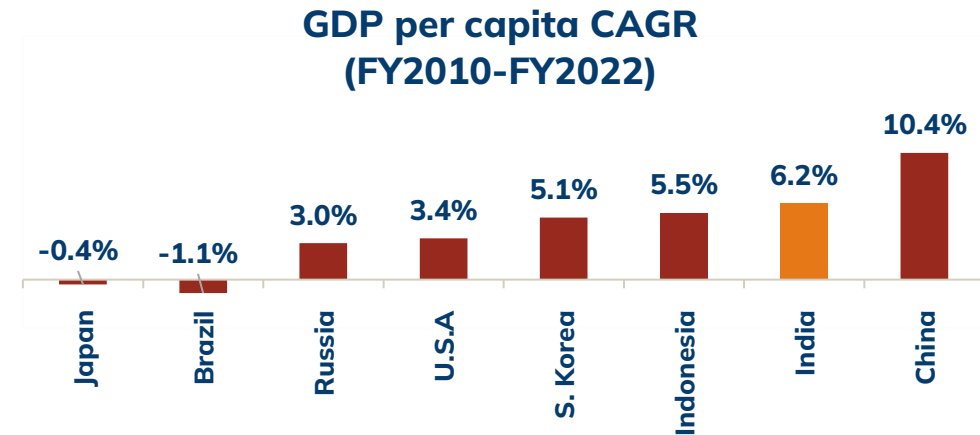
High share of working population¹



Driving GDP growth²



Rising affluence³



¹Source: UN population division at July 2022

²Source: World Economic Outlook update, October 2023

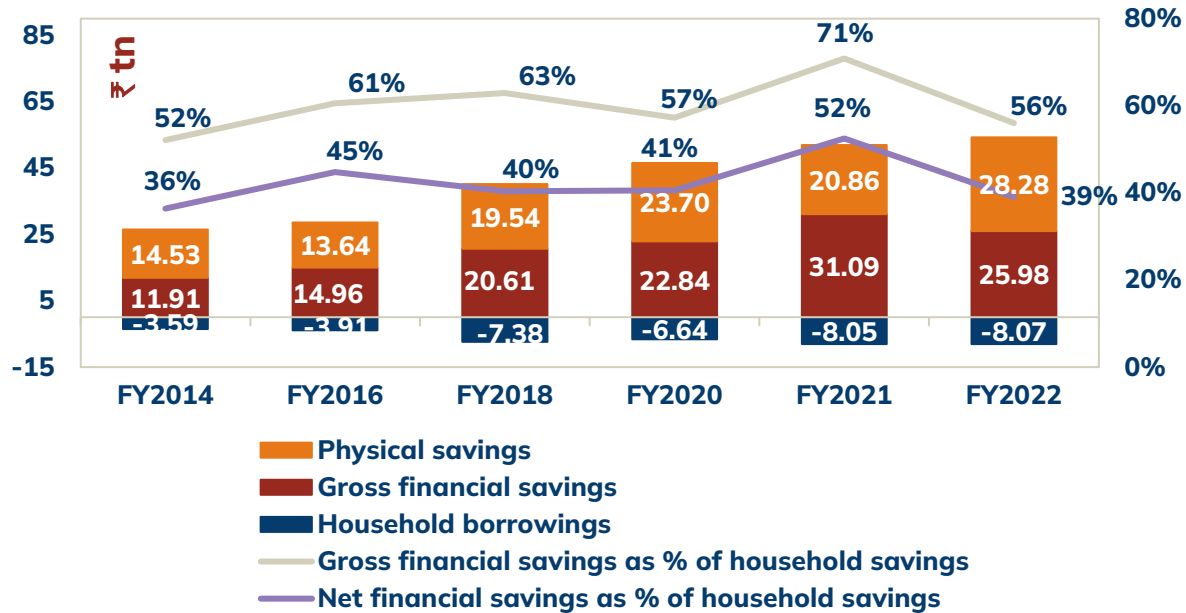
³Source: The World Bank

Compound annual growth rate (CAGR)

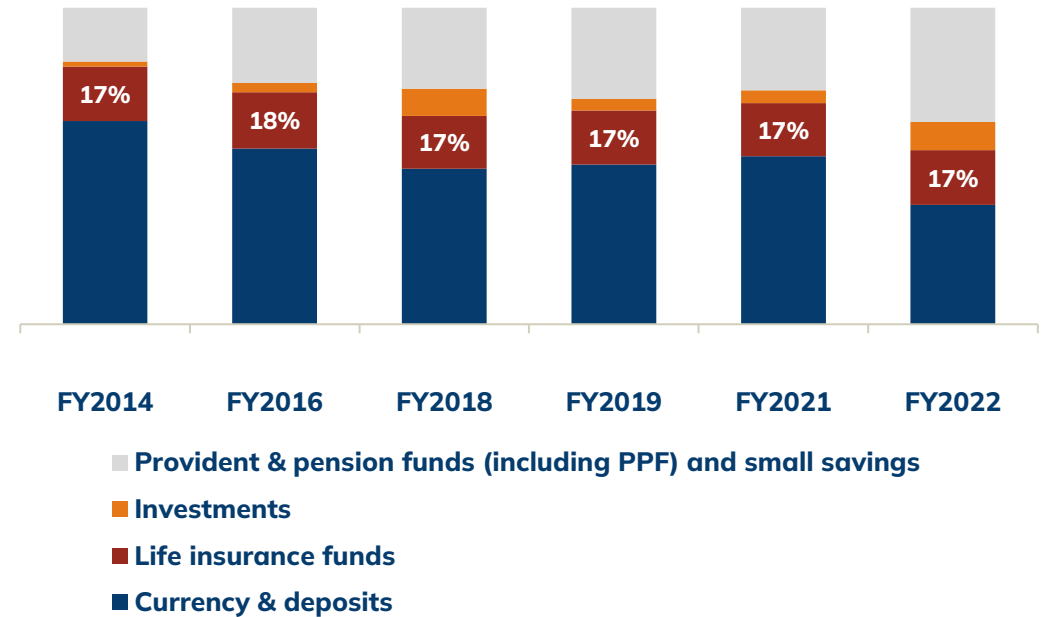
Gross domestic product (GDP)

Financialisation of savings: Opportunity for insurance

Household savings¹



Distribution of financial savings (including currency)²



FY2002 FY2008 FY2010 FY2012 FY2014 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023

Life insurance premium³
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%

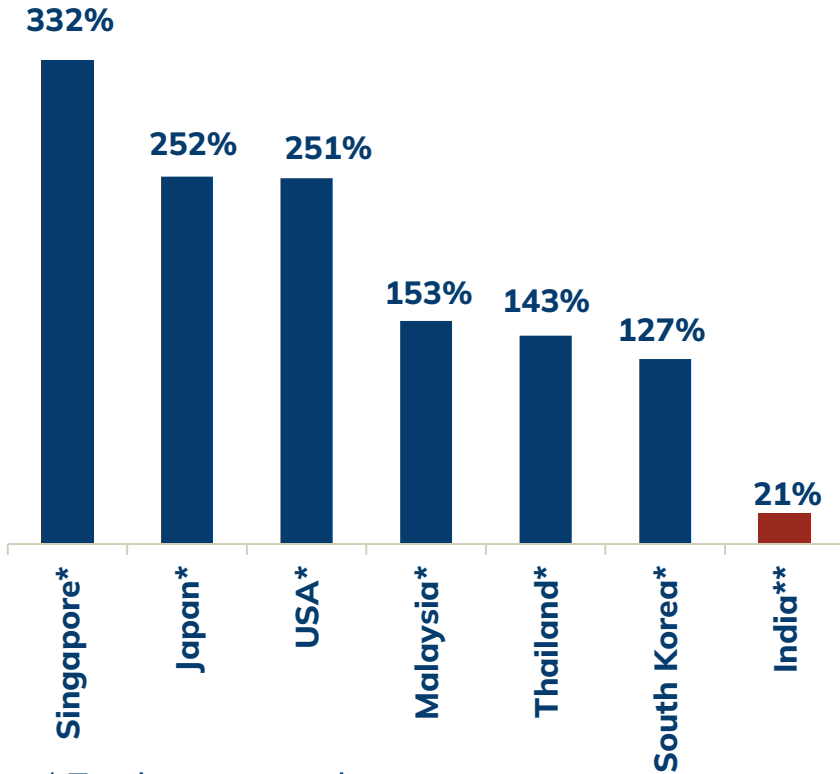
¹Source: RBI & CSO

²Source: RBI

³Total life insurance industry premium including renewal; Source: IRDAI

Protection opportunity: Low penetration

Sum assured as % of GDP^{1,2}



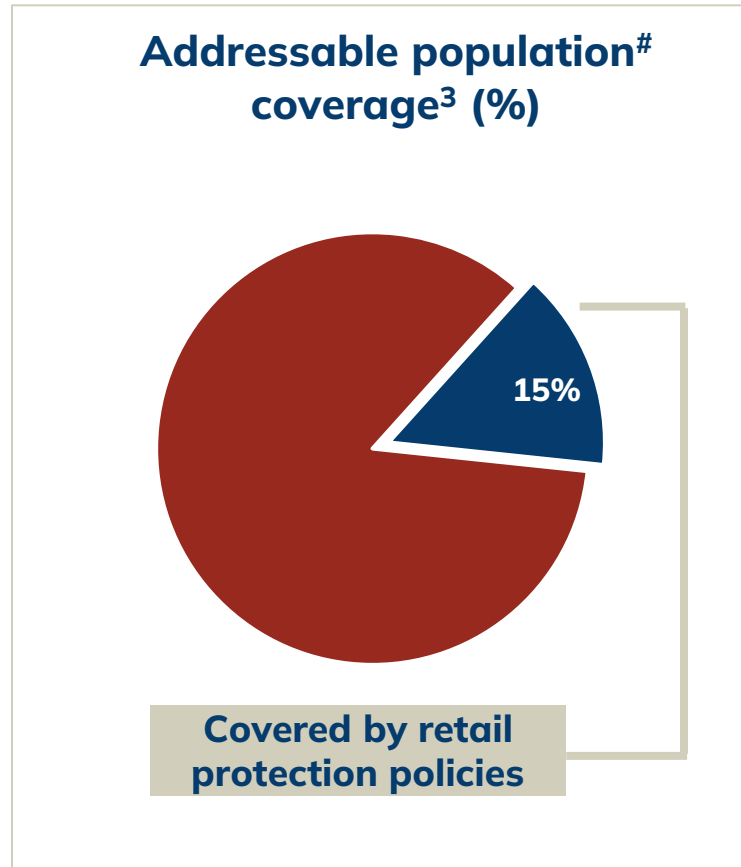
* Total sum assured

** Retail protection sum assured (company estimates)

¹FY2023 for India; Source: NSO & Company estimates

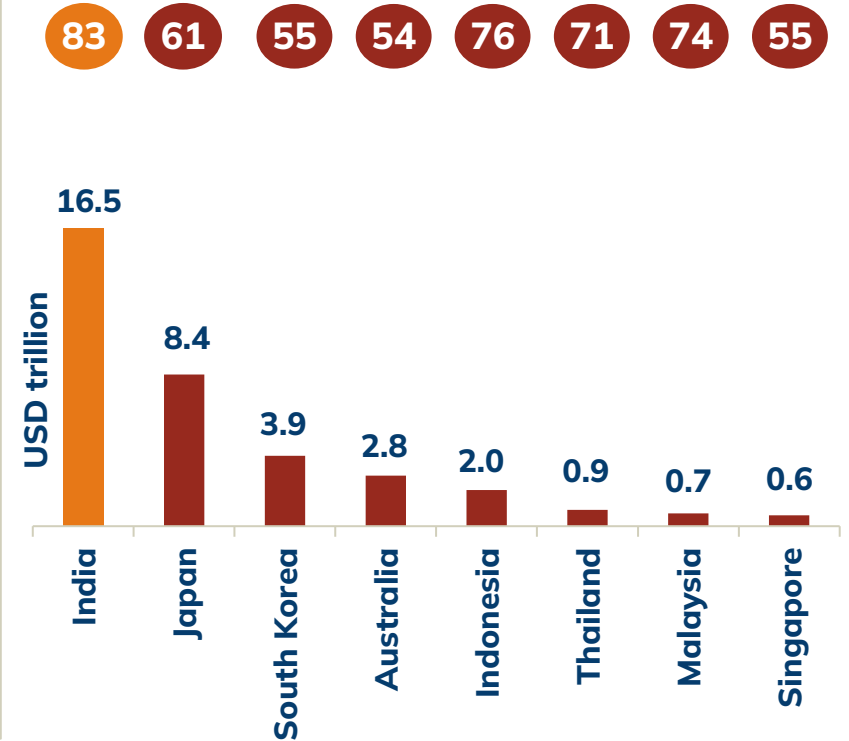
²FY2018 for USA & Japan; FY2020 for other countries; Source: McKinsey estimates

Addressable population[#] coverage³ (%)



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

Protection gap (%)^{4,5}



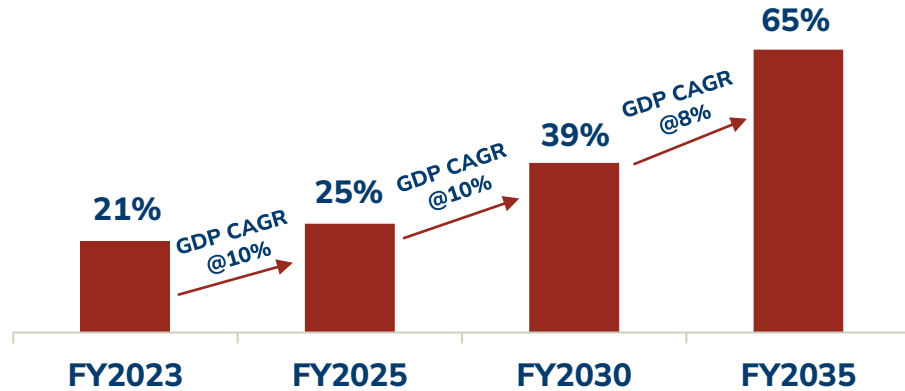
⁴Protection gap (%): Ratio of protection lacking/ protection needed

⁵Source: Swiss Re, Closing Asia's mortality protection gap, 2020

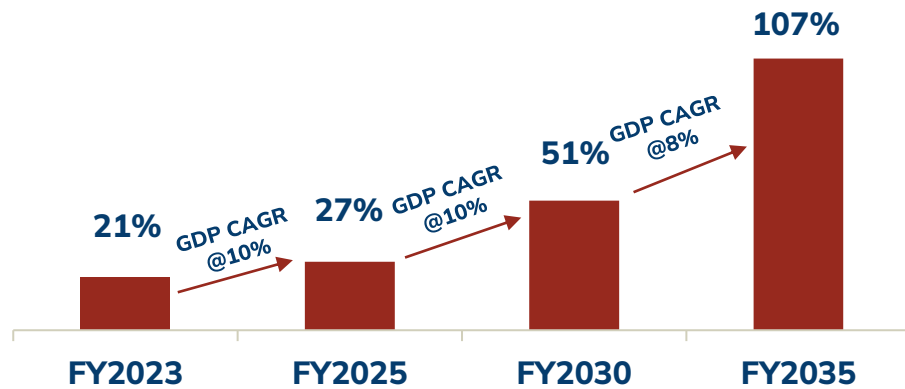
[#]Income tax department data with individual income > ₹ 0.25 mn & company estimates

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

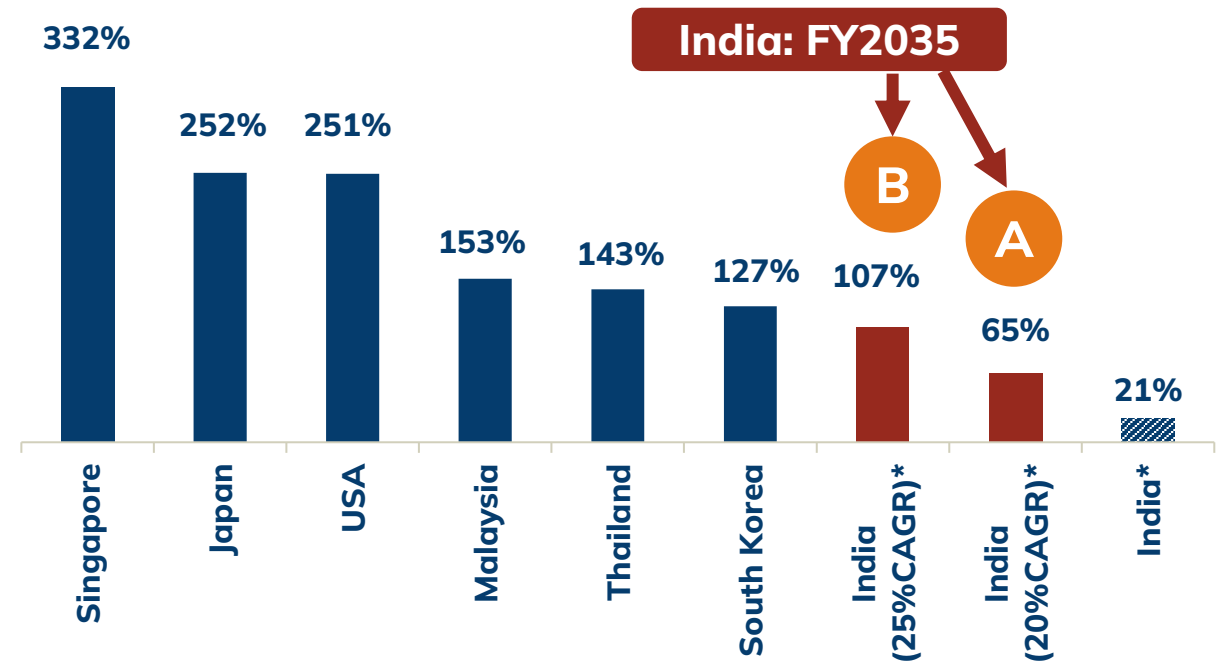
A SA as % of GDP (SA growth @ 20% CAGR)



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



SA as % of GDP^{1,2}



¹FY2023 for India; Source: NSO & Company estimates

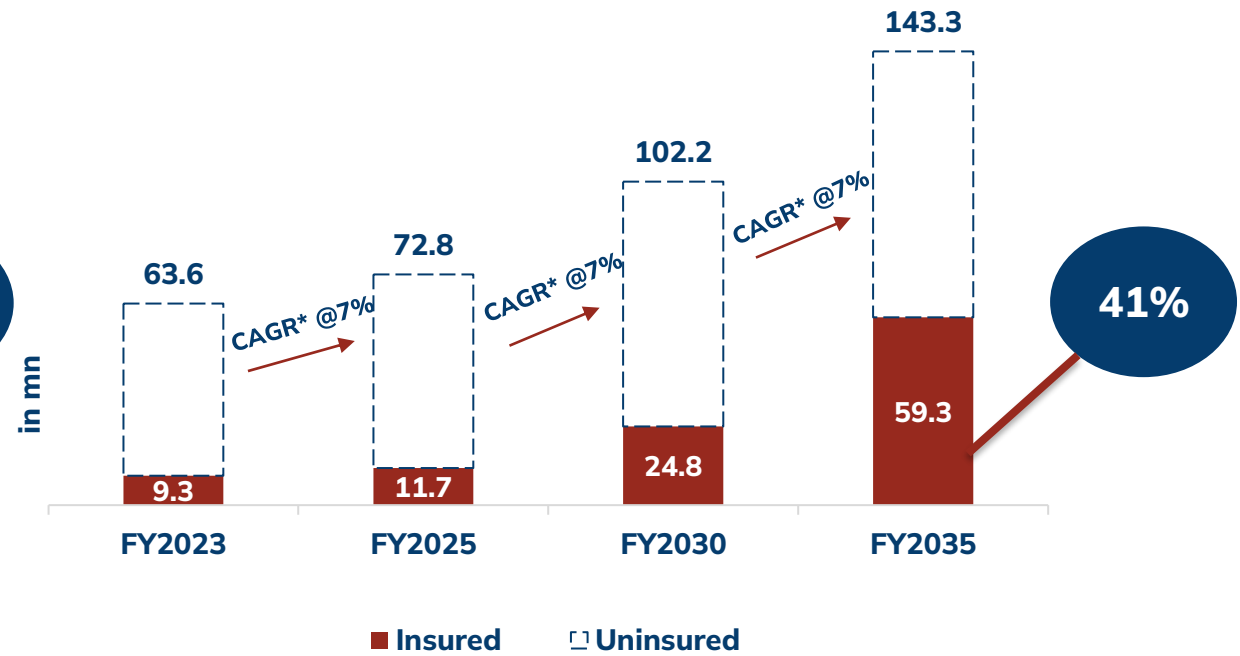
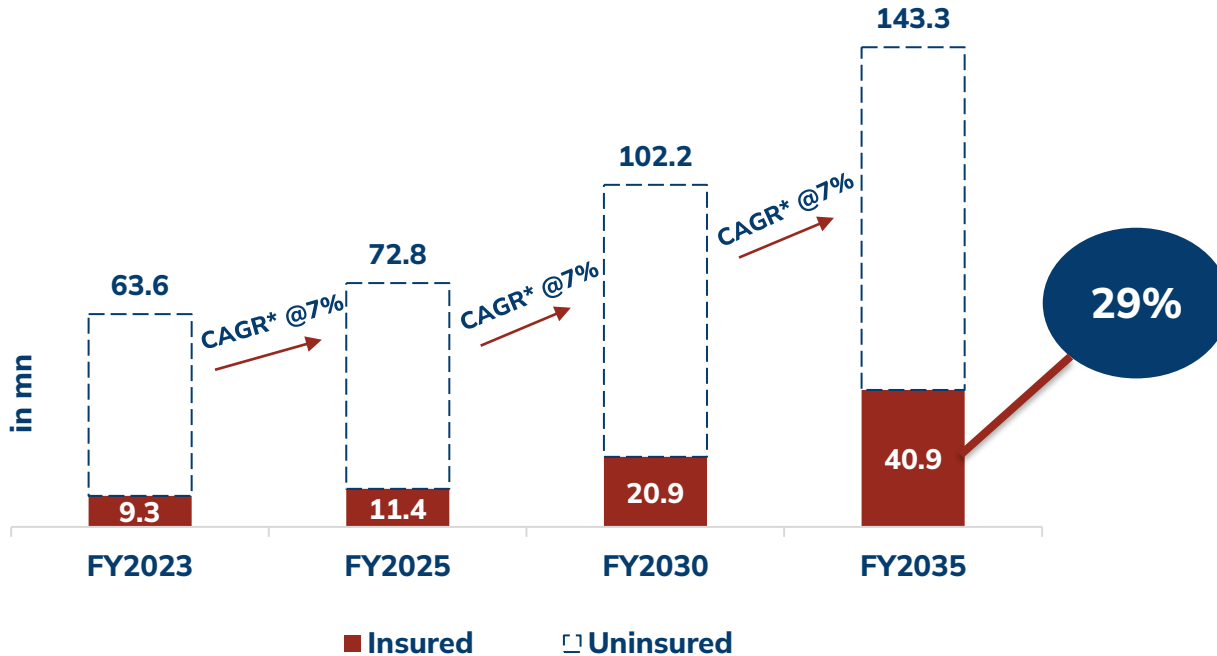
²FY2018 for USA & Japan; FY2020 for other countries; Source: McKinsey estimates

*For retail protection sum assured (company estimates)

Protection opportunity: Addressable population (%)

15% CAGR in new policy count¹

20% CAGR in new policy count¹



~40% of India's addressable population expected to be covered by FY2035²

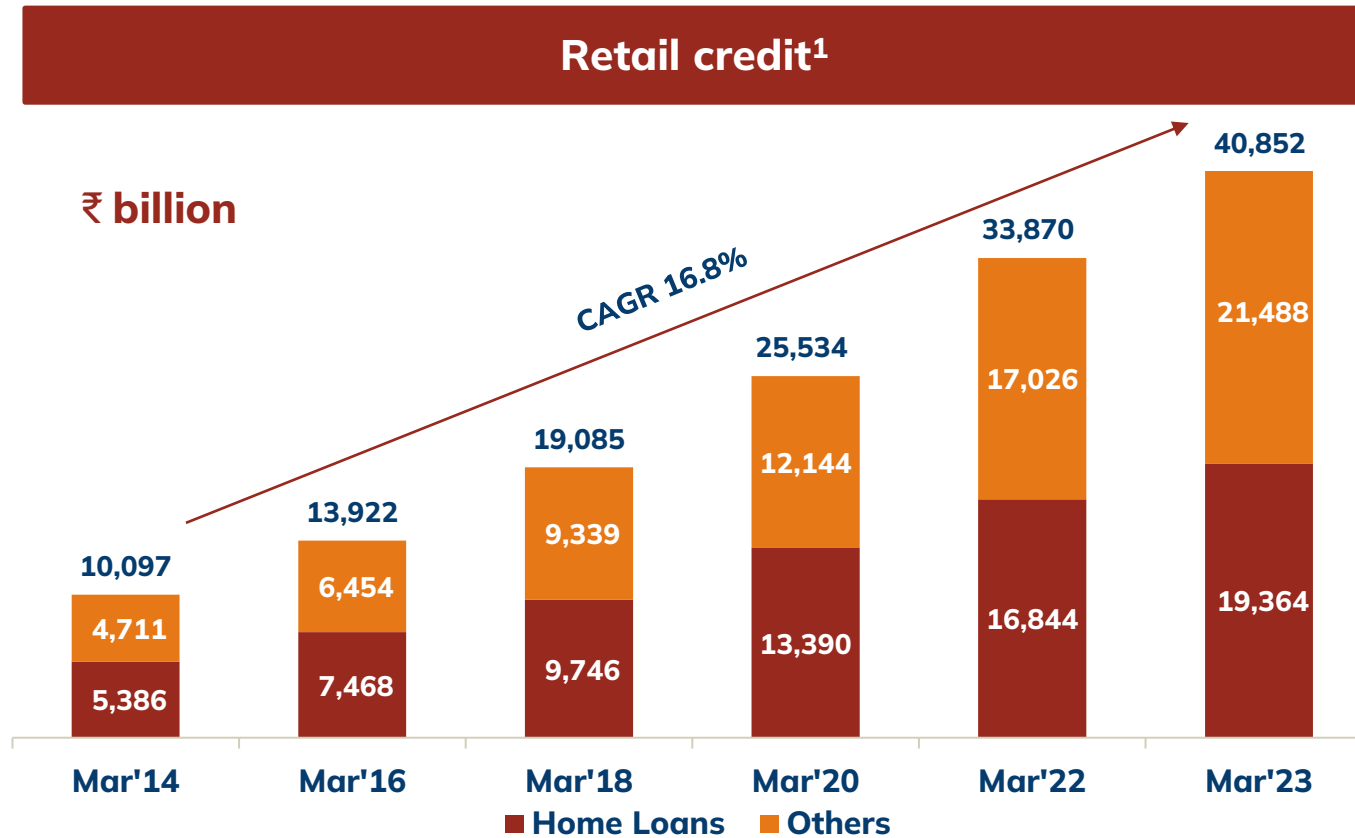
¹Assumed 10% lapse rate for in-force policies each year

²Estimates 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 & motor²

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

¹Source: RBI: Deployment of Gross Bank Credit by Major Sector

²Source: General Insurance Council

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

Agenda

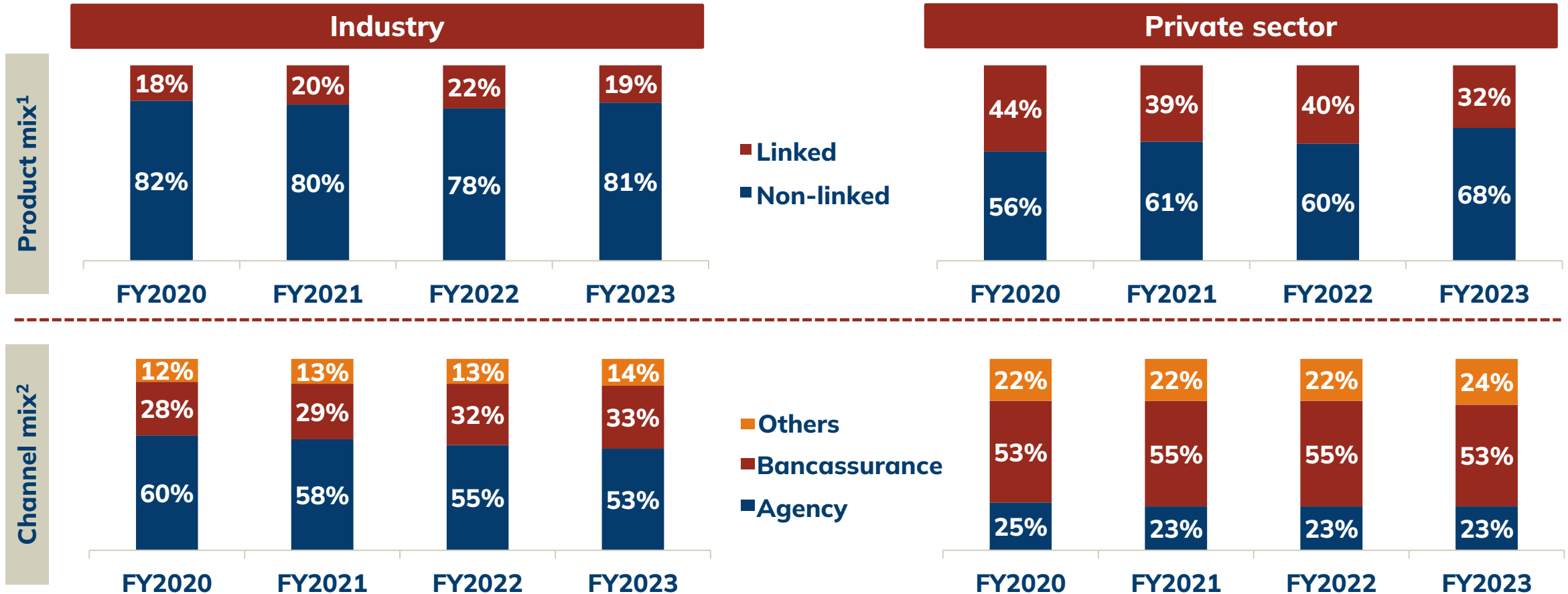
- Company strategy and performance
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Evolution of life insurance industry in India

	FY2002	FY2010	FY2015	FY2023
New business premium ¹ (₹ 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 ² (₹ 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



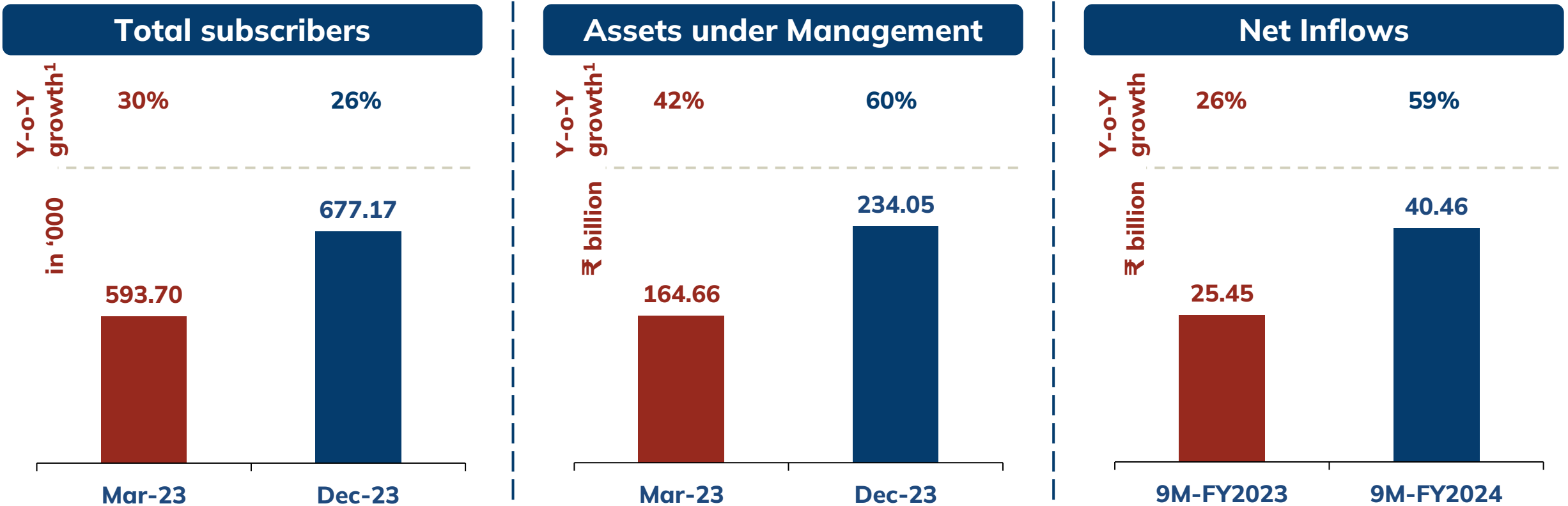
Well developed banking sector enables bancassurance to be largest channel for private players



¹Based on new business weighted premium
²Based 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



¹Y-o-Y growth represents FY2023 growth for March 2023 & 9M-FY2024 growth for December 2023
PFM: Pension Fund Manager

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)



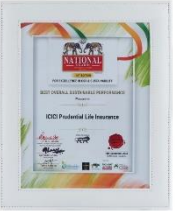
Awards & Accolades: 9M-FY2024 (2/2)

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

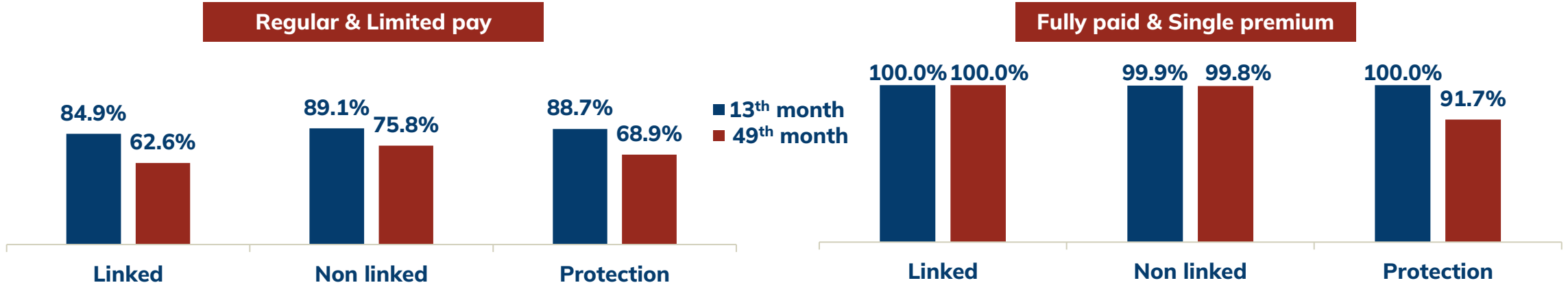
Reputation Today Awards



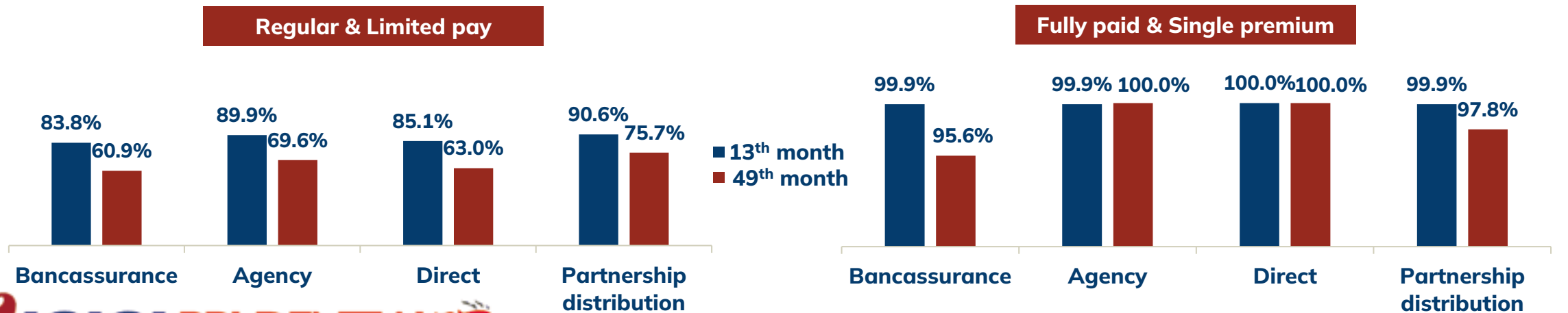
Top 30 Top Corporate Communication Teams for 2023

Retail persistency: FY2023

Persistency¹ across product categories

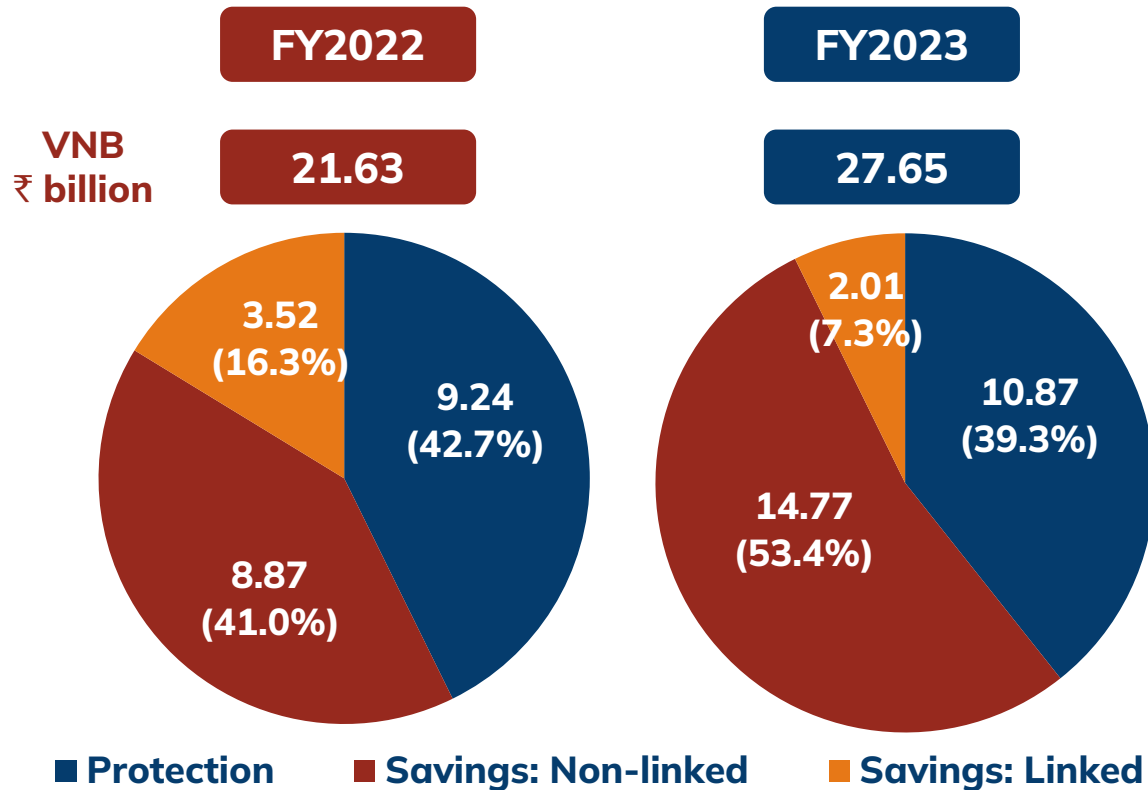


Persistency¹ across channel categories

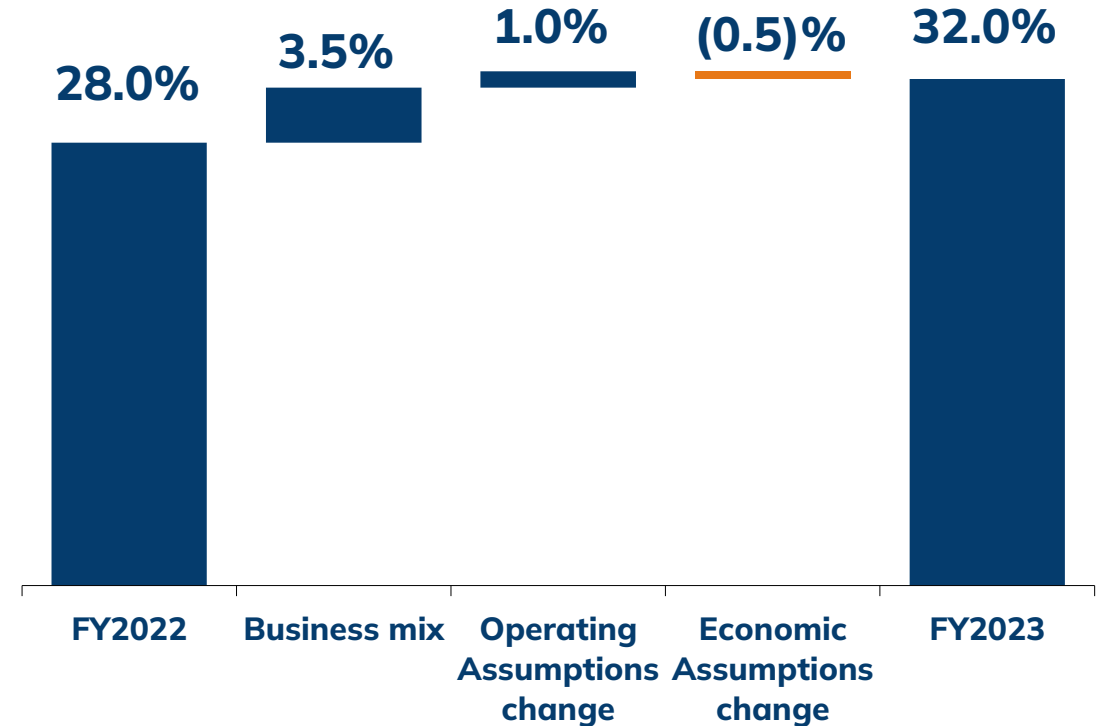


Value of New Business (VNB)

VNB contribution*



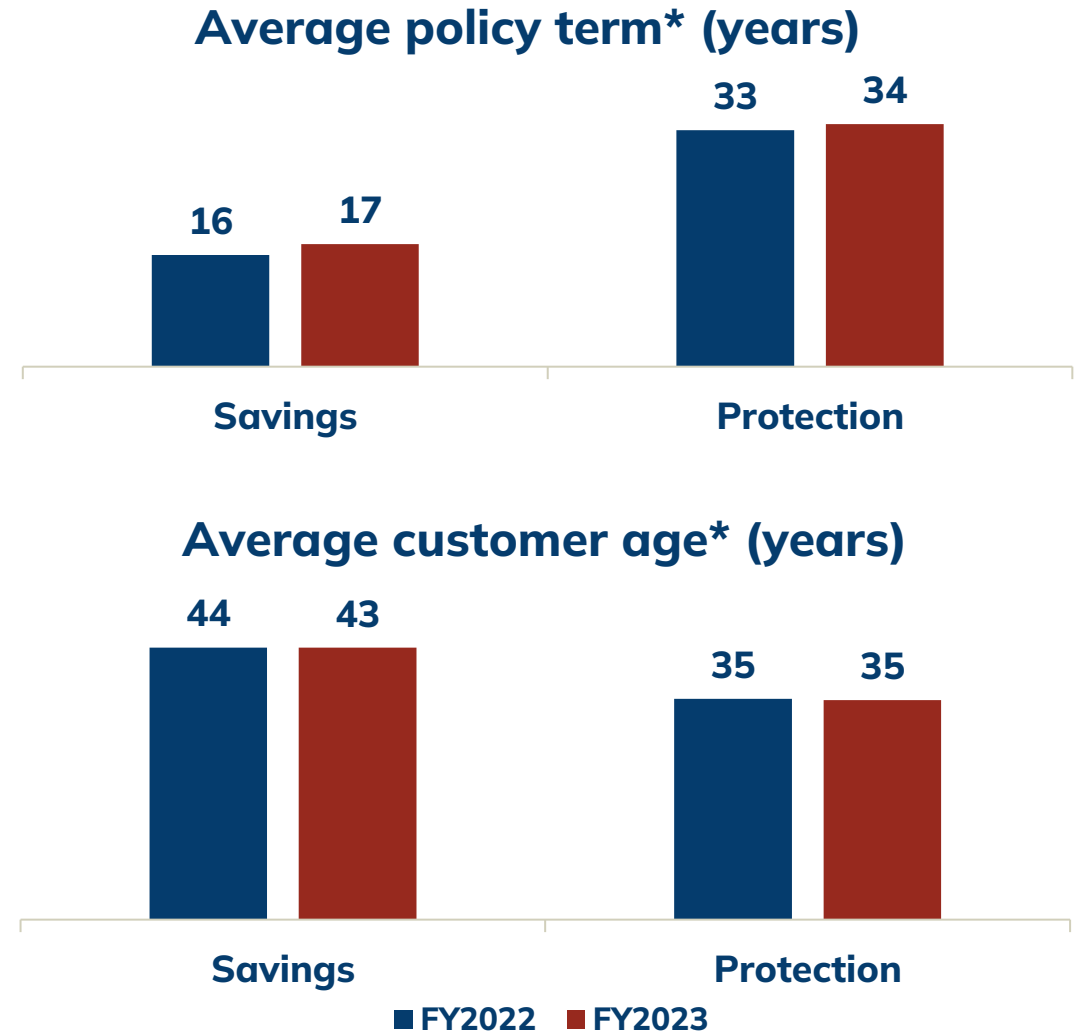
VNB margin movement



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
Total	100,407	118,928



Channel wise product mix¹

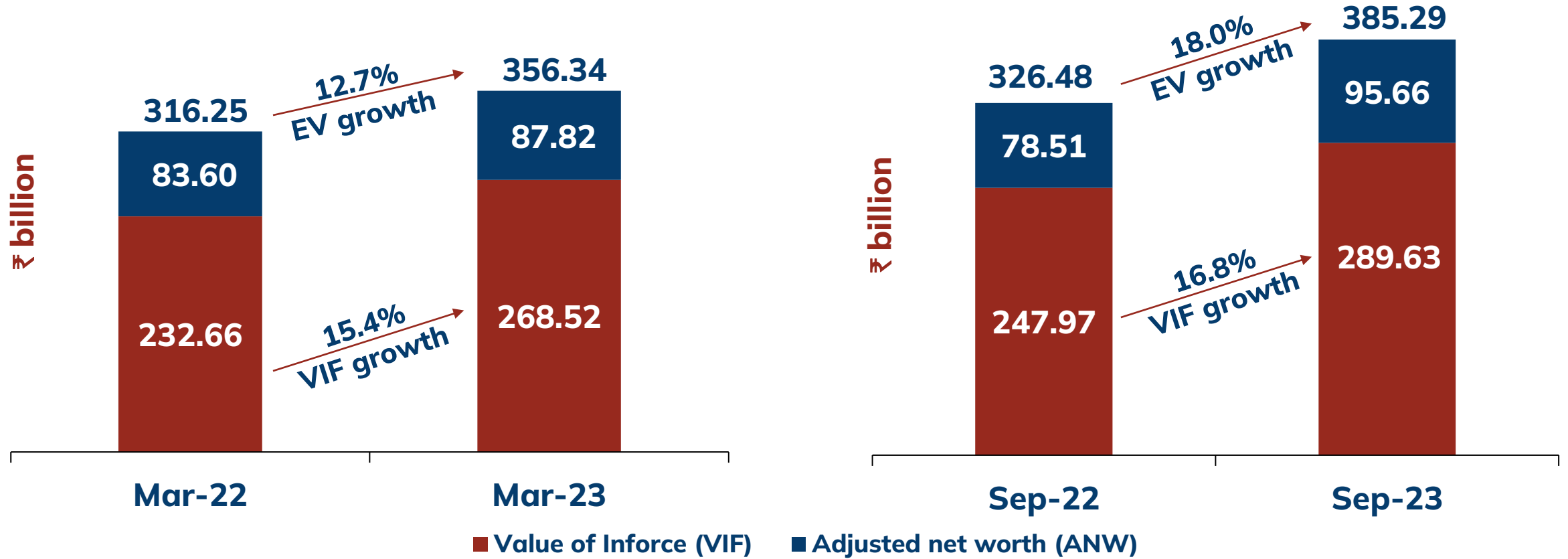
Channel category	Product category	FY2021	FY2022	FY2023
Bancassurance	ULIP	73.3%	70.7%	57.0%
	Non-linked savings	11.6%	19.2%	31.7%
	Annuity	4.3%	4.9%	7.3%
	Protection	10.9%	5.2%	4.0%
	Total	100.0%	100.0%	100.0%
Agency	ULIP	33.3%	42.6%	35.6%
	Non-linked savings	57.0%	48.8%	55.4%
	Annuity	2.1%	3.9%	6.4%
	Protection	7.7%	4.7%	2.6%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%

Product wise channel mix¹

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%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%

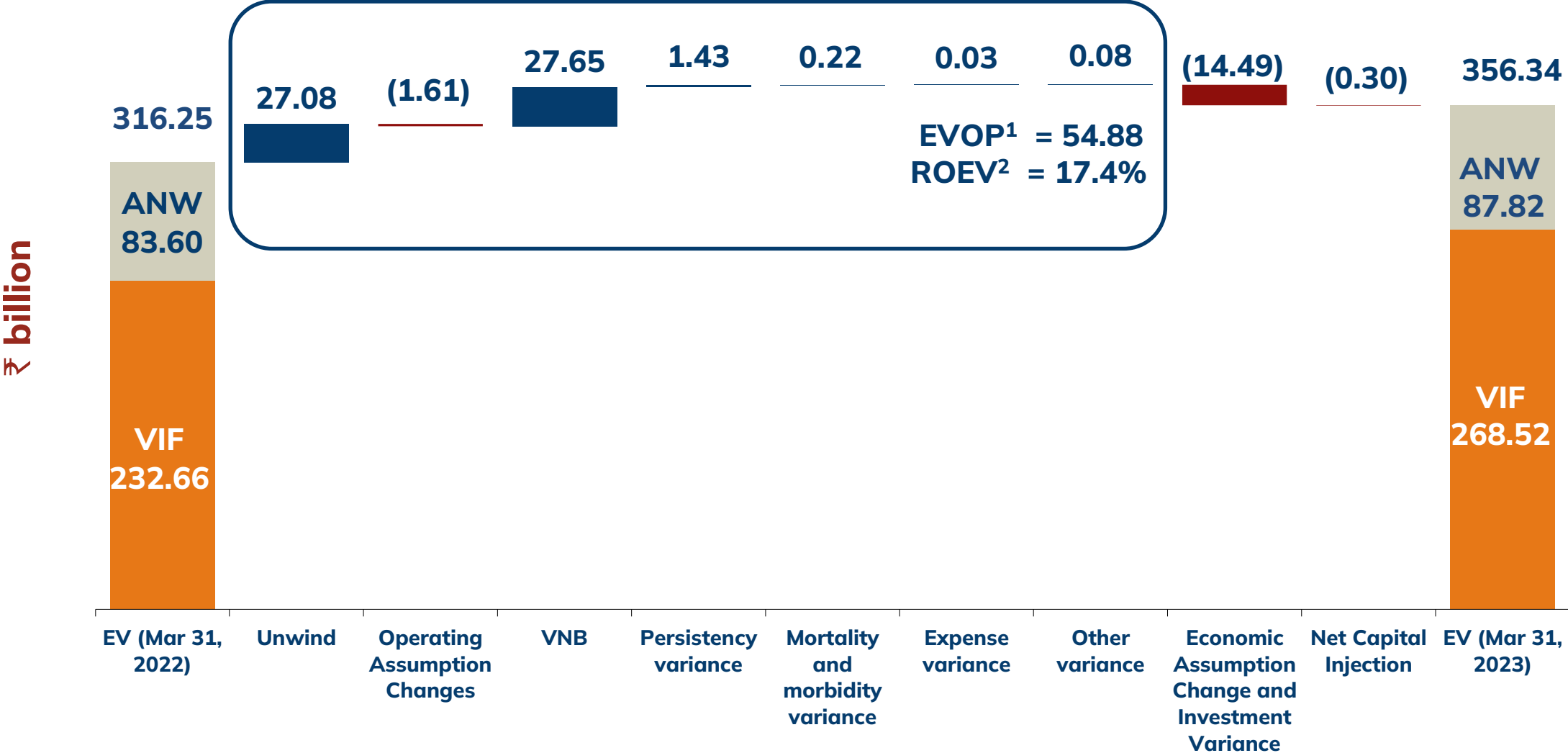
Embedded value

Embedded value (EV)¹



Continued strong growth in VIF

Analysis of movement in EV



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

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

Analysis of movement in EV¹

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

¹As per Indian Embedded Value (IEV) method

²Negative impact of ₹ 5.49 billion due to change in effective tax rate

³Mortality 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 13th month, 49th month persistency etc. depicting the persistency level at 13th month (2nd year) & 49th month (5th 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