



FY2017 performance review

April 25, 2017

Agenda

Company strategy and performance

Opportunity

Industry overview

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Industry overview

Strategy: Market leadership + Profitable growth

Segmented approach to tap market opportunity- Savings & Protection

- Leverage market opportunity for saving products through
 - Delivery of superior customer value through better products, customer service, fund performance and claims management
 - Focus on key local markets through customized regional strategy
- Multi prong product/ channel approach to tap protection opportunity- Retail through online and offline mode, Mortgage linked and Group term

Strengthen multi channel architecture and explore non-traditional channels

- Focus on deepening existing bancassurance relationships and seeking alliances with new banks
- Focus on increasing scale of our agency distribution channel
- Using data analytics capability to grow direct to customers
- Establish relationship with new non bank partners with focus on quality

Focus on increasing value of new business

- Expand our protection business
- Improve customer retention
- Maintain market-leading cost efficiency

Leverage technology for profitable growth

- Digitalizing sales and service processes
- Increasing digital marketing and sales

Key Highlights

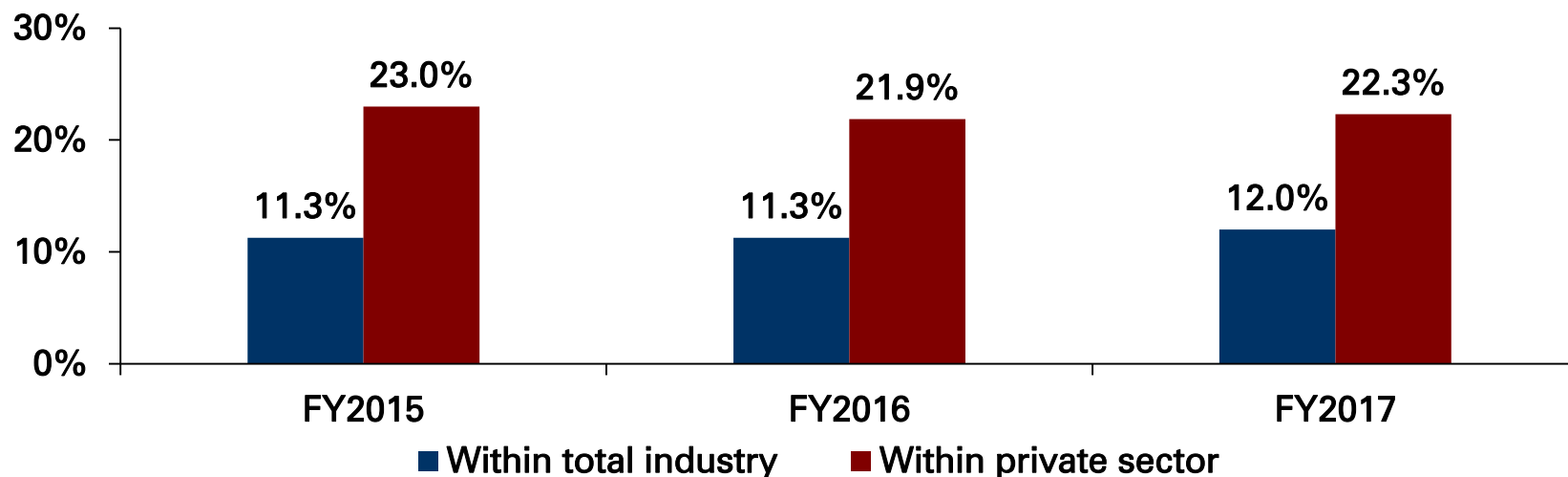
Rs bn	FY2015	FY2016	Growth	FY2017	Growth
APE ¹	47.44	51.70	9.0%	66.25	28.1%
Savings APE	46.68	50.31	7.8%	63.64	26.5%
Protection APE	0.76	1.39	82.9%	2.60	87.1%
Value of New Business (VNB) ²	2.70	4.12	52.6%	6.66	61.7%
VNB Margin ²	5.7%	8.0%		10.1%	
Indian Embedded Value	138.22	139.39	0.8%	161.84	16.1%

1. Annualized premium equivalent
2. Based on actual cost

New business

Market share¹

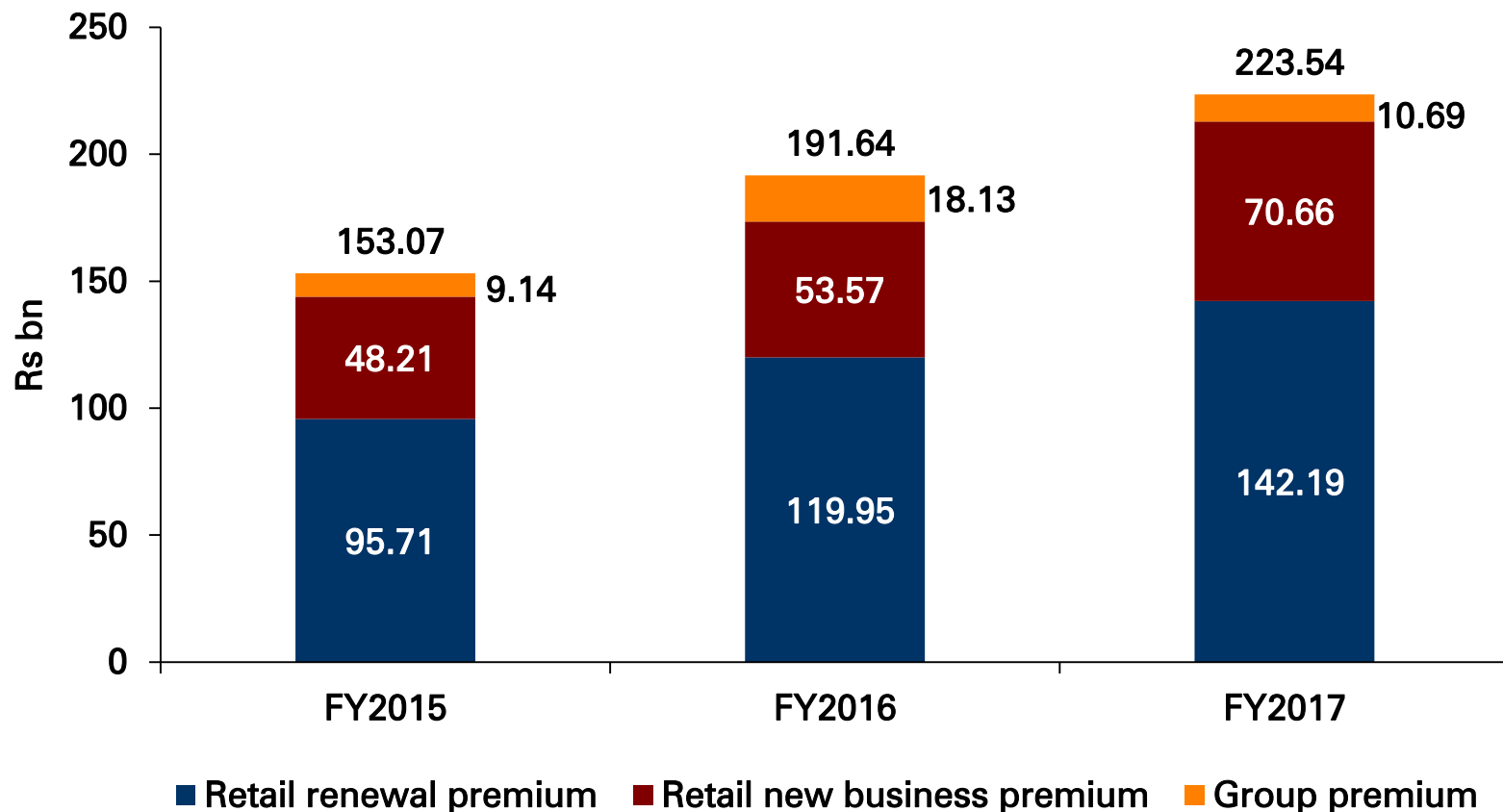
Rs bn	FY2015	Growth	FY2016	Growth	FY2017	Growth
RWRP	45.96	41.3%	49.68	8.1%	64.08	29.0%



Market leaders in private sector since FY2002

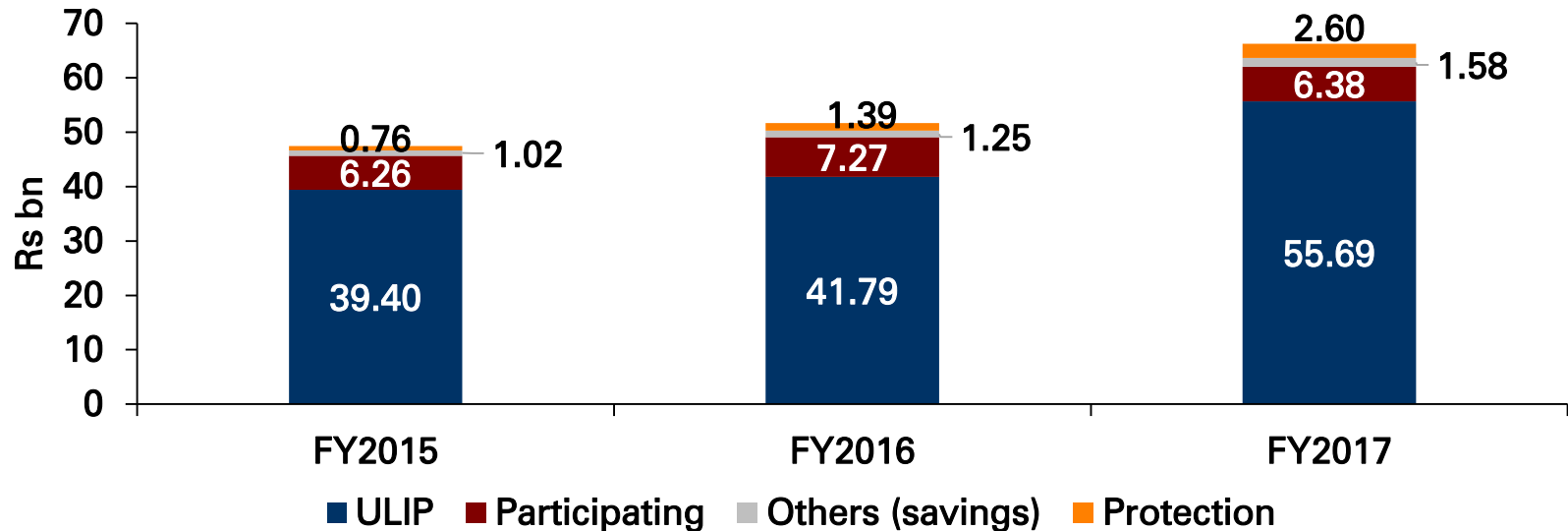
1. Retail weighted received premium (RWRP) basis
Source: IRDAI, Life insurance council

Premium summary



Product mix¹

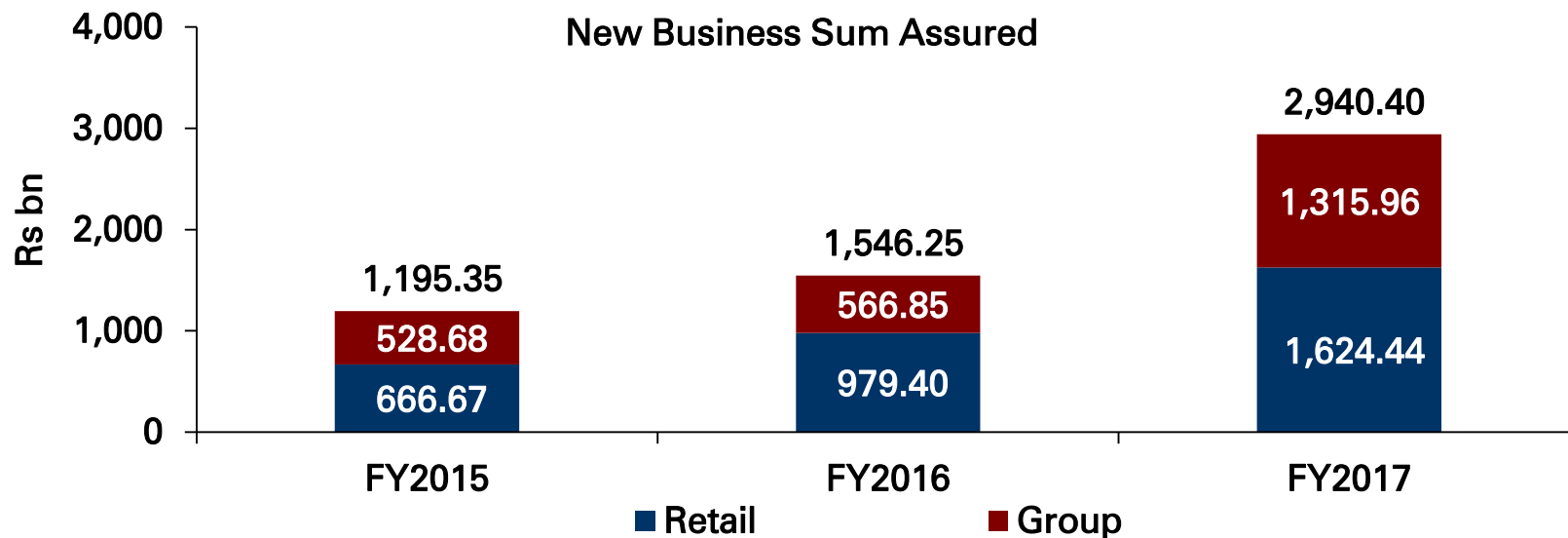
Product mix ¹	FY2015	FY2016	FY2017
Savings	98.4%	97.3%	96.1%
<i>ULIP</i>	<i>83.1%</i>	<i>80.8%</i>	<i>84.1%</i>
<i>Participating</i>	<i>13.2%</i>	<i>14.1%</i>	<i>9.6%</i>
<i>Non-Participating</i>	<i>0.6%</i>	<i>0.4%</i>	<i>1.1%</i>
<i>Group²</i>	<i>1.5%</i>	<i>2.0%</i>	<i>1.3%</i>
Protection ³	1.6%	2.7%	3.9%



1. Annualized Premium Equivalent (APE) basis
2. Group excludes group protection products
3. Protection includes retail and group protection products

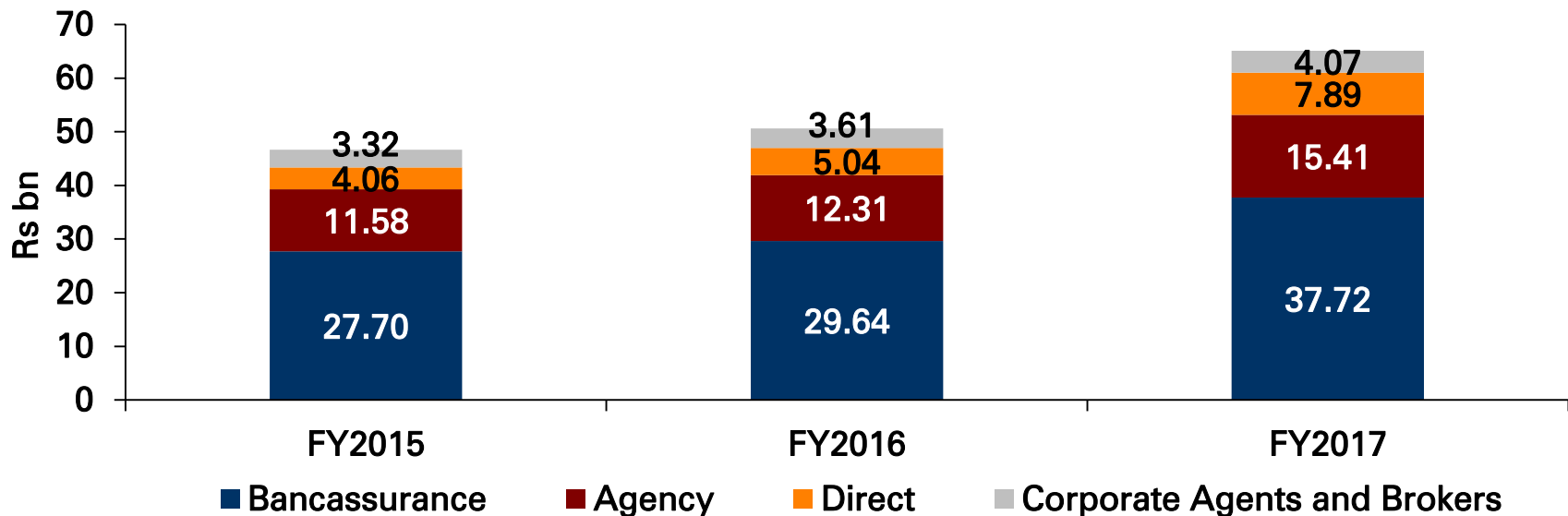
Protection

Rs bn	FY2015	FY2016	FY2017
Retail Protection	0.36	0.94	2.09
Group Term	0.06	0.06	0.13
Mortgage based	0.33	0.39	0.38
Total APE	0.76	1.39	2.60



Channel mix

Channel Mix ¹	FY2015	FY2016	FY2017
Bancassurance	58.4%	57.3%	56.9%
Agency	24.4%	23.8%	23.3%
Direct	8.6%	9.8%	11.9%
Corporate Agents and Brokers	7.0%	7.0%	6.1%
Group	1.6%	2.1%	1.7%



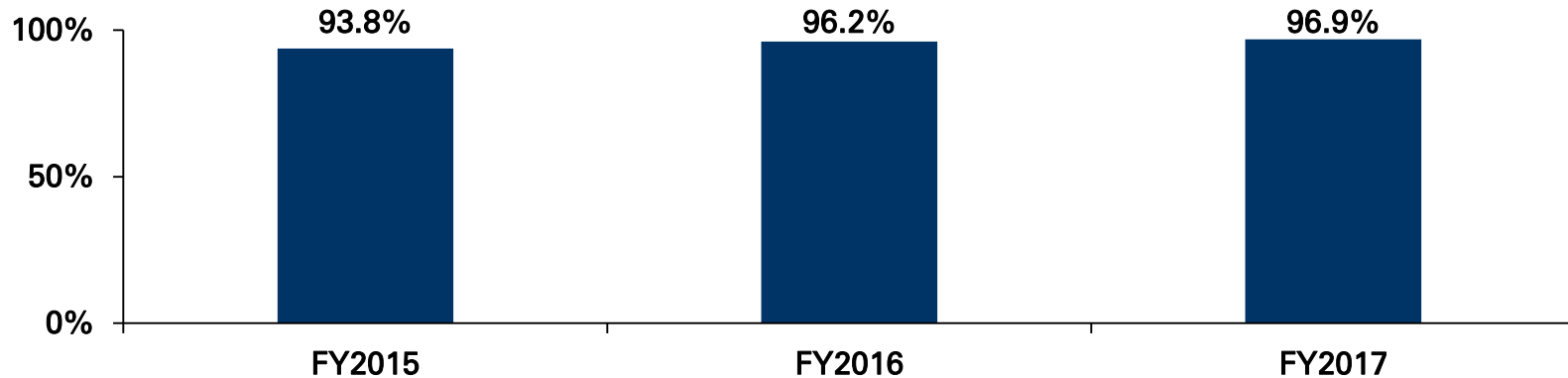
Quality parameters

Persistency¹

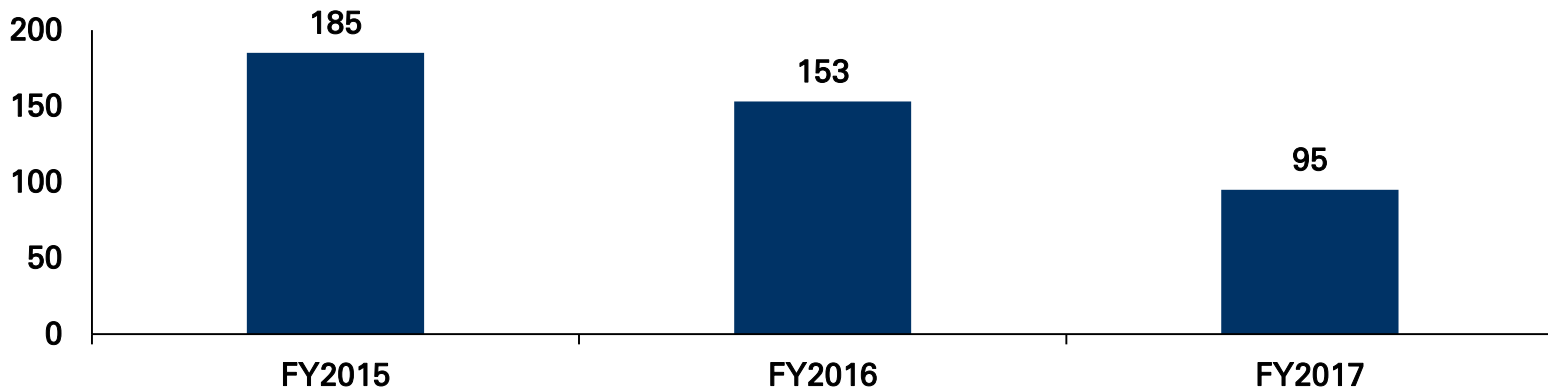
Month	FY2015	FY2016	11MFY2017
13 th month	79.0%	82.4%	86.0%
25 th month	65.9%	71.2%	74.2%
37 th month	64.3%	61.6%	67.3%
49 th month	54.4%	62.2%	61.1%
61 st month	14.5%	46.0%	57.9%

Customer Service

Claim Settlement ratio¹



Grievance Ratio²

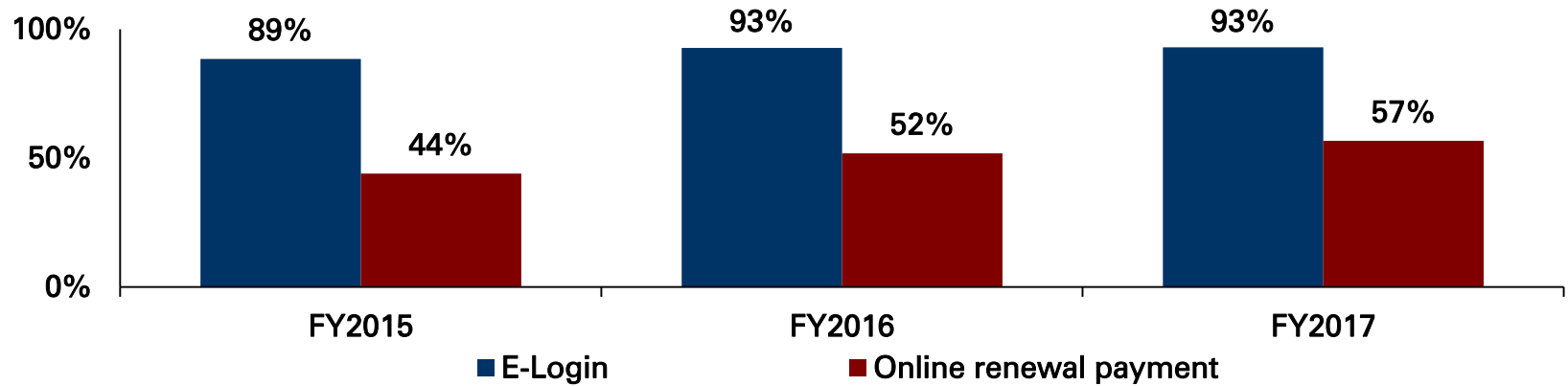


1. Individual Death Claims

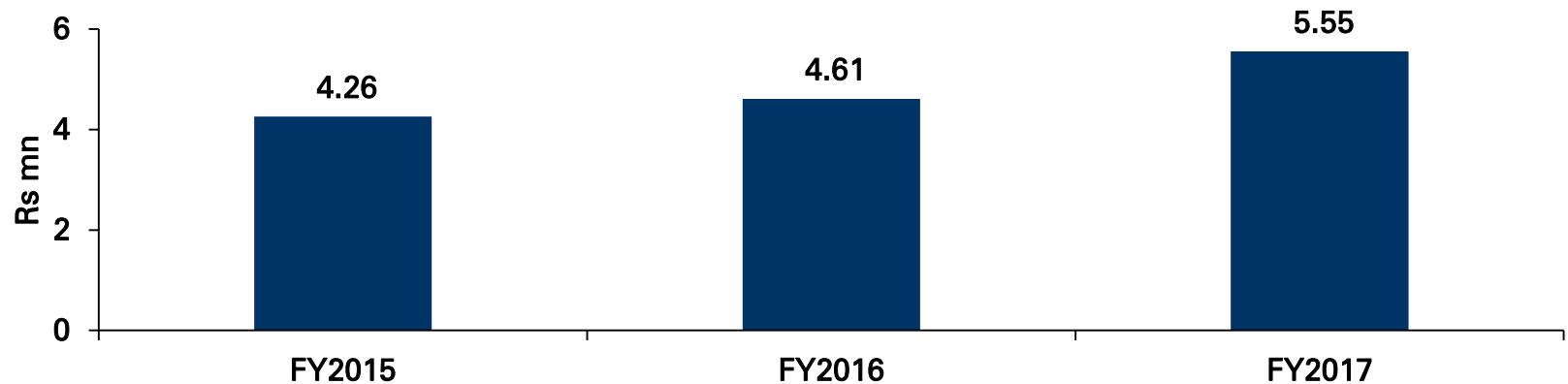
2. Number of grievances per 10,000 new business policies issued in the same period

Digitization impact

E-Login¹ and online renewal payment²



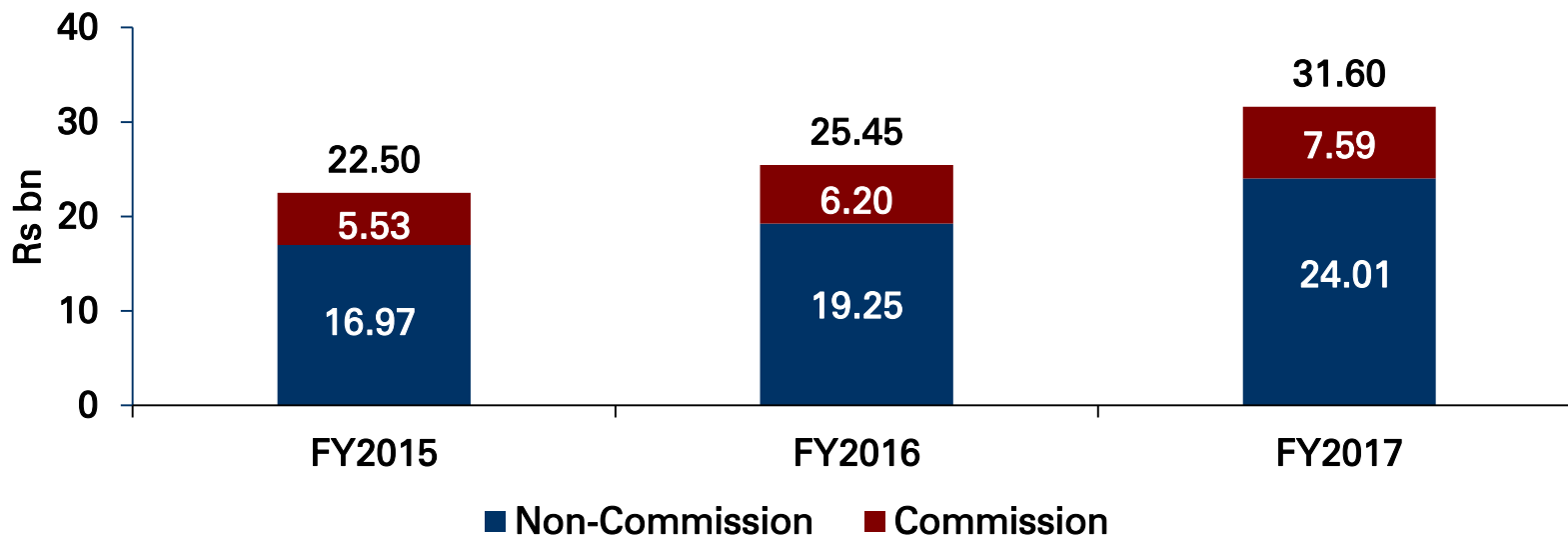
Employee productivity³



1. New business applications generated through digital medium
2. Transactions processed through online, direct debit and ECS
3. RWRP / Average no. of employees during the period

Cost efficiency

	FY2015	FY2016	FY2017
Expense ratio (excl. commission) ¹	11.6%	11.0%	11.4%
Commission ratio ²	3.8%	3.5%	3.6%
Cost/TWRP ³	15.4%	14.5%	15.1%
Cost / Average AUM ⁴	2.5%	2.5%	2.8%



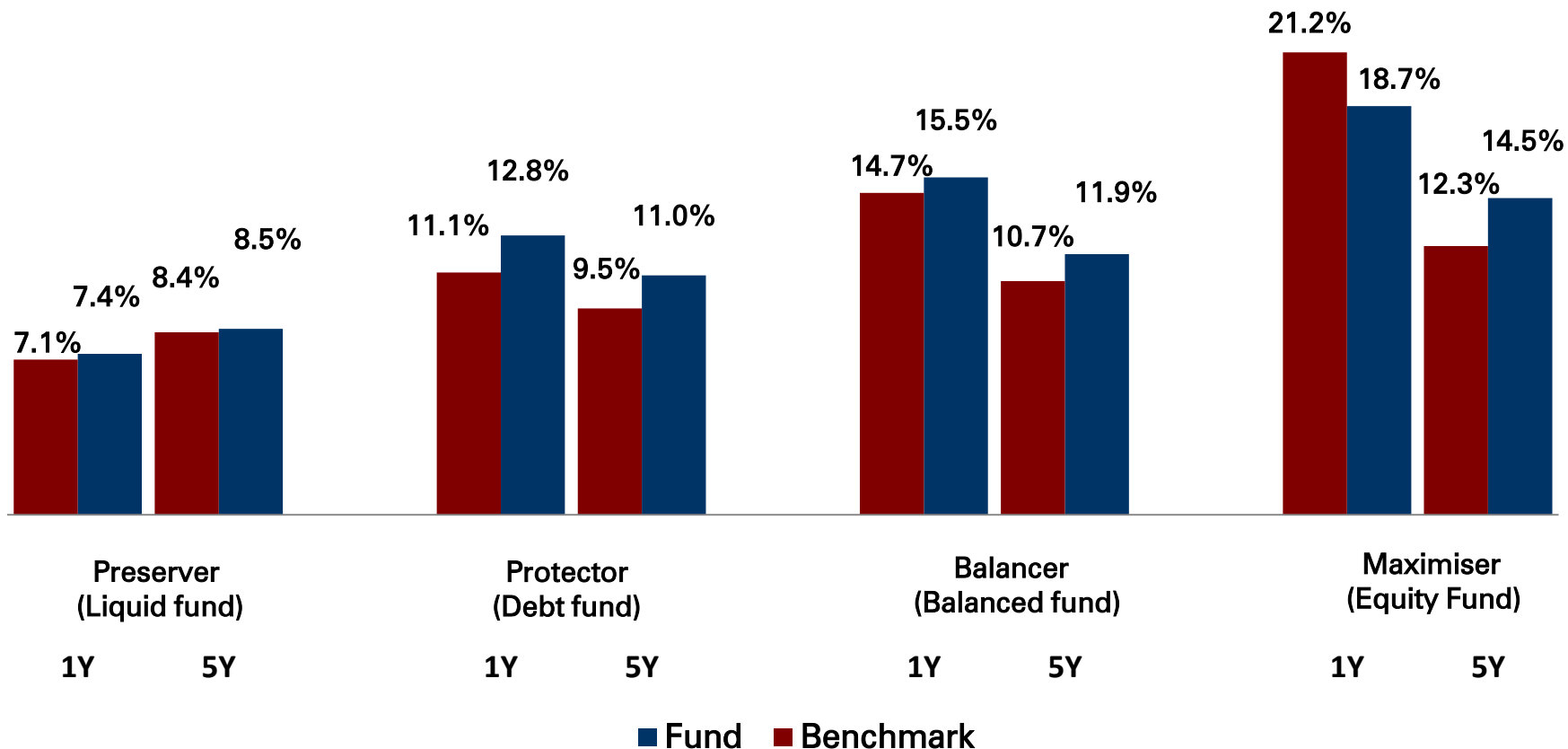
1. Expense ratio: All insurance expenses (excl. commission) / (Total premium – 90% of single premium)

2. Commission ratio: Commission / (Total premium – 90% of single premium)

3. Cost / (Total premium – 90% of single premium)

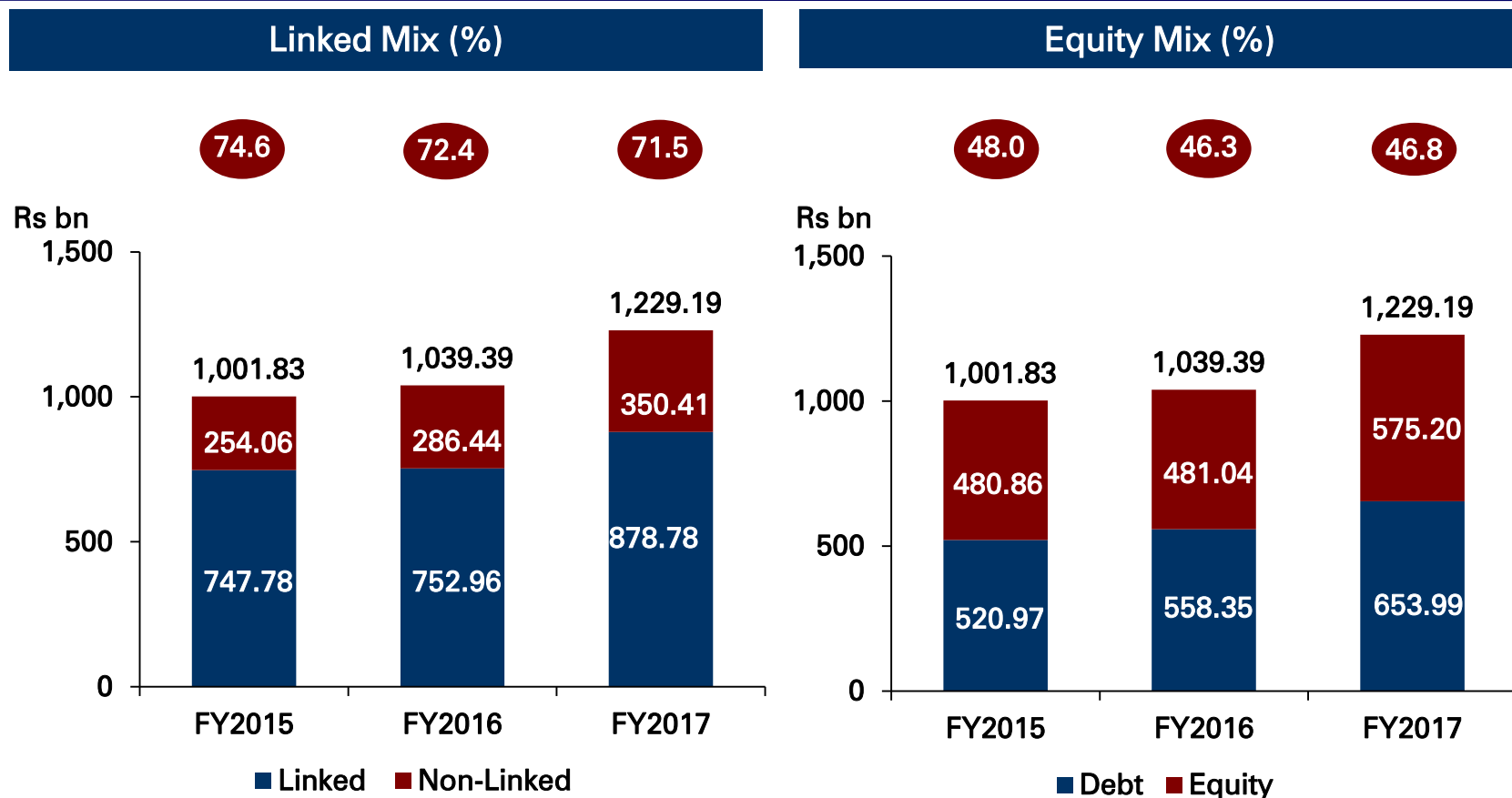
4. Cost / Average assets under management during the period

Superior fund performance across cycles



More than 90% of linked portfolio has out performed benchmark indices since inception*

Assets under management



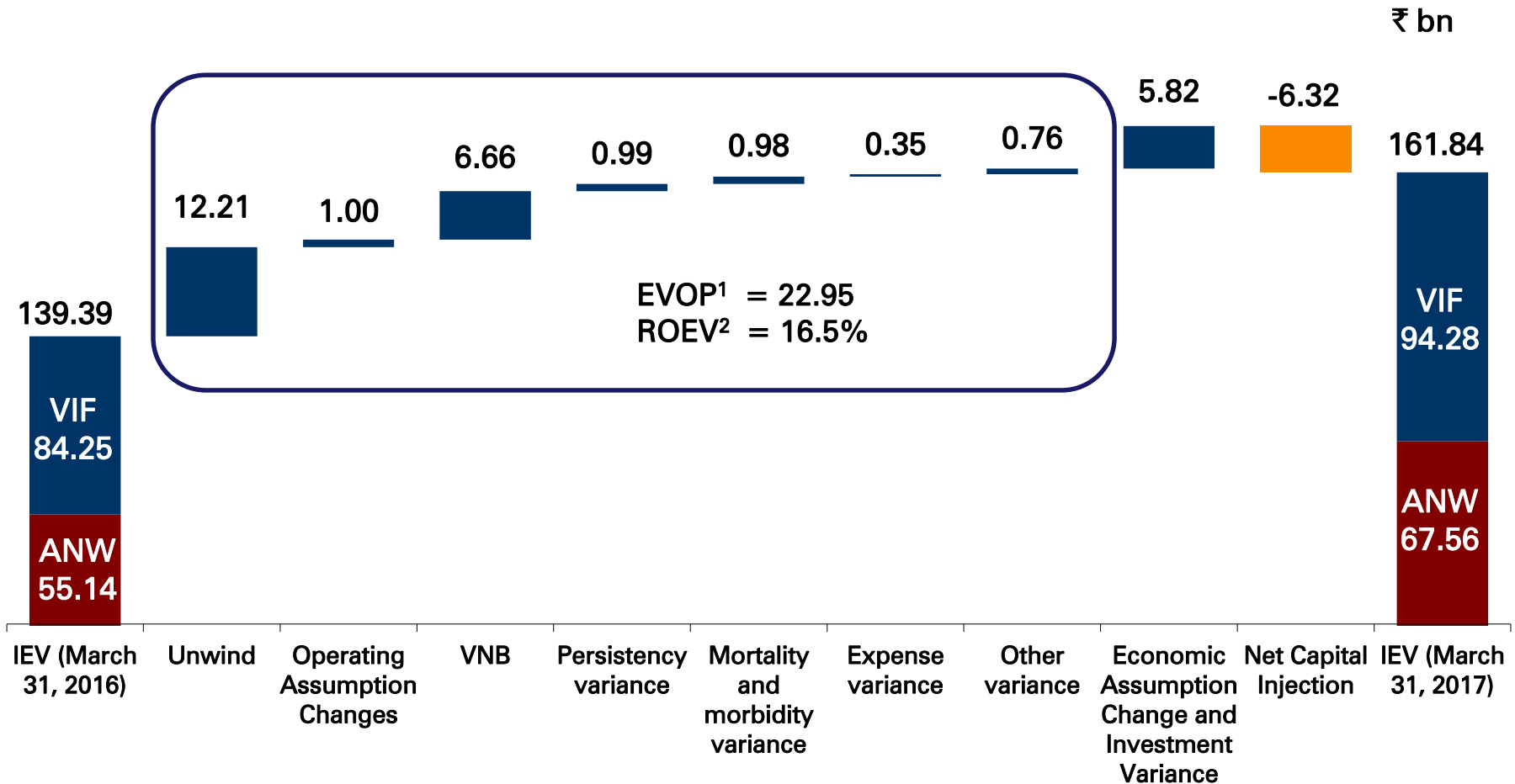
More than 90% of debt investments in AAA rated and government bonds*

* As on March 31, 2017
Components may not add up to the totals due to rounding off



Profitability

Analysis of movement in IEV (FY2017)



1: EVOP is the embedded value operating profit net of tax
 2: ROEV is the return on embedded value net of tax
 Figures may not add up to the totals due to rounding off

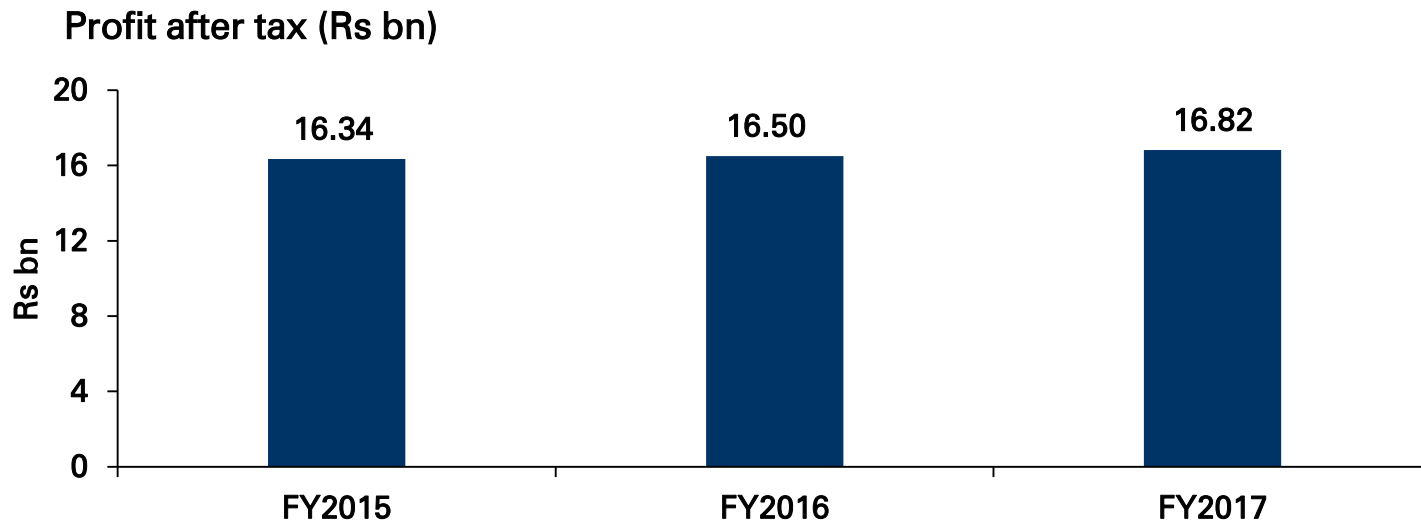
Profit after tax

Solvency Ratio (%)

337

320

281



- Well capitalized for growth opportunities
- Dividend proposed for FY2017 is Rs 10.55 billion

Summary

<p>1 India: High growth potential</p>	<ul style="list-style-type: none"> ● Low penetration¹ vs mature economies and even lower density ● One of the fastest growing large economy in the world with strong growth drivers
<p>2 Consistent Leadership Across Cycles</p>	<ul style="list-style-type: none"> ● #1 in India on RWRP² basis for every year since FY2002 ● Significant market share gain on RWRP basis since FY2012
<p>3 Customer Centric Approach Across Value Chain</p>	<ul style="list-style-type: none"> ● Customer focused product suite; Delivering superior value through product design and fund performance ● Low grievance ratio and one of the best claims settlement ratios in the industry
<p>4 Multi Channel Distribution backed by advanced digital processes</p>	<ul style="list-style-type: none"> ● Access to network of ICICI bank (#1 Indian private bank) and Standard Chartered Bank ● Continue to invest in agency channel, adding quality agents and improving productivity ● Strong focus on technology and digitization to reduce dependence on physical presence
<p>5 Delivering Consistent Returns to Shareholders</p>	<ul style="list-style-type: none"> ● VNB has grown at CAGR of 57% during FY2015-2017 period; Self funded business – no capital calls since FY 2009; cumulative dividend pay-out of Rs 45.83 bn³ ● With strong solvency of 280.7% and less capital requirement due to product mix, well positioned to take advantage of growth
<p>6 Robust & Sustainable Business Model</p>	<ul style="list-style-type: none"> ● Low interest rate risk with over 80% of APE⁴ contribution from ULIP products; Over 90% of debt investments in AAA rated and government bonds ● Strong focus on renewals (high persistency ratios)

1. Sum assured as a % of GDP
 2. IRDAI Retail Weighted Received Premium (RWRP)
 3. Excluding FY2017 final dividend

declared but not paid
 4. Annualized Premium Equivalent

Agenda

Company strategy and performance

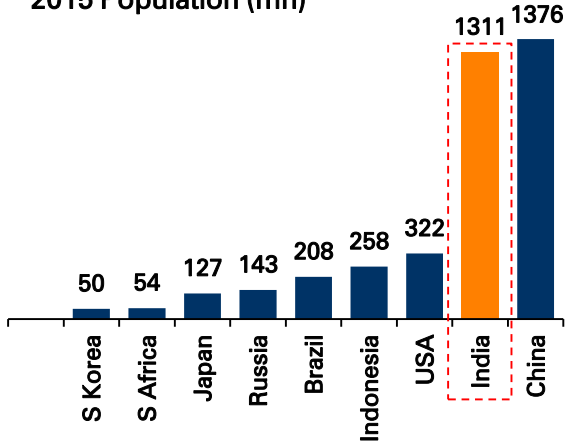
Opportunity

Industry overview

Favourable demography to drive macro growth

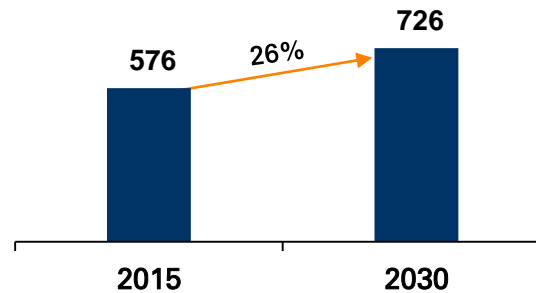
Large and Growing Population Base¹

2015 Population (mn)



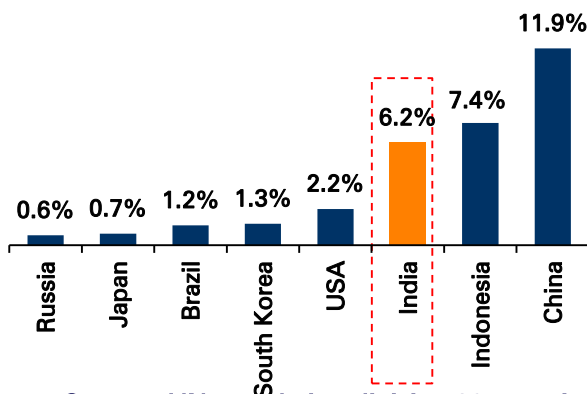
High Share of Working Population¹

Population of age 25-59 years (in mn)

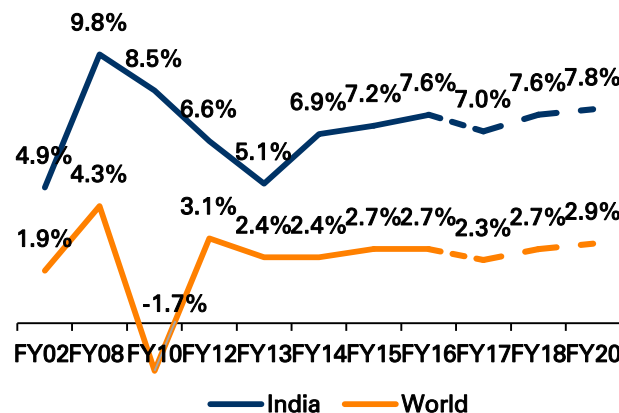


Rising Affluence²

GDP per Capita CAGR (2007-2017)



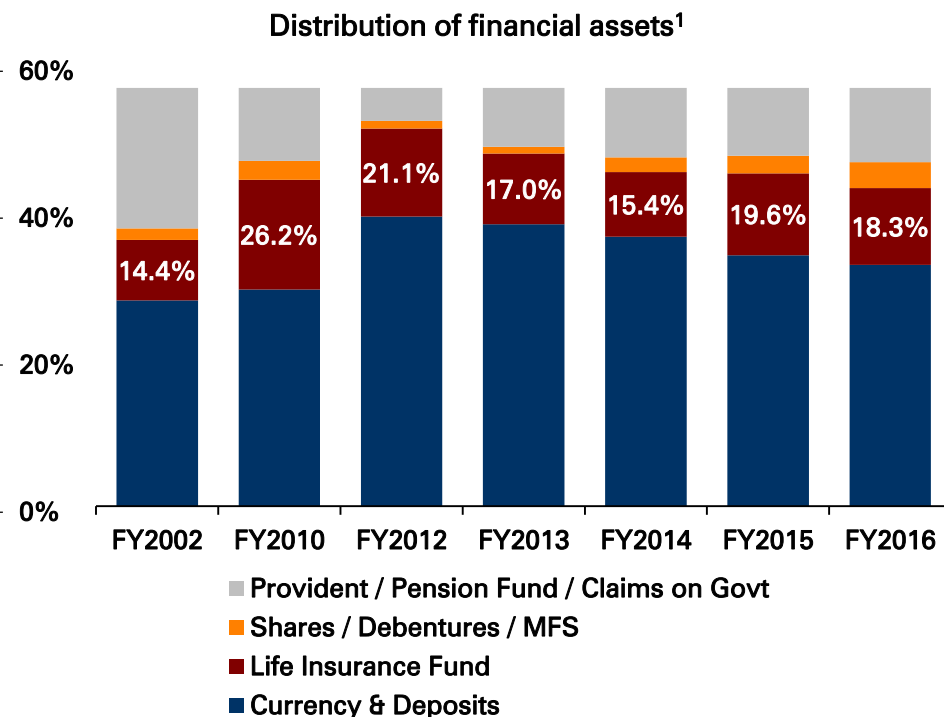
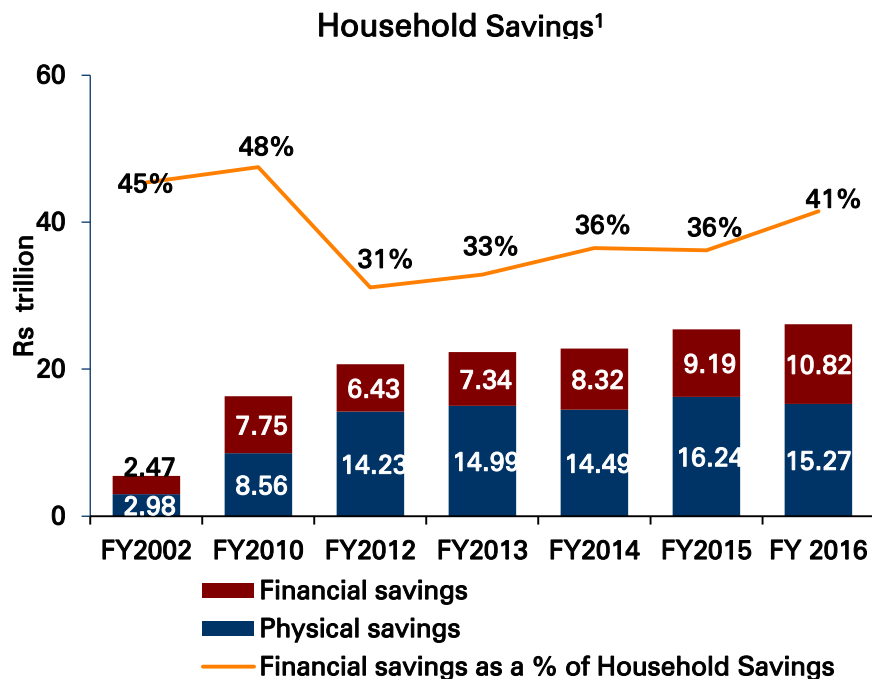
Driving GDP Growth³



- Indian economy poised to head towards sustained growth fuelled by favourable demographics, rising affluence
- Growth rate of total premium written by the insurance industry has outpaced the GDP growth rate over the period of FY2002-FY2017⁴

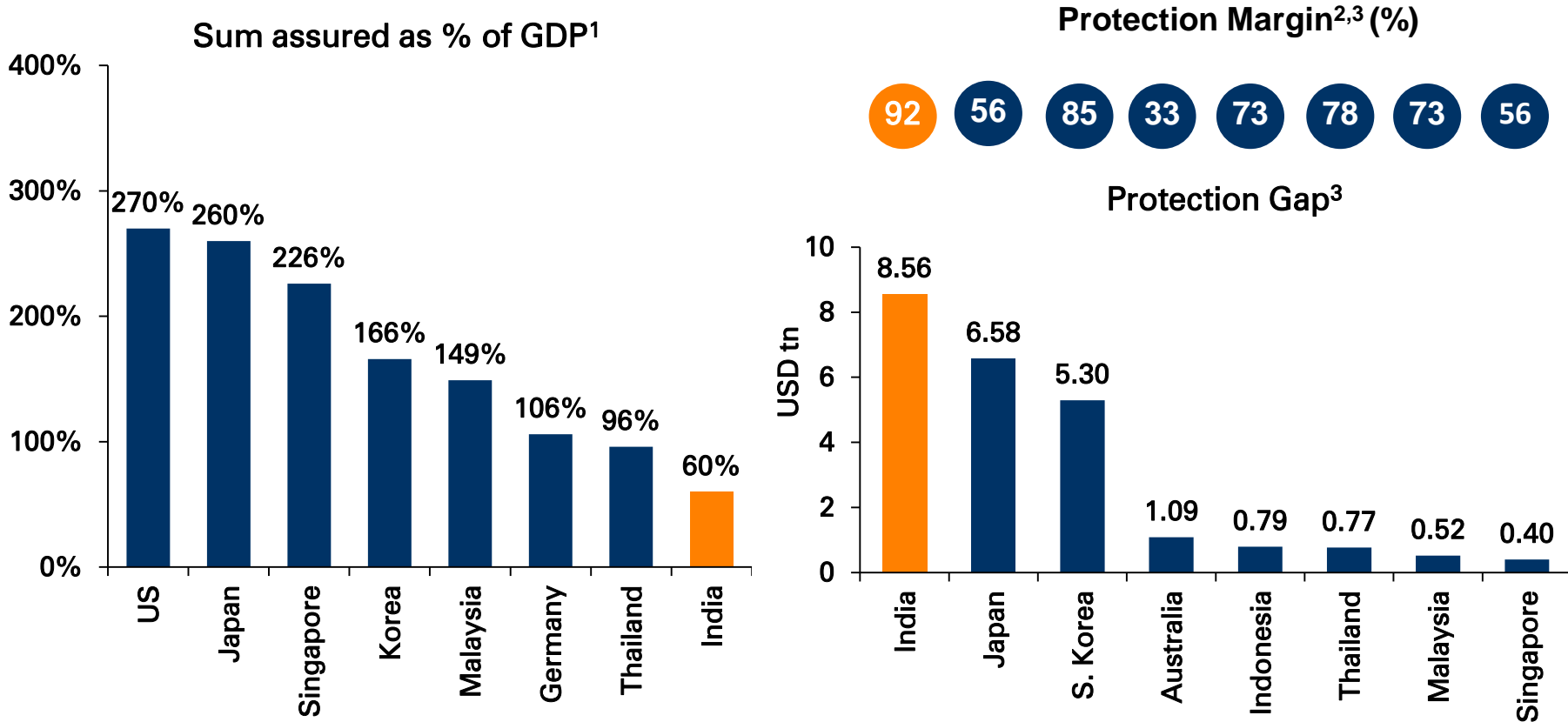
- Source: UN population division 2015 revised estimates
- Source: Economist Intelligence Unit, CRISIL Research
- Source: World bank database
- Source: FY2002-16: Life Insurance Council, CSO; FY2017: company estimate

Share of insurance in household savings



- Part of physical savings shifting to financial savings
- Insurance share of financial saving 18.3% compared to peak of 26.2% in FY2010
- Improved product proposition of life insurance savings products

Protection opportunity



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

1. Source: McKinsey analysis 2015 and internal estimate
 2. Protection Margin: Ratio of protection lacking/protection needed
 3. Source: Swiss Re, Economic Research and Consulting 2015

Protection opportunity

Gross direct premium (Rs bn)	FY2007	FY2017	CAGR
Health	33.19	307.65	24.9%
Motor	106.97	502.45	16.7%

- Protection premium was ~Rs 67 bn for Life insurance industry in FY2017

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Evolution of life insurance industry in India

	FY2002		FY2010		FY2016
New business premium ¹ (Rs bn)	116	21.5%	550	-3.6%	441
Total premium (Rs bn)	501	23.2%	2,655	5.5%	3,669
Penetration (as a % to GDP)	2.1%		4.1%		2.7%
Assets under management (Rs bn)	2,304	24.0%	12,899	11.9%	25,294
In-force sum assured ² (Rs bn)	11,812*	15.5%	37,505	15.9%	90,752
In-force sum assured (as % to GDP)	50.1%		57.9%		66.8%

Life insurance industry predominantly savings oriented

1. Retail weighted premium

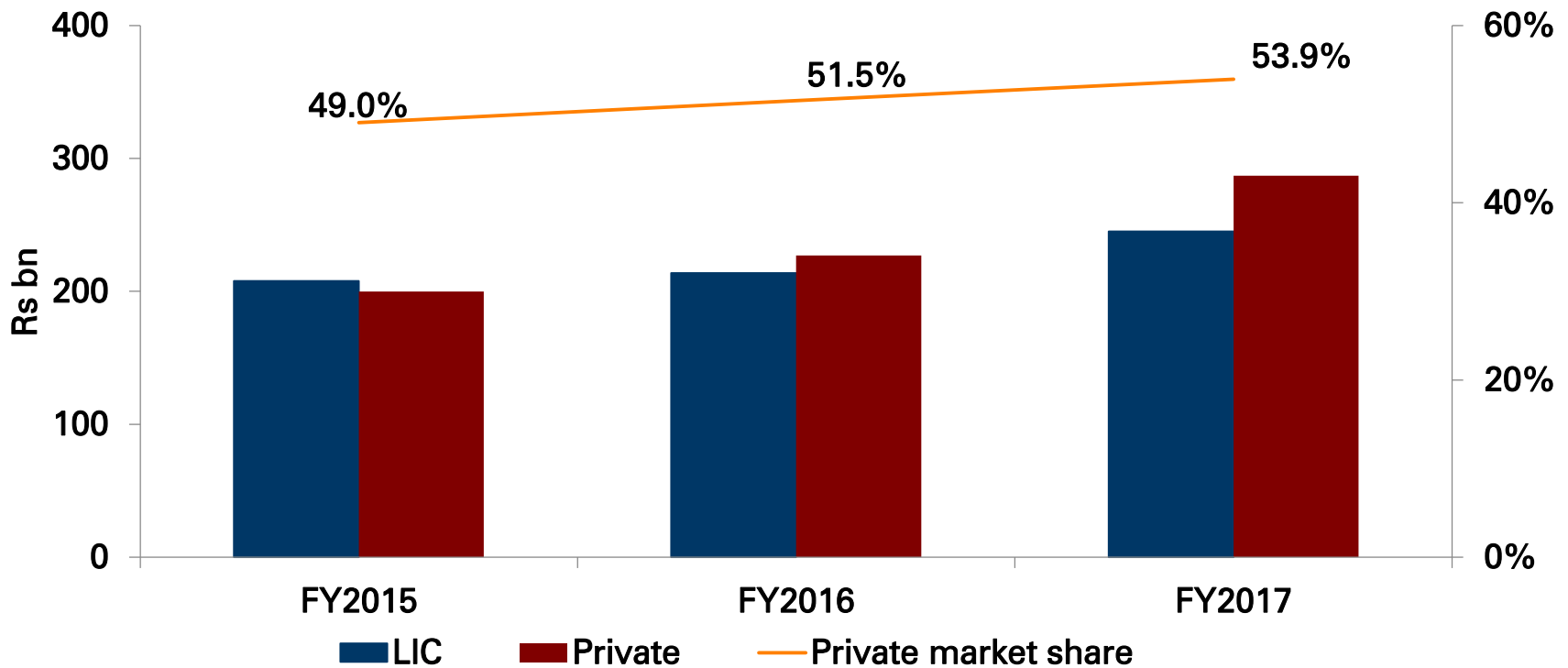
2. Individual and Group in-force sum assured

Source: IRDAI, CSO, Life insurance council

* Company estimate

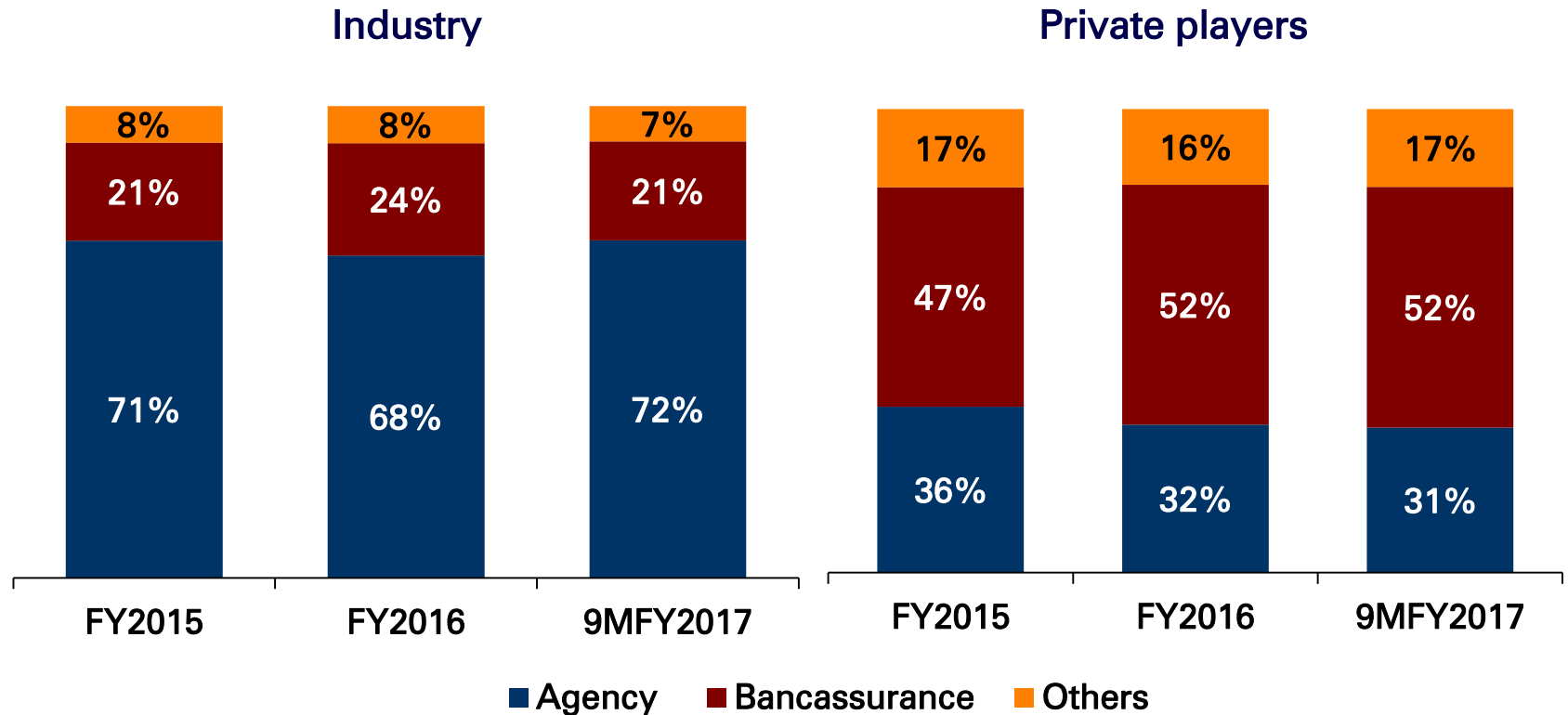
New business¹

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



1. Retail weighted new business premium
Source : IRDAI, Life insurance council

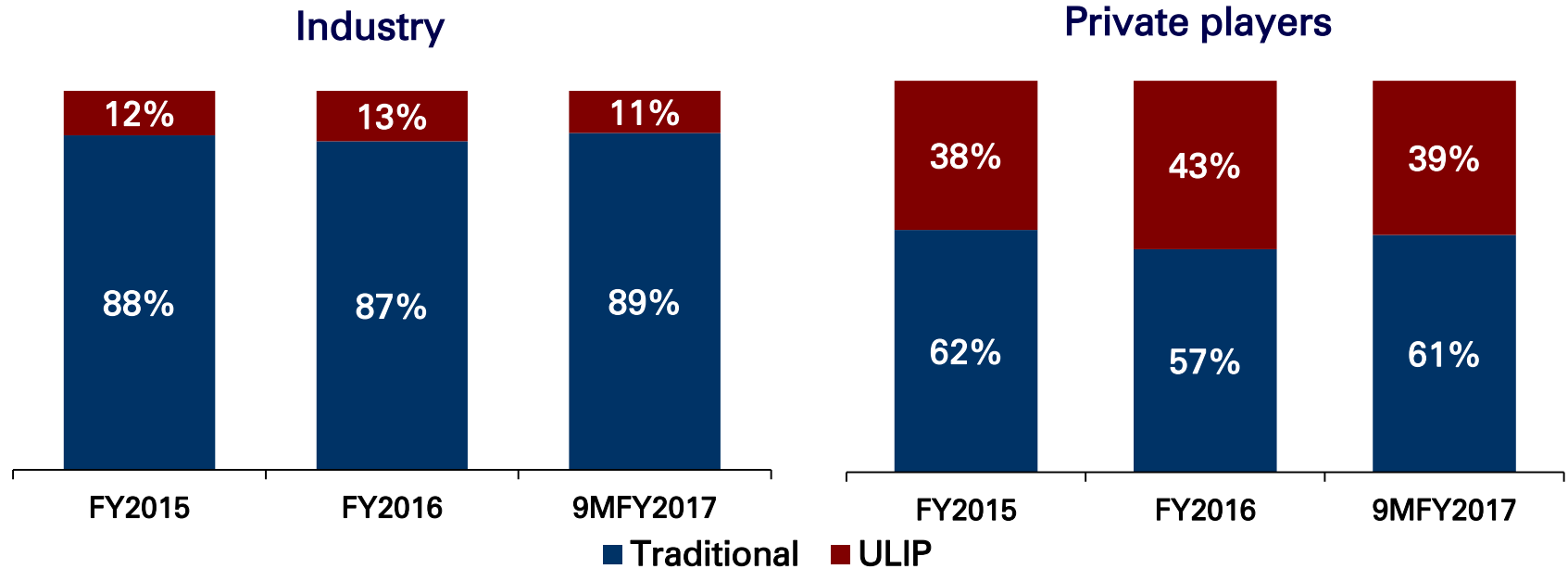
Channel mix¹



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

1. Individual new business premium basis
Source: IRDAI, Public disclosures

Product mix¹



- Strong value proposition of ULIPs
 - Transparent and low charges
 - Lower discontinuance charges upto year 5 and zero surrender penalty after 5 years
 - Choice of asset allocation to match risk appetite of different customer

1. New business premium basis
Source: IRDAI, Life insurance council

Annexures

Consistent leadership in private sector¹

Market Share	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
LIC	63.5%	62.0%	62.0%	51.0%	48.5%	46.1%
ICICI Prudential	5.9%	7.0%	7.2%	11.3%	11.3%	12.0%
SBI Life	4.4%	5.1%	6.2%	7.7%	9.7%	11.2%
HDFC Life	5.7%	6.7%	5.2%	7.3%	7.6%	6.8%
Max Life	3.1%	3.2%	3.9%	4.8%	4.8%	5.0%
Kotak Life	1.0%	1.0%	1.0%	1.5%	2.1%	2.3%
Tata AIA	1.3%	0.6%	0.5%	0.6%	1.4%	2.0%

1. Retail weighted received premium (RWRP) basis
Source: IRDAI, Life insurance council



Average APE by product categories

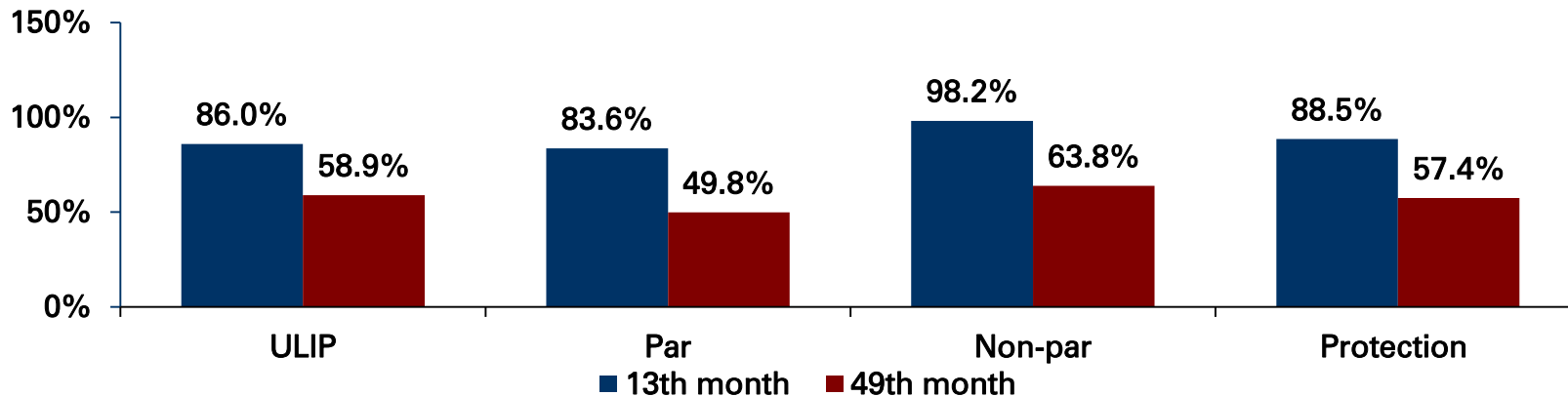
Average retail APE per policy (in Rs)	FY2015	FY2016	FY2017
ULIP	129,087	149,777	169,701
Par	38,430	44,533	56,325
Non par	25,233	23,656	39,153
Pure protection	4,408	10,284	9,815
Total	73,047	87,194	92,735

Channel wise product mix¹

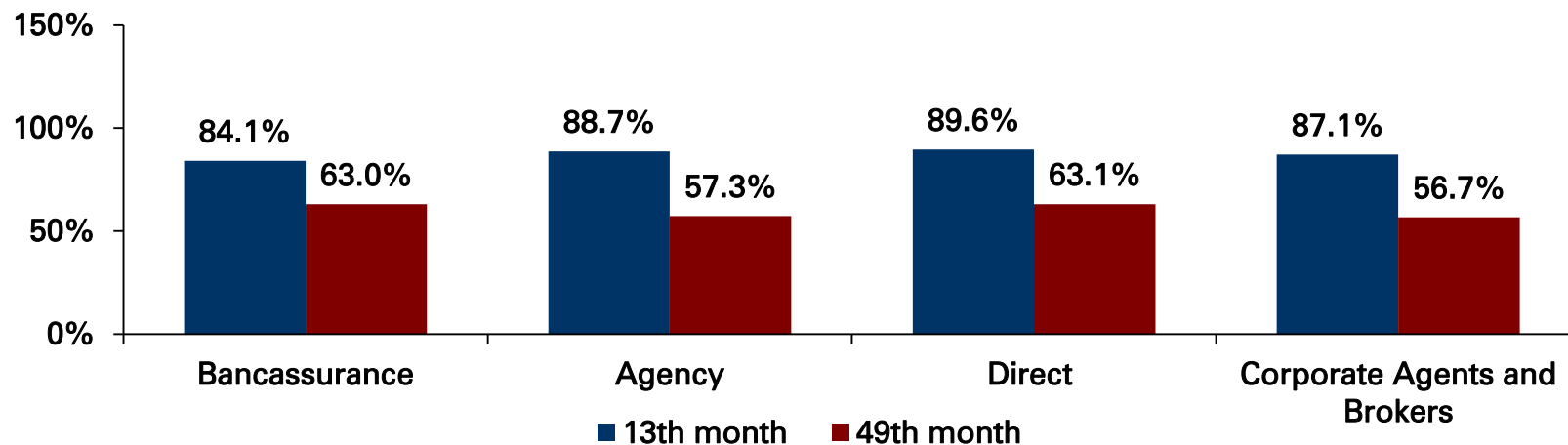
Channel Category	Product Category	FY2015	FY2016	FY2017
Bancassurance	ULIP	88.4%	88.9%	92.1%
	Par	10.0%	9.1%	5.3%
	Non par	0.0%	0.0%	0.4%
	Protection	1.5%	2.0%	2.2%
	Total	100.0%	100.0%	100.0%
Agency	ULIP	78.5%	76.4%	79.5%
	Par	19.2%	19.6%	14.2%
	Non par	1.0%	0.8%	2.0%
	Protection	1.3%	3.2%	4.3%
	Total	100.0%	100.0%	100.0%
Direct	ULIP	93.0%	86.0%	86.3%
	Par	2.9%	7.8%	5.1%
	Non par	2.1%	1.6%	2.0%
	Protection	2.0%	4.5%	6.6%
	Total	100.0%	100.0%	100.0%
Corporate Agents and Brokers	ULIP	62.0%	47.4%	46.5%
	Par	34.4%	49.0%	44.1%
	Non par	2.4%	0.5%	0.4%
	Protection	1.2%	3.1%	9.0%
	Total	100.0%	100.0%	100.0%

Persistency (11MFY2017)¹

Persistency across Product Categories



Persistency across Channel Categories



Indian Embedded Value methodology

IEV methodology ... (1/2)

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

IEV methodology ... (2/2)

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

Components of ANW

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

Components of VIF ... (1/4)

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

Components of VIF ... (2/4)

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

Components of VIF ... (3/4)

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

Components of VIF ... (4/4)

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

Components of IEV movement ... (1/2)

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

Components of IEV movement ... (2/2)

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

Key assumptions underlying IEV ... (1/2)

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

Key assumptions underlying IEV ... (2/2)

- **Mortality and morbidity**
 - Based on Company's experience with an allowance for future improvements in respect of annuities
- **Persistency**
 - Based on Company's experience
- **Taxation**
 - Allowance has been made for future taxation costs expected to be incurred by the Company

Sensitivity analysis (FY2017)

Scenario	% change in IEV	% change in VNB
Increase in 100 bps in the reference rates	(2.0)	(5.2)
Decrease in 100 bps in the reference rates	2.1	5.5
10% increase in the discontinuance rates	(1.1)	(10.6)
10% decrease in the discontinuance rates	1.2	10.9
10% increase in mortality/ morbidity rates	(0.8)	(6.1)
10% decrease in mortality/ morbidity rates	0.8	6.1
10% increase in acquisition expenses	Nil	(20.5)
10% decrease in acquisition expenses	Nil	20.5
10% increase in maintenance expenses	(1.1)	(5.5)
10% decrease in maintenance expenses	1.1	5.4

Economic assumptions underlying IEV

Tenor (years)	Reference Rates	
	March 31, 2016	March 31, 2017
1	7.24%	6.35%
5	8.22%	7.78%
10	8.34%	8.02%
15	8.40%	8.03%
20	8.46%	8.03%
25	8.50%	8.03%
30	8.52%	8.03%

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