



CLSA Investor forum

September 14, 2017

Agenda

Opportunity

Industry and Competitive landscape

Company strategy and performance

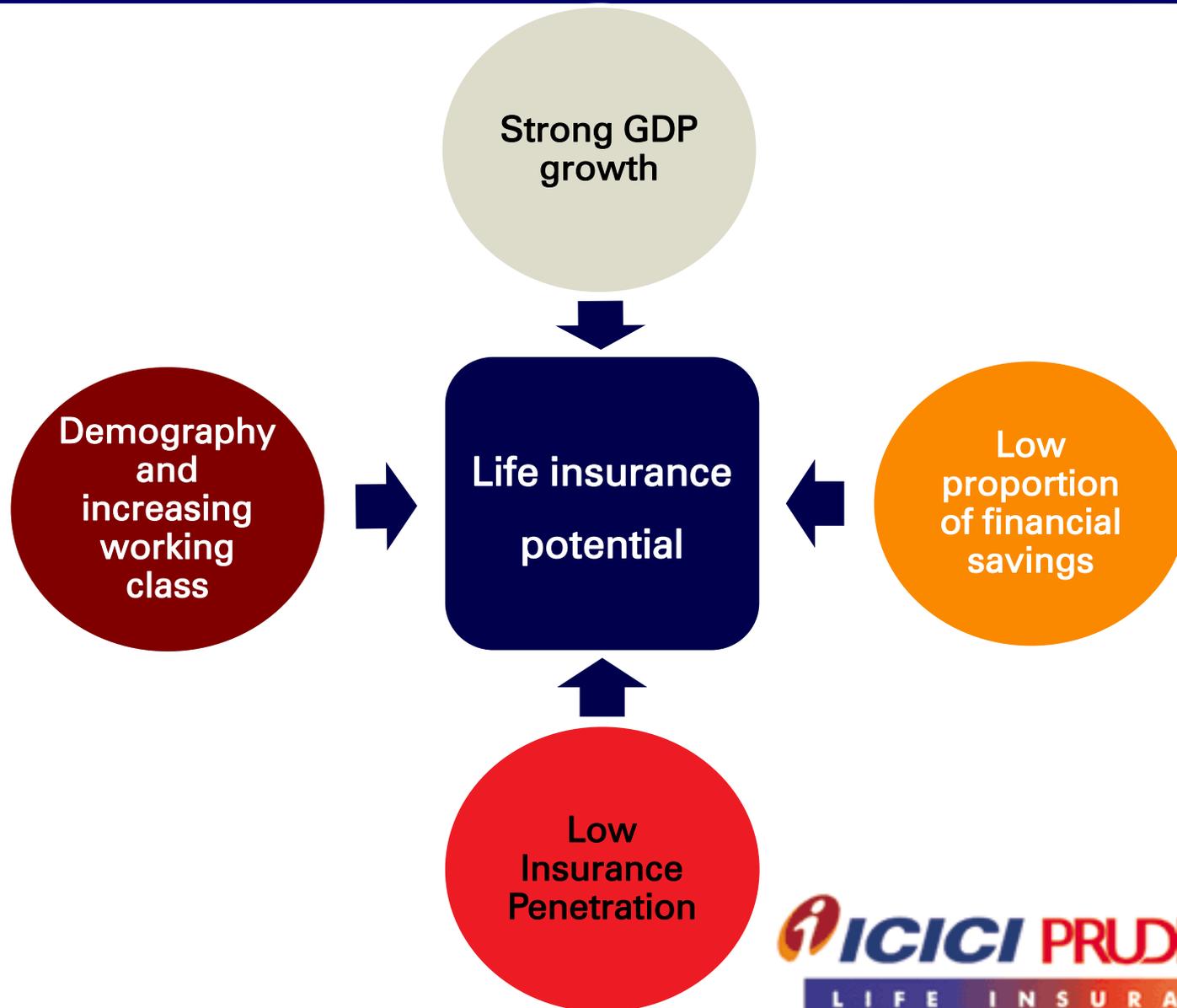
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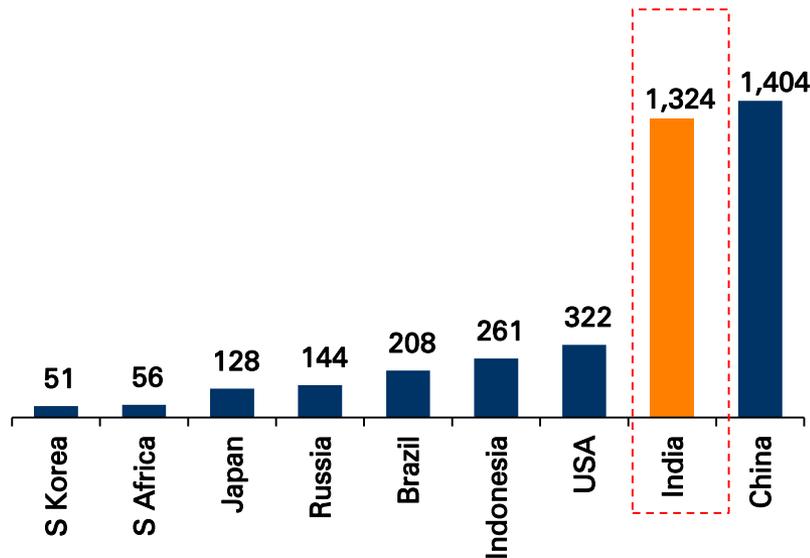
Growth Enablers



Favourable demography

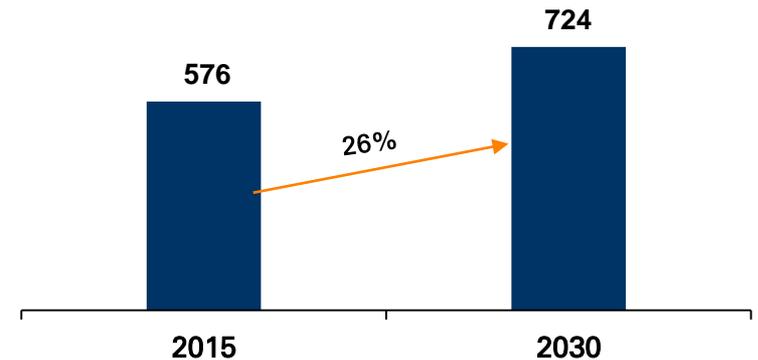
Large and Growing Population Base¹

2016 Population (mn)



High Share of Working Population¹

Population of age 25-59 years (in mn)

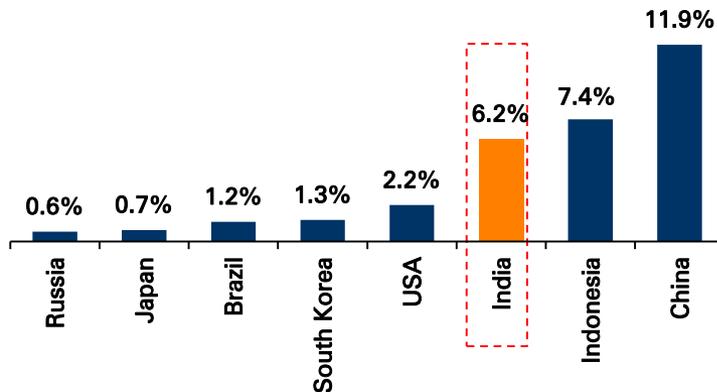


- Indian economy poised to head towards sustained growth fuelled by favourable demographics and rising working class

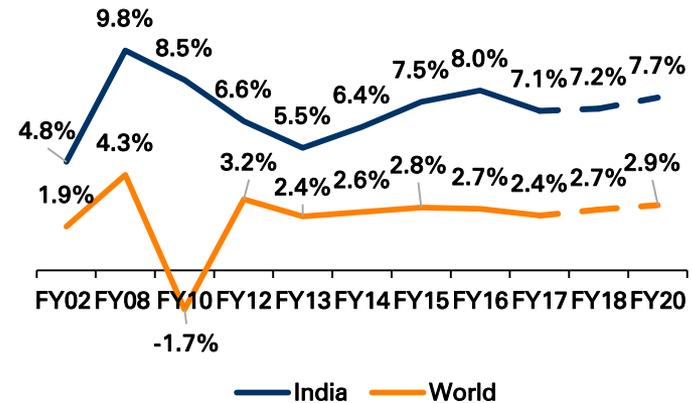
Strong GDP growth

Rising Affluence¹

GDP per Capita
CAGR (2007-2017)



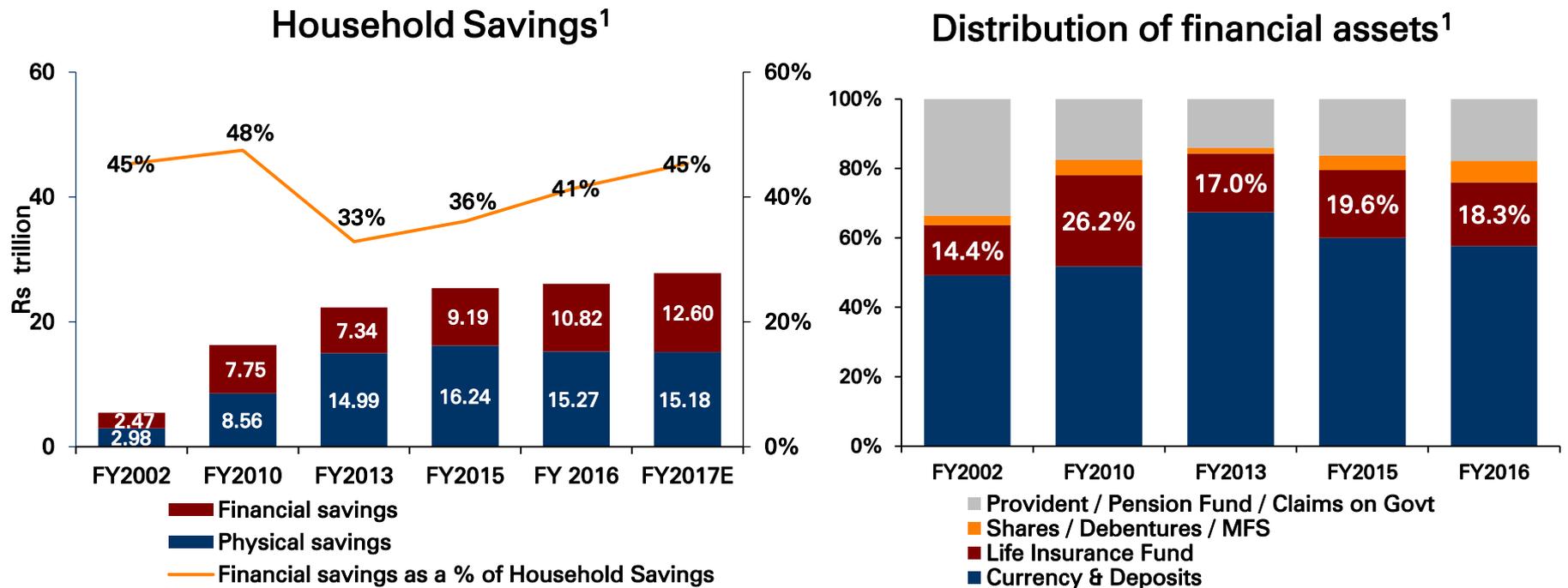
Driving GDP Growth²



- Growth rate of total premium written by the insurance industry has outpaced the GDP growth rate over the period of FY2002-FY2017³

1. Source: Economist Intelligence Unit, CRISIL Research
 2. Source: World Bank
 3. Source: Life Insurance Council, CSO

Share of insurance in household savings

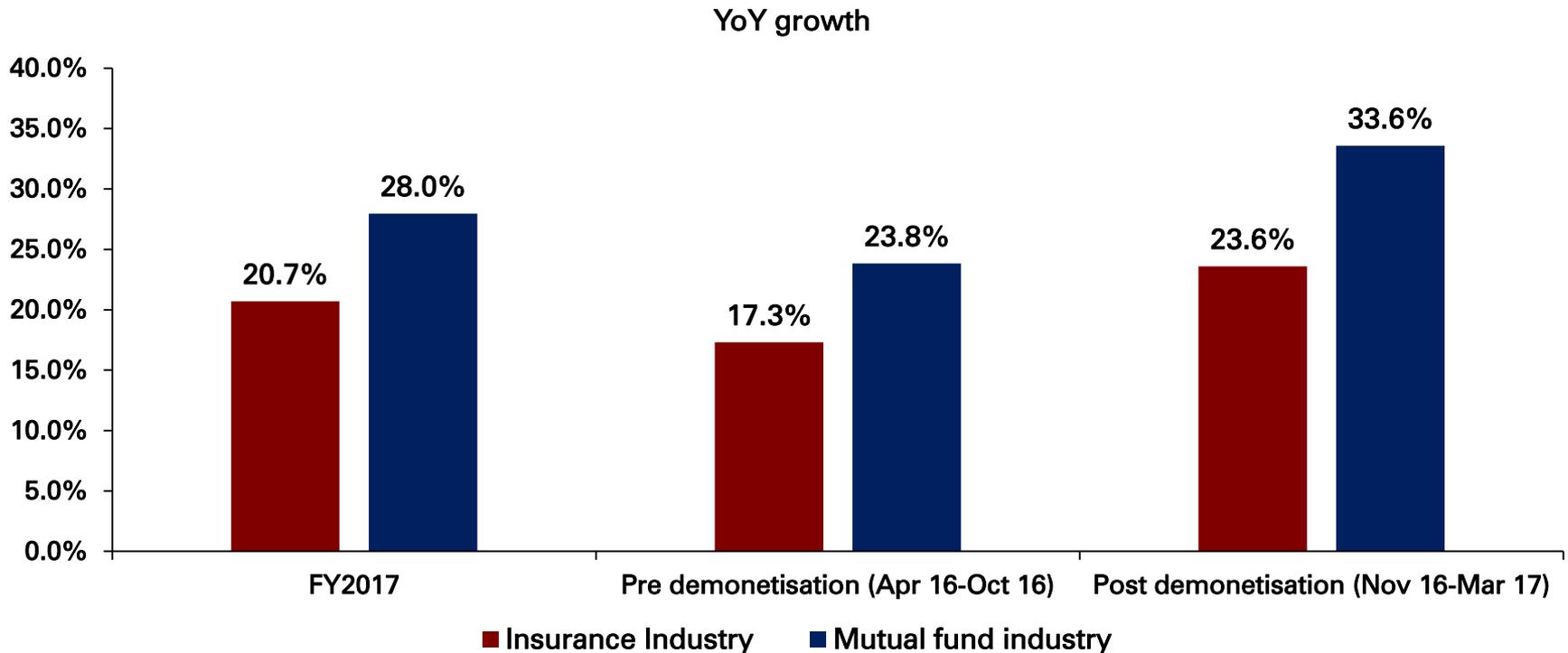


- Financial savings 5 year CAGR of 14.4%
- Currency and deposits saving is on a declining trend
- Insurance share of financial saving 18.3% compared to peak of 26.2% in FY2010
- Improved product proposition of life insurance savings products

1. Source: CSO, RBI

2. FY2017E: As per Edelweiss research estimate

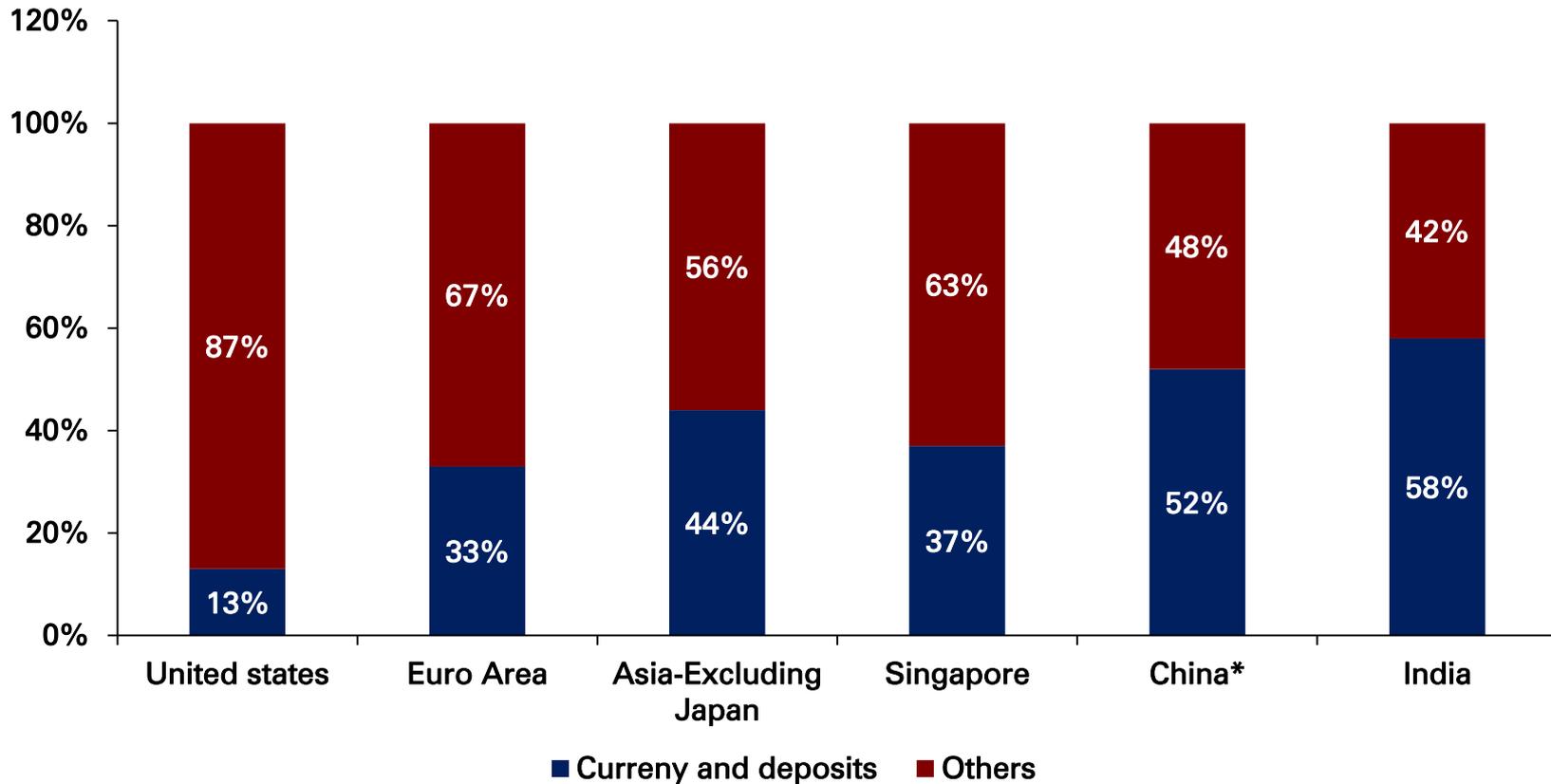
Push toward financialisation



- Demonetization provided a boost to financial saving instruments
- GST would further aid in formalisation of economy
- Legal limit for cash transactions at ₹ 2 lakh would promote digital economy

Source: AMFI, Life insurance council
Insurance industry- Growth on Retail weighted new business premium
Mutual fund industry- Gross inflows received

Financial Assets breakup

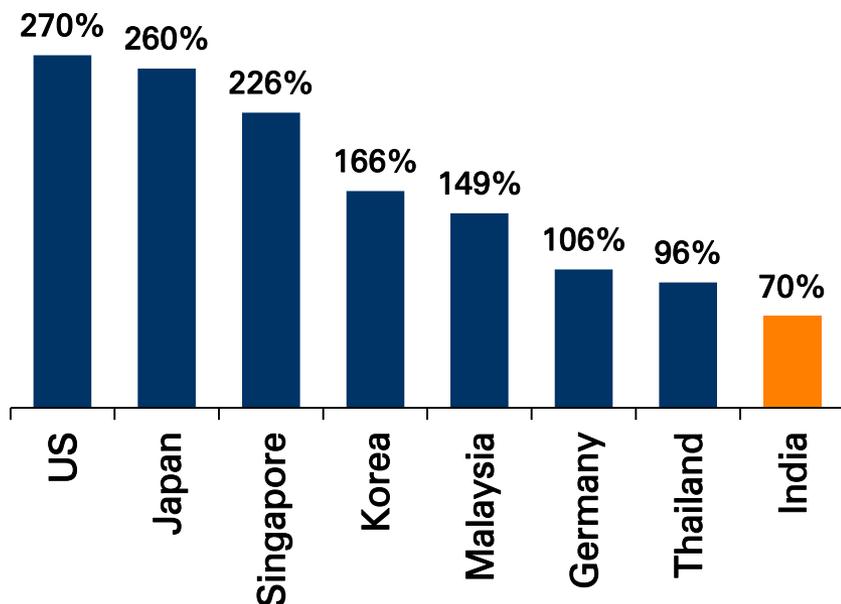


* Assets are for incremental inflows for 2014

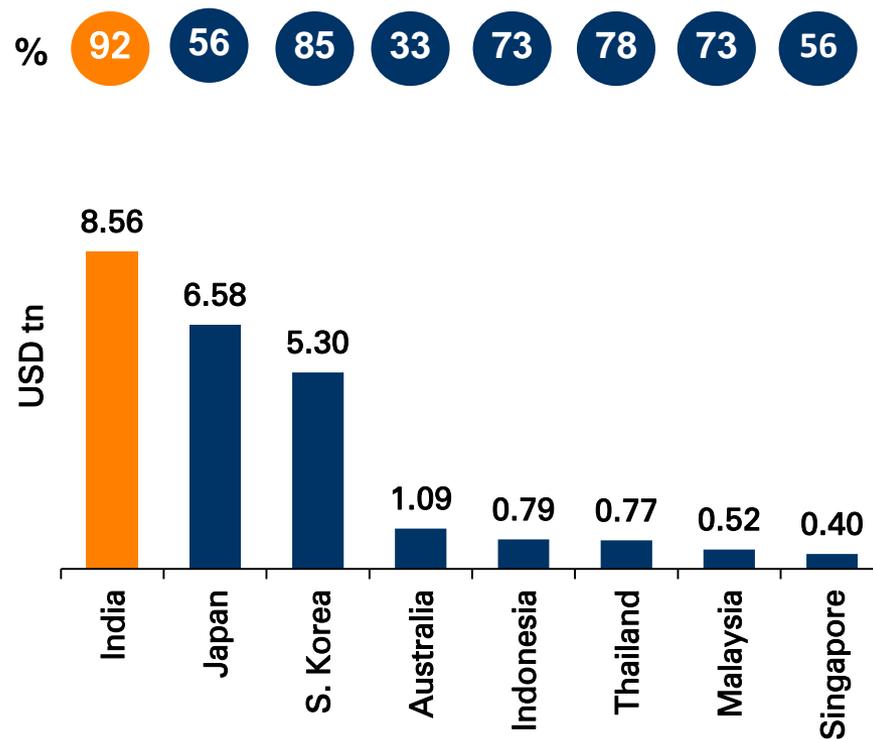
1. Source: Bank of Japan, Allianz research, national statistic department, RBI
2. Japan, US and Euro area as on March 17, China 2014, Singapore, India-2016, Asia excluding Japan-2015

Protection opportunity

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



Protection Gap^{3,4}

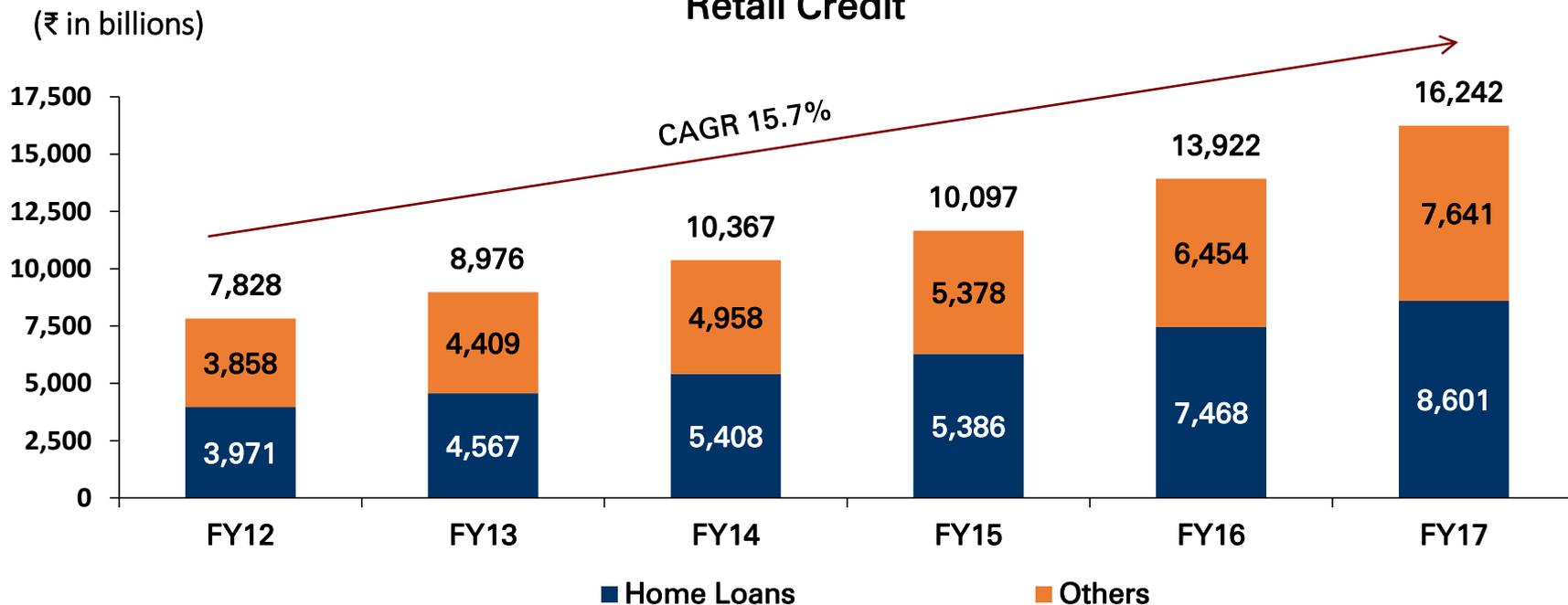


- Sum assured as % of GDP low compared to other countries
- Protection gap for India US \$ 8.56 trillion

1. As of FY2017 for India and FY2015 for others
 2. Source: McKinsey analysis 2015 , Life Insurance Council, CSO
 3. Protection Gap (%): Ratio of protection lacking/protection needed
 4. Source: Swiss Re, Economic Research and Consulting 2015

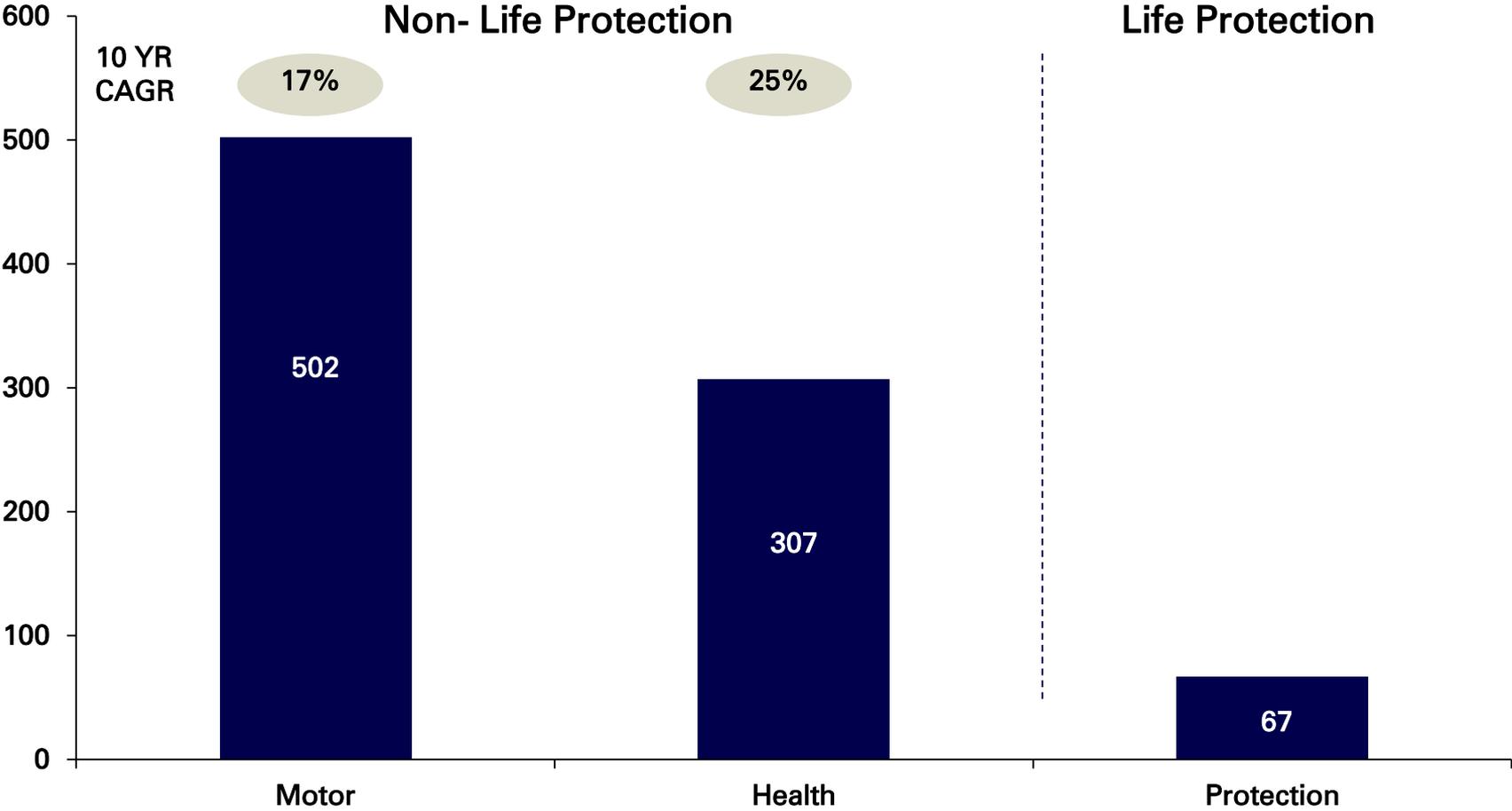
Protection opportunity: Liability cover

Retail Credit



- Retail credit has been growing at healthy pace
- Credit life is voluntary

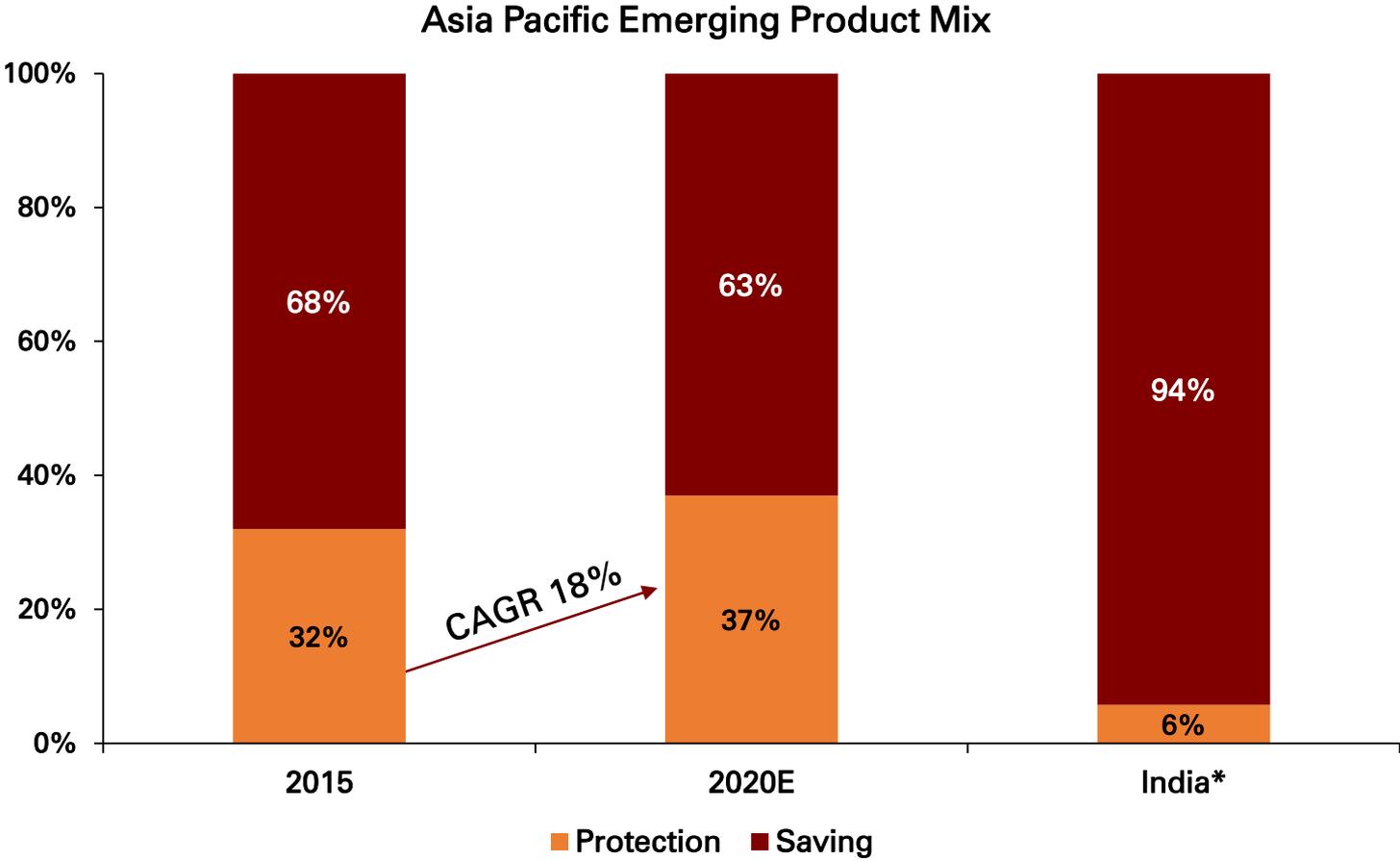
Protection opportunity



Source: IRDAI, General Insurance Council and company estimate



Protection opportunity



* Mix is of FY2017 and includes ICICI Pru, SBI Life and HDFC Life
 Industry estimates for protection ~ 2%
 Source: Goldman Sachs research and company estimate
 Asia Pacific excludes Japan, South Korea and Taiwan



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Competitive positioning

	Feature	Competition	Strength	Challenges
Savings	Investment + mortality	Mutual Funds, bank deposits, bonds	Large distribution, Robust service architecture	Persistency, cost, mis-selling concerns
	Pension	Accumulation-NPS, PPF Annuity-Exclusive	Distribution, Risk management	Taxation of annuities
Protection	Mortality	Exclusive	Technology, Risk management	Focus limited to top players
	Morbidity	P&C and Stand-alone health insurers	Distribution strength, Technology	Payout restrictions: need for parity

Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2017
New business premium ¹ (Rs bn)	116	21.5%	550	-5.8%	408	14.3%	532
Total premium (Rs bn)	501	23.2%	2,655	4.3%	3,281	12.9%	4,181
Penetration (as a % to GDP)	2.1%		4.1%		2.6%		2.8%
Assets under management (Rs bn)	2,304	24.0%	12,899	12.6%	23,361	13.0%	29,806
In-force sum assured ² (Rs bn)	11,812*	15.5%	37,505	15.8%	78,091	16.9%	106,699
In-force sum assured (as % to GDP)	50.1%		57.9%		62.7%		70.3%

Industry is back to growth

1. Retail weighted premium

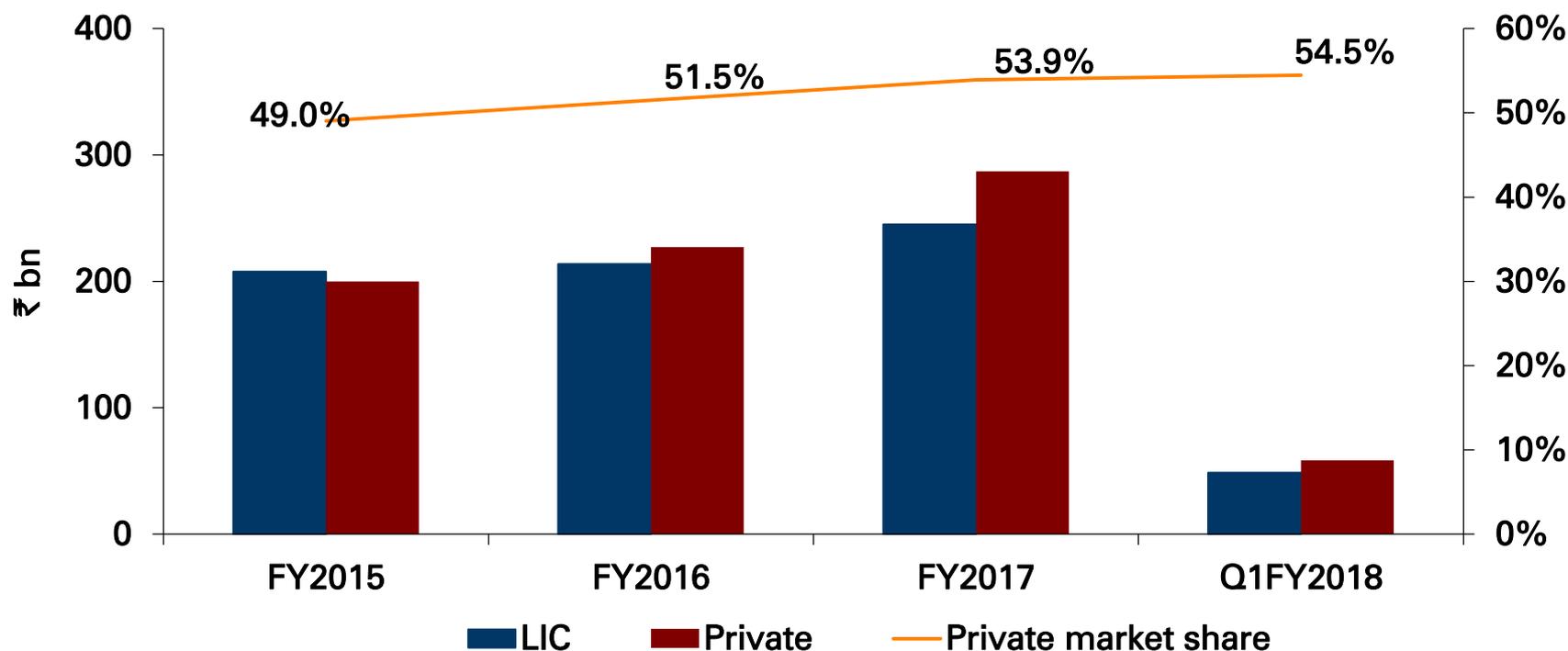
2. Individual and Group in-force sum assured

Source: IRDAI, CSO, Life insurance council

* Company estimate

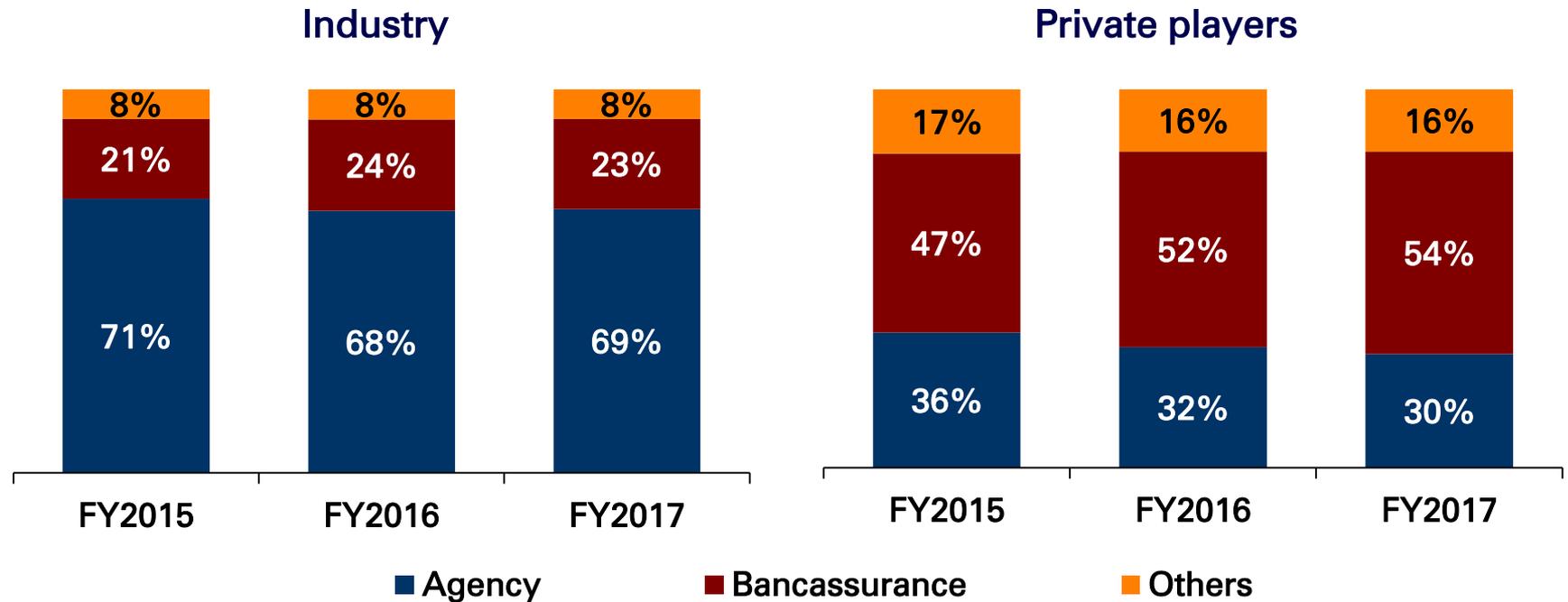
New business¹

Growth	FY2015	FY2016	FY2017	Q1FY2018
Private	15.9%	13.6%	26.4%	45.5%
LIC	-26.3%	2.9%	14.7%	12.8%
Industry	-10.3%	8.1%	20.7%	28.6%



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

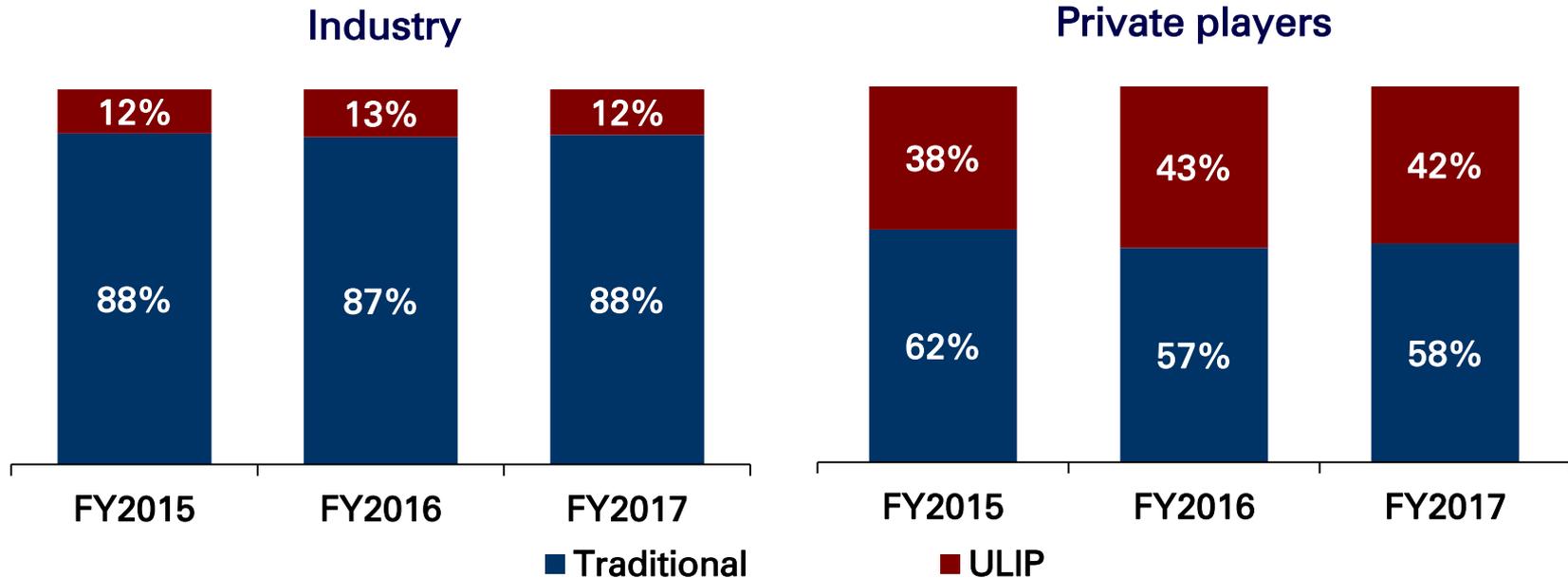
Channel mix¹



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

1. Individual new business premium basis
Source: 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

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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

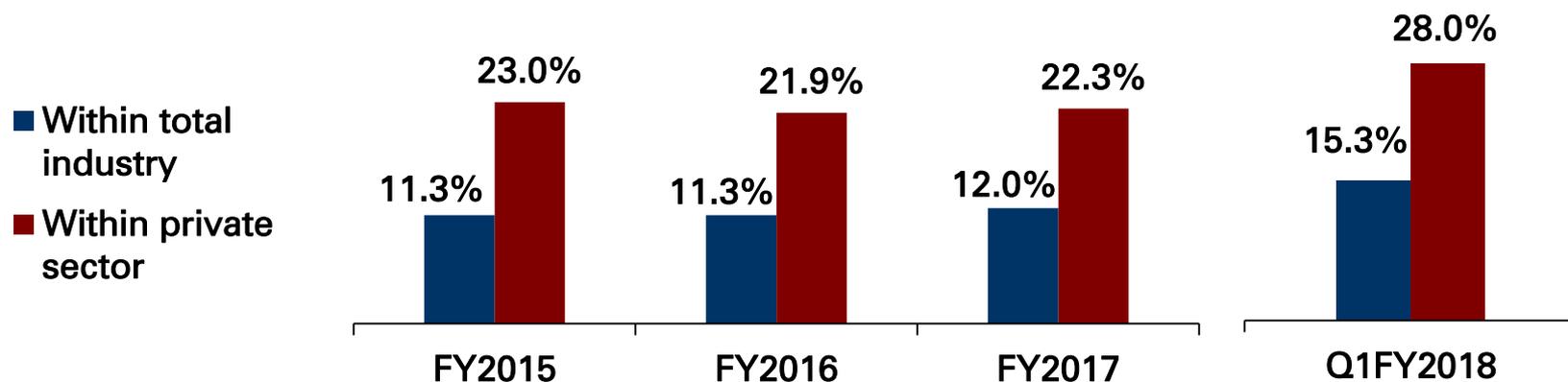
₹ bn	FY2016	FY2017	Growth	Q1-2017	Q1-2018	Growth
APE ¹	51.70	66.25	28.1%	10.12	17.04	68.4%
Savings	50.31	63.64	26.5%	9.55	16.27	70.4%
Protection	1.39	2.60	87.1%	0.58	0.77	32.8%
Value of New Business (VNB) ^{2,3}	4.12	6.66	61.7%	NA	1.82 ⁴	
VNB Margin ^{2,3}	8.0%	10.1%		NA	10.7% ⁴	
Indian Embedded Value ⁵	139.39	161.84	16.1%	NA	NA	NA

1. Annualized premium equivalent
 2. Based on actual cost for FY2016 and FY2017
 3. Q1FY2017 VNB is not available as quarterly computation of VNB was started from H1FY2017
 4. Based on management forecast of cost for FY2018
 5. IEV is disclosed on half yearly basis
- Components may not add up to the totals due to rounding off

New business

Market share¹

₹ bn	FY2015	FY2016	FY2017	Q1FY2018
RWRP	45.96	49.68	64.08	16.36
YoY Growth	41.3%	8.1%	29.0%	74.7%



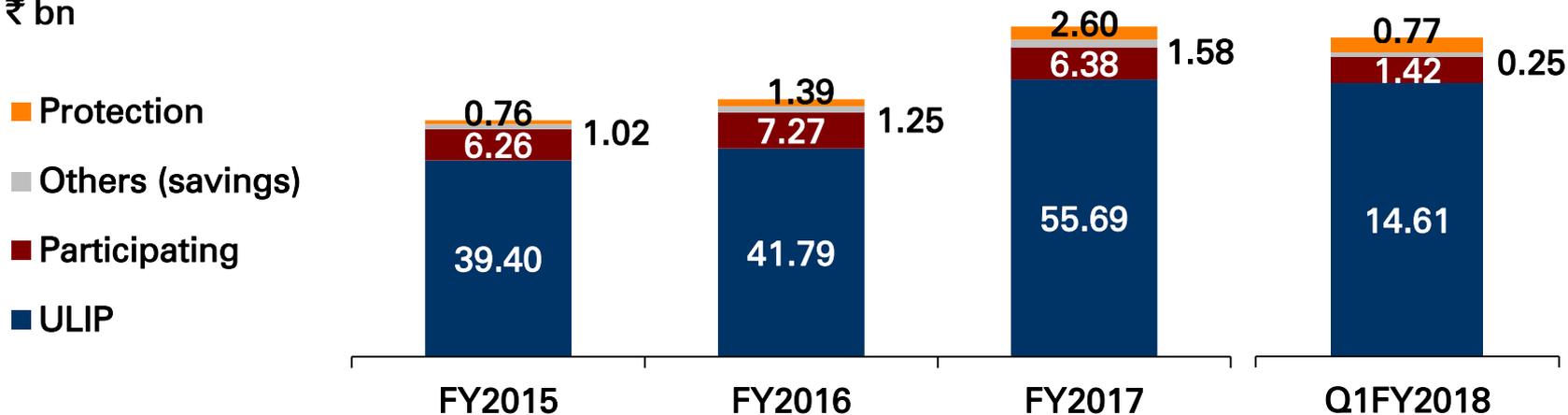
Market leaders in private sector since FY2002

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

Product mix¹

Product mix ¹	FY2015	FY2016	FY2017	Q1FY2018
Savings	98.4%	97.3%	96.1%	95.5%
<i>ULIP</i>	83.1%	80.8%	84.1%	85.7%
<i>Par</i>	13.2%	14.1%	9.6%	8.3%
<i>Non par</i>	0.9%	0.6%	1.1%	0.5%
<i>Group</i> ²	1.3%	1.8%	1.3%	0.9%
Protection ³	1.6%	2.7%	3.9%	4.5%

₹ bn

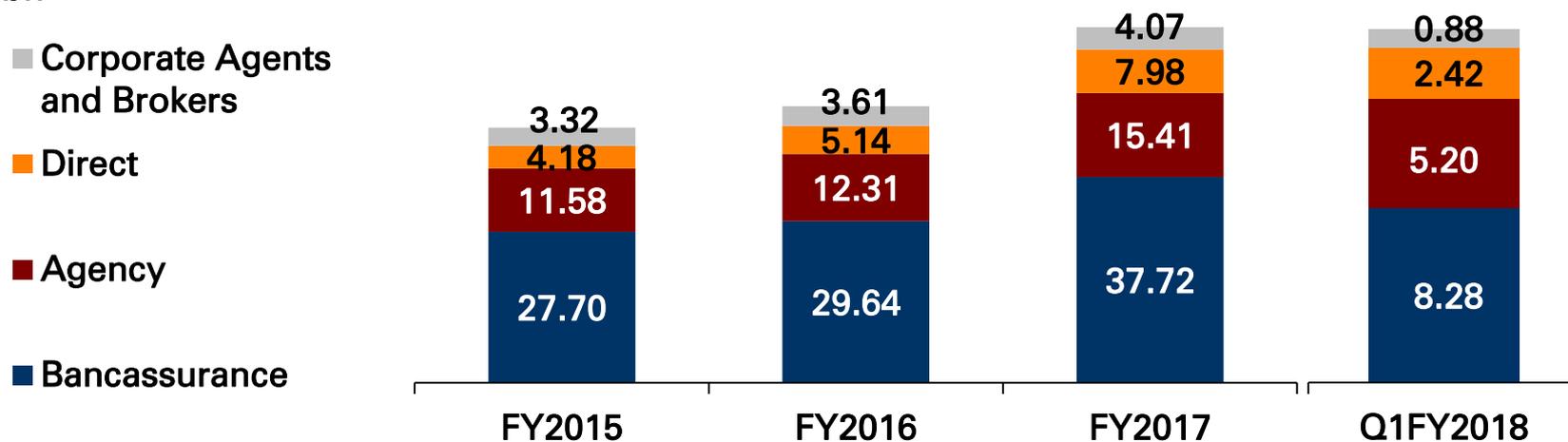


1. Annualized Premium Equivalent (APE) basis
 2. Group excludes group protection products
 3. Protection includes retail and group protection products
- Components may not add up to the totals due to rounding off

Channel mix

Channel Mix ¹	FY2015	FY2016	FY2017	Q1FY2018
Bancassurance	58.4%	57.3%	56.9%	48.6%
Agency	24.4%	23.8%	23.3%	30.5%
Direct	8.8%	9.9%	12.0%	14.2%
Corporate Agents and Brokers	7.0%	7.0%	6.1%	5.2%
Group	1.4%	1.9%	1.6%	1.5%

₹ bn



1. Annualized Premium Equivalent (APE) basis
 Graphs are on Retail APE basis
 Components may not add up to the totals due to rounding off

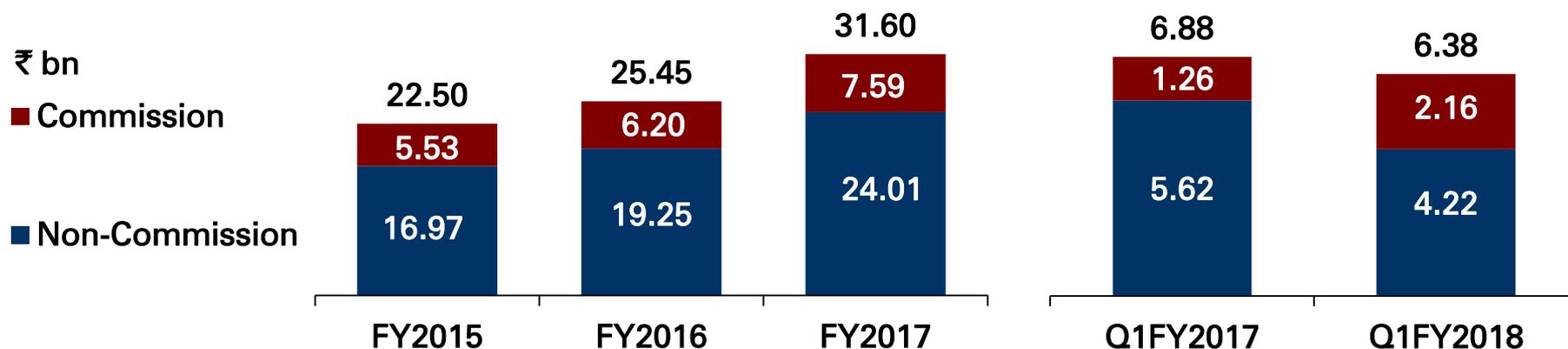
Quality parameters

Persistency¹

Month	FY2015	FY2016	FY2017	Q1FY2018
13 th month	79.0%	82.4%	85.7%	86.8%
25 th month	65.9%	71.2%	73.9%	74.7%
37 th month	64.3%	61.6%	66.8%	68.2%
49 th month	54.4%	62.2%	59.3%	60.2%
61 st month	14.5%	46.0%	56.2%	55.8%

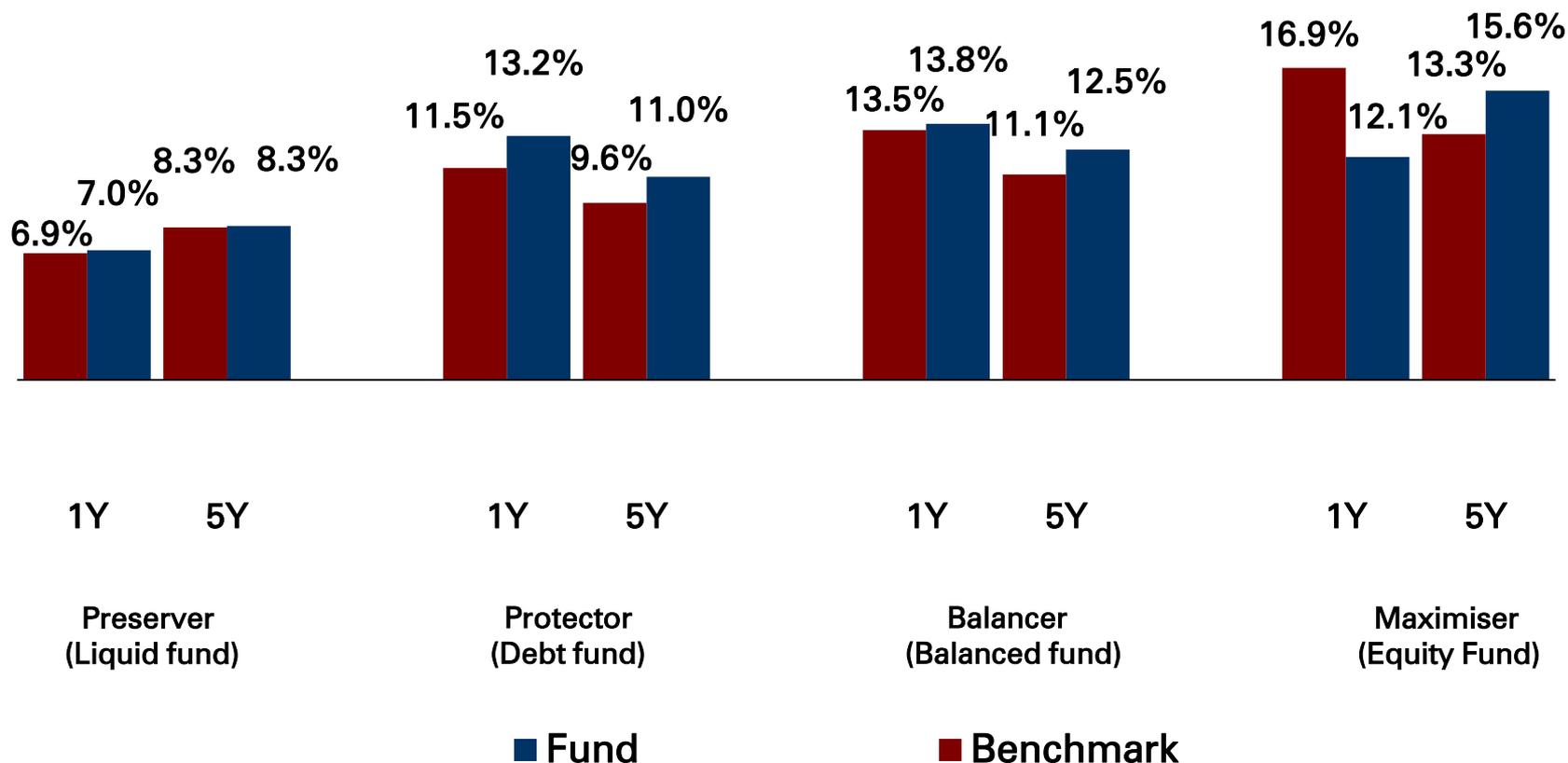
Cost efficiency

	FY2015	FY2016	FY2017	Q1FY2017	Q1FY2018
Cost/TWRP ¹	15.4%	14.5%	15.1%	21.1%	14.2%
Cost / Average AUM ²	2.5%	2.5%	2.8%	2.6%	2.0%



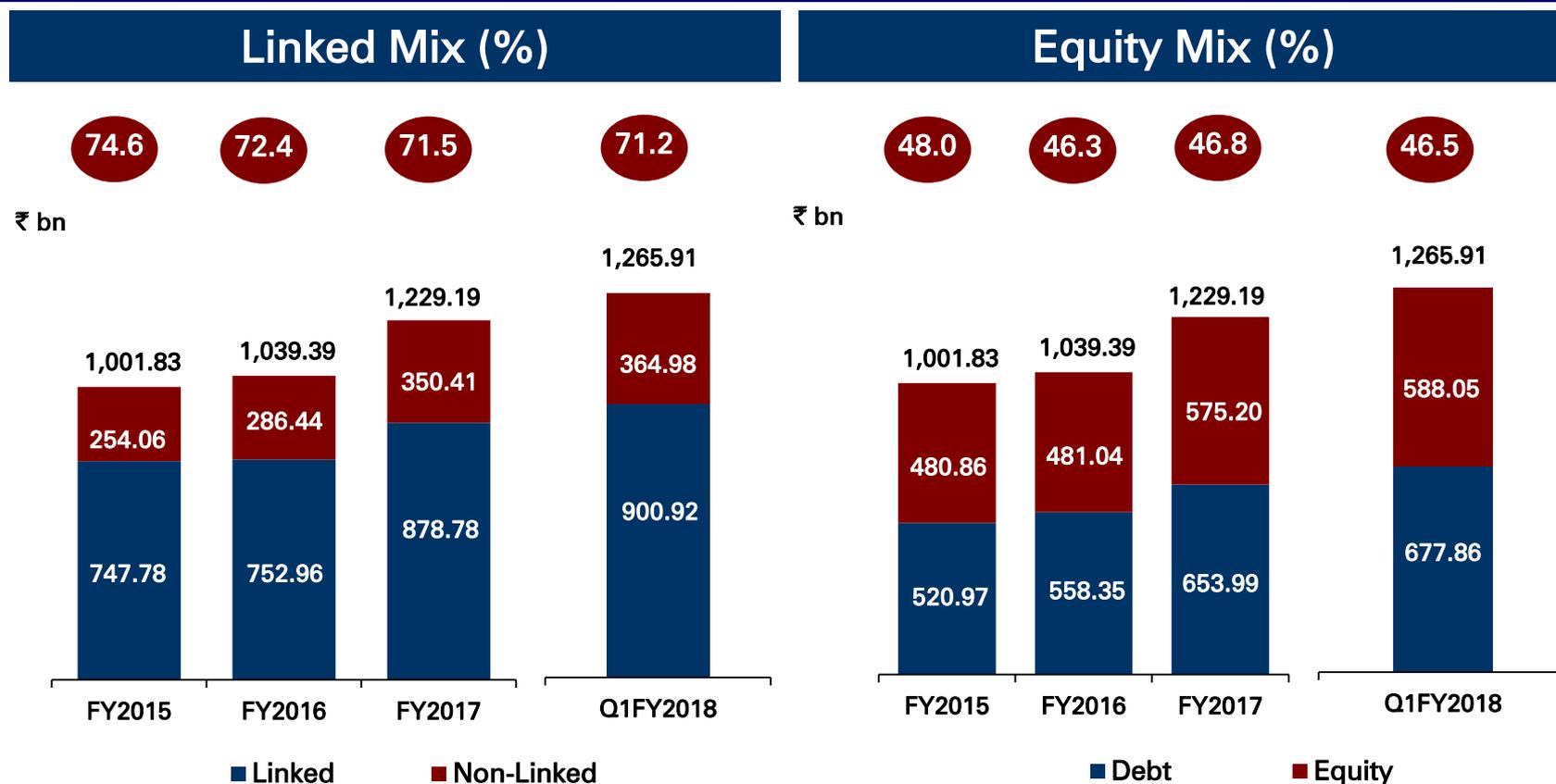
1. Cost / (Total premium – 90% of single premium)
2. Cost / Average assets under management during the period

Superior fund performance across cycles



88% of funds have outperformed benchmark indices since inception*

Assets under management

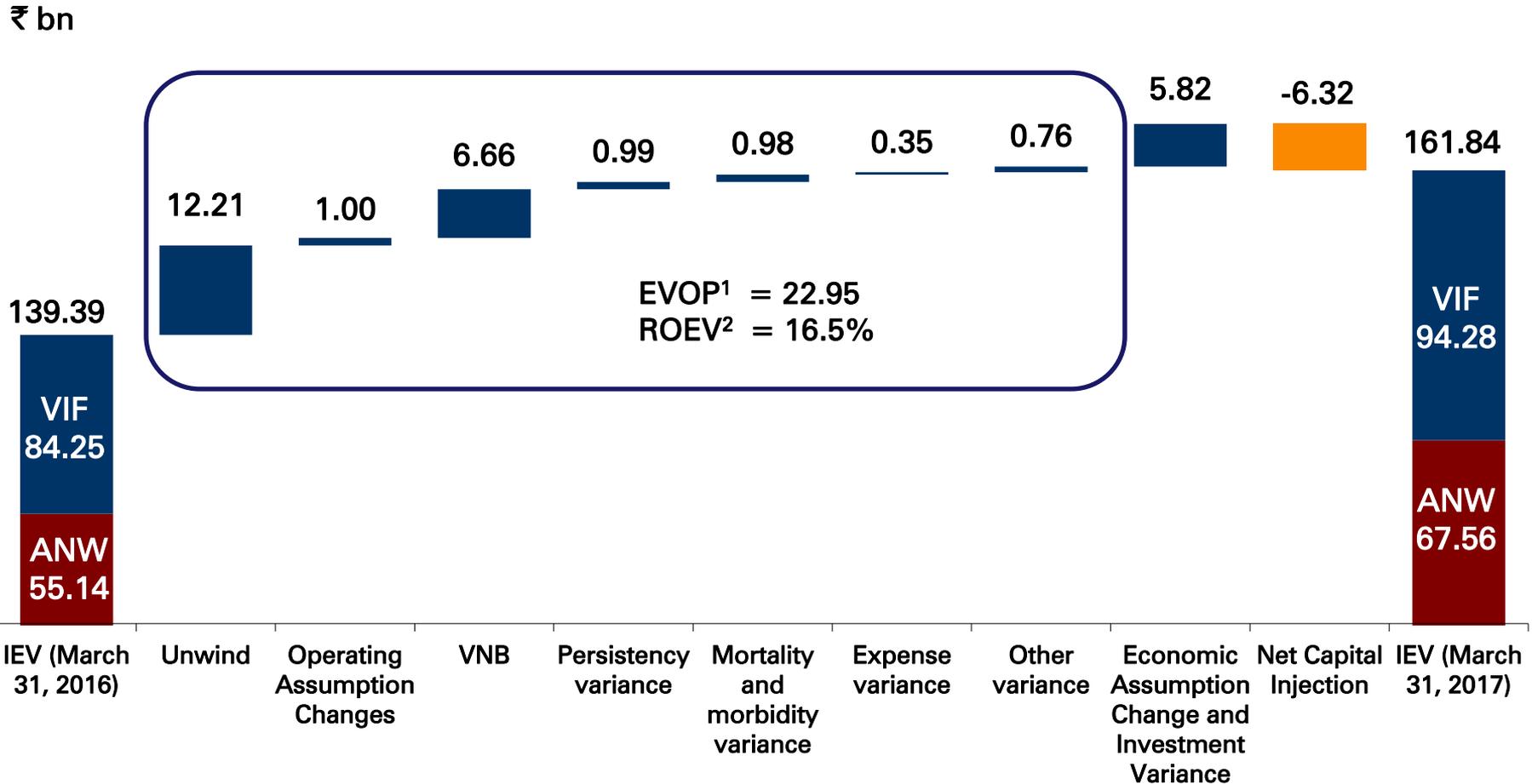


More than 90% of debt investments in AAA rated and government bonds*

* As on June 30, 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

Computed as per APS 10 and reviewed by an Independent Actuary

Profit after tax

Solvency Ratio (%)

337

320

281

Profit after tax (₹ bn)

16.34

16.50

16.82

4.05

4.06

FY2015

FY2016

FY2017

Q1FY2017

Q1FY2018

- Well capitalized for growth opportunities
- Solvency ratio as on June 30, 2017 is 288.6%

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 private sector 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 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 ₹ 45.83 bn³ ● With strong solvency of 288.6% 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

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