

October 15, 2022

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 October 10, 2022 with reference to the earnings call to be hosted by the Company today i.e. October 15, 2022 with investors and analysts at 5.30 p.m. IST.

Please find enclosed the business presentation for 'earnings conference call' to discuss the performance of the Company for H1-FY2023.

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

Thanking you,

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**

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

**Encl.: As above**



# Performance update: H1-FY2023

October 15, 2022

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview

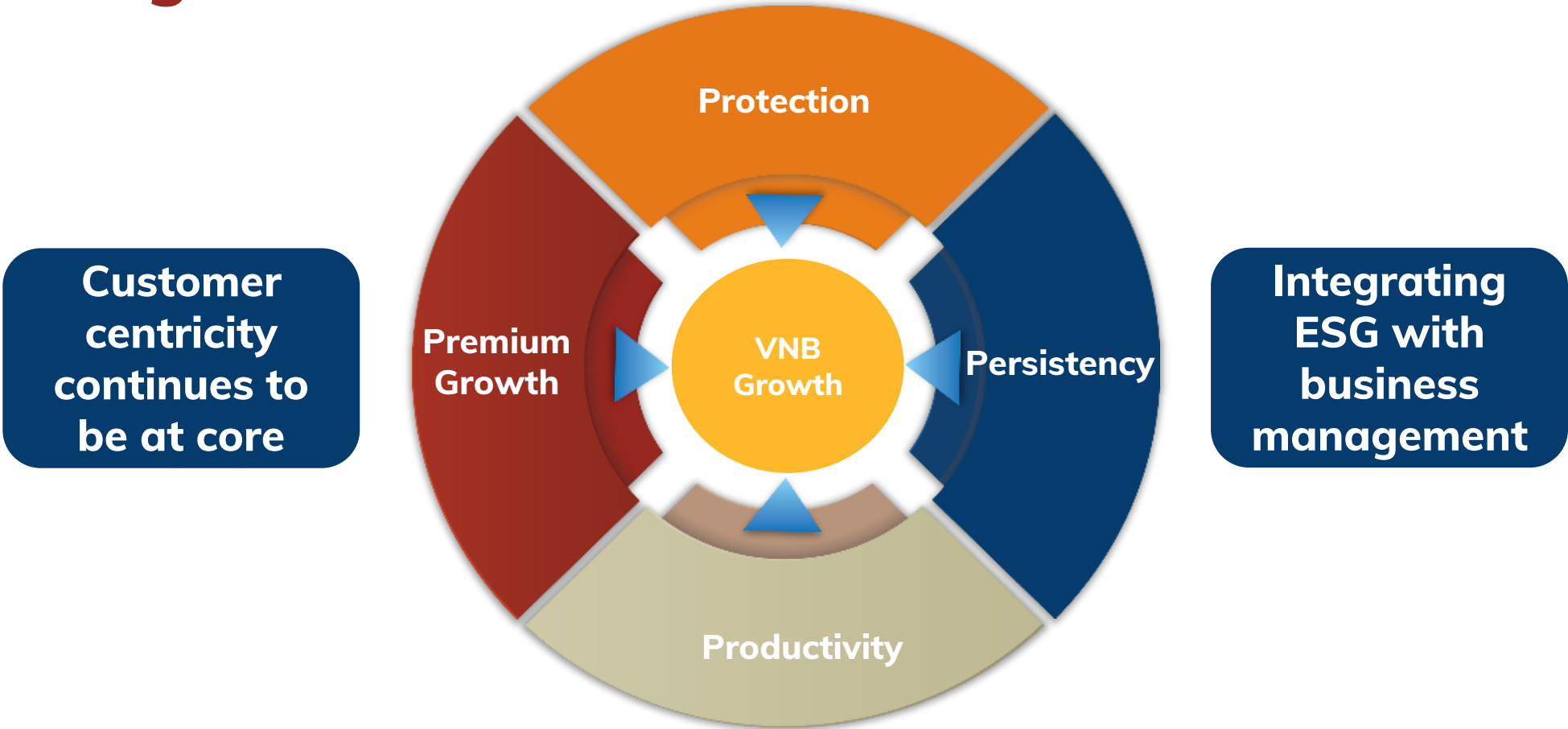


# Agenda

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



# Key strategic elements



Aspiration to double FY2019 VNB in four years

# Premium growth

## Premium growth

- Focus on agency & direct to consumer channels
- Continue to expand bank partnerships
- Sustain growth in annuity line of business

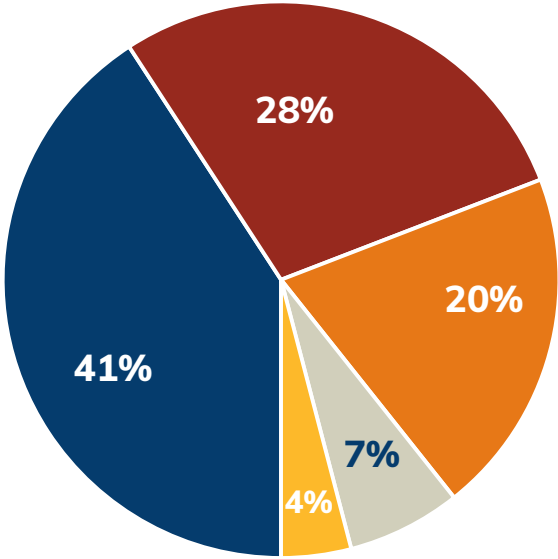
₹ billion	FY2022	H1-FY2023
Annualised premium equivalent	77.33	35.19
Y-o-Y growth	19.7%	10.1%
New business premium	150.36	73.59
Y-o-Y growth	15.4%	13.9%

**32% sequential APE growth in Q2-FY2023**

# Premium growth: Product & distribution

## Product mix

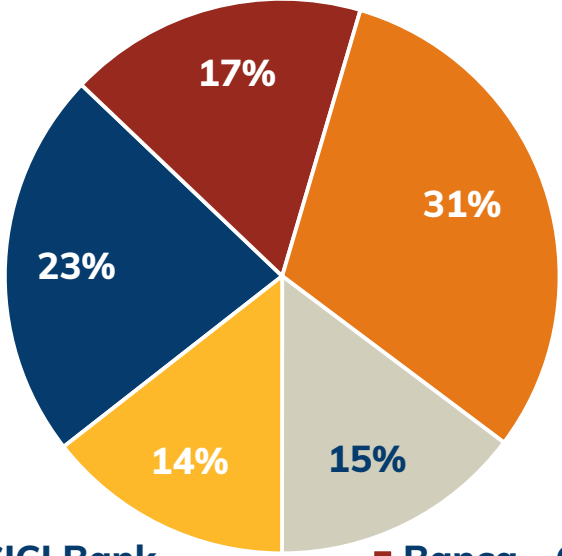
H1-FY2023



■ Linked ■ Non-linked ■ Protection ■ Annuity ■ Group

## Retail distribution mix

H1-FY2023



■ Banca - ICICI Bank ■ Banca - Other Banks  
 ■ Agency ■ Direct  
 ■ Partnership Distribution

**Well diversified product & distribution mix**



Based on annualised premium equivalent (APE)

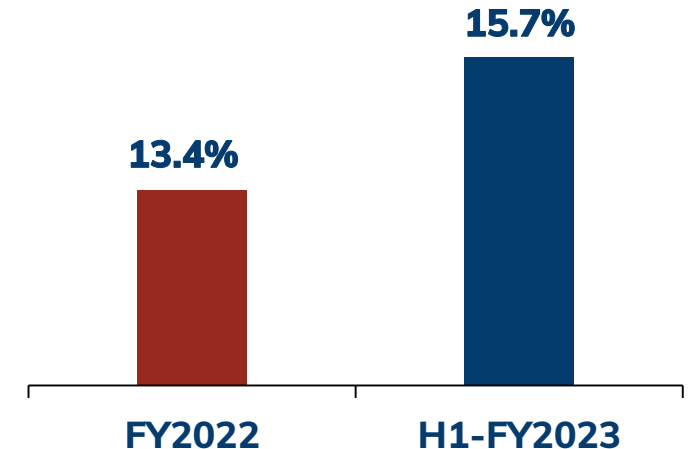
# Protection growth

## Protection focus

- Continue to leverage opportunity in group protection
- Focus on revival of retail protection
- Increase risk retention for greater flexibility in a calibrated manner

₹ billion	FY2022	Q1- FY2023	Q2- FY2023	H1- FY2023
Protection APE <sup>1</sup>	13.13	3.30	3.80	7.10
Y-o-Y growth	25.5%	22.2%	35.2%	29.1%
Protection mix <sup>3</sup>	17.0%	21.7%	19.0%	20.2%

## Sum assured market share<sup>2</sup> (%)



## Private market leadership based on new business sum assured



<sup>1</sup>Includes term with return of premium; FY2022: ₹ 0.14 bn, Q1-FY2023: ₹ 0.12 bn; Q2-FY2023: ₹ 0.13 bn, H1-FY2023: ₹ 0.25 bn

<sup>2</sup>Overall new business sum assured

<sup>3</sup>As % of total APE (retail & group combined)



# Persistency improvement

Persistency

Continue to focus on improving persistency across all cohorts

Persistency#	FY2022	5M-FY2023	
13 <sup>th</sup> month	84.6%	85.9%	↑130 bps
49 <sup>th</sup> month	63.4%	65.4%	↑200 bps

Significant improvement in persistency across cohorts



#Regular & limited pay persistency in accordance with IRDAI circular on 'Public disclosures by insurers' dated September 30, 2021; 12 month rolling persistency

# Productivity improvement

## Productivity

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

₹ billion	H1-FY2022	FY2022	H1-FY2023	Y-o-Y Growth
APE	31.96	77.33	35.19	10.1%
Total expenses	22.34	53.63	27.02	20.9%
Cost/TWRP <sup>1</sup> (%)	17.8%	18.6%	21.6%	
Cost/TWRP (savings LOB) (%)	11.8%	12.8%	14.4%	

## Investing in building for future growth



<sup>1</sup>Total expenses including commission/(Total premium- 90% of single premium)  
Line of business (LOB)

# Resilient balance sheet

## Insurance risks

- Emerging mortality experience is within expectation
- COVID-19 claims (net of reinsurance) of ₹ 271.9 mn received for H1-FY2023
  - Out of above, ₹ 26.13 mn pertain to deaths in H1-FY2023

## Strong solvency ratio

- Solvency ratio of 200.7% at September 30, 2022

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

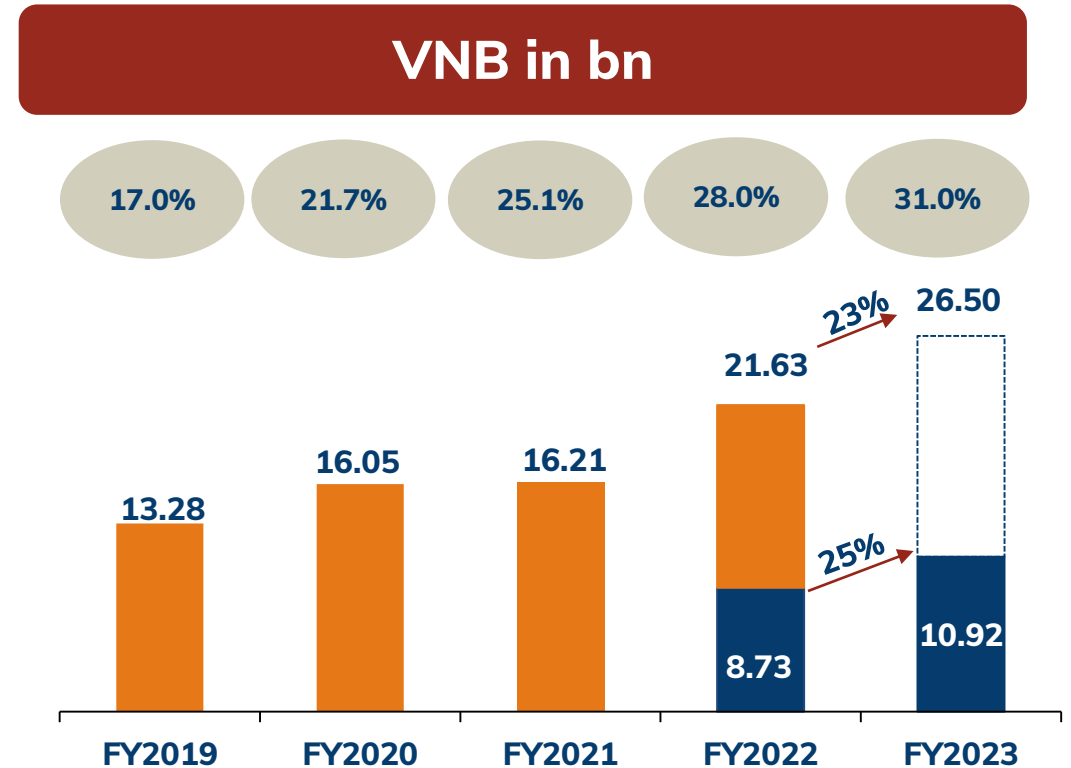
- 97.5% of fixed income in sovereign or AAA; 0.3% of fixed income below AA
- Zero NPA since inception

## Liability profile

- 77.2% of liabilities primarily linked to market performance
- Non par guaranteed return book: 2.8% of liabilities

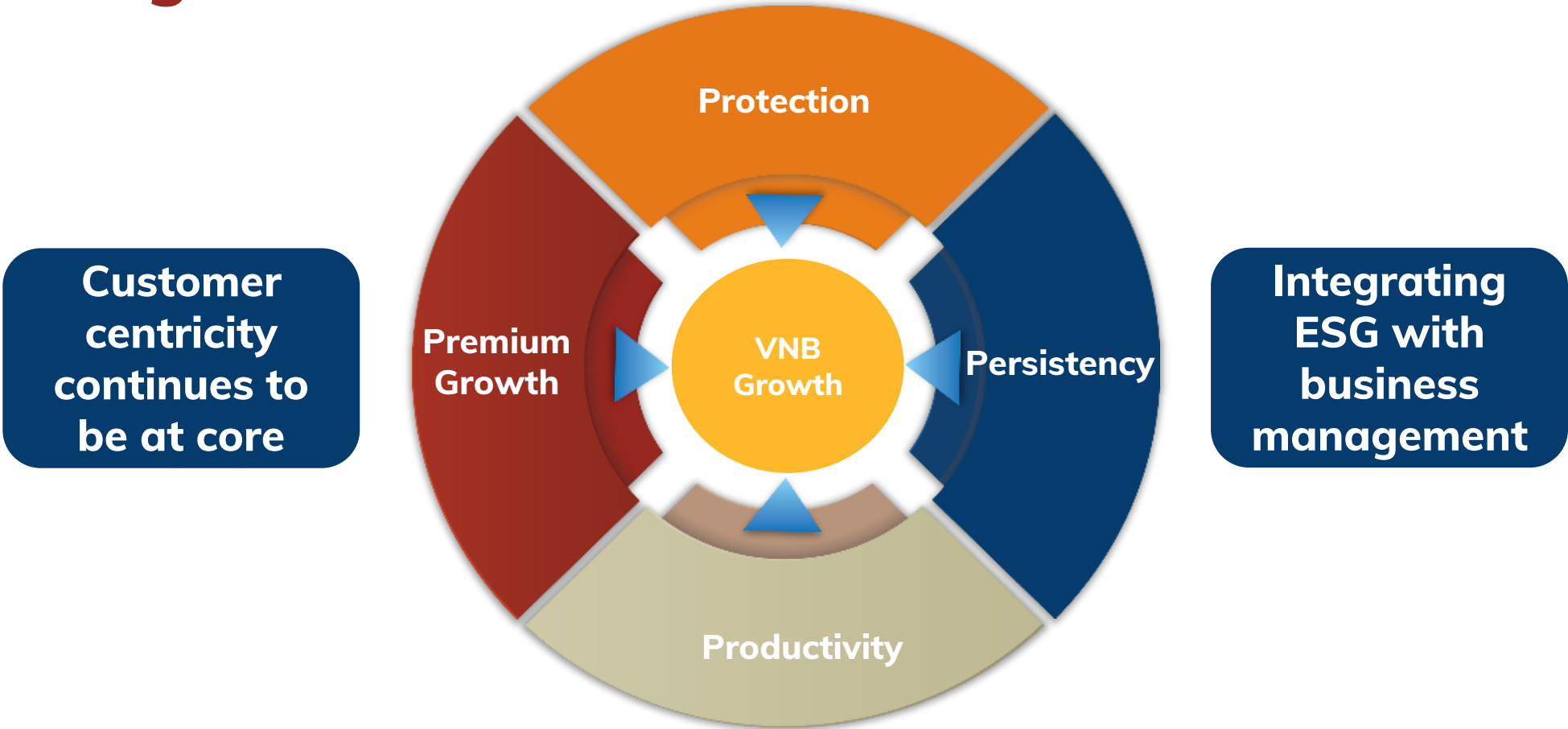
# Value of new business (VNB)

₹ billion	FY2021	FY2022	H1-FY2023
VNB <sup>1</sup>	16.21	21.63	10.92
VNB growth	1.0%	33.4%	25.1%
VNB margin	25.1%	28.0%	31.0%



**On track to double FY2019 VNB by year end**

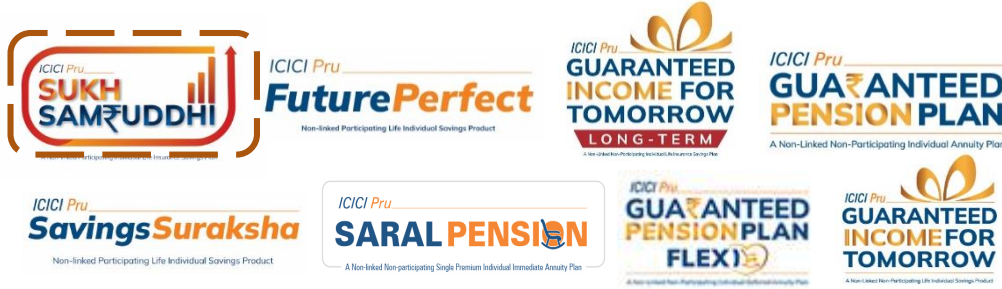
# Key strategic elements



Aspiration to double FY2019 VNB in four years

# 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	Annualised Premium Equivalent (APE) in ₹ bn			Mix (%)	
	FY2022	H1-FY2023	Y-o-Y growth (%)	FY2022	H1-FY2023
<b>Savings</b>	<b>64.20</b>	<b>28.09</b>	<b>6.2%</b>	<b>83.0%</b>	<b>79.8%</b>
Linked	37.38	14.36	(6.8%)	48.3%	40.8%
Non-linked	21.21	9.97	22.8%	27.4%	28.3%
Annuity	3.00	2.33	68.8%	3.9%	6.6%
Group funds	2.61	1.43	(7.7%)	3.4%	4.1%
<b>Protection</b>	<b>13.13</b>	<b>7.10</b>	<b>29.1%</b>	<b>17.0%</b>	<b>20.2%</b>
<b>Total APE</b>	<b>77.33</b>	<b>35.19</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>

**Growth across most segments**

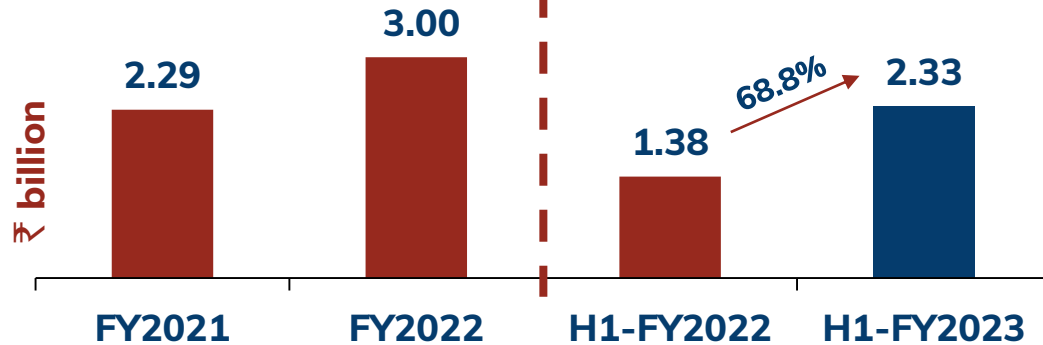


# Pension & Annuity

## Comprehensive pension provider

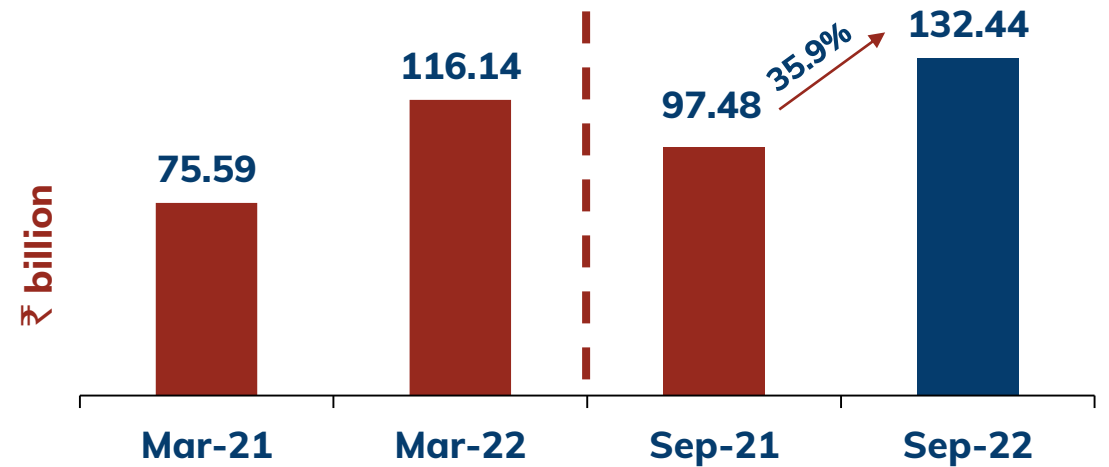
### Annuity

#### Annuity APE



APE grew by 69% in H1-FY2023;  
annuity mix<sup>1</sup> of 17%

### PFM assets under management (AUM)



AUM grew by 36% over September 2021

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

# Enhancing distribution

## Strategy: Create depth & add width

- >800 partnerships; 44 new partnerships
- Protection & annuity mix 28%, non-linked savings 61%

## Strategy: Digital focused upsell campaigns

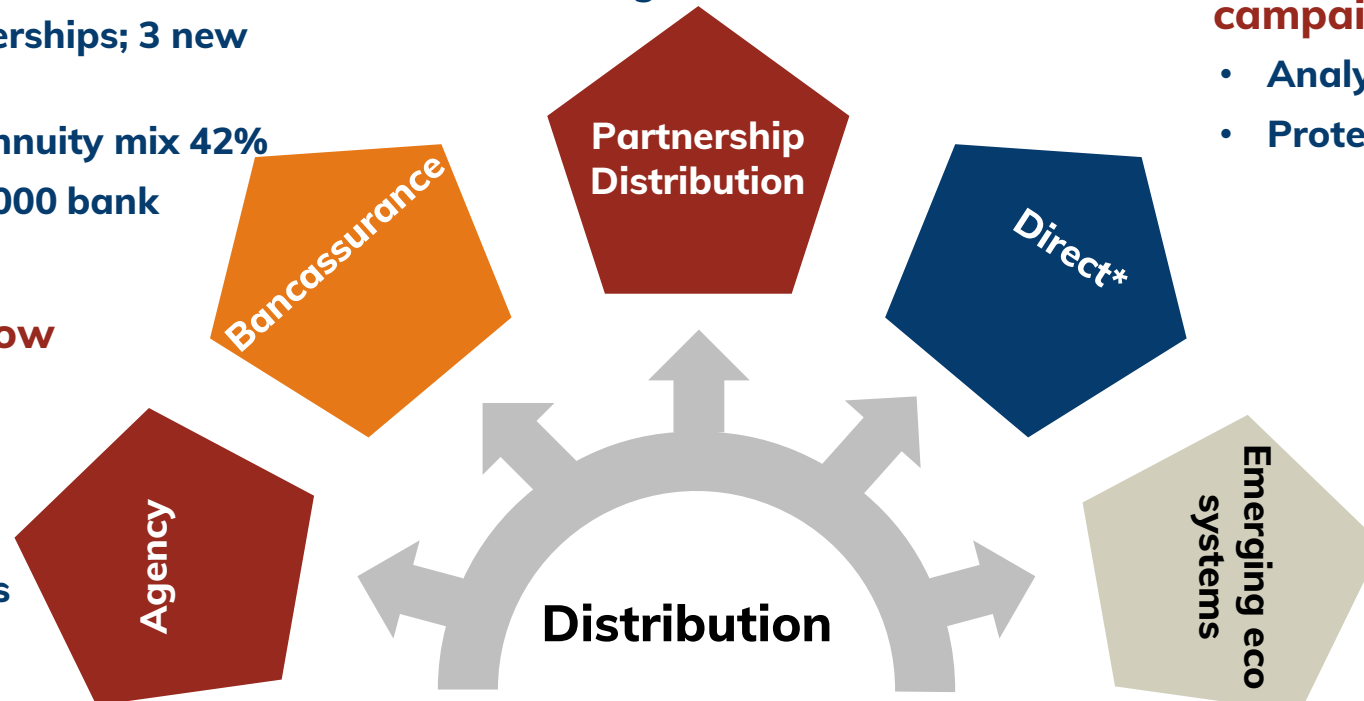
- Analytics driven upsell channel
- Protection & annuity mix 47%

## Strategy: Build profitability

- 30 bank partnerships; 3 new banks
- Protection & annuity mix 42%
- Access to >13,000 bank branches

## Strategy: Invest and grow

- 15,465 agents recruited during H1-FY2023
- Diversified product mix: Protection & annuity 31%, non-linked savings 35% & linked 34%



## Strategy: Partner with non-traditional distributors

- Tie-up with wallets, payment banks, fin-tech companies etc.
- Product customization

**>850 partnerships including 30 banks; >200,000 advisors**

# Performance across distribution channels

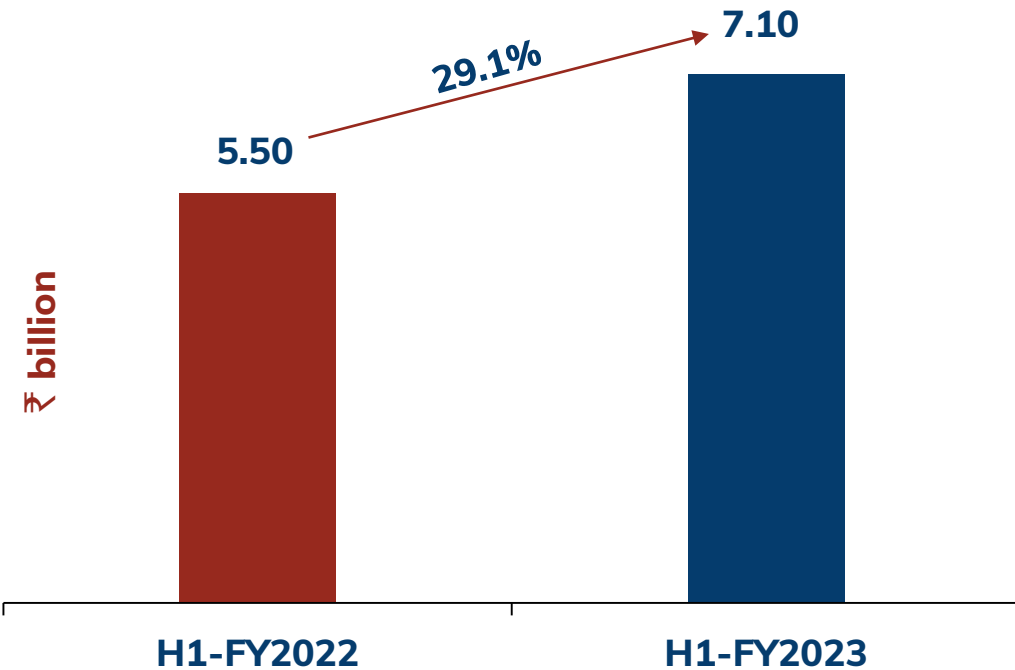
Channels	APE (₹ billion)			Mix (%)	
	FY2022	H1-FY2023	Growth (%)	FY2022	H1-FY2023
<b>Bancassurance</b>	<b>30.12</b>	<b>11.24</b>	<b>(10.8%)</b>	<b>38.9%</b>	<b>31.9%</b>
<i>ICICI Bank</i>	<i>19.26</i>	<i>6.36</i>	<i>(28.5%)</i>	<i>24.9%</i>	<i>18.1%</i>
<i>Other than ICICI Bank</i>	<i>10.85</i>	<i>4.89</i>	<i>31.8%</i>	<i>14.0%</i>	<i>13.9%</i>
<b>Agency</b>	<b>18.28</b>	<b>8.61</b>	<b>14.0%</b>	<b>23.6%</b>	<b>24.5%</b>
<b>Direct</b>	<b>9.97</b>	<b>4.14</b>	<b>(0.2%)</b>	<b>12.9%</b>	<b>11.8%</b>
<b>Partnership distribution</b>	<b>7.16</b>	<b>4.05</b>	<b>47.8%</b>	<b>9.3%</b>	<b>11.5%</b>
<b>Group</b>	<b>11.80</b>	<b>7.16</b>	<b>45.5%</b>	<b>15.3%</b>	<b>20.3%</b>
<b>Total APE</b>	<b>77.33</b>	<b>35.19</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>

**Growth across most channels**

# 4P: Protection

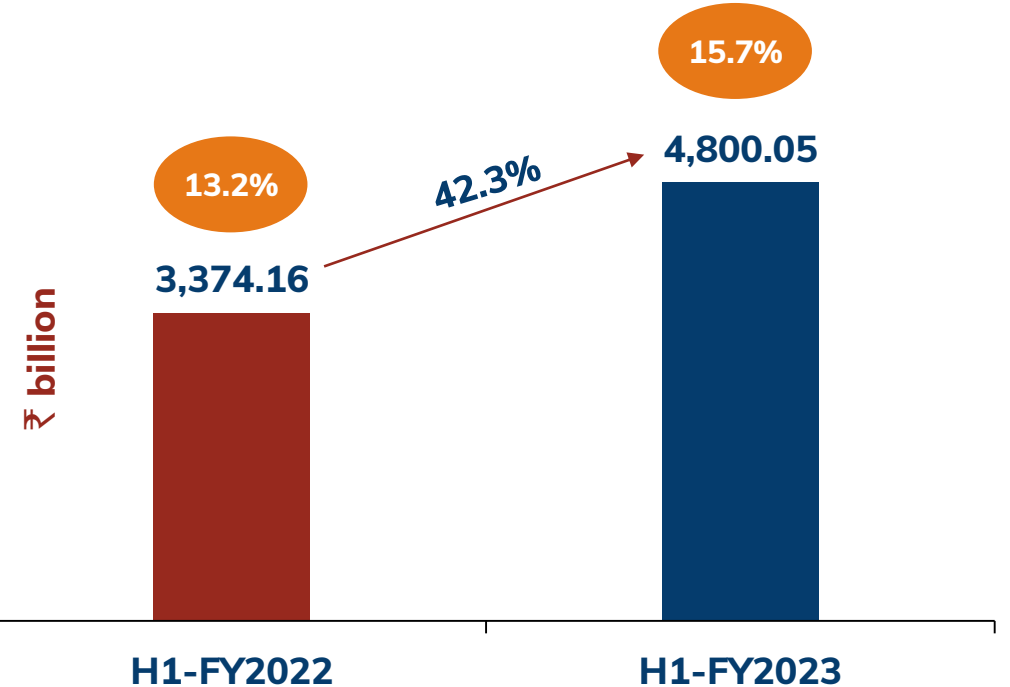
# Protection business

## Protection APE



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

Market share (%)



Increase in overall market share; leadership in private sector

# 4P: Persistency

# Persistency

Regular & limited pay			
Month	5M-FY2022	FY2022	5M-FY2023
13 <sup>th</sup> month	85.1%	84.6%	85.9%
25 <sup>th</sup> month	74.6%	77.3%	77.2%
37 <sup>th</sup> month	66.3%	66.9%	68.7%
49 <sup>th</sup> month	64.6%	63.4%	65.4%
61 <sup>st</sup> month	51.6%	54.7%	61.2%

Fully paid & single premium			
Month	5M-FY2022	FY2022	5M-FY2023
13 <sup>th</sup> month	100.0%	100.0%	100.0%
25 <sup>th</sup> month	99.9%	100.0%	100.0%
37 <sup>th</sup> month	97.7%	99.0%	99.8%
49 <sup>th</sup> month	96.1%	96.4%	96.7%
61 <sup>st</sup> month	99.0%	99.2%	99.2%

**Significant improvement across cohorts**



Regular & Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; 12 month rolling persistency

# 4P: Productivity



# Productivity: Cost efficiency

	H1-FY2022	FY2022	H1-FY2023
Expense ratio (excluding commission) <sup>1</sup>	12.2%	12.8%	15.8%
Commission ratio <sup>2</sup>	5.5%	5.8%	5.7%
Cost/TWRP <sup>3</sup>	17.8%	18.6%	21.6%
Cost/Average AUM <sup>4</sup>	2.0%	2.4%	2.2%
Cost/TWRP (savings LOB)	11.8%	12.8%	14.4%

₹ billion	H1-FY2022	FY2022	H1-FY2023
Commission	6.96	16.73	7.19
Non-commission	15.39	36.90	19.83

## Investing in building for future growth



<sup>1</sup>Expense ratio: All insurance expenses (excl. commission)/(Total premium - 90% of single premium)

<sup>2</sup>Commission ratio: Commission/(Total premium - 90% of single premium)

<sup>3</sup>Cost/(Total premium - 90% of single premium)

<sup>4</sup>Annualized cost/Average assets under management during the period

# VNB growth levers update (4P's)

₹ billion	FY2022	H1-FY2023	Y-O-Y Growth
Value of New Business (VNB) <sup>1</sup>	21.63	10.92	25.1%
VNB margin	28.0%	31.0%	↑ 300 bps

₹ billion	FY2022	H1-FY2023	Y-O-Y Growth
Premium growth (APE)	77.33	35.19	10.1%
Protection growth (APE)	13.13	7.10	29.1%
Persistency (13 <sup>th</sup> month) <sup>2</sup>	84.6%	85.9%	↑ 130 bps
Persistency (49 <sup>th</sup> month) <sup>2</sup>	63.4%	65.4%	↑ 200 bps
Productivity (Cost/TWRP: Savings) <sup>3</sup>	12.8%	14.4%	

<sup>1</sup>For full year, based on actual cost; H1: based on management forecast of full year cost

<sup>2</sup>Regular & limited pay persistency of respective financial years in accordance with IRDAI circular on 'Public disclosures by Insurers' dated September 30, 2021; 12 month rolling persistency

<sup>3</sup>Total cost including commission/(Total premium - 90% of single premium)

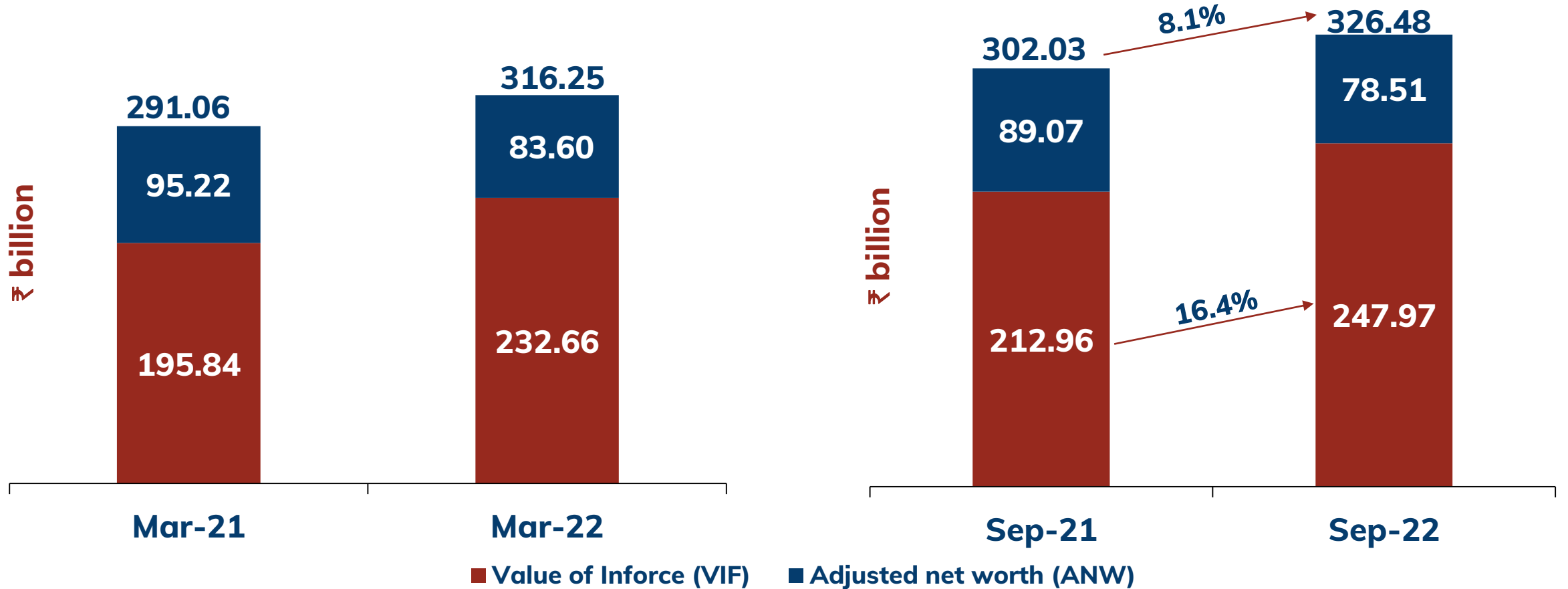
# Financial update

# Financial metrics

₹ billion	H1-FY2022	FY2022	H1-FY2023
Profit after Tax (PAT)	2.59	7.54	3.55
Solvency ratio	199.9% <sup>1</sup>	204.5% <sup>2</sup>	200.7% <sup>1</sup>
Assets under management	2,370.87 <sup>1</sup>	2,404.92 <sup>2</sup>	2,442.79 <sup>1</sup>

Solvency continues to be strong at over 200%

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



**Continued strong growth in VIF**

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)



# ESG: Focus areas, framework and approach



Sustainability intrinsic to life insurance as we serve long term savings & protection needs

## 3 pillars of our sustainability



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



**Social**  
giving back to society



**Governance**  
transparency in functioning

## Our focus areas



Human capital



Responsible investing



Governance & business ethics



Data privacy & security



Access to finance & CSR



Environment

## Our ESG framework



Board Sustainability & CSR Committee\*



Sustainability risk included in Board risk policy



Sustainability Steering Committee (dedicated ESG resource)

## ESG approach

- Analysis of assessment by ESG research firms on each parameter
- Benchmarking of ESG disclosures by companies with good scores
- Introduction of initiatives & disclosures based on gap analysis
- *Outcome: Upgrade by two well known ESG rating agencies (highest rated Indian insurance company); Improvement in ESG score by FTSE Russell in Q1-FY2023*

# Focus area: Human capital



## Enabling employee wellbeing

- Focus on building awareness, establishing policies & enabling habit formation
- Physical wellness campaigns on Anti tobacco, heart care, critical illness (diabetes, cancer etc.), continue with health-focused policies
- Mental wellness campaigns: Remove stigma, encourage practice of restorative breaks for employees
- Financial wellness campaigns: Lifestage based, specific sessions for women



## Enabling productivity

- Talent attraction & onboarding
  - 46% fresher hiring; robust onboarding & training framework
- Learning & development
  - ~ 1.2 million digital learning hours
  - 11,000+ employees certified
  - 96% leadership depth, 86% leadership stability
- Performance & talent management
  - Alignment to Board KPIs
  - Differentiated rewards based on performance & potential
  - Identification of bench for all key roles based on talent management & succession planning processes



## Building an agile & engaged workforce

- Enabling a diverse workforce
  - Equal opportunity employer, Diversity & Inclusion policy instituted
  - Diversity council constituted
  - ~ 40% women in non-sales roles
- Engagement framework
  - 3i framework to align employees to strategy, enhance connect & belongingness to Company
- Robust grievance redressal framework
- Employee surveys
  - 90%+ Voice of employee survey\* score on alignment, advocacy, support, technology & infra, health & safety measures and learning & engagement opportunities
  - NPS: 90% for top talent, 87% overall



# Focus area: Responsible investing



**Three pronged approach**

**Stewardship policy & process**

Engaging with investee companies

Disclosing voting actions

**ESG integration**

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

Became signatory to UN PRI<sup>1</sup>

**ICICI Prudential Sustainable Equity Fund**

Benchmarked against NSE 100 ESG Index



**~45% of our AUM\*: Infrastructure/housing & Government bonds  
(₹ 332 billion & ₹ 758 billion respectively)**

# Focus area: Governance & data privacy

## Governance structure



### Board composition

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



### Board Diversity

- Policy on Board diversity & criteria on appointment of Directors
- Woman Independent Director
- BNRC now includes woman director



### Evaluation framework

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

## Compensation framework



### Compensation Policy

- Based on meritocracy & fairness within framework of prudent risk management



### Governance

- Compensation of WTDs approved by BNRC, Board, IRDAI & Members



### Alignment

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

## Information/cyber security



### Data Privacy Policy

- Covering collection, usage, storage, retention, sharing only for specific purposes with consent & security related aspects



### Cyber Security Framework

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

## Risk management



### Risk Management Policy

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



### Mitigating risk

- Framework sets out limits & 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 Conflicts of Interest
- Insider Trading Code
- Whistle Blower Policy

# Focus area: Access to finance, CSR & Environment



## Access to Finance

- 45.6 mn lives impacted by micro insurance products (58.1 mn lives total)
- 84.6%: One of the best persistency<sup>1</sup> ratios (13<sup>th</sup> month) in industry
- 24x7 service architecture; 91.5% self-help usage
- 97.8%: One of the best claim settlement ratios<sup>2</sup>; 1.46 days<sup>3</sup> average TAT
- Providing financial safety net to society: 21,600 retail death claims settled & 238,000 group claims settled
- Insurance awareness campaigns, focus on right selling & product suitability
- Robust policy & framework for grievance redressal



## CSR

- ₹ 68.2 mn spent for CSR initiatives
- Over 155,000 children & adults beneficiaries supported through COVID-19 vaccination program
- 61.4 million consumers reached through consumer awareness & education program
- 1,558 underprivileged youth trained through ICICI Academy for Skills (skill development program)
- 2,117 underprivileged beneficiaries supported through other CSR programs



## Environment

- ~1,700 tonnes of carbon footprint saved
- 96% of new business applications logged digitally
- 94% shareholders communicated digitally
- Environment policy formulated & approved
- Green energy implemented for some offices in Mumbai (from January 2022)
- External consultant for carbon emissions project finalised

Figures for FY2022

<sup>1</sup>Computed as per IRDAI circular dated September 30, 2021

<sup>2</sup>Individual death claims

<sup>3</sup>Average turnaround time (TAT) for non-investigated claims from receipt of last requirement

# Technology @ICICI Prulife

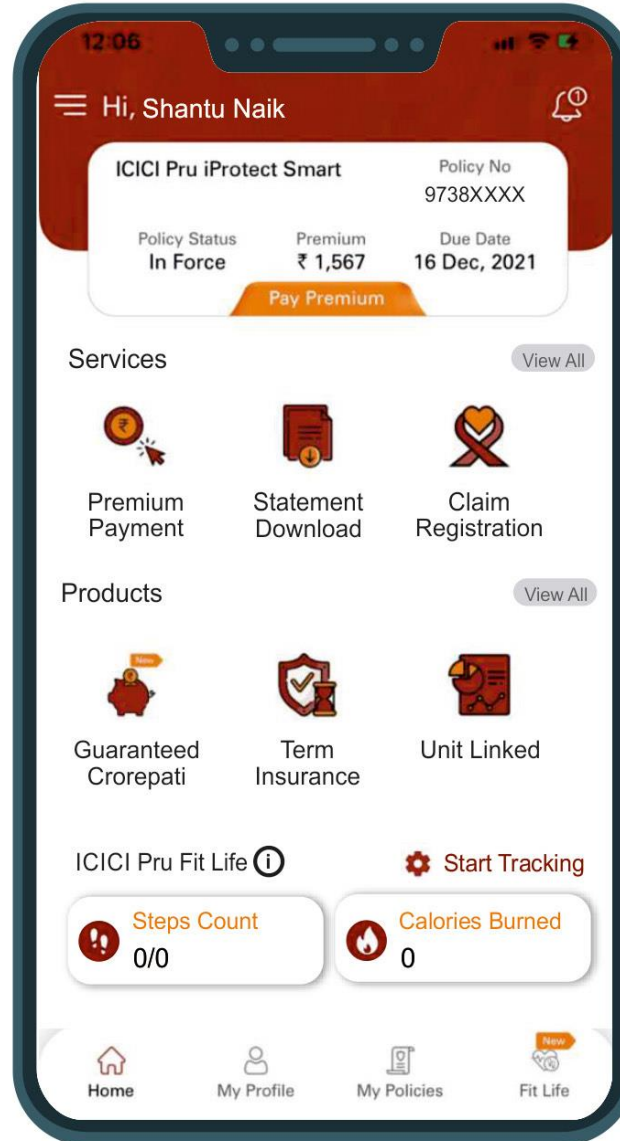
# Digital@ICICI Prulife

~3.2 million digital service interactions every month

1.2 million+ app downloads

Highest rated app within life insurance industry

Access to over 45 types of policy transactions



Digital logins >95%

>92.6% service interactions are via self-help/digital modes

97% of pages having system uptime of 99% & above

Fitness tracker to monitor health statistics

# New business & growth

## 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 & geographical tagging



### Learner's Box & MyCoach

On the go e-learning modules with AI capabilities to improve pitch



### Demand generation

Digital 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

- ❖ End to end digital onboarding
- ❖ Form pre-fill with OCR of KYC document
- ❖ 3-click PASA onboarding
- ❖ Term by invite – pre approved offers
- ❖ Smart doc upload with instant OCR
- ❖ E-quote app
- ❖ Video risk verification
- ❖ Tele & video underwriting



### Leveraging eco system

- ❖ Partner & third party data for pre-population and process de-congestion
- ❖ Document aggregator integration to get income details for financial underwriting



## Partner integration

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

### Video based Pre -issuance verification on WhatsApp



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



**Group portal** An end to end automated process for on-boarding group customers

# Customer service



## Empowering customers

### Self service

- ❖ ~3.1 mn digital service interactions monthly
- ❖ >92.6% service interactions are via self-help/digital modes



### Renewals

- ❖ **Flexible premium payment options** including multiple UPI
- ❖ **Humanoid** Two way conversational AI bot with speech recognition capability deployed in customer calls for renewal premium collection; provides superior customer experience scalability

**Quick claim assistance** through digital claim registration process, real time tracking through chatbot/WhatsApp, AI-based pre-claim assessment & claim processing



## Omni channel

### Mobile application

- ❖ 1.2 mn+ app downloads with best app rating among the peers



### 24x7 chat/voice assistants

- ❖ LiGo chat bot; WhatsApp bot; E-mail bot



### Voice bot

- ❖ Voice bot on IVR provides customers with personalised interactions with human touch
- ❖ >50% of calls handled by bots end-to-end, improved productivity

### Digital life verification for individual annuity customer



# Digital experience



## Personalization

### Hyper personalization

Personalised messages to handhold customers throughout journey

### Segmented targeting

Reaching the customer by mapping their interests/affinities



### Interactive banners

Banners with built-in calculators for instant & customised quotes



### Search engine optimization

Use of ML to rank ICICI Pru higher on search engines



## Actionable insights

**Nudge engine/Actionable insights** Data analytics based system which suggests the best suited action to achieve next goal



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

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



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

**Cognitive automation** End-to-end process automation using intelligence & cognitive automation tools



# Key initiatives taken in H1-FY2023



## Account Aggregator

**ICICI Pru Life is now a Financial Information User and Financial Information Provider in the Account Aggregator ecosystem**

- ❑ The Account Aggregator framework facilitates consented accessing and sharing of information in real-time and ensures data privacy
- ❑ The Account Aggregator network aims to replace all forms of physical documents with a simple, digital, data-sharing process



## Empowering Partners

**Micro services for powering partner systems for enhanced customer experience**

- ❑ Customers can now initiate service requests like frequency change, modify premium payment option, and place other service requests on partner website or mobile app
- ❑ Pre-login nudge on document and underwriting requirement for first time right
- ❑ Account number validation for payout mandate using penny drop services



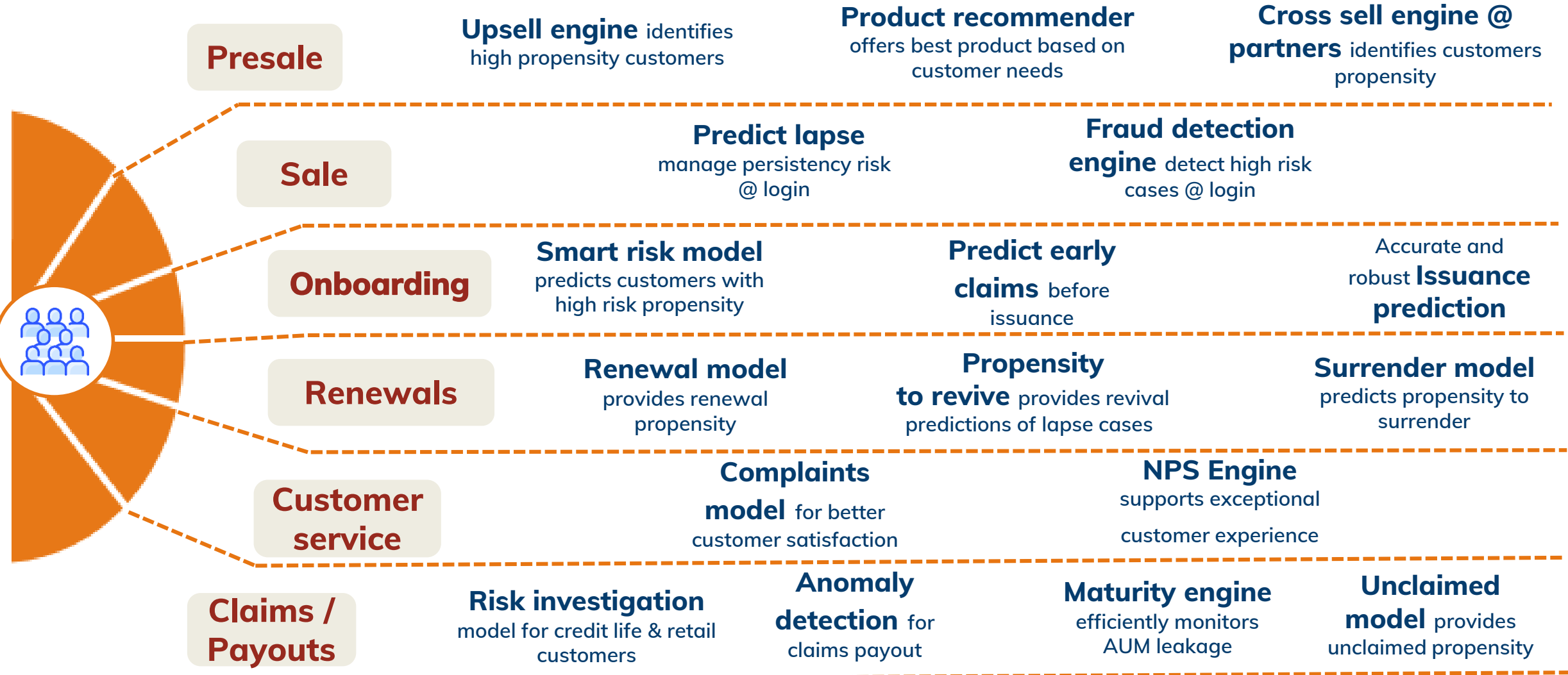
## Personalised proposal

**Instant customised customer proposal for empowering sales & distribution for prospecting**

Key highlights:

- ❑ Financial life stage analysis and goal based recommendation
- ❑ Cash flow statement
- ❑ Personalised with customer photograph
- ❑ Relationship Manager digital visiting card

# Data excellence@ every phase of customer journey



# Awards

# Awards & Accolades: H1-FY2023

Only Indian insurance Company to be featured in the list of top 100 companies in BW Businessworld – 'India's Most Sustainable Companies'

The Corporate Communication Team featured in the '30 Top Corporate Communication Teams – 2022'

Best Contact Centre

Technology Champion of the Year – Life Insurance



BW Businessworld in association with Sustain Labs Paris

Reputation Today

Customer Fest Leadership Awards 2022

Quantic 3rd Annual BFSI Technology Excellence Awards 2022

3rd Emerging Asia Awards 2021 - Indian Chamber of Commerce (ICC)

Gold in the BFSI category for the Campaign "Protect & Save"



2nd Runner up award - Best Life Insurance Company of the Year

Runner up award - Company with the Best Risk Management Strategy (Life)

Jury award - Best Innovation and Diversification introduced by a Company (Life)

ET Brand Equity Kaleido Awards 2022



# Agenda

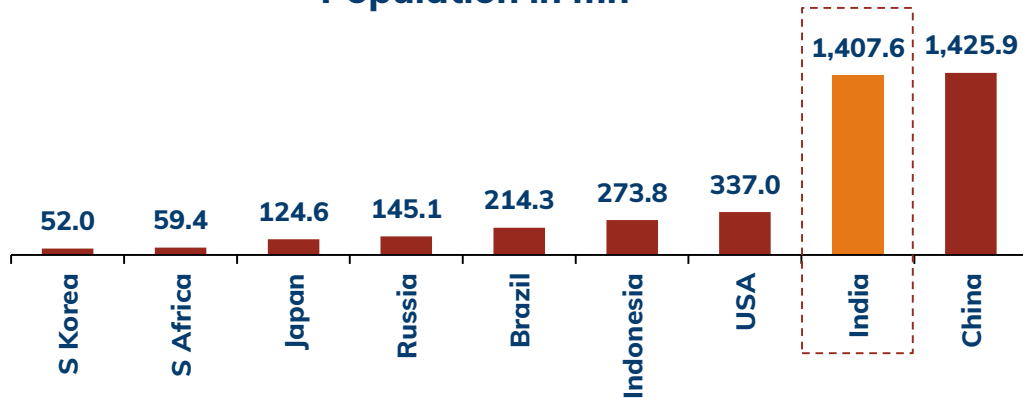
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

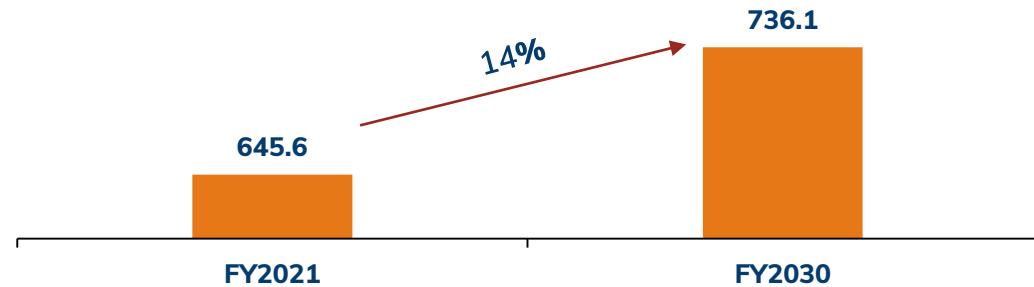
## Large & growing population base<sup>1</sup>

Population in mn

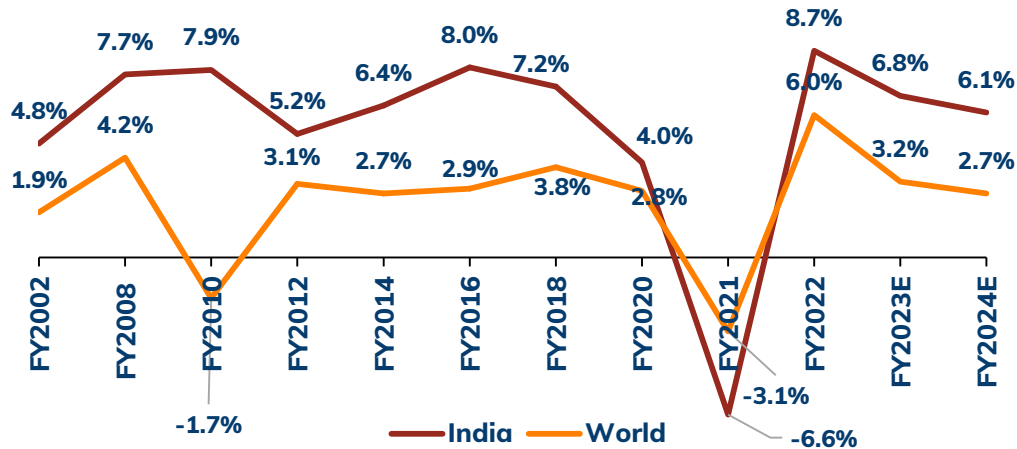


## High share of working population<sup>1</sup>

Population in mn (age group 25-59 years)

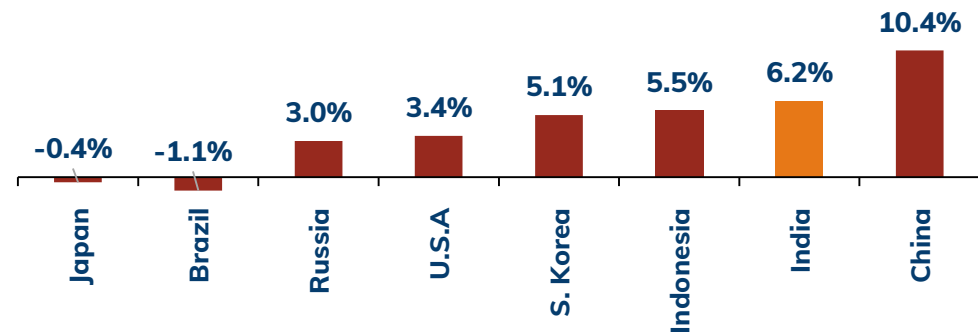


## Driving GDP growth<sup>2</sup>



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

GDP per capita CAGR (FY2010-FY2022)



<sup>1</sup>Source: UN population division at December 2021

<sup>2</sup>Source: WEO update, April 2022

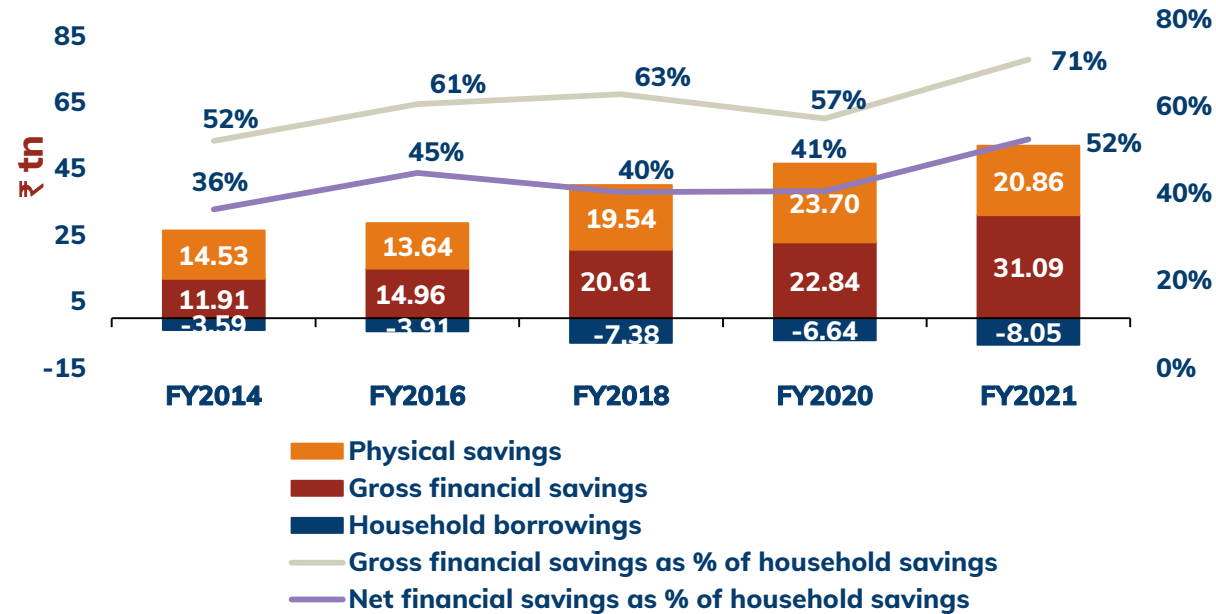
<sup>3</sup>Source: The World Bank

Compound annual growth rate (CAGR)

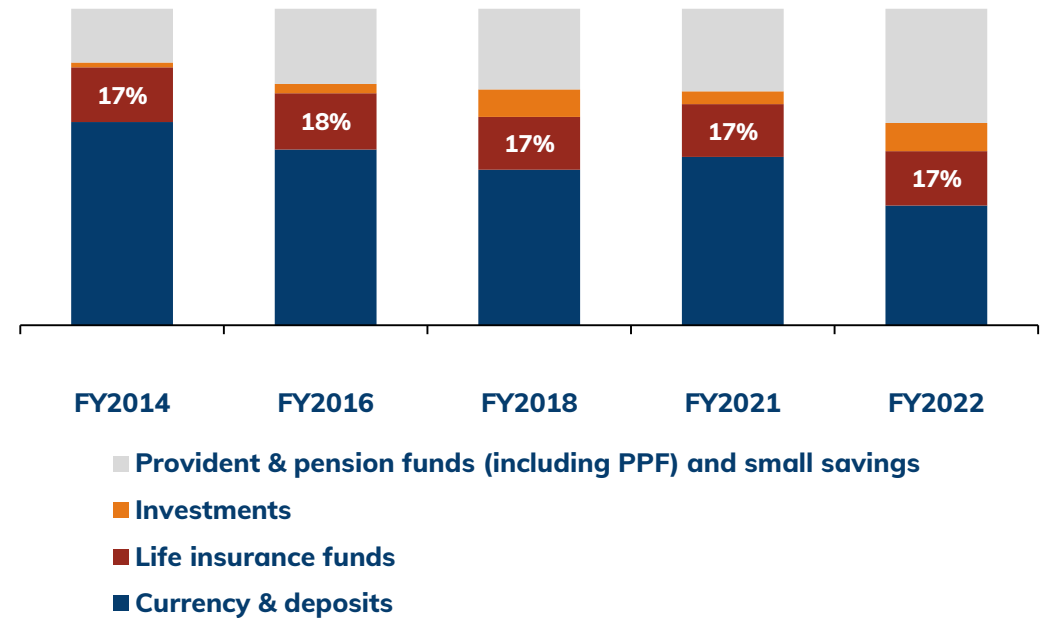
Gross domestic product (GDP)

# 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

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%



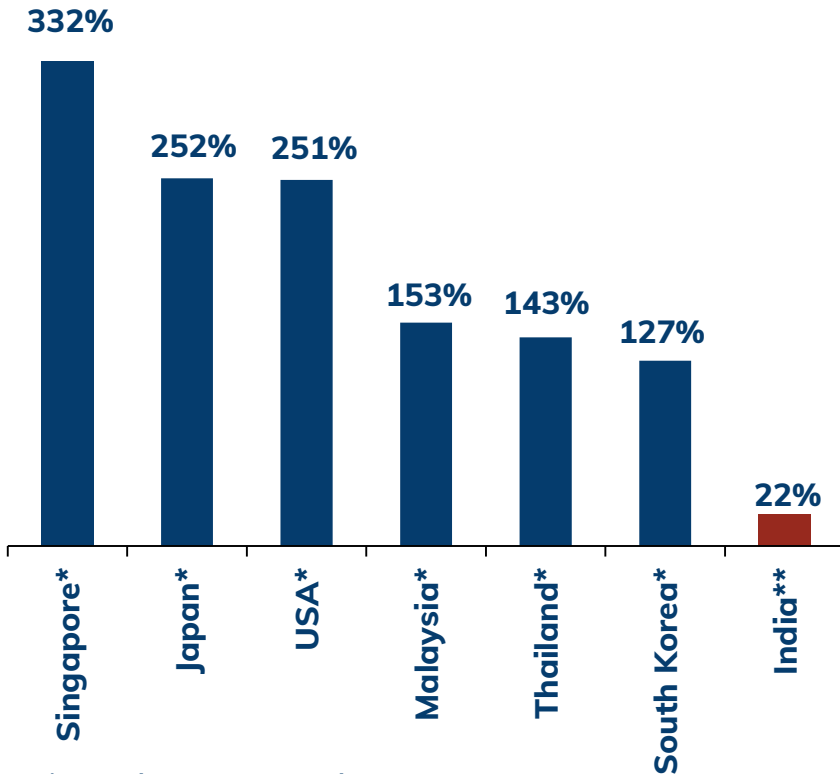
<sup>1</sup>Source: RBI & CSO

<sup>2</sup>Source: RBI

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

# Protection opportunity: Low penetration

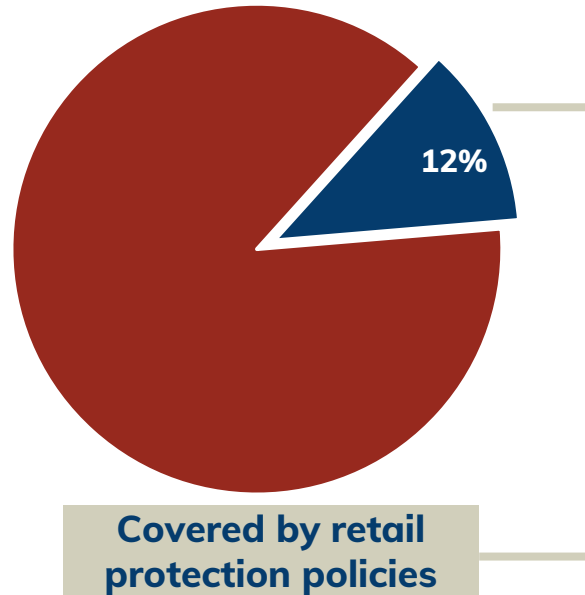
Sum assured as % of GDP<sup>1,2</sup>



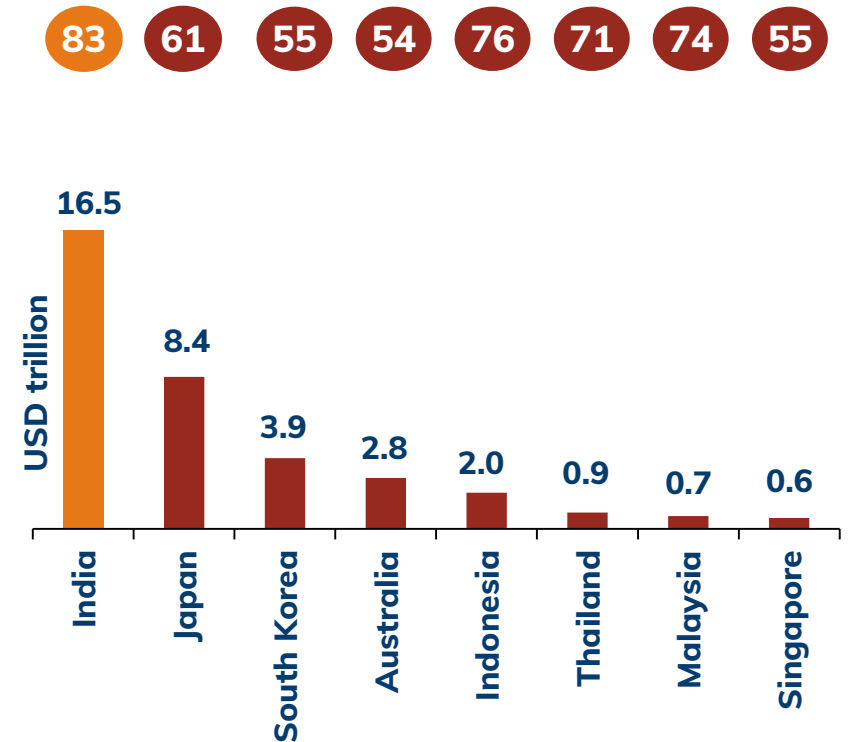
\* Total sum assured

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

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



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



<sup>1</sup>FY2022 for India, GDP Source: National statistics office

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

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

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

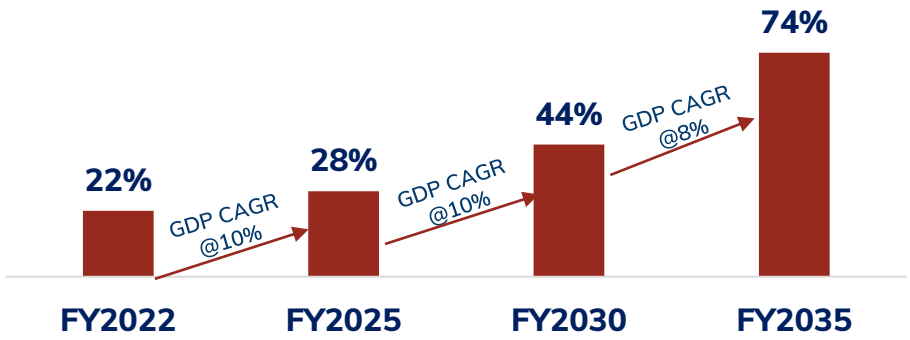
<sup>5</sup>Source: Swiss Re, Closing Asia's mortality protection gap, 2020

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

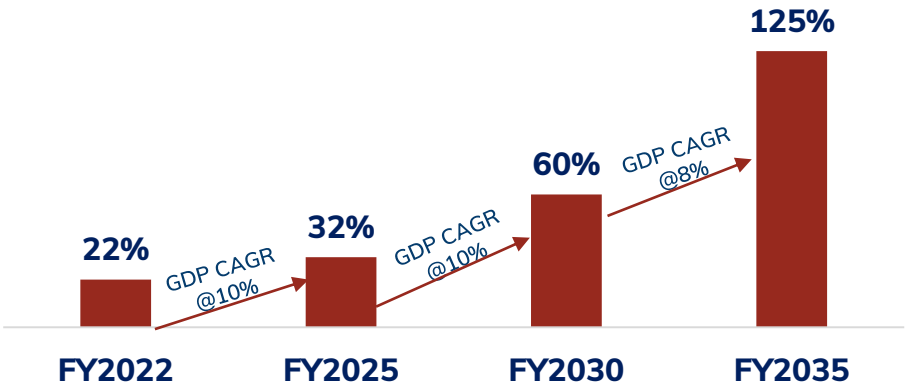


# Protection opportunity: Sum assured (SA) as % of GDP

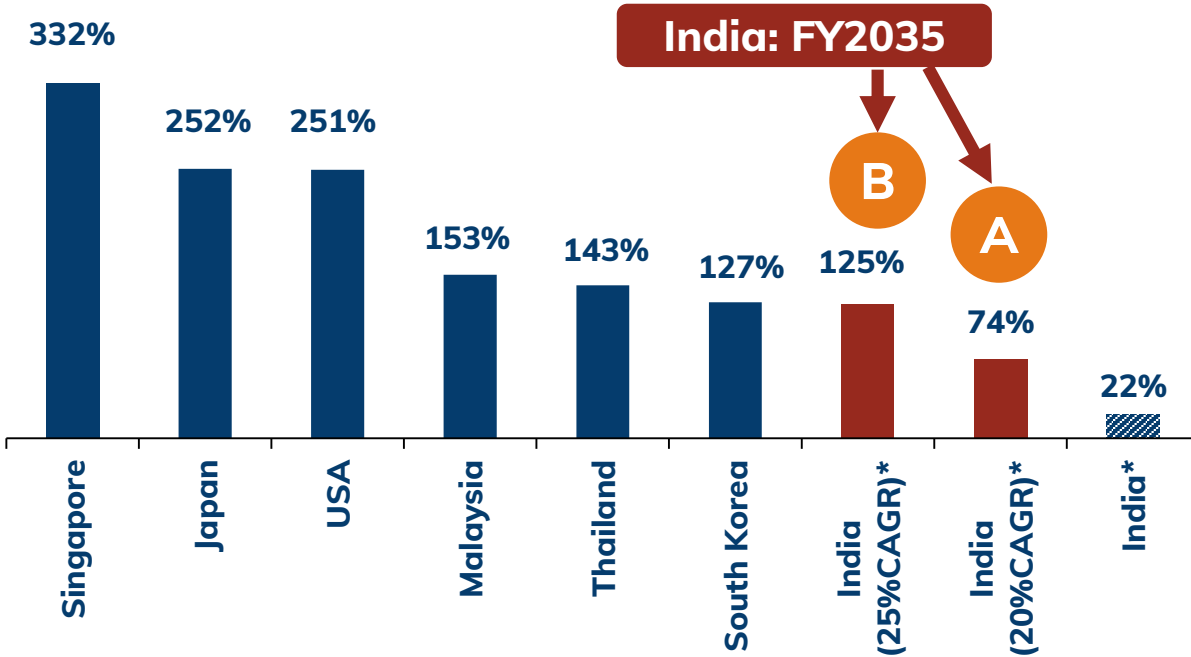
**A** SA as % of GDP (SA growth @ 20% CAGR)



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



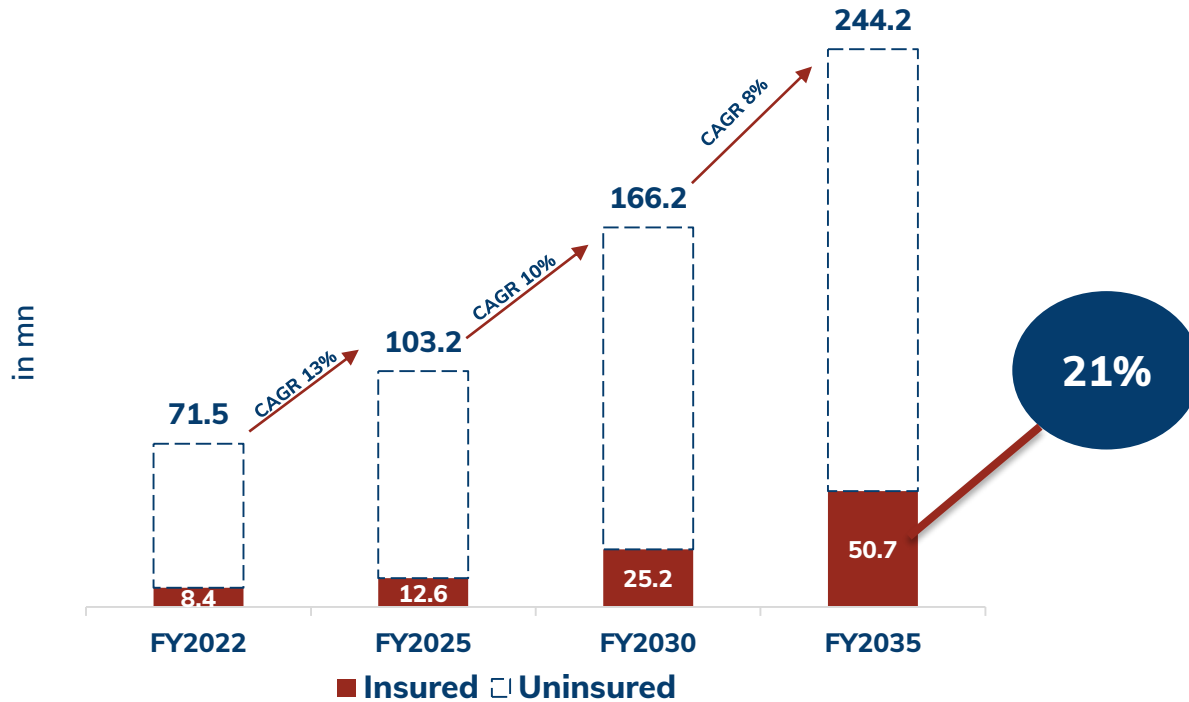
SA as % of GDP<sup>1,2</sup>



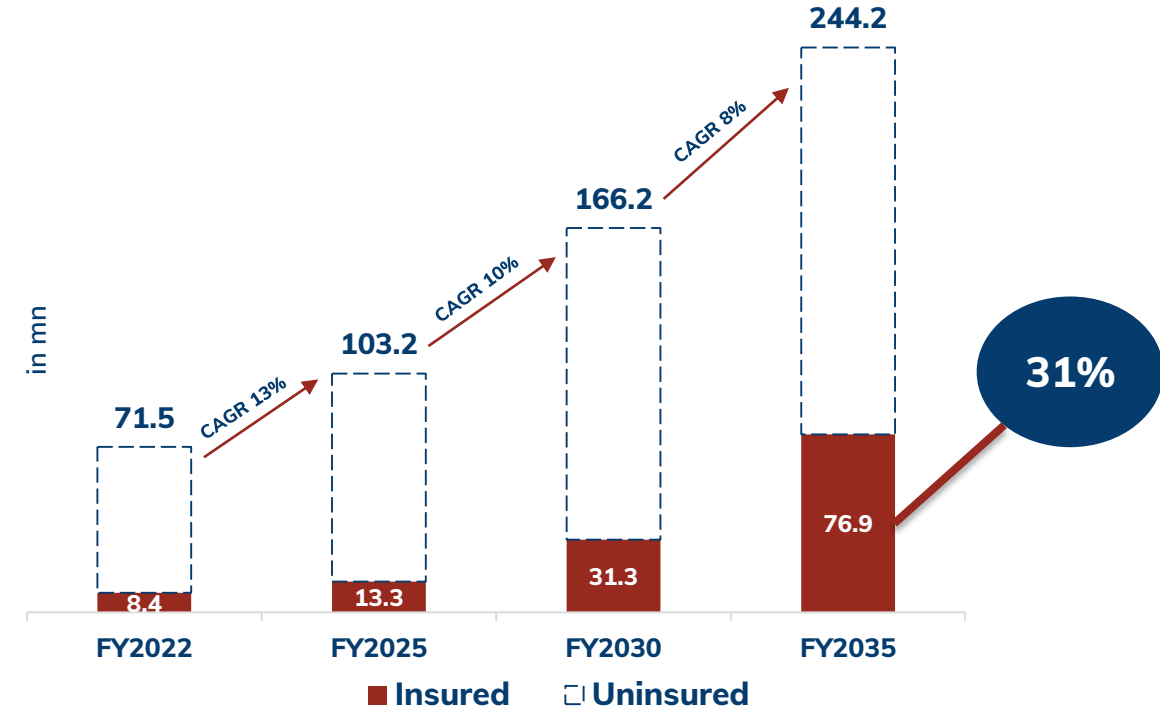
<sup>1</sup>FY2022 for India; GDP source: National statistics office  
<sup>2</sup>FY2020 for USA & FY2018 for Japan; Source: McKinsey estimates  
 \*For retail protection sum assured (company estimates)

# Protection opportunity: Addressable population (%)

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



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



~30% of India's addressable population expected to be covered by FY2035<sup>2</sup>

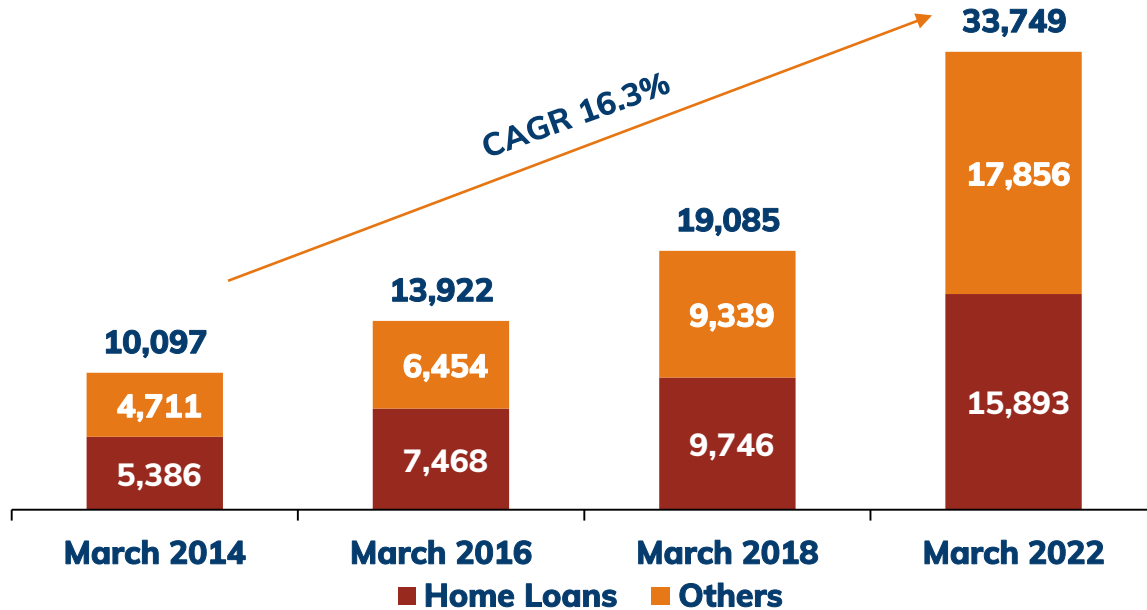
<sup>1</sup>Assumed 10% lapse rate for in-force policies each year

<sup>2</sup>Estimates at accelerated policy growth rates of 20% CAGR  
Compound annual growth rate (CAGR)

# 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)

FY2022

Health

735.82

Motor

704.33

Motor own damage (OD)

271.78

Motor third party (TP)

432.55

<sup>1</sup>Source: RBI

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

# Agenda

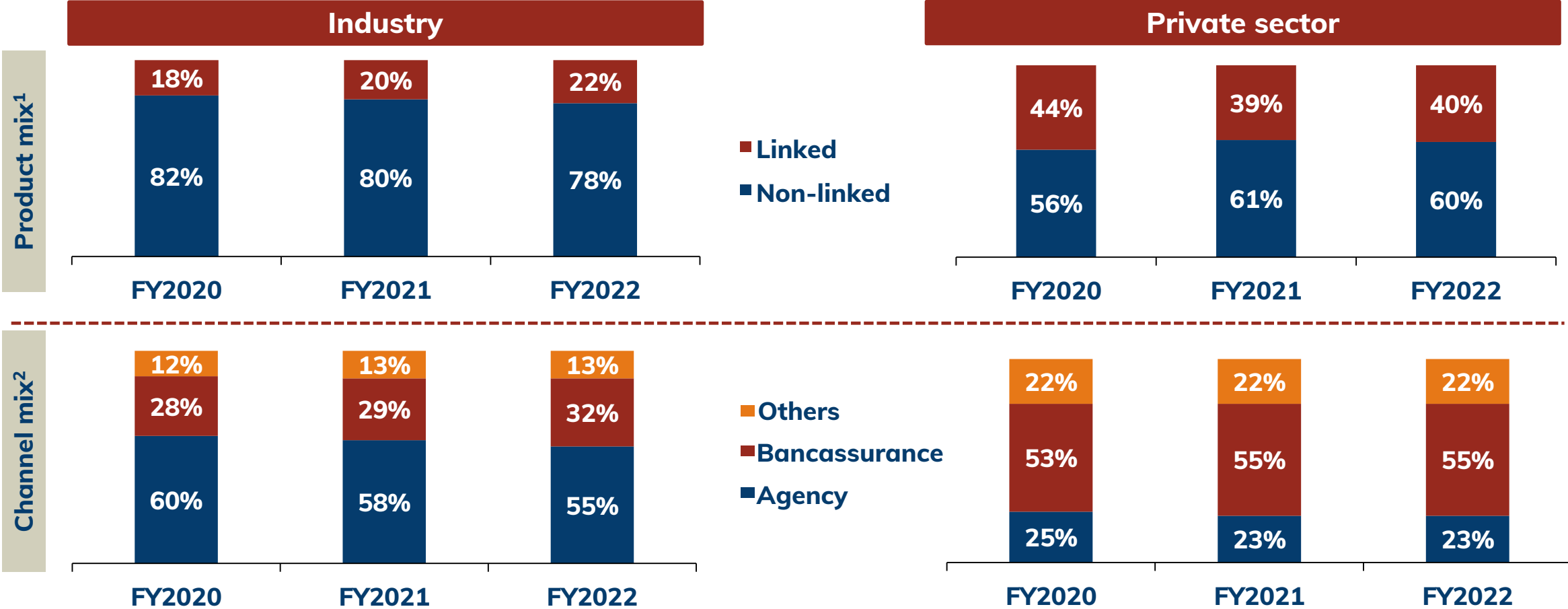
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002	FY2010	FY2015	FY2022
New business premium <sup>1</sup> (₹ bn)	116	550	408	876
		21.5%	(5.8%)	11.5%
Total premium (₹ bn)	501	2,654	3,281	6,917
		23.2%	4.3%	11.2%
Penetration (as % to GDP)	2.1%	4.1%	2.6%	2.9%
Assets under management (₹ tn)	2.3	12.9	23.4	52.5
		24.0%	12.6%	12.3%
In-force sum assured <sup>2</sup> (₹ tn)	11.8*	37.5	78.1	205.5
		15.5%	15.8%	14.8%
In-force sum assured (as % to GDP)	50.1%	57.9%	62.7%	86.8%

# 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

# Risk management: Non-participating business

## Guaranteed return savings product (including RP deferred pension)

- Interest risk hedged through a combination of cash market instruments and derivatives
  - Premium payment term upto 15 years only
  - 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 (SP and RP): Average deferment period ~ 7 years

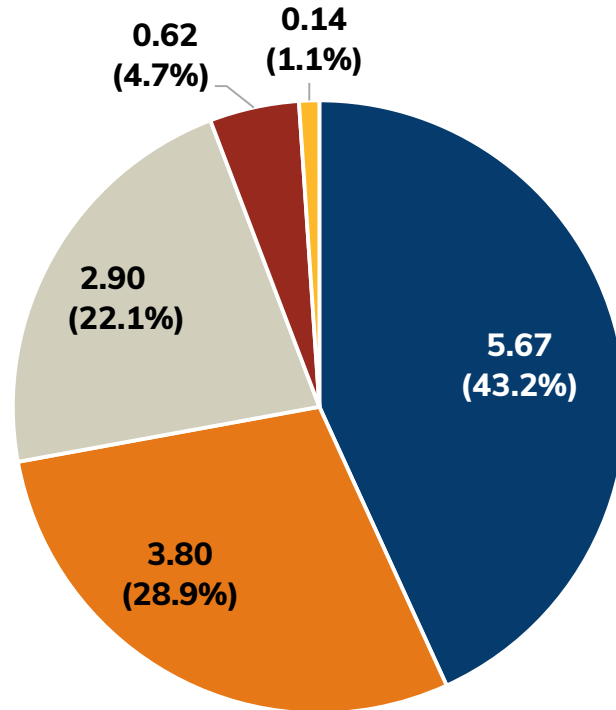
**Review of pricing based on current interest rate environment**



# Protection business: FY2022

## Protection split based on APE\*

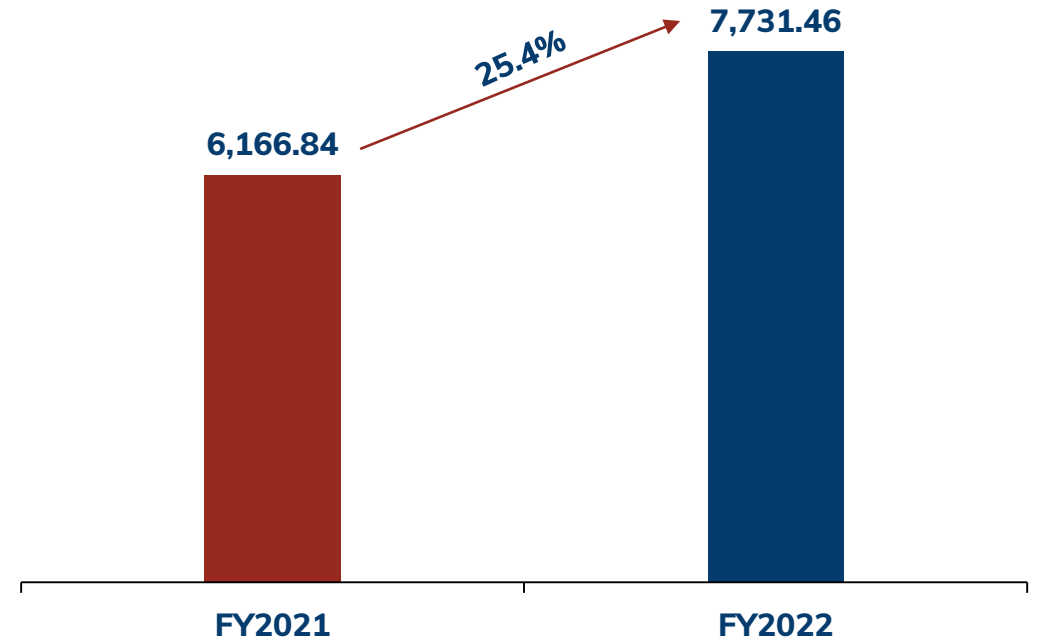
₹ billion



- Group Term
- Retail protection
- Credit life - Other
- Credit life - ICICI Bank
- Retail protection ROP

## Total new business sum assured

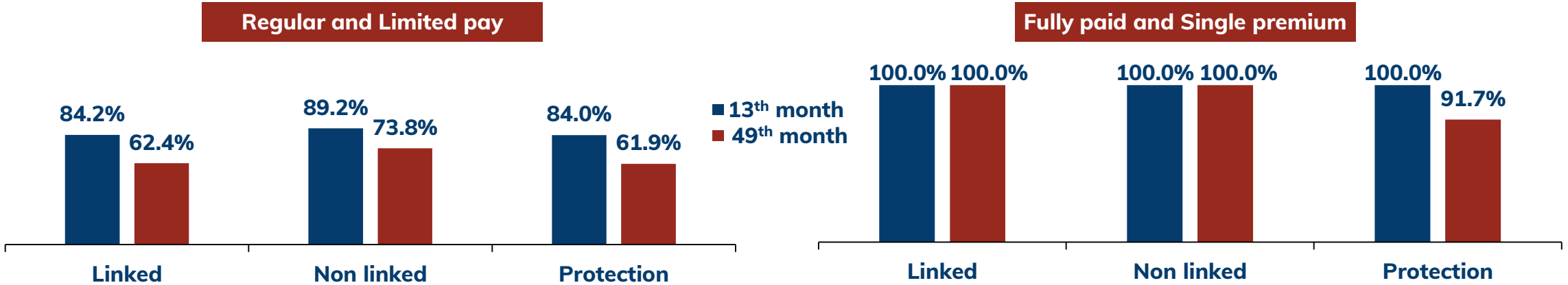
₹ billion



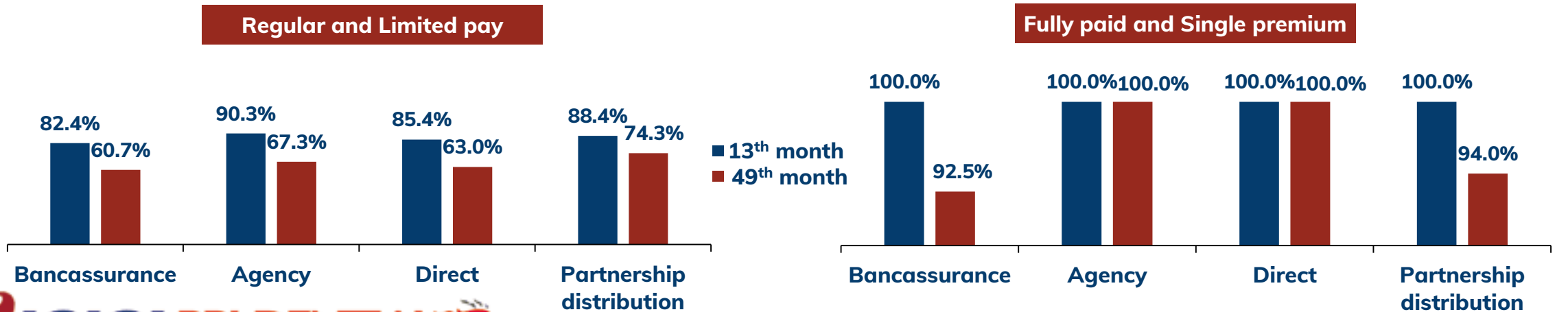
**Sum assured grew by 25% in FY2022**

# Retail persistency: FY2022

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



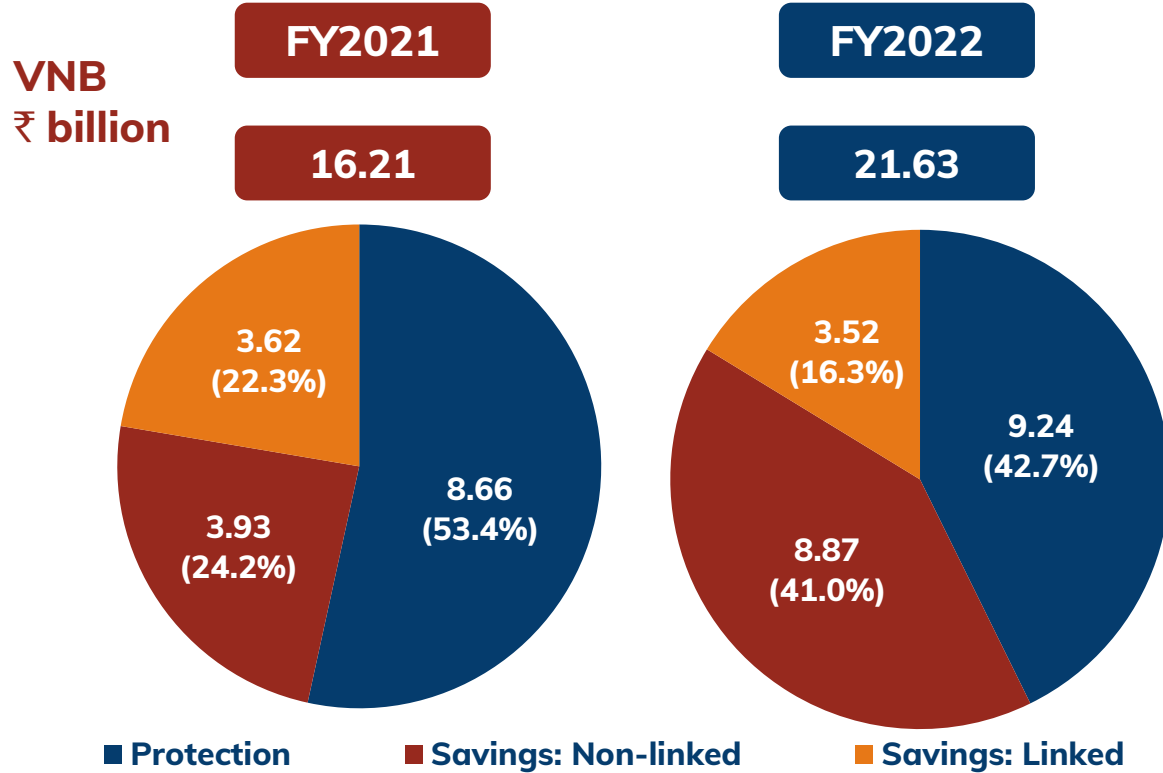
## Persistency<sup>1</sup> across channel categories



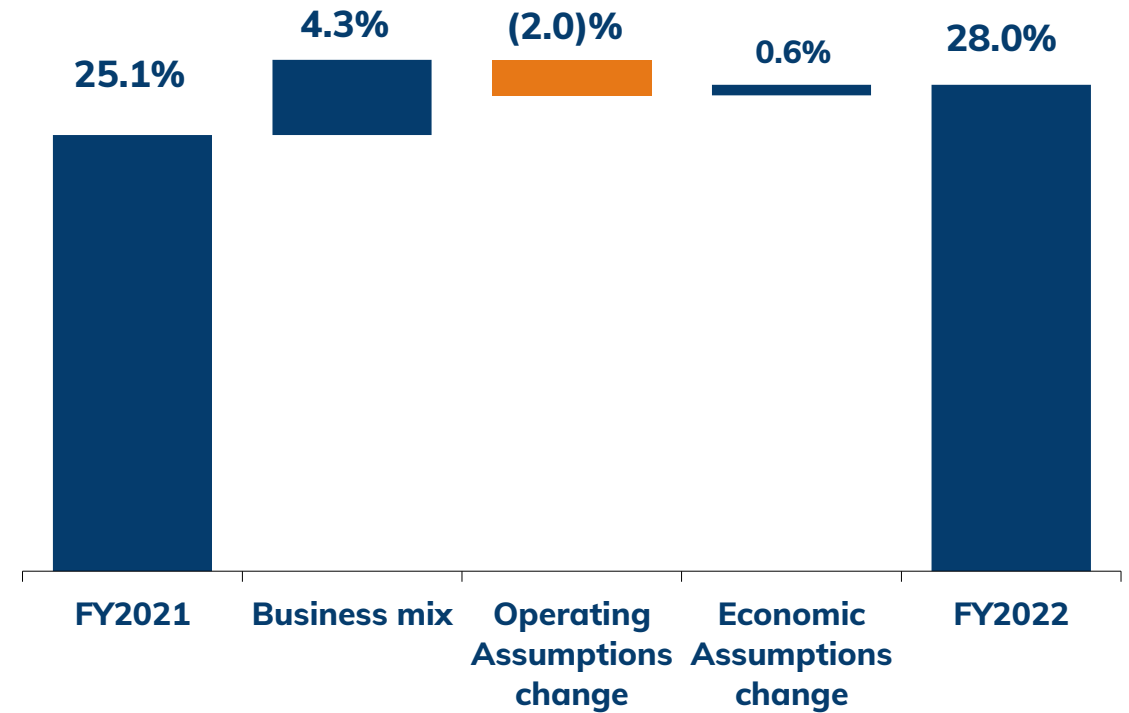
Regular and Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021

# Value of New Business (VNB)

## VNB contribution\*



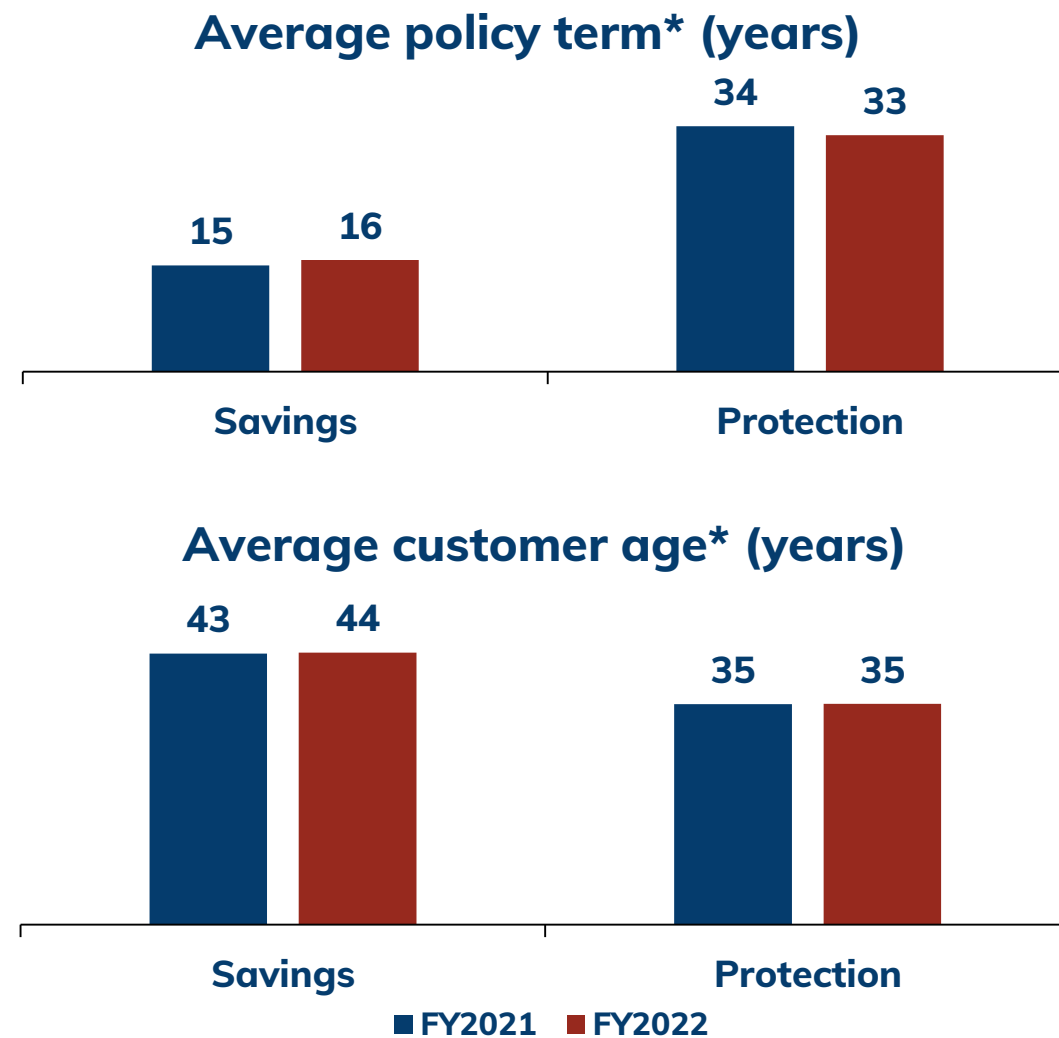
## VNB margin movement



## Well diversified pools of profit

# Average APE by product categories

Segment (₹)	FY2021	FY2022
ULIP	154,702	163,770
Non-linked savings	85,654	94,925
Protection	25,149	22,608
Total	85,701	100,407



\* Protection excludes credit life

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

Channel category	Product category	FY2020	FY2021	FY2022
Bancassurance	ULIP	86.8%	73.3%	70.7%
	Non-linked savings	3.3%	11.6%	19.2%
	Annuity	0.7%	4.3%	4.9%
	Protection	9.3%	10.9%	5.2%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	49.9%	33.3%	42.6%
	Non-linked savings	39.2%	57.0%	48.8%
	Annuity	0.6%	2.1%	3.9%
	Protection	10.3%	7.7%	4.7%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	66.7%	61.4%	73.4%
	Non-linked savings	14.4%	21.2%	13.6%
	Annuity	7.2%	7.8%	6.6%
	Protection	11.6%	9.6%	6.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	21.8%	13.1%	13.7%
	Non-linked savings	49.6%	70.5%	71.8%
	Annuity	0.5%	2.9%	2.1%
	Protection	27.8%	13.5%	12.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

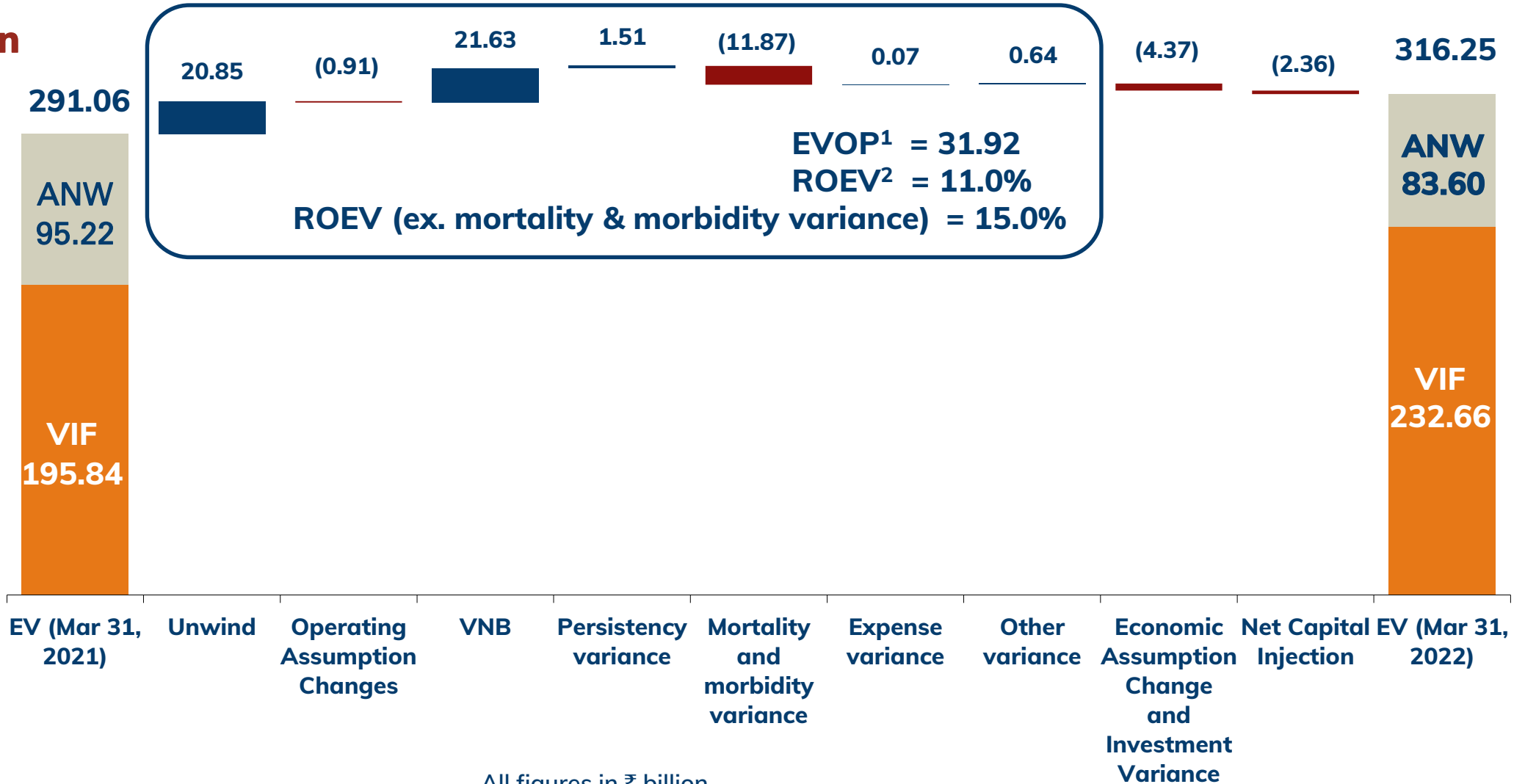
# Product wise channel mix<sup>1</sup>

Product category	Channel category	FY2020	FY2021	FY2022
ULIP	Bancassurance	68.2%	64.9%	57.0%
	Agency	16.3%	16.6%	20.8%
	Direct	13.0%	16.1%	19.6%
	Partnership distribution	2.5%	2.5%	2.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	10.8%	17.8%	27.3%
	Agency	53.6%	49.3%	42.1%
	Direct	11.7%	9.7%	6.4%
	Partnership distribution	23.8%	23.3%	24.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	29.4%	51.1%	49.1%
	Agency	11.8%	14.0%	23.8%
	Direct	55.3%	27.5%	22.0%
	Partnership distribution	3.5%	7.4%	5.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	45.2%	51.9%	39.6%
	Agency	20.9%	20.6%	21.7%
	Direct	14.0%	13.6%	16.2%
	Partnership distribution	19.8%	13.8%	22.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Embedded value

# Analysis of movement in EV

₹ billion



All figures in ₹ billion

<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

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



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

₹ billion	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Opening EV</b>	<b>161.84</b>	<b>187.88</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>
Unwind	13.72	15.84	17.25	16.61	20.85
<b>Value of New Business (VNB)</b>	<b>12.86</b>	<b>13.28</b>	<b>16.05</b>	<b>16.21</b>	<b>21.63</b>
<b>Operating assumption changes + Operating variance</b>	<b>10.22</b>	<b>8.89</b>	<b>(0.42)</b>	<b>2.24</b>	<b>(10.56)</b>
<i>Operating assumption changes</i>	7.64	4.20	(2.25) <sup>2</sup>	3.09	(0.91)
<i>Operating variance</i>	2.58	4.69	1.83	(0.85)	(9.64)
<i>Persistency variance</i>	1.53	2.66	0.85	1.10	1.51
<i>Mortality and morbidity variance</i>	0.78	1.97	0.42	(2.37) <sup>3</sup>	(11.87) <sup>3</sup>
<i>Expense variance</i>	0.27	0.04	0.01	0.01	0.07
<i>Other variance</i>	0.00	0.02	0.56	0.41	0.64
<b>EVOP</b>	<b>36.80</b>	<b>38.01</b>	<b>32.88</b>	<b>35.05</b>	<b>31.92</b>
<b>Return on embedded value (ROEV)</b>	<b>22.7%</b>	<b>20.2%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>11.0%</b>
Economic assumption change and investment variance	1.13	(1.22)	(14.76)	25.67	(4.37)
Net capital injection	(11.88)	(8.43)	(4.05)	0.04	(2.36)
<b>Closing EV</b>	<b>187.88</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</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	
	FY2021	FY2022	FY2021	FY2022
Increase in 100 bps in the reference rates	0.7	(3.5)	(2.8)	(4.2)
Decrease in 100 bps in the reference rates	(1.7)	3.2	3.0	4.6
10% increase in the discontinuance rates	(3.1)	(4.9)	(0.9)	(1.0)
10% decrease in the discontinuance rates	3.2	5.3	1.0	1.0
10% increase in mortality/morbidity rates	(10.2)	(8.3)	(1.6)	(1.9)
10% decrease in mortality/morbidity rates	10.4	8.4	1.6	1.9
10% increase in acquisition expenses	(10.5)	(10.1)	Nil	Nil
10% decrease in acquisition expenses	10.4	10.1	Nil	Nil
10% increase in maintenance expenses	(2.5)	(2.3)	(0.6)	(0.7)
10% decrease in maintenance expenses	2.5	2.3	0.6	0.7
Tax rates increased to 25%	(11.1)	(10.3)	(6.2)	(6.3)
10% increase in equity values	1.3	0.6	2.9	1.9
10% decrease in equity values	(1.6)	(0.6)	(2.9)	(1.9)

# Embedded value growth

₹ billion	FY2020	FY2021	FY2022
Value of In force (VIF)	151.87	195.84	232.66
Adjusted Net worth	78.43	95.22	83.60
<b>Embedded value<sup>1</sup></b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>
Return on Embedded Value (ROEV)	15.2%	15.2%	11.0%
ROEV excluding mortality & morbidity variance	15.0%	16.3%	15.0%
EV growth-pre net capital injection	8.4%	26.4%	9.5%
EV growth-post net capital injection	6.5%	26.4%	8.7%
VNB as % of opening EV	7.4%	7.0%	7.4%
Operating assumption changes and variance as % of opening EV	(0.2%)	1.0%	(3.6%)

# Economic assumptions underlying EV and VNB

Tenor (years)	References Rates	
	Mar 31, 2022	September 30, 2022
1	4.35%	6.72%
5	7.90%	7.81%
10	8.36%	7.67%
15	7.97%	7.71%
20	7.57%	7.81%
25	7.28%	7.94%
30	7.09%	8.04%

# Glossary

- **Annualized Premium Equivalent (APE):** 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 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) and 49<sup>th</sup> month (5<sup>th</sup> 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**