



Leadership in Life Insurance

June 2013

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Industry overview and outlook

Performance update

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India life insurance growth story

	FY 2002		FY 2008		FY 2013
Number of players	12		18		24
New business premium ¹ (USD bn)	2.11	28.7%	9.57	-2.2%	8.55
Total premium (USD bn)	9.11	26.1%	36.61	7.4%	52.21*
Penetration (as a % to GDP)	~2.1%		~4.0%		~2.9%*
Insurance premium per capita (USD)	~8		~31*		~41*
Asset under management (USD bn)	~42	24.3%	~154	15.9%	~322*

1. Retail weighted premium

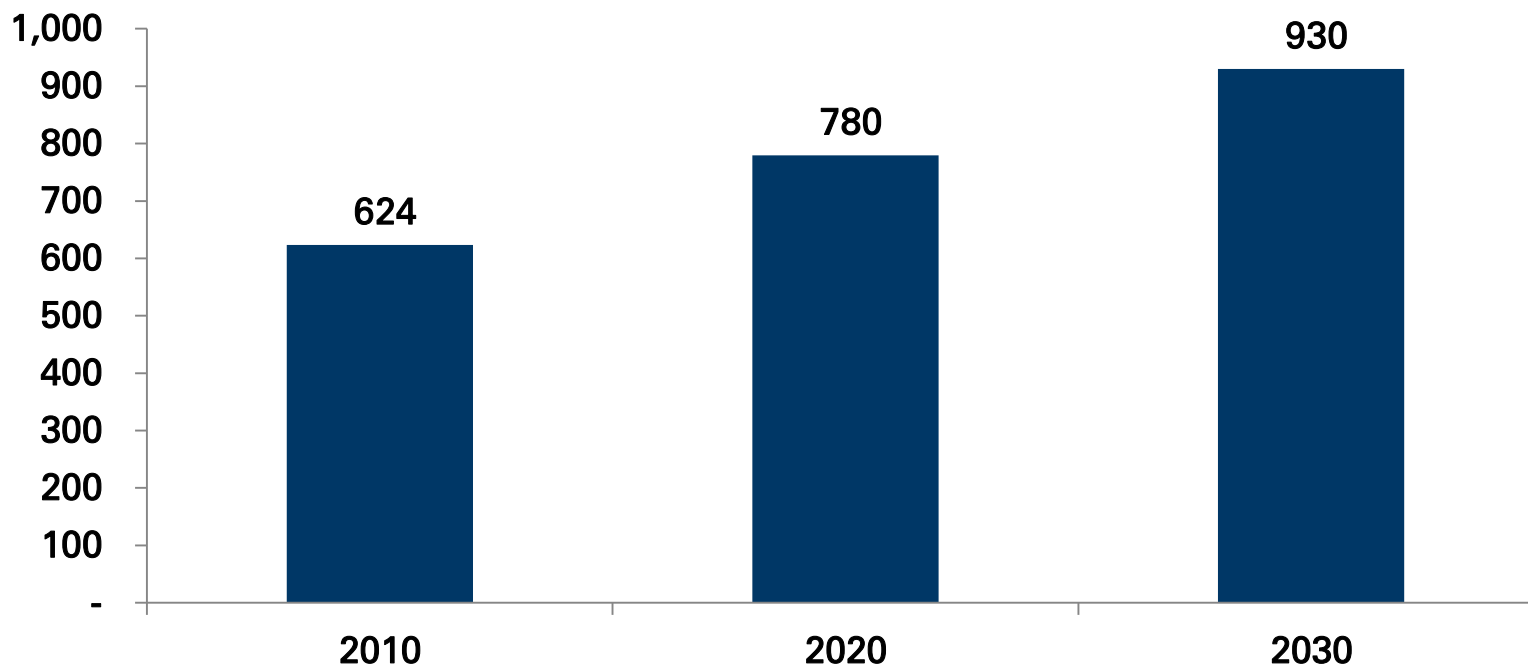
* Company estimates

Source: IRDA, Company estimates

Exchange rate \$1 = ₹ 55

Fuelled by favourable demographics..

Population of age > 25 years (in mn)

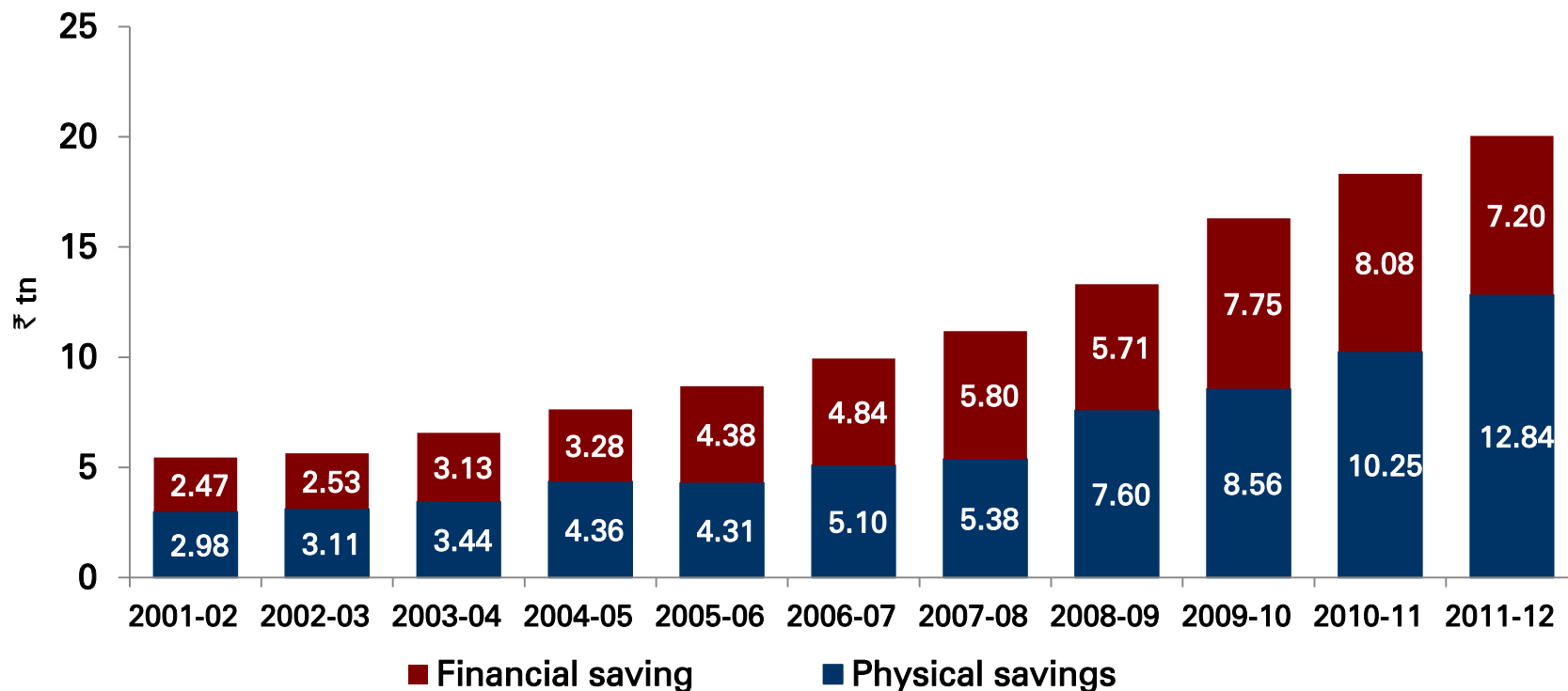


Increase in target population with rising income levels

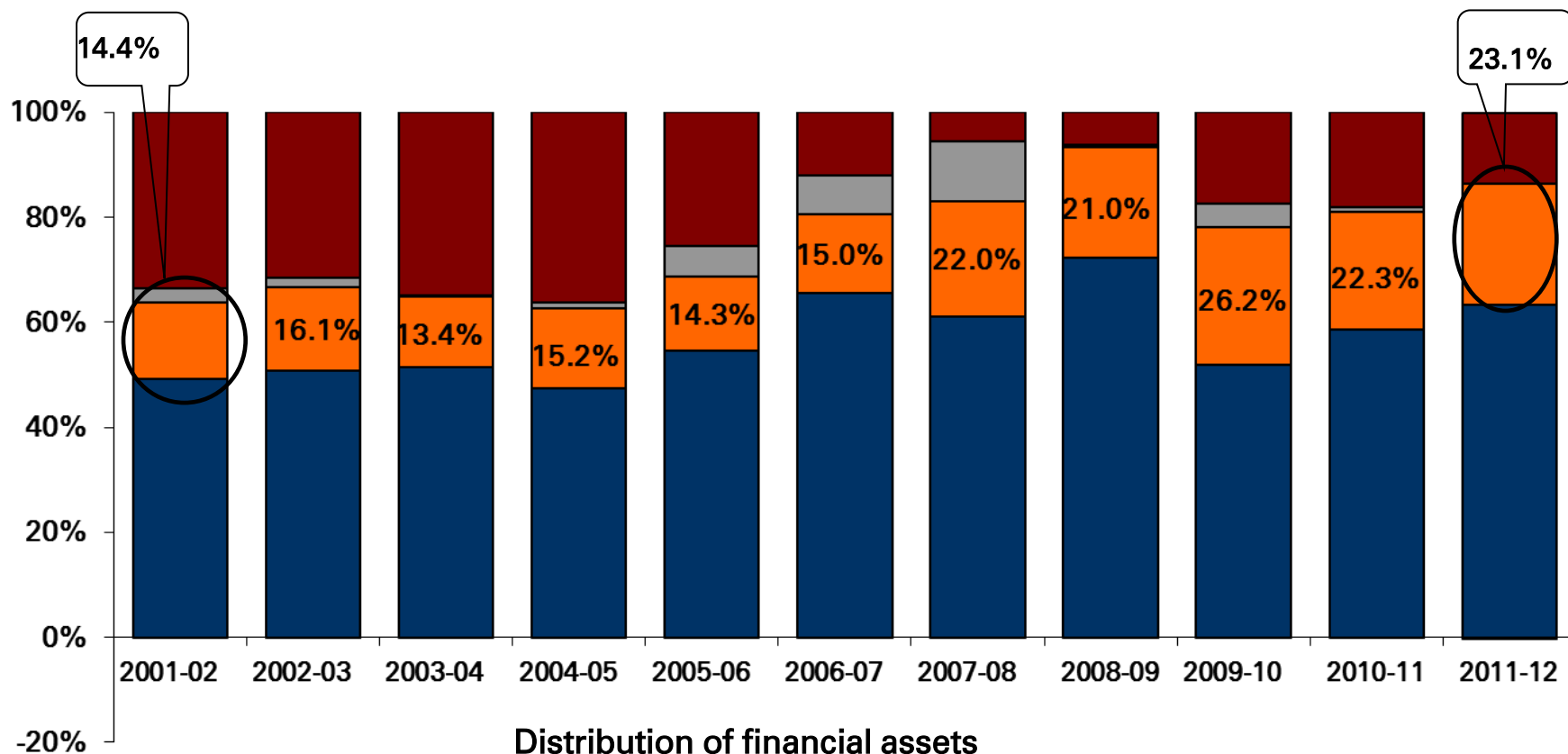
Source: UN Population division

..High household savings

Financial year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Financial savings / GDP	10.5%	10.0%	11.0%	10.1%	11.9%	11.3%	11.6%	10.1%	12.0%	10.4%	8.0%
Household savings / GDP	23.2%	22.3%	23.2%	23.6%	23.5%	23.2%	22.4%	23.6%	25.2%	23.5%	22.3%



Rising share of life insurance



■ Currency & Deposits

■ Life Insurance Fund

■ Shares/ Debentures / MFS

■ Provident/ Pension Fund / Claims on Govt

Insurance market size

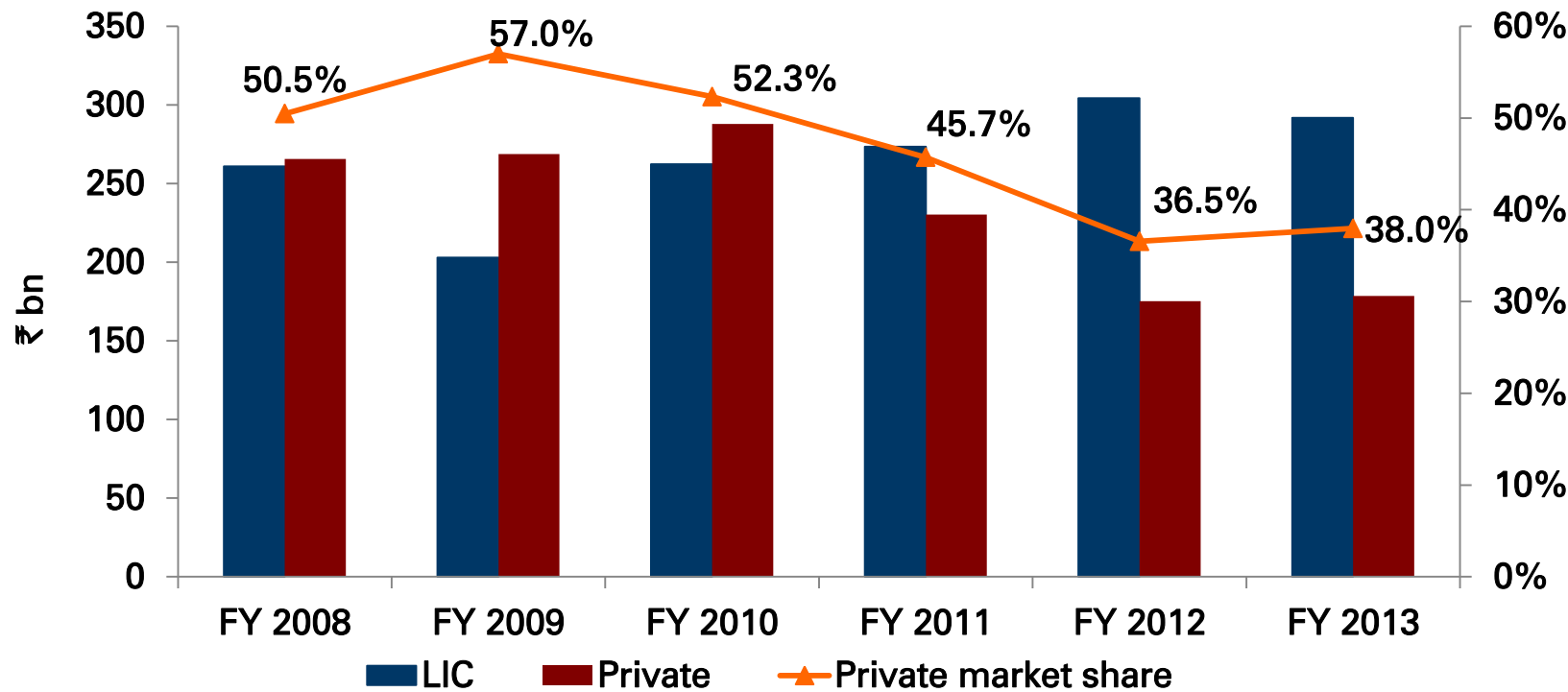
Amounts in USD bn	FY 2002		FY 2008		FY 2012		FY 2020E
Nominal GDP	427	13% CAGR →	907	16% CAGR →	1,632	15% CAGR →	4,992
Household savings	99	13% CAGR →	203	16% CAGR →	364	15% CAGR →	1,114
Gross financial savings	52	18% CAGR →	140	6% CAGR →	176	15% CAGR →	539
Insurance	7	27% CAGR →	31	7% CAGR →	41	15% CAGR →	124

Significant opportunity at current savings rate

Exchange rate \$1 = ₹ 55
Source: RBI, CSO, Company estimates

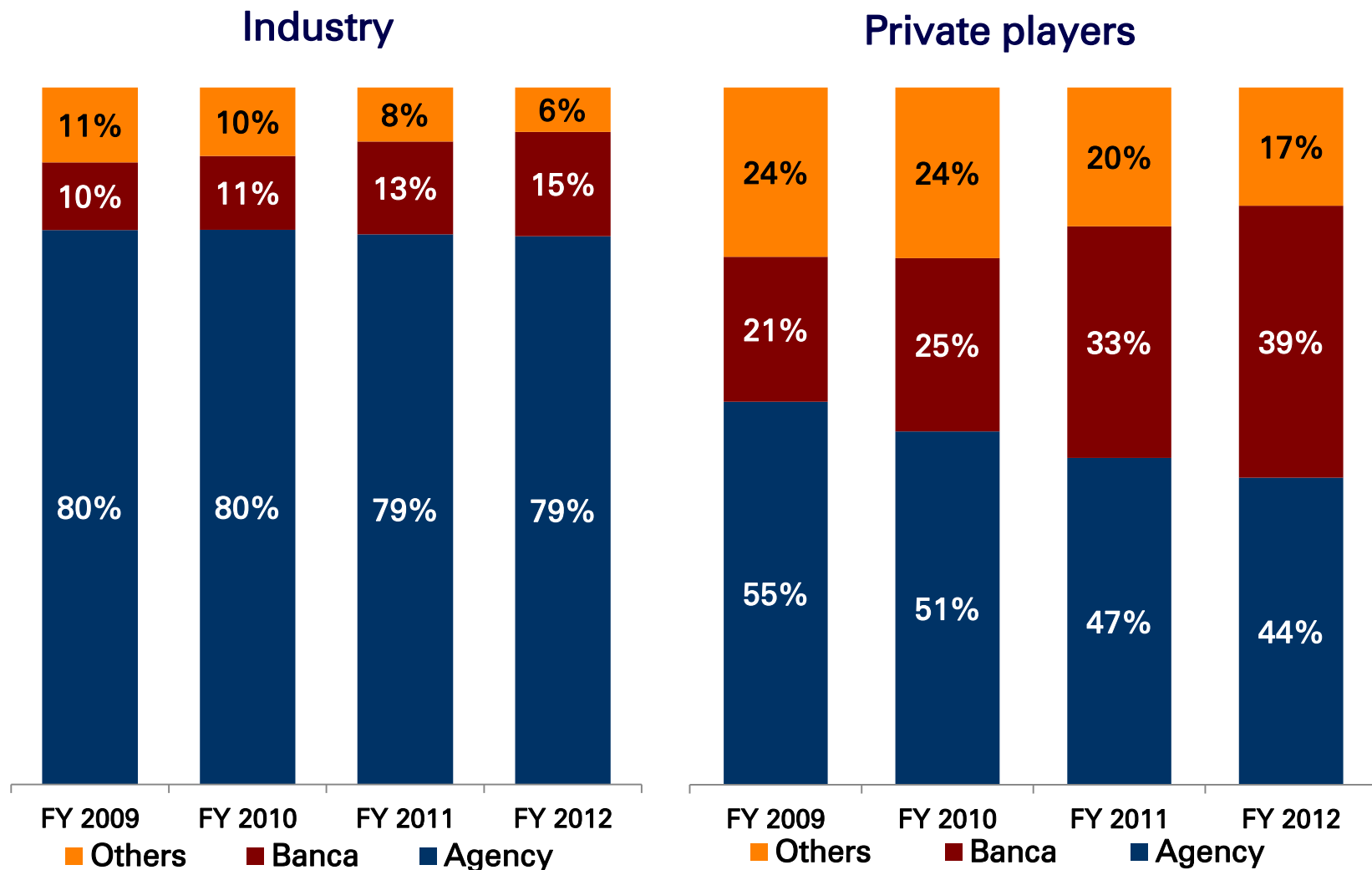
Industry: New business premium

Growth	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Private	86%	1%	7%	-20%	-24%	2%
LIC	0%	-22%	29%	4%	11%	-4%
Industry	31%	-10%	17%	-8%	-5%	-2%



Source: IRDA, weighted new business premiums for individual business

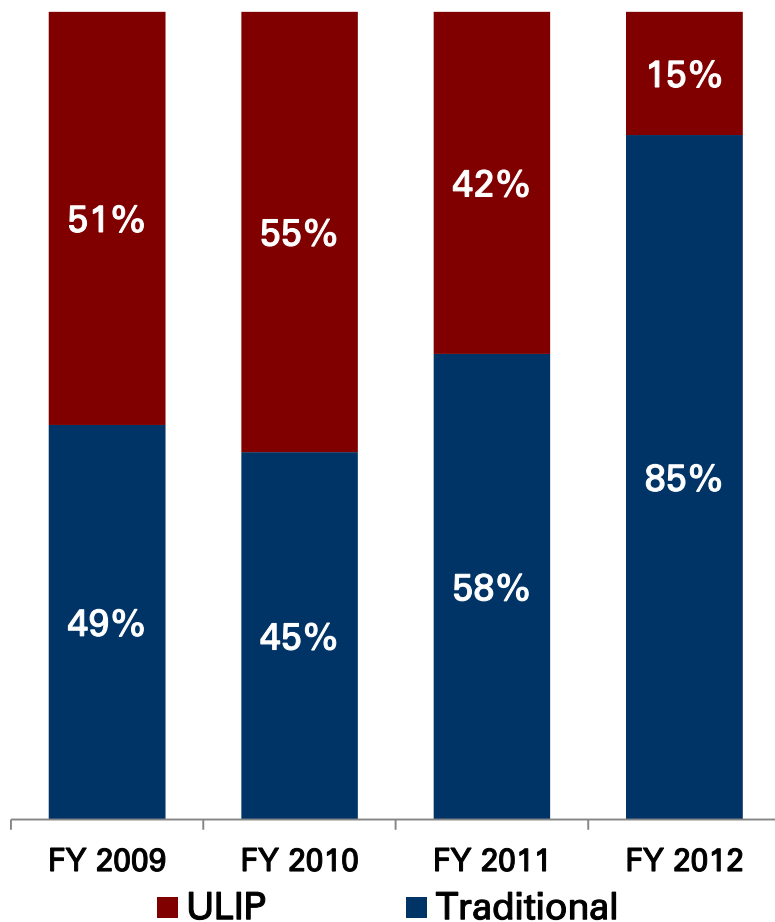
Channel mix¹



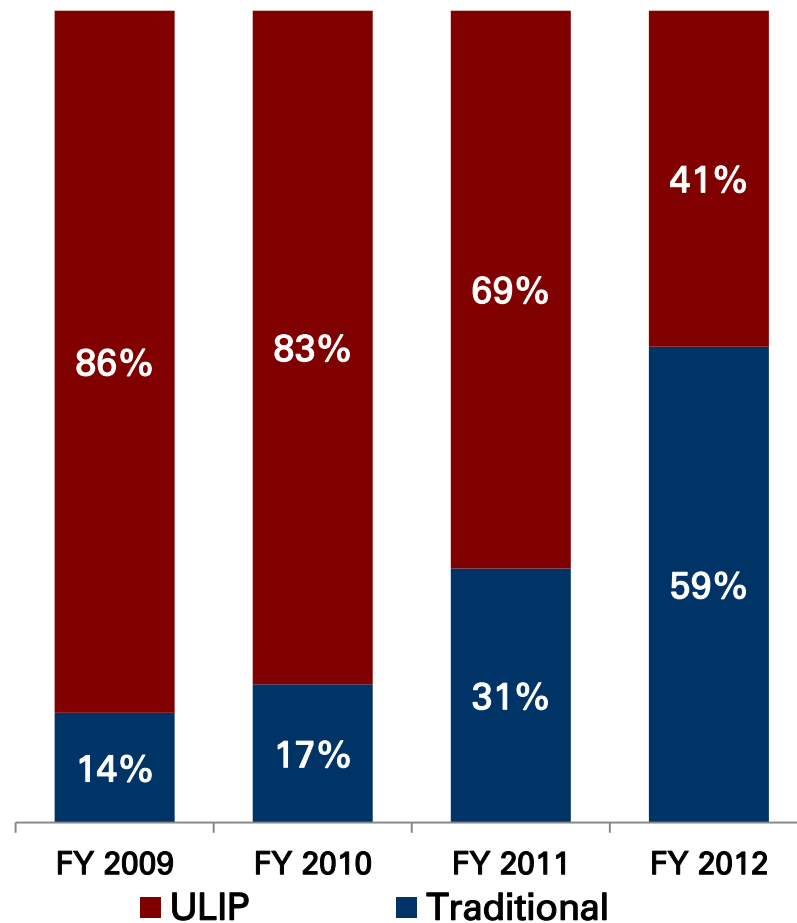
¹ Individual new business premium basis

Product mix¹

Industry



Private players



¹ New business premium basis

Regulatory priorities

Regulatory priorities

- Industry growth, improve penetration
- Policyholder protection
 - Fairness and transparency
 - Grievance and claim focus

Implications for industry

- Distribution opportunities
- Customer friendly products
- Improved service to customer
- Focus on efficiency

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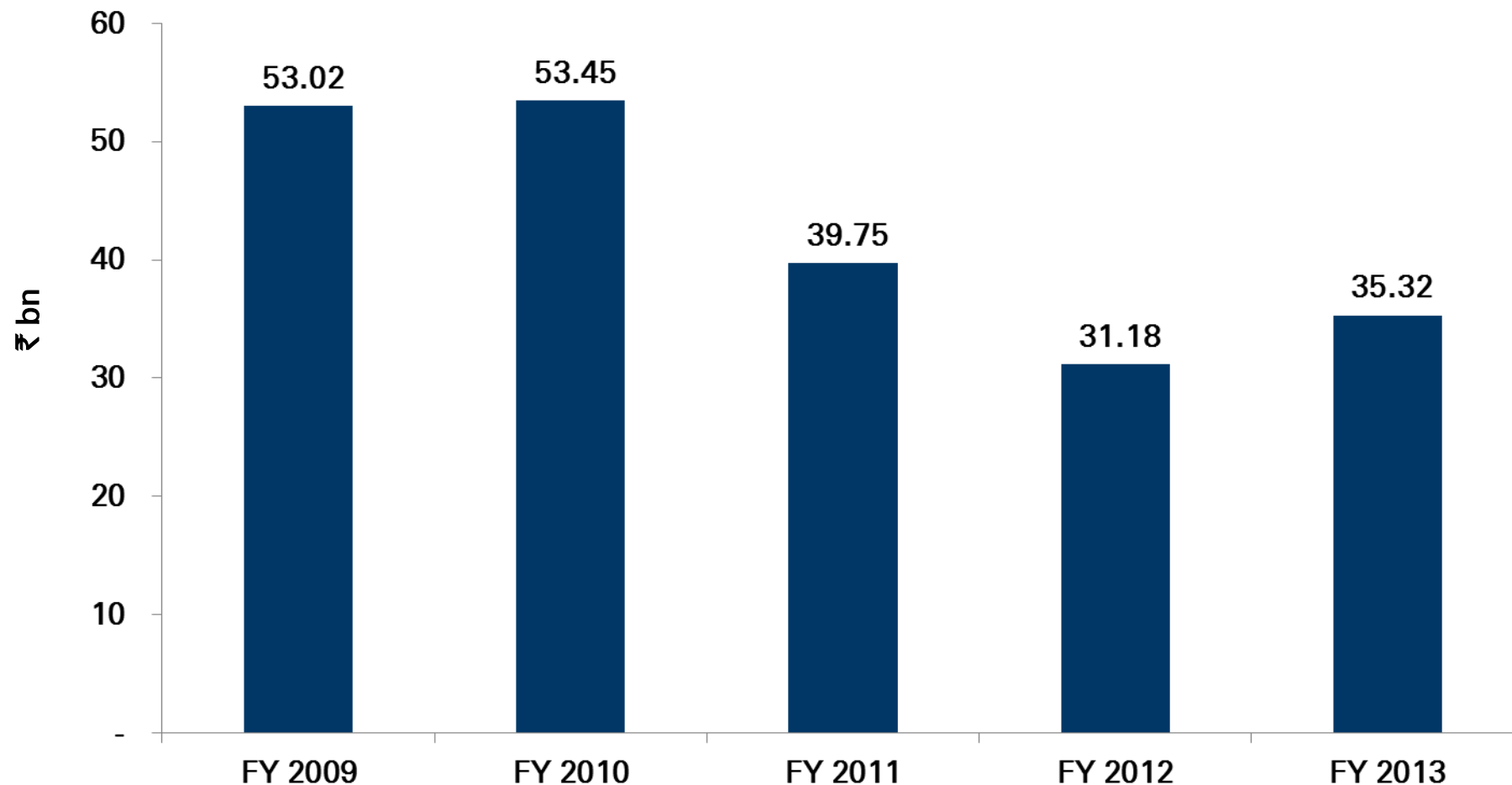
Our strategy

Performance snapshot

₹ bn	FY 2012	FY 2013
Retail new business premium	32.74	36.39
Retail renewal premium	89.41	80.55
Group premium	18.07	18.45
APE	31.18	35.32
New Business Profit (NBP) ¹	5.00	5.29
Asset under management	707.71	741.64
Profit after tax	13.84	14.96
Total expenses (excl commission)	17.83	17.31
Commission	6.05	7.65

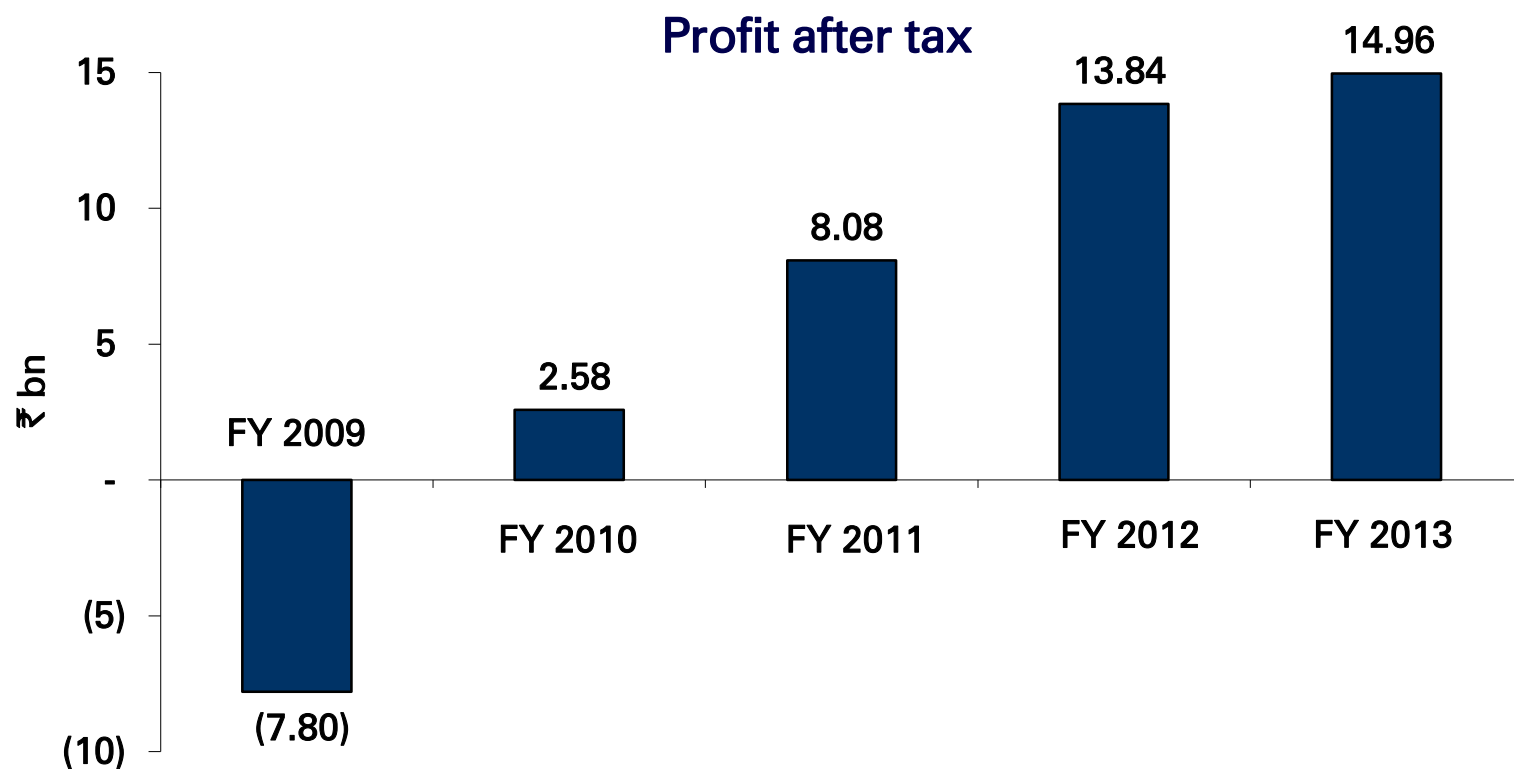
¹ On post-tax basis

Annualized premium equivalent (APE)



Strong financial and capital position

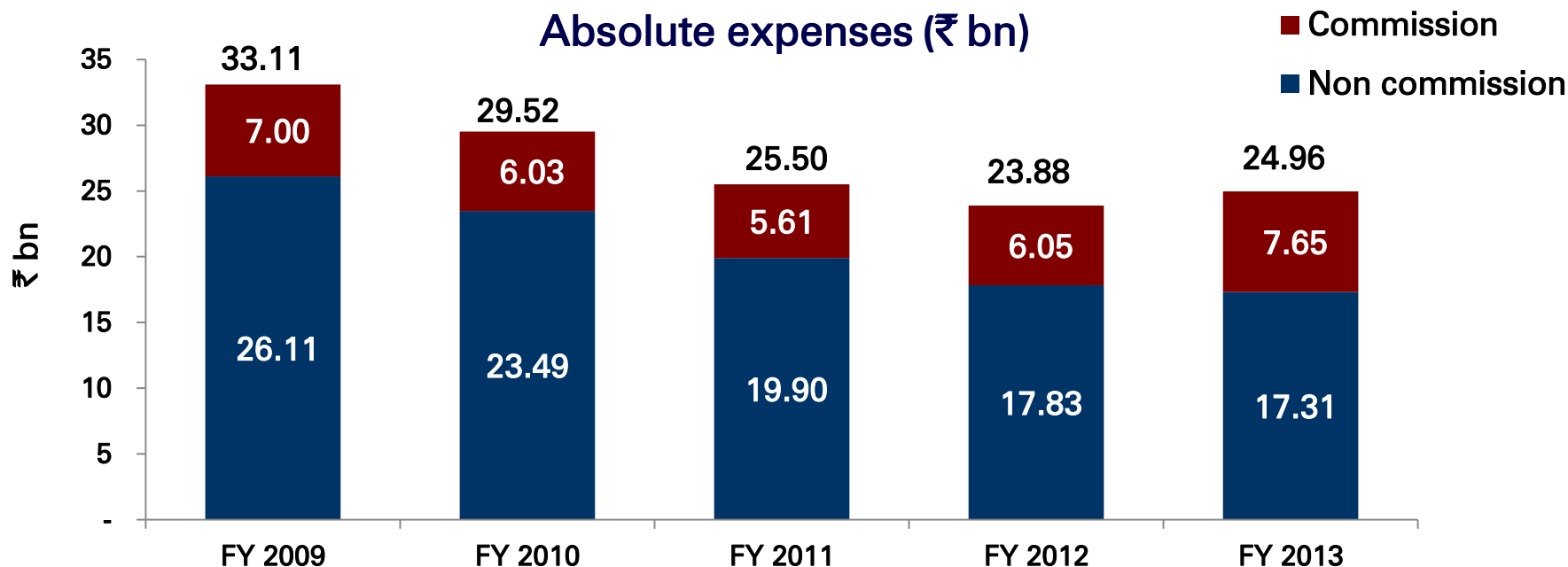
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Dividend Payout (₹ bn)	-	-	-	4.14	4.84
Solvency Ratio* (%)	231	290	327	371	396



Solvency Ratio = $\frac{\text{Required Solvency Margin (RSM)}}{\text{Available Solvency Margin (ASM)}}$

Continued focus on efficiency

Ratios	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Expense ratio	17.5%	14.4%	12.5%	13.4%	13.3%
Commission ratio	4.7%	3.7%	3.5%	4.6%	5.9%
Total expense ratio	22.2%	18.1%	16.0%	17.9%	19.2%

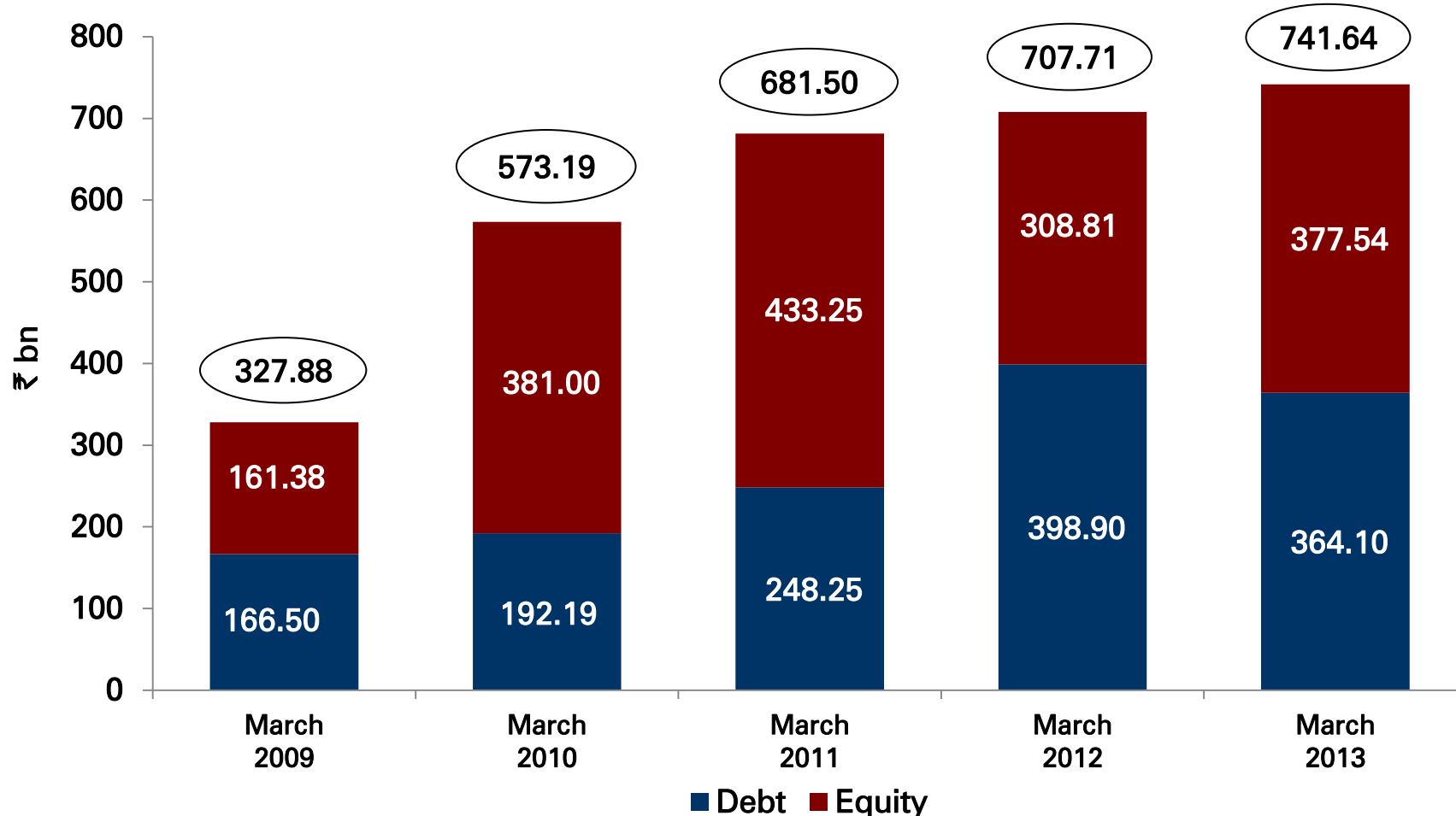


Expense ratio: All insurance expenses (excl. commission) / (Total premium – 90% of single premium)

Total Expense ratio: All insurance expenses (incl. commission) / (Total premium – 90% of single premium)

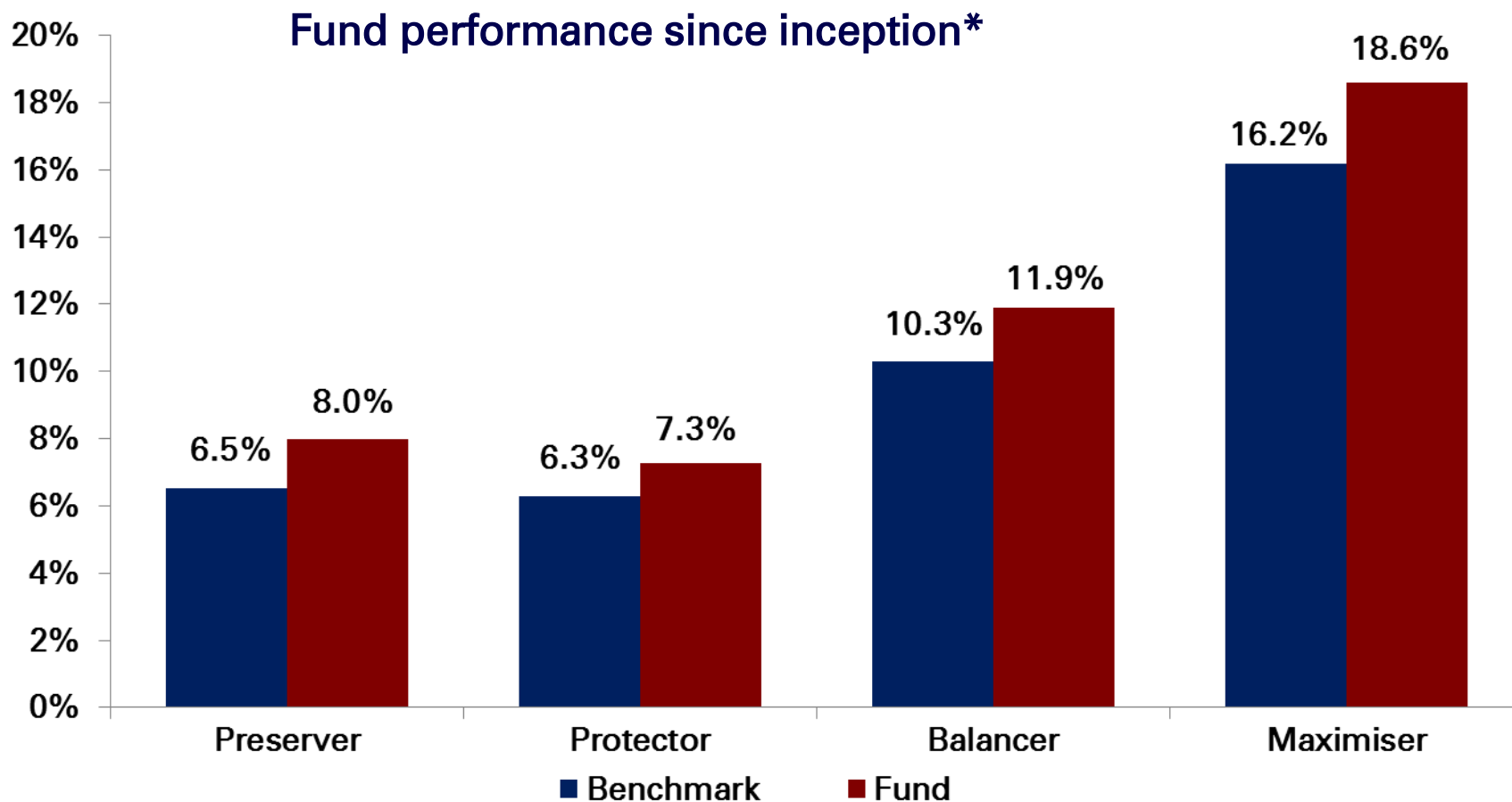
Commission ratio: Commissions / (Total premium – 90% of single premium)

Robust growth in assets held



Among the largest domestic fund managers

Superior fund performance



88 % of the funds have outperformed benchmark since inception*

Inception Dates:

Preserver Fund: June 28, 2004 Protector Fund: Nov 19, 2001

Balancer Fund :Nov 19, 2001 Maximiser Fund: Nov 19, 2001

* As on March 31, 2013

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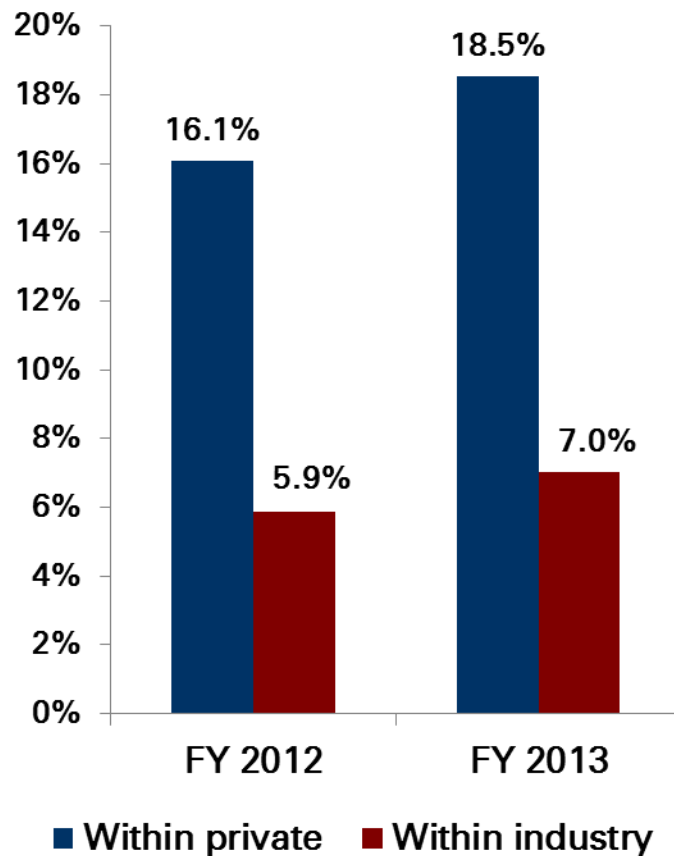
Key strategic objectives

- Enhance market leadership
- Provide superior value proposition to customers
- Strengthen multichannel distribution architecture
- Improve cost efficiency
- Improve persistency and control surrenders
- Target superior risk adjusted fund performance

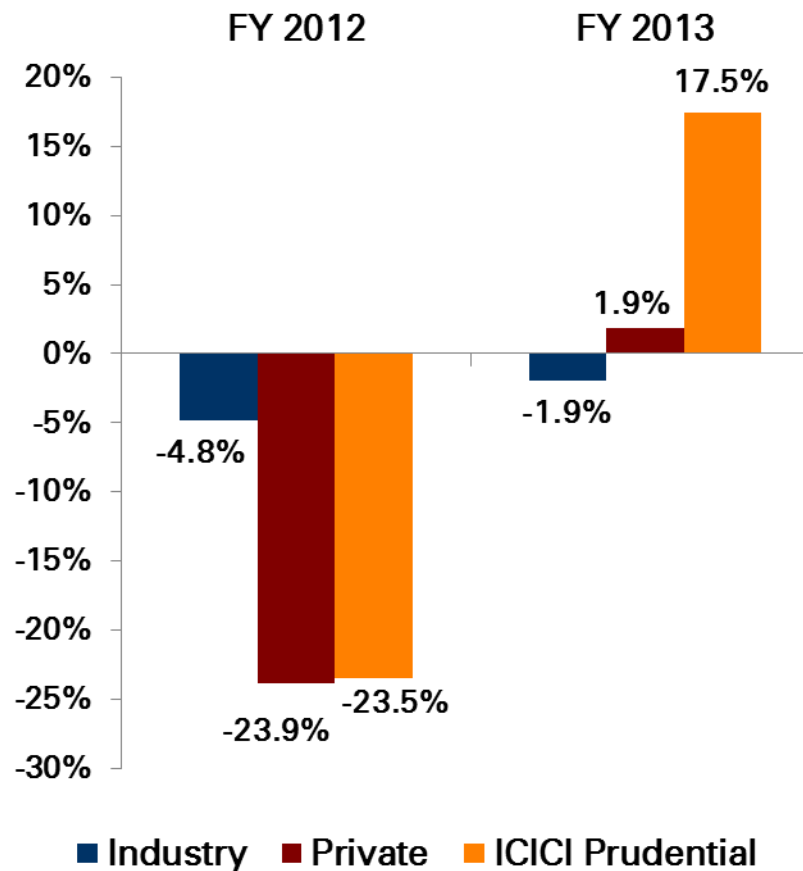
Robust risk management and control framework

Growth and market share¹

ICICI Prudential's
market share

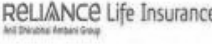
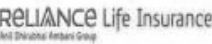


Growth



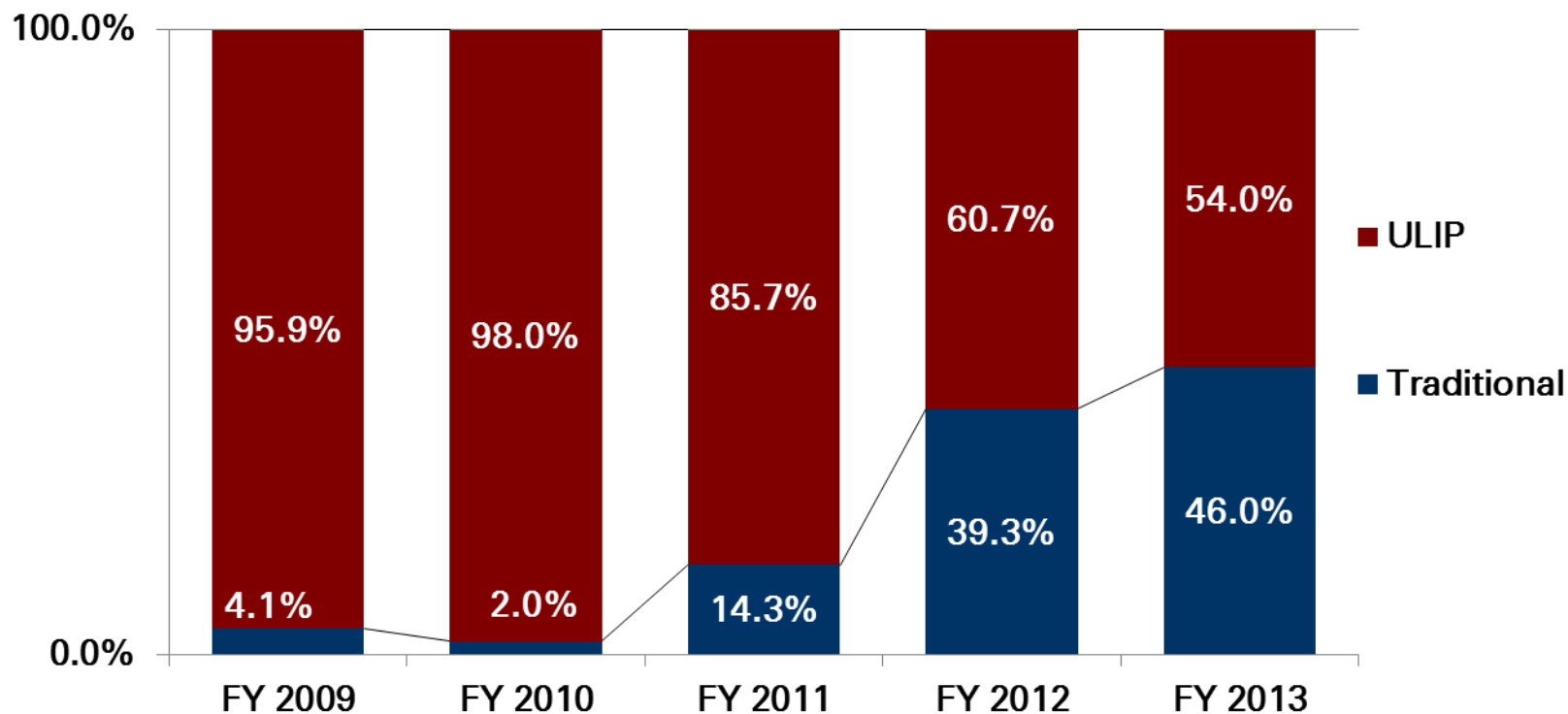
¹ Growth and market share on retail weighted received premium basis

Consistent leadership¹

	FY 2002	FY 2004	FY 2006	FY 2008	FY 2010	FY 2012	FY 2013
1							
2							
3							
4							
5							
6							

¹ On retail weighted received premium basis

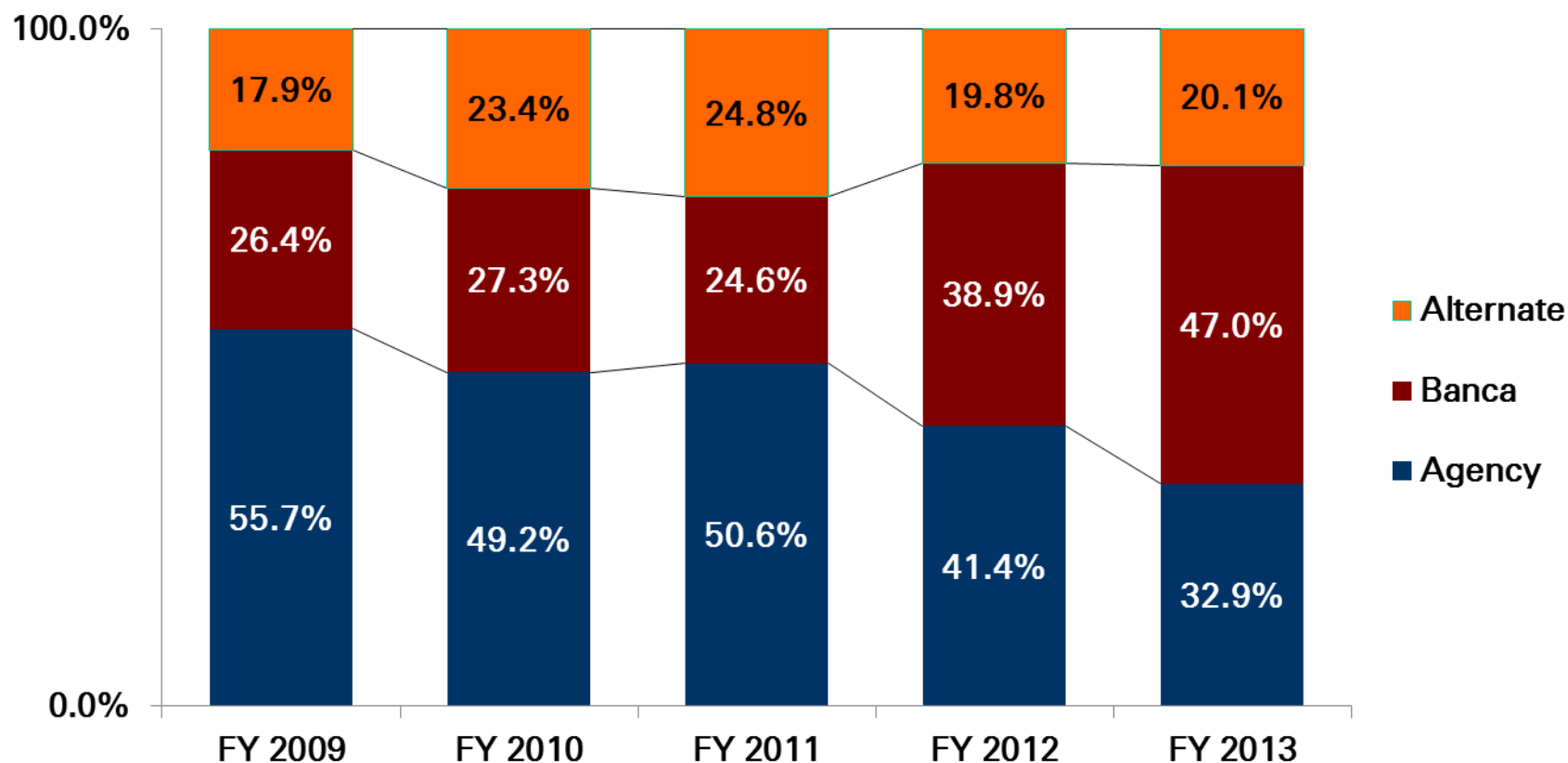
Balanced product mix



Balanced mix to cater to all customer segments

1 Based on Retail APE

Distribution mix

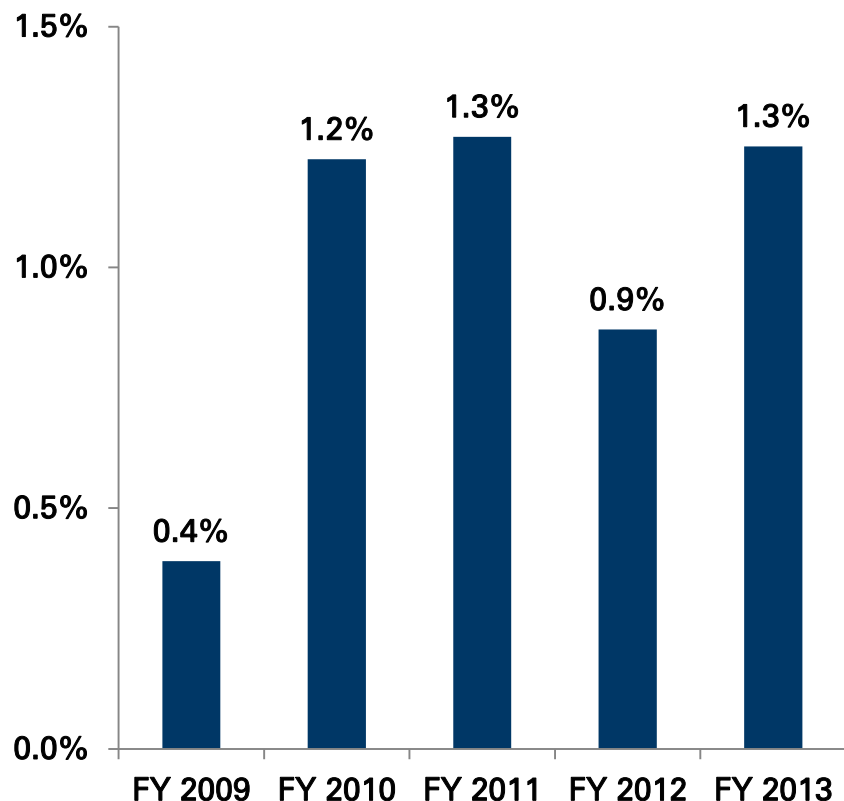


Multi channel distribution architecture to optimize reach and efficiency

1 Mix shown on APE basis

Customer retention

Surrenders¹ as % of average AUM



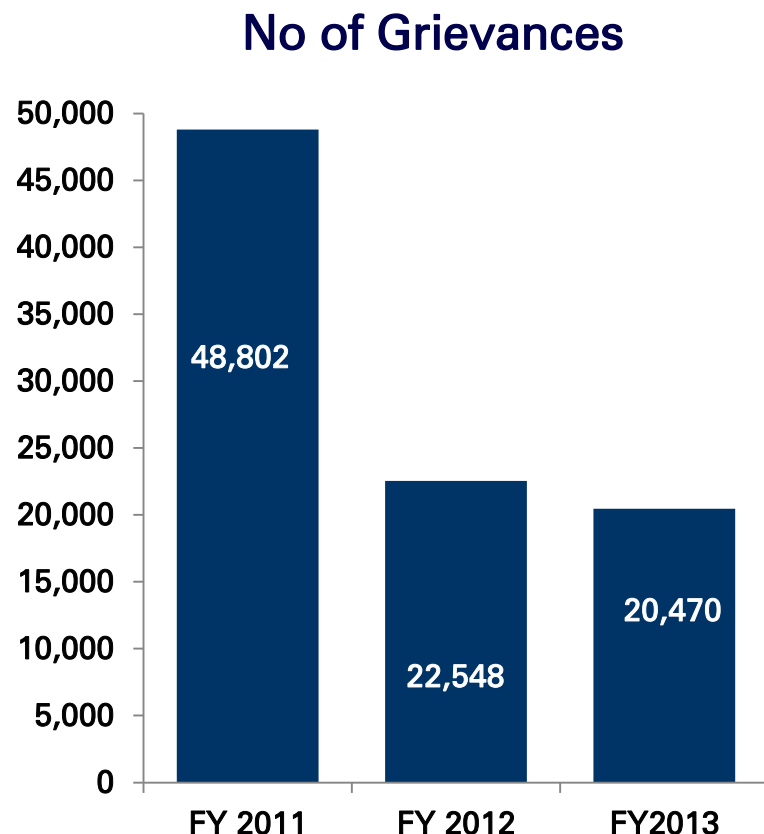
Conservation ratio²

Period	Conservation ratio
FY 2009	66.2%
FY 2010	68.5%
FY 2011	64.2%
FY 2012	61.0%
FY 2013	66.0%

1. Average monthly retail surrenders

2. Conservation ratio = $\frac{\text{Renewal premium for the current period}}{(\text{New business (excl single premium)} + \text{Renewal premium for the previous period})}$

Improvement in customer service parameters



Grievance ratio¹

Period	Grievance ratio
FY 2011	361
FY 2012	214
FY 2013	213

Claims settlement ratio² for FY 2012 : 96.5% - Best in private sector³

1 No of grievances per 10,000 policies issued in the period

2 Claims settled / Total claims volume for the period (ratio is for individual death claims)

27 3 As per IRDA annual report FY 2012, excluding Edelweiss (100% due to a single claim being settled)

Digitization initiative

Context

- Intermediary driven business
- Internet used primarily for research

Objectives

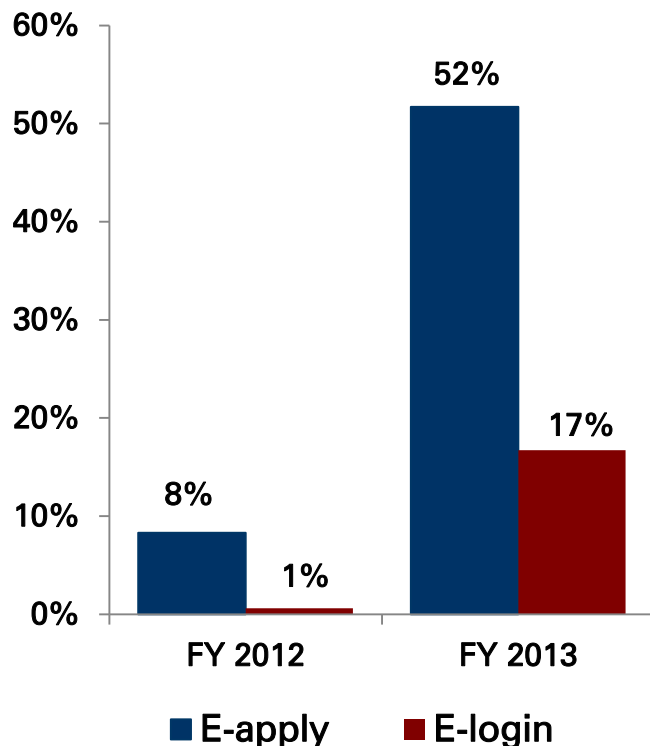
- Structured sales pitch
- Fast and convenient customer onboarding
- Higher sales productivity
- Improved cost efficiency

Approach

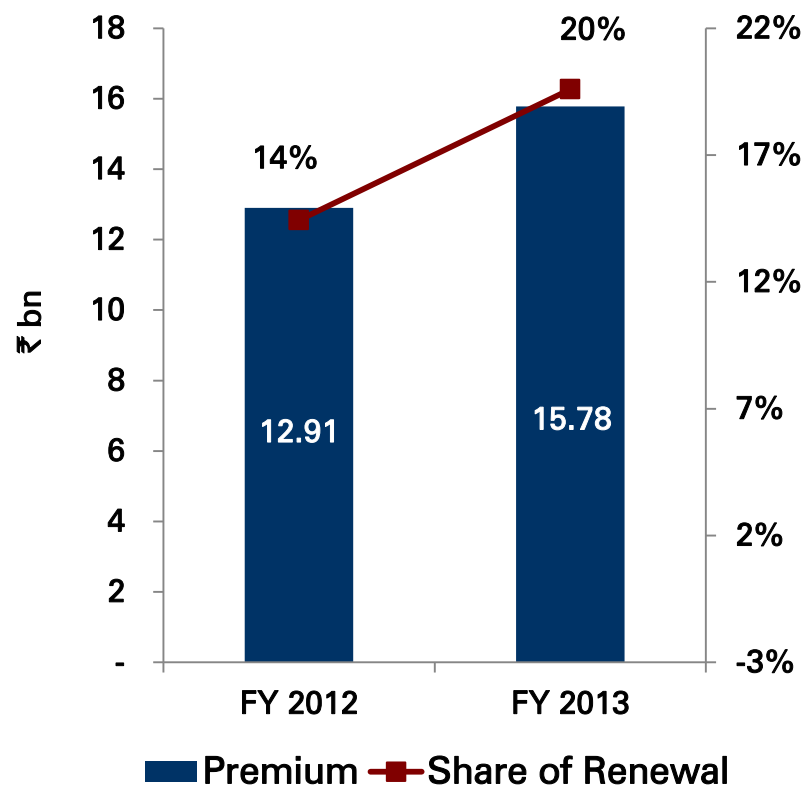
- Device agnostic digital application for distributors
 - Need analysis and product selection
 - Instant decision and OTC issuance
- Smooth paperless buying experience
- Multiple payment options

Progress in digitization

% Retail APE using digital platform



Online renewal premium collection



2/3rds of all servicing transactions are through self-service modes

E-apply: New business applications using digital platform

E-login: New business issuances using digital platform



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 Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Thank you