



# Performance update: FY2022

April 16, 2022

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview

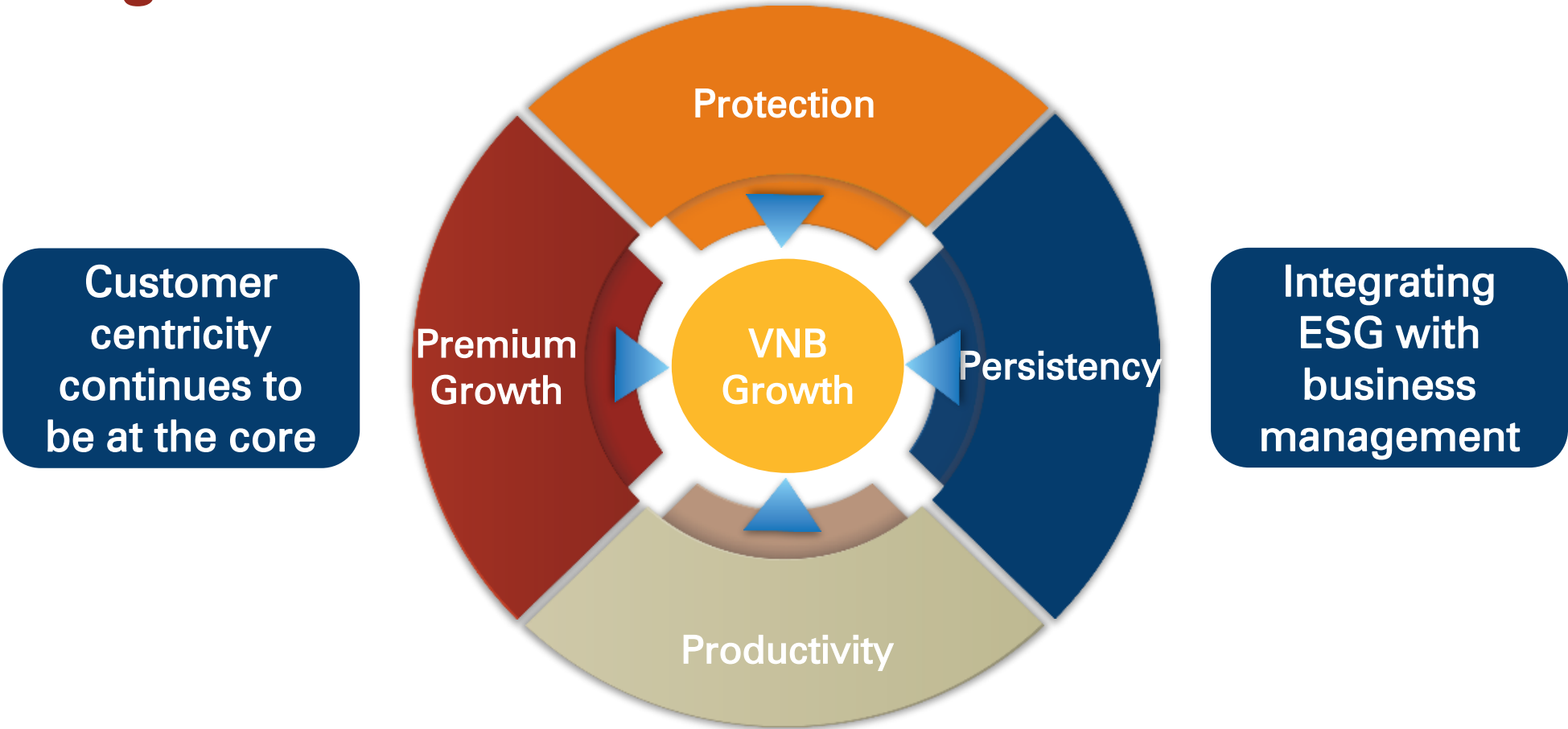


# Agenda

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



# Key strategic elements



Aspiration to double the FY2019 VNB in four years

# Customer centricity



1. Regular and Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021
2. Individual death claims
3. Average turnaround time for non-investigated claims from receipt of last requirement
4. Including Apple app store and Google Play store downloads

# Premium growth

## Premium growth

- Deepen penetration in under-served customer segments
- Enhance current distribution
- Create new distribution
- Augment capability in Health and Protection
- Increase focus on Pension and Annuity

₹ billion	FY2021	Q4-FY2022	FY2022
Annualised premium equivalent	64.62	26.08	77.33
<i>YoY growth</i>	<i>(12.5%)</i>	<i>3.9%</i>	<i>19.7%</i>
New business premium (NBP) <sup>1</sup>	130.32	47.88	150.36
<i>YoY growth</i>	<i>5.5%</i>	<i>(6.7%)</i>	<i>15.4%</i>
<i>Market share<sup>2</sup></i>	<i>7.2%</i>	<i>7.3%*</i>	<i>7.3%#</i>

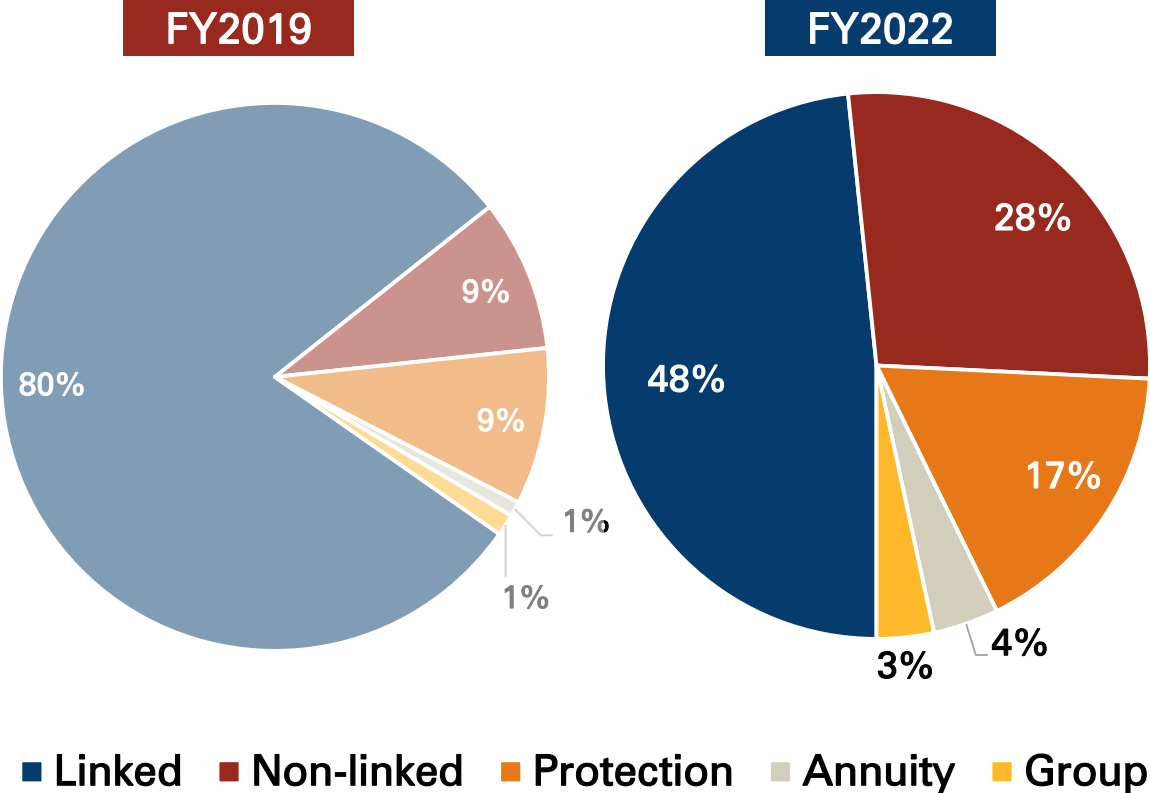
Continued growth momentum resulting in 20% growth for FY2022



1. New business premium (As reported to IRDAI)
2. Based on RWRP (As reported to IRDAI); \* for the months of January and February; # for 11M-FY2022

# Premium growth: Product and Distribution

## Product mix

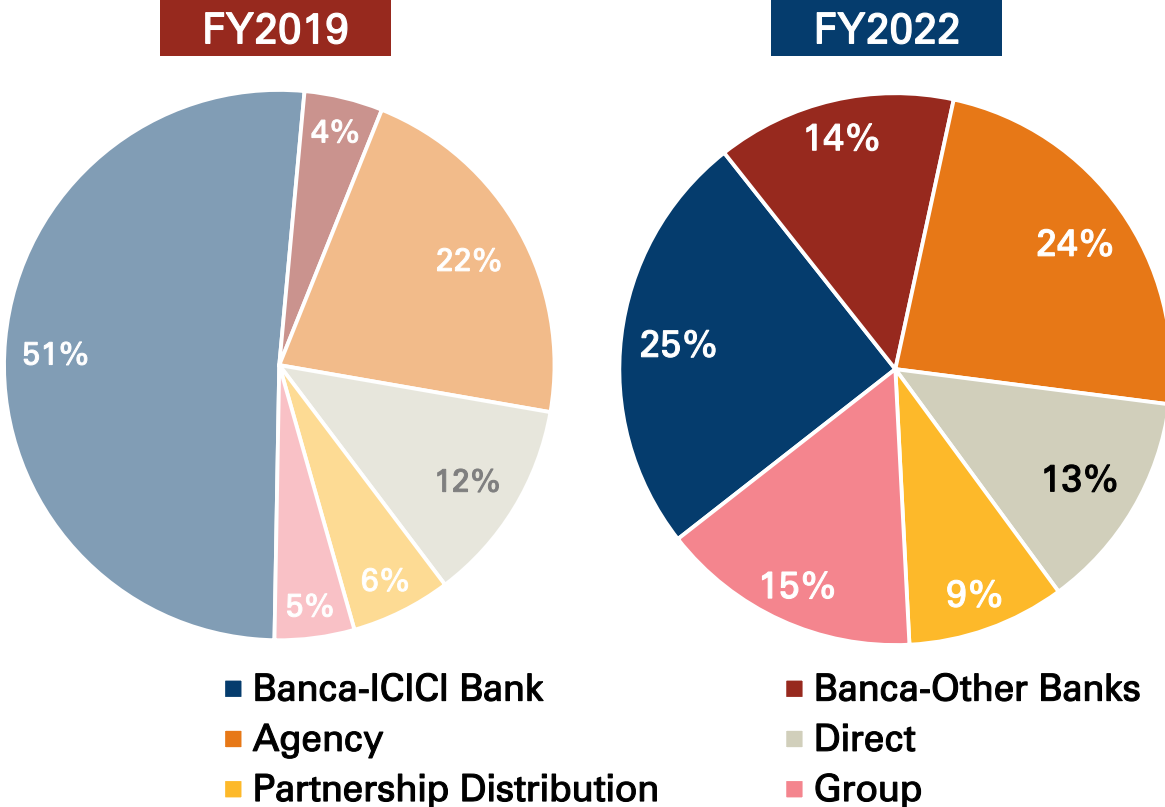


### Diversified product mix



Based on APE

## Distribution mix



### Distribution mix diversified further

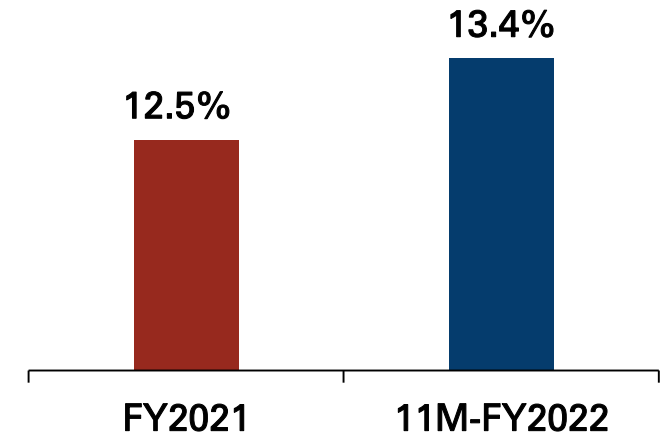
# Protection growth

Protection focus

Continue to grow both retail and group lines of business

₹ billion	FY2021	Q4-FY2022	FY2022
Protection APE <sup>1</sup>	10.46	4.57	13.13
YoY growth	(6.3%)	32.8%	25.5%
Protection Mix	16.2%	17.5%	17.0%

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



Continued private market leadership based on new business sum assured



1. Includes protection return of premium: Q4-FY2022 – ₹ 140.3 million, FY2022 – ₹ 142.2 million
2. Overall new business



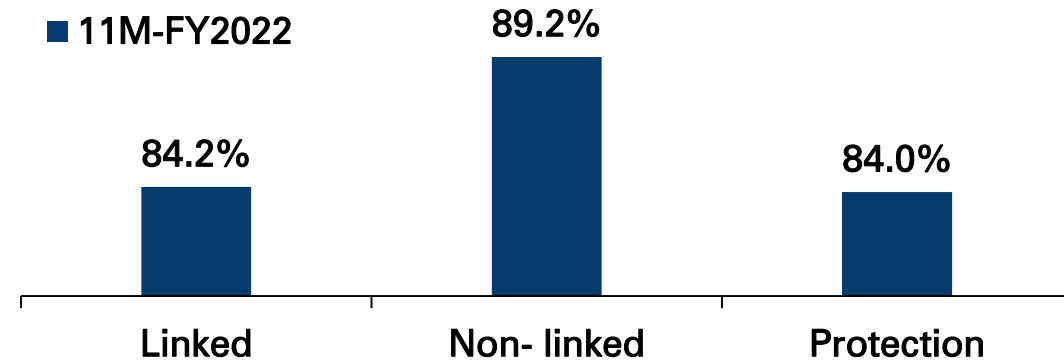
# Persistency improvement

Persistency

Improve persistency across all cohorts

Persistency#	11M-FY2021*	11M-FY2022	Y-o-Y
13 <sup>th</sup> month	84.8%	85.7%	↑ 90 bps
49 <sup>th</sup> month	63.0%	63.7%	↑ 70 bps

13<sup>th</sup> month persistency#  
across product categories



Significant improvement in persistency



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

\* Comparative period figures restated for revised definition

# Productivity improvement

## Productivity

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

₹ billion	FY2020	FY2021	FY2022	Growth
APE	73.81	64.62	77.33	19.7%
Total expenses	44.71	42.20	53.71	27.3%
Cost/TWRP <sup>1</sup> (%)	15.9%	14.8%	18.6%	-
Cost/TWRP (savings LOB) (%)	10.4%	9.6%	12.8%	-

11% increase in APE per employee in FY2022 over FY2021

# Resilient Balance Sheet

## Insurance risks

- COVID-19 claims net of reinsurance of ₹ 10.17 billion for FY2022
- IBNR provisions of ₹ 0.24 billion held for future COVID-19 claims

## Strong solvency ratio

- Solvency ratio of 204.5% at March 31, 2022

## High quality assets

- 98% of fixed income in sovereign or AAA; 0.3% of fixed income below AA
- Zero NPA since inception

## Liability profile

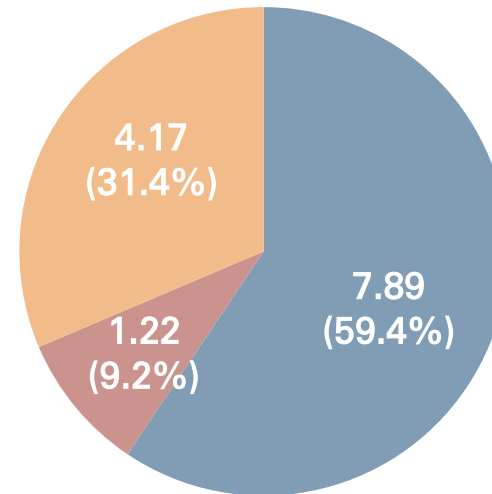
- 79.4% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 1.9% of liabilities

# Value of New Business (VNB)

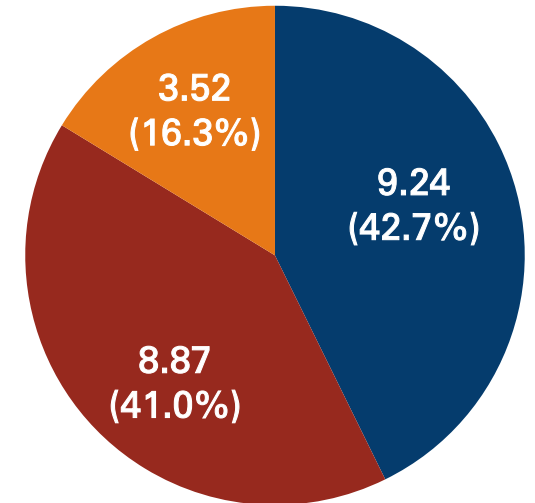
₹ billion	FY2021	FY2022
Value of New Business (VNB)	16.21	21.63
VNB margin	25.1%	28.0%

## VNB contribution\*

FY2019



FY2022



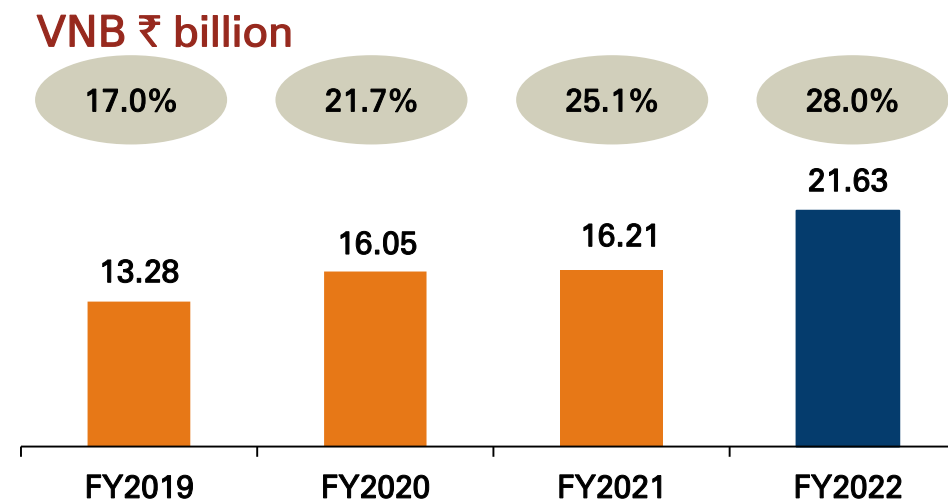
■ Protection ■ Savings: Non-linked ■ Savings: Linked

Well diversified pools of profit

# Way forward

Aspire to double the FY2019 VNB by FY2023

₹ billion	FY2021	FY2022	Growth
Value of New Business (VNB) <sup>1</sup>	16.21	21.63	33.4%
VNB margin	25.1%	28.0%	+290 bps



- Premium growth: Diversified product & distribution mix to aid growth
- Protection: Short term headwinds in retail business, continued to leverage opportunities in group protection
- Persistency: Continued improvement to aid product margins
- Productivity: Target operating leverage with growth in premium and better product mix

# Business update

**Product**

**Distribution**

**Persistency**

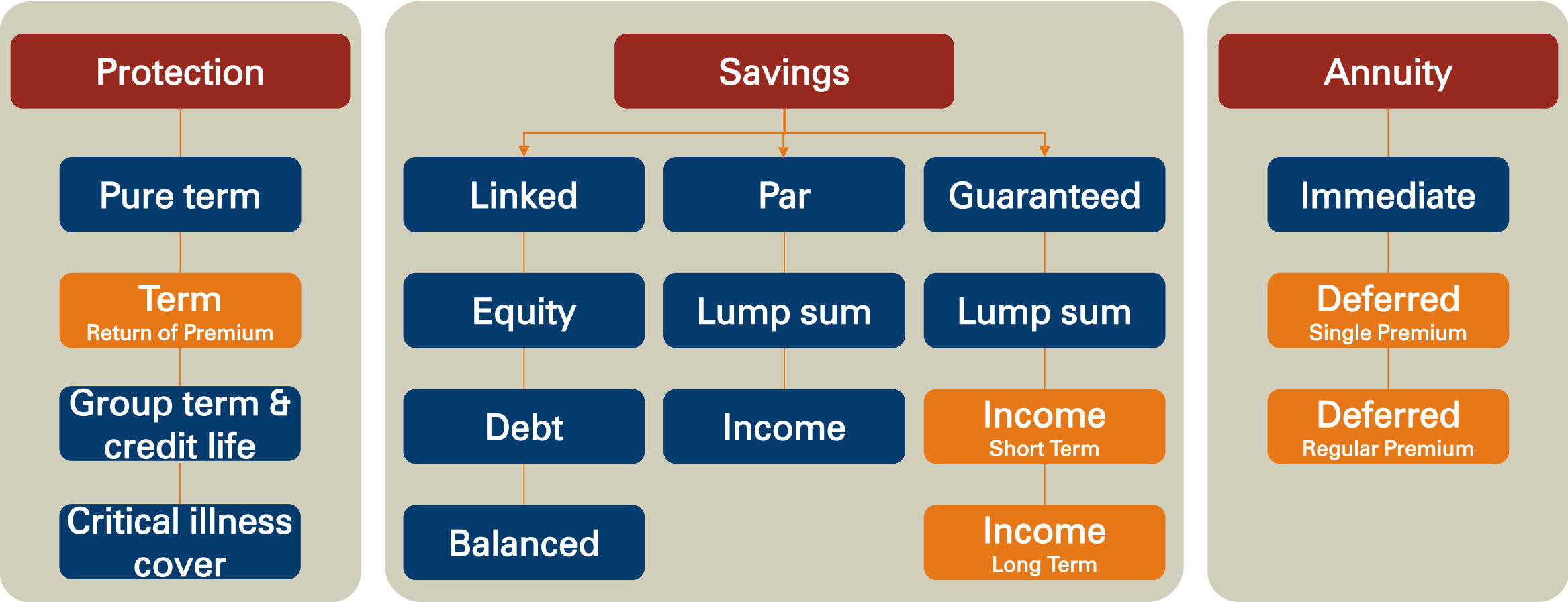
# Business update

**Product**

**Distribution**

**Persistency**

# Product suite



Comprehensive product suite to address varied customer needs



# Products available across all categories

 <p>ICICI Pru <b>Future Perfect</b> Non-linked Insurance Plan</p>  <p>ICICI Pru <b>LAKSHYA</b> A Non-linked Participating Life Insurance Plan</p>  <p>ICICI Pru <b>Savings Suraksha</b> Non-Linked Life Insurance Plan</p>	 <p>ICICI Pru <b>GUARANTEED INCOME FOR TOMORROW</b> LONG TERM</p>  <p>ICICI Pru <b>GUARANTEED PENSION PLAN</b> A Non-linked Non-Participating Individual Annuity Plan</p>  <p>ICICI Pru <b>GUARANTEED INCOME FOR TOMORROW</b></p>  <p>ICICI Pru <b>SARAL PENSION</b> A Non-linked Non-participating Single Premium Individual Immediate Annuity Plan</p>		 <p>ICICI Pru <b>SIGNATURE</b> A Unit Linked Non-Participating Life Insurance Plan</p>  <p>ICICI Pru <b>Smart Life</b> A Unit Linked Life Individual Product</p>	 <p>ICICI Pru <b>Guaranteed Wealth Protector</b> Unit Linked Insurance Plan</p>
<p><b>Non-linked</b></p>		<p><b>Savings</b></p>	<p><b>Linked</b></p>	

Savings with guarantee and equity participation

Guaranteed savings; Immediate/ Deferred Annuity

ULIP: Suite of funds for Equity and Debt

ULIP: with capital guarantee

 <p>ICICI Pru <b>iProtect Smart Life Cover Plus</b></p>  <p>ICICI Pru <b>iProtect Return of Premium</b></p>  <p>ICICI Pru <b>PRECIOUS LIFE</b> A non-linked non-participating term insurance plan. Term insurance plan for EVERYBODY</p>  <p>ICICI Pru <b>SARAL JEEVAN BIMA</b> A Non-Linked Non-Participating Individual Pure Risk Premium Life Insurance Plan</p>	 <p>ICICI Pru <b>Heart Cancer Protect</b></p>  <p>ICICI Pru <b>CORONA PROTECT PLUS RIDER</b> A Non-Linked Non-Participating Individual Pure Risk Premium Life Insurance Plan</p>  <p>ICICI Pru <b>CORONA PROTECT RIDER</b> A Non-Linked Non-Participating Individual Pure Risk Premium Life Insurance Plan</p>		 <p>ICICI Pru <b>SUPER PROTECT LIFE</b> A Non-linked Non-participating Group Term Insurance Product</p>  <p>ICICI Pru <b>Shubh Raksha Life</b> A Non-Linked Non-Participating Group Micro Insurance Product</p>  <p>ICICI Pru <b>Group Term Plus</b> Group Life Cover Plan</p>  <p>ICICI Pru <b>Super Protect - Credit</b> (A Non-Linked Non-participating Group Life Insurance Product) to give you the best of both worlds (term and credit)</p>	
<p><b>Retail</b></p>		<p><b>Protection</b></p>	<p><b>Group</b></p>	

Pure term, term with accident cover

Critical illness, Disease specific

Pure term, Micro insurance, Credit insurance, Critical illness

# Product interventions

## Linked

- **Balanced Advantage Fund:** Best suited to address volatile market
- **Sustainability Equity Fund:** Industry's first ESG fund

## Non linked

- **Short Term Income:** Early income starting from second year
- **Long Term Income:** Duration as long as 30 years with life cover during the income term
- **Option to choose the date of income** as per customer's own choice

## Protection

- **Life stage option:** Protection cover as per life-stage of the customer
- **Early return of premium** at an early age of 60 or 70
- **Option to choose return of premium** either in lump sum or income form

## Annuity

- **Waiver of premium:** The financial security of the secondary annuitant
- **Health Booster Option:** To help customers meet ageing related health expenses

**Contribution of new funds / new products launched in the last two years to FY2022 APE is > 25%**

# Performance across segments

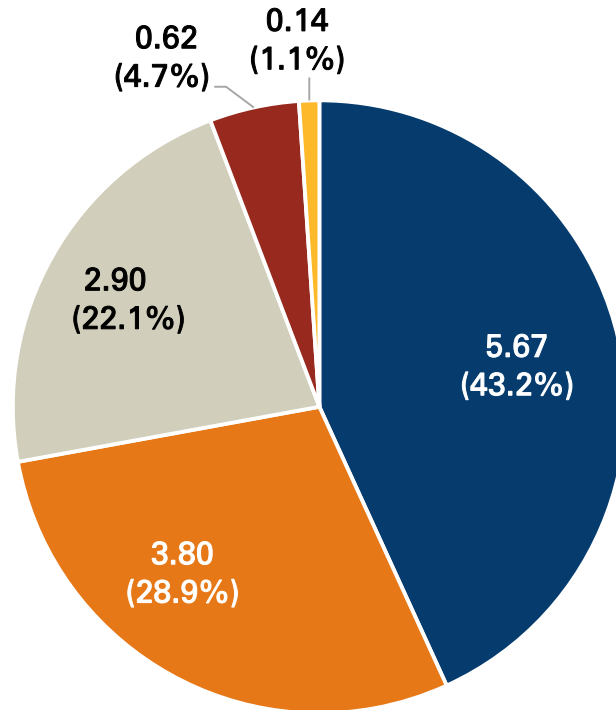
APE (₹ billion)				Mix	
Segments	FY2021	FY2022	Growth (%)	FY2021	FY2022
<b>Savings</b>	<b>54.16</b>	<b>64.20</b>	<b>18.5%</b>	<b>83.8%</b>	<b>83.0%</b>
Linked	30.90	37.38	21.0%	47.8%	48.3%
Non-linked	17.79	21.21	19.2%	27.5%	27.4%
Annuity	2.29	3.00	31.0%	3.5%	3.9%
Group funds	3.18	2.61	(17.9%)	4.9%	3.4%
<b>Protection</b>	<b>10.46</b>	<b>13.13</b>	<b>25.5%</b>	<b>16.2%</b>	<b>17.0%</b>
<b>Total APE</b>	<b>64.62</b>	<b>77.33</b>	<b>19.7%</b>	<b>100.0%</b>	<b>100.0%</b>

Continued strong growth across product segments

# Protection business

## Protection split based on APE\*

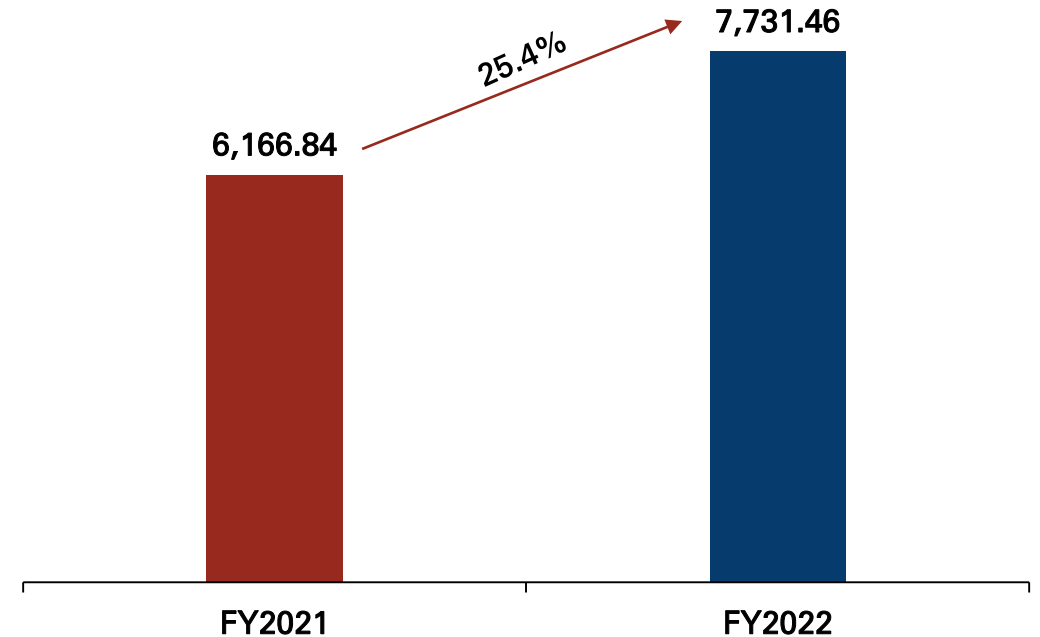
₹ billion



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

## Total new business sum assured

₹ billion

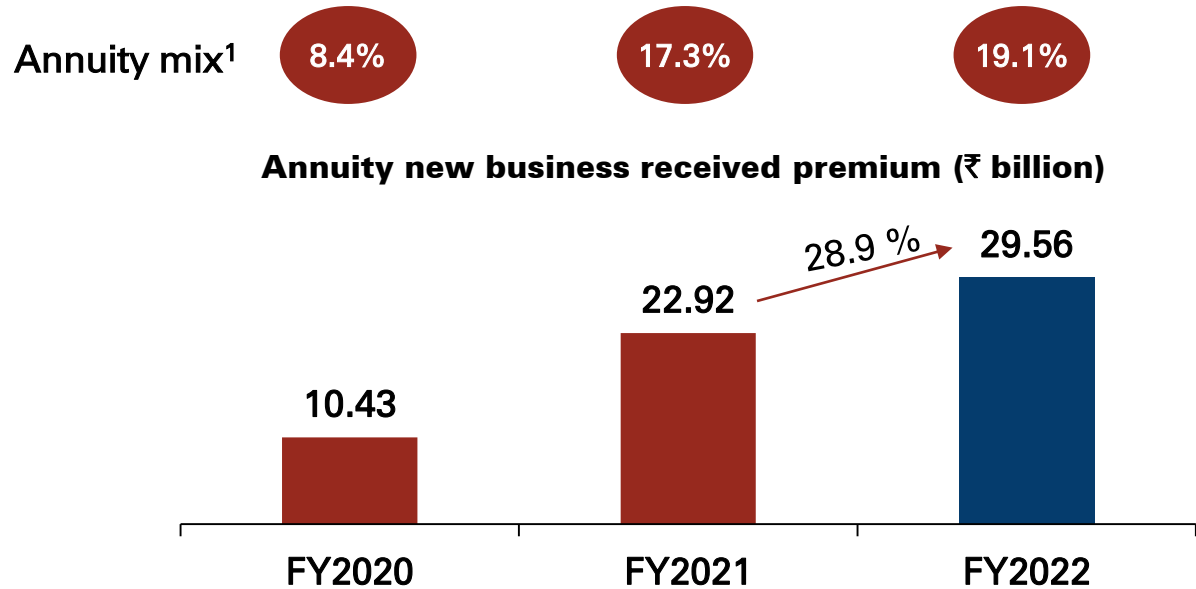


Sum assured grew by 25% in FY2022

# Pension and Annuity

A comprehensive pension provider

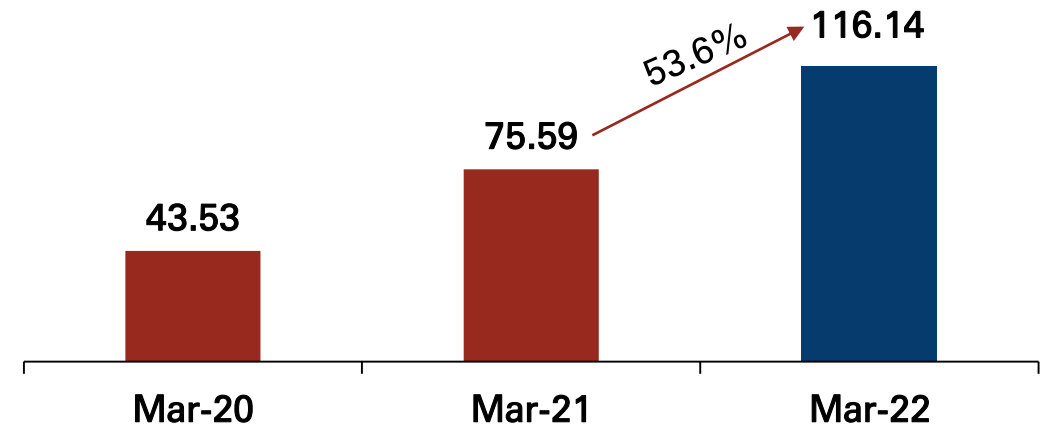
## Annuity



Annuity grew by 29% in FY2022

## Pension fund management (AUM)

₹ billion



Pension fund AUM grew by 54% over Mar 2021

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

# Business update

Product

Distribution

Persistency

# Enhancing distribution

## Strategy: Build profitability

- 27 bank partnerships
- Protection and Annuity mix 38%

## Strategy: Create depth and add width

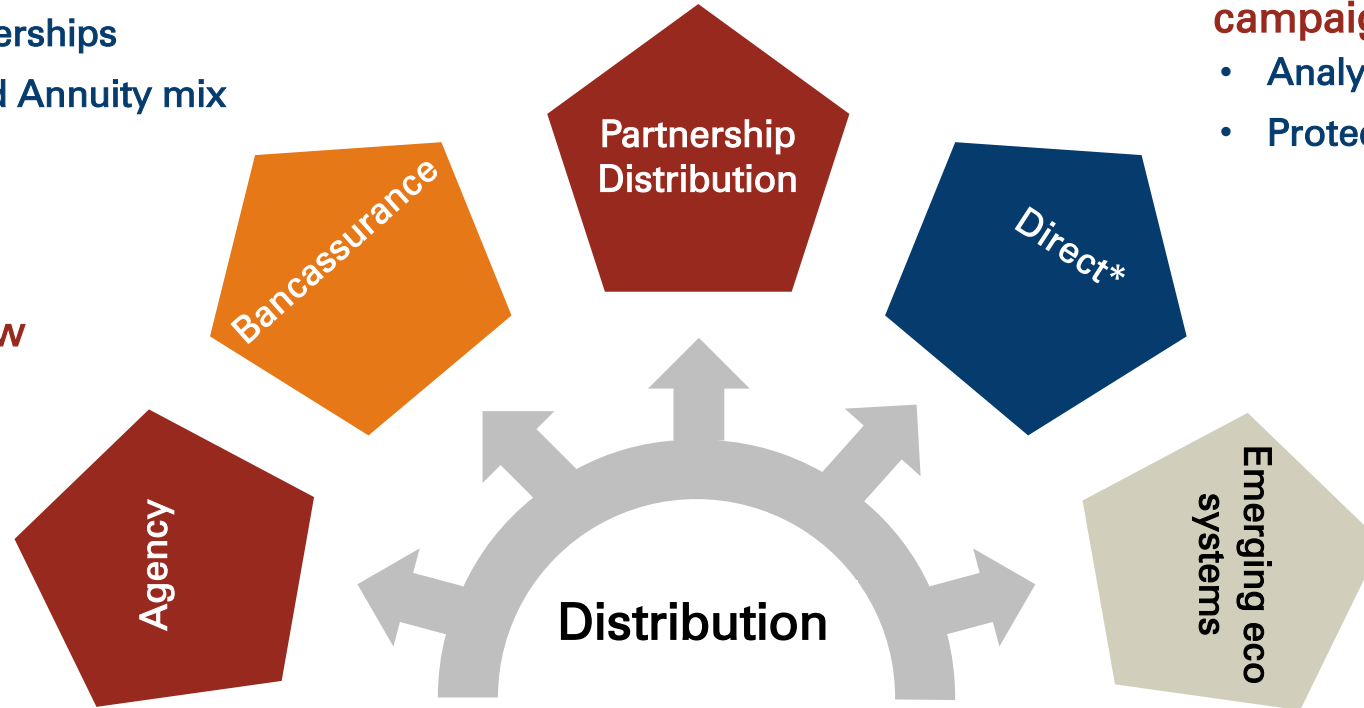
- ~800 partnerships; 107 new partnerships
- Protection and Annuity mix 27%, Non-linked savings 60%

## Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection and Annuity mix 43%

## Strategy: Invest and grow

- 24,607 agents recruited during FY2022
- Diversified product mix: Protection and Annuity 31%, Non-linked savings 34% and linked 35%



## Strategy: Partner with non-traditional distributors

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

~800 partnerships including 27 banks; > 198,000 advisors

# Performance across distribution channels

Channels	APE (₹ billion)			Mix (%)	
	FY2021	FY2022	Growth (%)	FY2021	FY2022
Bancassurance	27.34	30.12	10.2%	42.3%	38.9%
<i>ICICI Bank</i>	20.22	19.26	(4.7%)	31.3%	24.9%
<i>Other Banks</i>	7.13	10.85	52.2%	11.0%	14.0%
Agency	15.39	18.28	18.8%	23.8%	23.6%
Direct	8.10	9.97	23.1%	12.5%	12.9%
Partnership distribution	5.87	7.16	22.0%	9.1%	9.3%
Group	7.93	11.80	48.8%	12.3%	15.3%
Total APE	64.62	77.33	19.7%	100.0%	100.0%

Continued strong growth across distribution channels



# Business update

Product

Distribution

Persistency

# Persistency

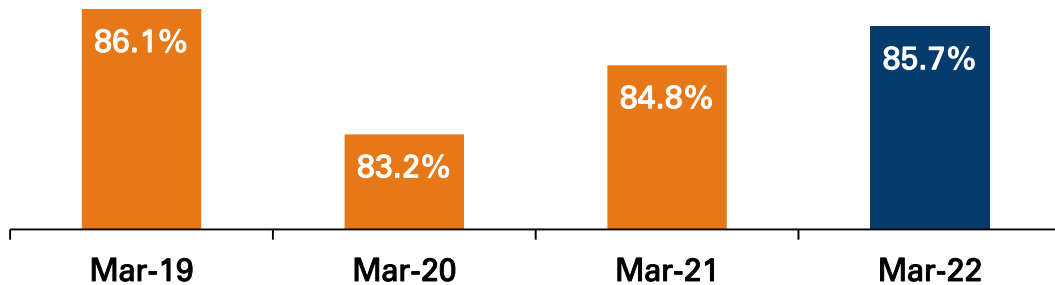
## Regular and Limited pay

Month	11M-FY2021	11M-FY2022
13 <sup>th</sup> month	84.8%	85.7%
25 <sup>th</sup> month	73.6%	77.2%
37 <sup>th</sup> month	66.3%	67.1%
49 <sup>th</sup> month	63.0%	63.7%
61 <sup>st</sup> month	58.3%	54.4%

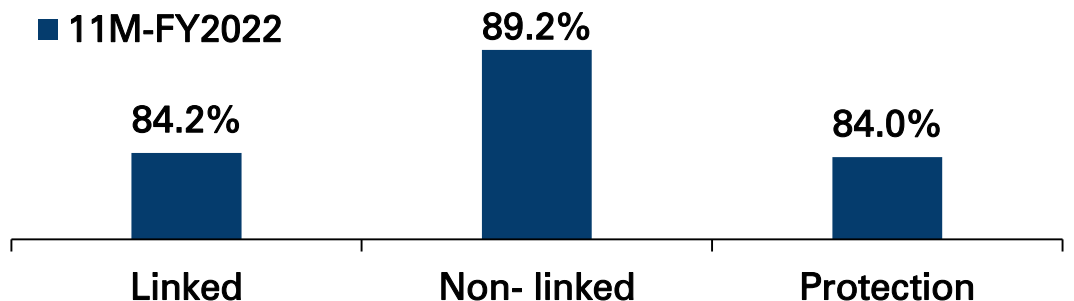
## Fully paid and Single premium

Month	11M-FY2021	11M-FY2022
13 <sup>th</sup> month	100.0%	100.0%
25 <sup>th</sup> month	99.2%	100.0%
37 <sup>th</sup> month	97.3%	98.7%
49 <sup>th</sup> month	95.1%	96.2%
61 <sup>st</sup> month	91.3%	99.2%

### 13<sup>th</sup> month persistency



### 13<sup>th</sup> month persistency across product categories

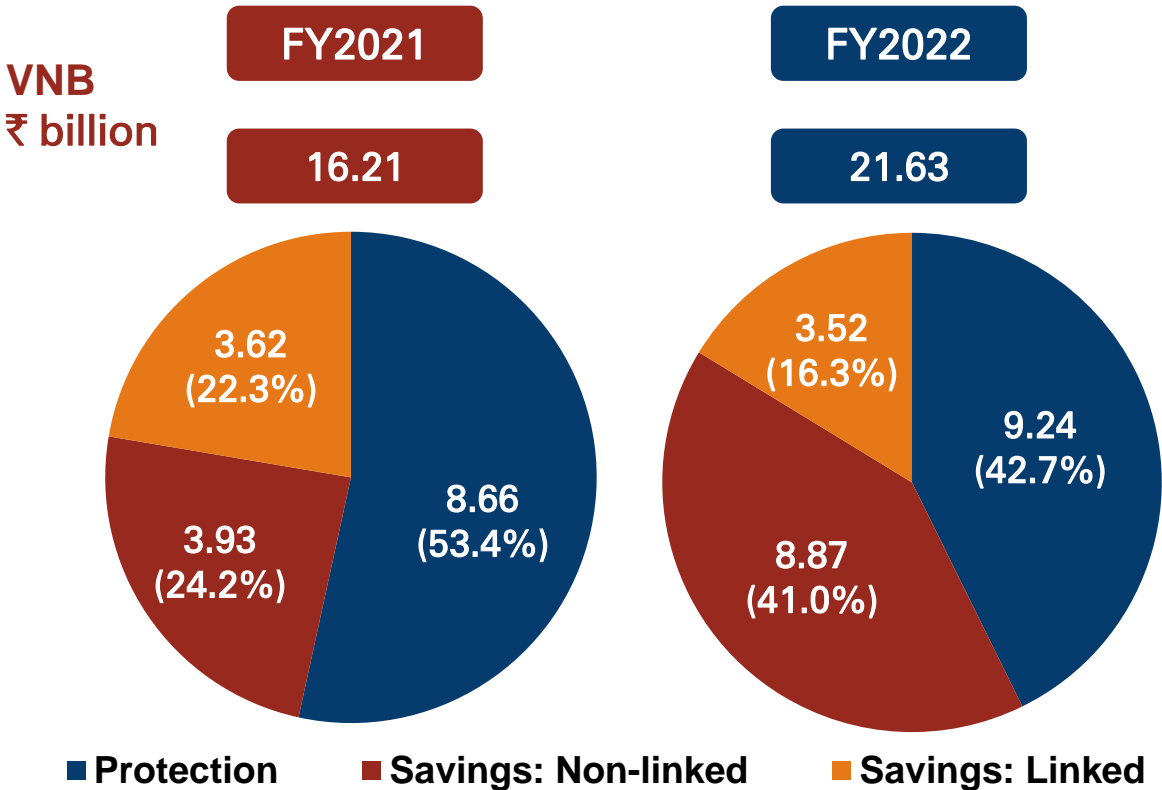


Continued focus on persistency improvement

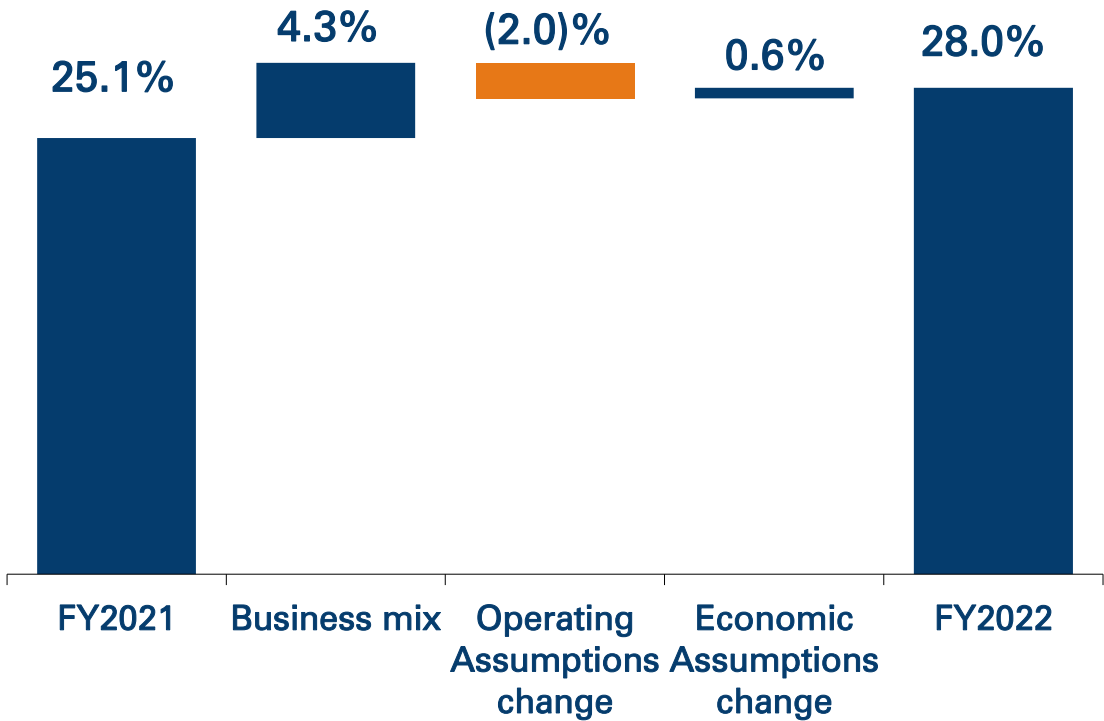
# Financial update

# Value of New Business (VNB)

## VNB contribution\*



## VNB margin movement



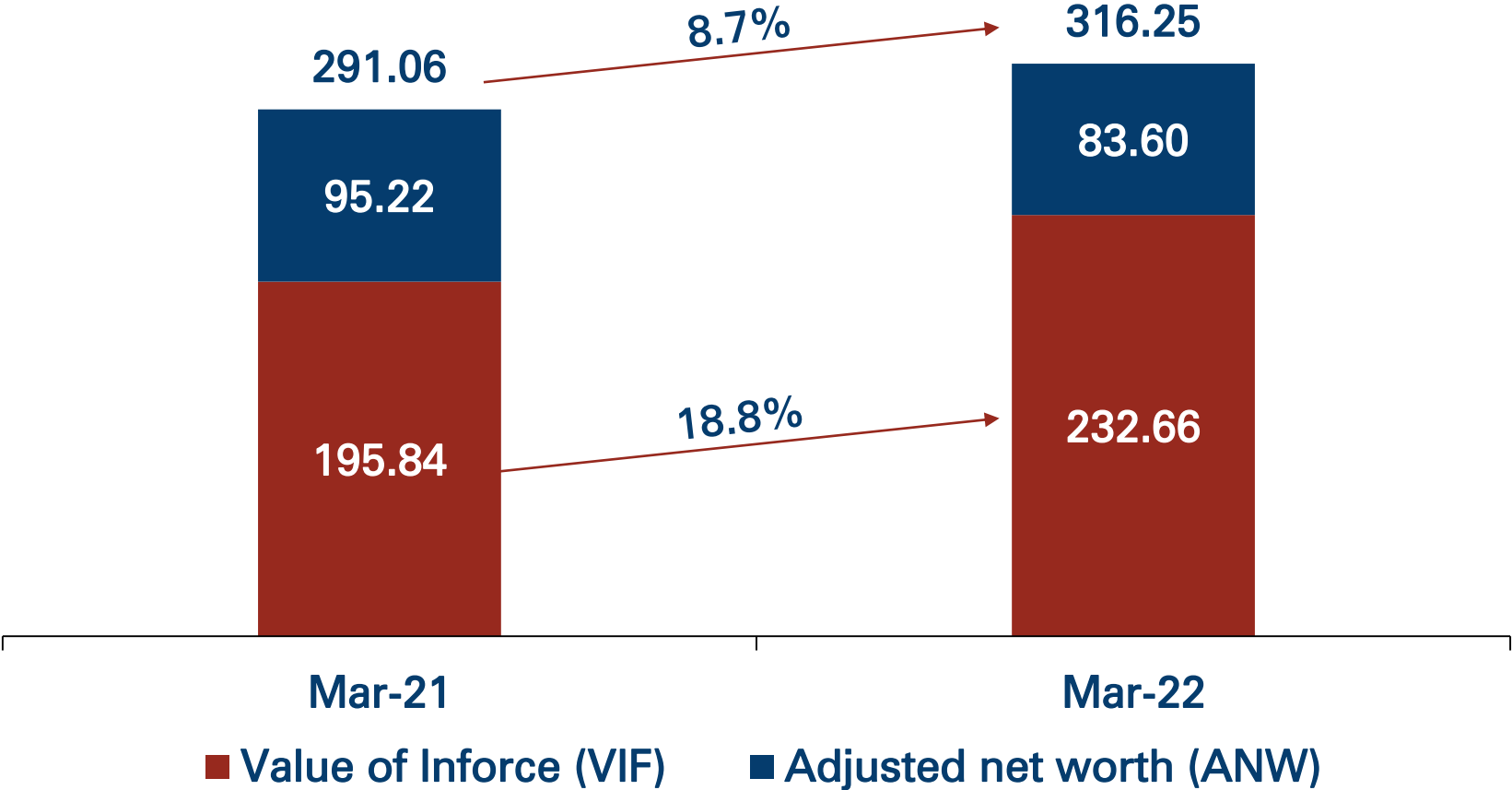
Well diversified pools of profit



\*Figures in brackets represent share of VNB  
Total may not add up due to rounding off

# Embedded Value<sup>1</sup>

₹ billion



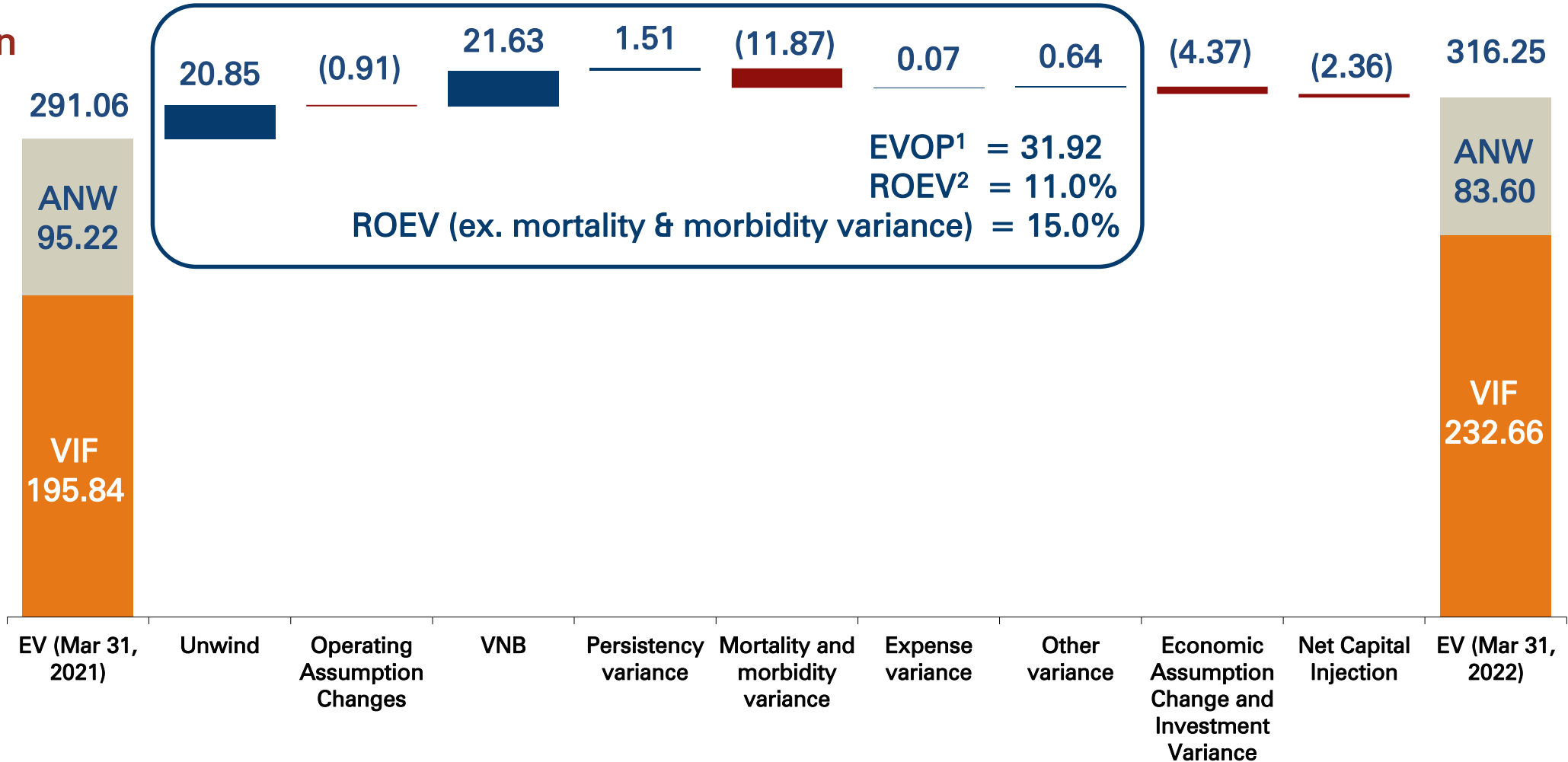
VIF grew by 18.8% to ₹ 232.66 billion and EV grew by 8.7% to ₹ 316.25 billion



1. As per Indian Embedded value (IEV) method  
Total may not add up due to rounding off

# Analysis of movement in EV

₹ billion



All figures in ₹ billion

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

Components may not add up to the total 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)

# Financial metrics

₹ billion	FY2021	FY2022
Profit after Tax	9.60	7.54
Solvency ratio	216.8% <sup>1</sup>	204.5% <sup>1</sup>
AUM	2,142.18 <sup>1</sup>	2,404.92 <sup>1</sup>
Total COVID-19 claims	3.54	21.07
COVID-19 claims net of reinsurance	1.98	10.17
Provision for future COVID-19 claims	3.32	0.24

Solvency ratio continues to be strong at 204.5%



# VNB growth levers update (4P's)

₹ billion	FY2021	FY2022	Growth
Value of New Business (VNB)	16.21	21.63	33.4%
VNB margin	25.1%	28.0%	

₹ billion	FY2021	FY2022	Growth
Premium growth (APE)	64.62	77.33	19.7%
Protection growth (APE)	10.46	13.13	25.5%
Persistency (13 <sup>th</sup> month) <sup>1</sup>	84.8%	85.7%	
Persistency (49 <sup>th</sup> month) <sup>1</sup>	63.0%	63.7%	
Productivity (Cost/TWRP: Savings) <sup>2</sup>	9.6%	12.8%	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE



# ESG: Approach and focus areas



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

## 3 pillars of our sustainability framework



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



**Social**  
giving back to the society



**Governance**  
transparency in functioning

## Our focus areas



**Human Capital**



**Responsible Investing**



**Governance & Business Ethics**



**Data Privacy & Security**



**Access to Finance & CSR**



**Environment**

## New initiatives



**Responsible Investing**



**Environmental impact**

## ESG Ratings Improvement

- Analysis of the assessment by ESG research firms on each parameter and 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 (Currently the best among Indian insurance companies)

# Focus areas: Human capital



## Enabling employee wellbeing

1. **99% employees fully vaccinated**
2. **Building awareness**
  - Webinars & advisories on Covid-19 / other safety protocols
3. **Enabling policies**
  - 24/7 Covid-19 helpdesk
  - Doctor tele-consultation, mental health counselling
  - Vaccination camps & reimbursement support
4. **Facilitating habit formation**
  - Walkathon, Pinkathon, Yoga and encouraging employees to take restorative breaks



## Enabling productivity

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



## Building an agile & engaged workforce

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

# Focus areas: Responsible investing



Three pronged approach

Stewardship policy and process

ESG Integration

ICICI Prudential Sustainable Equity Fund

Engaging with investee companies

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

Benchmarked against NSE 100 ESG Index

Disclosing voting actions

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



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

# Focus areas: Governance and Data privacy

## Governance Structure



### Board composition

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

### Board Diversity

- Policy on Board diversity & criteria on appointment of Directors
- Woman Independent Director

### Evaluation framework

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

## Compensation Framework



### Compensation Policy

- Based on Meritocracy and Fairness within the framework of prudent risk management

### Governance

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

### Alignment

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

## Information/Cyber security



### Data Privacy Policy

- Privacy policy covering collection, usage, storage, retention, sharing only for specific purposes with consent and security related aspects



### Cyber Security Framework

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

## Risk Management



### Risk Management Policy

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



### Mitigating risk

- Framework sets out limits and 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 areas: Access to finance, CSR and Environment



## Access to Finance

- 45.6 mn lives impacted by micro insurance products (58.1 mn lives total)
- 85.7% - One of the best persistency<sup>1</sup> ratios (13<sup>th</sup> month) in the industry.
- 24x7 service architecture; 91.5% self-help usage
- 97.8% - One of the best claim settlement ratios<sup>2</sup>; 1.5 days<sup>3</sup> average TAT
- Providing financial safety net to society – 21,600 retail death claims settled and 238,000 Group claims settled
- Insurance awareness campaigns, focus on right selling & product suitability
- Robust policy & framework for grievance redressal



## CSR

- ₹ 68.2 million spent for CSR initiatives
- Over 155,000 children and adults beneficiaries supported through the COVID-19 vaccination program
- 61.4 million consumers reached through the Consumer awareness and 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 through:
  - Responsible consumption of energy
  - Water conservation
  - Replace, reduce and recycle approach
- 96% of new business applications logged digitally
- 94% shareholders communicated digitally
- Green energy implemented for some offices in Mumbai (From Jan 2022)
- 4,000 employees participation in 'Go Green' campaign

Figures mentioned are for financial year ended March 31, 2022

1. Computed as per IRDAI circular dated January 23, 2014
2. Individual death claims
3. Average turnaround time for non-investigated claims from receipt of last requirement

# Awards and Accolades – FY2022

Featured among the top 20 BSE100 companies with strong corporate governance practices

COMPANIES WITH 'LEADERSHIP' SCORES



Excellence in Claims and Customer Service



Innovation During COVID 19



ICICI Pru Guaranteed Pension Plan - Product of the Year 2021 in the Retirement & Pension category



\*Scorecard developed by liAS in joint collaboration with IFC and BSE

FICCI Insurance Industry Awards 2021

FICCI Insurance Industry Awards 2021

Awarded by Product of the Year Private Limited

Excellence in Innovation - Best Use of Emerging Technology for Business Growth

Tech Innovator Company of the year

Silver Award - Best Mobile App of the Year

Gold Award for FY2021 Annual Report



ET BFSI Awards 2021



India Insurance Summit and Awards 2022



Velocity Awards 2021



LACP\*\* 2021 Spotlight Awards



\*Institutional Investor Advisory Services India Limited (liAS); International Finance Corporation (IFC) and Bombay Stock Exchange (BSE)

\*\*League of American Communications Professionals LLC



# Technology @ICICI Prulife

# Digital@iciciprulife

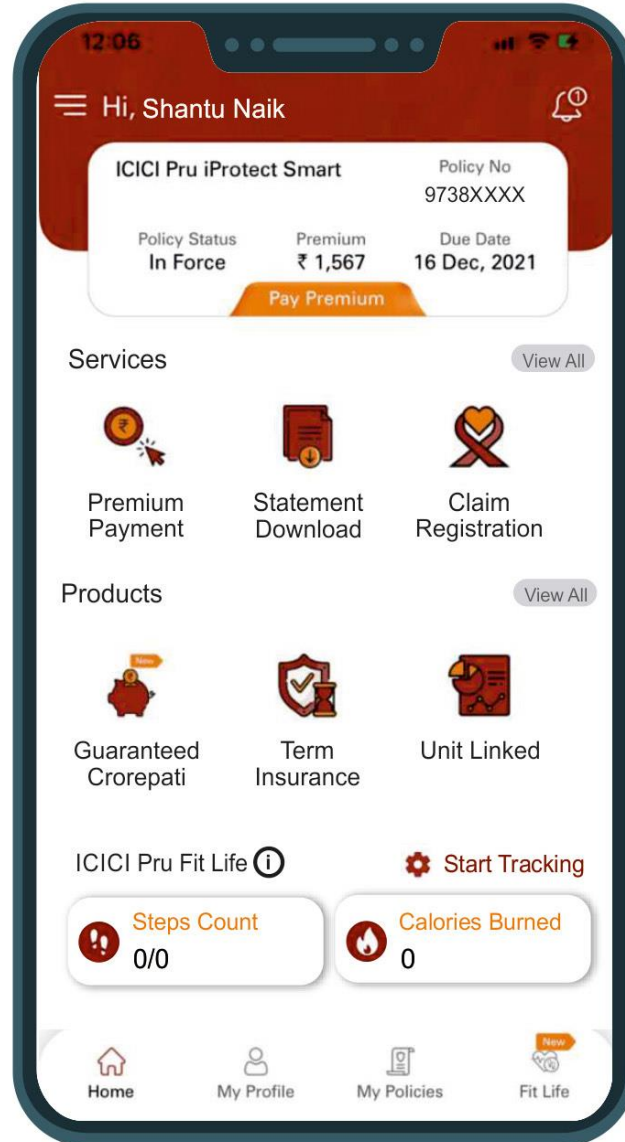
Most visited website among private life insurance players

~3 million digital service interactions every month

1 million+ app downloads

Highest rated app within life insurance industry

Access to over 45 types of policy transactions



Digital logins at 96%

80%+ issuances through smart OCR / ML

>91% service interactions are via self-help / digital modes

System uptime of >99%


All new 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 and geographical tagging 

### Learner's Box and 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 and funnel management

## Onboarding & issuance

**InstaPlan** - A pre-sales tool to create a customized solution for the customer by combining multiple products on the go

**Term by invite** - Pre approved offers with zero documents or medical

### Digital journey

- ❖ End to end digital onboarding
- ❖ Form pre-fill with OCR of KYC document
- ❖ 3-click PASA onboarding
- ❖ Smart doc upload with instant OCR
- ❖ E-Quote app
- ❖ Video risk verification
- ❖ Tele & video underwriting

### Leveraging eco system


- ❖ Partner and 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 and digital consent

### Video based Pre -issuance verification on WhatsApp

- ❖ Instant Certificate of issuance
- ❖ Instant refund into customer account, in case of cancellation 
- ❖ Video verification and CKYC as a 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 Mn. digital service interactions monthly
- ❖ >90% 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 and scalability
- ❖ ET BFSI Award 2021 for 'Best Use of Emerging Technology for business growth'



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



## Omni channel

### Mobile application

- ❖ Awarded 'Best Mobile App of the Year' for the 'Customer Mobile App' in the Velocity Awards 2021
- ❖ 8 lakh+ 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, which provides customers with personalized interactions with a human touch.
- ❖ >50% of calls handled by bots end-to-end, thus improving 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 and customised quotes



**Search engine optimization –**  
Use of Machine Learning (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 the next goal



**Smart solutions –** Pre-approved personalized best offers for instant issuance and 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 intelligent and cognitive automation tools

# Agenda

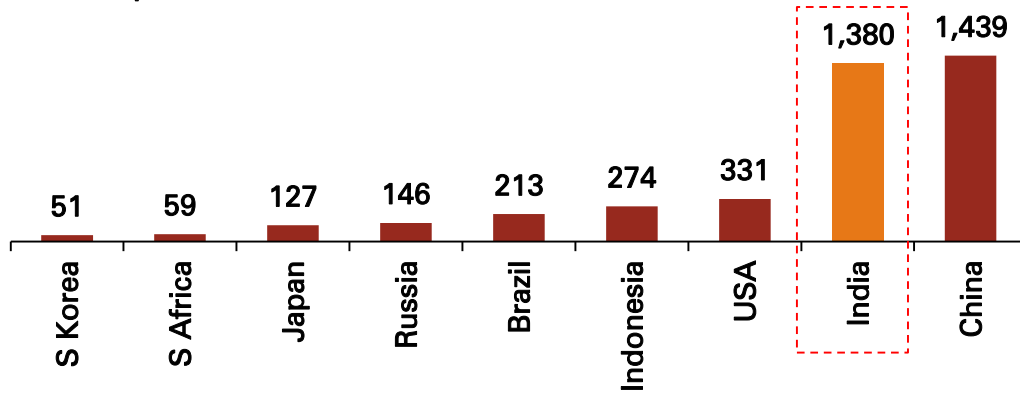
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

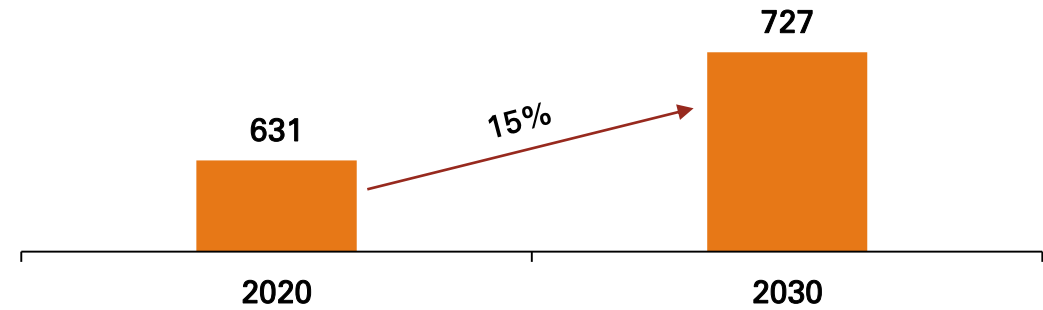
## Large and growing population base<sup>1</sup>

2020 Population (mn)

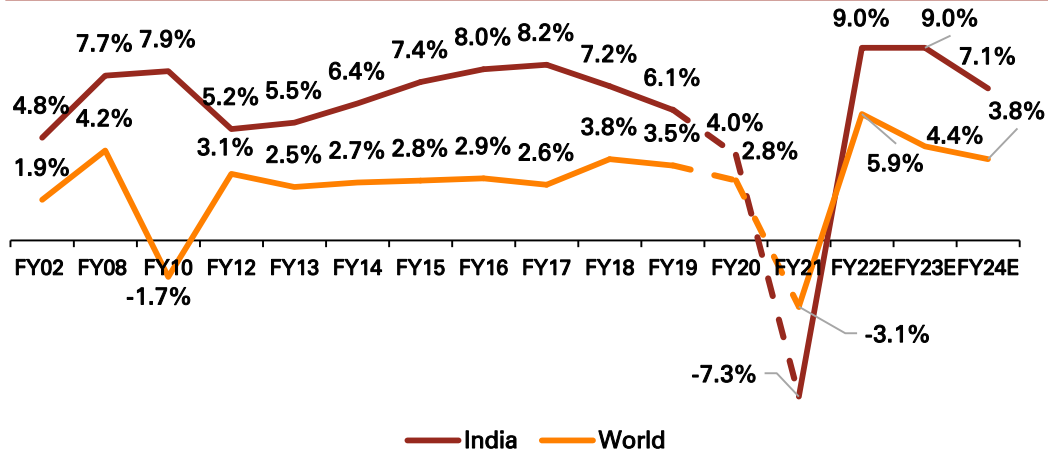


## High share of working population<sup>1</sup>

Population of age 25-59 years (in mn)

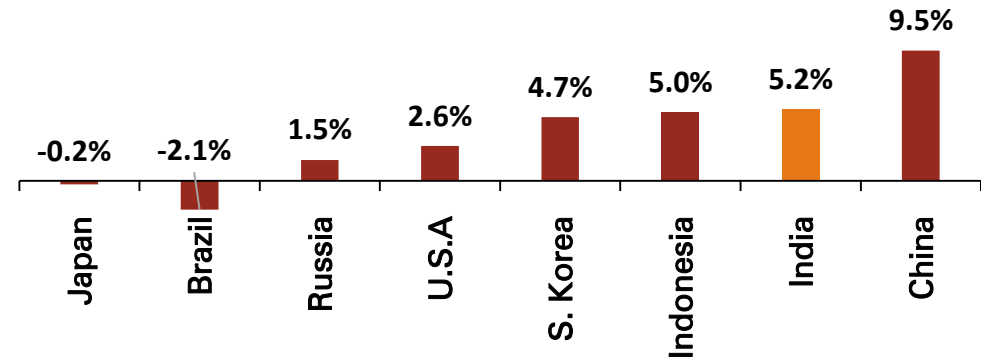


## Driving GDP growth<sup>2</sup>



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

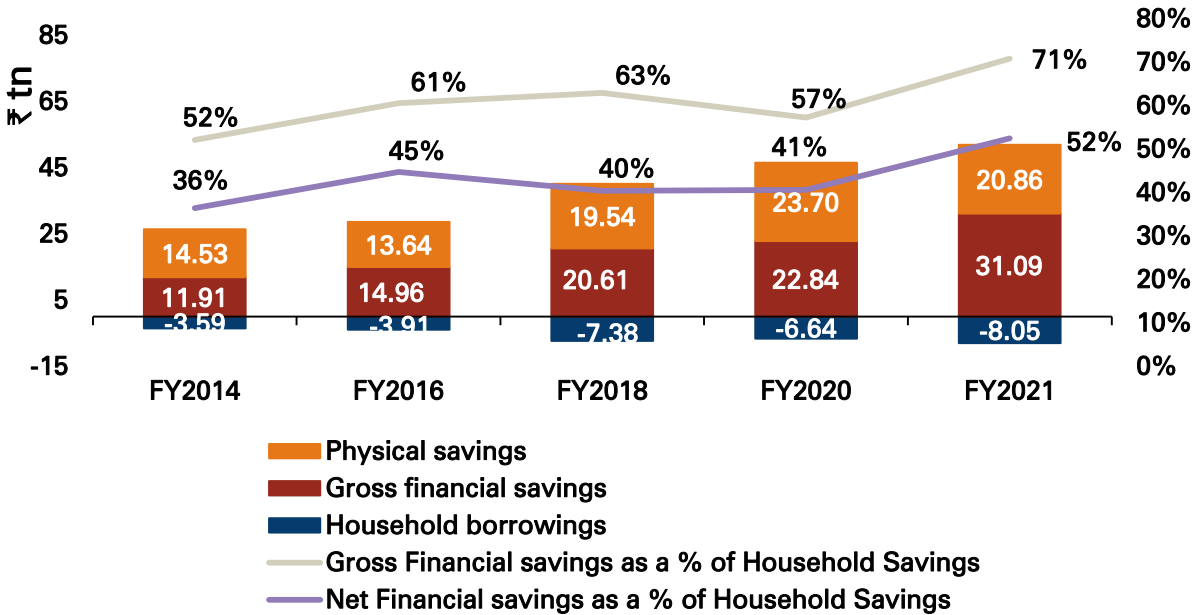
GDP per capita CAGR (FY2010-FY2021)



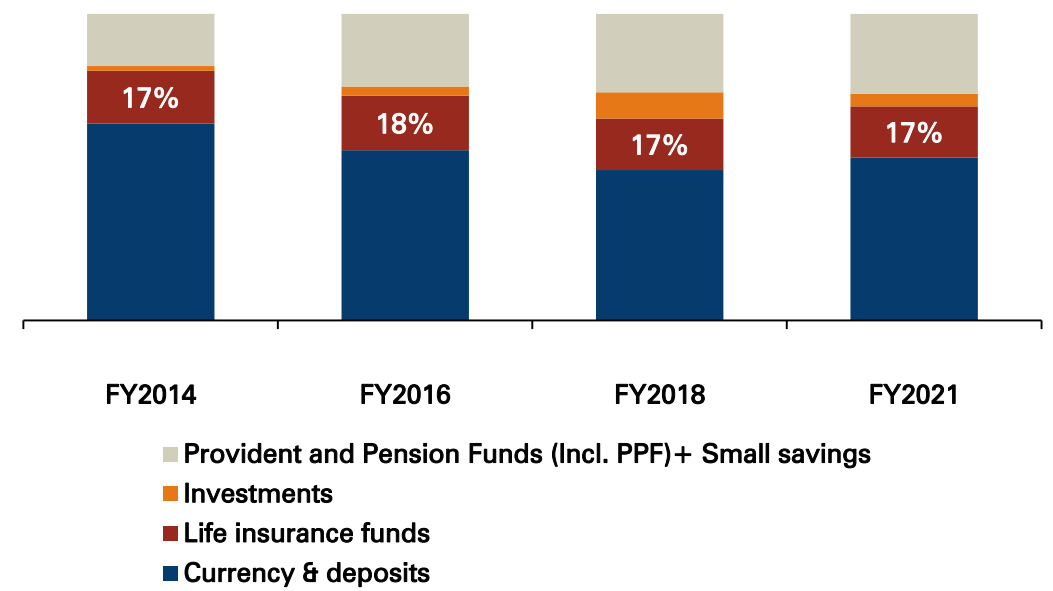
1. Source: UN population division
2. Source: WEO Update, January 2022
3. Source: The World Bank

# 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

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%

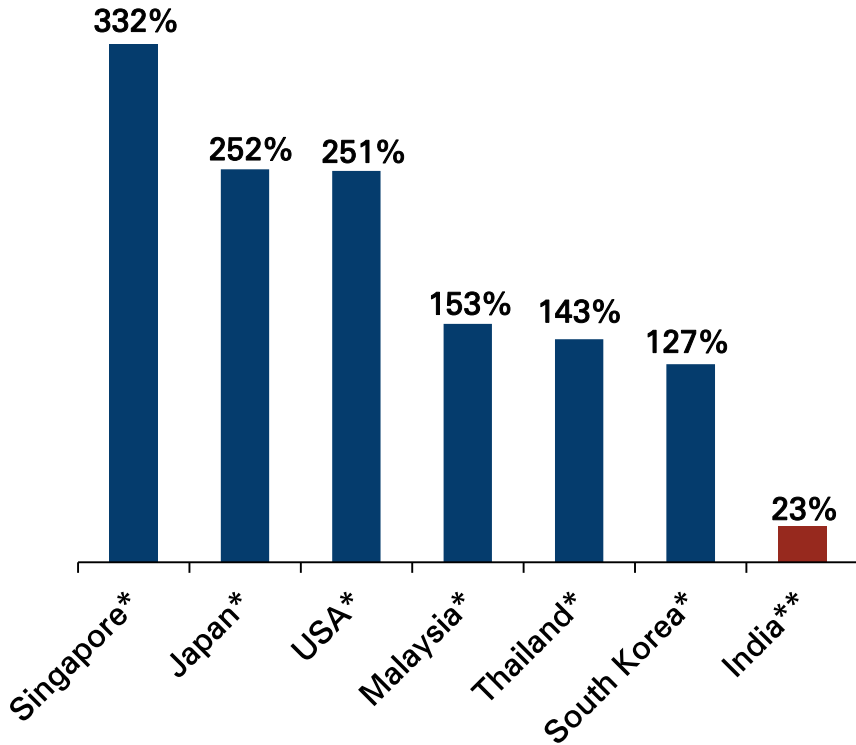


1. Source: RBI and CSO  
 2. Source: RBI  
 3. Total life insurance industry premium including renewal; Source: IRDAI



# Protection opportunity: Low penetration

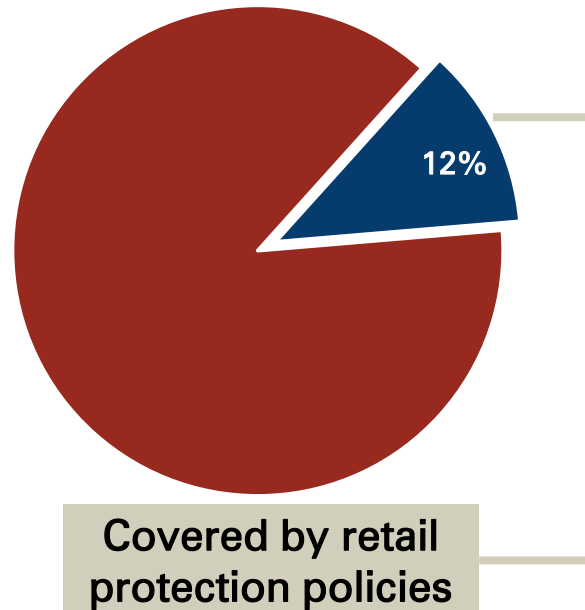
Sum Assured as a % of GDP<sup>1,2</sup>



\* Total sum assured

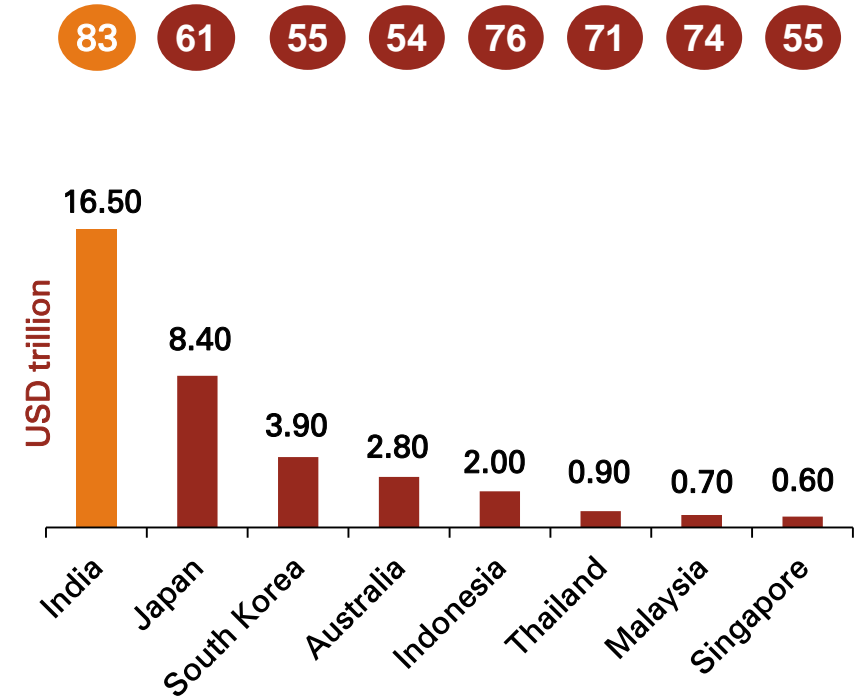
\*\* Retail protection sum assured (company estimates)

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



# Based on Income Tax Department data for individuals (annual income > ₹ 250,000) and company estimates

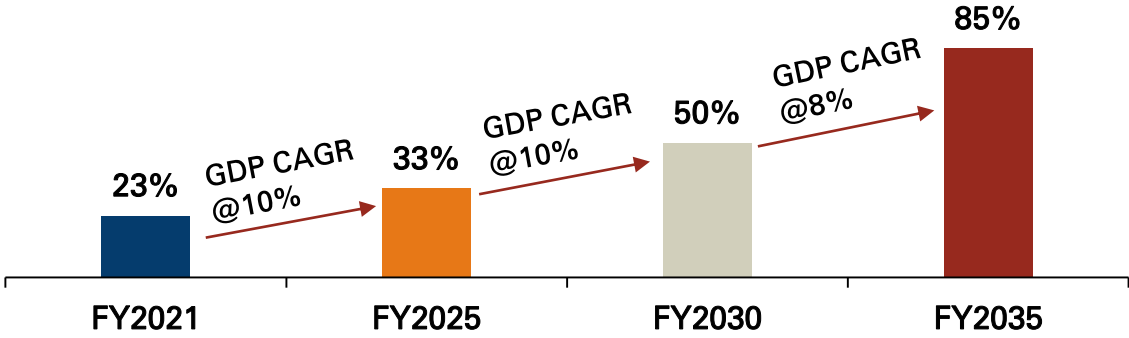
Protection gap(%)<sup>4,5</sup>



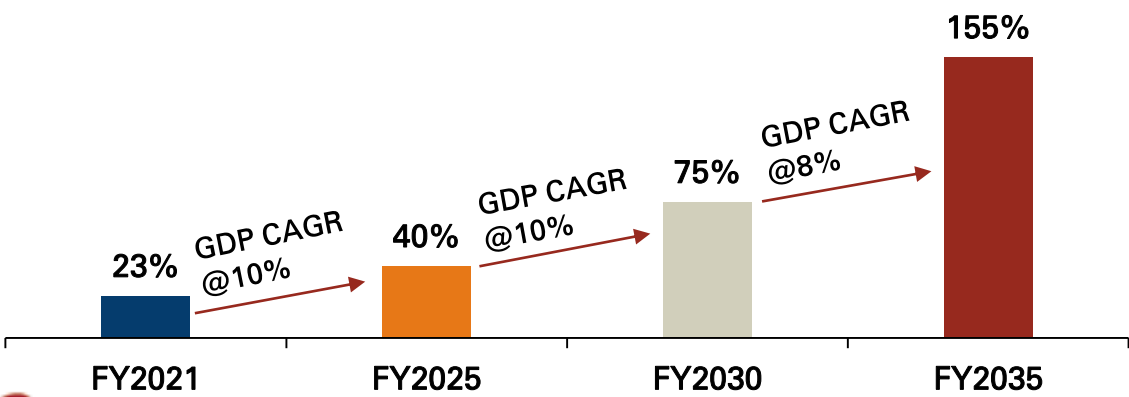
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income > ₹ 250,000
4. Protection gap (%): Ratio of protection lacking/protection needed
5. Source: Swiss Re, Closing Asia's mortality protection gap, 2020

# Protection opportunity: Sum assured as a % of GDP

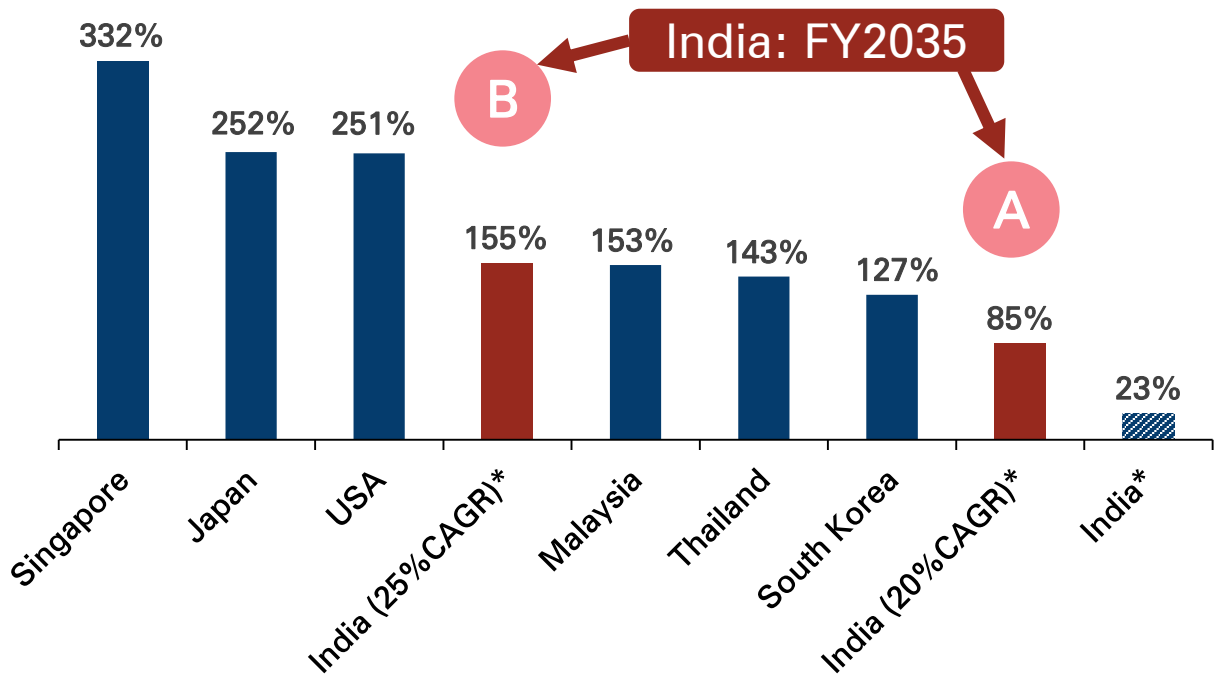
**A** Sum Assured (SA) as a % of GDP:  
Assuming SA growth @ 20% CAGR



**B** Sum Assured (SA) as a % of GDP:  
Assuming SA growth @ 25% CAGR



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



\* For retail protection sum assured (company estimates)

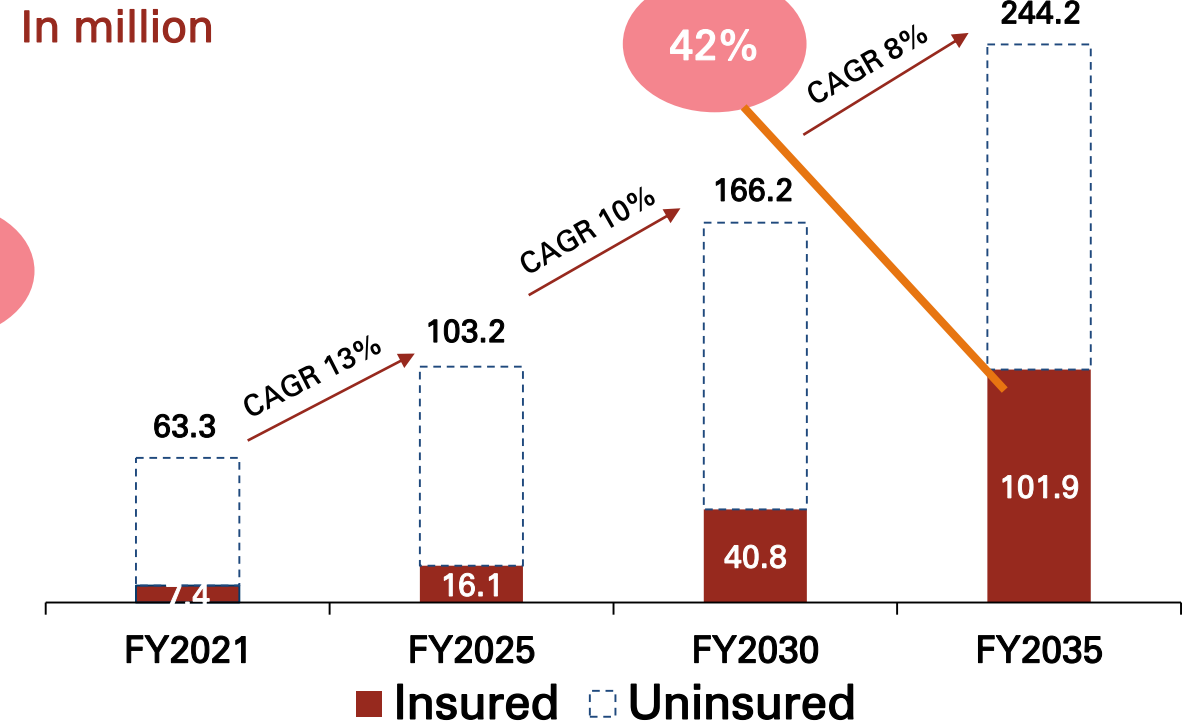
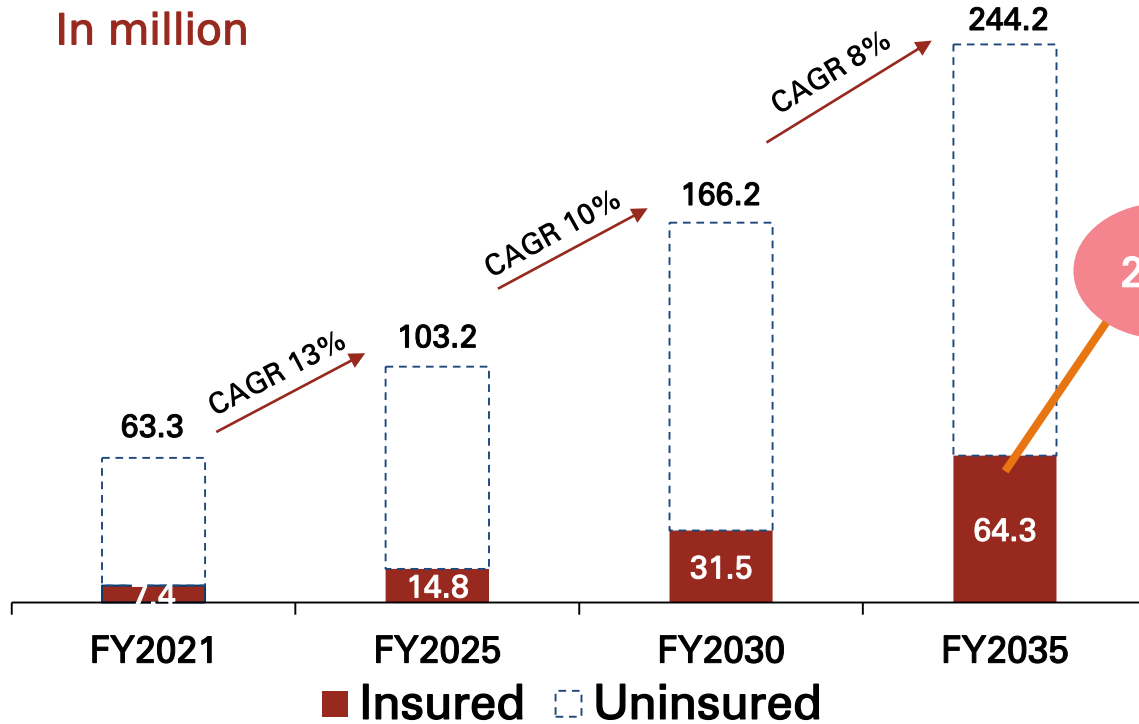


1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)  
 2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates

# Protection opportunity: Addressable population coverage (%)

With 15% CAGR in new policy count from FY2020 to FY2035

With 20% CAGR in new policy count from FY2020 to FY2035

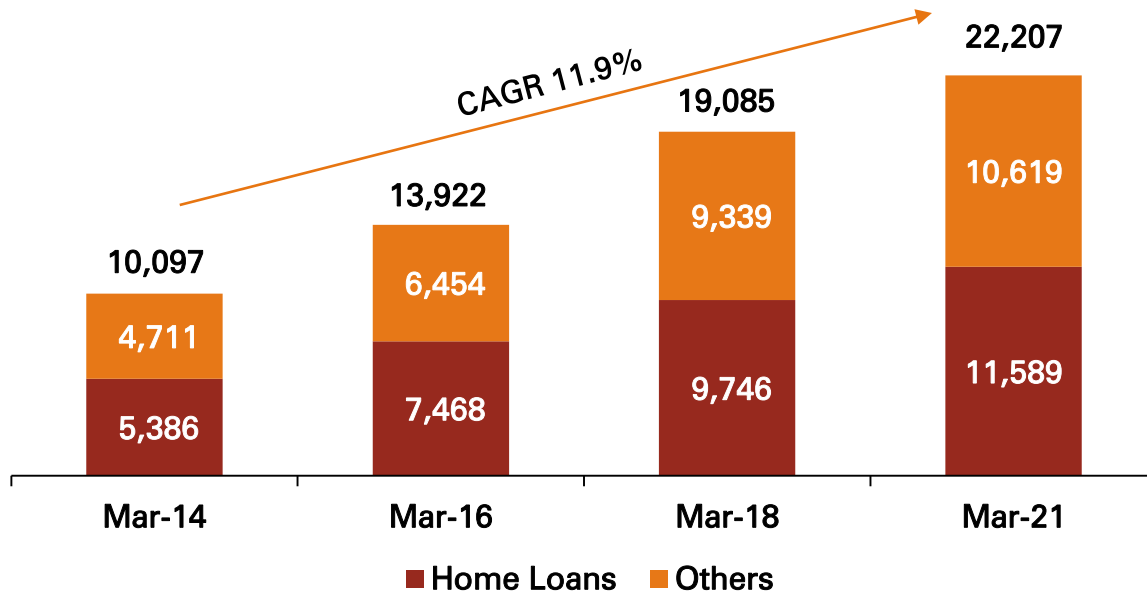


Even at accelerated policy growth rates, at best ~40% of India's addressable population can be expected to be covered in 15 years

# 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)

FY2021

Health

585.72

Motor

677.90

- Motor Own Damage (OD)

260.81

- Motor Third Party (TP)

417.09

- Protection premium ~ ₹ 235 billion for life insurance industry in FY2021



1. Source: RBI

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

# Agenda

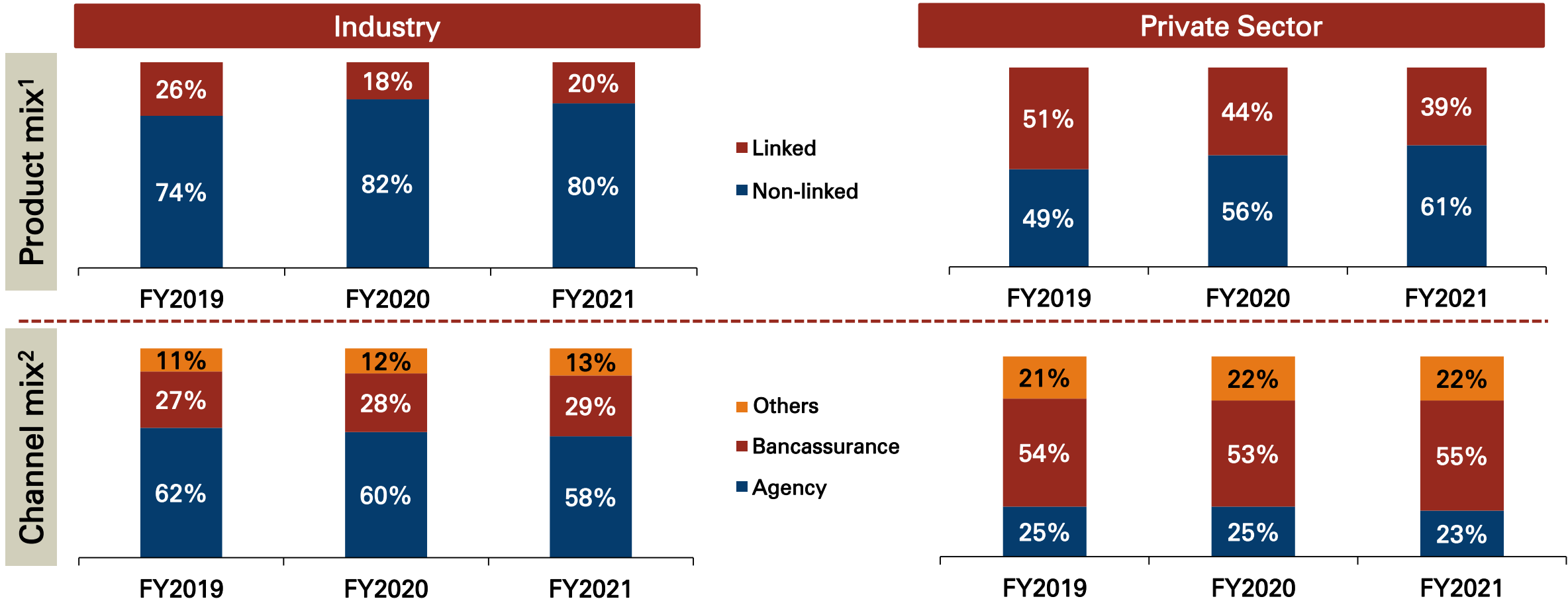
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2021
New business premium <sup>1</sup> (₹ bn)	116	21.5%	550	-5.8%	408	10.8%	757
Total premium (₹ bn)	501	23.2%	2,654	4.3%	3,281	11.4%	6,284
Penetration (as a % to GDP)	2.1%		4.1%		2.6%		3.2%
Assets under management (₹ bn)	2,304	24.0%	12,899	12.6%	23,361	12.2%	46,563
In-force sum assured <sup>2</sup> (₹ bn)	11,812*	15.5%	37,505	15.8%	78,091	15.8%	188,615
In-force sum assured (as % to GDP)	50.1%		57.9%		62.7%		95.5%

# Industry overview



- Given a well developed banking sector, bancassurance continues to be the largest channel for private players



1. New business weighted premium basis  
 2. Individual new business premium basis  
 Source: Life Insurance Council

# Annexures



# Risk management: Non-participating business

## Guaranteed return savings product

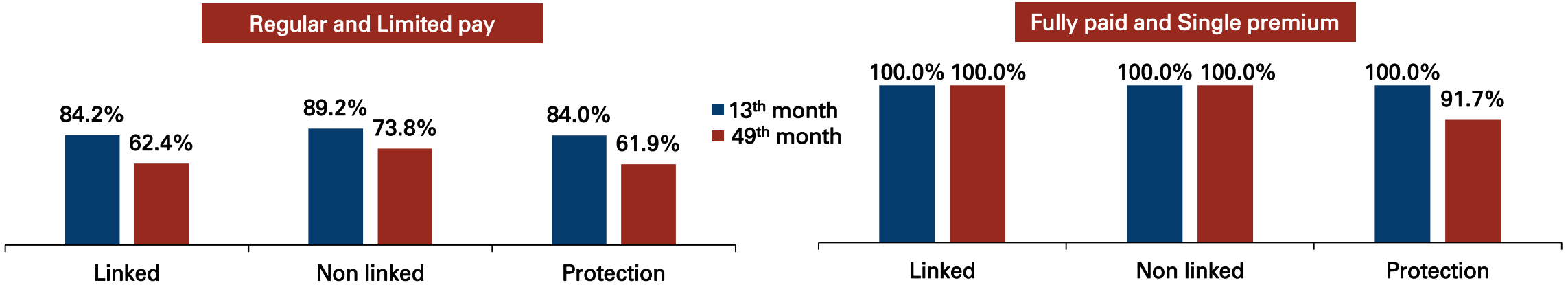
- Interest risk hedged through a combination of cash market instruments and derivatives
  - Premium payment term upto 12 years only
  - Hedge program designed for each tranche of new business
  - Locked in yields for future premiums
  - Underlying bonds for derivatives selected keeping in mind liability tenure

- Annuity (GPP): Average deferment period < 5 years

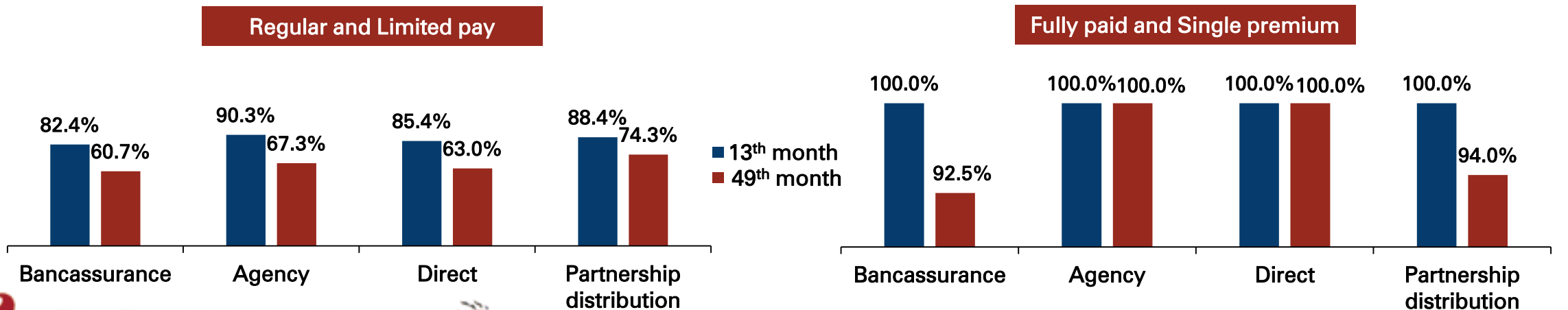
Review of pricing based on current interest rate environment

# Retail persistency

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

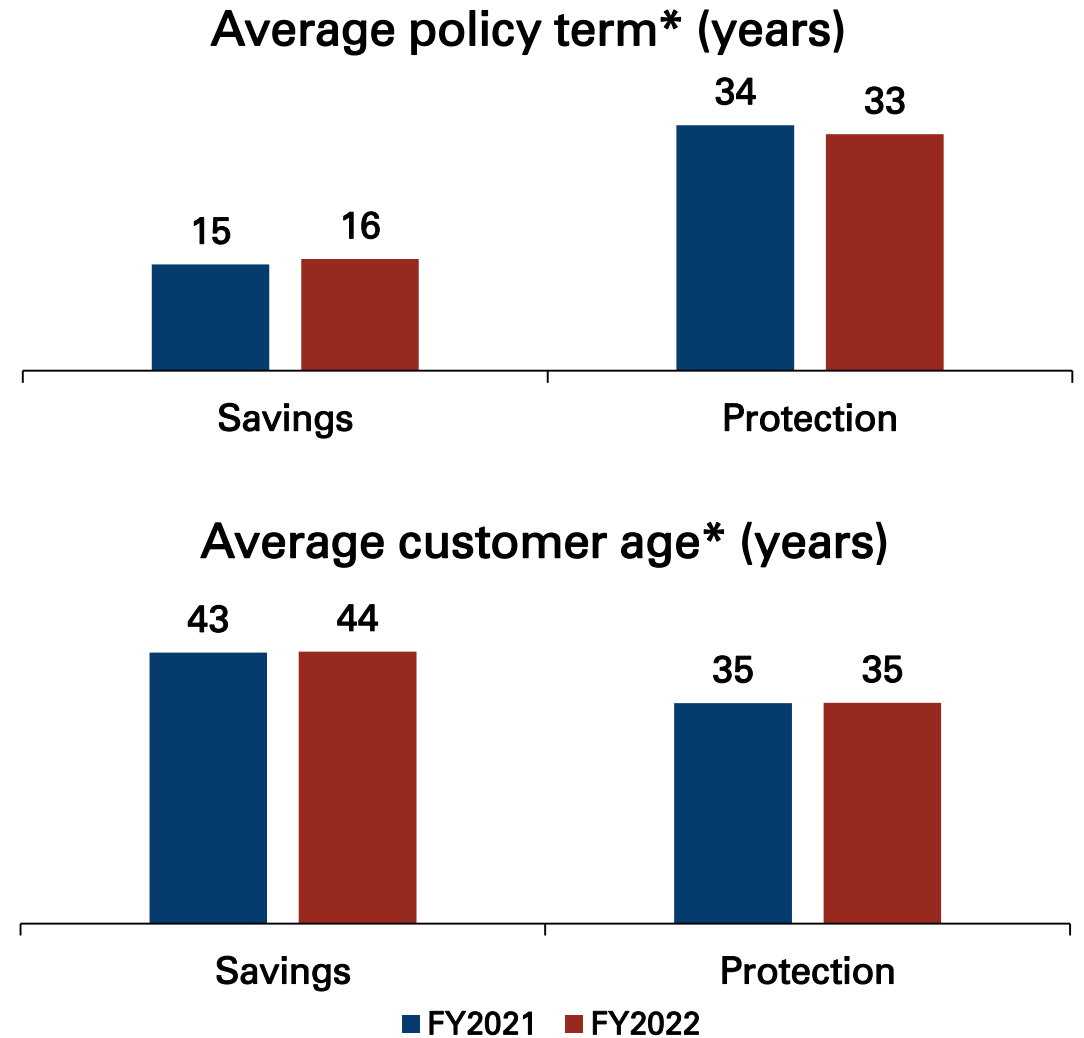


## Persistency<sup>1</sup> across channel categories



# 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>



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

# 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

# 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%)

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

₹ billion	FY2018	FY2019	FY2020	FY2021	FY2022
Opening EV	161.84	187.88	216.23	230.30	291.06
Unwind	13.72	15.84	17.25	16.61	20.85
Value of New Business (VNB)	12.86	13.28	16.05	16.21	21.63
Operating assumption changes + Operating variance	10.22	8.89	(0.42)	2.24	(10.56)
<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
EVOP	36.80	38.01	32.88	35.05	31.92
Return on embedded value (ROEV)	22.7%	20.2%	15.2%	15.2%	11.0%
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)
Closing EV	187.88	216.23	230.30	291.06	316.25



# Economic assumptions underlying EV

Tenor (years)	References Rates	
	Mar 31, 2021	Mar 31, 2022
1	3.91%	4.35%
5	7.38%	7.90%
10	7.93%	8.36%
15	7.48%	7.97%
20	7.02%	7.57%
25	6.72%	7.28%
30	6.55%	7.09%

# 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 13th month, 49th month persistency etc. depicting the persistency level at 13th month (2nd year) and 49th month (5th 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**