

Q1 FY2019 Performance Review

July 17, 2018

Agenda

Company Strategy

Financial Performance

Industry Overview

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Strategy: Market leadership + Profitable growth

Leverage and Enhance market leadership

- Leverage our strong brand, competitive advantage and broad network of distribution partners
- Expand customer base and offerings

Enhance product offerings and distribution channels

- Focus on agency channel, retail health segment and SME insurance market and cross sell opportunities
- Continuous innovation to introduce new products and value added services

Capturing new market opportunities

- Expand footprint in small towns, rural areas
- Increase penetration in the digital Eco system
- Monitor emerging risk segments

Improve operating and financial performance through investments in technology

- Reduce Combined ratio using risk selection and data analytics
- Maintain robust reserves
- Increasing distribution and servicing capabilities without human intervention
- Increase operational efficiency using artificial intelligence and machine learning techniques

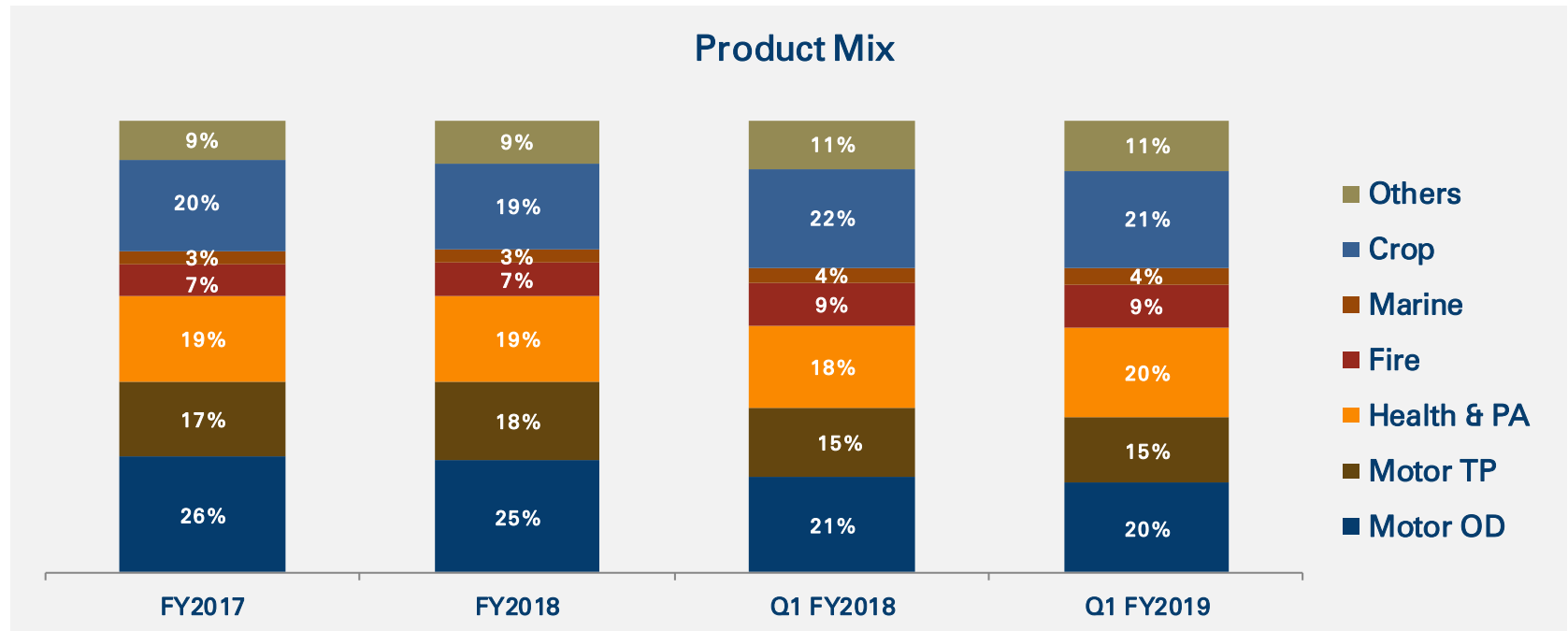
Key Highlights

Particulars (₹ billion, except per share)	FY2017 Actual	FY2018 Actual	Q1 FY2018	Q1 FY2019
Gross Written Premium	109.60	126.00	33.94	38.56
Gross Direct Premium Income (GDPI)	107.25	123.57	33.21	37.74
GDPI Growth	32.6%	15.2%	15.3%	13.7%
Combined Ratio	103.9%	100.2%	102.4%	98.8%
Profit after Tax	7.02	8.62	2.14	2.89
Return on Average Equity	20.3%	20.8%	22.4%	24.7%
Solvency Ratio	2.10x	2.05x	2.13x	2.04x
Book Value per Share	82.57	100.04	86.53	106.41
Basic Earnings per Share	15.66	19.01	4.74	6.37

- Market leadership amongst private sector general insurance companies since FY2004

¹ Investment leverage is net of borrowings

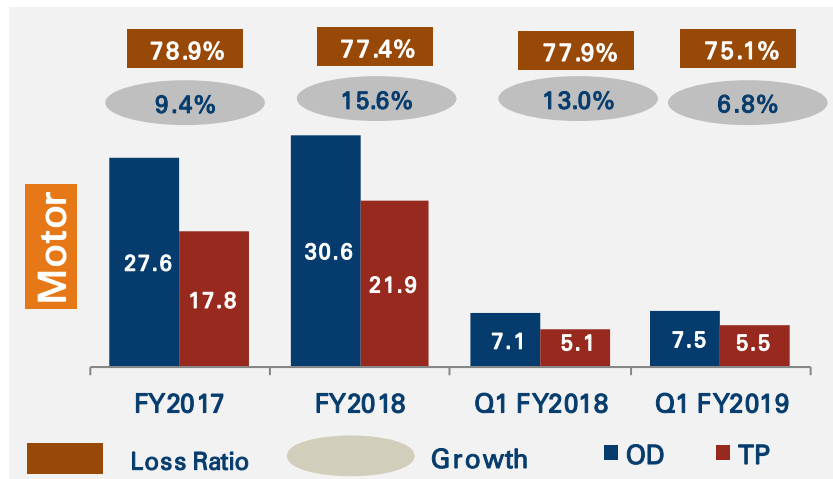
Comprehensive Product Portfolio



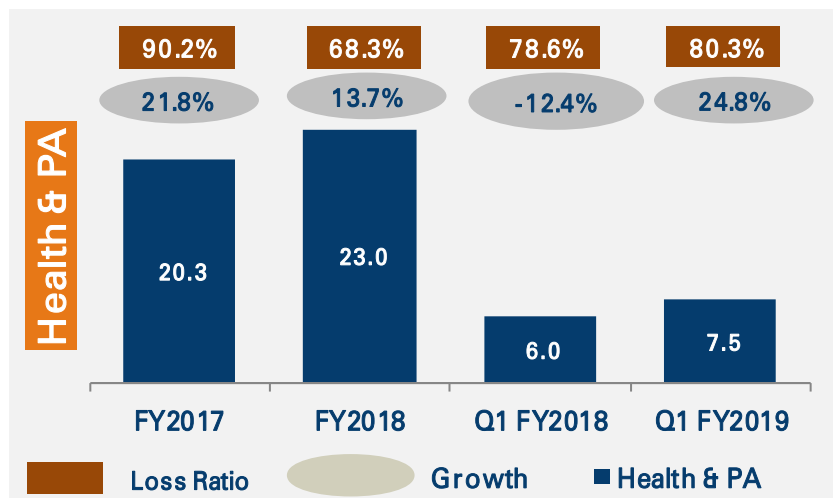
- Diversified product mix– motor, health & personal accident, crop, fire, marine, engineering insurance
- SME business growth was 42% for Q1 FY2019

Comprehensive Product Portfolio

₹ billion

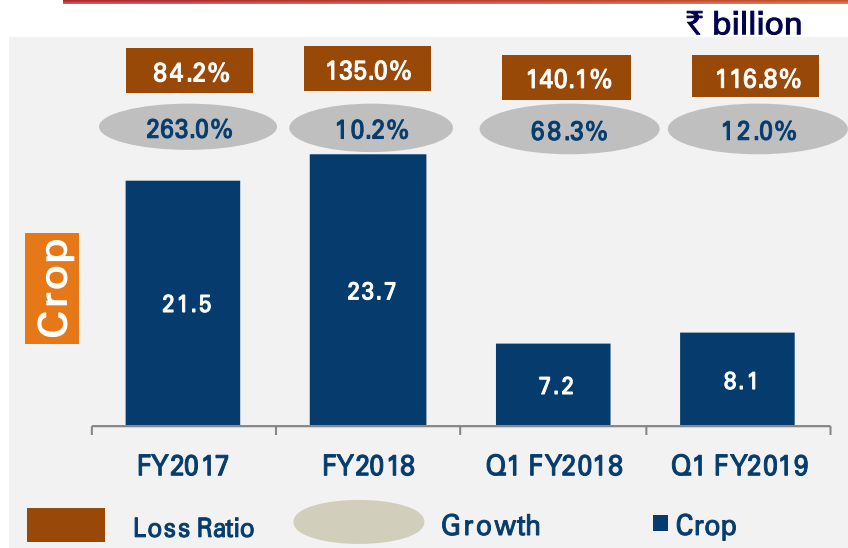


- Private car, Two wheeler and Commercial Vehicle contributed 50.0%, 32.7% and 17.3% respectively of Motor GDPI1 for Q1 FY2019 and 49.0%, 33.2% and 17.8% respectively of Motor GDPI1 for Q1 FY2018
- Loss cost driven micro-segmentation resulting in focus on relatively profitable segment

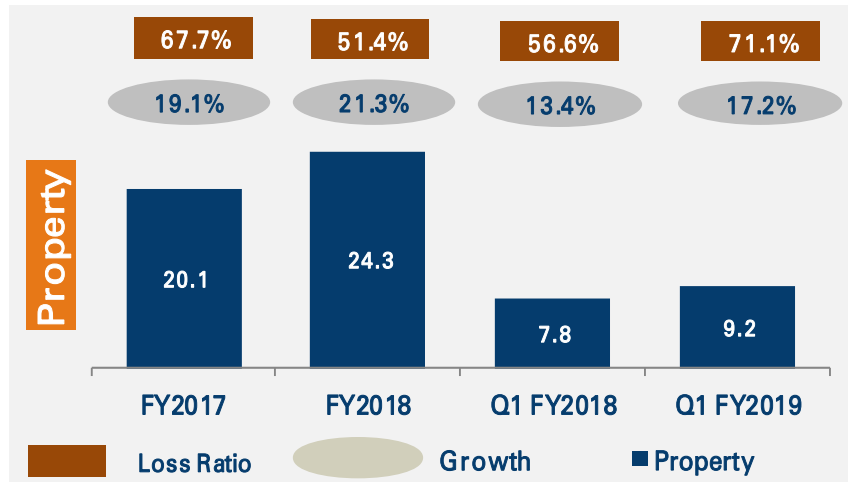


- Retail, corporate and mass contributed 35.1%, 62.9% and 2.0% respectively of Health & PA GDPI for Q1 FY2019 and 42.6%, 53.8% and 3.6% respectively for Q1 FY2018
- Retail indemnity segment grew by 31% for Q1 FY2019

Comprehensive Product Portfolio



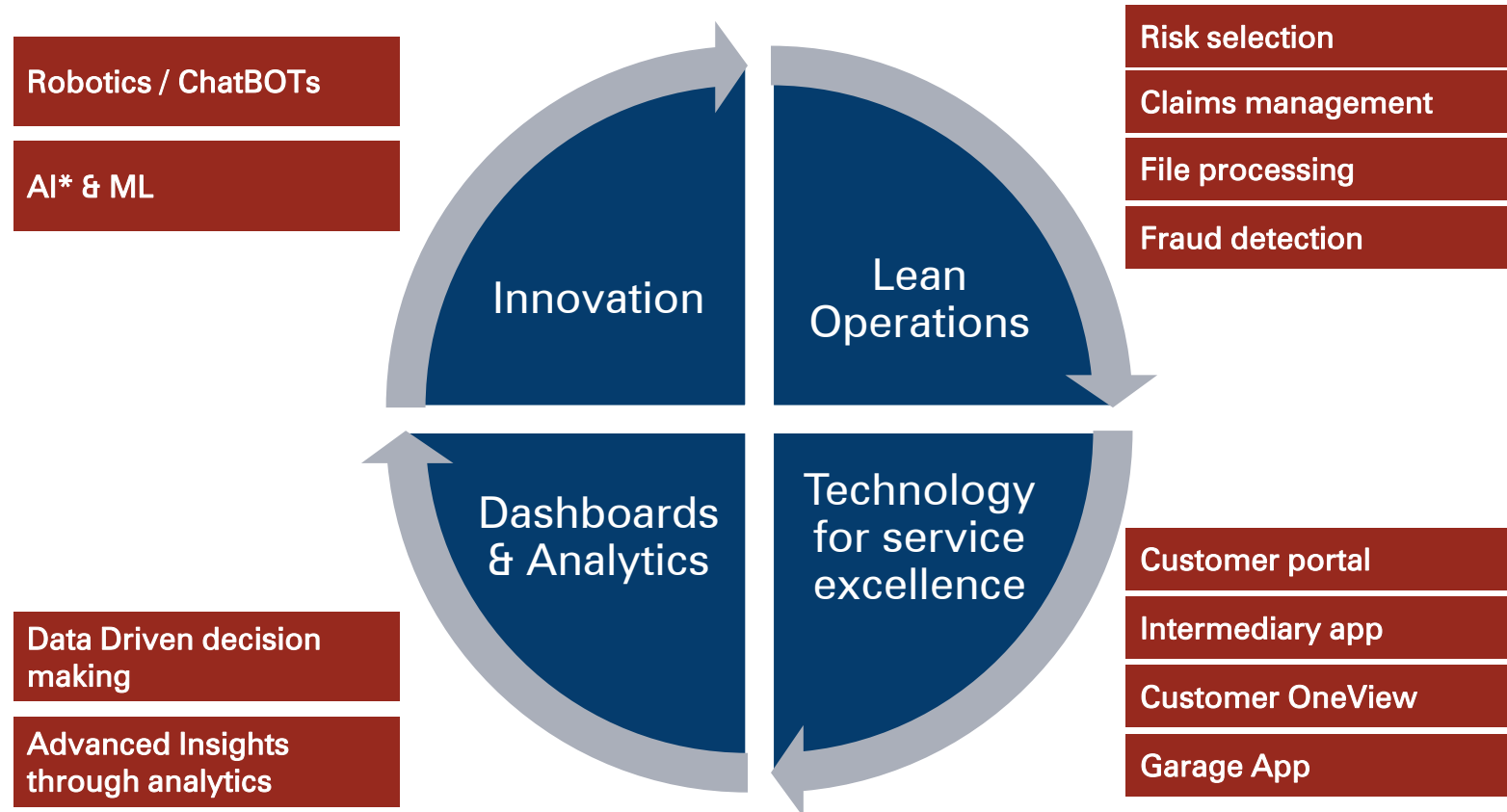
- Covered farmers in 4 states and 30 districts in Kharif season FY2019 compared to 7 states and 56 districts in Kharif FY2018



- Underwriting of small risks for portfolio diversification and pricing
- Focus on risk mitigation through value added services

Source: Company Data

Digital Drive: Enabling business transformation



* AI: Artificial intelligence
ML: Machine learning

Risk Framework

Underwriting

- Predictive ultimate loss model to improve risk selection
- Diversified exposure across geographies and products
- Historically lower proportion of losses from catastrophic events than overall market share

Reinsurance

- Spread of risk across panel of quality re-insurers
 - Entire panel *of reinsurers rated 'A-' or above**
- Conservative level of catastrophe (CAT) protection

Investments

- Tighter internal exposure norms as against regulatory limits
- Invest high proportion of Debt portfolio (81.0%) in sovereign or AAA rated securities***

Reserving

- IBNR utilization improving trend indicates robustness of reserves
- Disclosing reserving triangles in Annual report since FY2016

*Except domestic reinsurance placement

**S&P or equivalent international rating

10*** domestic credit rating

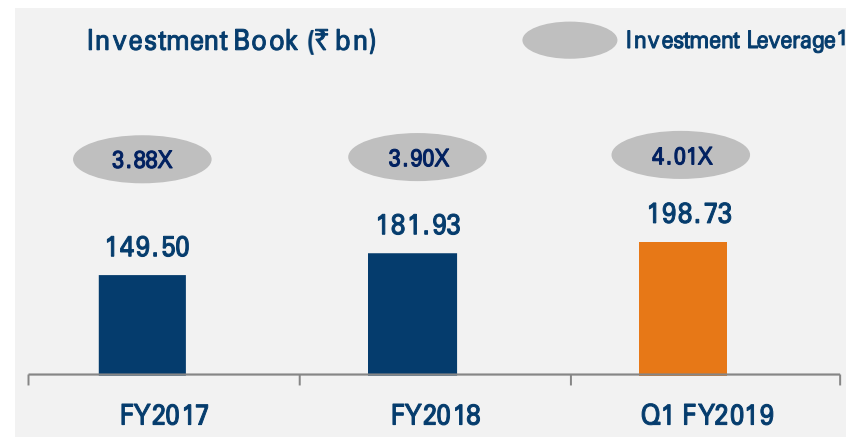
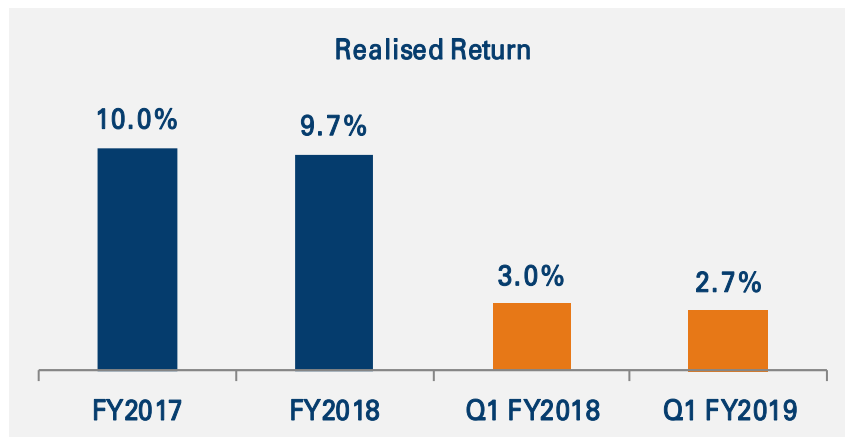
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Robust Investment Performance



- Investment portfolio mix² at Q1 FY2019 : Corporate bonds (47.57%), G-Sec (29.94%) and equity (15.32%)
- Strong investment leverage
- Unrealised Gains at ₹ 0.70³ bn as on June 30, 2018

¹ Total investment assets (net of borrowings) / net worth

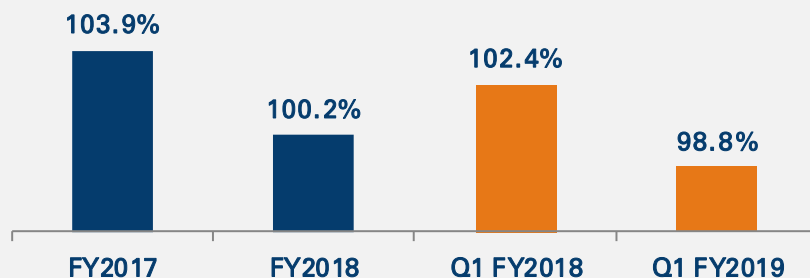
² Investment portfolio mix includes Equity & Mutual funds at market value

³ Impacted by rising interest yield on fixed income securities

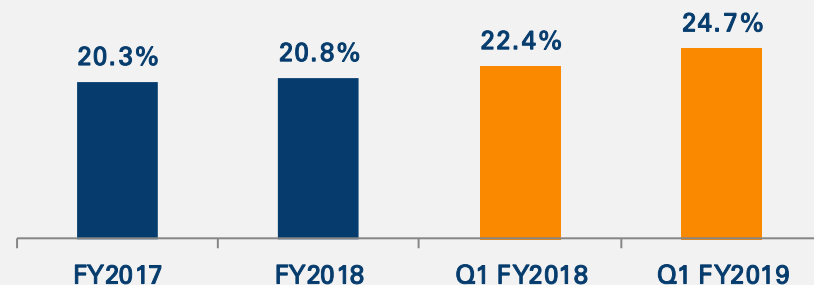
Source: Company Data

Financial performance

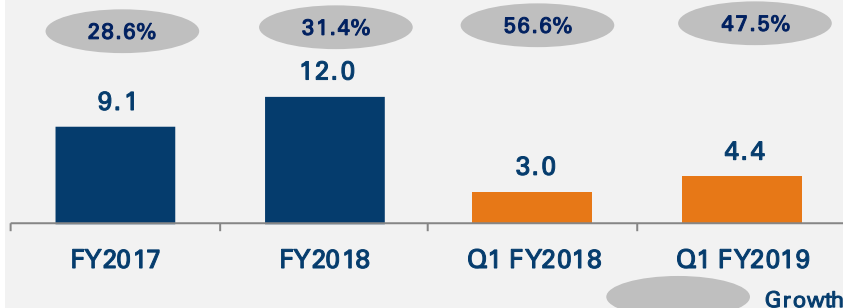
Combined Ratios (%)



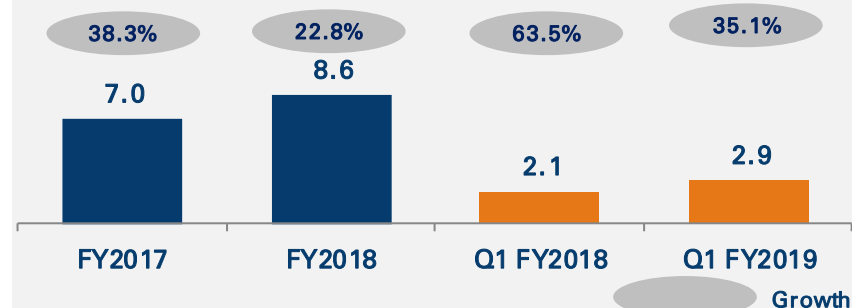
Return on average Equity (%)



Profit before Tax (₹ bn)



Profit after Tax (₹ bn)



- Solvency ratio at June 30, 2018 : 2.04x (Solvency ratio at June 30, 2017 : 2.13x) as against regulatory minimum solvency requirement of 1.5x.

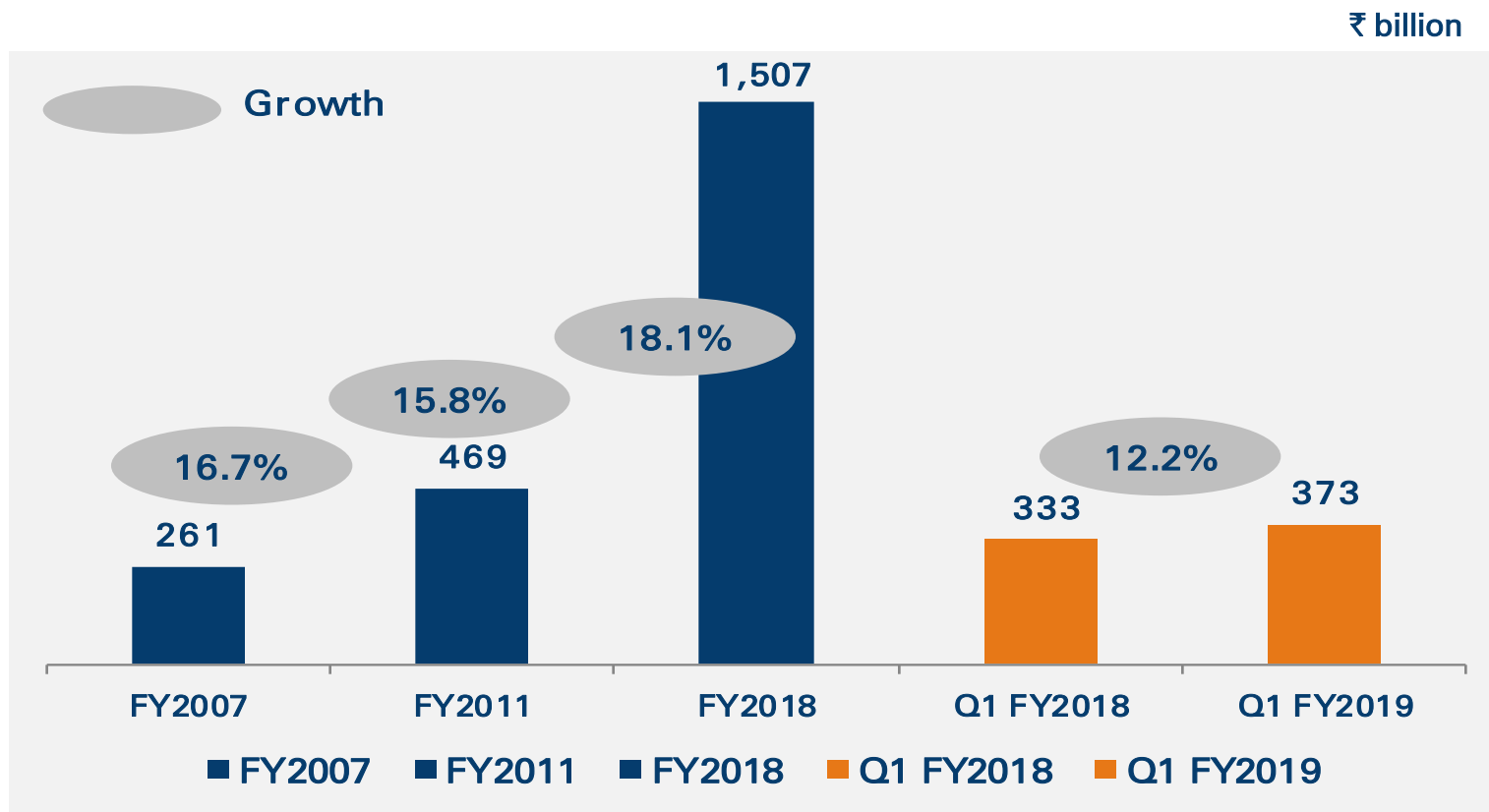
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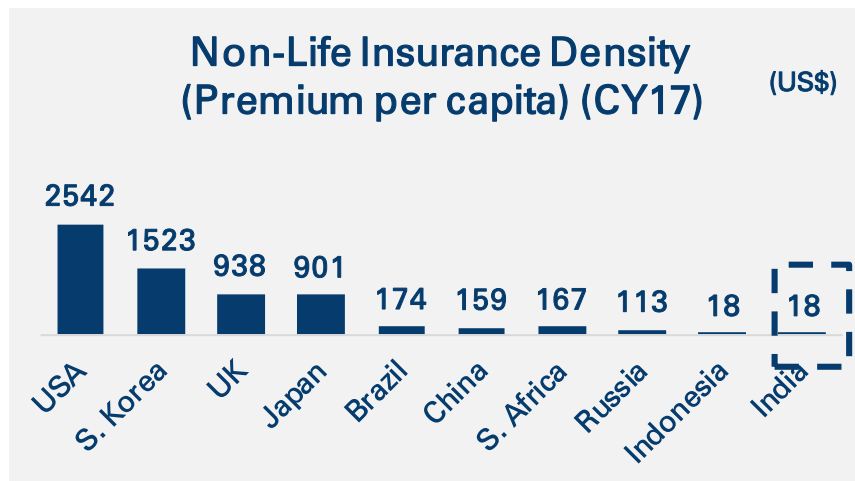
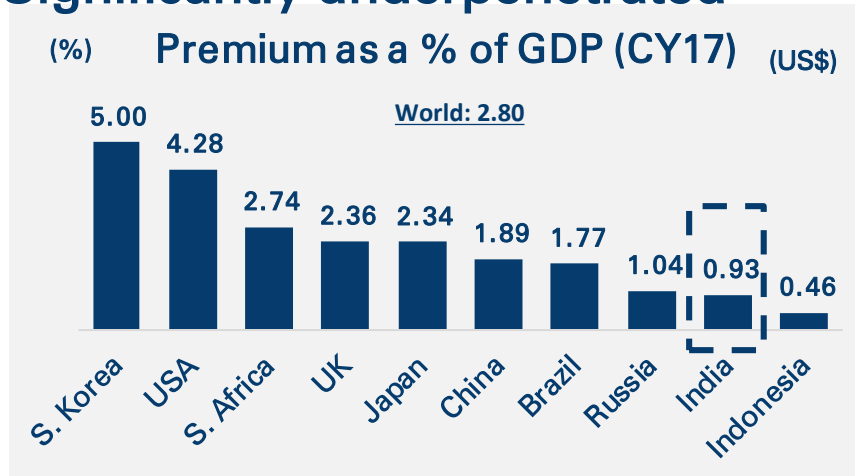
Industry has witnessed steady growth



- Industry has grown at CAGR of 17% in the last 16 years

India Non - life Insurance Market - Large Addressable Market

Significantly underpenetrated



- 4th largest non-life insurance market in Asia
- GDPI growth at CAGR of 17% from FY 2001 to FY 2017
- Non-life Insurance penetration in India was around 1/3rd of Global Average in 2017

Thank you

Annexure

Loss ratio

Particulars	FY2017	FY2018	Q1 2018	Q1 2019
Motor OD	64.2%	53.7%	62.2%	62.9%
Motor TP	97.4%	107.1%	97.5%	90.6%
Health	97.9%	77.6%	86.0%	85.5%
PA	41.3%	23.9%	43.8%	56.5%
Crop	84.2%	135.0%	140.1%	116.8%
Fire	68.4%	43.1%	60.7%	115.2%
Marine	83.9%	54.2%	75.0%	81.1%
Engineering	53.3%	24.0%	52.3%	44.9%
Other	62.1%	57.3%	49.8%	60.8%
Total	80.4%	76.9%	78.1%	76.9%

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; 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.