

June 9, 2023

General Manager  
Listing Department  
BSE Limited,  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai 400 001

Vice President  
Listing Department  
National Stock Exchange of India Limited  
'Exchange Plaza',  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

**Subject: Investor presentation**

Please note the updated investor presentation enclosed along with this letter.

The same is also made available on the website of the Company.

Thanking you,

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**

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

**Encl.: As above**



# Performance update

June 9, 2023

# May 2023 update

# Premium growth

₹ billion	FY2023	April 2023	May 2023	2M-FY2024
New business sum assured	10,413.92	840.55	811.22	1,651.76
Y-o-Y growth	34.7%	(1.1%)	21.2%	8.8%
APE <sup>1</sup>	86.40	3.68	4.66	8.34
Y-o-Y growth	11.7%	(24.3%)	(1.1%)	(12.9%)
<i>ICICI Bank APE</i>	11.94	0.46	0.63	1.09
Y-o-Y growth	(38.0%)	(54.5%)	(36.4%)	(45.2%)
<i>Other channels APE</i>	74.46	3.22	4.03	7.26
Y-o-Y growth	28.2%	(16.6%)	8.3%	(4.2%)
RWRP <sup>2</sup>	67.38	2.33	3.46	5.79
Y-o-Y growth	7.0%	(31.3%)	3.9%	(13.8%)
New business premium	169.22	7.34	9.94	17.27
Y-o-Y growth	12.5%	(17.1%)	(18.5%)	(17.9%)



<sup>1</sup>Annualized premium equivalent

<sup>2</sup>Retail weighted received premium

Year on year (Y-o-Y)

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

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview



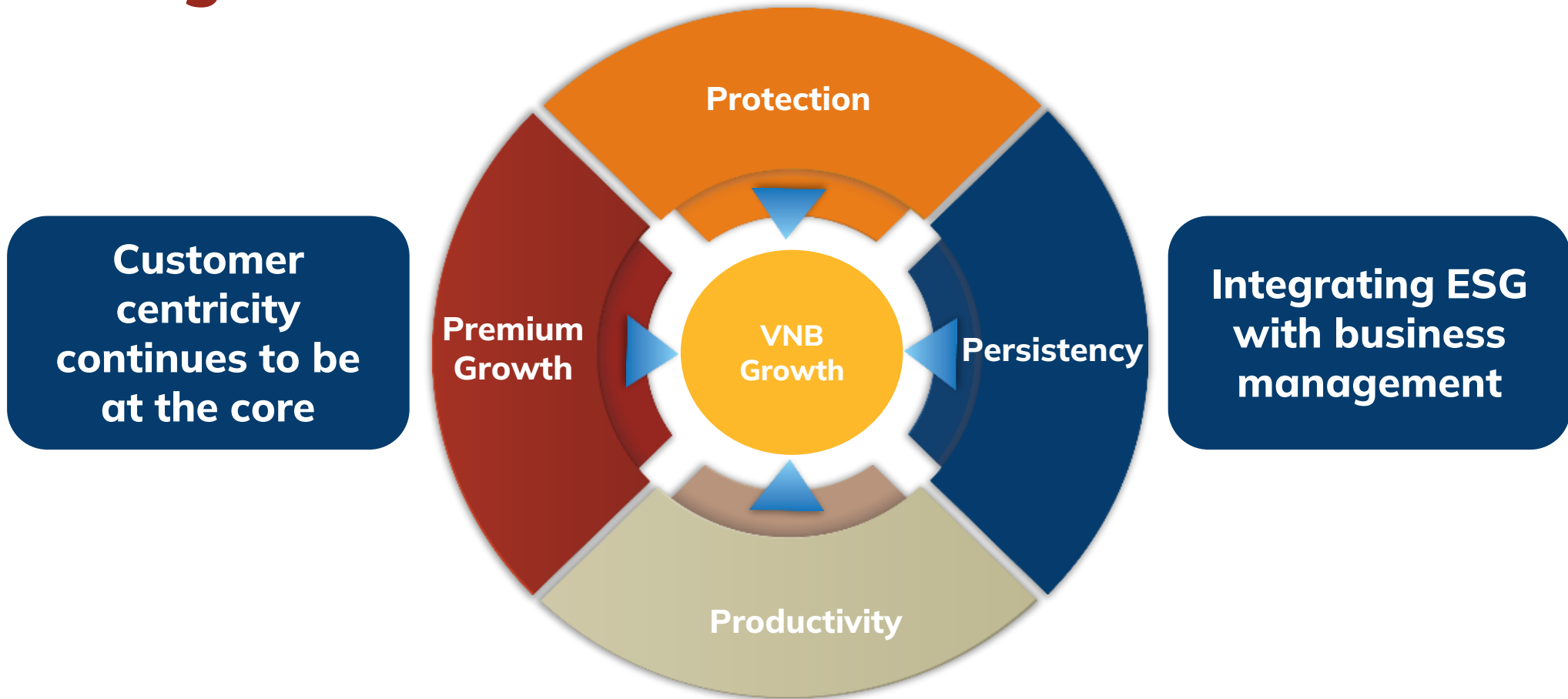
# Agenda

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



# Value of new business (VNB) journey

# Key strategic elements

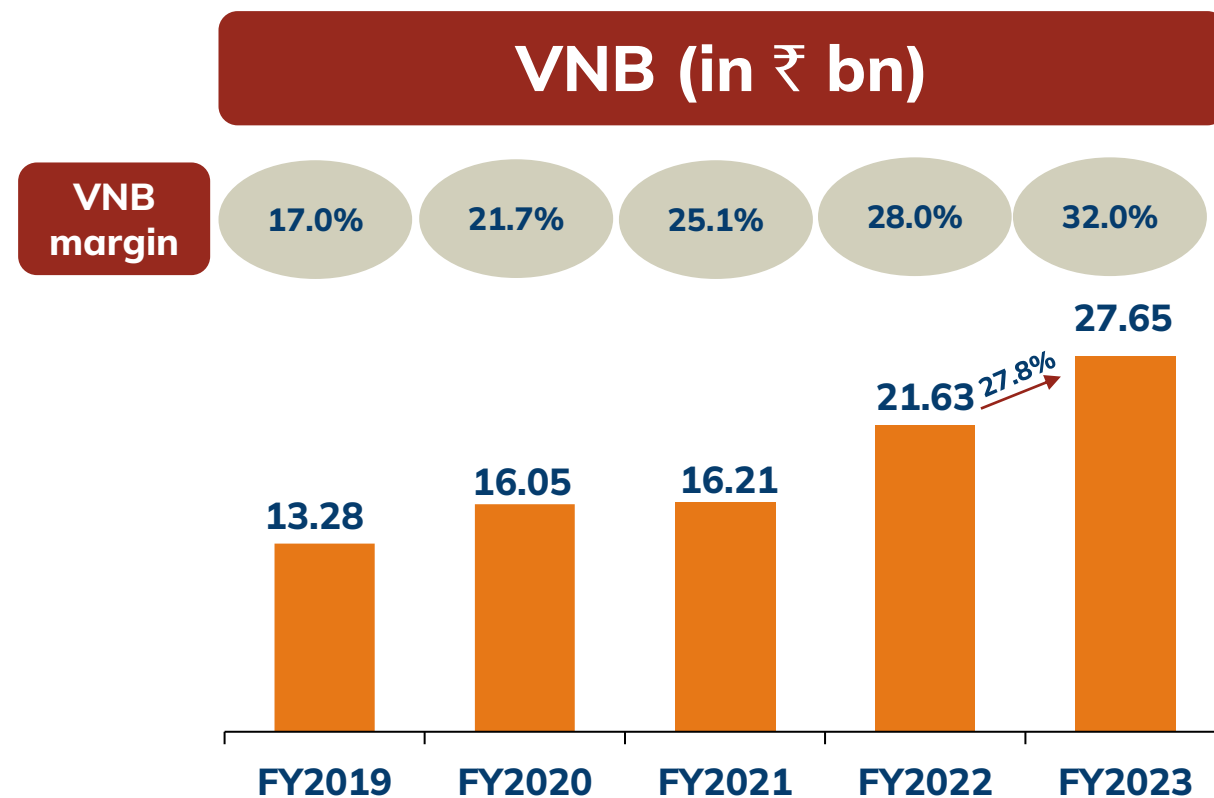


Aspiration to double the FY2019 VNB in four years



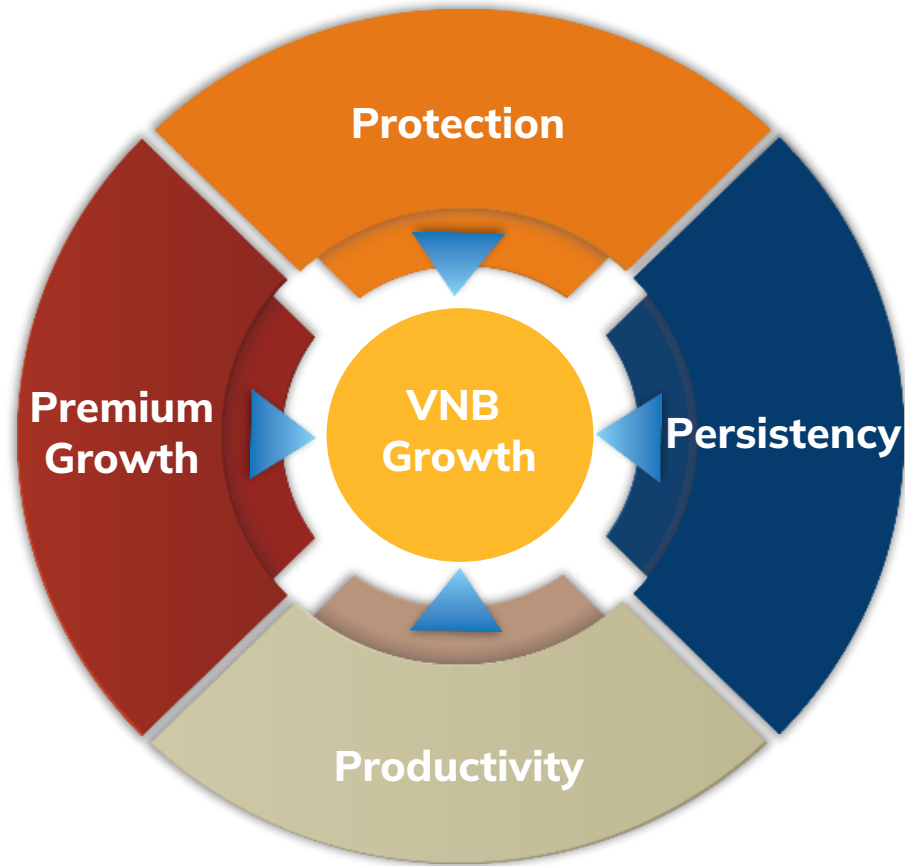
# FY2023: 2x FY2019 VNB

₹ billion	FY2019	FY2023
VNB	13.28	27.65
VNB Y-o-Y growth	3.3%	27.8%
VNB margin	17.0%	32.0%



**Doubled the FY2019 VNB at a CAGR of 20.1% in four years**

**Customer centricity  
continues to be at the core**



**Integrating ESG with  
business management**

**Organisational capabilities**

**People**

**Process**

**Technology &  
Analytics**

**Distribution &  
Product**

# Organisational capabilities: People

## Capacity

Strengthened capacity for risk-calibrated business growth & profitability

- Employee strength increased by 15% to capacitate for growth
- Invested in building skill depth in specialist roles
- High-quality leadership team<sup>1</sup>
  - 82% leadership stability
  - 96% leadership depth
  - 97% leadership cover

## Capability

Developed capability to address skill gaps, and built future-ready talent

- Structured phygital learning programs for onboarding and functional & behavioural skills
- Skill mapping and professional certifications for specialist roles
- 1.3+ million learning hours; 12,000+ employees certified

## Culture

Built competitive advantage through a culture of empowerment & inclusion

- 90%+ VoE score<sup>2</sup> on advocacy & alignment
- D&I policy & framework instituted; Diversity Council formalised; Gender diversity: 29% (FY2022: 27%)
- Enabled physical, mental & financial well-being for employees

# Organisational capabilities: Process

## Onboarding

External ecosystems integrated

## Touchpoint

Digital first, anytime anywhere

## Renewal

Payments through new-age digital channels enabled

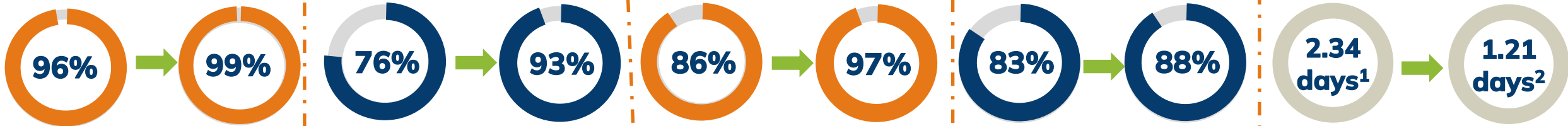
## Payout

Digital payout experience

## Claims

Claimant centric approach

### Steady increase in digital adoption % (FY2019-FY2023)



### Significant improvement in NPS Customer Experience scores (Q3-FY2021-Q4-FY2023)



Ranked no. 1 in the industry wide Customer Experience NPS study by Hansa research

<sup>1</sup> At March 2019; <sup>2</sup> At March 2023

NPS: Net Promoter Score is a trusted and a popular customer loyalty metric used by brands to measure the health of customer relationships

# Organisational capabilities: Technology & analytics

## Scalability

Implemented seamless onboarding & servicing journey with scalable architecture

## Resilience

Ensured high system availability & performance through failover architecture

## Security

Enforced multi factor authentication & zero trust security across applications and infrastructure layer

## Technology

## Customer journey

- Strengthened data analytics at every phase of customer journey
- Developed machine learning models to analyze customer behavior, preferences & needs
- Data-driven personalised experience

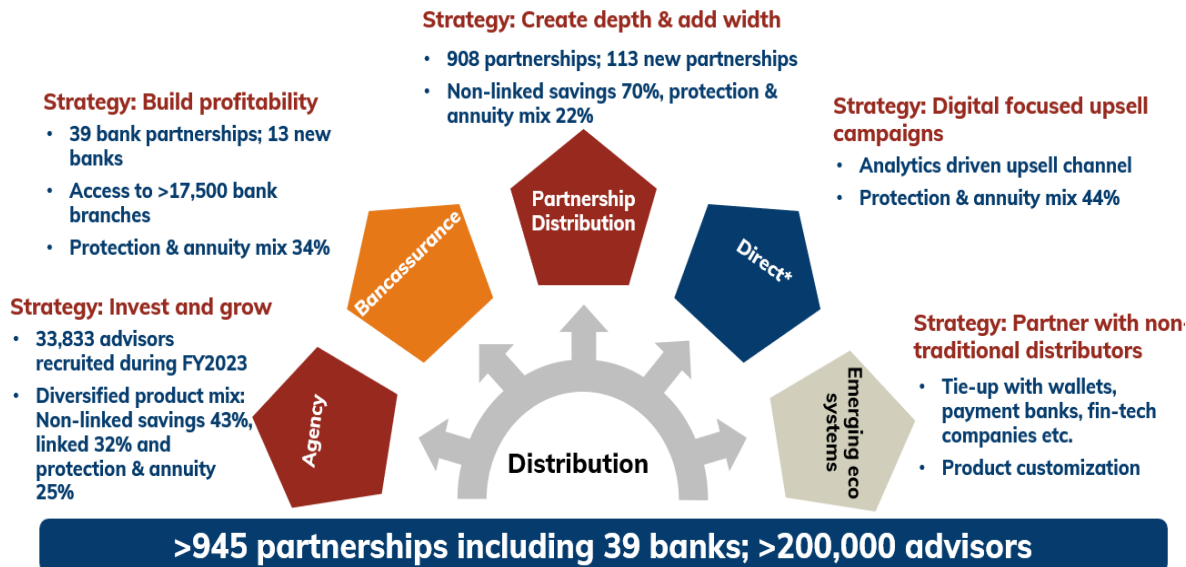
## Productivity

- Deployed robust machine learning models to enhance productivity & risk management
- Streamlined claims process & reduced fraudulent activity

## Analytics

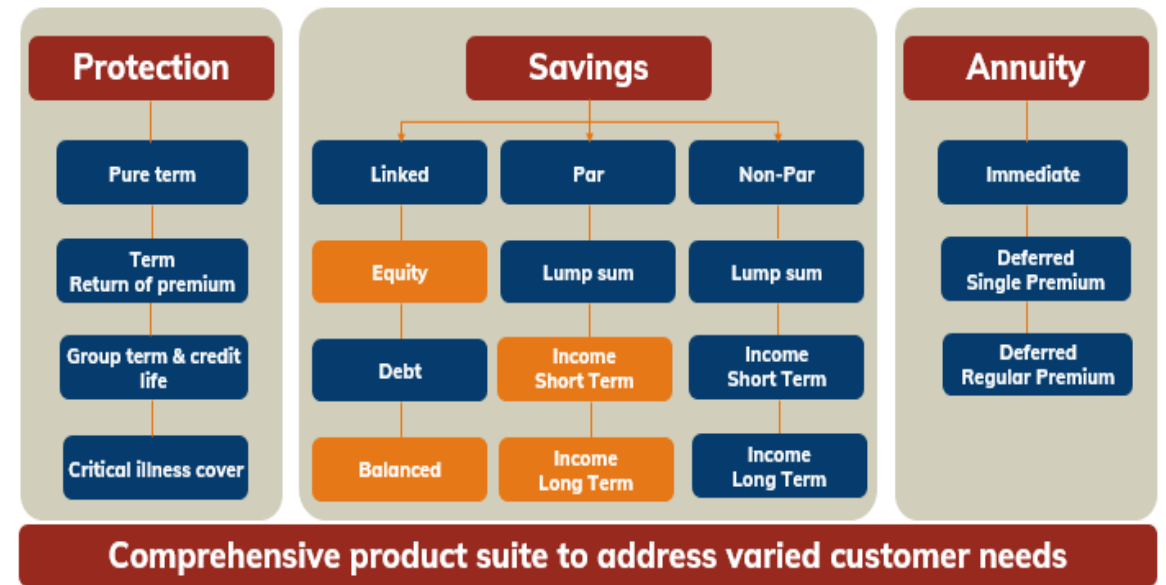
# Organisational capabilities: Distribution & Product

## Extensive distribution footprint



Figures mentioned are for FY2023  
Product mix based on new business premium (retail)  
\*Direct comprises sales through own website & employees on roll

## Comprehensive product suite



Segments where new products or new funds introduced in FY2023 are highlighted in orange

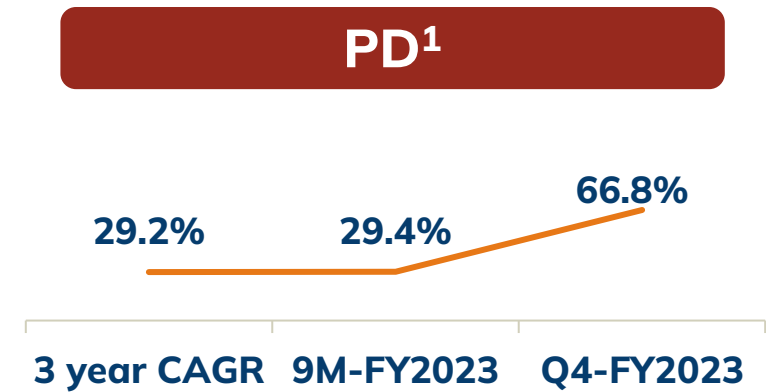
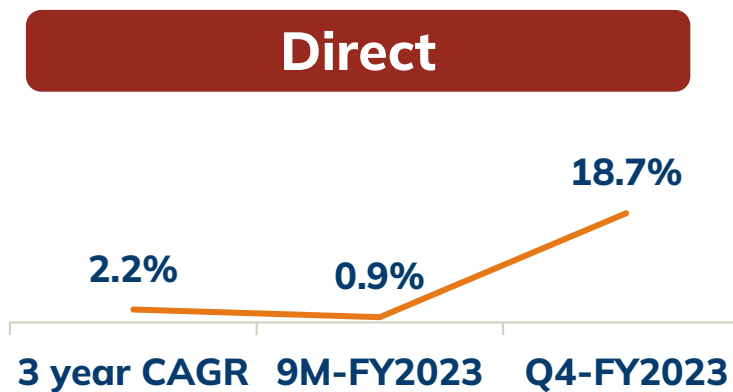
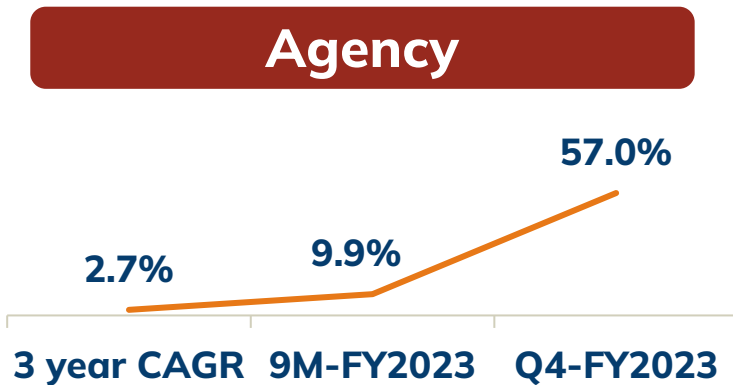


Figures mentioned are for FY2023  
\* Direct comprises sales through own website & employees on roll

# Accelerated growth across channels

Premium growth

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



**18.1% CAGR<sup>2</sup> of Company APE (ex- ICICI Bank) over four years**



CAGR: Compounded annual growth rate

3-years CAGR: FY2019 to FY2022; y-o-y growth for 9M-FY2023 & Q4-FY2023

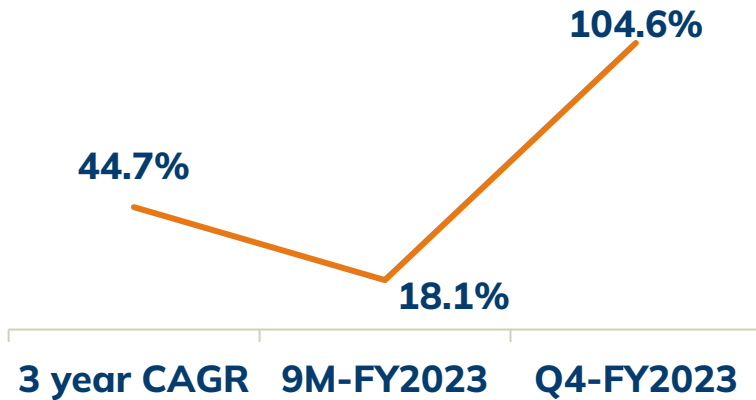
<sup>1</sup>PD: Partnership distribution including Bancassurance (other than ICICI Bank); <sup>2</sup>Based on 4-year CAGR from FY2019 to FY2023; Growth based on annualised premium equivalent

# Strong growth across products

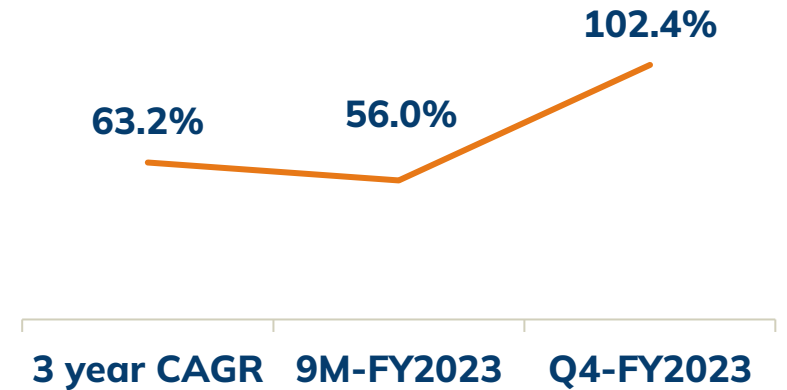
Premium growth

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

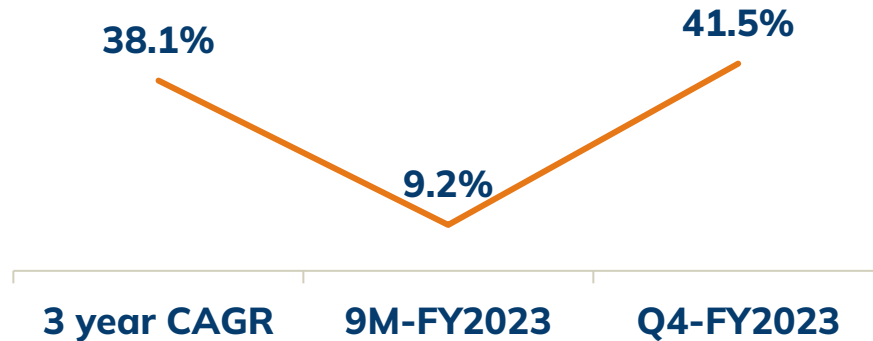
## Non-linked savings



## Annuity



## Group funds



**36.6% CAGR<sup>1</sup> across products (ex-linked)<sup>1</sup> over four years**



CAGR: Compounded annual growth rate  
 3-years CAGR: FY2019 to FY2022; y-o-y growth for 9M-FY2023 & Q4-FY2023  
<sup>1</sup>Based on 4-year CAGR APE from FY2019 to FY2023  
 Growth based on APE (annualised premium equivalent)

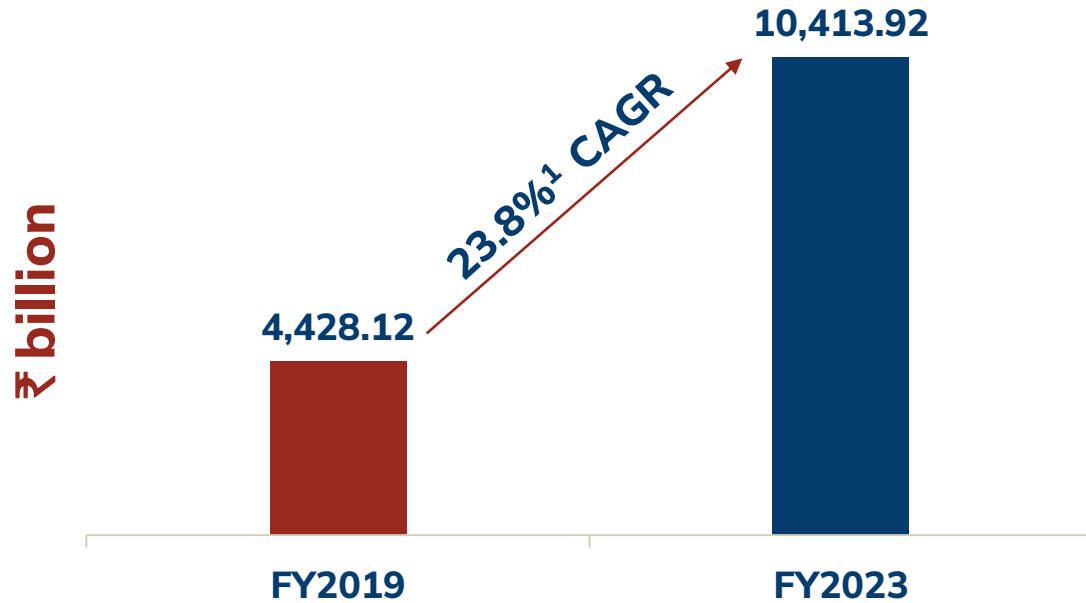


# Robust protection growth

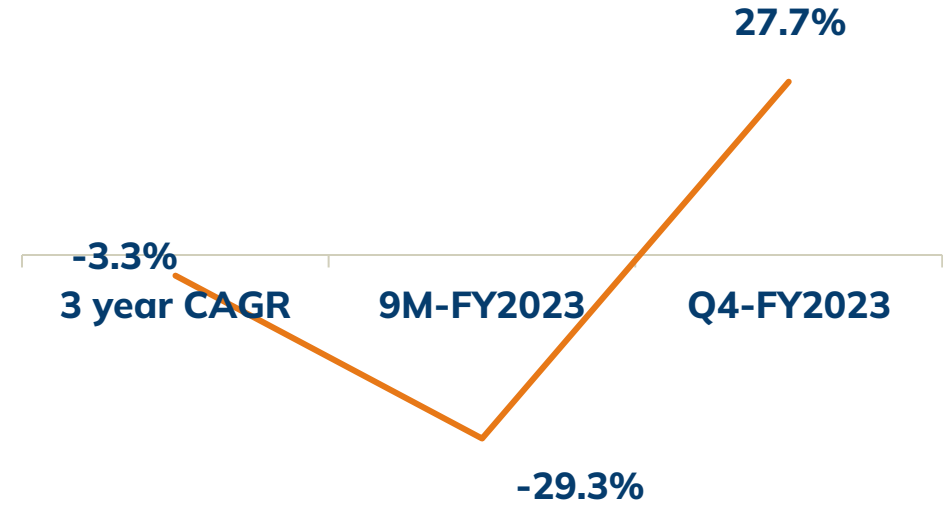
Protection focus

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

## New business sum assured



## Retail protection



**Return to growth for retail protection, leveraged opportunity in group protection  
20.2% four-year CAGR<sup>1</sup> for overall protection APE**

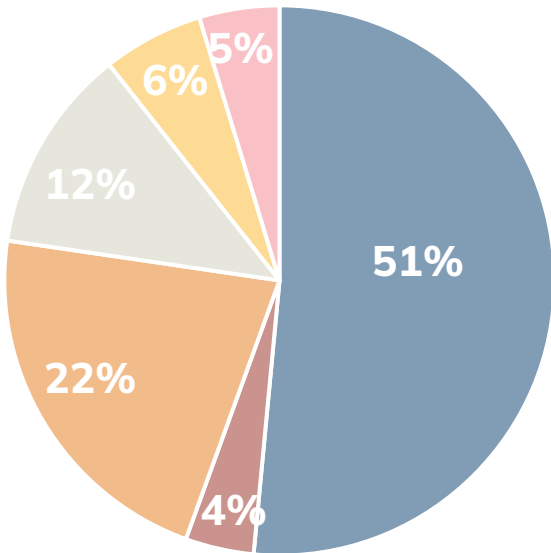


CAGR: Compounded annual growth rate  
 3-years CAGR: FY2019 to FY2022; y-o-y growth for 9M-FY2023 & Q4-FY2023  
<sup>1</sup>Based on 4-year CAGR from FY2019 to FY2023  
 Growth based on annualised premium equivalent

# Resulting in diversified business mix

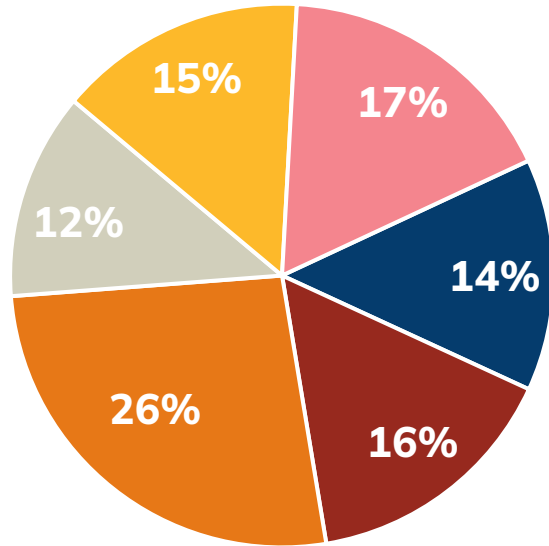
## Distribution mix

FY2019



- Banca-ICICI Bank
- Agency
- Partnership Distribution

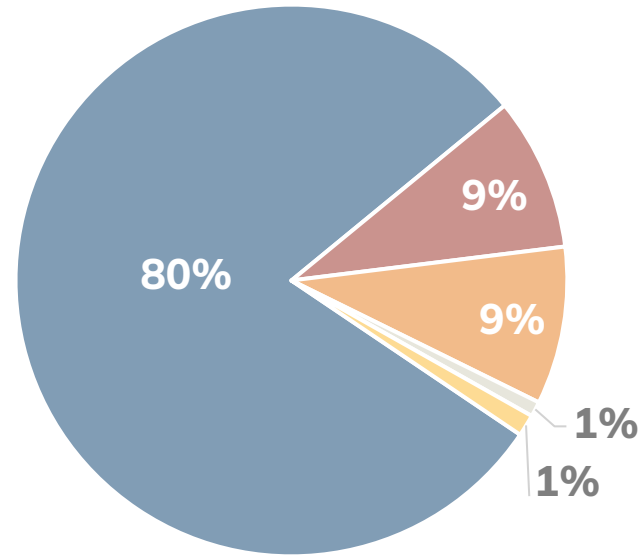
FY2023



- Banca-Ex ICICI Bank
- Direct
- Group

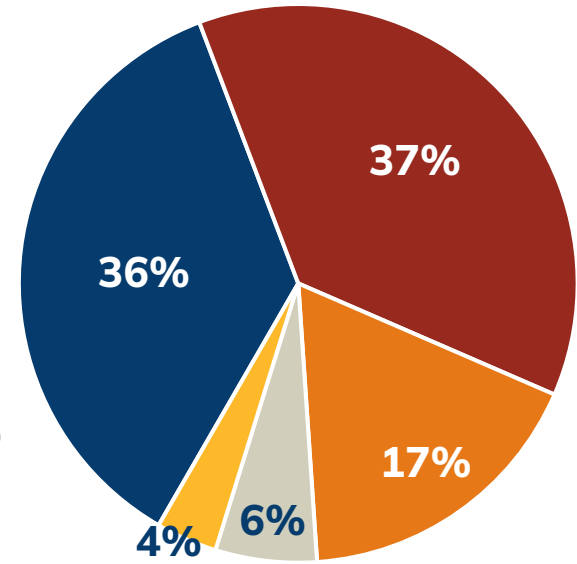
## Product mix

FY2019



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

FY2023



Well positioned to deliver sustainable growth in the future

# Resilience across risks, capital & profitability

## Insurance & investment risks

- Insurance risk
  - Emerging mortality experience is consistent with expectation
- High asset quality
  - 97.3% of fixed income in sovereign or AAA; 0.3% of fixed income below AA
  - Zero NPA since inception
- Prudent ALM
  - 74.4% of liabilities largely pass on market performance to customers
  - Non par guaranteed savings: FRA to hedge interest rate risks

## Strong solvency ratio

- Solvency ratio of 208.9% at March 31, 2023
- Ability to raise additional sub debt
- Economic solvency ratio<sup>1</sup> of 385% at December 31, 2022

## Profitability

- Focus on absolute VNB
  - VNB CAGR of 20.1% over 4 years
- Improvement in VNB margins; industry leading

# FY2023 performance

# Key strategic elements



**Aspiration to double the FY2019 VNB in four years**

# Extensive distribution footprint

## Strategy: Build profitability

- 39 bank partnerships; 13 new banks
- Access to >17,500 bank branches
- Protection & annuity mix 34%

## Strategy: Create depth & add width

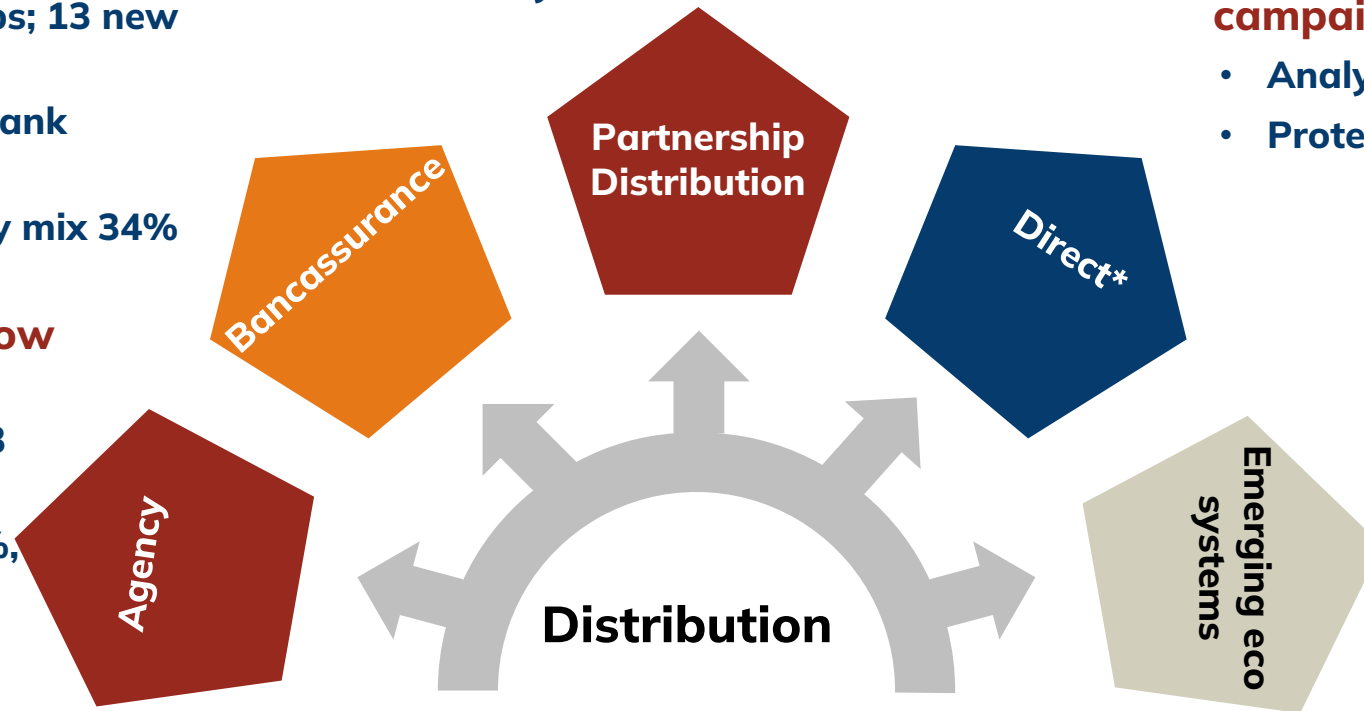
- 908 partnerships; 113 new partnerships
- Non-linked savings 70%, protection & annuity mix 22%

## Strategy: Digital focused upsell campaigns

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

## Strategy: Invest and grow

- 33,833 advisors recruited during FY2023
- Diversified product mix: Non-linked savings 43%, linked 32% and protection & annuity 25%



## Strategy: Partner with non-traditional distributors

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

**>945 partnerships including 39 banks; >200,000 advisors**

# Premium growth (1/2)

## Premium growth

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

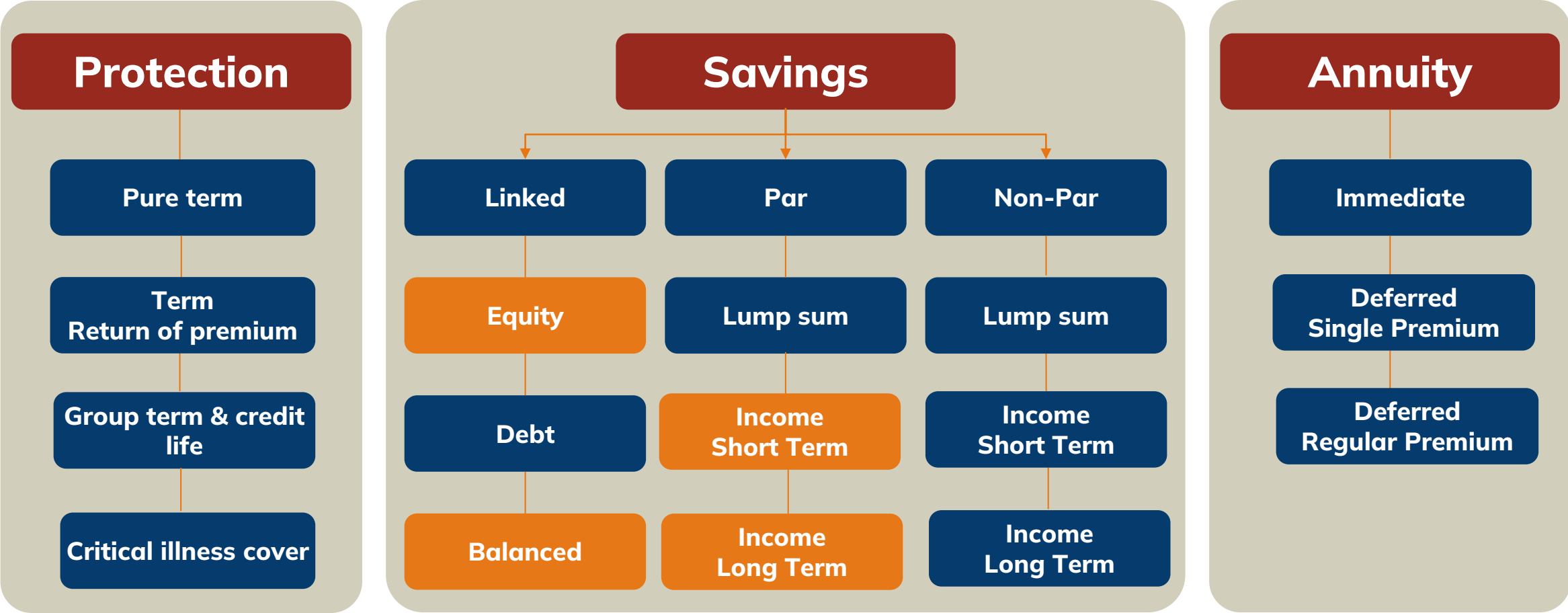
Channels	FY2022	FY2023	Y-o-Y growth (%)
Agency	18.28	22.81	24.8%
Banca (ex-ICICI Bank)	10.85	13.41	23.6%
Direct	9.97	10.64	6.7%
Partnership distribution	7.16	12.76	78.2%
Group	11.80	14.85	25.8%
<i>Sub-total</i>	<i>58.06</i>	<i>74.46</i>	<i>28.2%</i>
ICICI Bank	19.26	11.94	(38.0%)
Total APE	77.33	86.40	11.7%

**Strong performance across channels**



APE: Annualised Premium Equivalent, Y-o-Y: Year on year  
Total may not add up due to rounding off

# Comprehensive product suite



**Comprehensive product suite to address varied customer needs**



Segments where new products or new funds introduced in FY2023 are highlighted in orange



# Products across all categories



A Unit Linked Non-Participating Life Insurance Plan



A Unit Linked Life Individual Product



Unit Linked Insurance Plan



## Non-linked

## Savings

## Linked

Savings with guarantee and equity participation

Guaranteed savings; Immediate/ Deferred Annuity

ULIP: Suite of funds for Equity and Debt

ULIP: with capital guarantee



A Non-linked non-participating Group Term Insurance Product



A Non-Linked Non-Participating Group Micro Insurance Product



Group Life Cover Plan



(A Non-Linked Non-participating Group Life Insurance Product) for group term plus benefits of credit life insurance product

## Retail

## Protection

## Group

Pure term, term with accident cover

Critical illness, Disease specific

Pure term, Micro insurance, Credit insurance, Critical illness



New products launched in FY2023

# Premium growth (2/2)

## Premium growth

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

Product segments	FY2022	FY2023	Y-o-Y growth (%)
<b>Savings</b>	<b>64.20</b>	<b>71.36</b>	<b>11.2%</b>
<i>Linked</i>	<i>37.38</i>	<i>31.02</i>	<i>(17.0%)</i>
<i>Non-linked</i>	<i>21.21</i>	<i>32.21</i>	<i>51.9%</i>
<i>Annuity</i>	<i>3.00</i>	<i>5.07</i>	<i>69.0%</i>
<i>Group funds</i>	<i>2.61</i>	<i>3.06</i>	<i>17.2%</i>
<b>Protection</b>	<b>13.13</b>	<b>15.04</b>	<b>14.5%</b>
<b>Total APE</b>	<b>77.33</b>	<b>86.40</b>	<b>11.7%</b>

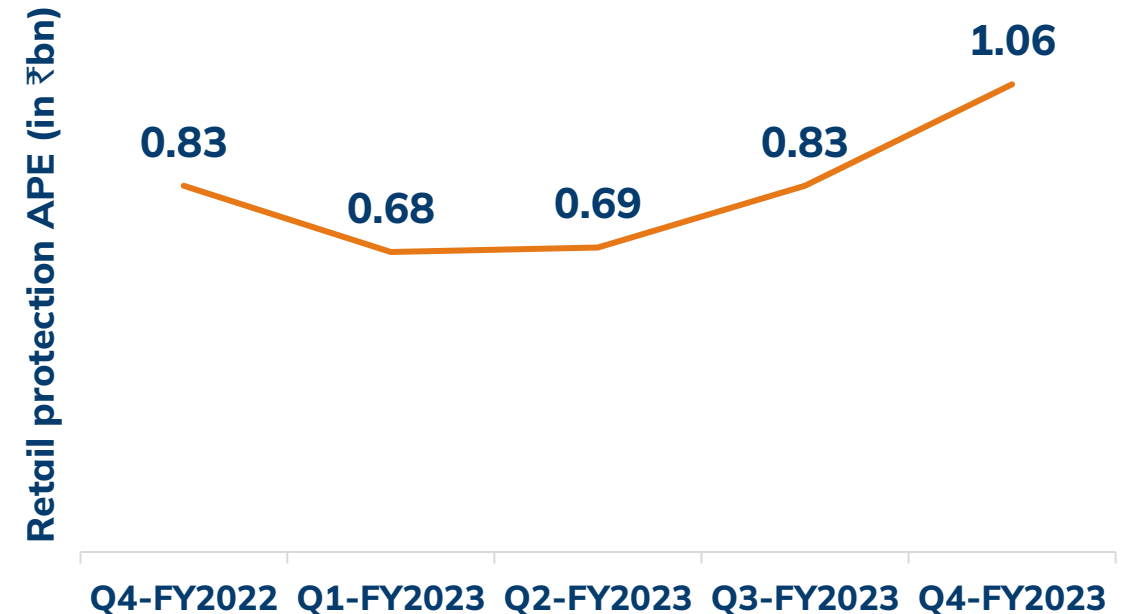
**Growth across all segments other than linked business**

# 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	FY2023
Protection APE <sup>1</sup>	13.13	15.04
Y-o-Y growth	25.5%	14.5%
Protection mix <sup>2</sup>	17.0%	17.4%
SA market share (%)	13.4%	15.0% <sup>3</sup>



**Return to growth for retail protection;  
28.2% y-o-y growth in group protection for FY2023**



<sup>1</sup>Includes term with return of premium; FY2022: ₹ 0.14 bn, Q1-FY2023: ₹ 0.12 bn; Q2-FY2023: ₹ 0.13 bn, Q3-FY2023: ₹ 0.24 bn, Q4-FY2023: ₹ 0.25 bn; FY2023: ₹ 0.74 bn

<sup>2</sup>As % of total APE (retail & group combined); <sup>3</sup>SA market share for 11M-FY2023

APE: Annualised Premium Equivalent, Y-o-Y: Year on year; SA: Sum assured based on overall new business

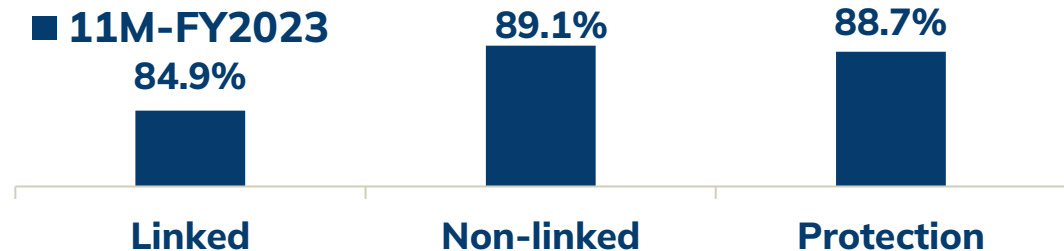
# Persistency improvement

Persistency

Continue to focus on improving persistency across all cohorts

Persistency <sup>1</sup>	11M-FY2022	11M-FY2023	Y-o-Y
13 <sup>th</sup> month	85.7%	86.6%	↑ 90 bps
25 <sup>th</sup> month	77.2%	77.8%	↑ 60 bps
37 <sup>th</sup> month	67.1%	71.3%	↑ 420 bps
49 <sup>th</sup> month	63.7%	64.2%	↑ 50 bps
61 <sup>st</sup> month	54.4%	65.7%	↑ 1130 bps

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



Significant improvement in persistency across all cohorts



<sup>1</sup> 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	FY2022	FY2023	Y-o-Y growth
APE	77.33	86.40	11.7%
Total expenses	53.63	64.75	20.7%
Cost/TWRP <sup>1</sup> (%)	18.6%	21.5%	-
Cost/TWRP <sup>1</sup> (savings LOB) (%)	12.8%	14.2%	-

Building for sustainable growth in the future

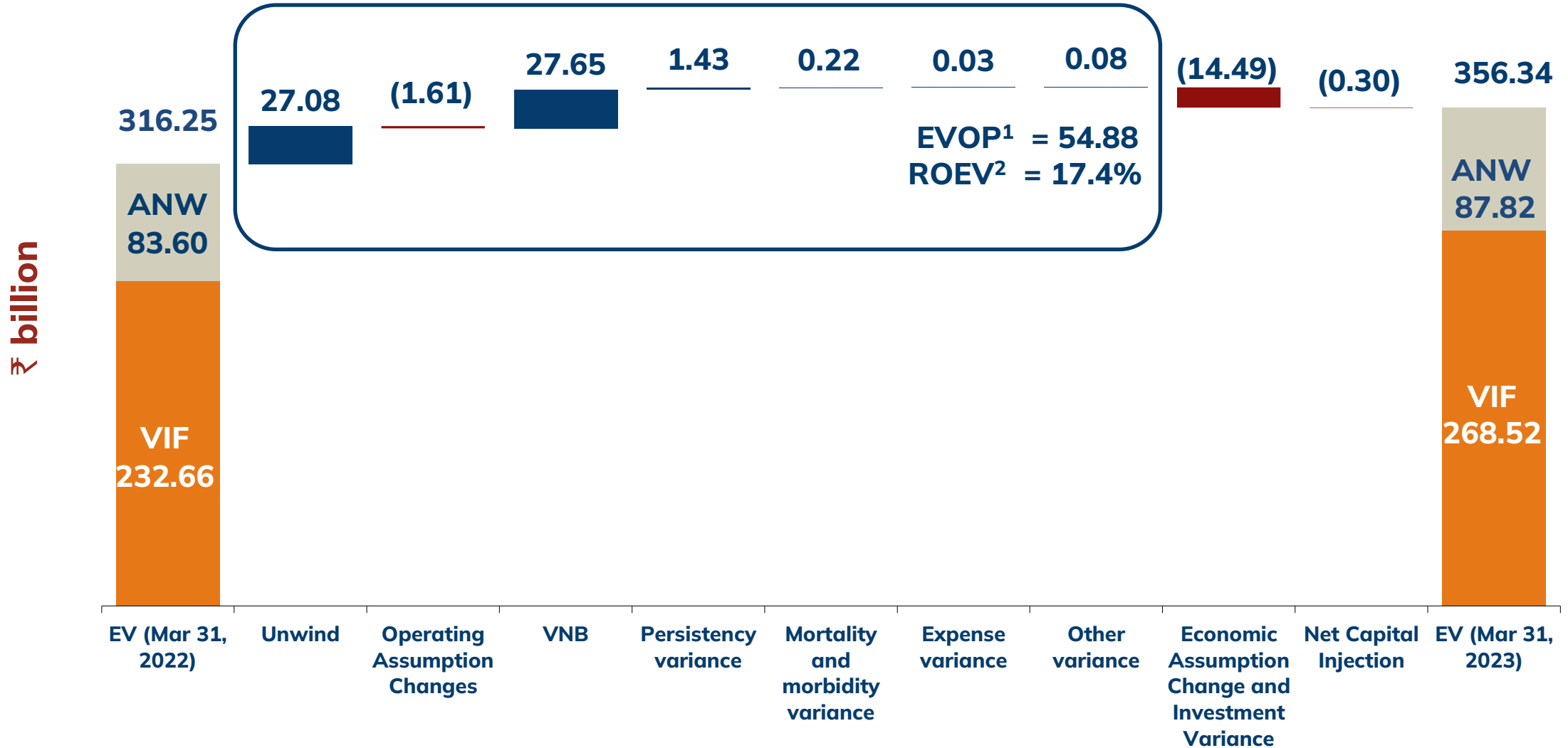
# VNB growth levers update (4P)

₹ billion	FY2022	FY2023	Y-o-Y growth
Value of New Business (VNB)	21.63	27.65	27.8%
VNB margin	28.0%	32.0%	-

₹ billion	FY2022	FY2023	Y-o-Y growth
Premium growth (APE)	77.33	86.40	11.7%
Protection growth (APE)	13.13	15.04	14.5%
Persistency (13th month) <sup>1</sup>	85.7%	86.6%	-
Persistency (49th month) <sup>1</sup>	63.7%	64.2%	-
Productivity (Cost/TWRP: Savings) <sup>2</sup>	12.8%	14.2%	-

# Financial update

# Analysis of movement in EV



<sup>1</sup> EVOP is the embedded value operating profit net of tax

<sup>2</sup> ROEV is the return on embedded value net of tax

EV results prepared as per APS 10 and reviewed by Milliman Advisors LLP

ANW: Adjusted new worth; VIF: Value of inforce; EV: Embedded value; VNB; Value of new business



# Value of New Business (VNB)

## VNB contribution\*

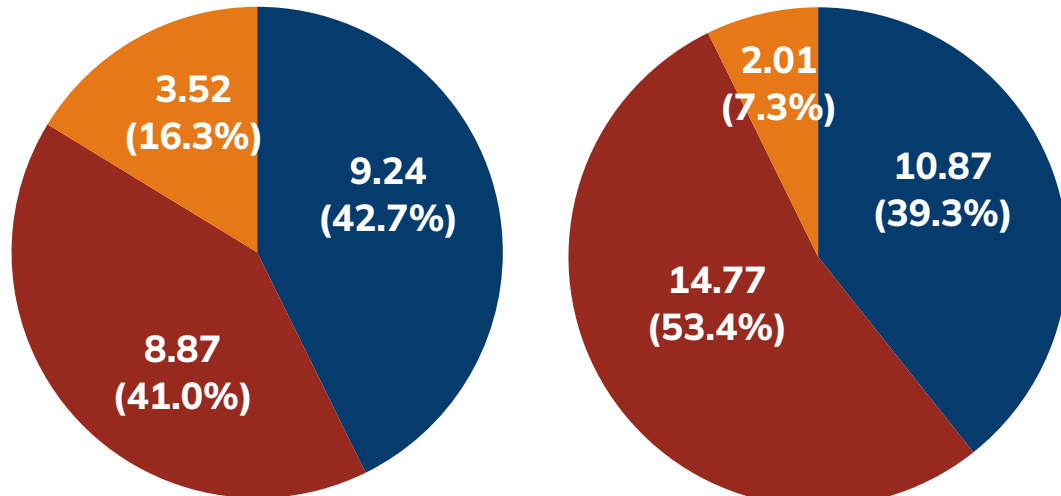
FY2022

21.63

FY2023

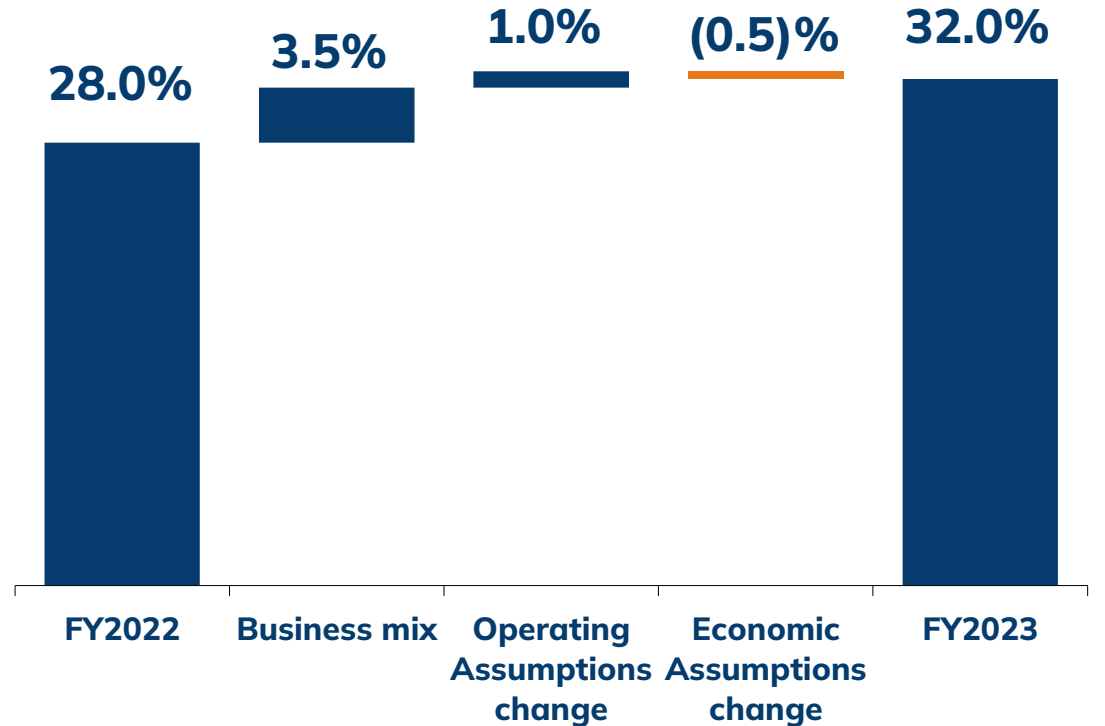
27.65

VNB ₹ billion



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

## VNB margin movement



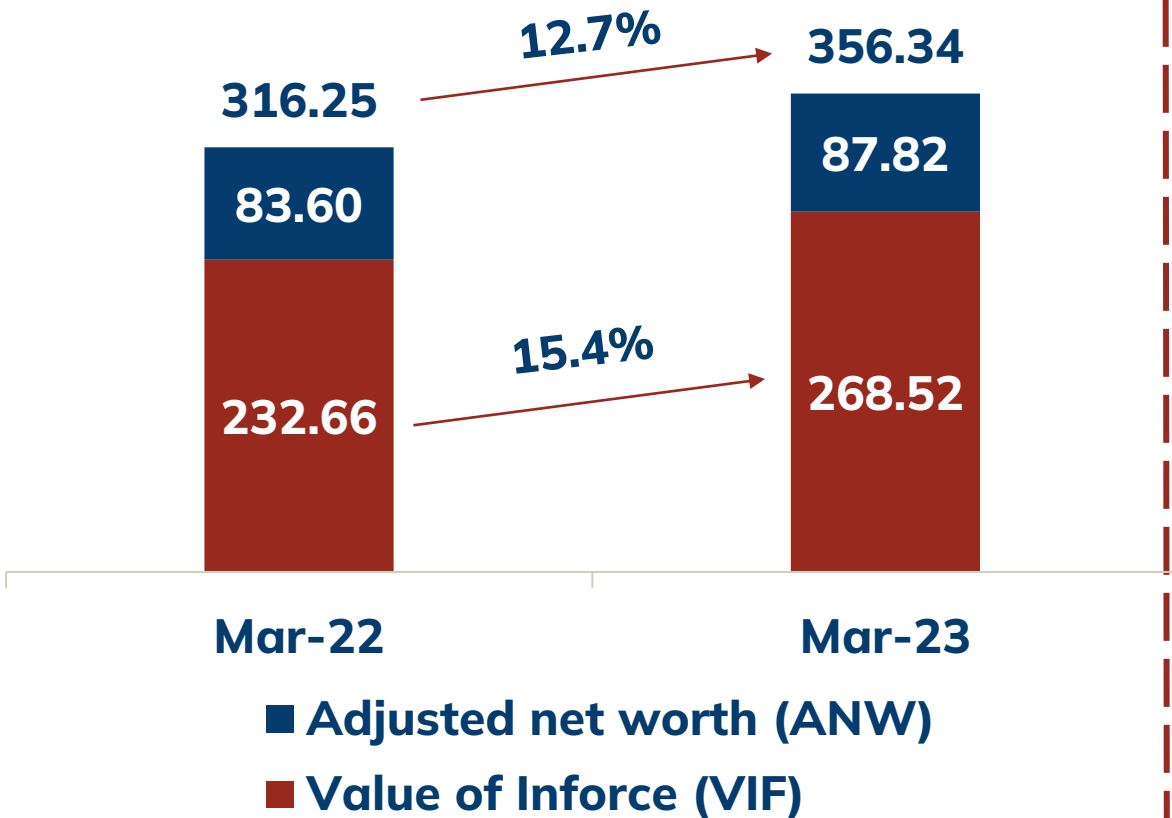
## Well diversified pools of profit



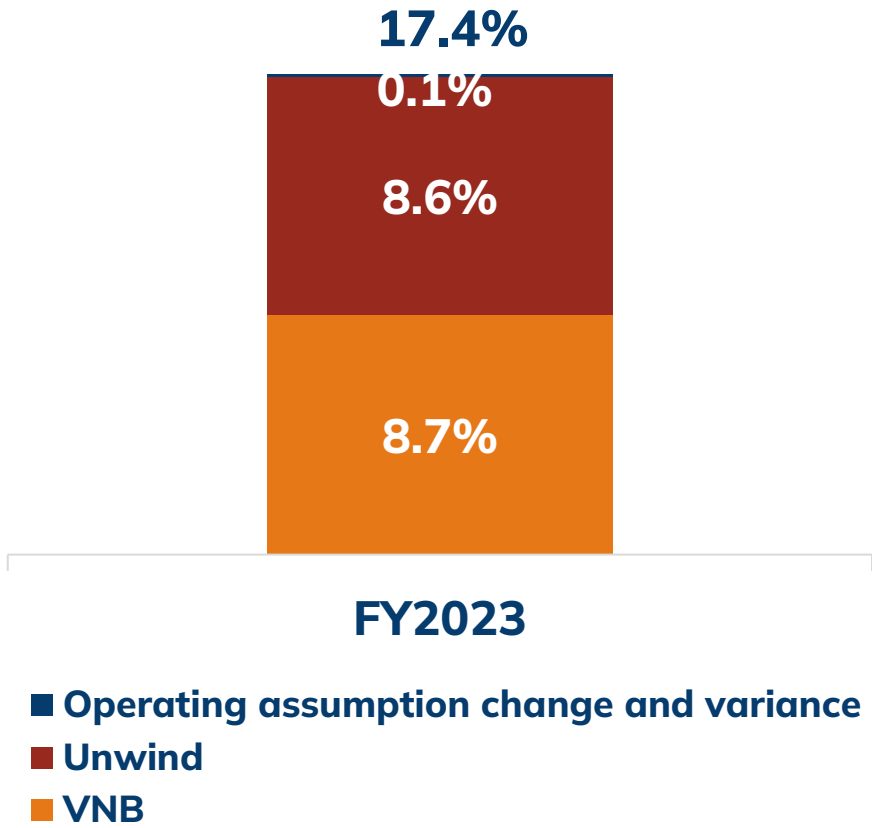
\*Figures in brackets represent share of VNB  
Total may not add up due to rounding off

# EV & ROEV composition

## EV composition



## ROEV composition



# Sensitivity analysis

Scenario	% change in VNB		% change in EV	
	FY2022	FY2023	FY2022	FY2023
Increase in 100 bps in the reference rates	(3.5)	(4.2)	(4.2)	(3.5)
Decrease in 100 bps in the reference rates	3.2	4.8	4.6	3.7
10% increase in the discontinuance rates	(4.9)	(3.4)	(1.0)	(0.5)
10% decrease in the discontinuance rates	5.3	3.6	1.0	0.6
10% increase in mortality/morbidity rates	(8.3)	(10.0)	(1.9)	(1.9)
10% decrease in mortality/morbidity rates	8.4	10.1	1.9	2.0
10% increase in acquisition expenses	(10.1)	(11.8)	Nil	Nil
10% decrease in acquisition expenses	10.1	11.8	Nil	Nil
10% increase in maintenance expenses	(2.3)	(2.3)	(0.7)	(0.8)
10% decrease in maintenance expenses	2.3	2.3	0.7	0.8
Tax rates increased to 25%	(10.3)	(10.4)	(6.3)	(6.4)
10% increase in equity values	0.6	0.4	1.9	1.7
10% decrease in equity values	(0.6)	(0.4)	(1.9)	(1.7)

# Financial metrics

₹ billion	FY2022	FY2023
Profit after Tax	7.54	8.11
Solvency ratio	204.5%	208.9%
AUM	2,404.92	2,511.91

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)



# ESG: Focus areas, framework & 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: Continue to maintain rank as highest rated Indian insurance company according to two well known ESG rating agencies; Improvement in ESG score by FTSE Russell in Q1-FY2023*
- *Conferred with the 'Corporate Governance' award at the 'Dun & Bradstreet ESG Leadership Summit 2023'*

# Focus area: Human capital



## Strengthening Capacity

1. Employee strength increased by 15% to capacitate for growth; 43% freshers hired
2. Invested in building skill depth in specialist roles
3. High quality leadership team<sup>1</sup>
  - 82% leadership stability
  - 96% leadership depth
  - 97% leadership cover



## Building Capability

1. Structured phygital learning programs: 1.3+ million learning hours
2. 12,000+ employees in sales and operations certified
3. Skill mapping and professional certifications for specialist roles
4. Structured management development programs for all levels of management



## Catalysing competitive advantage through Culture

1. Multiple employee communication & engagement initiatives to align employees to Vision & Values, Cornerstones & Strategic imperatives
2. Diversity & Inclusion (D&I):
  - D&I policy & framework instituted; Diversity Council formalised
  - Gender diversity: 29% in FY2023 from 27% in FY2022; 39% in non-sales roles
3. Focused interventions to promote physical, mental and financial well-being of employees
4. Robust grievance redressal framework; Human Rights policy formalised
5. Employee survey<sup>2</sup>: 90%+ score<sup>3</sup> on advocacy, alignment, mood, learning & growth opportunities
6. Differentiated rewards on performance & potential; robust succession planning

# Focus area: Responsible investing



**Three pronged approach**

**Stewardship policy & process**

Engaging with investee companies

Disclosing voting actions

**ESG integration**

Responsible Investing framework incorporated into Corporate Investment Policy

Subscribed to ESG ratings by an external service provider to assess investee companies on ESG

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

**ICICI Prudential Sustainable Equity Fund**

Benchmarked against NSE 100 ESG Index



**~47% of our AUM\*: Infrastructure/housing & Government bonds  
(₹ 363 billion & ₹ 821 billion respectively)**



# Focus area: Governance & data privacy

## Governance structure



### Board composition

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



### Board Diversity

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



### Evaluation framework

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

## Compensation framework



### Compensation Policy

- Based on meritocracy & fairness within 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

- 61.8 mn lives impacted by micro insurance products (77.2 mn lives total)
- 86.6%: One of the best persistency<sup>1</sup> ratios (13th month) in industry
- 24x7 service architecture; 92.5% self-help usage
- Highest claim amount settled for 8 consecutive years<sup>2</sup> with 1.21 days<sup>3</sup> average TAT in FY2023
- Providing financial safety net to society: 13,656 retail individual death claims settled & 232,617 group claims settled
- Insurance awareness campaigns, focusing on the need and importance of life insurance along with product suitability
- Ranked no. 1 in the industry wide Customer Experience NPS study by Hansa research
- Robust policy & framework for grievance redressal



## CSR

- ₹ 39.6 mn spent for CSR initiatives
- Over 831 underprivileged youth trained through skill development program through ICICI Academy for Skills
- 18 million consumers reached through consumer awareness & education program
- 265 underprivileged patients supported on Cancer and cardiac treatment
- Over 350 underprivileged children supported on improving health outcomes
- Over 1,000 employees participated in employee volunteering programs



## Environment

- Environment policy formulated, demonstrating Company's commitment to environmental protection and reduction of its carbon footprint
- Sustainability consultant onboarded for environment initiatives and SBTi<sup>4</sup> targets
- Scope-1, Scope-2 and partial Scope-3 carbon emissions calculated and vetted by external Sustainability consultant
  - TCF<sup>5</sup> at 13,035 tonnes in FY2023 compared to 14,559 in FY2022
- 99% of new business applications logged digitally
- 95% shareholders communicated digitally
- Green energy in some Mumbai offices; Application process initiated for green energy for other offices in Maharashtra

Figures for FY2023

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

<sup>2</sup>Individual death claims for private life insurance till FY2022

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

<sup>4</sup>Science Based Targets initiative; <sup>5</sup>Total carbon footprint

# Innovation @ICICI Prulife

# Grounds-up & an outside-in approach to innovation

## Identifying opportunities



Employee ideas



External scanning



Customer feedback



Innovation partner program



## Converting ideas to impact



Driving projects to streamline processes, address immediate business challenges and explore new growth areas for business

# Building a culture of innovation by encouraging every employee to share ideas



**powerful ideas**  
infinite possibilities

A simple & accessible digital portal is available to employees across the organisation for sharing ideas



**Business challenges**  
to solve on-ground  
business challenges



**Brainstorming &  
co-creation workshops**  
with cross-functional teams



**Employee recognition**  
in internal and  
external forums

**More than 1,200 employees have actively participated and shared ideas**



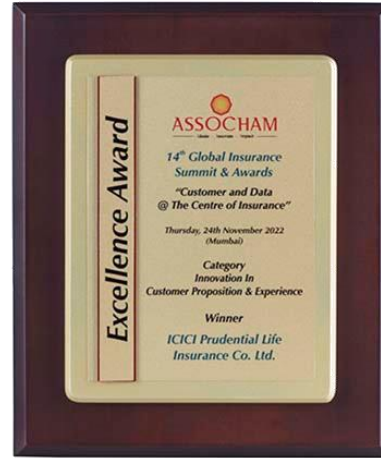
These ideas are reviewed and prioritized through a structured process for implementation by cross-functional teams



# Recognised in various external forums



ICICI Prudential Life Insurance wins Jury Award for **'Best Innovation and Diversification** introduced by a Company' at the 3<sup>rd</sup> Emerging Asia Awards 2021 by the Indian Chamber of Commerce (ICC)



ICICI Prudential Life wins Excellence Award for **'Innovation in Customer Proposition and Experience'** in the ASSOCHAM 14<sup>th</sup> Global Insurance Summit & Awards FY 2022



ICICI Prudential Life wins **'Most Innovative Insurer – Life Category'** at the FICCI Insurance Industry Awards 2022

# Technology @ICICI Prulife

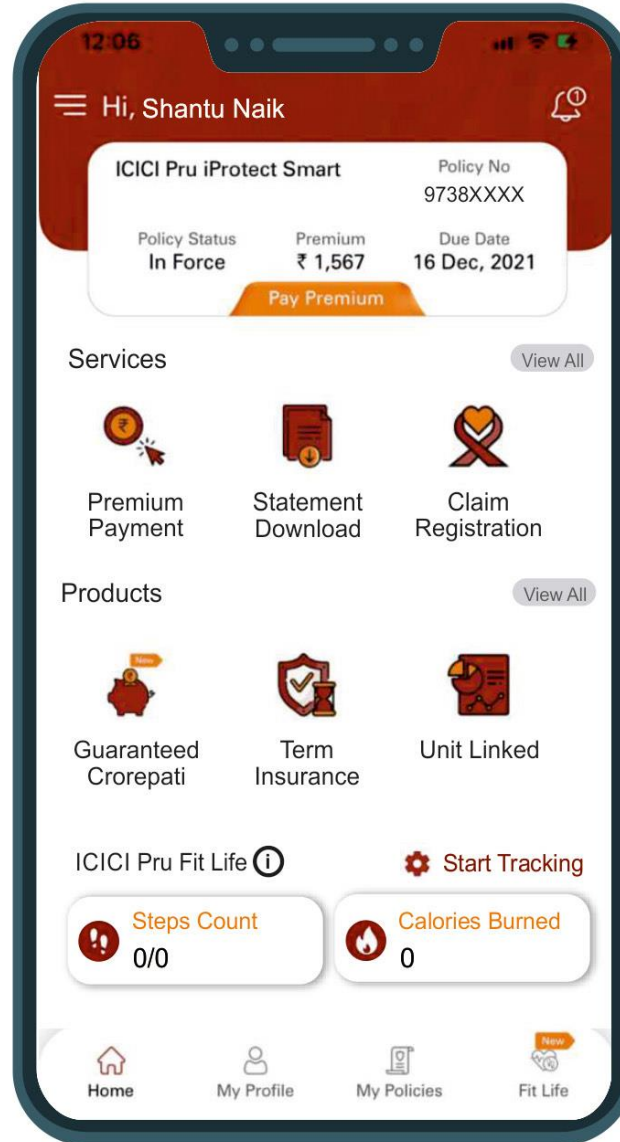
# Digital @ICICI Prulife

~3.4 million digital service interactions every month

1.5 million+ app downloads

Best rated app: 4.4 and 4.5 rating on app store & play store respectively

Access to over 45 types of policy transactions



99% digital logins and 100% e-insurance account for eligible base

>92.5% 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
- ❖ Account 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

- ❖ ~3.4 mn digital service interactions monthly
- ❖ >92.5% 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



**e-Insurance account** facility provided to 4 mn+ policyholders to access their insurance policy details

**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

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



### 24x7 chat/voice assistants

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



### IVR

- ❖ Visual, intuitive and traditional IVRs cater to 64% of eligible customer, 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 FY2023



## 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



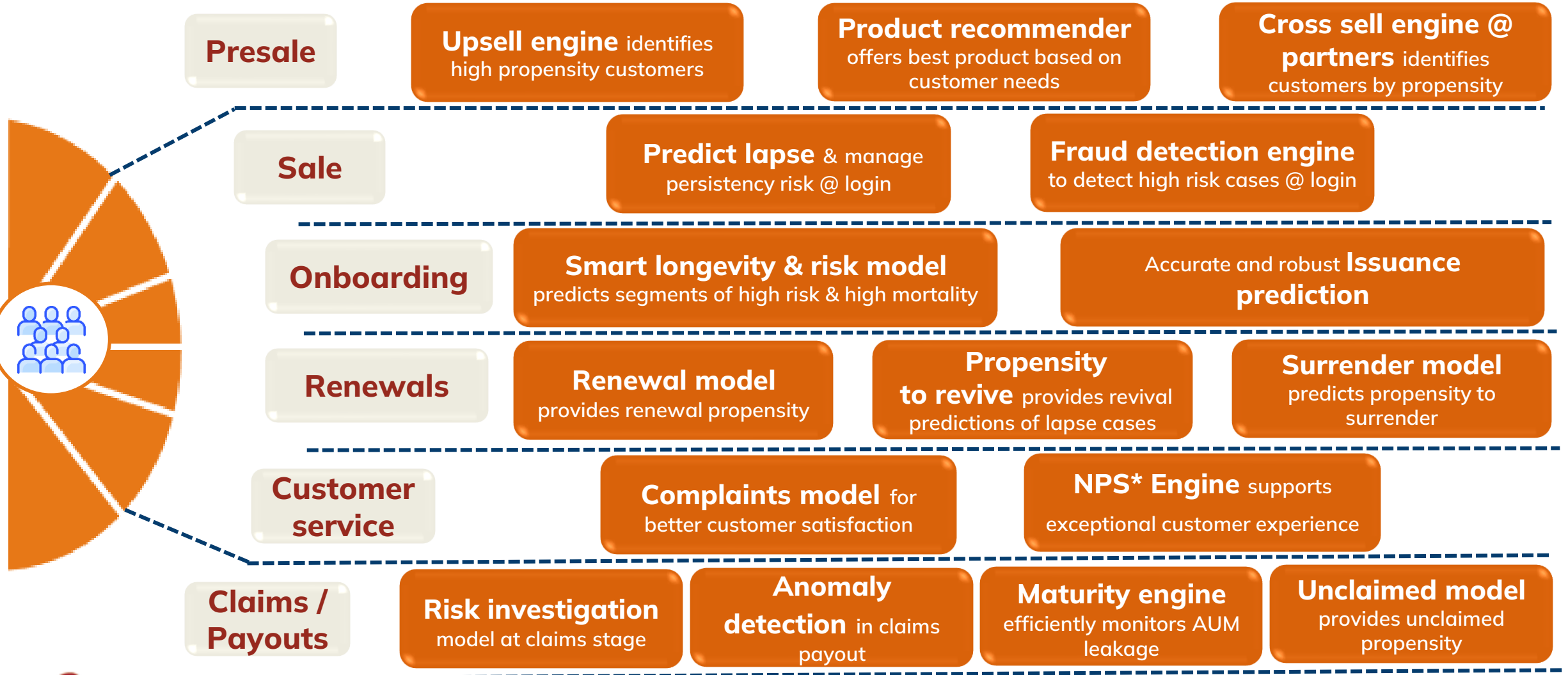
## Seamless journey

Prefilling application and instant closure of KYC document requirement with CERSAI integration

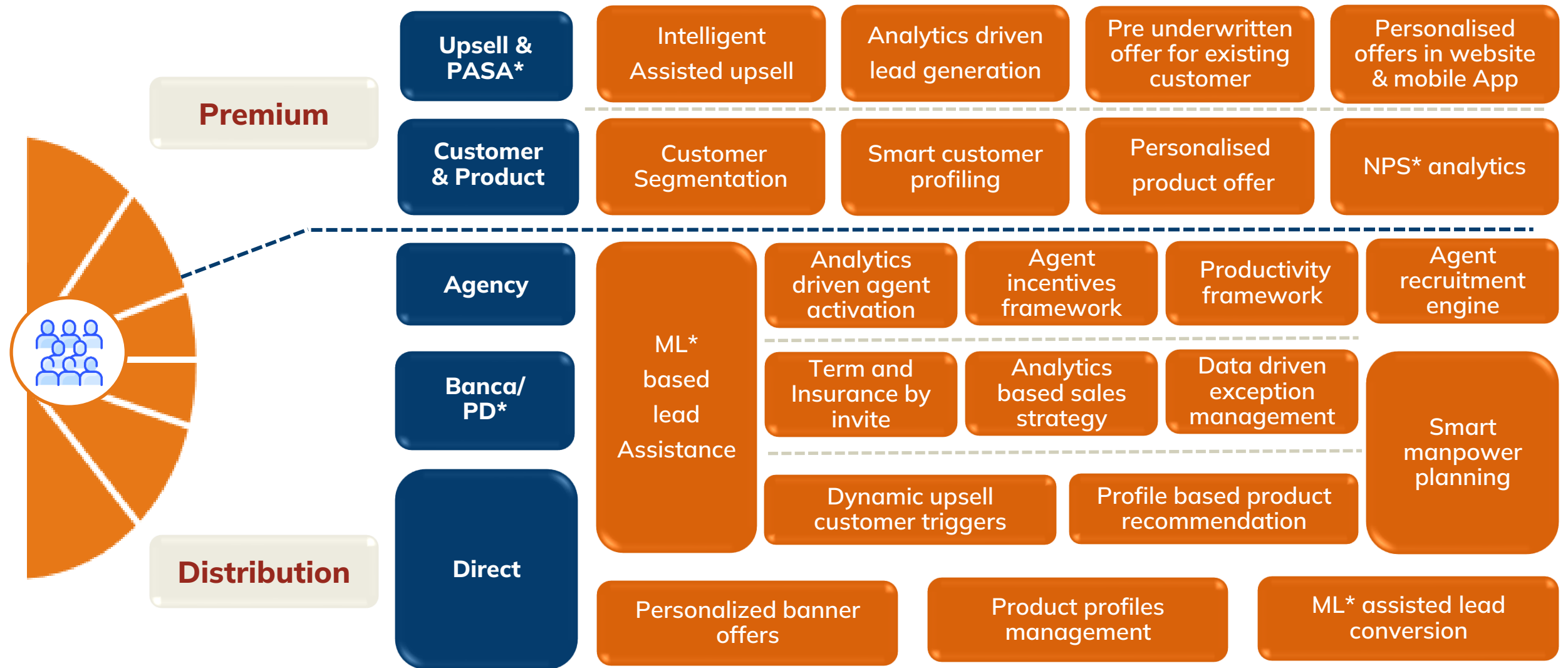
- ❑ In the digital application journey customer can opt for Central KYC
- ❑ Data is fetched basis PAN, mobile number and date of birth and displayed for customer confirmation
- ❑ Document received from CKYC is stored; instant closure of address, identity and age proof

# Data science & analytics @ICICI Prulife

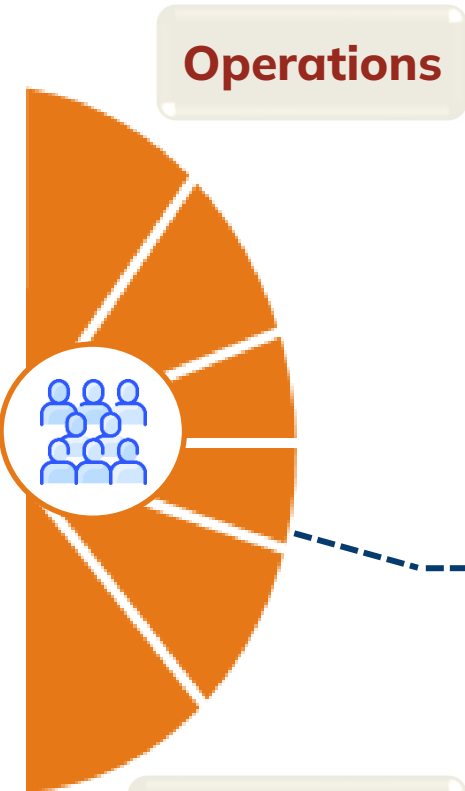
# Data excellence at every phase of customer journey



# Analytics engine at every stage of process & distribution



# Analytics engine at every stage of process & distribution



<b>Operations</b> <b>Productivity</b>	<b>Servicing</b>	Servicing & complaint prediction	ML* driven customer retention	Contact management framework	ML* based upsell triggers at touch points	Customer satisfaction management	
	<b>Underwriting</b>	ML* assisted A/E* prediction		ML* assisted longevity & risk prediction		ML* assisted issuance prediction	
	<b>Claim</b>	Algo. assisted investigation trigger	Claims data mart	Claims fraud score	ML* assisted fraud detection		
	<b>Persistency</b>	ML* assisted renewal management	ML assisted deep lapse management	Data driven campaigns	Analytics based customer interventions		
	<b>Risk</b>	Algorithm based fraud detection			Analytics based additional due diligence		
	<b>Others</b>	Employee good order index score	Framework for employee recruitment	ML* assisted surrender management	Algorithm based maturity upsell	Unclaimed prediction framework	

\*ML: Machine Learning  
 \*A/E: Actual to Exposure ratio



# Awards

# Awards & Accolades: FY2023

**Awards for Most Innovative Insurer**



**FICCI Insurance Industry Awards 2022**

**Excellence in Financial Reporting for Commercial Annual Report**



**ICAI Awards for the year 2021-22**

**Award for Excellence in Driving Distribution in Digital**



**FICCI Insurance Industry Awards 2022**

**Winner in the Life Insurance category**



**Outlook Money Awards – 2021 (Awarded in December 2022)**

**Excellence Award - Innovations in Customer Propositions and Experience**



**Associated Chambers of Commerce and Industry of India (ASSOCHAM)**

**Corporate Governance**



**Dun & Bradstreet ESG Awards 2023**

**Gold Award from League of American Communications Professional (LACP)**



**LACP – 2022 Spotlight Awards (for the Annual Report)**

**Silver in the BFSI category for the Campaign “Protect & Save”**



**The Campaign India PR Award 2022**

**‘Sales Champion’ in Life Insurance - Large category**



**The Economic Times Insurance Summit & Awards – FY2022**

**Best Contact Centre of the Year**



**India Customer Excellence Summit and Awards - 2022**

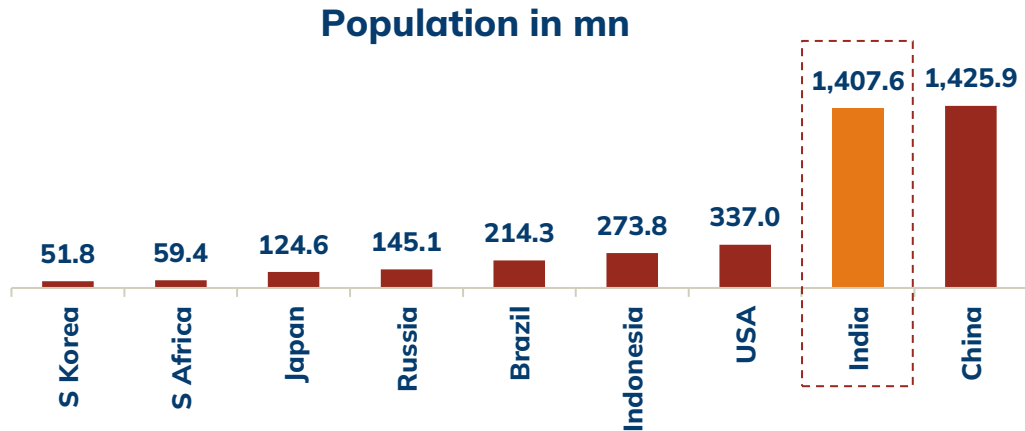
# Agenda

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



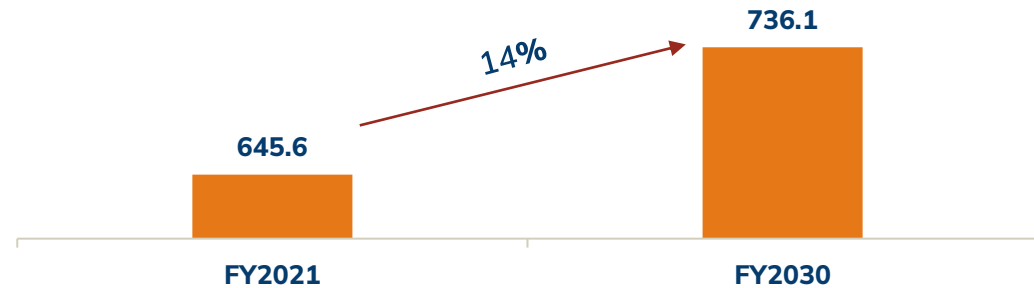
# Favorable demography

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

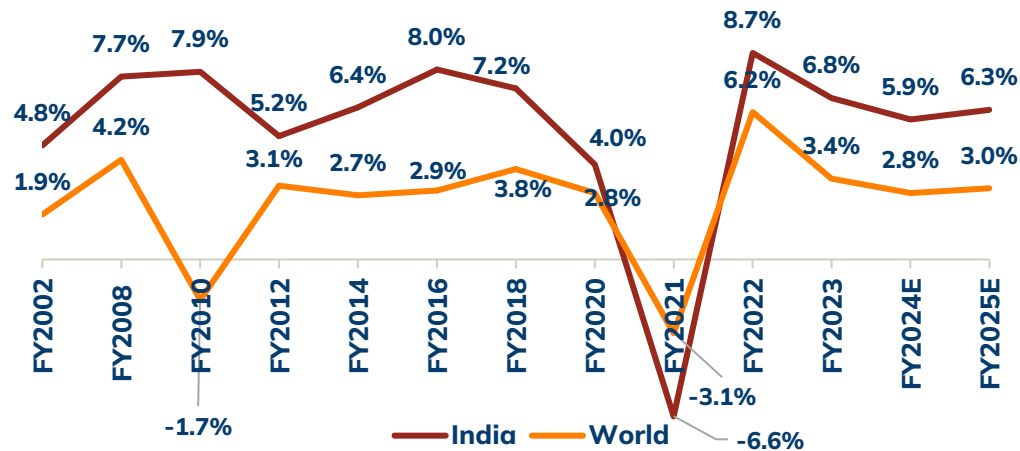


## High share of working population<sup>1</sup>

### Population in mn (age group 25-59 years)

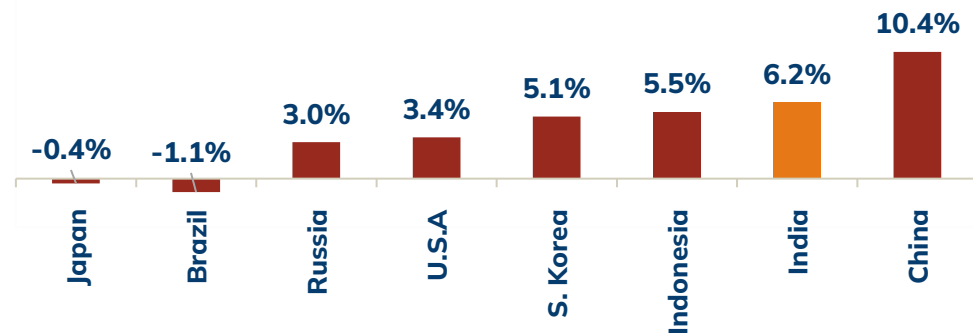


## Driving GDP growth<sup>2</sup>



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

### GDP per capita CAGR (FY2010-FY2022)



<sup>1</sup>Source: UN population division at July 2022

<sup>2</sup>Source: WEO update, April 2023

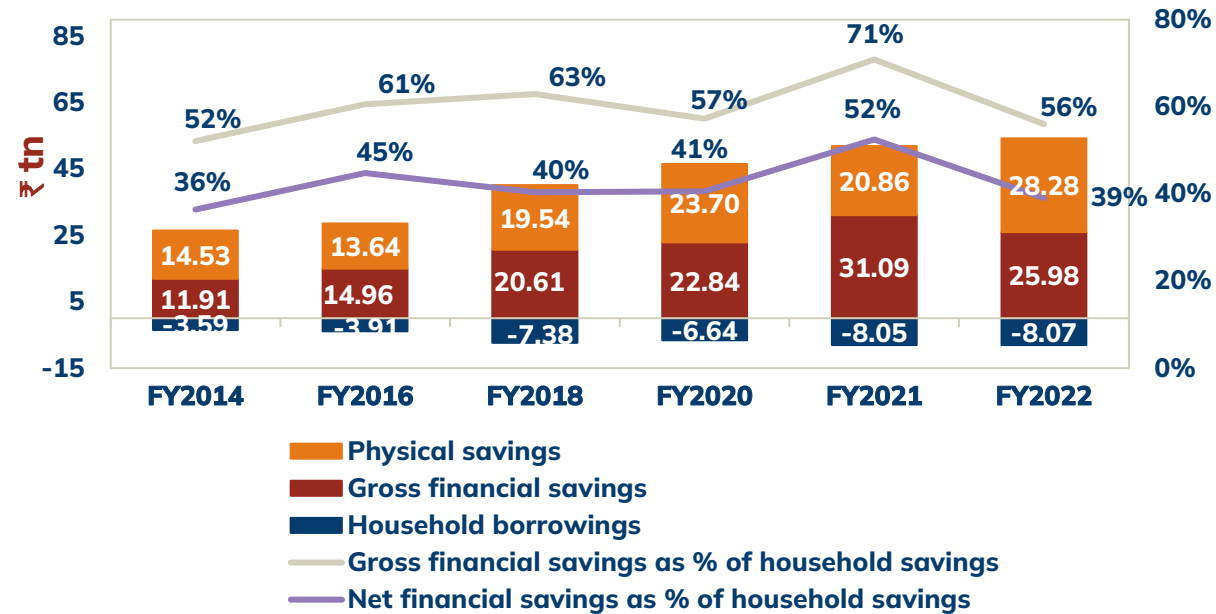
<sup>3</sup>Source: The World Bank

Compound annual growth rate (CAGR)

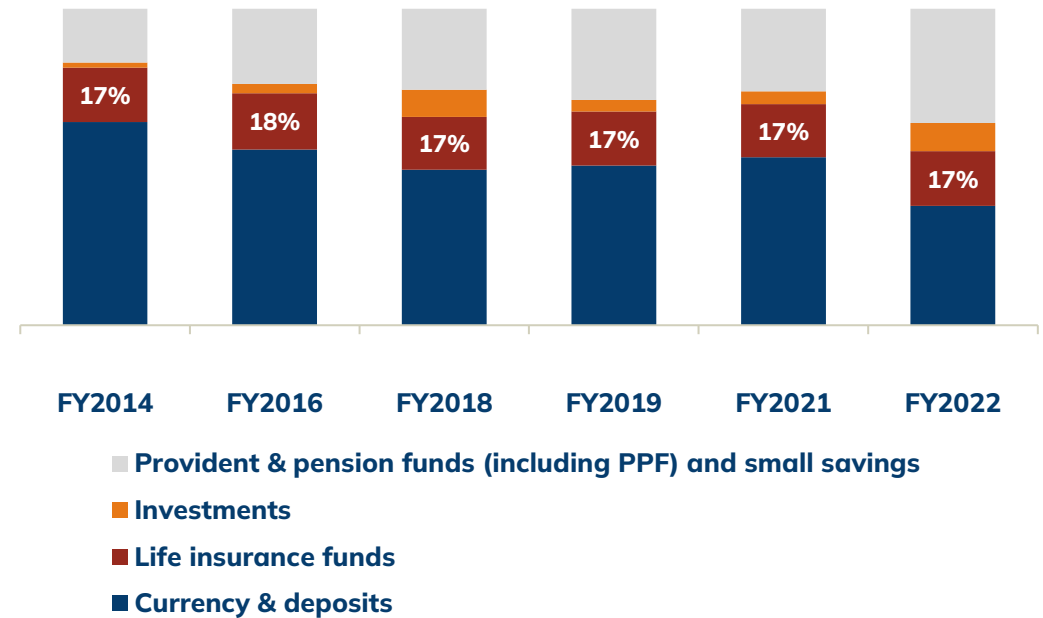
Gross domestic product (GDP)

# Financialisation of savings: Opportunity for insurance

## Household savings<sup>1</sup>



## Distribution of financial savings (including currency)<sup>2</sup>



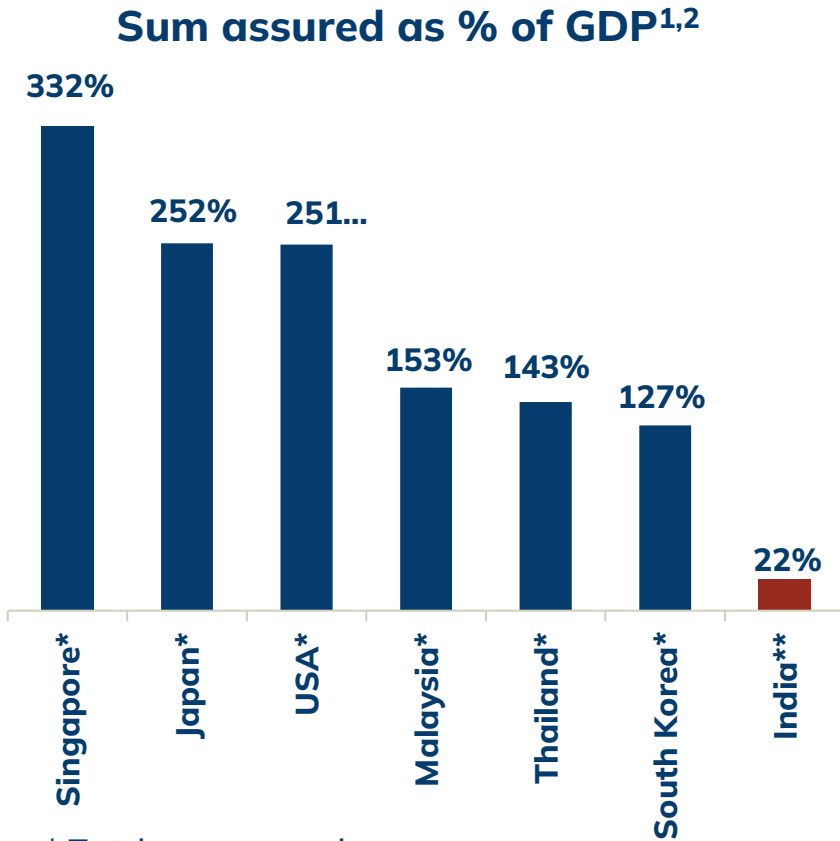
	FY2002	FY2008	FY2010	FY2012	FY2014	FY2018	FY2019	FY2020	FY2021	FY2022
Life insurance premium <sup>3</sup> as % of GDP	2.1%	4.0%	4.1%	3.3%	2.8%	2.7%	2.7%	2.8%	3.2%	2.9%

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

<sup>2</sup>Source: RBI

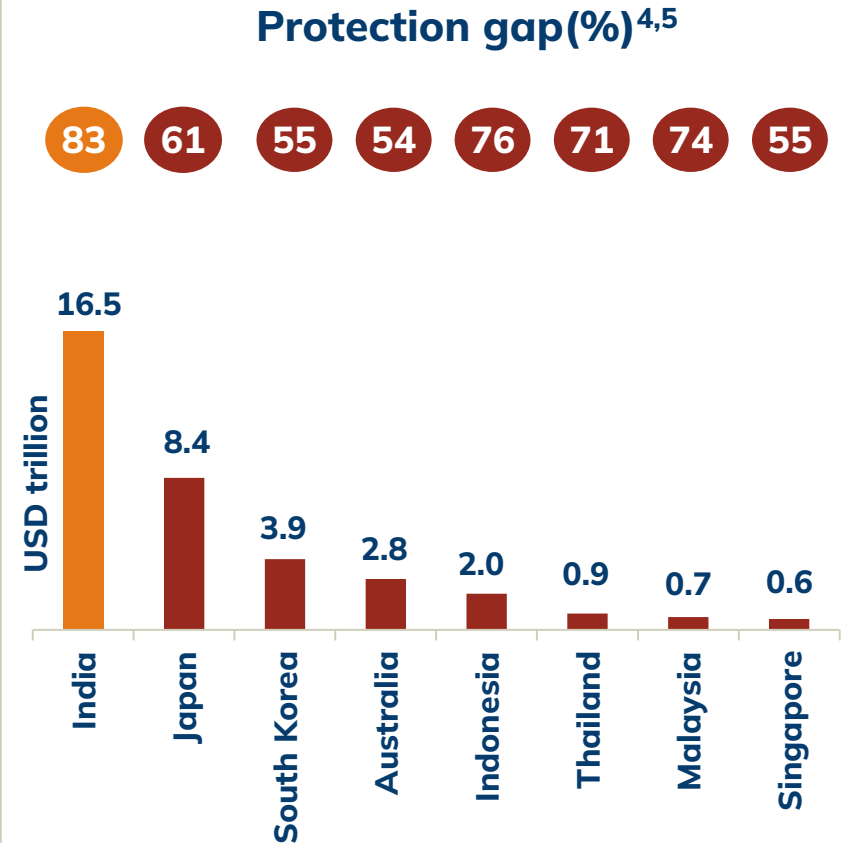
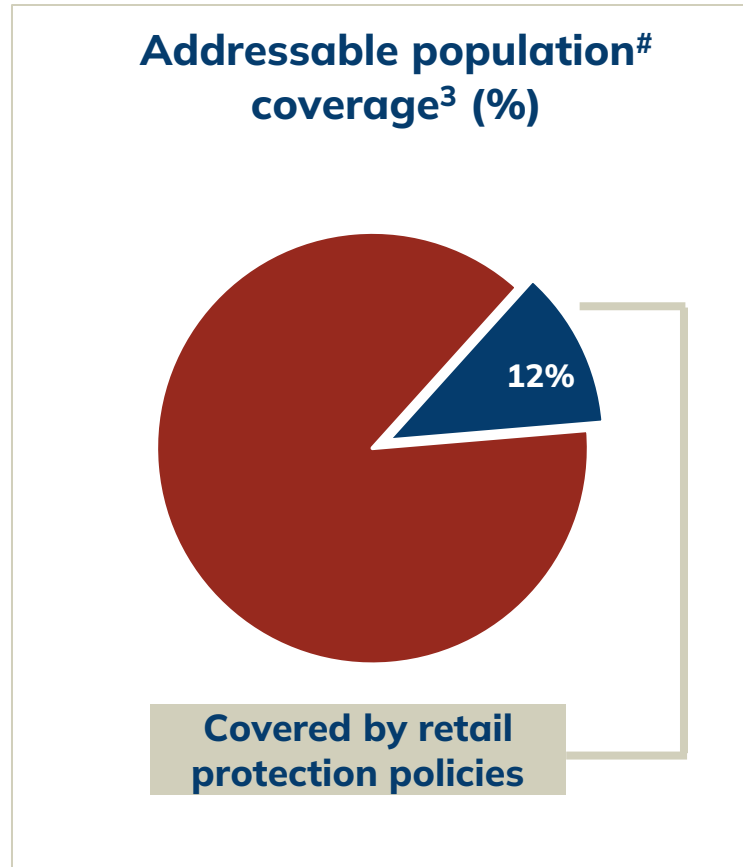
<sup>3</sup>Total life insurance industry premium including renewal; Source: IRDAI

# Protection opportunity: Low penetration



\* Total sum assured

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



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

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

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

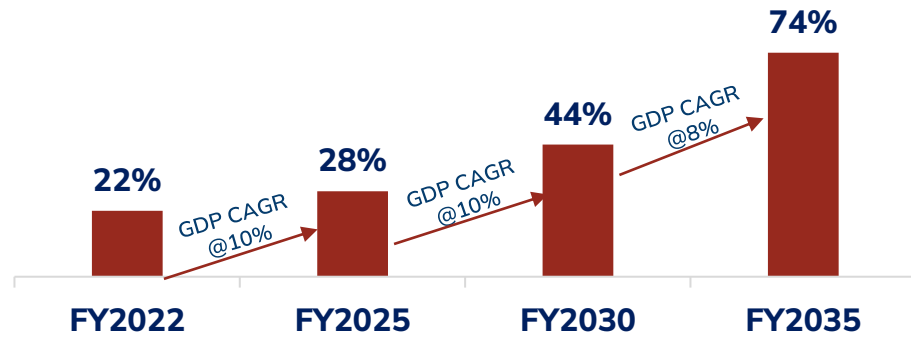
<sup>4</sup>Protection gap (%): Ratio of protection lacking/protection needed

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

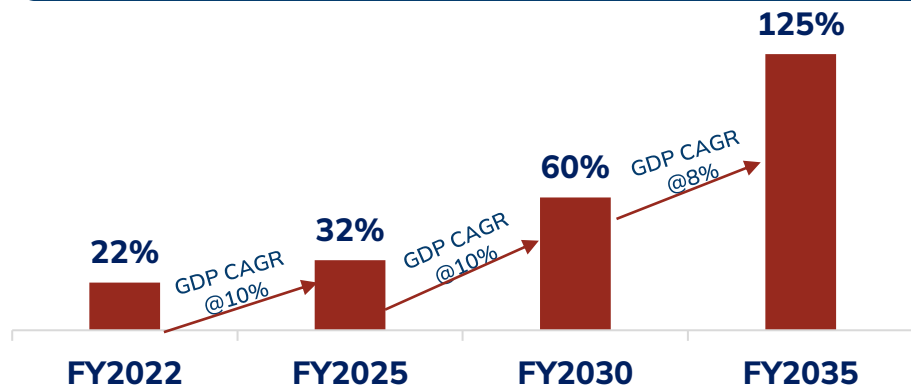
<sup>#</sup>Income tax department data with individual income > ₹ 0.25 mn & company estimates

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

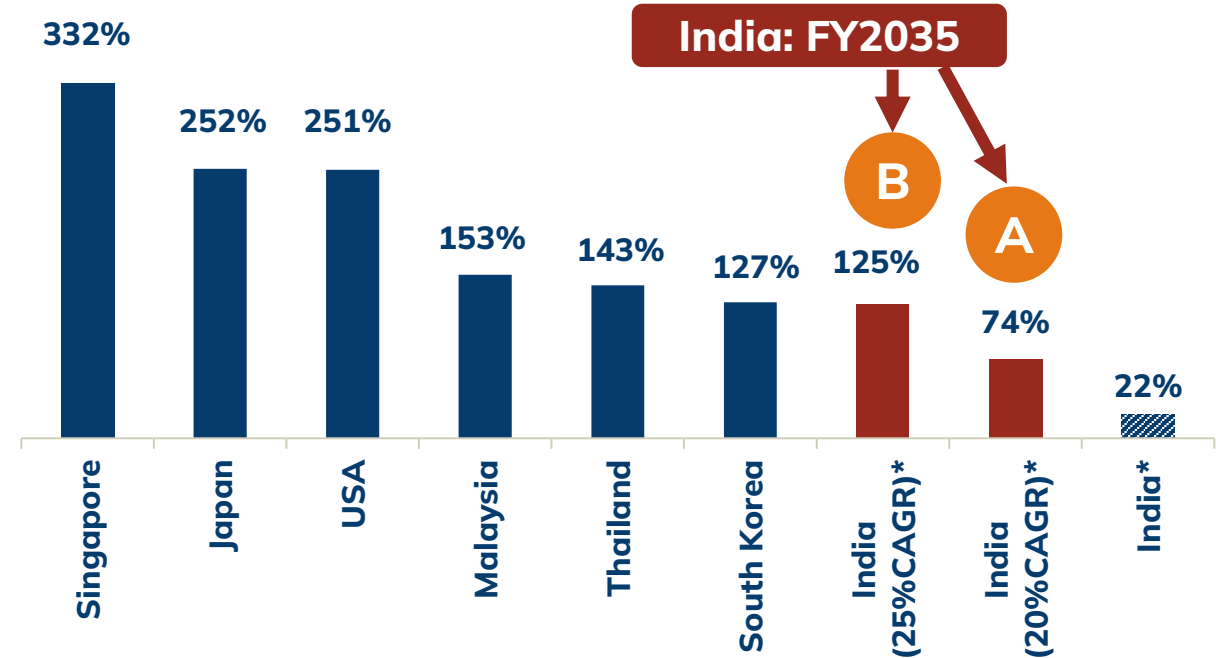
## A SA as % of GDP (SA growth @ 20% CAGR)



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



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



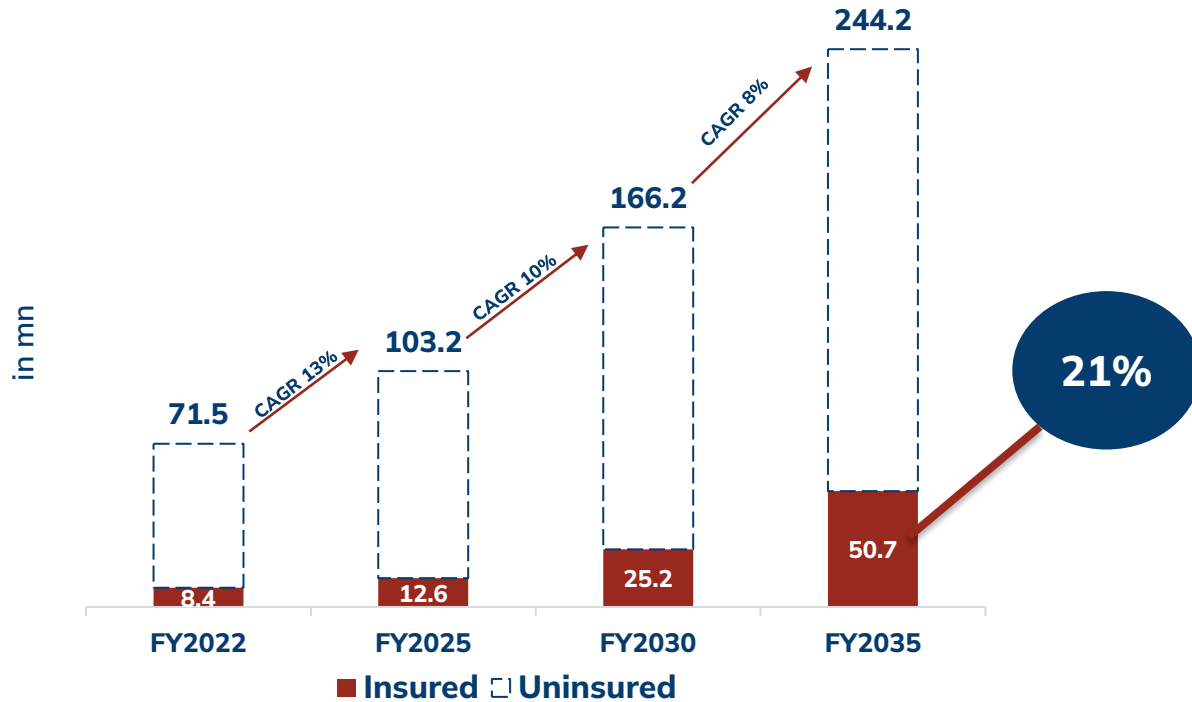
<sup>1</sup>FY2022 for India; GDP source: National statistics office

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

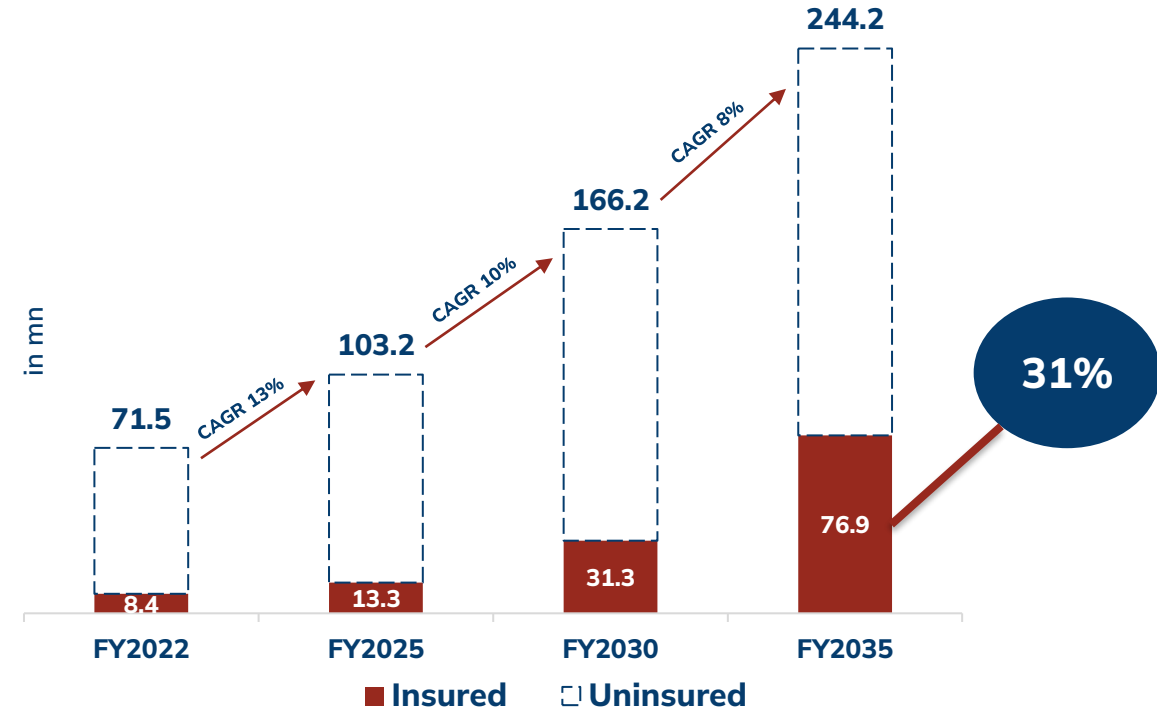
\*For retail protection sum assured (company estimates)

# Protection opportunity: Addressable population (%)

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



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



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

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

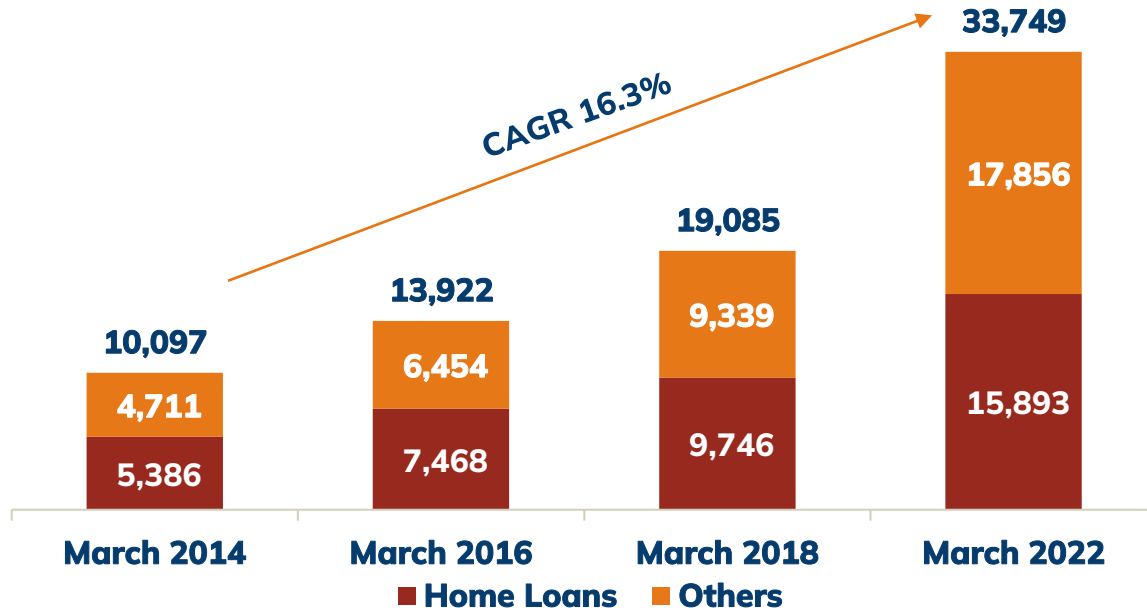
<sup>2</sup>Estimates at accelerated policy growth rates of 20% CAGR  
Compound annual growth rate (CAGR)



# Indicators of protection opportunity

## Retail credit<sup>1</sup>

₹ billion



- Healthy growth in retail credit
- Credit life is voluntary

## Health & motor<sup>2</sup>

Gross direct premium  
(₹ billion)

FY2022

Health

735.82

Motor

704.33

Motor own damage (OD)

271.78

Motor third party (TP)

432.55

<sup>1</sup>Source: RBI

<sup>2</sup>Source: General Insurance Council

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

# Agenda

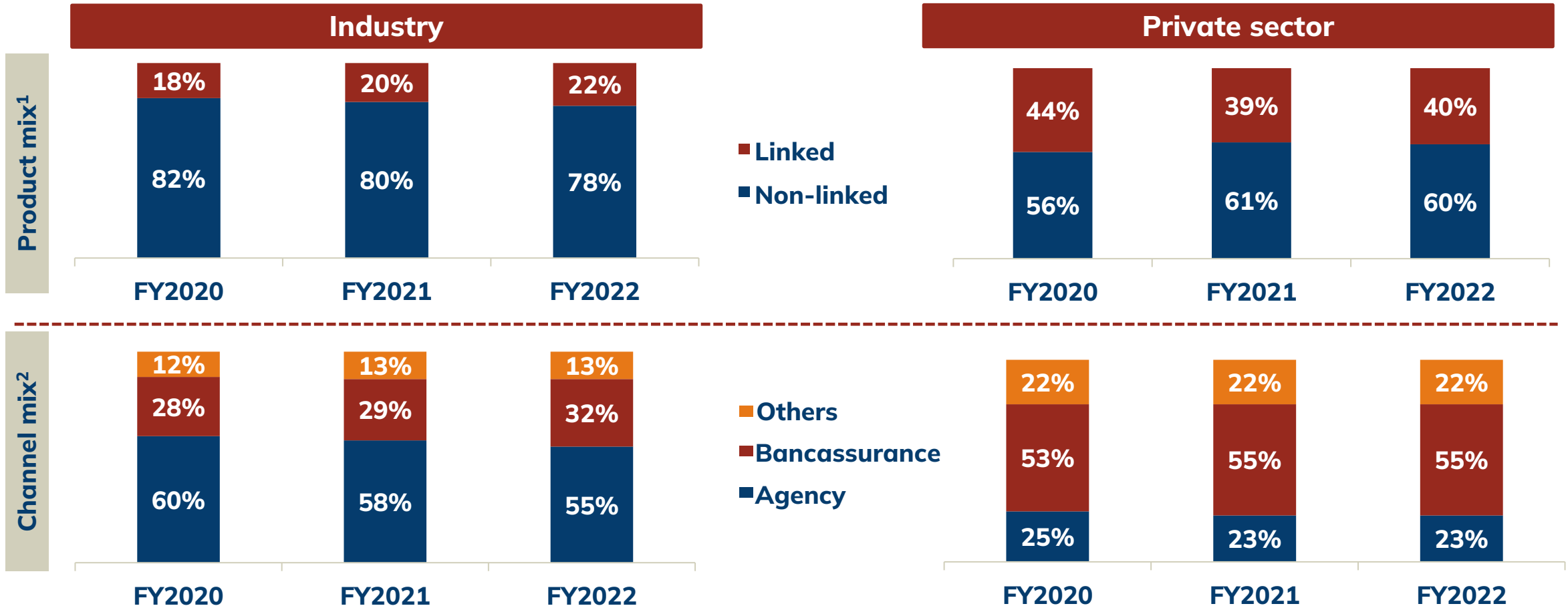
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

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

# Industry overview



Well developed banking sector enables bancassurance to be largest channel for private players

# Annexures

# Interest rate risk management

## Guaranteed return savings product

- Combination of cash instruments & derivatives used to lock in yields for future premiums
- Underlying bonds for derivatives selected based on tenure of liability

## Retail protection business

- Asset liability duration matching using derivatives

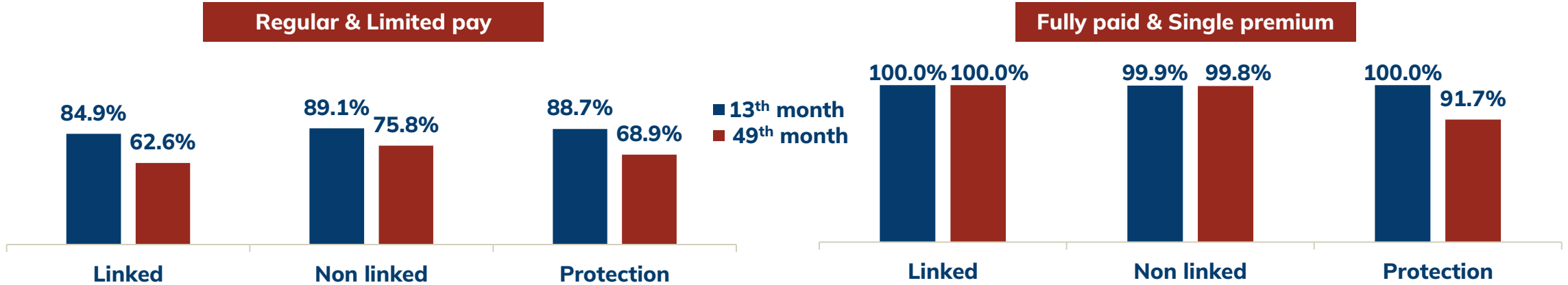
## Annuity products

- Duration matching & cash flow matching
- Derivatives undertaken recently to lock in yields for future premiums & match asset liability durations

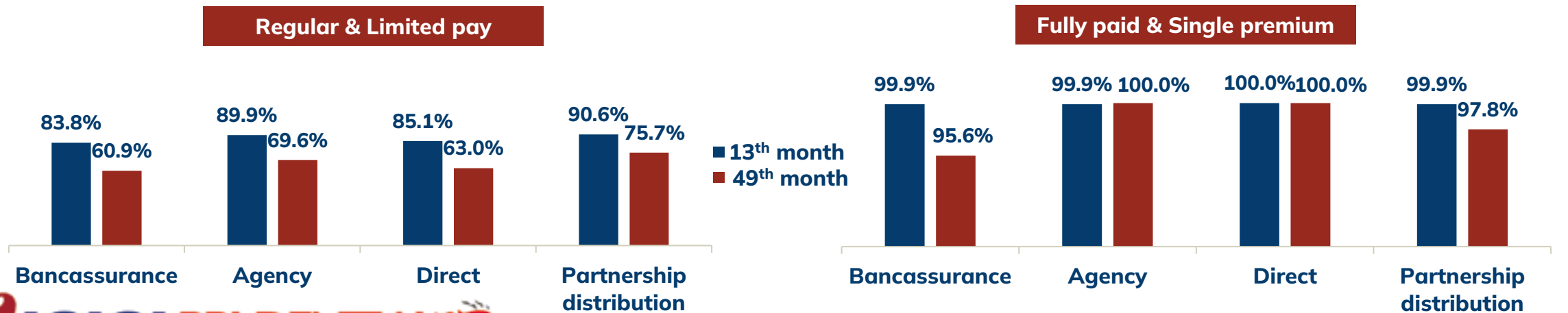
Review of pricing based on current interest rate environment

# Retail persistency: FY2023

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

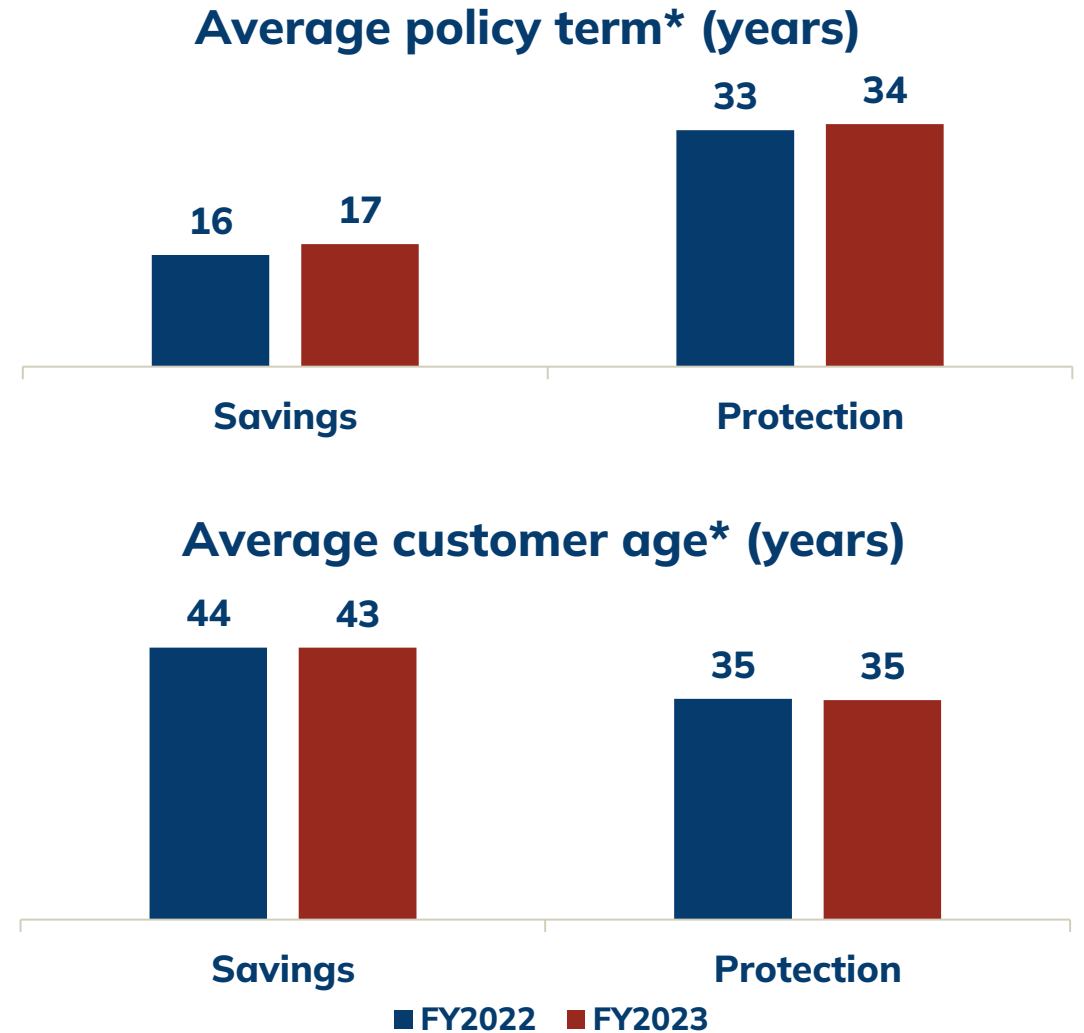


## Persistency<sup>1</sup> across channel categories



# Average APE by product categories

Segment (₹)	FY2022	FY2023
ULIP	163,770	177,057
Non-linked savings	94,925	119,748
Protection	22,608	23,086
<b>Total</b>	<b>100,407</b>	<b>118,928</b>





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

Channel category	Product category	FY2021	FY2022	FY2023
Bancassurance	ULIP	73.3%	70.7%	57.0%
	Non-linked savings	11.6%	19.2%	31.7%
	Annuity	4.3%	4.9%	7.3%
	Protection	10.9%	5.2%	4.0%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	33.3%	42.6%	35.6%
	Non-linked savings	57.0%	48.8%	55.4%
	Annuity	2.1%	3.9%	6.4%
	Protection	7.7%	4.7%	2.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	61.4%	73.4%	69.0%
	Non-linked savings	21.2%	13.6%	17.4%
	Annuity	7.8%	6.6%	8.4%
	Protection	9.6%	6.4%	5.3%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	13.1%	13.7%	8.8%
	Non-linked savings	70.5%	71.8%	75.8%
	Annuity	2.9%	2.1%	6.7%
	Protection	13.5%	12.4%	8.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

Product category	Channel category	FY2021	FY2022	FY2023
ULIP	Bancassurance	64.9%	57.0%	46.6%
	Agency	16.6%	20.8%	26.1%
	Direct	16.1%	19.6%	23.7%
	Partnership distribution	2.5%	2.6%	3.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	17.8%	27.3%	25.0%
	Agency	49.3%	42.1%	39.1%
	Direct	9.7%	6.4%	5.7%
	Partnership distribution	23.3%	24.1%	30.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	51.1%	49.1%	36.5%
	Agency	14.0%	23.8%	28.8%
	Direct	27.5%	22.0%	17.6%
	Partnership distribution	7.4%	5.1%	17.0%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	51.9%	39.6%	31.0%
	Agency	20.6%	21.7%	18.4%
	Direct	13.6%	16.2%	17.2%
	Partnership distribution	13.8%	22.5%	33.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Embedded value

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

₹ billion	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Opening EV</b>	<b>187.88</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>
<b>Unwind</b>	<b>15.84</b>	<b>17.25</b>	<b>16.61</b>	<b>20.85</b>	<b>27.08</b>
<b>Value of New Business (VNB)</b>	<b>13.28</b>	<b>16.05</b>	<b>16.21</b>	<b>21.63</b>	<b>27.65</b>
<b>Operating assumption changes + Operating variance</b>	<b>8.89</b>	<b>(0.42)</b>	<b>2.24</b>	<b>(10.56)</b>	<b>0.15</b>
<i>Operating assumption changes</i>	<i>4.20</i>	<i>(2.25)<sup>2</sup></i>	<i>3.09</i>	<i>(0.91)</i>	<i>(1.61)</i>
<i>Operating variance</i>	<i>4.69</i>	<i>1.83</i>	<i>(0.85)</i>	<i>(9.64)</i>	<i>1.76</i>
<i>Persistency variance</i>	<i>2.66</i>	<i>0.85</i>	<i>1.10</i>	<i>1.51</i>	<i>1.43</i>
<i>Mortality and morbidity variance</i>	<i>1.97</i>	<i>0.42</i>	<i>(2.37)<sup>3</sup></i>	<i>(11.87)<sup>3</sup></i>	<i>0.22</i>
<i>Expense variance</i>	<i>0.04</i>	<i>0.01</i>	<i>0.01</i>	<i>0.07</i>	<i>0.03</i>
<i>Other variance</i>	<i>0.02</i>	<i>0.56</i>	<i>0.41</i>	<i>0.64</i>	<i>0.08</i>
<b>EVOP</b>	<b>38.01</b>	<b>32.88</b>	<b>35.05</b>	<b>31.92</b>	<b>54.88</b>
<b>Return on embedded value (ROEV)</b>	<b>20.2%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>11.0%</b>	<b>17.4%</b>
Economic assumption change and investment variance	(1.22)	(14.76)	25.67	(4.37)	(14.49)
Net capital injection	(8.43)	(4.05)	0.04	(2.36)	(0.30)
<b>Closing EV</b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>	<b>356.34</b>

<sup>1</sup>As per Indian Embedded Value (IEV) method

<sup>2</sup>Negative impact of ₹ 5.49 billion due to change in effective tax rate

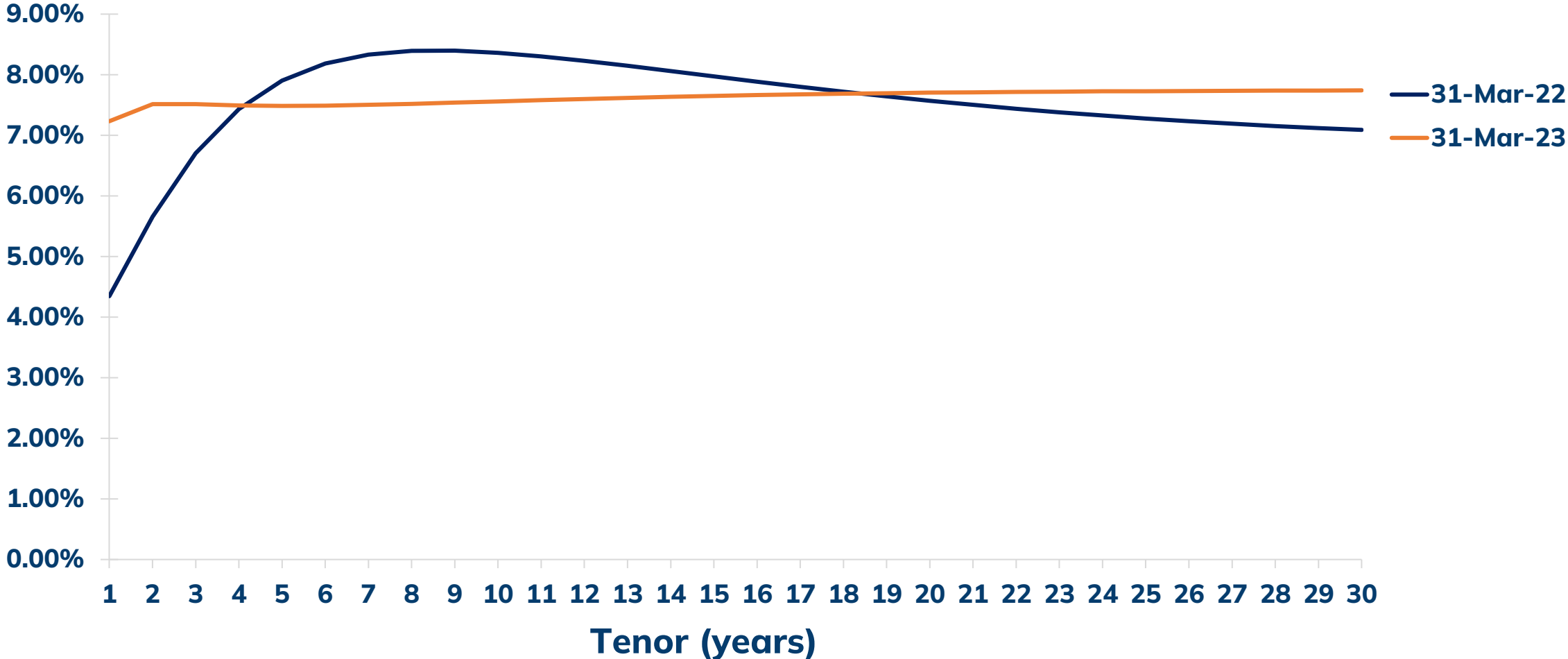
<sup>3</sup>Mortality variance includes the negative impact of COVID claims

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

# Economic assumptions underlying EV & VNB

Tenor (years)	Reference rates	
	March 31, 2022	March 31, 2023
1	4.3%	7.2%
5	7.9%	7.5%
10	8.4%	7.6%
15	8.0%	7.7%
20	7.6%	7.7%
25	7.3%	7.7%
30	7.1%	7.7%

# Reference rates (one year forward rates)



# Glossary (1/2)

- **Annualized Premium Equivalent (APE):** APE is the sum of the annualized first year premiums on regular premium policies, & ten percent of single premiums, from both individual & group customers
- **Retail Weighted Received Premium (RWRP):** Premiums actually received by the insurers under individual products & weighted at the rate of ten percent for single premiums
- **Total Weighted Received Premium (TWRP):** Measure of premiums received on both retail & group products & is the sum of first year & renewal premiums on regular premium policies & ten percent of single premiums received during any given period
- **Sum Assured:** The amount that an insurer agrees to pay on the occurrence of a stated contingency
- **Cost Ratio:** Cost ratio is a measure of the cost efficiency of a Company. Expenses are incurred by the Company on new business as well as renewal premiums. Cost ratio is computed as a ratio of all expenses incurred in a period comprising commission, operating expenses, provision for doubtful debts & bad debts written off to total weighted received Premium (TWRP)
- **Persistency Ratio:** Persistency ratio is the percentage of policies that have not lapsed & is expressed as 13<sup>th</sup> month, 49<sup>th</sup> month persistency etc. depicting the persistency level at 13<sup>th</sup> month (2<sup>nd</sup> year) & 49<sup>th</sup> month (5<sup>th</sup> year) respectively, after issuance of contract

# Glossary (2/2)

- **Value of New Business (VNB):** VNB is used to measure profitability of the new business written in a period. It is present value of all future profits to shareholders measured at the time of writing of the new business contract. Future profits are computed based on long-term assumptions which are reviewed annually. VNB is also referred to as NBP (new business profit). VNB margin is computed as VNB for the period/APE for the period. It is similar to profit margin for any other business
- **Embedded Value (EV):** 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):** EVOP is a measure of the increase in the EV during any given period due to matters that can be influenced by management
- **Return on Embedded Value (RoEV):** RoEV is the ratio of EVOP for any given period to the EV at the beginning of that period
- **Solvency Ratio:** Solvency ratio is calculated as ratio of Available Solvency Margin (ASM) over Required Solvency Margin (RSM)
- **Assets Under Management (AUM):** AUM refers to the carrying value of investments managed by the company & includes loans against policies & net current assets pertaining to investments



# 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**