



Performance update: 9M-FY2023

January 17, 2023

Agenda

- Company strategy and performance
- Opportunity
- Industry overview

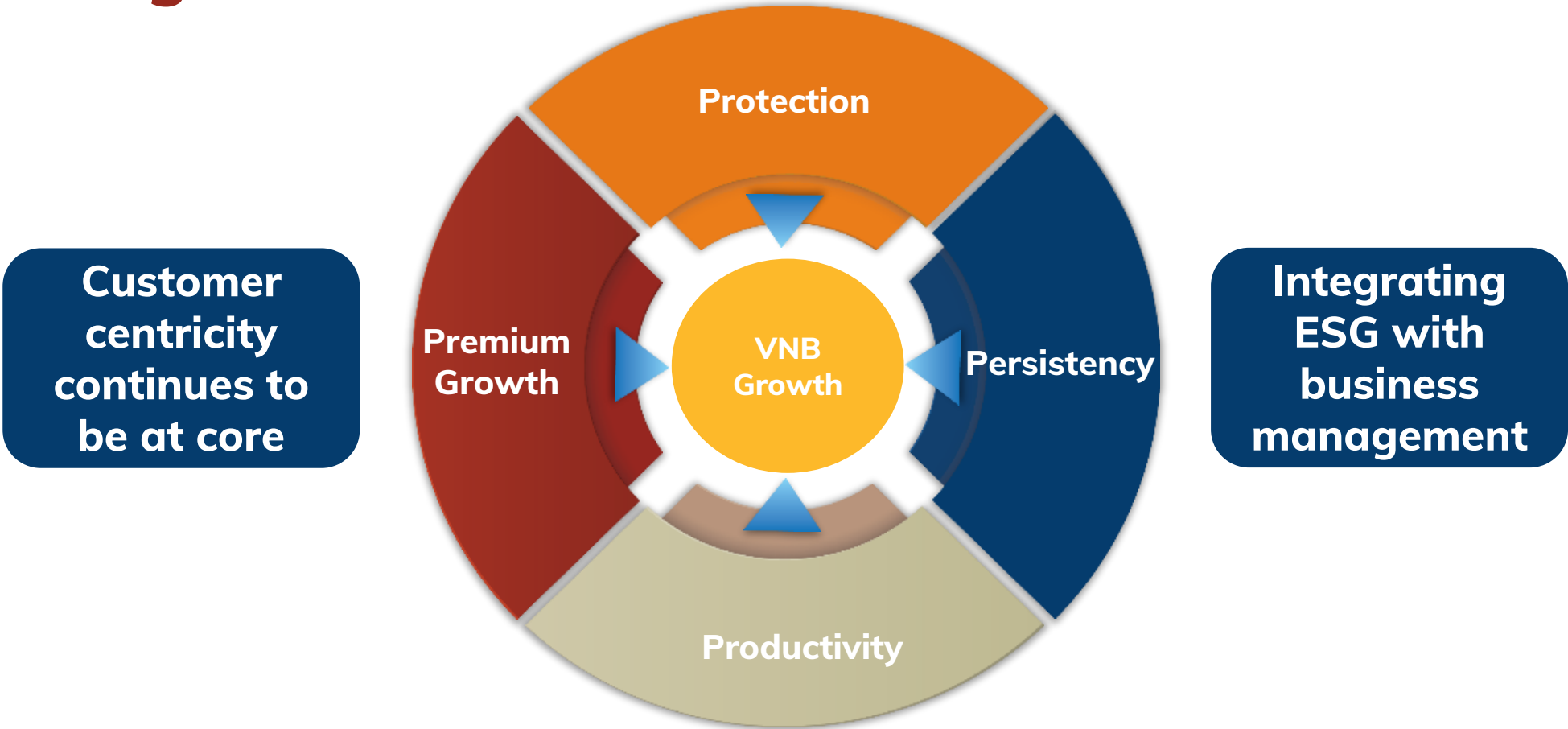


Agenda

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



Key strategic elements



Aspiration to double FY2019 VNB in four years

Premium growth

Premium growth

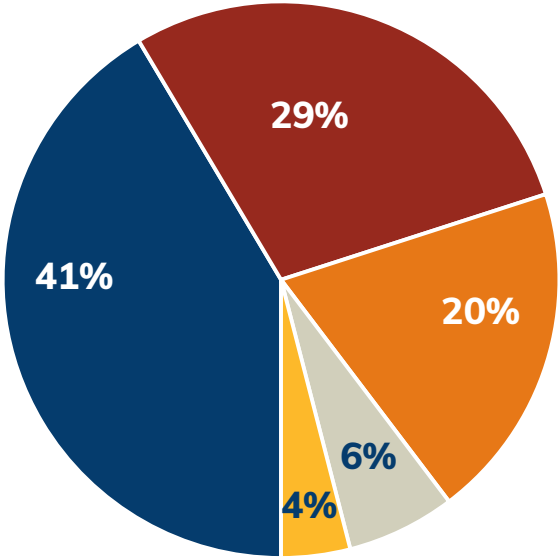
- Focus on agency & direct to consumer channels
- Continue to expand bank partnerships
- Sustain growth in annuity line of business

Channels	FY2022	Q3- FY2023	Y-o-Y growth (%)	9M- FY2023	Y-o-Y growth (%)
Agency	18.28	5.16	3.2%	13.78	9.9%
Banca (ex-ICICI Bank)	10.85	2.31	2.2%	7.20	20.6%
Direct	9.97	2.62	2.7%	6.76	0.9%
Partnership distribution	7.16	2.14	31.3%	6.18	41.4%
Group	11.80	3.28	31.2%	10.44	40.7%
Sub-total	58.06	15.52	11.3%	44.36	19.9%
ICICI Bank	19.26	2.69	(49.7%)	9.05	(36.4%)
Total APE	77.33	18.21	(5.6%)	53.41	4.2%
New business premium	150.36	39.28		112.87	

Premium growth: Product & distribution

Product mix

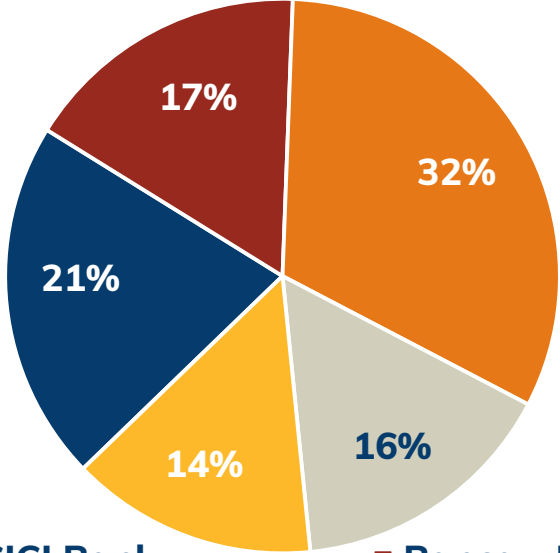
9M-FY2023



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

Retail distribution mix

9M-FY2023



■ Banca - ICICI Bank ■ Banca - Ex ICICI Bank
 ■ Agency ■ Direct
 ■ Partnership Distribution

Well diversified product & distribution mix



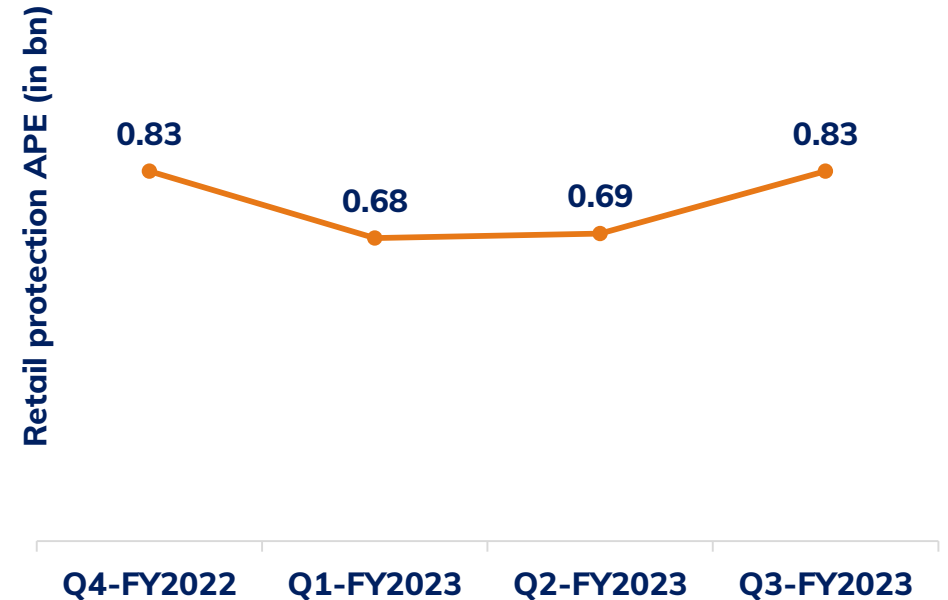
Based on annualised premium equivalent (APE)

Protection growth

Protection focus

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

₹ billion	FY2022	9M-FY2023
Protection APE ¹	13.13	10.50
Y-o-Y growth	25.5%	22.7%
Protection mix ²	17.0%	19.7%
SA market share ³ (%)	13.4%	14.6%



Focus on revival of retail protection, drive growth in group protection

¹Includes term with return of premium; FY2022: ₹ 0.14 bn, Q1-FY2023: ₹ 0.12 bn; Q2-FY2023: ₹ 0.13 bn, Q3-FY2023: ₹ 0.24 bn, 9M-FY2023: ₹ 0.49 bn

²As % of total APE (retail & group combined)

³Overall new business sum assured (SA)

Persistency improvement

Persistency

Continue to focus on improving persistency across all cohorts

Persistency#	FY2022	8M-FY2023	
13 th month	84.6%	86.1%	↑150 bps
49 th month	63.4%	66.0%	↑260 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	9M-FY2022	FY2022	9M-FY2023	Y-o-Y Growth
APE	51.25	77.33	53.41	4.2%
Total expenses	34.97	53.63	41.44	18.5%
Cost/TWRP ¹ (%)	17.7%	18.6%	20.8%	-
Cost/TWRP (savings LOB) (%)	12.2%	12.8%	13.9%	-

Investing in building for future growth



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

Resilient balance sheet

Insurance risks

- **Emerging mortality experience within expectation**
- **COVID-19 claims continue to decline**

Strong solvency ratio

- **Solvency ratio of 212.2% at December 31, 2022**

High quality assets¹

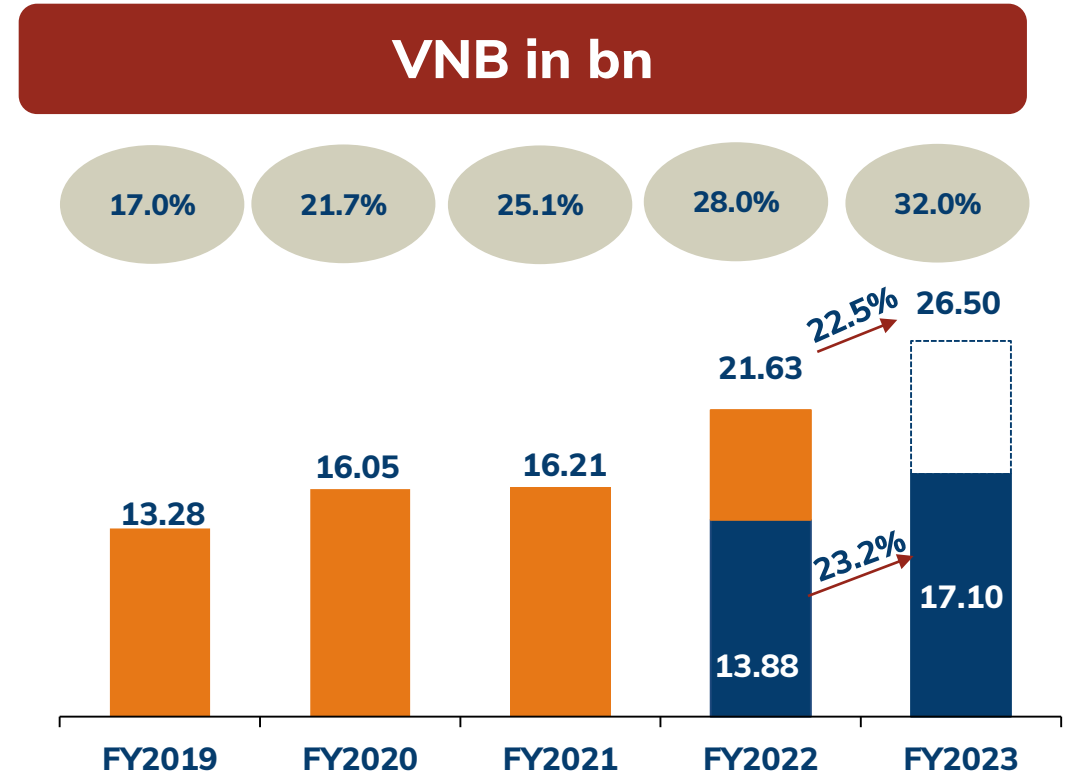
- **97.1% of fixed income in sovereign or AAA; 0.2% of fixed income below AA**
- **Zero NPA since inception**

Liability profile

- **76.4% of liabilities primarily linked to market performance**
- **Non par guaranteed return book: 3.1% of liabilities**

Value of new business (VNB)

₹ billion	FY2021	FY2022	9M- FY2023
VNB ¹	16.21	21.63	17.10
VNB growth	1.0%	33.4%	23.2%
VNB margin	25.1%	28.0%	32.0%

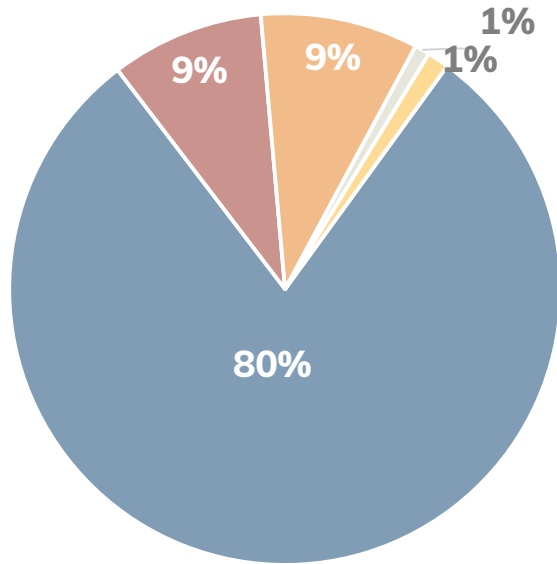


Consistent growth in VNB, margin almost doubled in four years

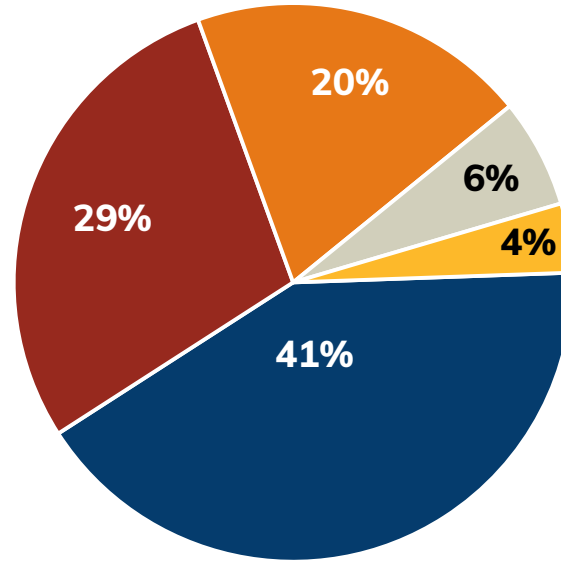
Foundation of well diversified business mix

Product mix

FY2019



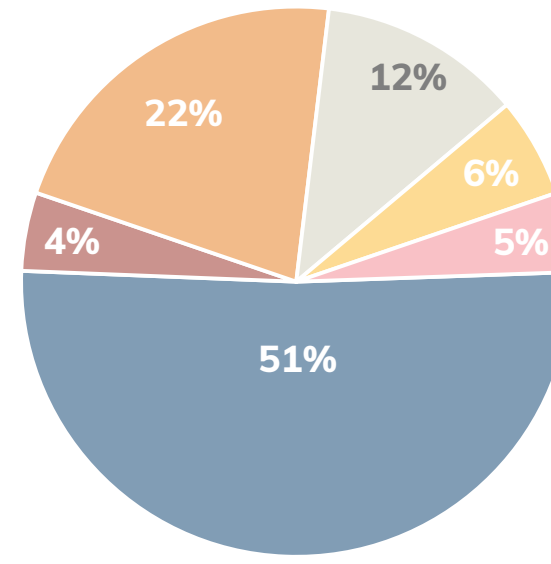
9M-FY2023



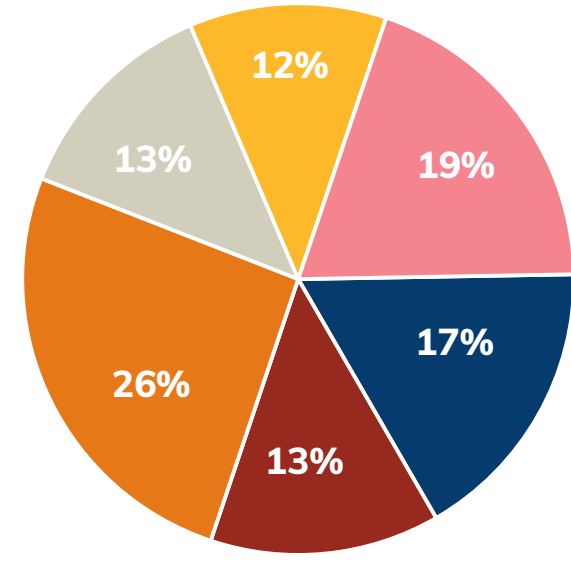
■ Linked
 ■ Non-linked
 ■ Protection
■ Annuity
 ■ Group

Distribution mix

FY2019



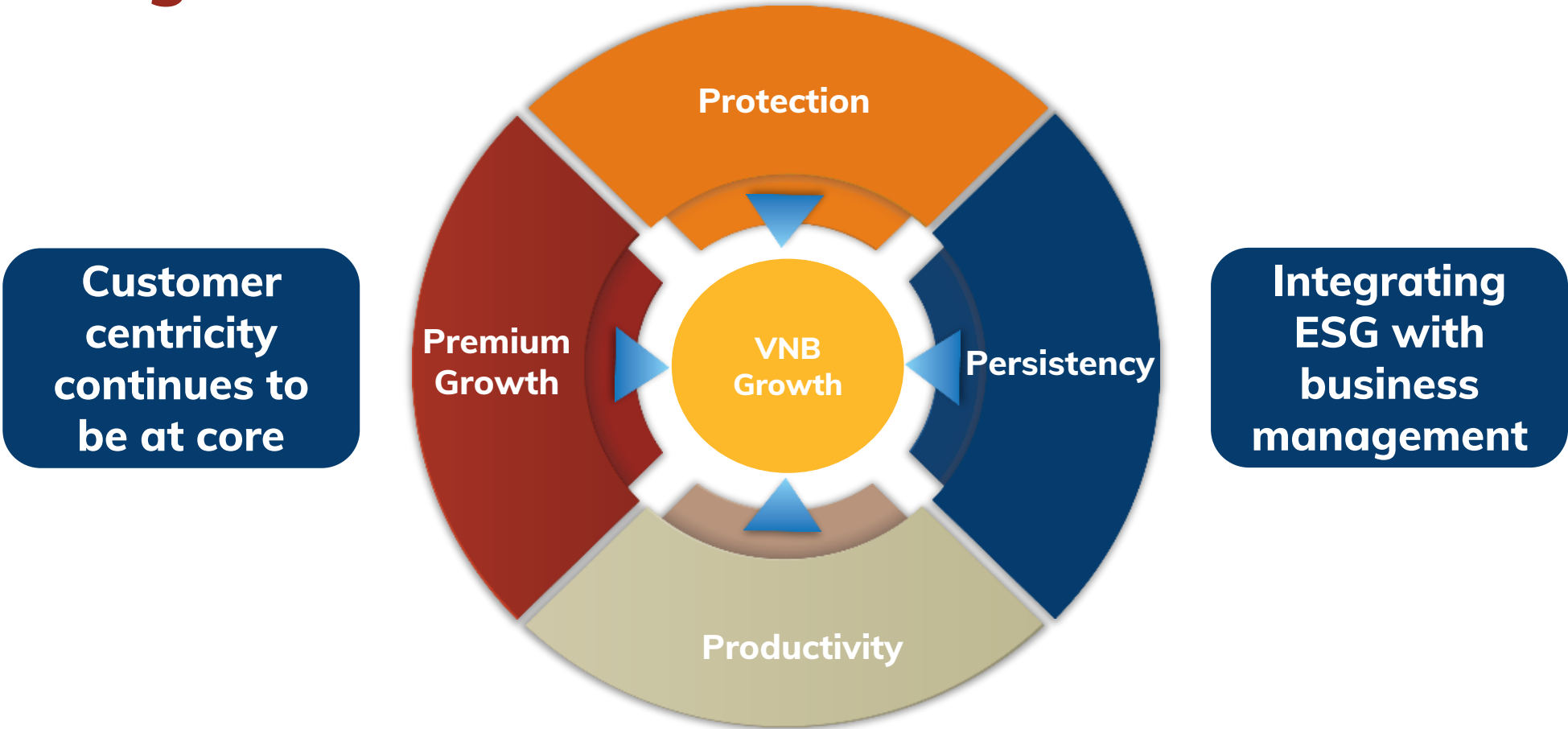
9M-FY2023



■ Banca-ICICI Bank
 ■ Banca-Ex ICICI Bank
■ Agency
 ■ Direct
■ Partnership Distribution
 ■ Group

Invest in distribution & technology to focus on growth beyond FY2023

Key strategic elements



Aspiration to double FY2019 VNB in four years

4P: Premium

Products available across all categories



Non-linked

Savings with guarantee and equity participation

Guaranteed savings; Immediate/ Deferred Annuity



Savings



Linked

ULIP: Suite of funds for Equity and Debt

ULIP: with capital guarantee



Retail

Pure term, term with accident cover

Critical illness, Disease specific



Protection



Group

Pure term, Micro insurance, Credit insurance, Critical illness



Products introduced in Q3-FY2023

Performance across segments

Segments	Annualised Premium Equivalent (APE) in ₹ bn			Mix (%)	
	FY2022	9M-FY2023	Y-o-Y growth (%)	FY2022	9M-FY2023
Savings	64.20	42.90	0.5%	83.0%	80.3%
Linked	37.38	22.14	(13.7%)	48.3%	41.4%
Non-linked	21.21	15.26	18.1%	27.4%	28.6%
Annuity	3.00	3.37	56.0%	3.9%	6.3%
Group funds	2.61	2.14	9.2%	3.4%	4.0%
Protection	13.13	10.50	22.7%	17.0%	19.7%
Total APE	77.33	53.41	4.2%	100.0%	100.0%

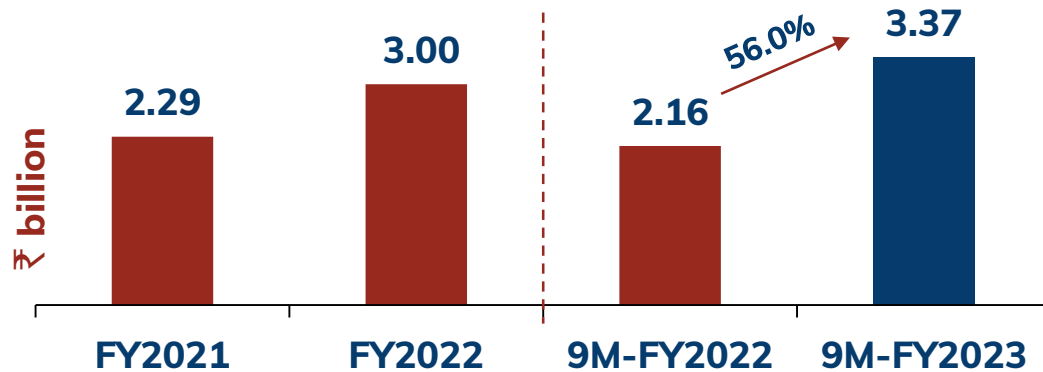
Growth across all segments other than linked business

Pension & Annuity

Comprehensive pension provider

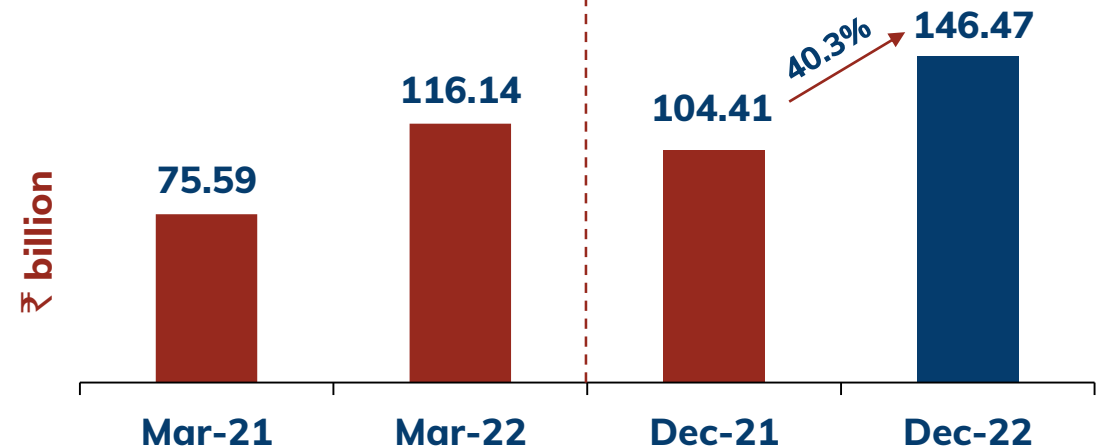
Annuity

Annuity APE



APE grew by 56% in 9M-FY2023;
annuity mix¹ of 16%

PFM assets under management (AUM)



AUM grew by 40% over December 2021

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

Enhancing distribution

Strategy: Build profitability

- 34 bank partnerships; 8 new banks
- Protection & annuity mix 40%
- Access to >16,000 bank branches

Strategy: Create depth & add width

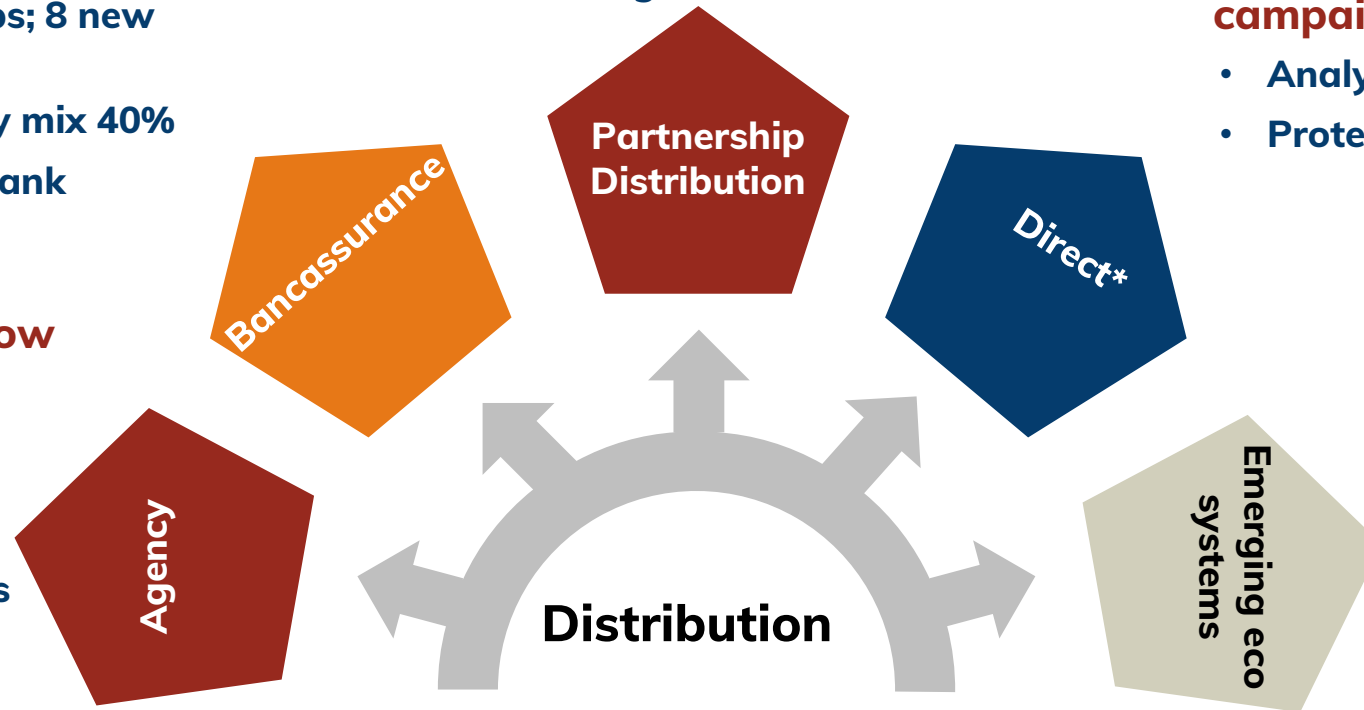
- 861 partnerships; 66 new partnerships
- Protection & annuity mix 29%, non-linked savings 60%

Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection & annuity mix 44%

Strategy: Invest and grow

- 24,762 agents recruited during 9M-FY2023
- Diversified product mix: Protection & annuity 29%, non-linked savings 35% & linked 36%



Strategy: Partner with non-traditional distributors

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

>850 partnerships including 34 banks; >200,000 advisors

Performance across distribution channels

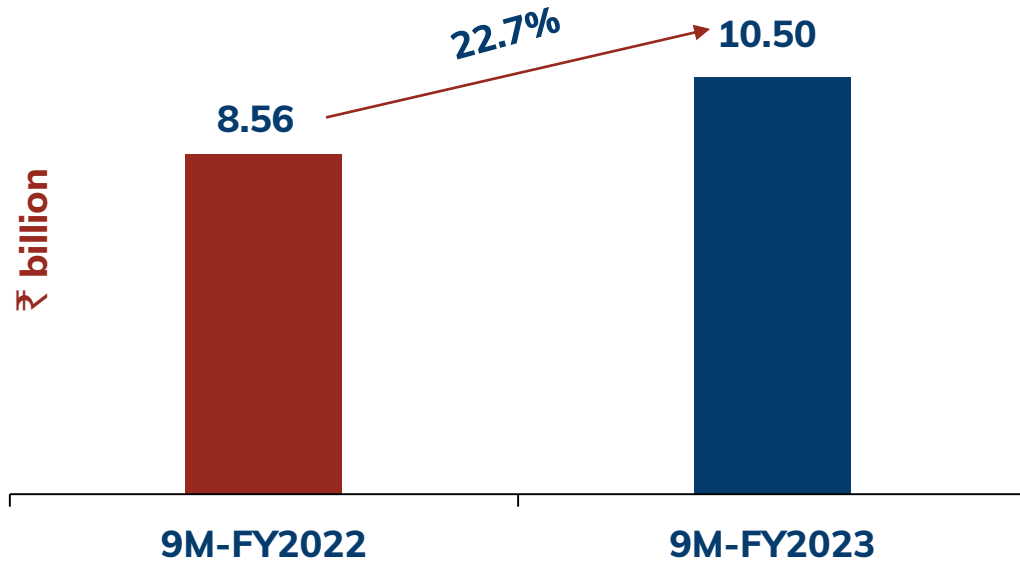
Channels	APE (₹ billion)			Mix (%)	
	FY2022	9M-FY2023	Y-o-Y Growth (%)	FY2022	9M-FY2023
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Banca (ex-ICICI Bank)	10.85	7.20	20.6%	14.0%	13.5%
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Partnership distribution	7.16	6.18	41.4%	9.3%	11.6%
Group	11.80	10.44	40.7%	15.3%	19.5%
Sub-total	58.06	44.36	19.9%	75.1%	83.1%
ICICI Bank	19.26	9.05	(36.4%)	24.9%	16.9%
Total APE	77.33	53.41	4.2%	100.0%	100.0%

Growth across most channels

4P: Protection

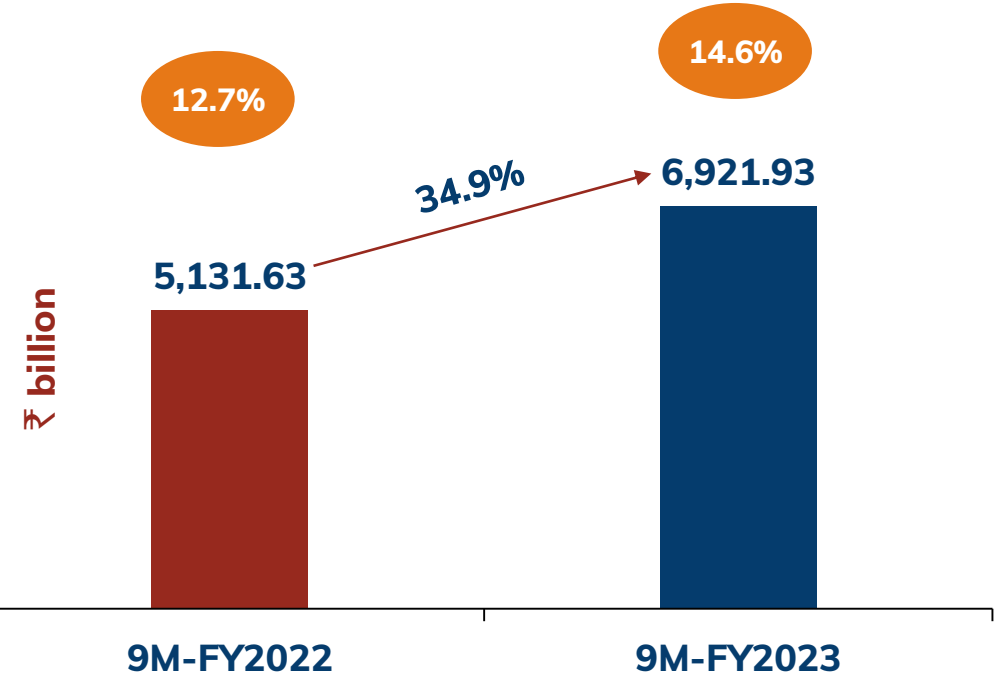
Protection business

Protection APE



Sum assured¹

Market share (%)



Increase in overall market share



¹Overall new business (retail & group combined)
Annualised premium equivalent (APE)

4P: Persistency

Persistency

Regular & limited pay			
Month	8M-FY2022	FY2022	8M-FY2023
13 th month	84.8%	84.6%	86.1%
25 th month	75.7%	77.3%	77.1%
37 th month	66.6%	66.9%	70.0%
49 th month	63.0%	63.4%	66.0%
61 st month	52.7%	54.7%	64.2%

Fully paid & single premium			
Month	8M-FY2022	FY2022	8M-FY2023
13 th month	100.0%	100.0%	100.0%
25 th month	100.0%	100.0%	99.9%
37 th month	98.0%	99.0%	100.0%
49 th month	96.2%	96.4%	97.1%
61 st month	99.0%	99.2%	99.0%

Significant improvement across cohorts over the past year



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

	9M-FY2022	FY2022	9M-FY2023
Expense ratio (excluding commission) ¹	12.0%	12.8%	15.2%
Commission ratio ²	5.6%	5.8%	5.6%
Cost/TWRP ³	17.7%	18.6%	20.8%
Cost/Average AUM ⁴	2.1%	2.4%	2.2%
Cost/TWRP (savings LOB)	12.2%	12.8%	13.9%

₹ billion	9M-FY2022	FY2022	9M-FY2023
Commission	11.16	16.73	11.10
Non-commission	23.81	36.90	30.34

Investing in building for future growth



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

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

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

⁴Annualized cost/Average assets under management during the period

VNB growth levers update (4P's)

₹ billion	FY2022	9M-FY2023	Y-O-Y Growth
Value of New Business (VNB) ¹	21.63	17.10	23.2%
VNB margin	28.0%	32.0%	-

₹ billion	FY2022	9M-FY2023	Y-O-Y Growth
Premium growth (APE)	77.33	53.41	4.2%
Protection growth (APE)	13.13	10.50	22.7%
Persistency (13 th month) ²	84.6%	86.1%	-
Persistency (49 th month) ²	63.4%	66.0%	-
Productivity (Cost/TWRP: Savings) ³	12.8%	13.9%	-

¹For full year, based on actual cost; 9M: based on management forecast of full year cost

²Regular & 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

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

Financial update

Financial metrics

₹ billion	9M-FY2022	FY2022	9M-FY2023
Profit after Tax (PAT)	5.69	7.54	5.76
Solvency ratio	202.2% ¹	204.5% ²	212.2% ¹
Assets under management	2,375.60 ¹	2,404.92 ²	2,518.84 ¹

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 framework



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

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



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
 - 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

1. Enabling a diverse workforce
 - Diversity & Inclusion policy instituted
 - Diversity council constituted
 - ~ 40% women in non-sales roles
2. Engagement framework
 - 3i framework to align employees to strategy, enhance connect & belongingness to Company
3. Robust grievance redressal framework
4. Employee surveys
 - 90%+ Voice of Employee survey score¹ on employee advocacy, alignment and mood
 - 90%+ scores for standing by employees in their hour of need, providing a safe and secure workplace, offering challenging roles with learning & growth opportunities and providing adequate freedom to perform well
 - NPS: 90% for top talent, 87% overall

Focus area: Responsible investing



Engaging with investee companies

Disclosing voting actions

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

Became signatory to UN PRI¹

Benchmarked against NSE 100 ESG Index



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



¹United Nations supported Principles for Responsible Investment
*At March 31, 2022

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 the 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 & clawback 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 and Environment



Access to Finance

- 45.6 mn lives impacted by micro insurance products (58.1 mn lives total)
- 84.6%: One of the best persistency¹ ratios (13th month) in industry
- 24x7 service architecture; 91.5% self-help usage
- 97.8%: One of the best claim settlement ratios²; 1.46 days³ 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

¹Computed as per IRDAI circular dated September 30, 2021

²Individual death claims

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

Technology @ICICI Prulife

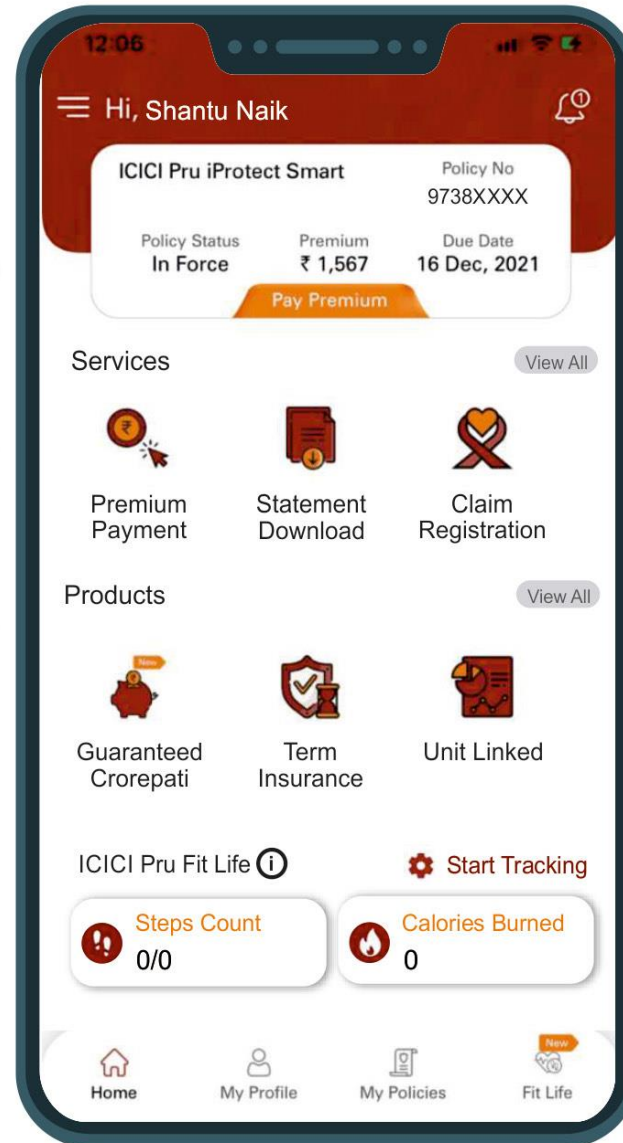
Digital@iciciprulife

~3.3 million digital service interactions every month

1.4 million+ app downloads

Highest rated app within life insurance industry

Access to over 45 types of policy transactions



Digital logins at 96.8%

>92.7% service interactions are via self-help / digital modes


98% of pages having a system uptime of 99% & above

Fitness tracker & free health webinars from leading brands

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

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 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

- ❖ ~3.3mn digital service interactions monthly
- ❖ >92.7% 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

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

- ❖ 1.4 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, 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

Key initiatives taken in 9M-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



Humanoid

Humanoid calling for activating inactive agents. Humanoid bot calls the advisor for

- ❑ Identifying reason for being inactive
- ❑ Sharing key benefits of being actively associated with us
- ❑ Setting up follow up meeting with options like face to face and over online platforms
- ❑ Information passed onto central team for assigning regional UM for activating the advisor



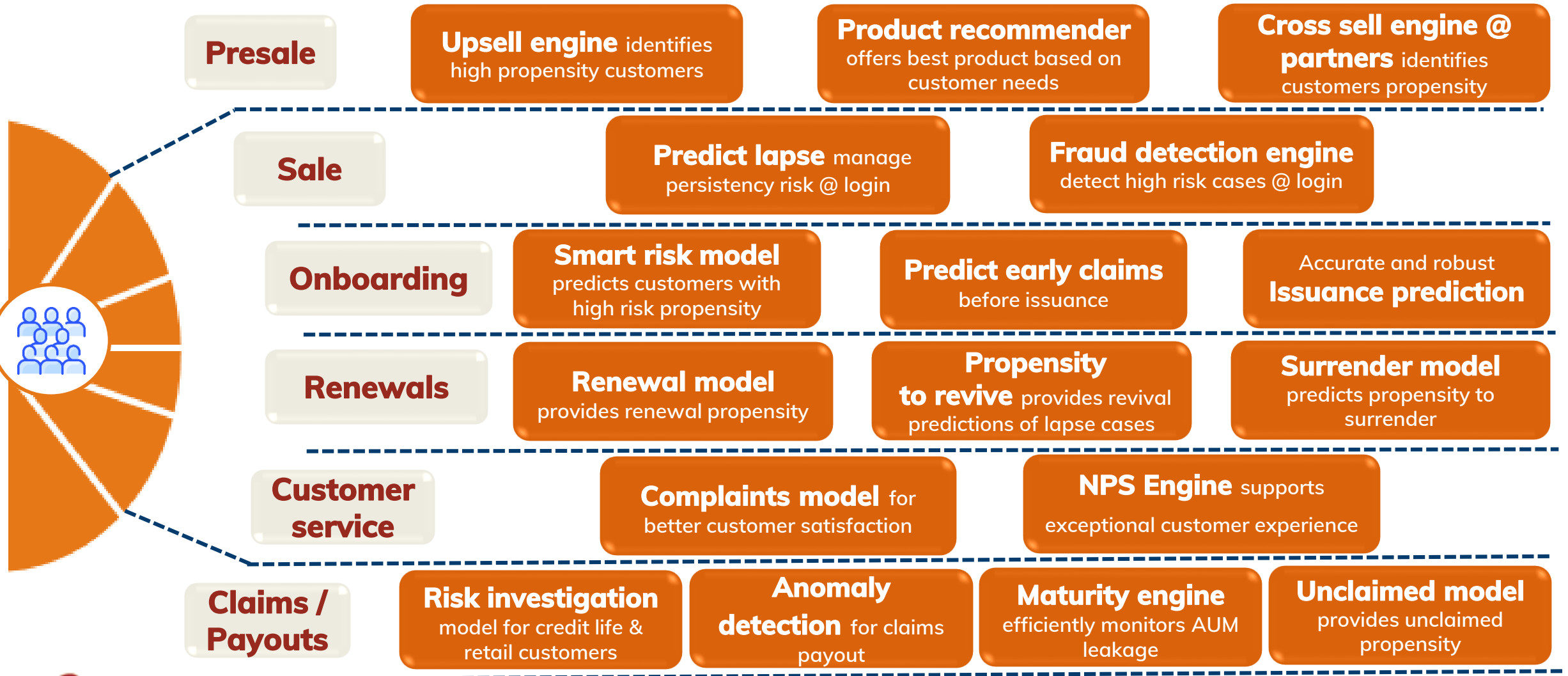
Empowering Partners

Micro services for powering partner systems for enhanced customer experience

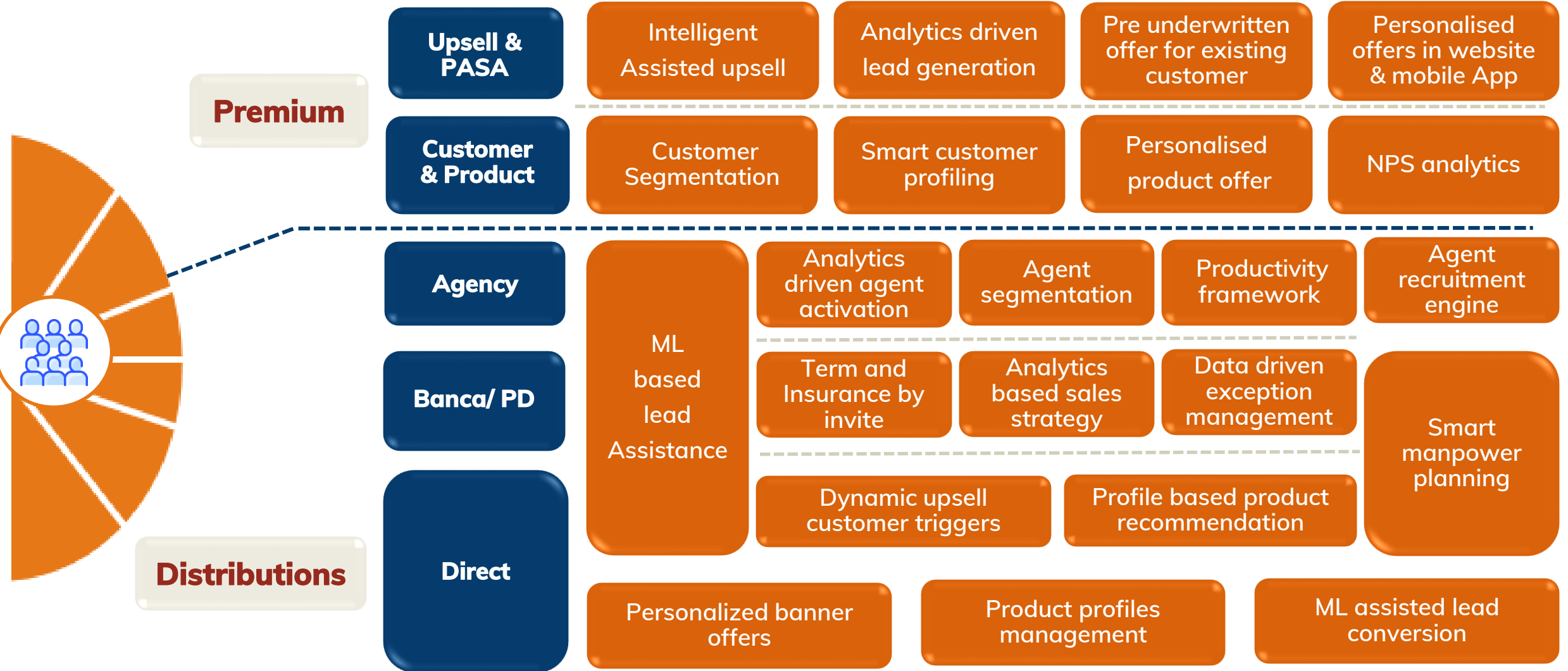
- ❑ Customers can now initiate service requests like frequency change, modify premium payment option, and place other service requests on partner website or mobile app
- ❑ Pre-login nudge on document and underwriting requirement for first time right
- ❑ Account number validation for payout mandate using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

Data science & analytics @ IPRU

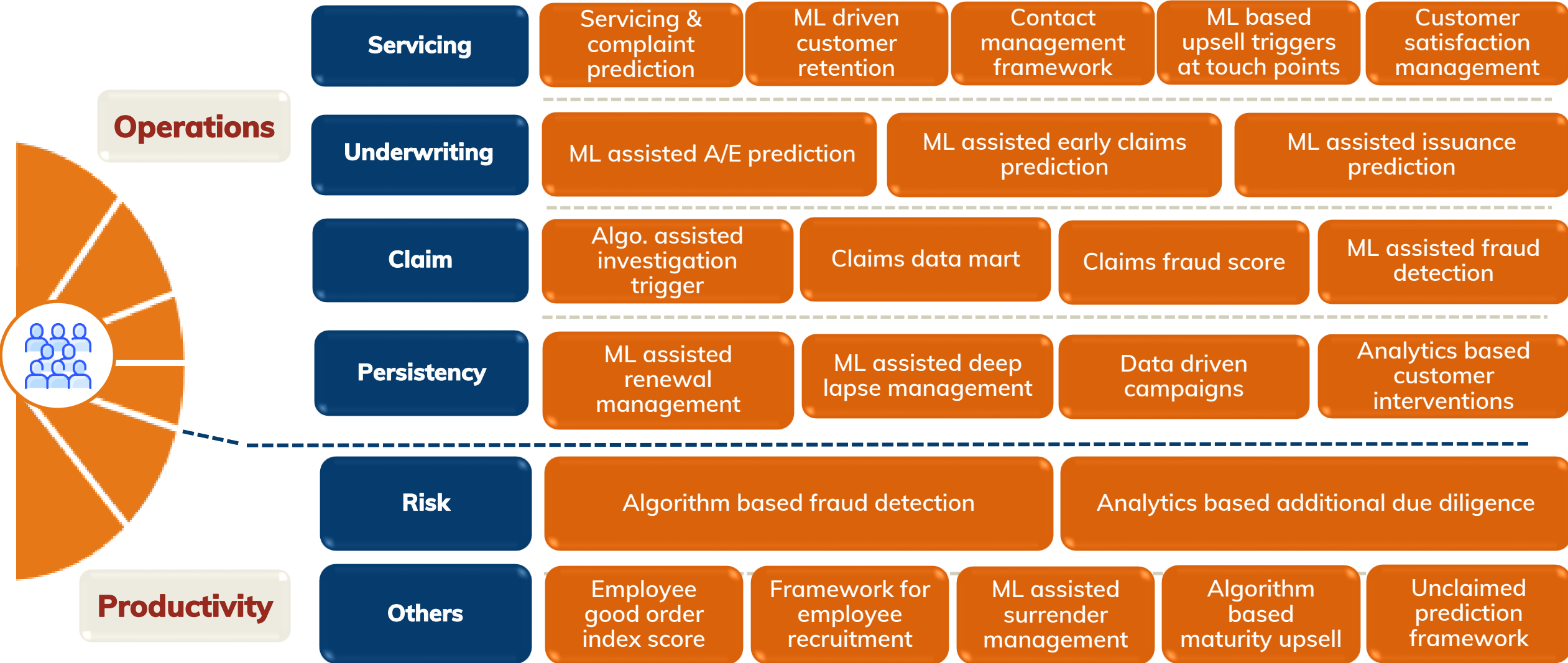
Data excellence @ every phase of customer journey



Analytics engine @ every stage and process



Analytics engine @ every stage and process



Awards

Awards & Accolades: 9M-FY2023

Winner in the Life Insurance category



Outlook Money Awards – 2021 (Awarded in December 2022)

Best Contact Centre of the Year



India Customer Excellence Summit and Awards - 2022



Gold Award from League of American Communications Professional (LACP)



LACP – 2022 Spotlight Awards (for Annual Report)

'Sales Champion' in Life Insurance - Large category



The Economic Times Insurance Summit & Awards – FY2022

Excellence Award - Innovations in Customer Propositions and Experience



Associated Chambers of Commerce and Industry of India (ASSOCHAM)

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



The Campaign India PR Award 2022

Agenda

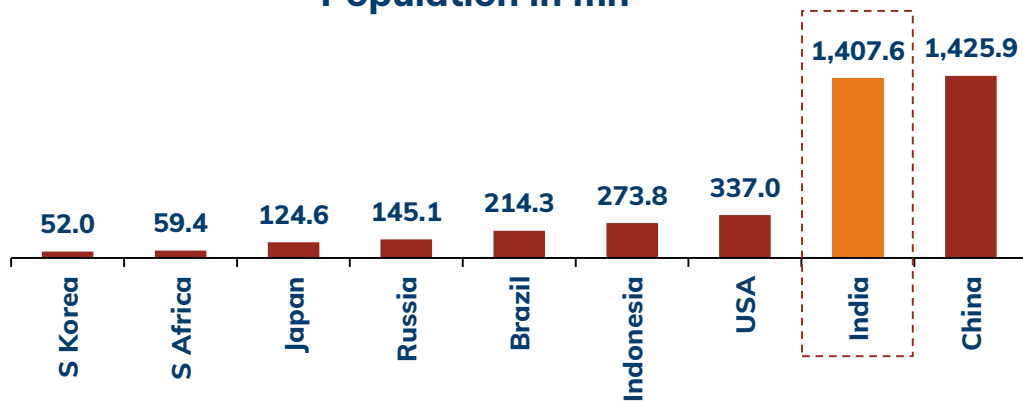
- Company strategy and performance
- **Opportunity**
- Industry overview



Favorable demography

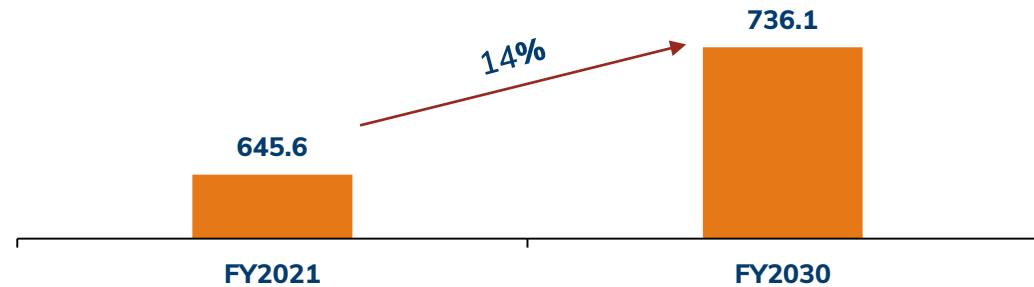
Large & growing population base¹

Population in mn

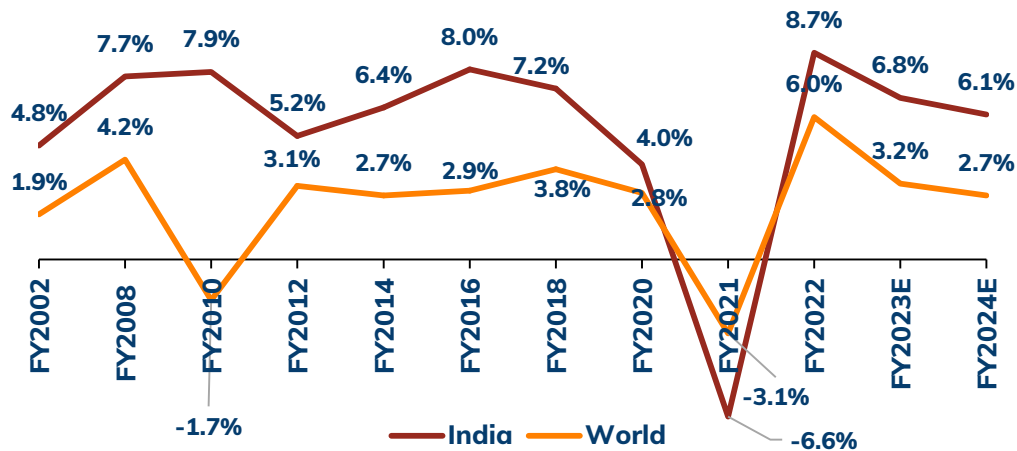


High share of working population¹

Population in mn (age group 25-59 years)

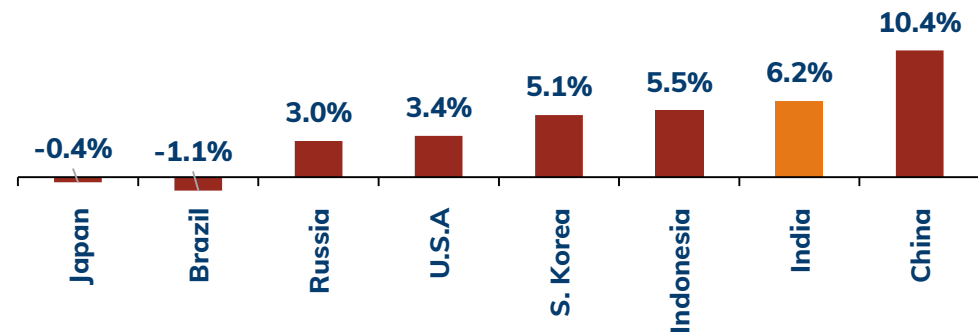


Driving GDP growth²



Rising affluence³

GDP per capita CAGR (FY2010-FY2022)



¹Source: UN population division at December 2021

²Source: WEO update, October 2022

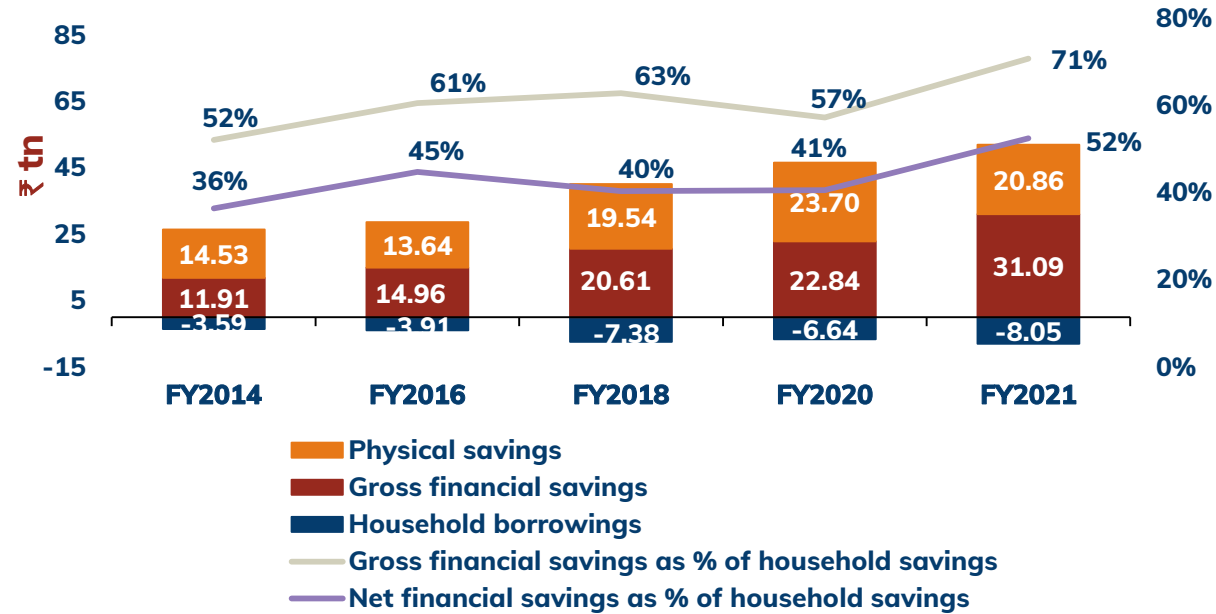
³Source: The World Bank

Compound annual growth rate (CAGR)

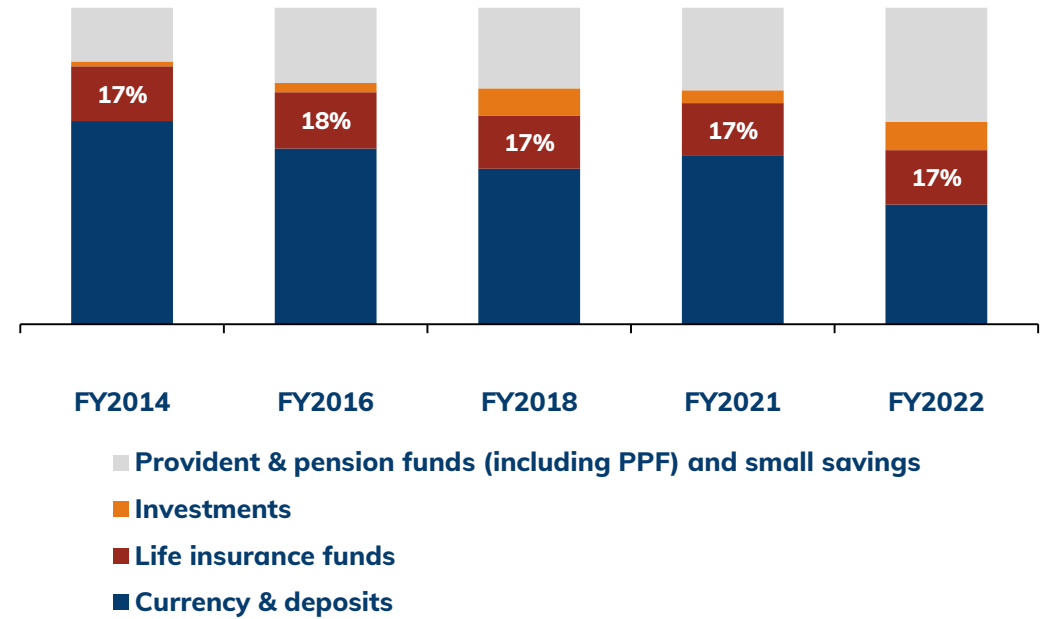
Gross domestic product (GDP)

Financialisation of savings: Opportunity for insurance

Household savings¹



Distribution of financial savings (including currency)²



FY2002 FY2008 FY2010 FY2012 FY2014 FY2018 FY2019 FY2020 FY2021 FY2022

Life insurance premium³ as % of GDP

2.1% 4.0% 4.1% 3.3% 2.8% 2.7% 2.7% 2.8% 3.2% 2.9%



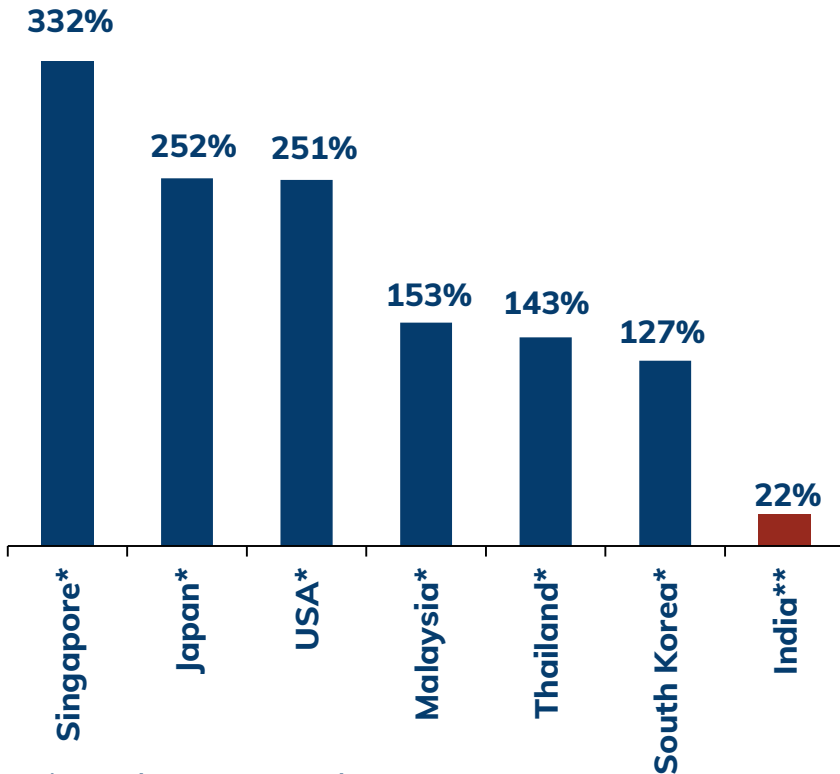
¹Source: RBI & CSO

²Source: RBI

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

Protection opportunity: Low penetration

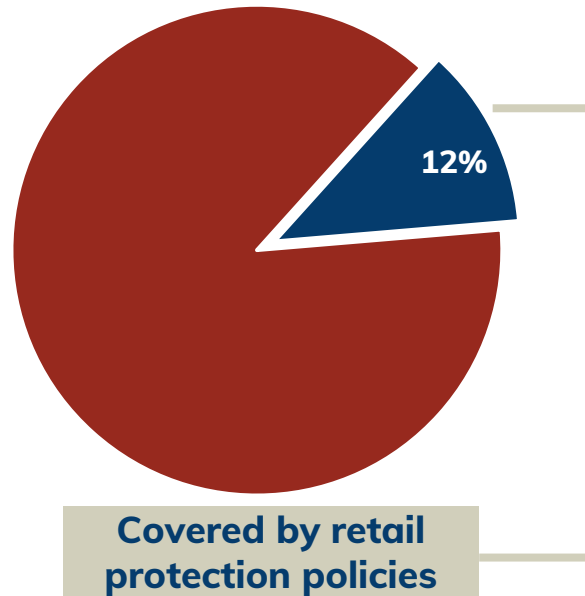
Sum assured as % of GDP^{1,2}



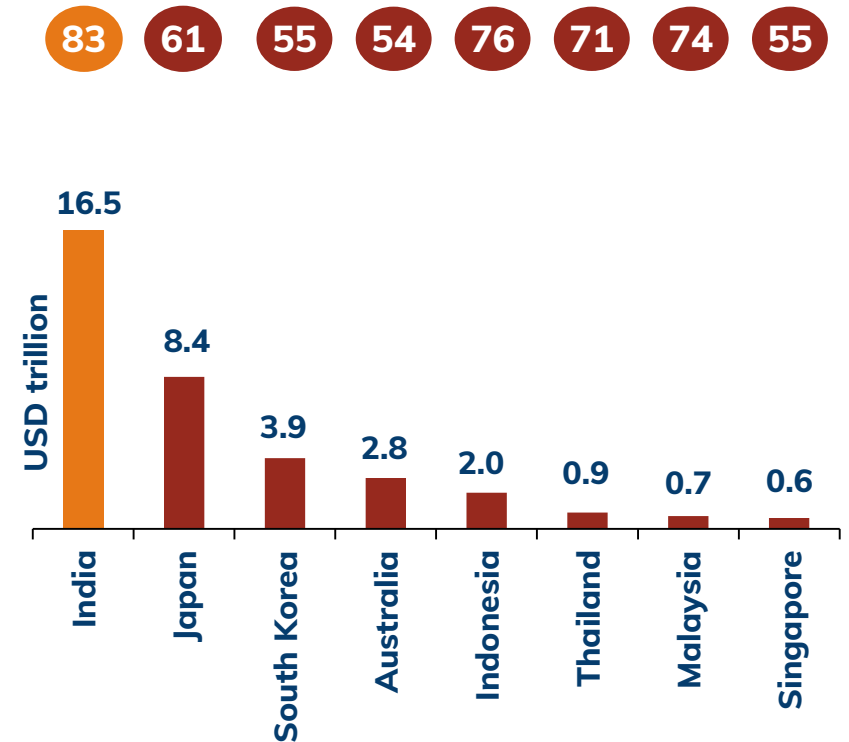
* Total sum assured

** Retail protection sum assured (company estimates)

Addressable population# coverage³ (%)



Protection gap (%)^{4,5}



¹FY2022 for India, GDP Source: National statistics office

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

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

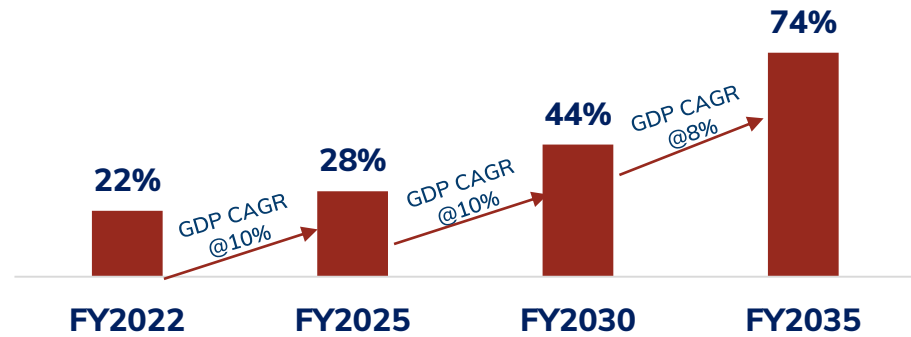
⁴Protection gap (%): Ratio of protection lacking/protection needed

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

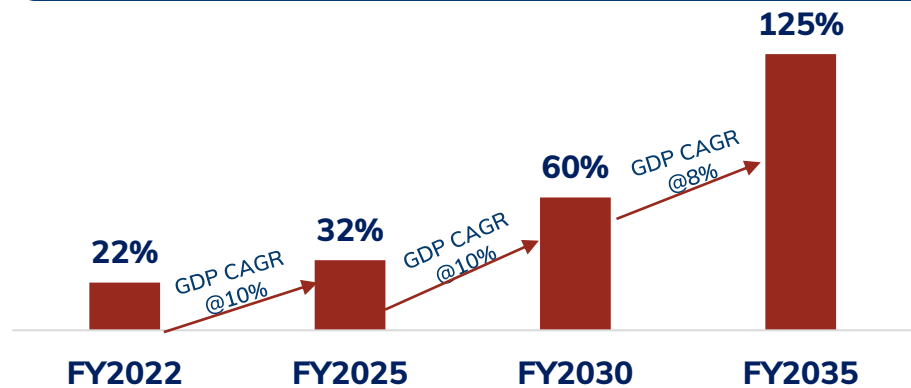
#Income tax department data with individual income >₹0.25 mn & company estimates

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

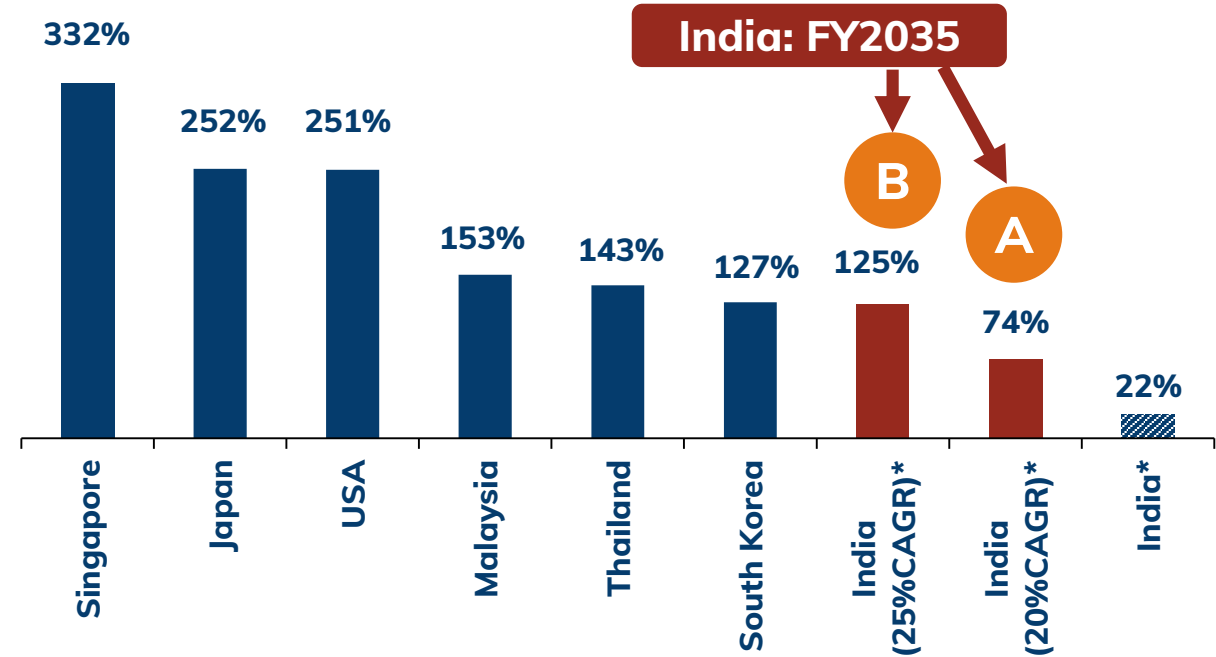
A SA as % of GDP (SA growth @ 20% CAGR)



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

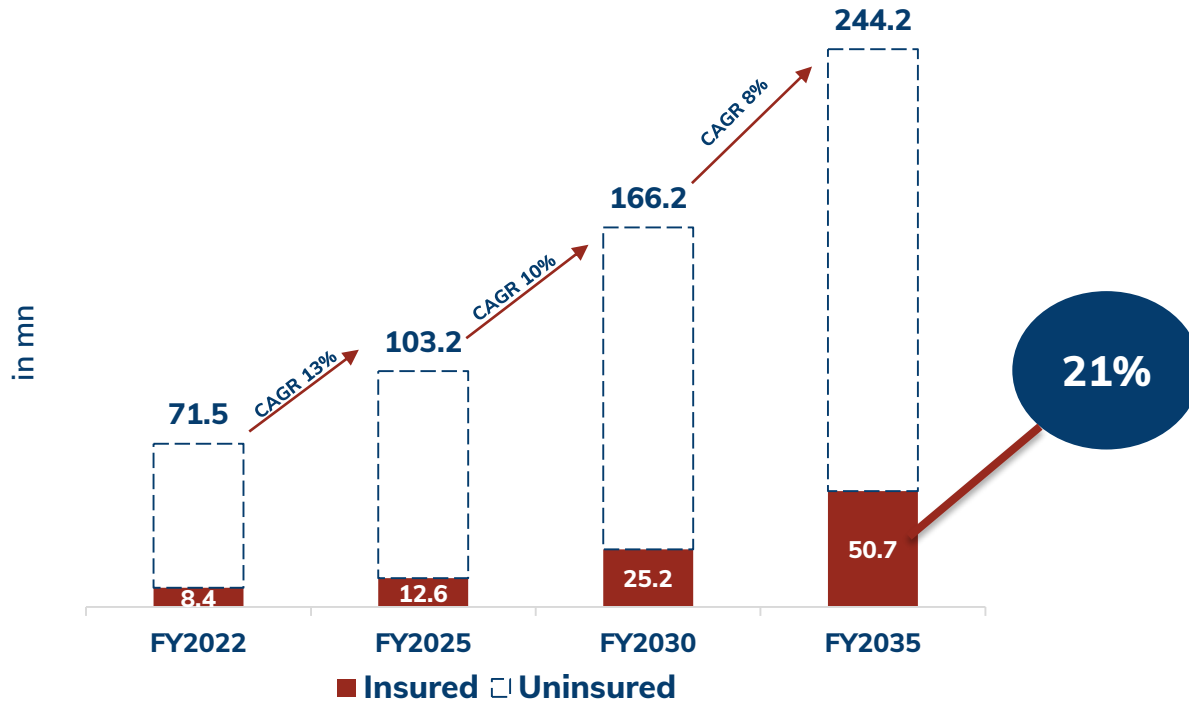


SA as % of GDP^{1,2}

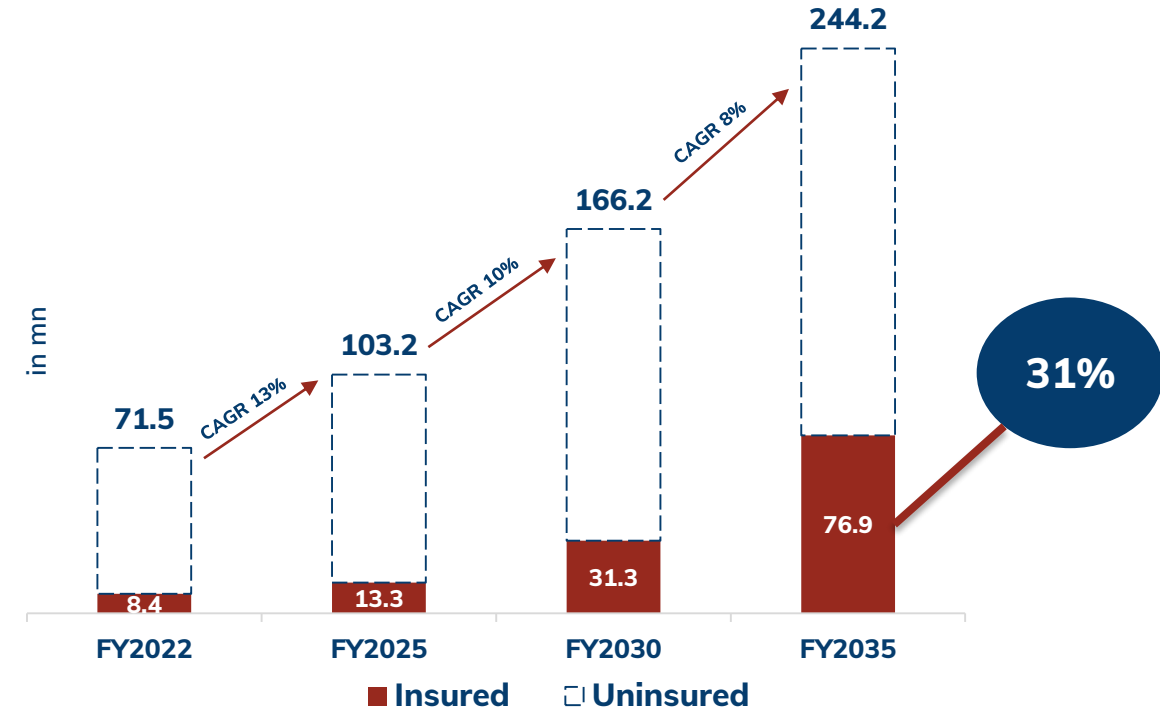


Protection opportunity: Addressable population (%)

15% CAGR in new policy count¹



20% CAGR in new policy count¹



~30% of India's addressable population expected to be covered by FY2035²

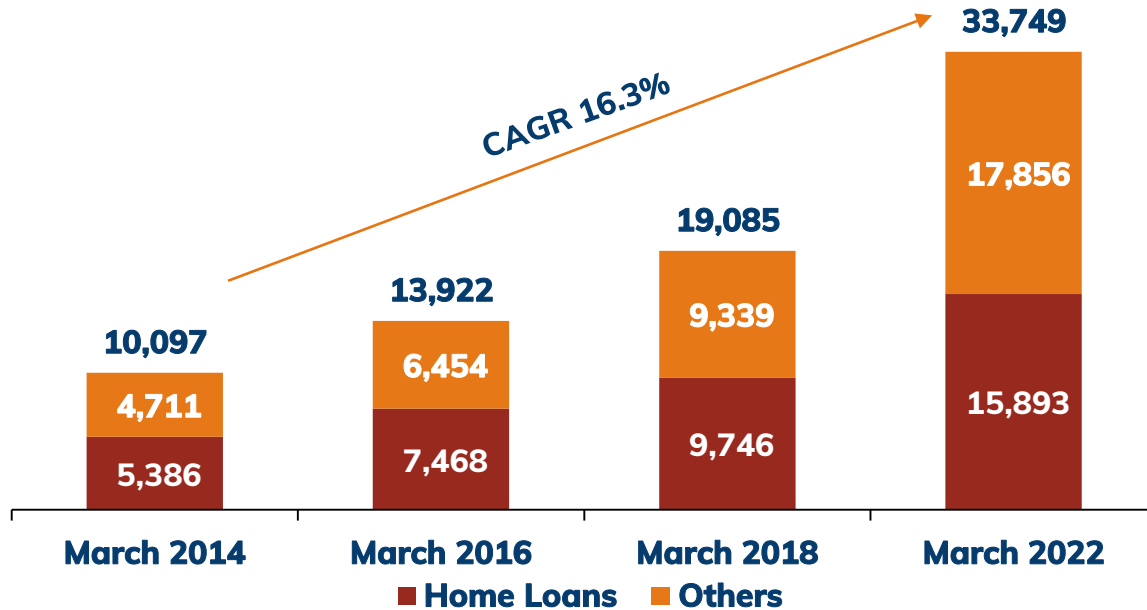
¹Assumed 10% lapse rate for in-force policies each year

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

Indicators of protection opportunity

Retail credit¹

₹ billion



- Healthy growth in retail credit
- Credit life is voluntary

Health & motor²

Gross direct premium
(₹ billion)

FY2022

Health

735.82

Motor

704.33

Motor own damage (OD)

271.78

Motor third party (TP)

432.55

¹Source: RBI

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

Agenda

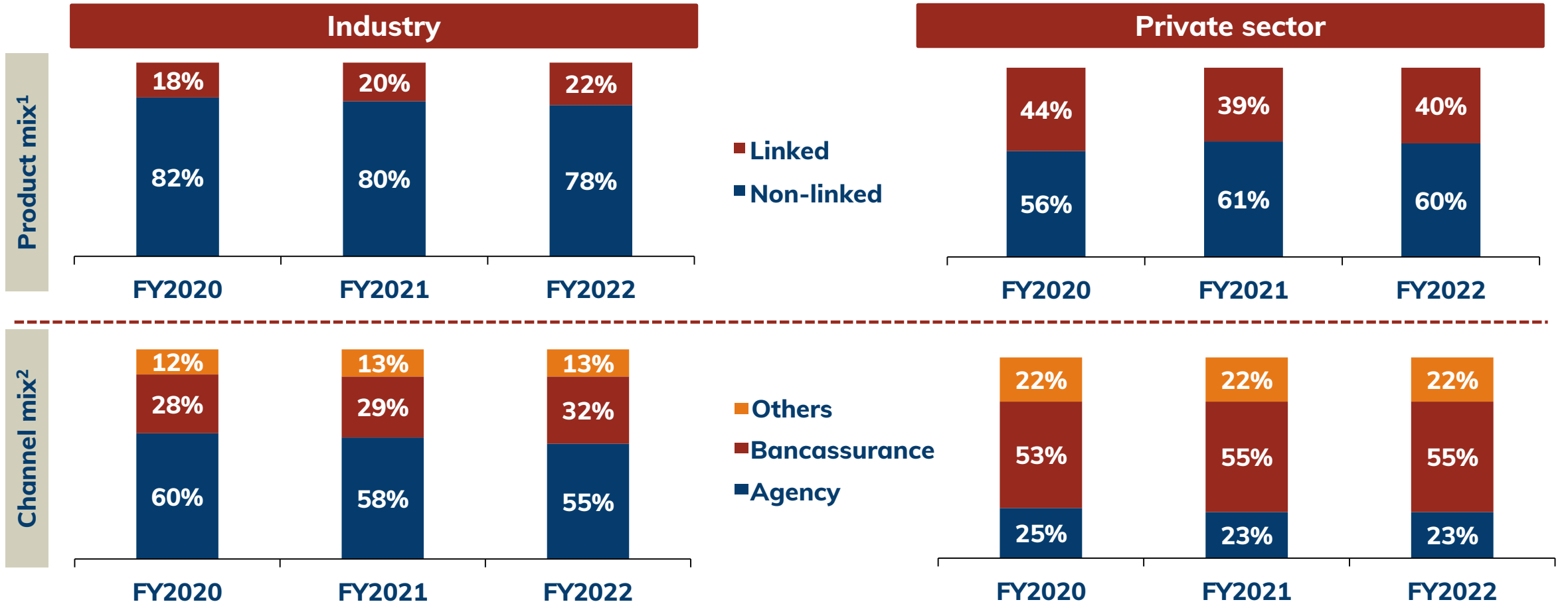
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Evolution of life insurance industry in India

	FY2002	FY2010	FY2015	FY2022
New business premium ¹ (₹ 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 ² (₹ 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

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 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

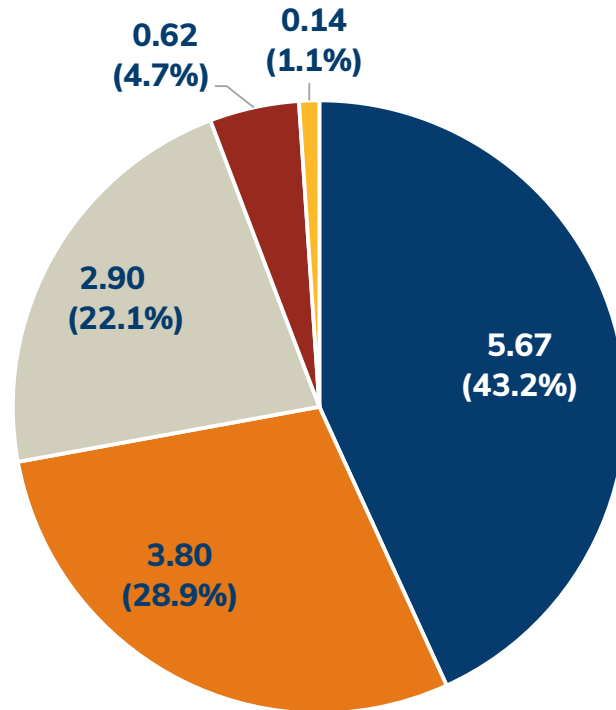
- Annuity (SP and RP): Average deferment period ~ 7 years

Review of pricing based on current interest rate environment

Protection business: FY2022

Protection split based on APE*

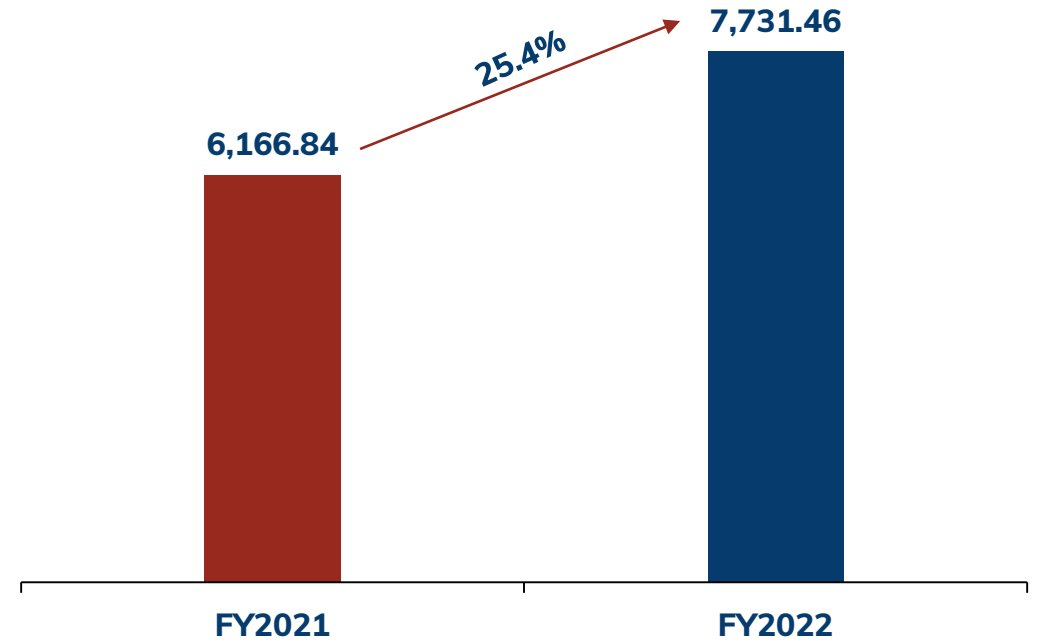
₹ billion



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

Total new business sum assured

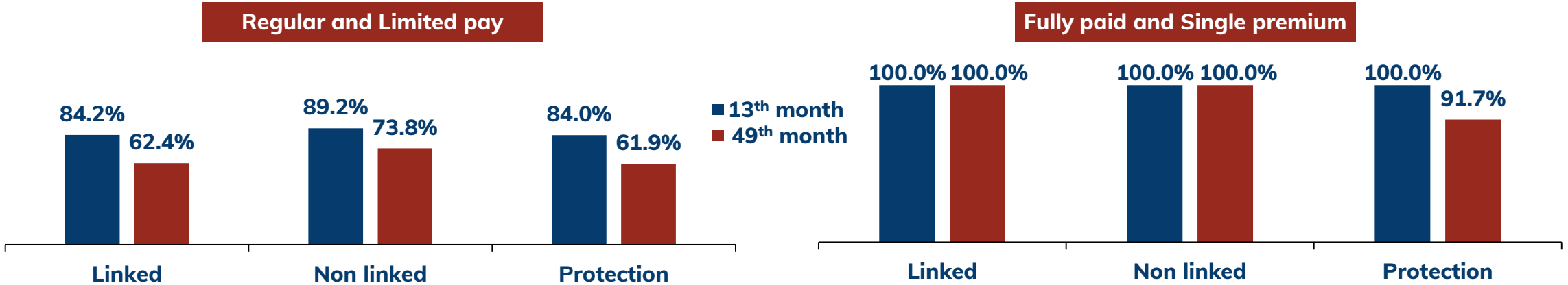
₹ billion



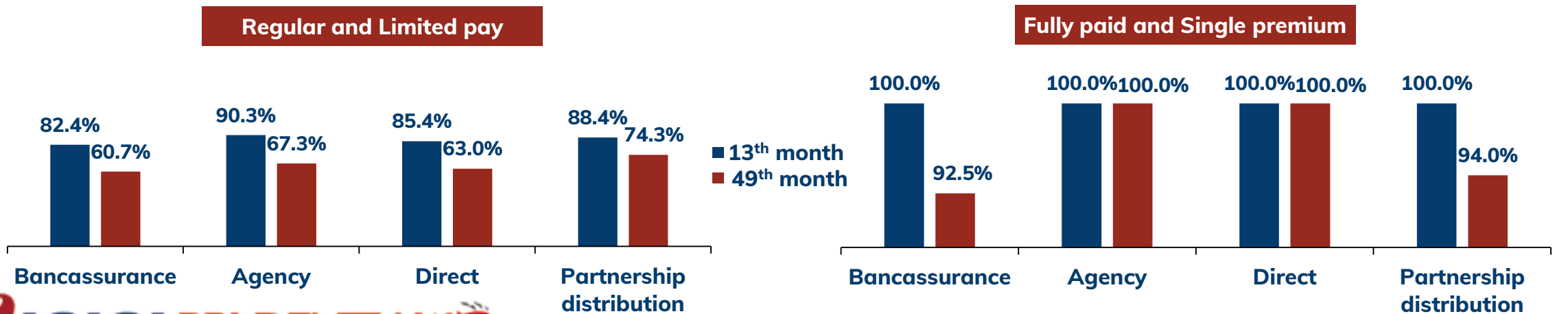
Sum assured grew by 25% in FY2022

Retail persistency: FY2022

Persistency¹ across product categories



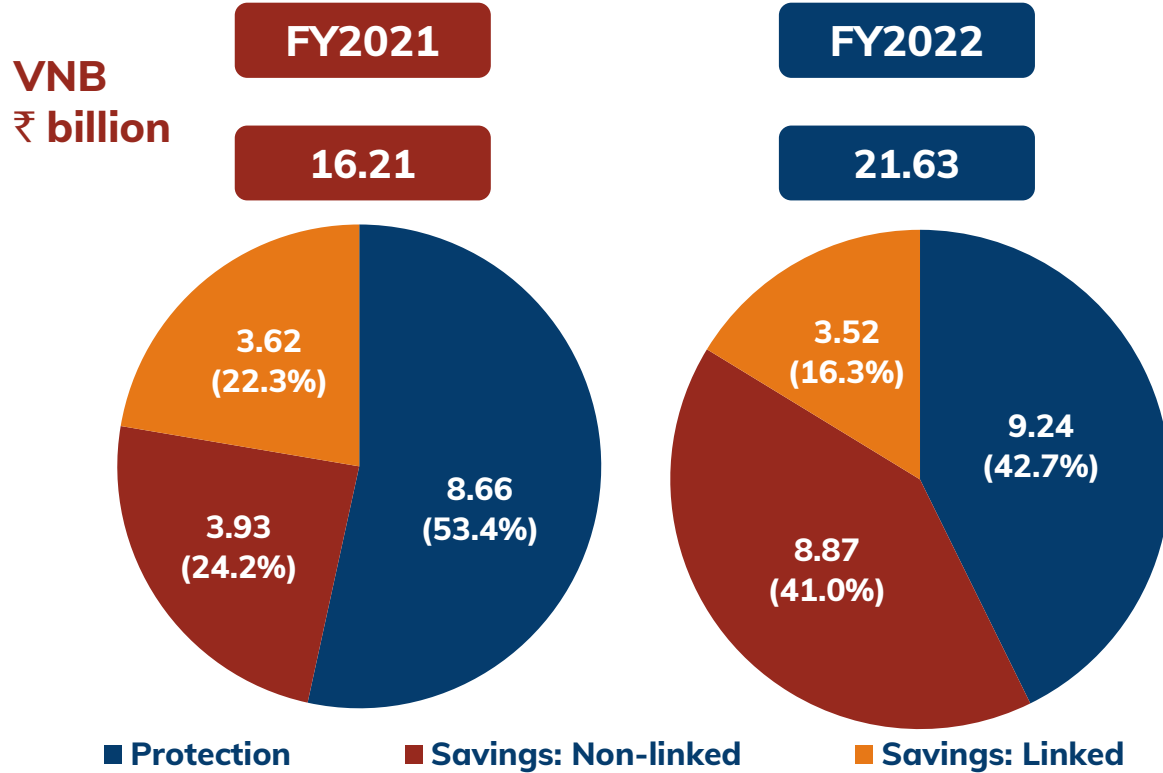
Persistency¹ across channel categories



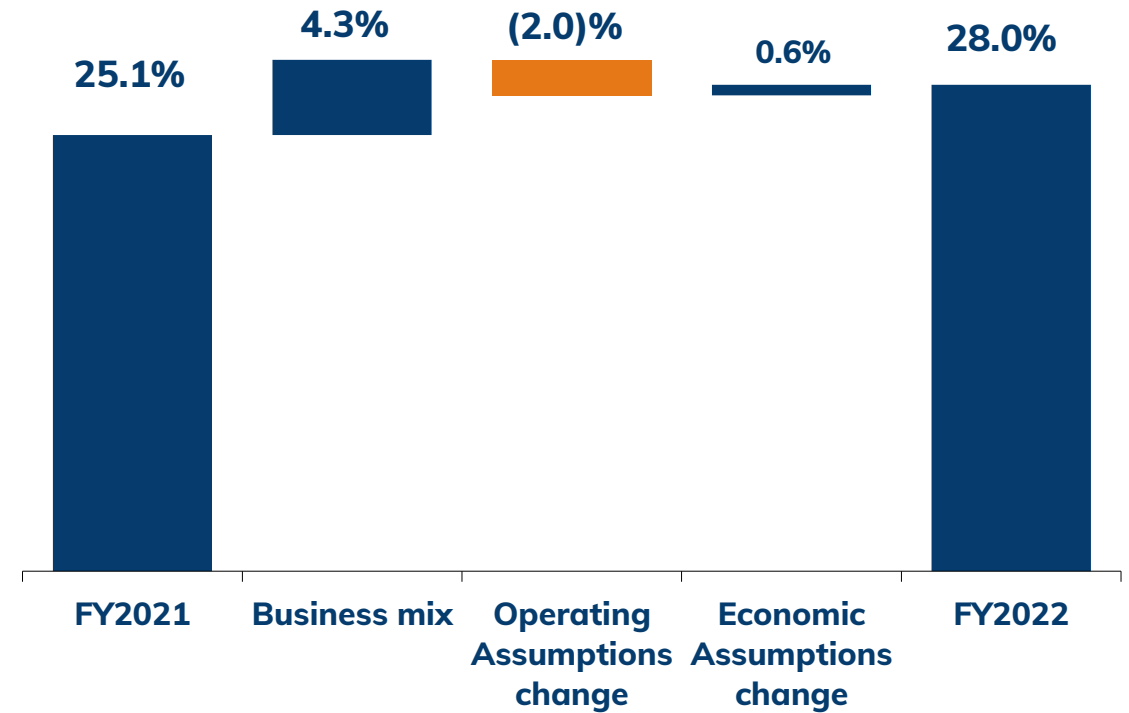
Regular and Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021

Value of New Business (VNB)

VNB contribution*



VNB margin movement



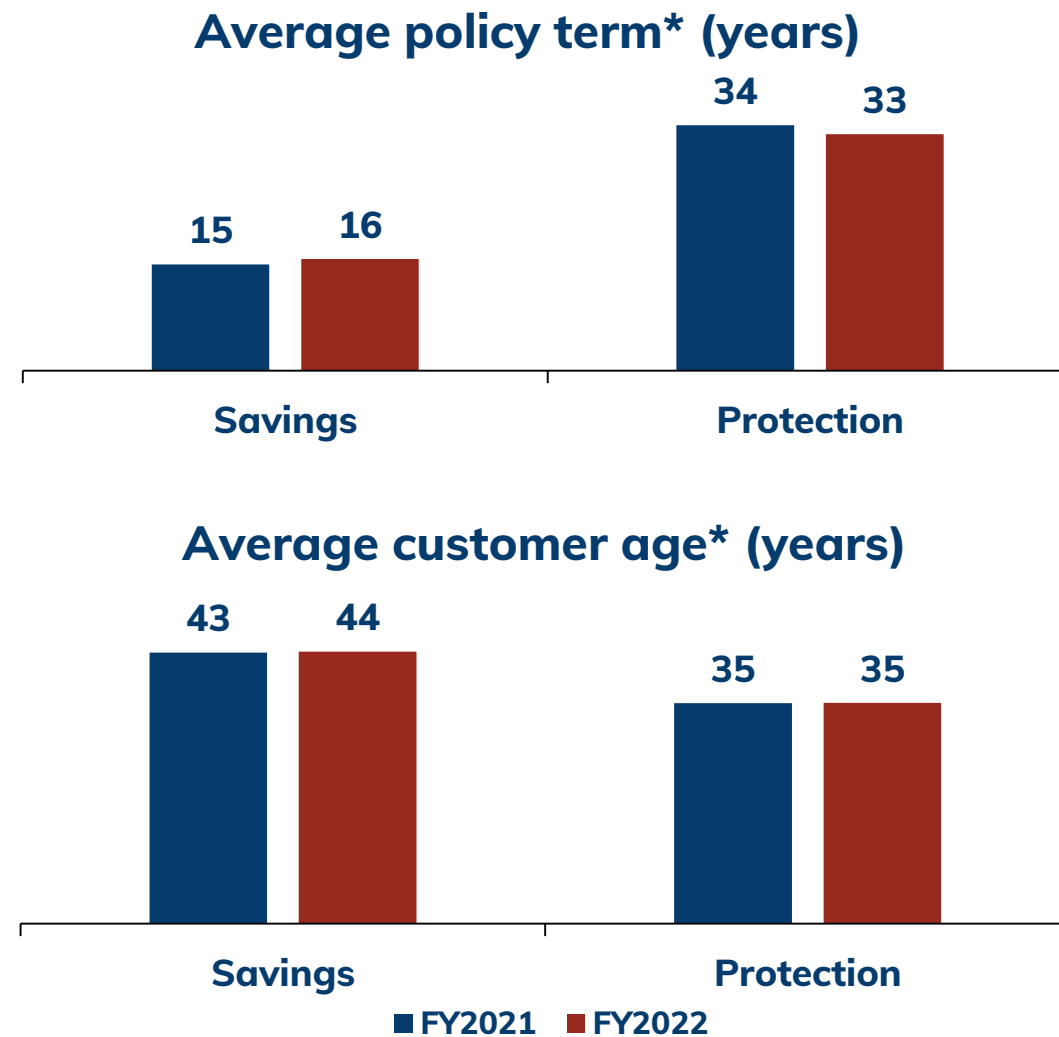
Well diversified pools of profit



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

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 mix¹

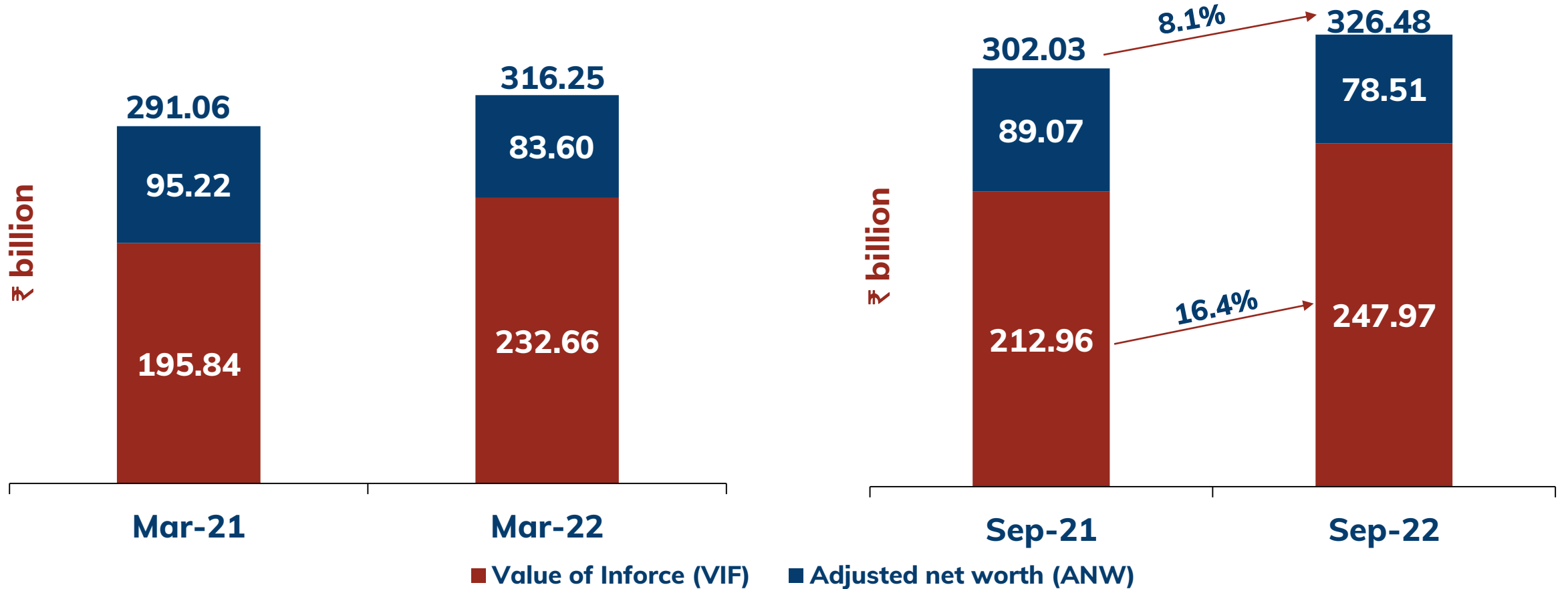
Channel category	Product category	FY2020	FY2021	FY2022
Bancassurance	ULIP	86.8%	73.3%	70.7%
	Non-linked savings	3.3%	11.6%	19.2%
	Annuity	0.7%	4.3%	4.9%
	Protection	9.3%	10.9%	5.2%
	Total	100.0%	100.0%	100.0%
Agency	ULIP	49.9%	33.3%	42.6%
	Non-linked savings	39.2%	57.0%	48.8%
	Annuity	0.6%	2.1%	3.9%
	Protection	10.3%	7.7%	4.7%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%
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%
	Total	100.0%	100.0%	100.0%

Product wise channel mix¹

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

Embedded value

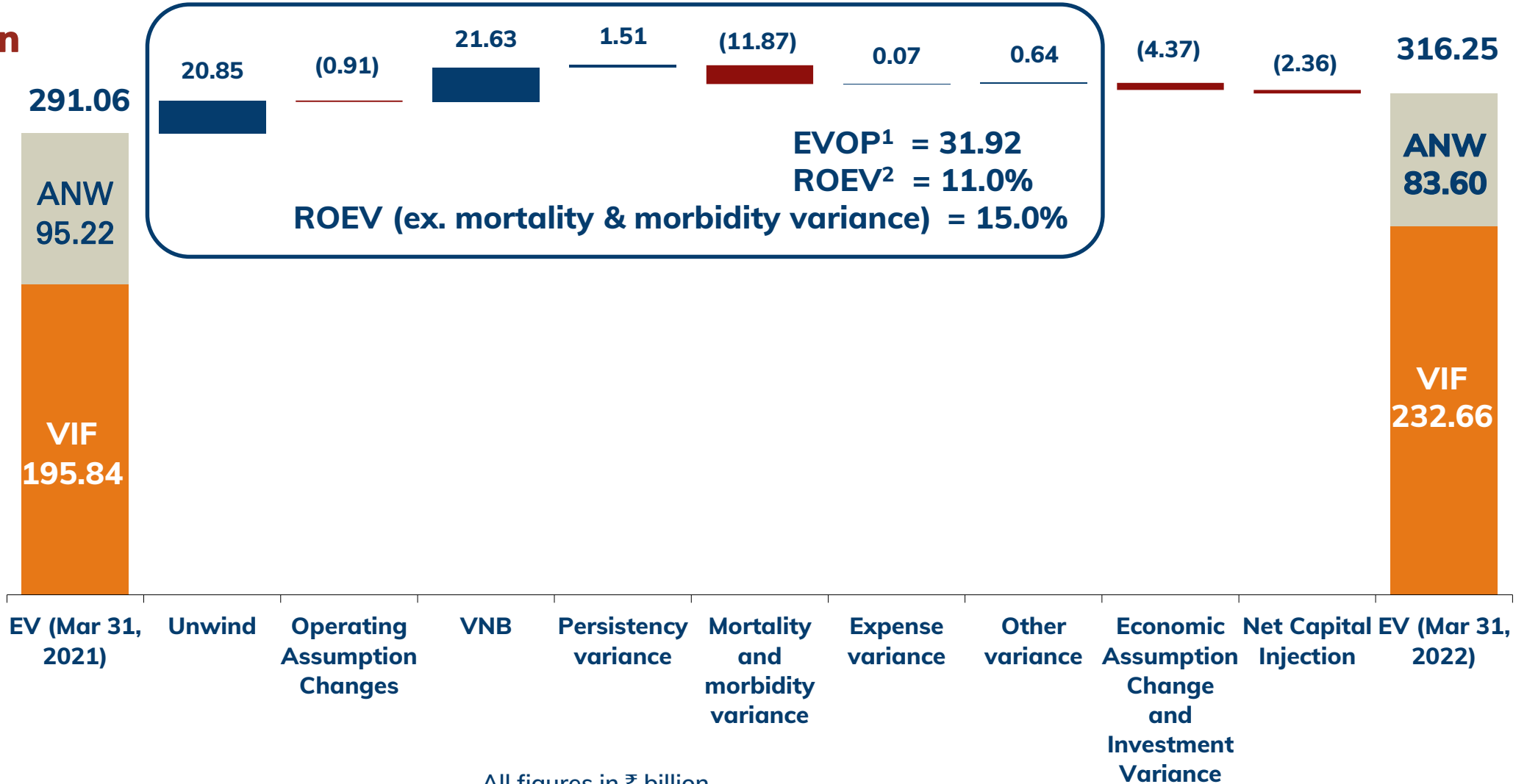
Embedded value (EV)¹



Continued strong growth in VIF

Analysis of movement in EV

₹ billion



All figures in ₹ billion

¹EVOP is the embedded value operating profit net of tax

²ROEV 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 EV¹

₹ 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)
Operating assumption changes	7.64	4.20	(2.25) ²	3.09	(0.91)
Operating variance	2.58	4.69	1.83	(0.85)	(9.64)
Persistency variance	1.53	2.66	0.85	1.10	1.51
Mortality and morbidity variance	0.78	1.97	0.42	(2.37) ³	(11.87) ³
Expense variance	0.27	0.04	0.01	0.01	0.07
Other variance	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

¹As per Indian Embedded Value (IEV) method

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

³Mortality variance includes the negative impact of COVID claims

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

Sensitivity analysis

Scenario	% change in VNB		% change in EV	
	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
Embedded value¹	230.30	291.06	316.25
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	
	March 31, 2022	December 31, 2022
1	4.3%	6.8%
5	7.9%	7.8%
10	8.4%	7.6%
15	8.0%	7.5%
20	7.6%	7.6%
25	7.3%	7.8%
30	7.1%	8.1%

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