



July 16, 2022

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**

This is further to our letter dated July 13, 2022 with reference to the earnings call to be hosted by the Company today i.e. July 16, 2022 with investors and analysts at 7.00 p.m. IST.

Please find enclosed the business presentation for 'earnings conference call' to discuss the financial performance of the Company for Q1-FY2023.

The audio recording and transcript of the conference call will be posted on the Company's website at [www.iciciprulife.com](http://www.iciciprulife.com), within the prescribed regulatory timelines.

Thanking you,

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**

A handwritten signature in blue ink, appearing to read 'S. Chandak'.

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

**Encl.: As above**

**ICICI Prudential Life Insurance Company Limited**

1<sup>st</sup> and 2<sup>nd</sup> Floor, Cnergy IT Park, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.

**Regd. Office :** ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. India. Visit us at [www.iciciprulife.com](http://www.iciciprulife.com)

Phone: +91 22 5039 1600, Fax: +91 22 2422 4484, Email: [corporate@iciciprulife.com](mailto:corporate@iciciprulife.com)

CIN : L66010MH2000PLC127837



# Performance update: Q1-FY2023

July 16, 2022

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview



# Agenda

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



# Key strategic elements



Aspiration to double the FY2019 VNB in four years

# Premium growth

## Premium growth

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

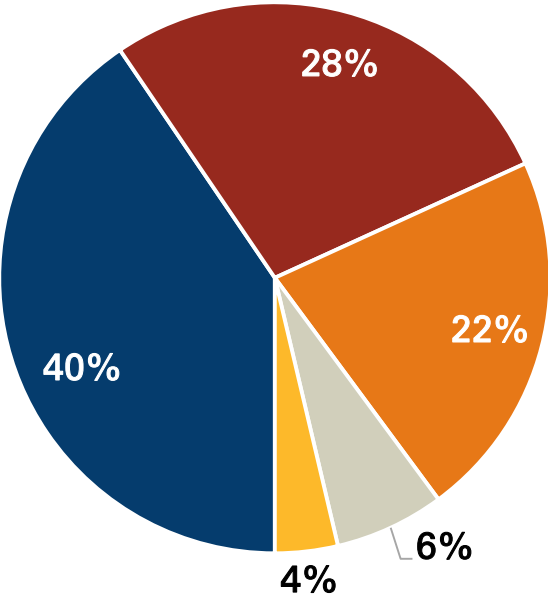
₹ billion	FY2022	Q1-FY2023
Annualised premium equivalent	77.33	15.20
<i>YoY growth</i>	19.7%	24.7%
New business premium (NBP) <sup>1</sup>	150.36	31.84
<i>YoY growth</i>	15.4%	24.4%

Robust growth maintained despite market volatility

# Premium growth: Product and Distribution

Product mix

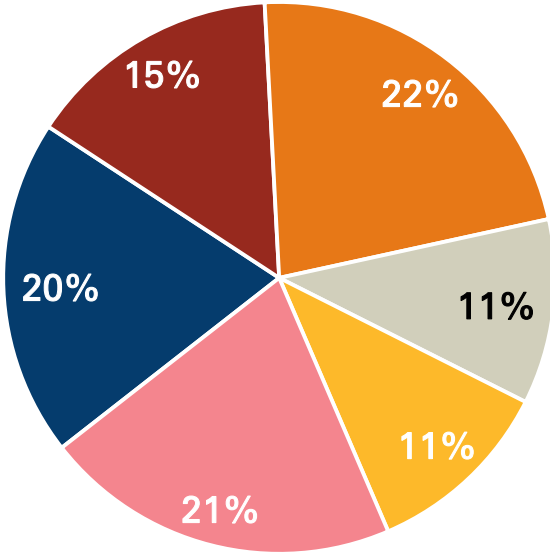
Q1-FY2023



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

Distribution mix

Q1-FY2023



■ Banca - ICICI Bank ■ Banca - Other Banks  
■ Agency ■ Direct  
■ Partnership Distribution ■ Group

Well diversified product and distribution mix



Based on APE



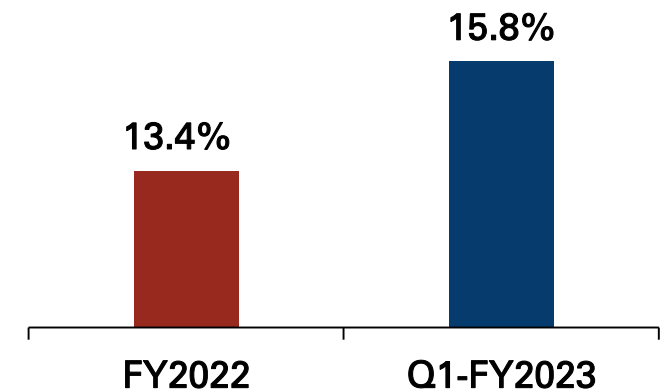
# Protection growth

Protection  
focus

Continue to grow both retail and group lines of  
business

₹ billion	FY2022	Q1-FY2023
Protection APE <sup>1</sup>	13.13	3.30
<i>YoY growth</i>	<i>25.5%</i>	<i>22.2%</i>
Protection Mix	17.0%	21.7%

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



Overall market leadership based on new business sum assured



1. Includes protection return of premium: FY2022 – ₹ 142.2 million, Q1-FY2023 – ₹ 123.2 million
2. Overall new business



# Persistence improvement

Persistence

Improve persistency across all cohorts

Persistence#	FY2022	2M-FY2023	
13 <sup>th</sup> month	84.6%	85.5%	↑ 90 bps
49 <sup>th</sup> month	63.4%	65.0%	↑ 160 bps

Significant improvement in persistency



# Regular and 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 and to drive productivity

₹ billion	Q1-FY2022	FY2022	Q1-FY2023	Growth
APE	12.19	77.33	15.20	24.7%
Total expenses	10.36	53.63	12.29	18.6%
Cost/TWRP <sup>1</sup> (%)	19.9%	18.6%	23.8%	-
Cost/TWRP (savings LOB) (%)	11.9%	12.8%	16.9%	-

Topline growth ahead of expense growth

# Resilient Balance Sheet

## Insurance risks

- Emerging mortality experience is within expectation
- ₹ 0.16 billion of COVID-19 claims in Q1-FY2023 against IBNR provision held of ₹ 0.24 billion
- Closing COVID-19 IBNR provision of ₹ 0.24 billion

## Strong solvency ratio

- Solvency ratio of 203.6% at June 30, 2022

## High quality assets

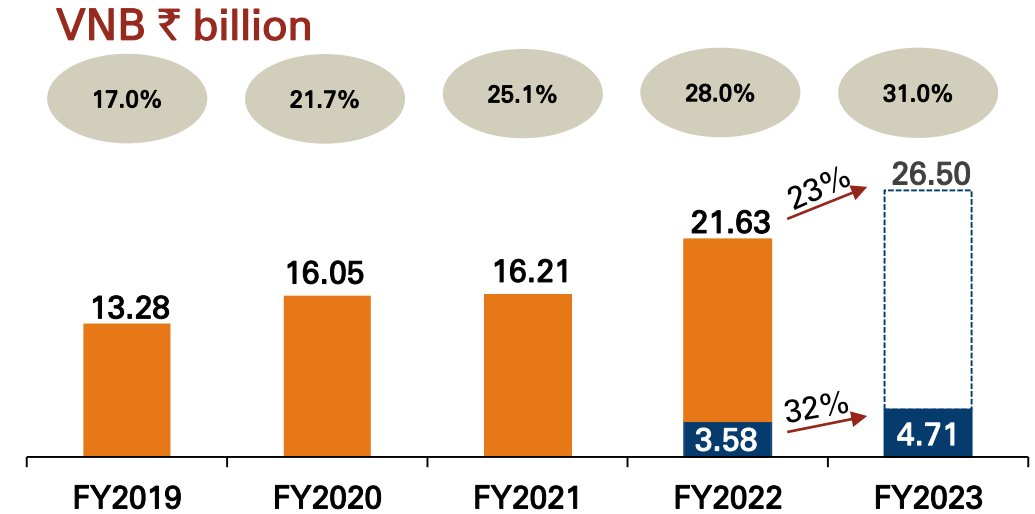
- 98% of fixed income in sovereign or AAA; 0.3% of fixed income below AA
- Zero NPA since inception

## Liability profile

- 77% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 2.2% of liabilities

# Value of New Business (VNB)

₹ billion	FY2021	FY2022	Q1-FY2023
Value of New Business (VNB) <sup>1</sup>	16.21	21.63	4.71
VNB growth	1.0%	33.4%	31.6%
VNB margin	25.1%	28.0%	31.0%



On track to double FY2019 VNB by year end

# Key strategic elements



Aspiration to double the FY2019 VNB in four years

# 4P: Premium

# Products available across all categories



ICICI Pru  
**FuturePerfect**  
Non-linked Insurance Plan



ICICI Pru  
**GUARANTEED INCOME FOR TOMORROW**  
LONG-TERM




ICICI Pru  
**GUARANTEED PENSION PLAN**  
A Non-Linked Non-Participating Individual Annuity Plan



ICICI Pru  
**GUARANTEED PENSION PLAN FLEXI**  
A Non-Linked Non-Participating Individual Deferred Annuity Plan




ICICI Pru  
**LAKSHYA**  
A Non-Linked Participating Life Insurance Plan




ICICI Pru  
**Savings Suraksha**  
Non-Linked Life Insurance Plan



**GUARANTEED INCOME FOR TOMORROW**  
A Non-Linked Non-Participating Life Individual Savings Product



ICICI Pru  
**SARAL PENSION**  
A Non-Linked Non-participating Single Premium Individual Immediate Annuity Plan






ICICI Pru  
**SIGNATURE**  
A Unit Linked Non-Participating Life Insurance Plan



ICICI Pru  
**SmartLife**  
A Unit Linked Life Individual Product



ICICI Pru  
**Guaranteed Wealth Protector**  
Unit Linked Insurance Plan

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




ICICI Pru  
**iProtect Smart Life Cover Plus**



ICICI Pru  
**iProtect Return of Premium**  
Non-Linked Non-Participating Individual Life Insurance Savings Product



ICICI Pru  
**Heart Cancer Protect**



ICICI Pru  
**CORONA PROTECT PLUS RIDER**  
A Unit-Linked Non-Participating Individual Non-Risk Premium Life Insurance Rider




ICICI Pru  
**PRECIOUS LIFE**  
A non-linked non-participating term insurance plan.



ICICI Pru  
**SARAL JEEVAN BIMA**  
A Non-Linked Non-Participating Individual Pure Risk Premium Life Insurance Plan



ICICI Pru  
**CORONA PROTECT RIDER**  
A Non-Linked Non-Participating Individual Pure Risk Premium Life Insurance Rider






ICICI Pru  
**SUPER PROTECT LIFE**  
A Non-Linked Non-participating Group Term Insurance Product



ICICI Pru  
**Shubh Raksha Life**  
A Non-Linked Non-Participating Group Micro Insurance Product



ICICI Pru  
**Group Term Plus**  
Group Life Cover Plan



ICICI Pru  
**Super Protect - Credit**  
(A Non-Linked Non-participating Group Life Insurance Product)  
for group term insurance cover with credit insurance benefit

Retail

Pure term, term with accident cover

Critical illness, Disease specific

Protection

Group

Pure term, Micro insurance, Credit insurance, Critical illness

**ICICI PRUDENTIAL**  
LIFE INSURANCE

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# Performance across segments

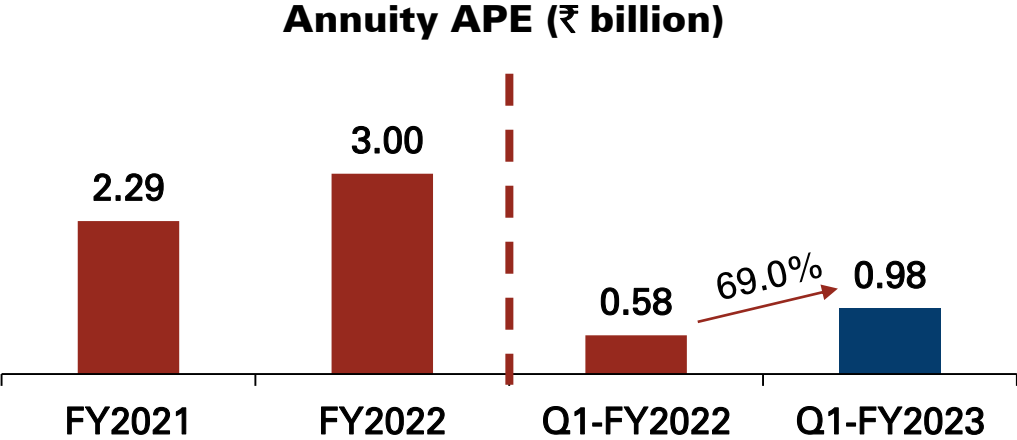
Segments	APE (₹ billion)			Mix (%)	
	FY2022	Q1-FY2023	Growth (%)	FY2022	Q1-FY2023
<b>Savings</b>	<b>64.20</b>	<b>11.90</b>	<b>25.3%</b>	<b>83.0%</b>	<b>78.3%</b>
Linked	37.38	6.16	15.1%	48.3%	40.5%
Non-linked	21.21	4.21	40.8%	27.4%	27.7%
Annuity	3.00	0.98	69.0%	3.9%	6.4%
Group funds	2.61	0.56	(3.4%)	3.4%	3.7%
<b>Protection</b>	<b>13.13</b>	<b>3.30</b>	<b>22.2%</b>	<b>17.0%</b>	<b>21.7%</b>
<b>Total APE</b>	<b>77.33</b>	<b>15.20</b>	<b>24.7%</b>	<b>100.0%</b>	<b>100.0%</b>

Strong growth across product segments

# Pension and Annuity

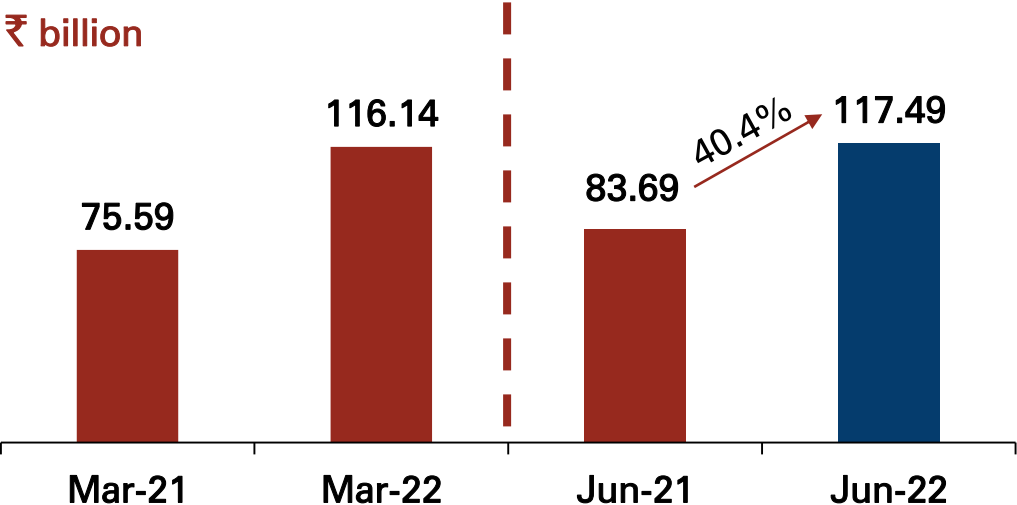
A comprehensive pension provider

## Annuity



Annuity APE grew by 69% in Q1-FY2023; annuity mix<sup>1</sup> of 18%

## Pension fund management (AUM)



Pension fund AUM grew by 40% over June 2021

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



1. % of new business received premium as per financials

# Enhancing distribution

## Strategy: Create depth and add width

- ~800 partnerships; 13 new partnerships
- Protection and Annuity mix 26%, Non-linked savings 62%

## Strategy: Digital focused upsell campaigns

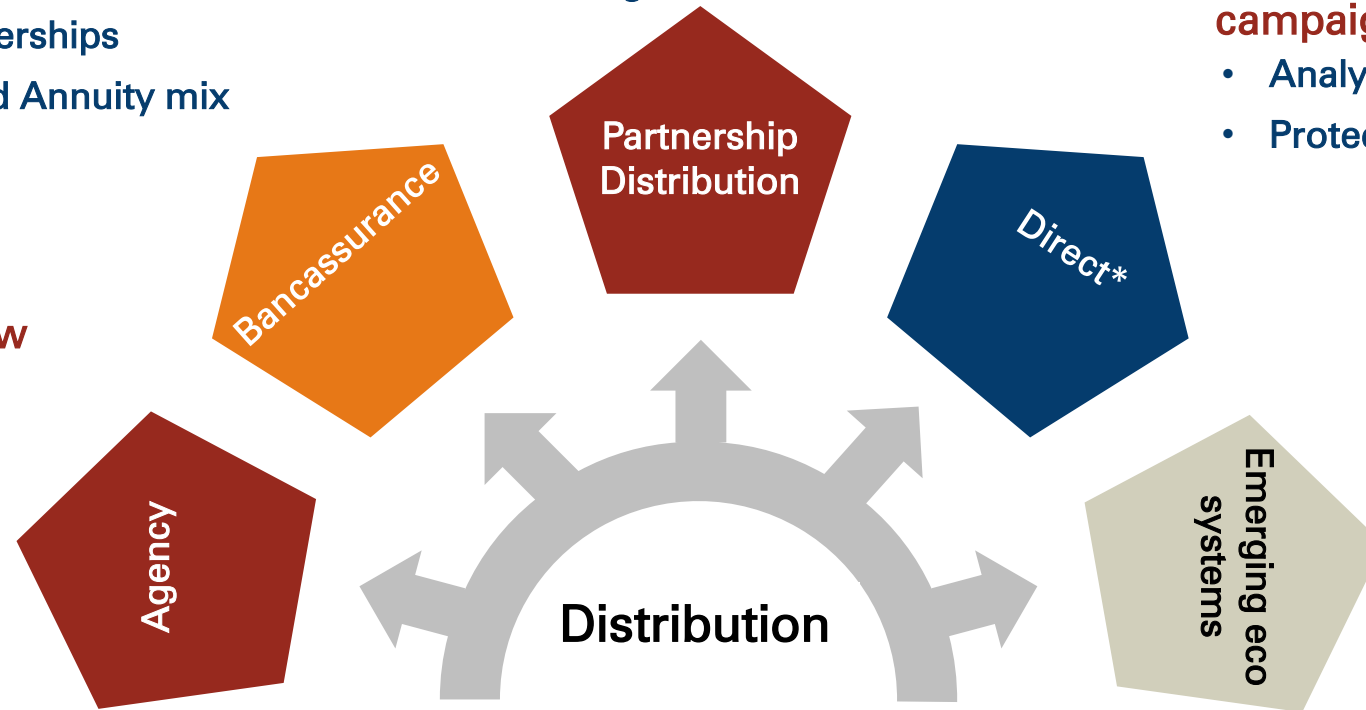
- Analytics driven upsell channel
- Protection and Annuity mix 52%

## Strategy: Build profitability

- 30 bank partnerships
- Protection and Annuity mix 43%

## Strategy: Invest and grow

- 6,821 agents recruited during Q1-FY2023
- Diversified product mix: Protection and Annuity 34%, Non-linked savings 35% and linked 31%



## Strategy: Partner with non-traditional distributors

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

~800 partnerships including 30 banks; > 200,000 advisors

# Performance across distribution channels

APE (₹ billion)				Mix (%)	
Channels	FY2022	Q1-FY2023	Growth (%)	FY2022	Q1-FY2023
Bancassurance	30.12	5.28	12.1%	38.9%	34.7%
<i>ICICI Bank</i>	19.26	3.01	(10.9%)	24.9%	19.8%
<i>Other banks</i>	10.85	2.27	70.7%	14.0%	14.9%
Agency	18.28	3.41	24.5%	23.6%	22.4%
Direct	9.97	1.65	3.1%	12.9%	10.9%
Partnership distribution	7.16	1.69	65.7%	9.3%	11.1%
Group	11.80	3.18	50.0%	15.3%	20.9%
Total APE	77.33	15.20	24.7%	100.0%	100.0%

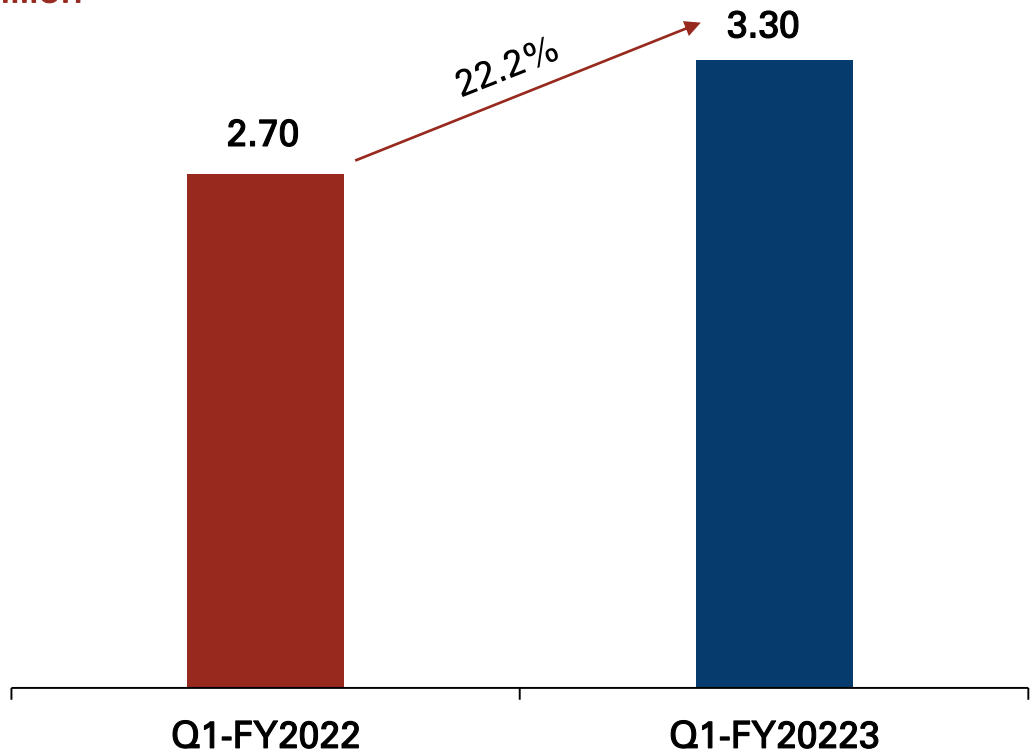
Strong growth across most distribution channels

# 4P: Protection

# Protection business

## Protection APE

₹ billion

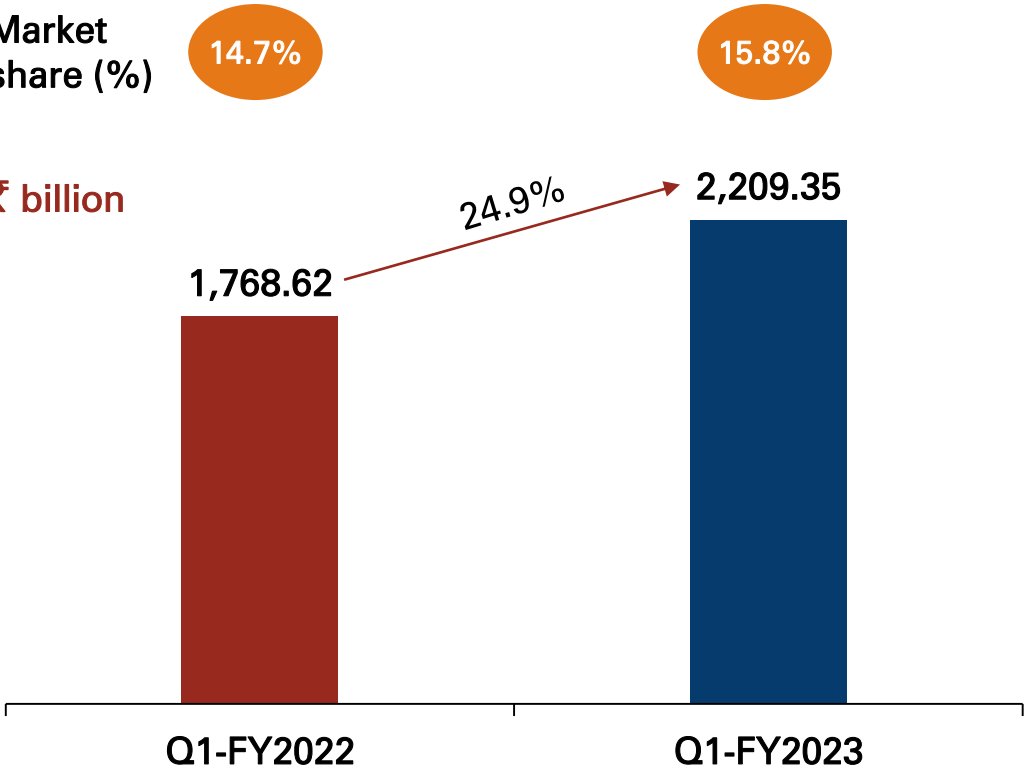


Protection APE grew by 22% in Q1-FY2023

## Sum assured<sup>1</sup>

Market share (%)

₹ billion



Sum assured grew by 25% in Q1-FY2023



1. Overall new business

# 4P: Persistency



# Persistence

Regular and Limited pay			
Month	2M-FY2022	FY2022	2M-FY2023
13 <sup>th</sup> month	85.0%	84.6%	85.5%
25 <sup>th</sup> month	73.7%	77.3%	77.6%
37 <sup>th</sup> month	66.4%	66.9%	67.8%
49 <sup>th</sup> month	64.9%	63.4%	65.0%
61 <sup>st</sup> month	50.8%	54.7%	55.7%

Fully paid and Single premium			
Month	2M-FY2022	FY2022	2M-FY2023
13 <sup>th</sup> month	100.0%	100.0%	100.0%
25 <sup>th</sup> month	99.6%	100.0%	100.0%
37 <sup>th</sup> month	97.6%	99.0%	99.3%
49 <sup>th</sup> month	95.8%	96.4%	96.6%
61 <sup>st</sup> month	99.1%	99.2%	99.3%

Significant improvement across cohorts

# 4P: Productivity

# Productivity: Cost efficiency

	Q1-FY2022	FY2022	Q1-FY2023
Expense ratio (excl. commission) <sup>1</sup>	14.7%	12.8%	17.9%
Commission ratio <sup>2</sup>	5.2%	5.8%	5.9%
Cost/TWRP <sup>3</sup>	19.9%	18.6%	23.8%
Cost/Average AUM <sup>4</sup>	1.9%	2.4%	2.1%
Cost/TWRP (Savings LOB)	11.9%	12.8%	16.9%

₹ billion	Q1-FY2022	FY2022	Q1-FY2023
Commission	2.71	16.73	3.06
Non-commission	7.65	36.90	9.23

Topline growth ahead of expense growth

# VNB growth levers update (4P's)

₹ billion	FY2022	Q1-FY2023	Growth
Value of New Business (VNB) <sup>1</sup>	21.63	4.71	31.6%
VNB margin	28.0%	31.0%	-

₹ billion	FY2022	Q1-FY2023	Growth
Premium growth (APE)	77.33	15.20	24.7%
Protection growth (APE)	13.13	3.30	22.2%
Persistency (13 <sup>th</sup> month) <sup>2</sup>	84.6%	85.5%	-
Persistency (49 <sup>th</sup> month) <sup>2</sup>	63.4%	65.0%	-
Productivity (Cost/TWRP: Savings) <sup>3</sup>	12.8%	16.9%	-

# Financial update

# Financial metrics

₹ billion	Q1-FY2022	FY2022	Q1-FY2023
Profit after Tax	(1.86)	7.54	1.56
Solvency ratio	193.7% <sup>1</sup>	204.5% <sup>2</sup>	203.6% <sup>1</sup>
AUM	2,231.71 <sup>1</sup>	2,404.92 <sup>2</sup>	2,300.72 <sup>1</sup>

Solvency ratio continues to be strong at 203.6%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE





# ESG: Approach and focus areas



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

## 3 pillars of our sustainability framework



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



**Social**  
giving back to the society



**Governance**  
transparency in functioning

## Our focus areas



**Human Capital**



**Responsible Investing**



**Governance & Business Ethics**



**Data Privacy & Security**



**Access to Finance & CSR**



**Environment**

## New initiatives



**Diversity & inclusion**



**Environmental impact**

## ESG Ratings Improvement

- Analysis of the assessment by ESG research firms on each parameter and benchmarking of ESG disclosures by companies with good scores
- Introduction of initiatives & disclosures based on gap analysis
- Outcome: Upgrade by two well known ESG rating agencies (Currently the best among Indian insurance companies); Improvement in ESG score by FTSE Russell in Q1-FY2023

# Focus area: Human capital



## Enabling employee wellbeing

1. Focus on building awareness, establishing policies and enabling habit formation
2. Physical wellness campaigns : 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 and potential
  - Identification of bench for all key roles based on talent management and succession planning processes



## Building an agile & engaged workforce

1. Enabling a diverse workforce
  - Equal opportunity employer, 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 the Company
3. Robust grievance redressal framework
4. Employee surveys
  - 90%+ Voice of Employee survey\* score on alignment, advocacy, support, technology & infra, health & safety measures and learning & engagement opportunities
  - NPS: 90% for top talent, 87% overall

# Focus area: Responsible investing



Three pronged approach

Stewardship policy and process

ESG Integration

ICICI Prudential Sustainable Equity Fund

Engaging with investee companies

Disclosing voting actions

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

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

Benchmarked against NSE 100 ESG Index



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

# Focus area: Governance and Data privacy

## Governance Structure



### Board composition

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



### Board Diversity

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



### Evaluation framework

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

## Compensation Framework



### Compensation Policy

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



### Governance

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



### Alignment

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

## Information/Cyber security



### Data Privacy Policy

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



### Cyber Security Framework

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

## Risk Management



### Risk Management Policy

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



### Mitigating risk

- Framework sets out limits and controls for risk exposure
- Risk-based internal audit framework
- ISO 22301: BCM certification

## Business Ethics/Compliances



### Policies

- Code of Conduct
- POSH
- ABC Policy
- AML Policy

- Compliance Policy
- Framework for Managing Conflicts of Interest
- Insider Trading Code
- Whistle Blower Policy

# Focus 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 persistency<sup>1</sup> ratios (13<sup>th</sup> month) in the industry.
- **24x7 service architecture; 91.5%** self-help usage
- **97.8%** - One of the best claim settlement ratios<sup>2</sup>; **1.46 days**<sup>3</sup> average TAT
- **Providing financial safety net to society – 21,600** retail death claims settled and **238,000** Group claims settled
- Insurance awareness campaigns, focus on right selling & product suitability
- Robust policy & framework for grievance redressal



## CSR

- **₹ 68.2 million** spent for CSR initiatives
- Over **155,000** children and adults beneficiaries supported through the COVID-19 vaccination program
- **61.4 million** consumers reached through the Consumer awareness and education program
- **1,558** underprivileged youth trained through ICICI Academy for Skills – skill development program
- **2,117** underprivileged beneficiaries supported through other CSR programs



## Environment

- **~1,700 tonnes** of carbon footprint saved through:
  - Responsible consumption of energy
  - Water conservation
  - Replace, reduce and recycle approach
- **96%** of new business applications logged digitally
- **94%** shareholders communicated digitally
- Green energy implemented for some offices in Mumbai (From Jan 2022)
- External consultant for carbon emissions project has been finalised and on boarding activity in progress

Figures mentioned are for financial year ended March 31, 2022

1. Computed as per IRDAI circular dated September 30, 2021
2. Individual death claims
3. Average turnaround time for non-investigated claims from receipt of last requirement

# Technology @ICICI Prulife



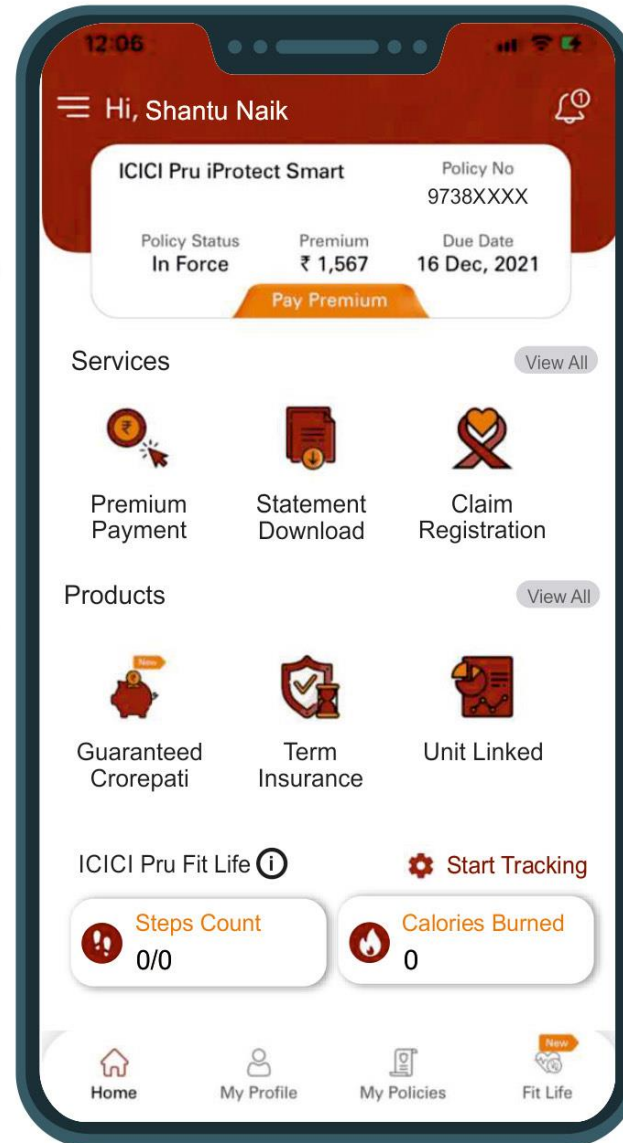
# Digital@iciciprulife

~3.1 million digital service interactions every month

1.1 million+ app downloads

Highest rated app within life insurance industry

Access to over 45 types of policy transactions



Digital logins at 96%

>91.8% service interactions are via self-help / digital modes

97% of pages having a system uptime of 99% & above


Fitness tracker to monitor health statistics



# New business & growth

## Pre-sales


### Collaboration platform –

Online meetings, joint sales calls, invite experts, share content 

### 24x7 cognitive bots –

24x7 query resolution using chat bots viz. Chat Buddy, PSF Guru, Tara

### Lead Management System –

Enhanced with voice capability and geographical tagging 

### Learner's Box and MyCoach -

On-the-go e-learning modules with AI capabilities to improve pitch

### Demand generation–

Digital platform to generate interest, qualify leads with nurture framework and funnel management

## Onboarding & issuance

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

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

### Digital journey

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

### Leveraging eco system

- ❖ Partner and third party data for pre-population and process de-congestion
- ❖ Document aggregator integration to get income details for financial underwriting



## Partner integration

- ❖ Partner integration portal
- ❖ Easy UI – Pre-coded premium quotation pages
- ❖ Data pre population
- ❖ No KYC document, digital payment with SI and digital consent

### Video based Pre -issuance verification on WhatsApp



- ❖ Instant Certificate of issuance
- ❖ Instant refund into customer account, in case of cancellation
- ❖ Video verification and CKYC as a service enabled for partners
- ❖ End-to-end digital journey for group partners



**Group portal** - An end to end automated process for on-boarding group customers

# Customer service



## Empowering customers

### Self service

- ❖ ~3.1Mn. digital service interactions monthly
- ❖ >91.8% 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

- ❖ 1.1 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 handheld 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

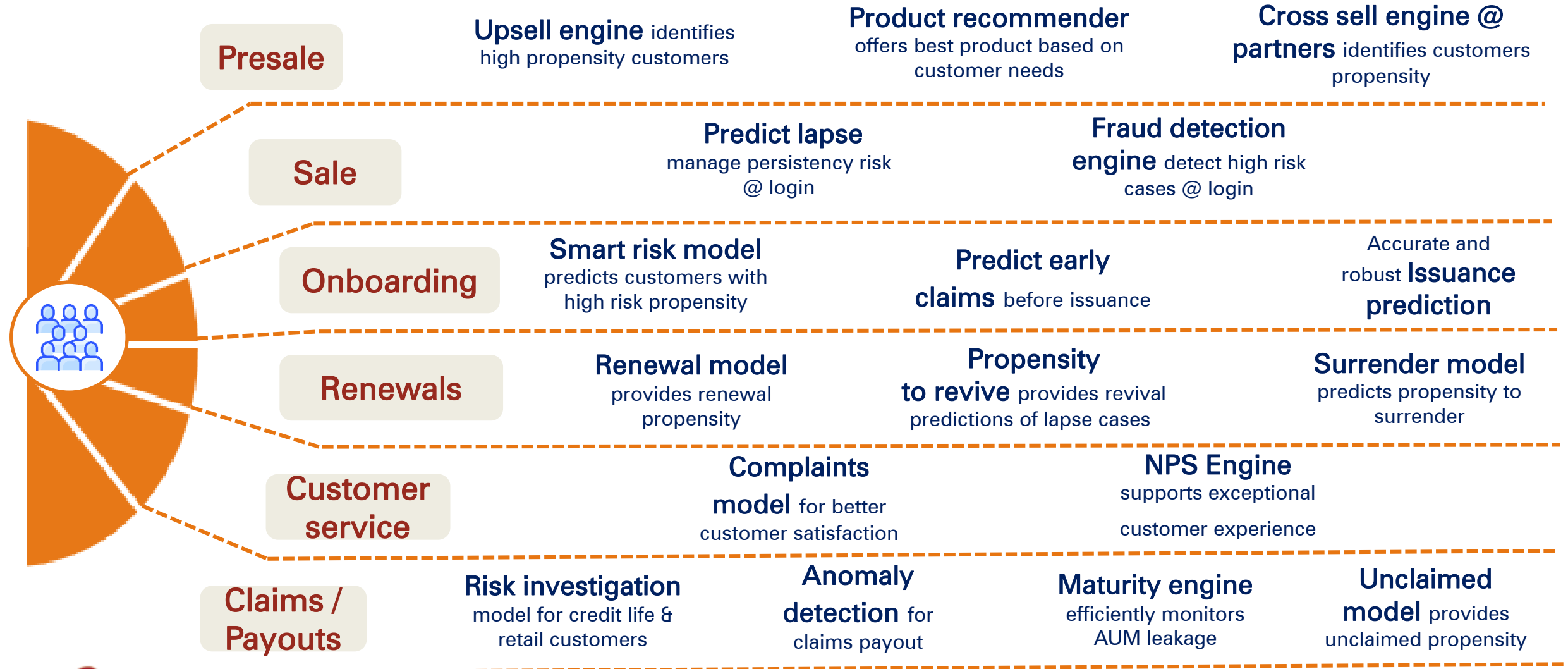
**Modular data integration approach** to meet partner requirements



**Use of AI & ML** to analyze structured & unstructured data

**Cognitive automation** – End-to-end process automation using intelligent and cognitive automation tools

# Data excellence @ every phase of customer journey





# Awards and Accolades – Q1-FY2023

Only Indian insurance Company to be featured in the list of top 100 companies in BW Businessworld – 'India's Most Sustainable Companies'



Best Contact Centre



Technology Champion of the Year – Life Insurance



BW Businessworld in association with Sustain Labs Paris

Customer Fest Leadership Awards 2022

Quantic 3rd Annual BFSI Technology Excellence Awards 2022

3rd Emerging Asia Awards 2021 - Indian Chamber of Commerce (ICC)

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



2nd runner up award for Best Life Insurance Company of the Year

Runner up award for the Company with the Best Risk Management Strategy (Life)

Jury award for Best Innovation and Diversification introduced by a Company (Life)

ET Brand Equity Kaleido Awards 2022

# Agenda

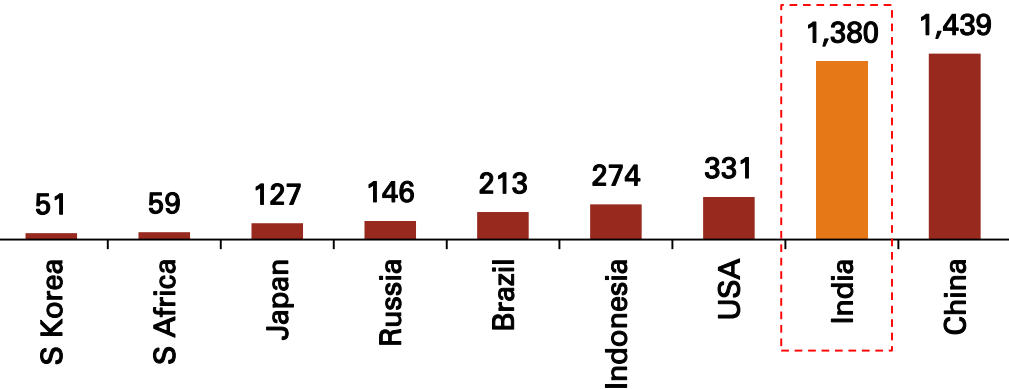
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

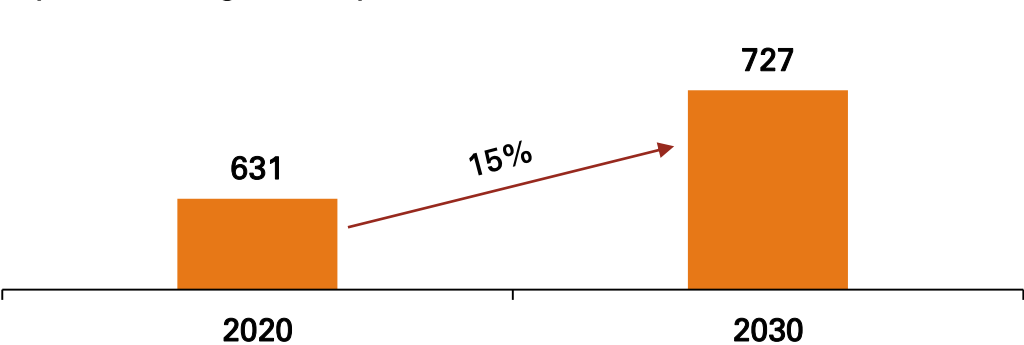
## Large and growing population base<sup>1</sup>

2020 Population (mn)

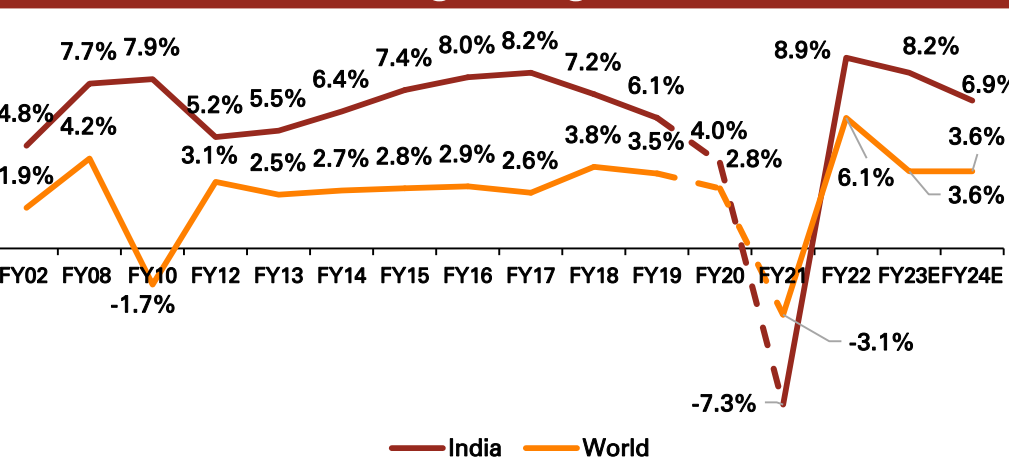


## High share of working population<sup>1</sup>

Population of age 25-59 years (in mn)

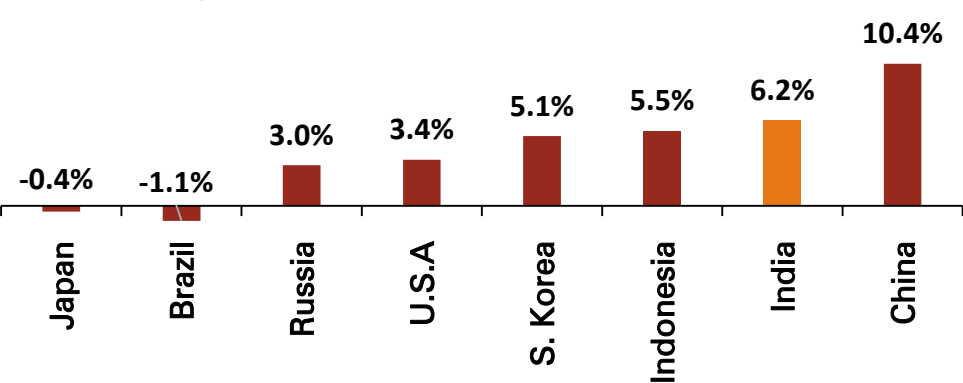


## Driving GDP growth<sup>2</sup>



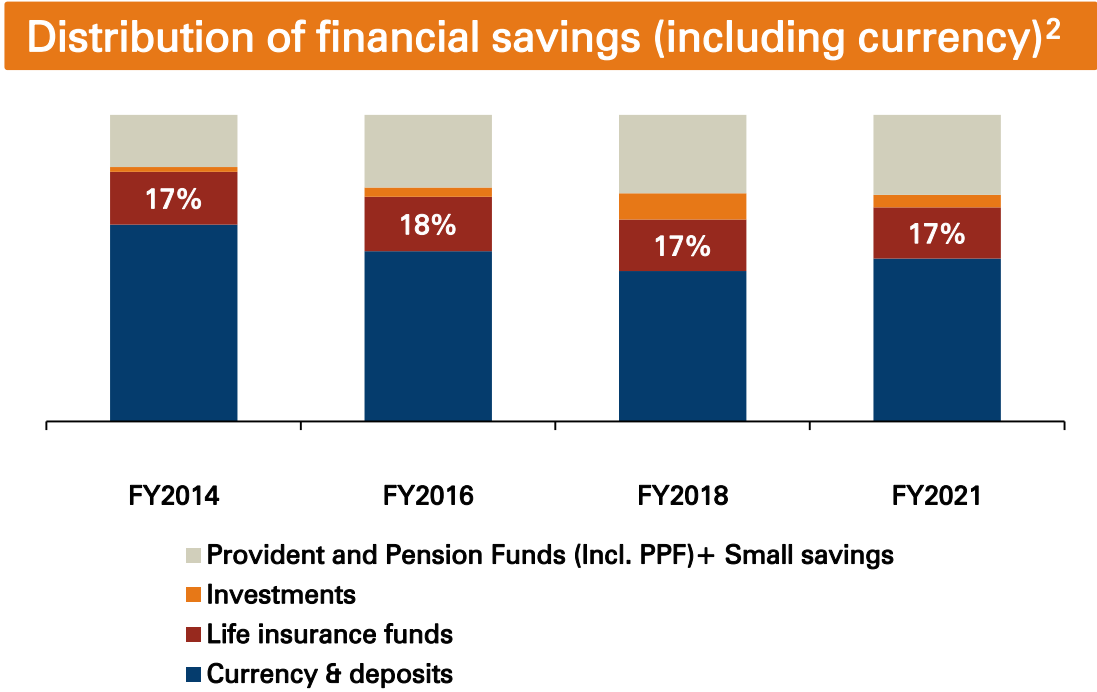
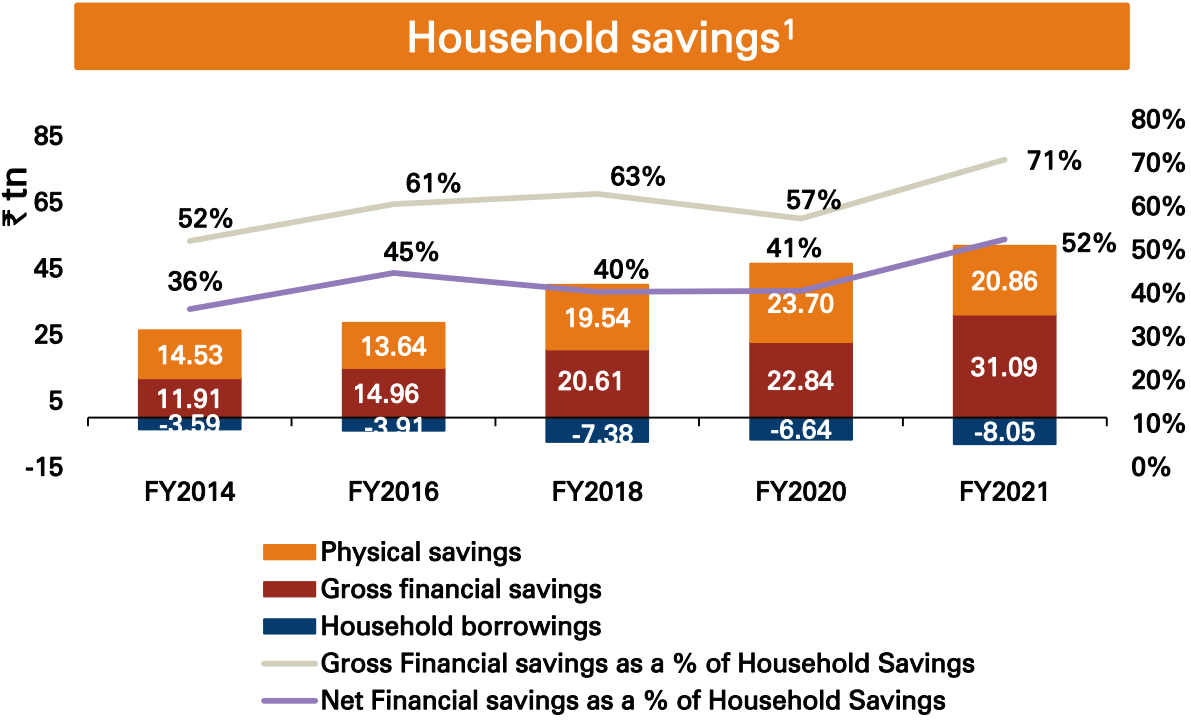
## Rising affluence<sup>3</sup>

GDP per capita CAGR (FY2010-FY2022)



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

# Financialisation of savings: Opportunity for insurance

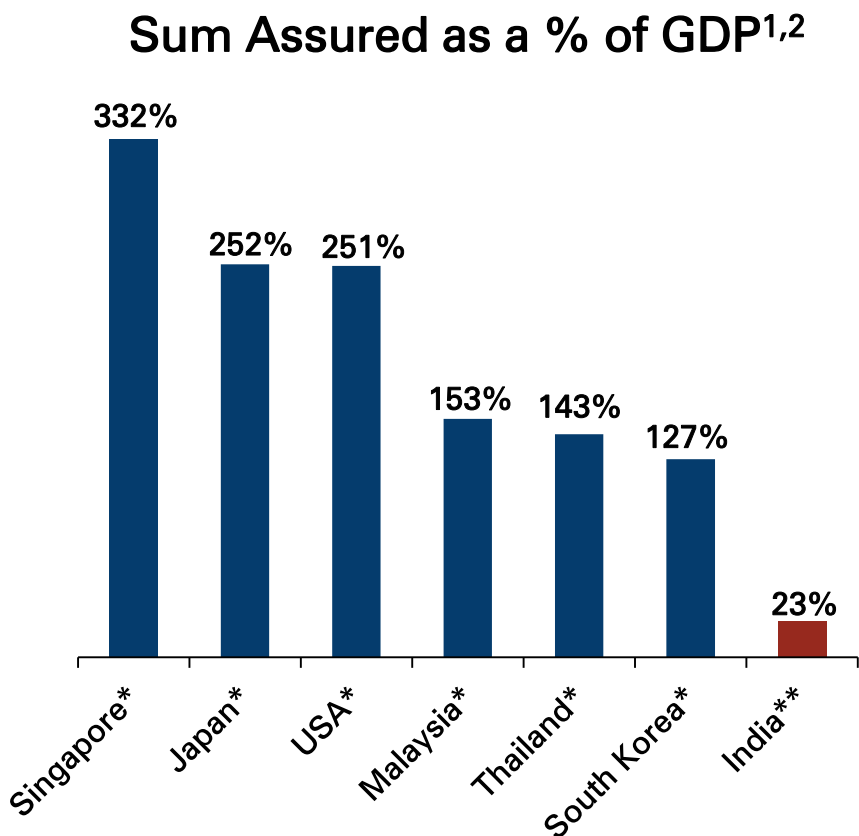


	FY2002	FY2008	FY2010	FY2012	FY2014	FY2018	FY2019	FY2020	FY2021
Life insurance premium <sup>3</sup> as % of GDP	2.1%	4.0%	4.1%	3.3%	2.8%	2.7%	2.7%	2.8%	3.2%

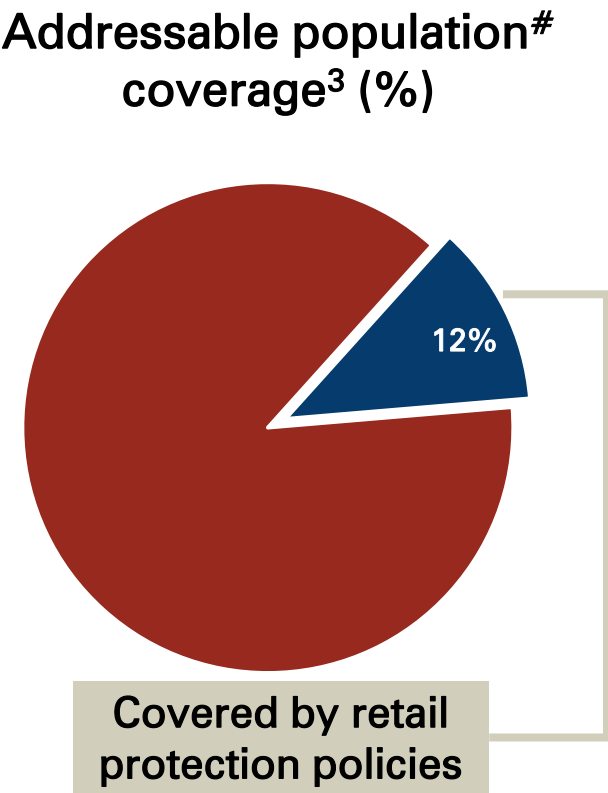
1. Source: RBI and CSO  
2. Source: RBI  
3. Total life insurance industry premium including renewal; Source: IRDAI



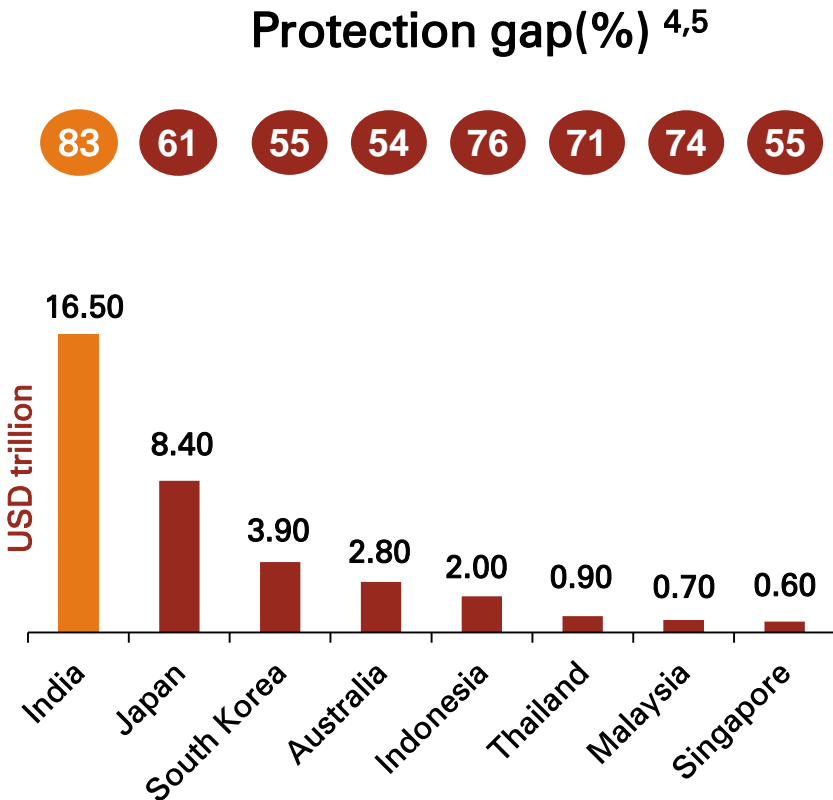
# Protection opportunity: Low penetration



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



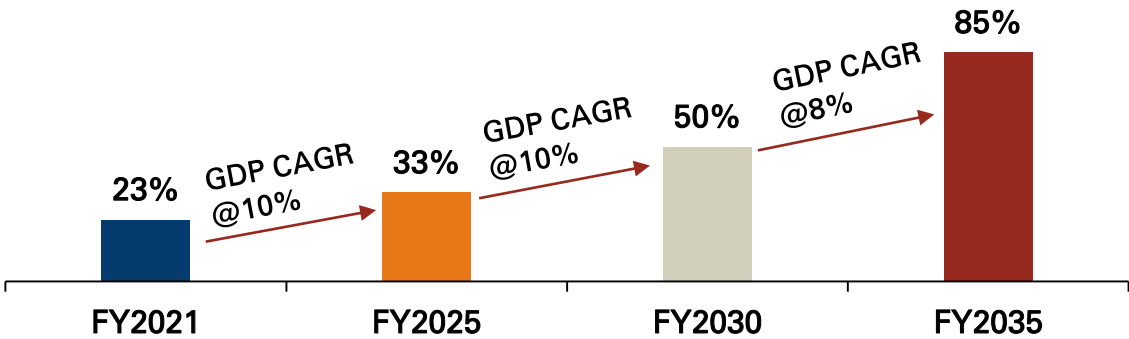
<sup>#</sup> Based on Income Tax Department data for individuals (annual income > ₹ 250,000) and company estimates



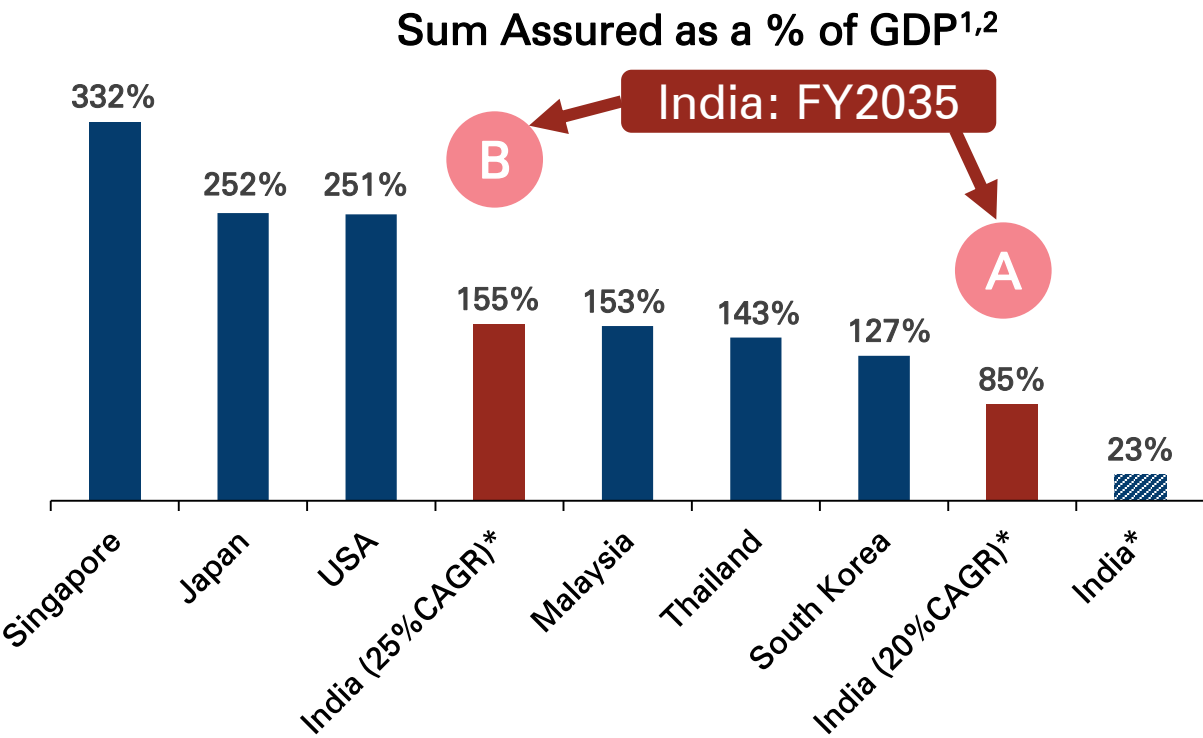
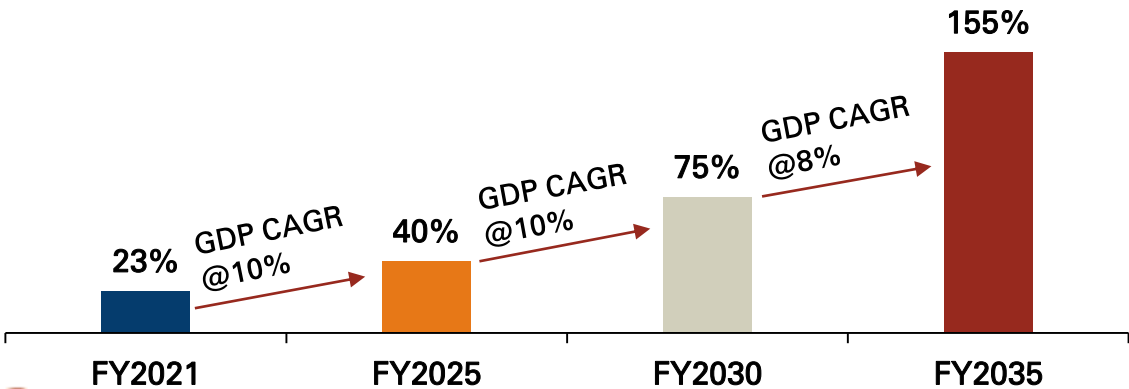
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)  
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates  
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income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

# Protection opportunity: Sum assured as a % of GDP

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



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

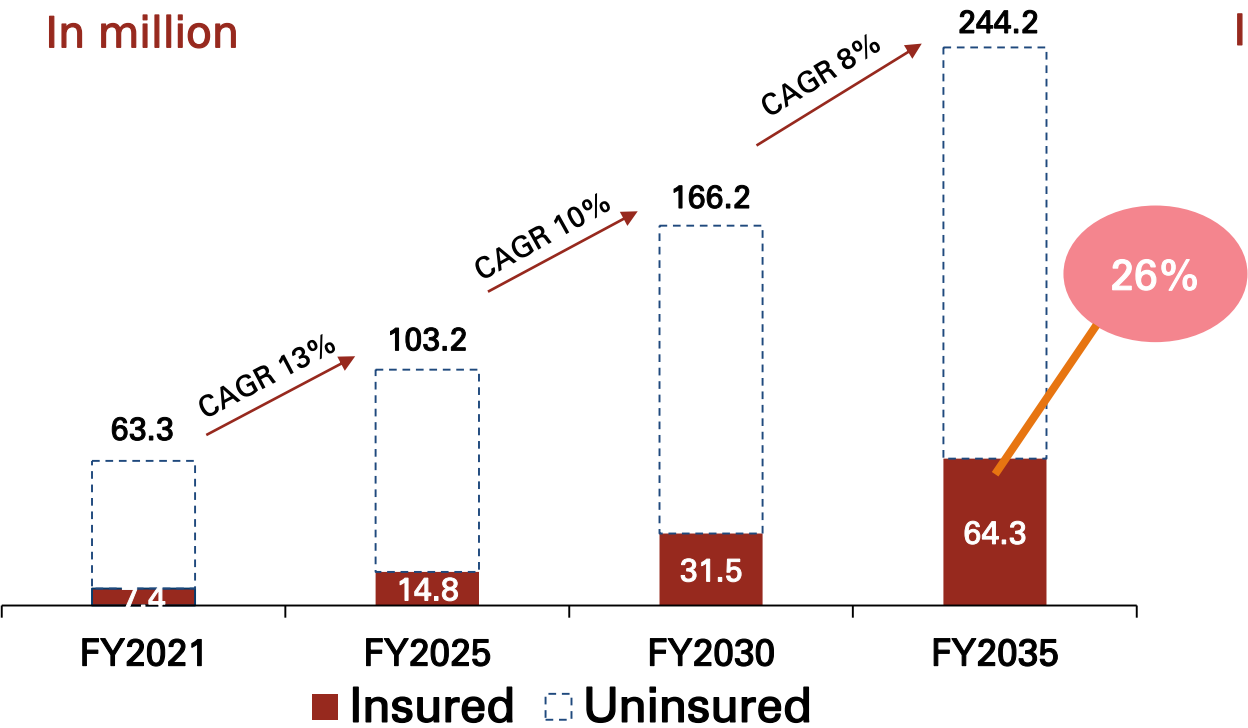


\* For retail protection sum assured (company estimates)

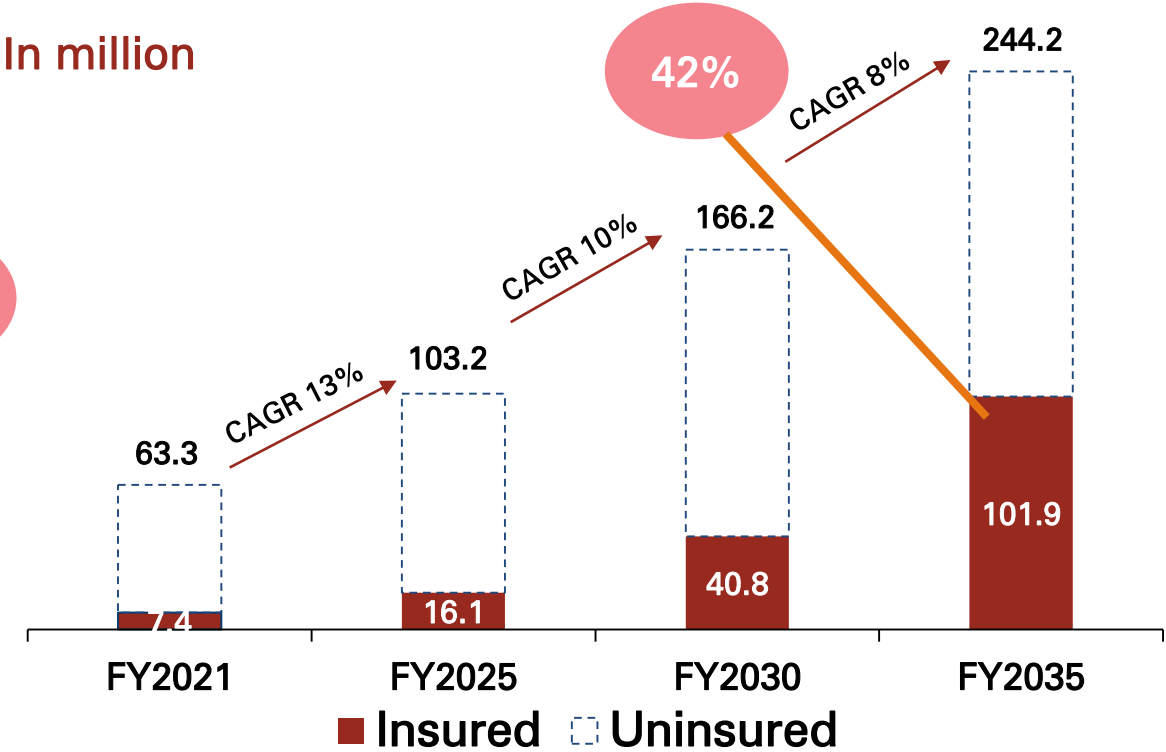
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)  
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates

# Protection opportunity: Addressable population coverage (%)

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



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

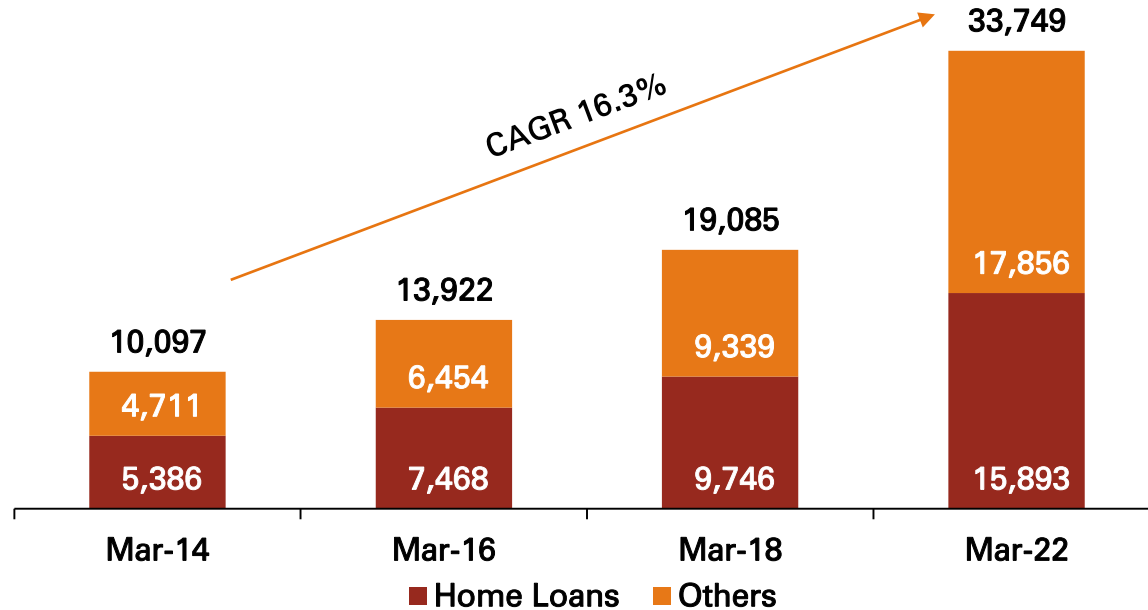


Even at accelerated policy growth rates, at best ~40% of India's addressable population can be expected to be covered in 15 years

# Indicators of protection opportunity

## Retail Credit<sup>1</sup>

₹ billion



## 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

- Healthy growth in retail credit
- Credit life is voluntary



1. Source: RBI

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

# Agenda

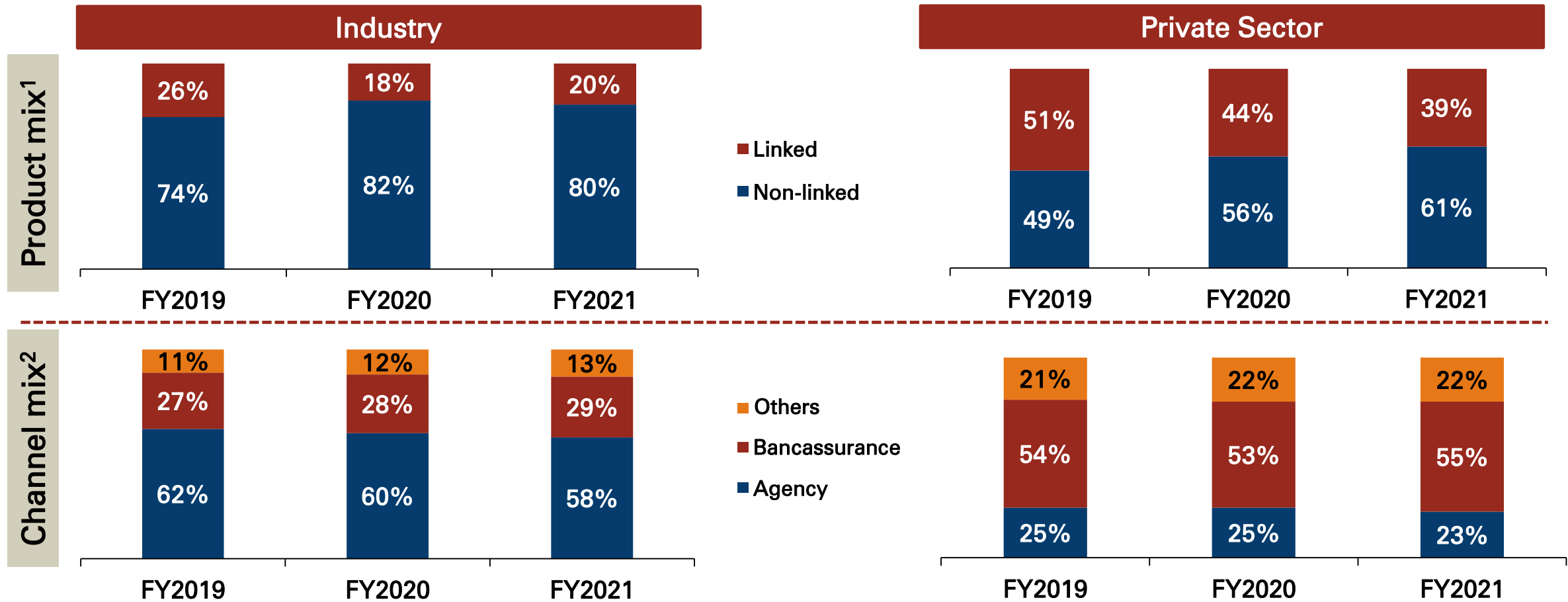
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# Evolution of life insurance industry in India

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

# Industry overview



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

# Annexures



# Risk management: Non-participating business

## Guaranteed return savings product (including RP deferred pension)

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

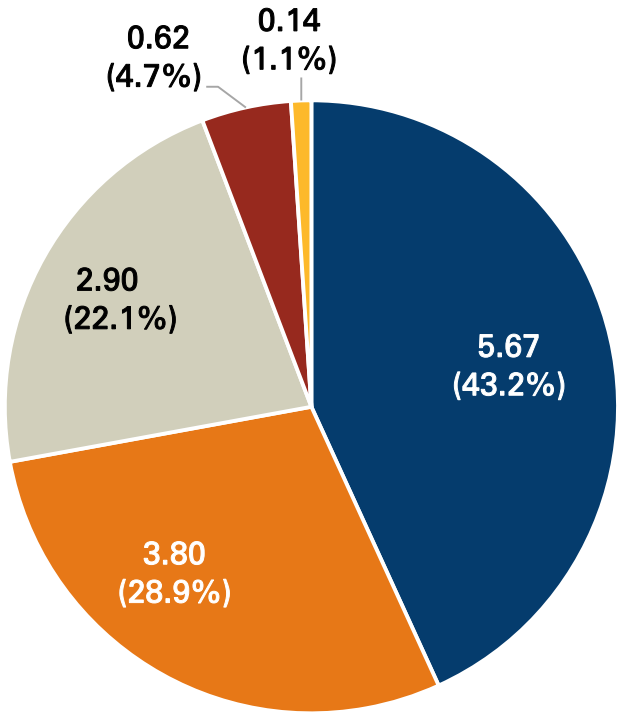
- Annuity (SP and RP): Average deferment period ~ 6 years

Review of pricing based on current interest rate environment

# Protection business: FY2022

Protection split based on APE\*

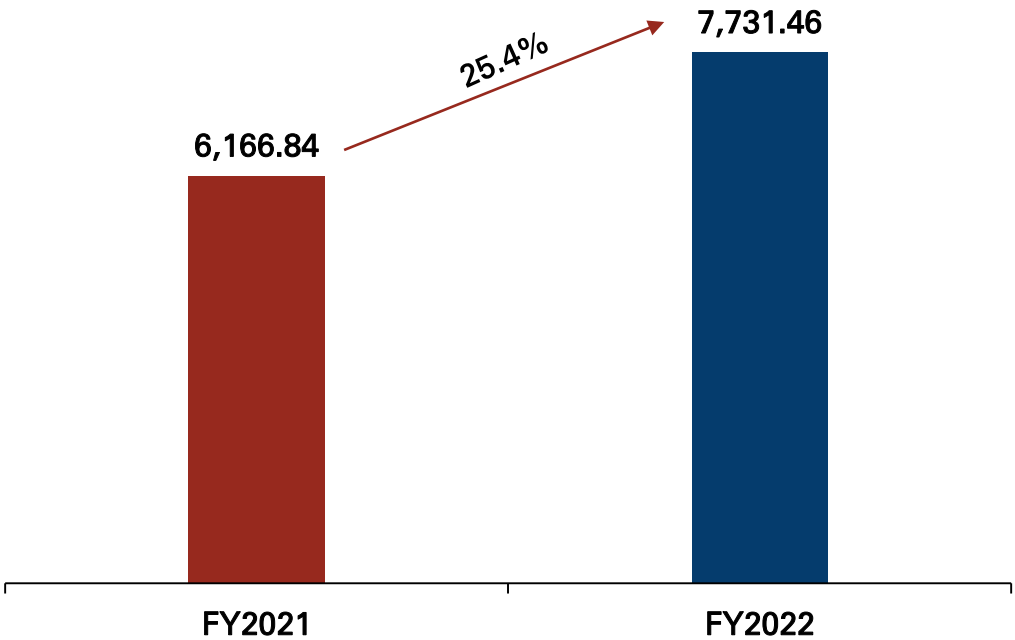
₹ billion



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

Total new business sum assured

₹ billion



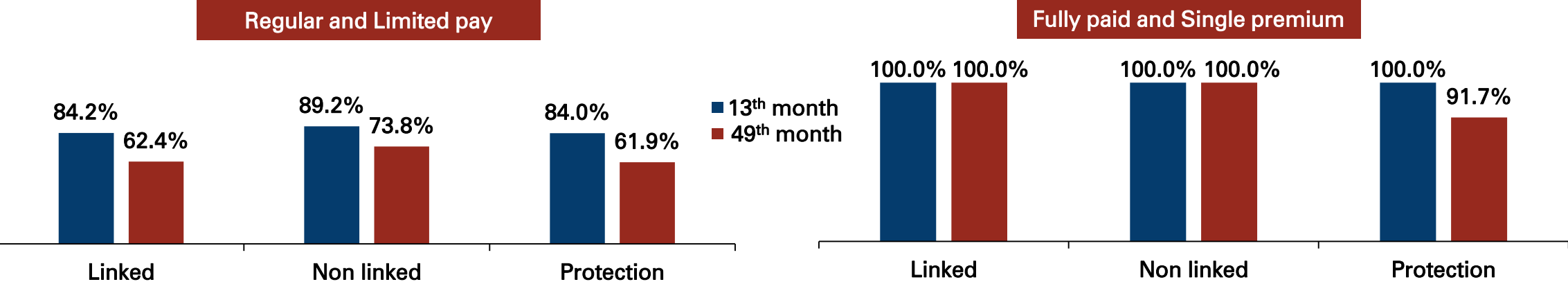
Sum assured grew by 25% in FY2022



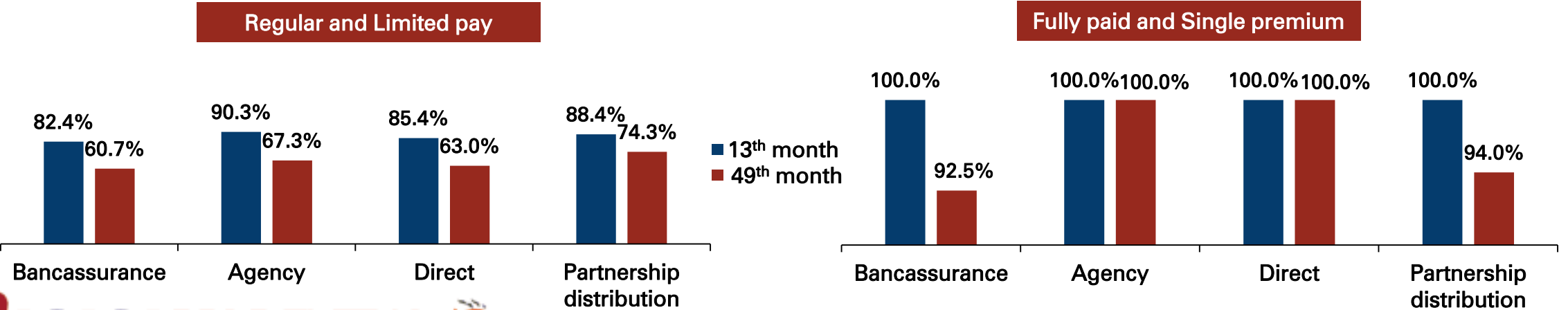
\*Figures in brackets represent mix of protection APE  
ROP: Return of premium  
Total may not add up due to rounding off

# Retail persistency: FY2022

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



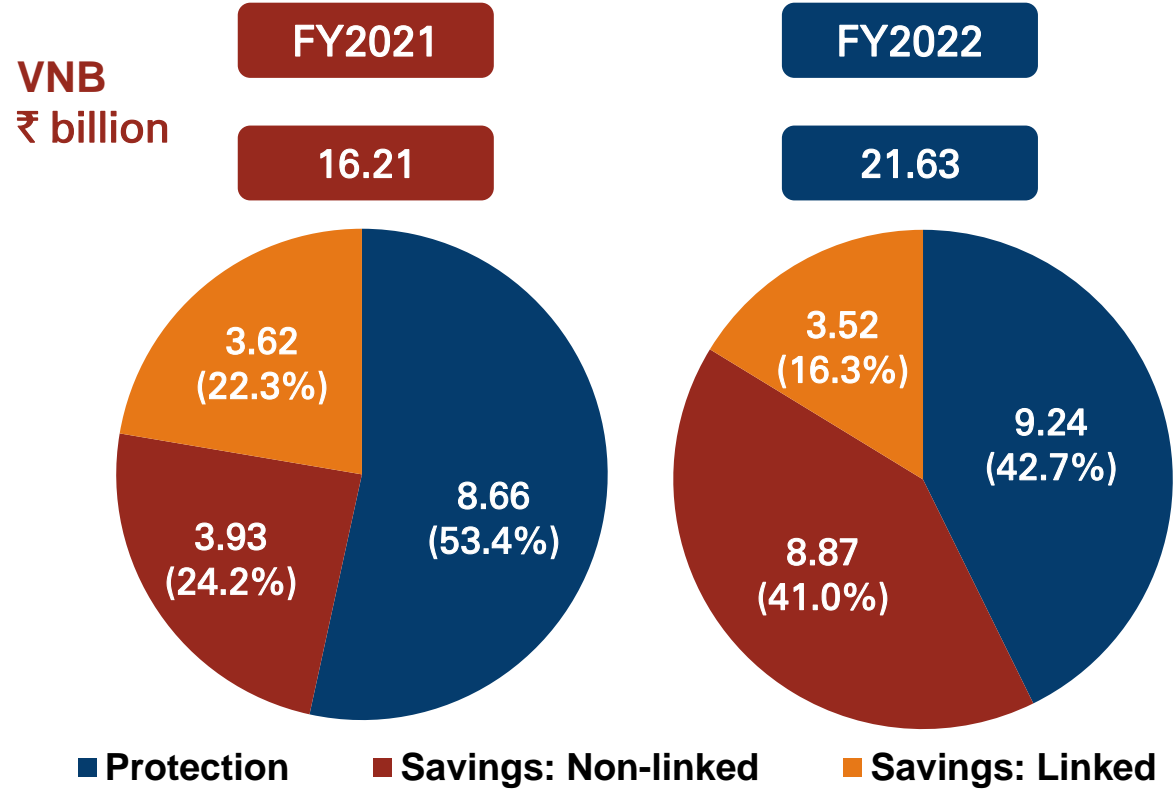
## Persistency<sup>1</sup> across channel categories



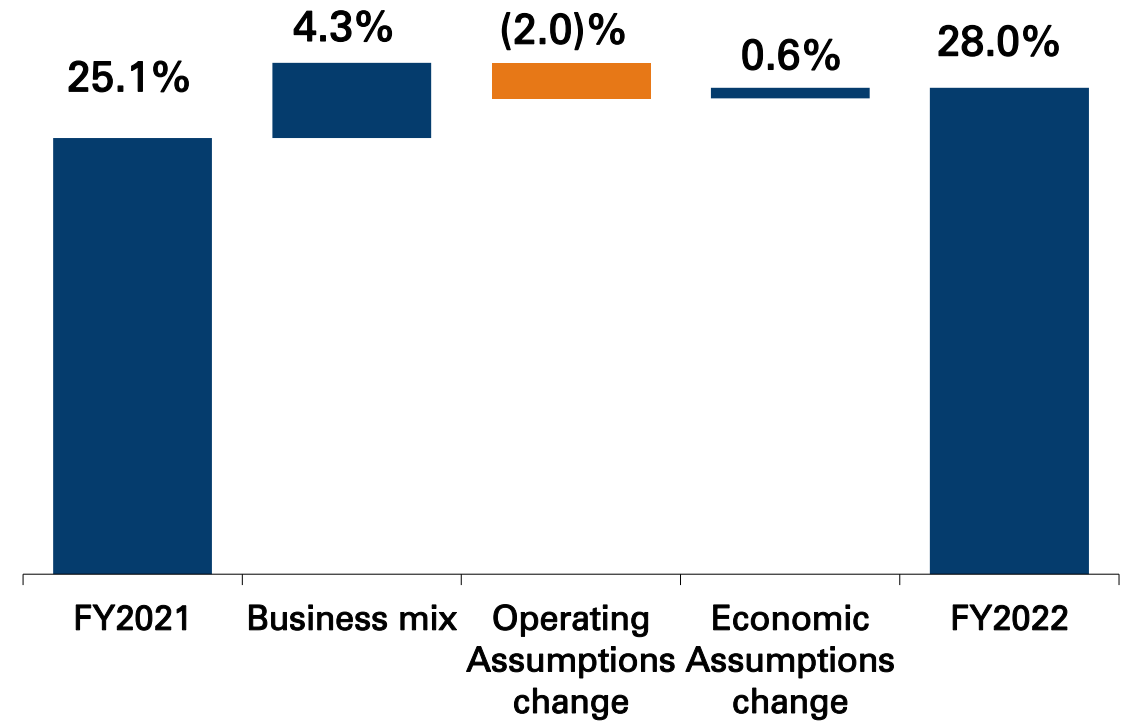
Regular and Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021

# Value of New Business (VNB)

## VNB contribution\*



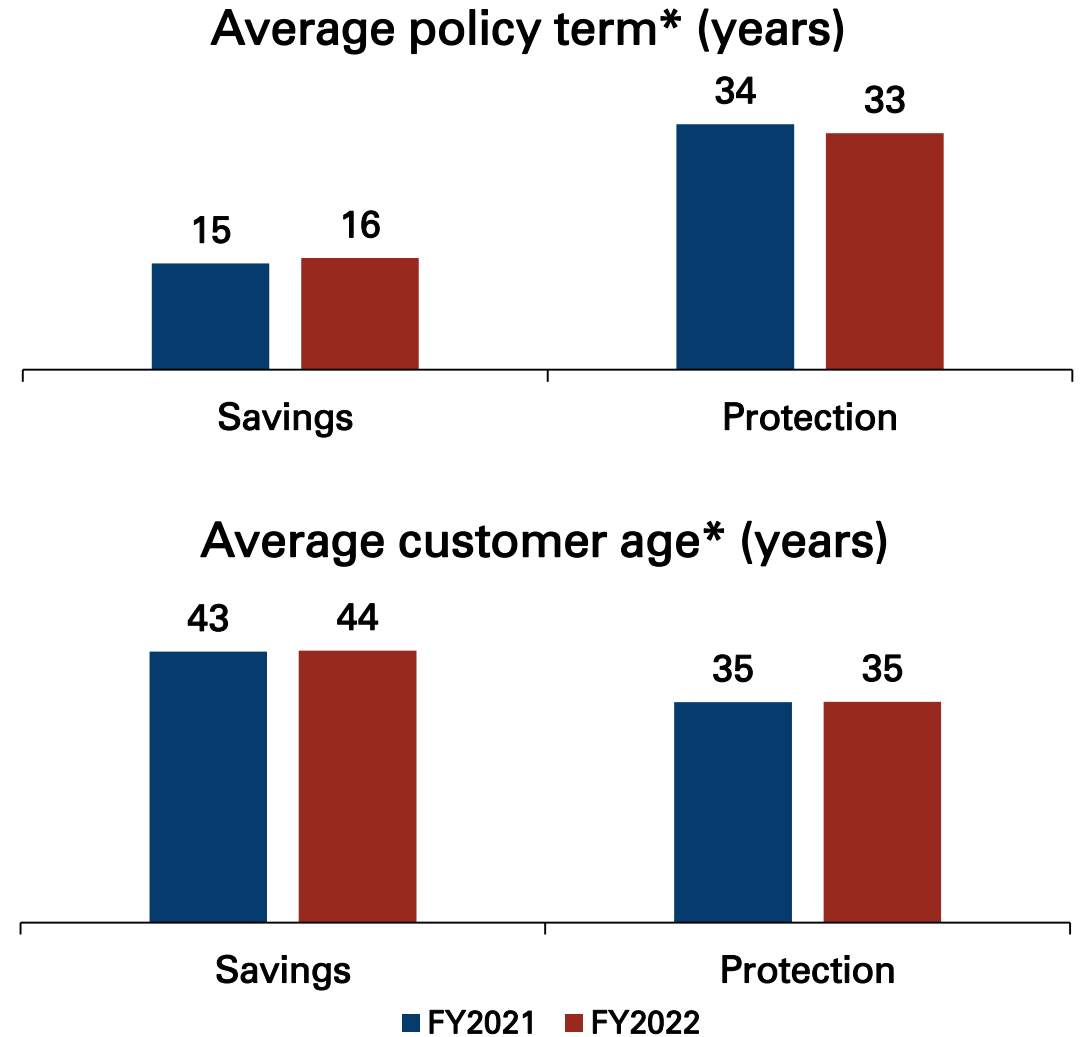
## VNB margin movement



Well diversified pools of profit

# Average APE by product categories

Segment (₹)	FY2021	FY2022
ULIP	154,702	163,770
Non-linked savings	85,654	94,925
Protection	25,149	22,608
Total	85,701	100,407



\* Protection excludes credit life

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

Channel category	Product category	FY2020	FY2021	FY2022
Bancassurance	ULIP	86.8%	73.3%	70.7%
	Non-linked savings	3.3%	11.6%	19.2%
	Annuity	0.7%	4.3%	4.9%
	Protection	9.3%	10.9%	5.2%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	49.9%	33.3%	42.6%
	Non-linked savings	39.2%	57.0%	48.8%
	Annuity	0.6%	2.1%	3.9%
	Protection	10.3%	7.7%	4.7%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	66.7%	61.4%	73.4%
	Non-linked savings	14.4%	21.2%	13.6%
	Annuity	7.2%	7.8%	6.6%
	Protection	11.6%	9.6%	6.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	21.8%	13.1%	13.7%
	Non-linked savings	49.6%	70.5%	71.8%
	Annuity	0.5%	2.9%	2.1%
	Protection	27.8%	13.5%	12.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

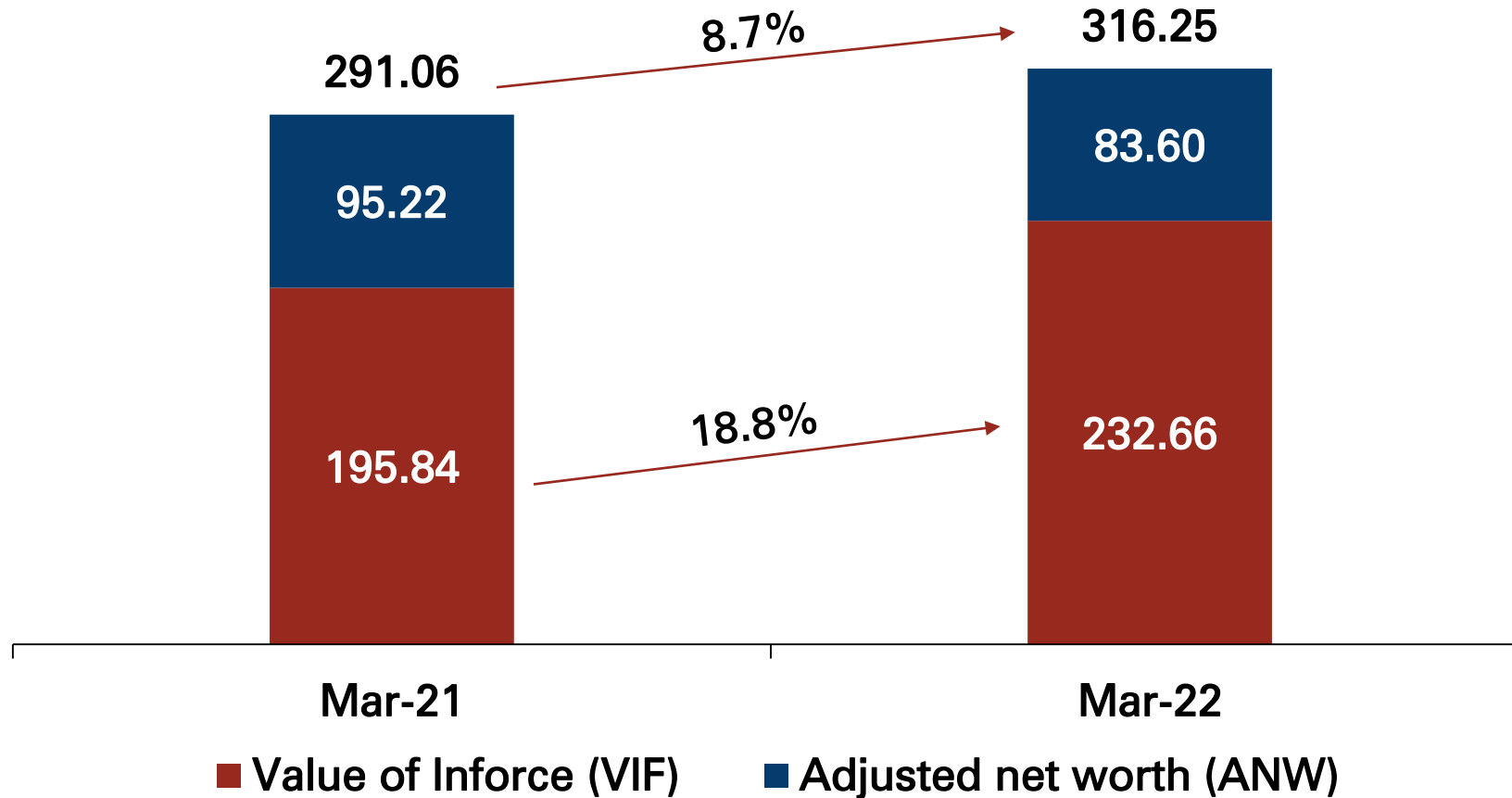
Product category	Channel category	FY2020	FY2021	FY2022
ULIP	Bancassurance	68.2%	64.9%	57.0%
	Agency	16.3%	16.6%	20.8%
	Direct	13.0%	16.1%	19.6%
	Partnership distribution	2.5%	2.5%	2.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	10.8%	17.8%	27.3%
	Agency	53.6%	49.3%	42.1%
	Direct	11.7%	9.7%	6.4%
	Partnership distribution	23.8%	23.3%	24.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	29.4%	51.1%	49.1%
	Agency	11.8%	14.0%	23.8%
	Direct	55.3%	27.5%	22.0%
	Partnership distribution	3.5%	7.4%	5.1%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	45.2%	51.9%	39.6%
	Agency	20.9%	20.6%	21.7%
	Direct	14.0%	13.6%	16.2%
	Partnership distribution	19.8%	13.8%	22.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Embedded value



# Embedded Value<sup>1</sup>

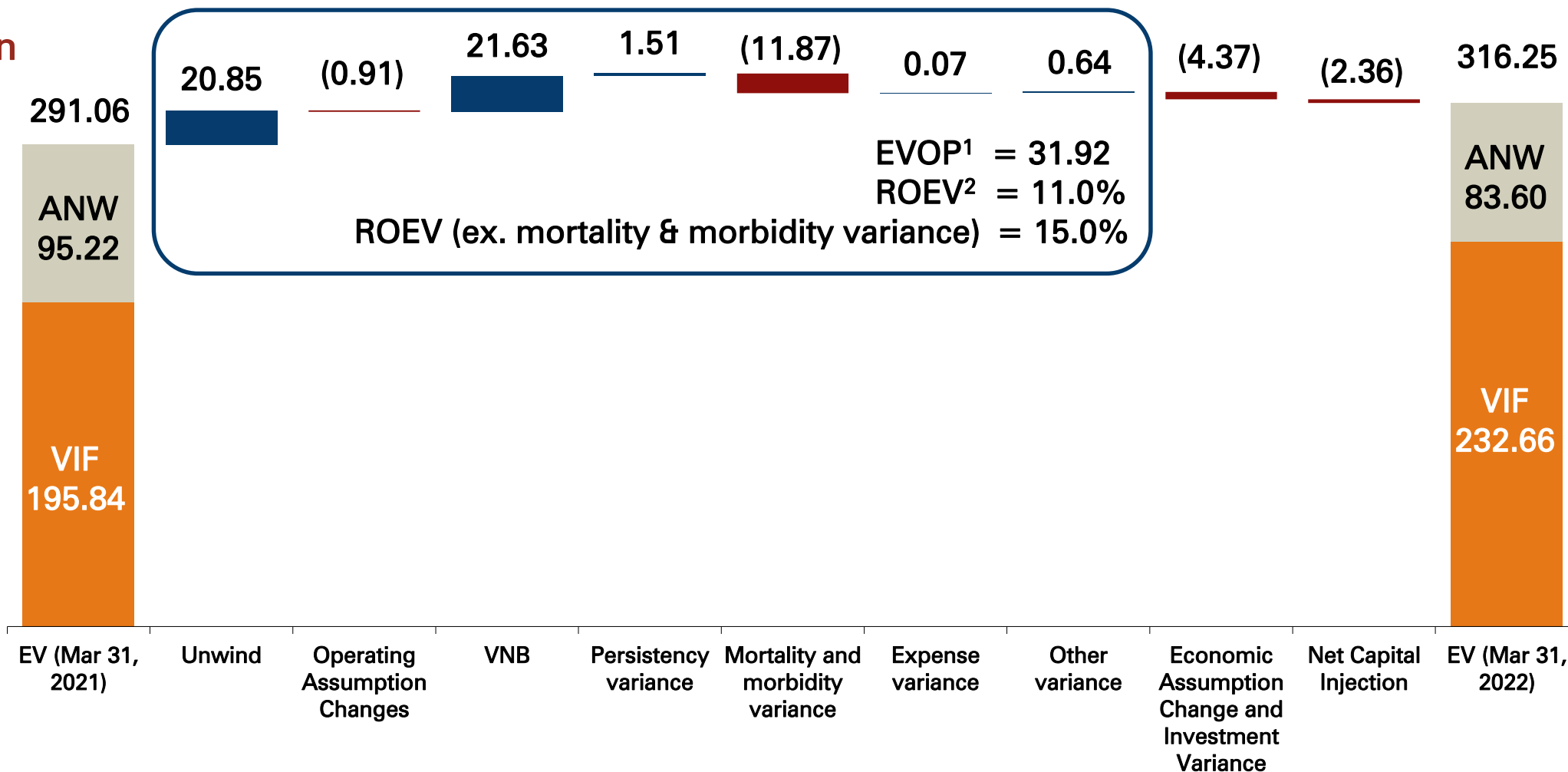
₹ billion



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

# Analysis of movement in EV

₹ billion



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

₹ billion	FY2018	FY2019	FY2020	FY2021	FY2022
Opening EV	161.84	187.88	216.23	230.30	291.06
Unwind	13.72	15.84	17.25	16.61	20.85
Value of New Business (VNB)	12.86	13.28	16.05	16.21	21.63
Operating assumption changes + Operating variance	10.22	8.89	(0.42)	2.24	(10.56)
Operating assumption changes	7.64	4.20	(2.25) <sup>2</sup>	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) <sup>3</sup>	(11.87) <sup>3</sup>
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

# 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
<b>Embedded value<sup>1</sup></b>	<b>230.30</b>	<b>291.06</b>	<b>316.25</b>
Return on Embedded Value (ROEV)	15.2%	15.2%	11.0%
ROEV excluding mortality & morbidity variance	15.0%	16.3%	15.0%
EV growth-pre net capital injection	8.4%	26.4%	9.5%
EV growth-post net capital injection	6.5%	26.4%	8.7%
VNB as % of opening EV	7.4%	7.0%	7.4%
Operating assumption changes and variance as % of opening EV	(0.2%)	1.0%	(3.6%)

# Economic assumptions underlying EV and VNB

Tenor (years)	References Rates	
	Mar 31, 2022	June 30, 2022
1	4.35%	6.01%
5	7.90%	8.05%
10	8.36%	8.07%
15	7.97%	8.11%
20	7.57%	8.15%
25	7.28%	8.17%
30	7.09%	8.18%

# 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**