



April 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 April 12, 2022 with reference to the earnings call to be hosted by the Company today i.e. April 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 FY2022.

The audio recording and transcript of the conference call will be posted on the Company's website at www.iciciprulife.com, within the prescribed regulatory timelines.

Thanking you,

Yours sincerely,

For ICICI Prudential Life Insurance Company Limited

Sonali Chandak
Company Secretary
ACS 18108

Encl.: As above

ICICI Prudential Life Insurance Company Limited

1st 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

Phone: 022-5039 1600, Fax: +91 22 2422 4484, Email: corporate@iciciprulife.com

CIN : L66010MH2000PLC127837



Performance update: FY2022

April 16, 2022

Agenda

- Company strategy and performance
- Opportunity
- Industry overview

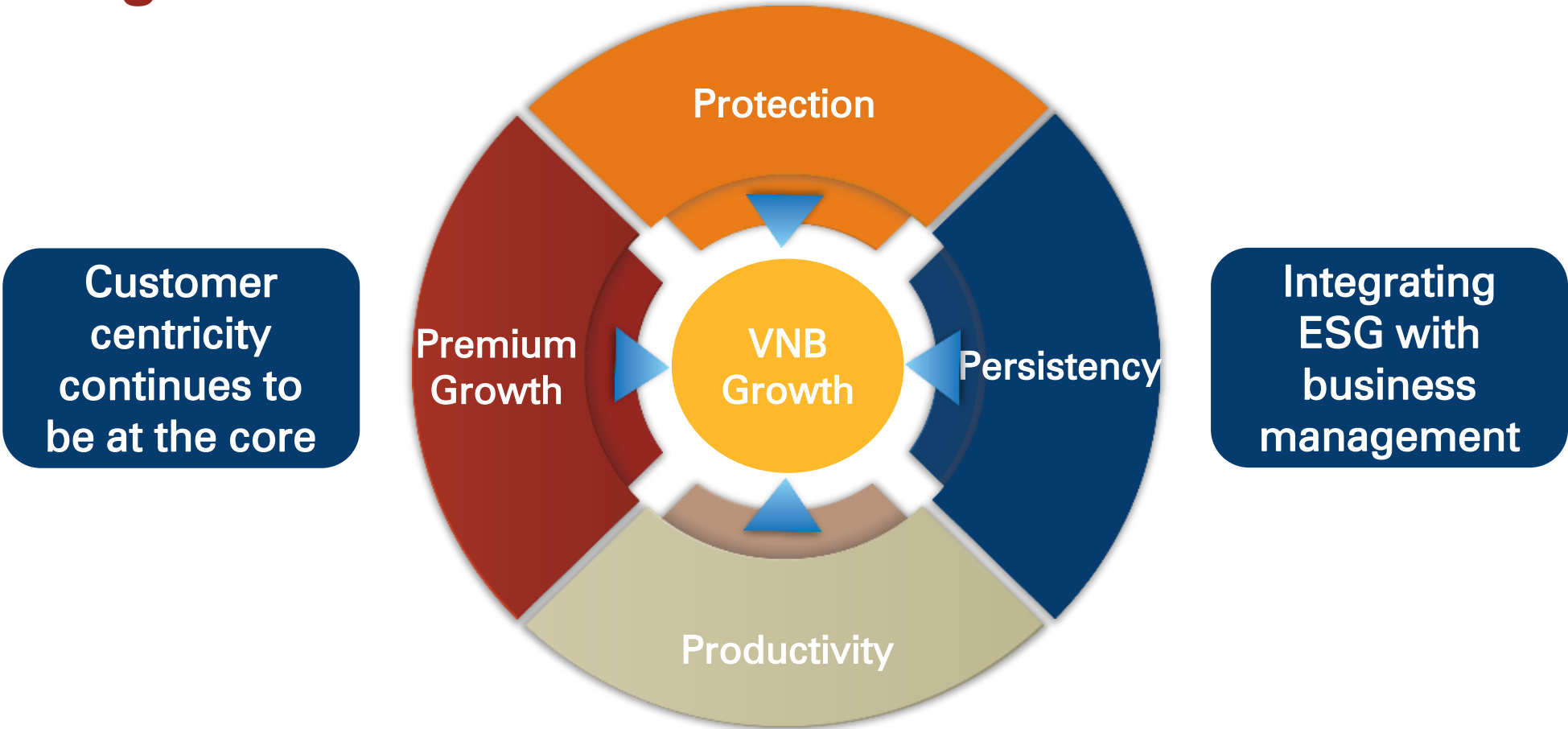


Agenda

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

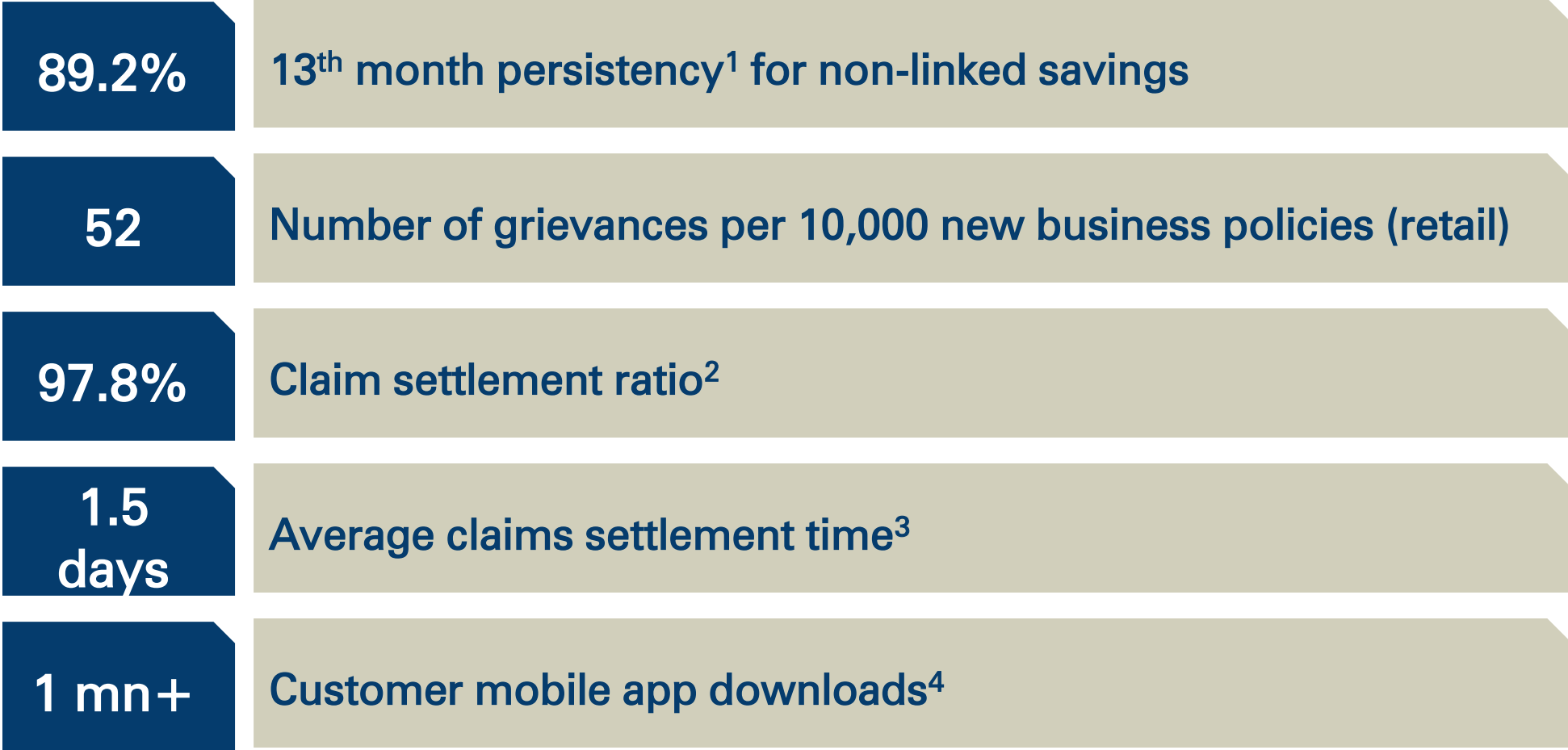


Key strategic elements



Aspiration to double the FY2019 VNB in four years

Customer centricity



1. Regular and Limited pay persistency in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021
2. Individual death claims
3. Average turnaround time for non-investigated claims from receipt of last requirement
4. Including Apple app store and Google Play store downloads

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	FY2021	Q4-FY2022	FY2022
Annualised premium equivalent	64.62	26.08	77.33
<i>YoY growth</i>	<i>(12.5%)</i>	<i>3.9%</i>	<i>19.7%</i>
New business premium (NBP) ¹	130.32	47.88	150.36
<i>YoY growth</i>	<i>5.5%</i>	<i>(6.7%)</i>	<i>15.4%</i>
<i>Market share²</i>	<i>7.2%</i>	<i>7.3%*</i>	<i>7.3%#</i>

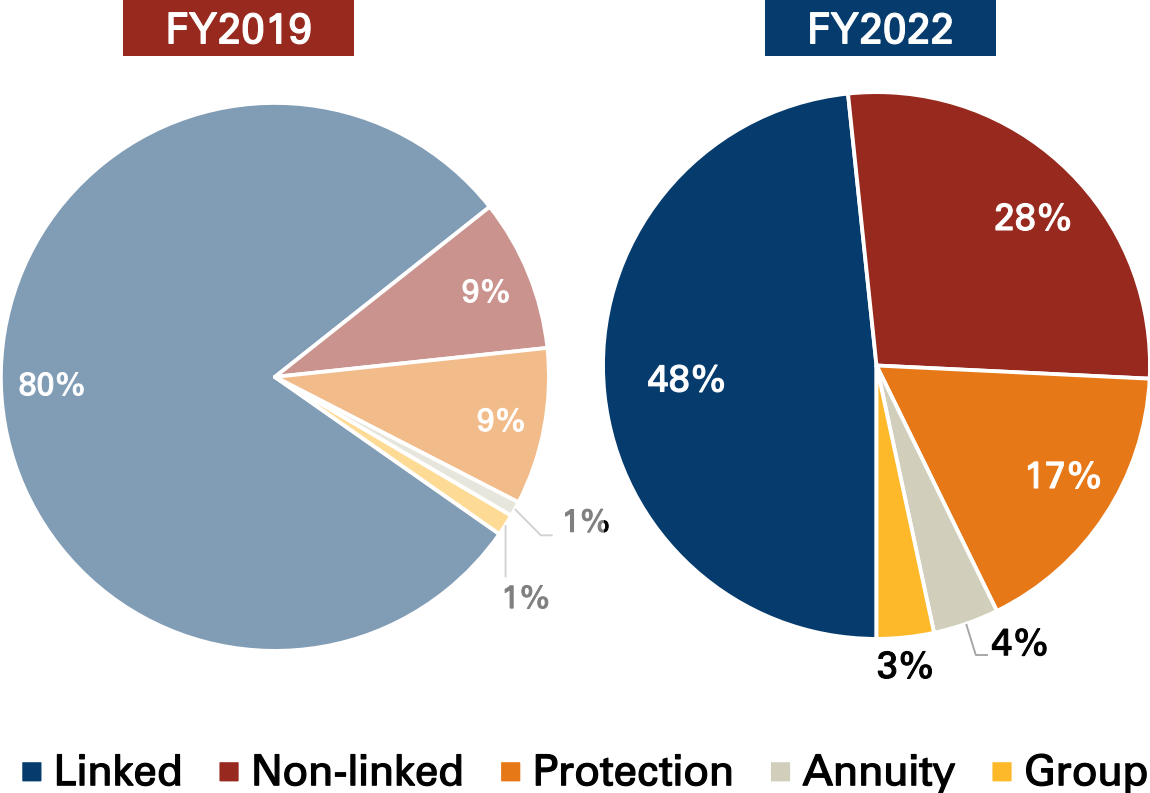
Continued growth momentum resulting in 20% growth for FY2022



1. New business premium (As reported to IRDAI)
2. Based on RWRP (As reported to IRDAI); * for the months of January and February; # for 11M-FY2022

Premium growth: Product and Distribution

Product mix

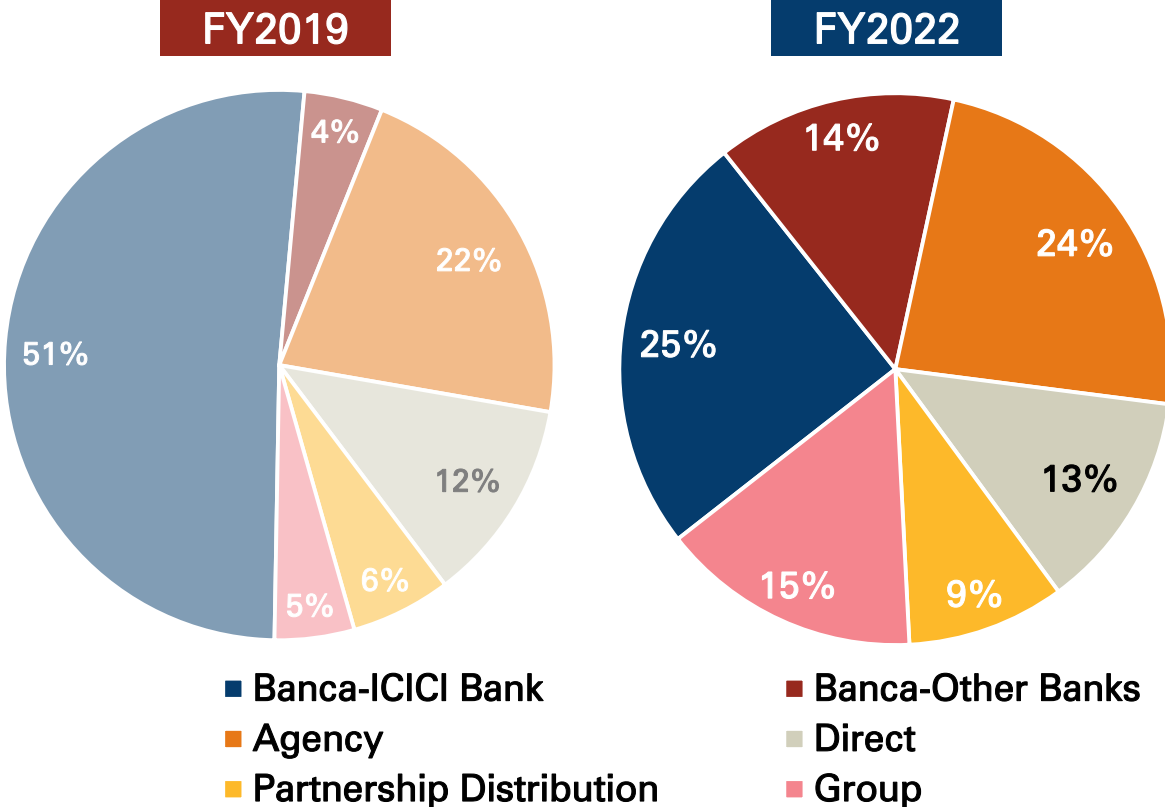


Diversified product mix



Based on APE

Distribution mix



Distribution mix diversified further

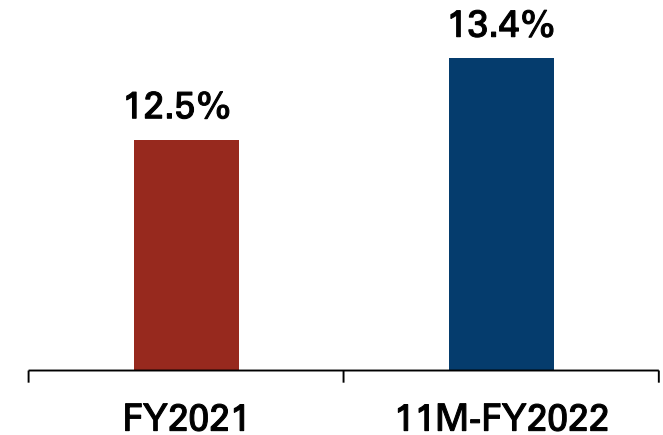
Protection growth

Protection focus

Continue to grow both retail and group lines of business

₹ billion	FY2021	Q4-FY2022	FY2022
Protection APE ¹	10.46	4.57	13.13
YoY growth	(6.3%)	32.8%	25.5%
Protection Mix	16.2%	17.5%	17.0%

Sum assured market share² (%)



Continued private market leadership based on new business sum assured



1. Includes protection return of premium: Q4-FY2022 – ₹ 140.3 million, FY2022 – ₹ 142.2 million
2. Overall new business

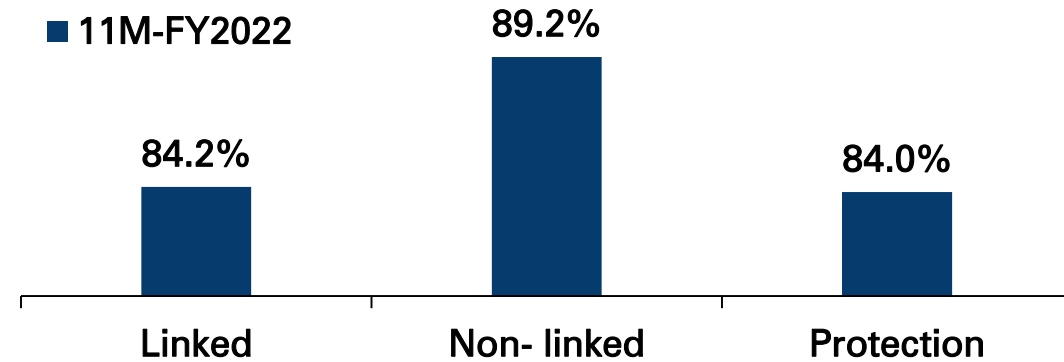
Persistency improvement

Persistency

Improve persistency across all cohorts

Persistency#	11M-FY2021*	11M-FY2022	Y-o-Y
13 th month	84.8%	85.7%	↑ 90 bps
49 th month	63.0%	63.7%	↑ 70 bps

13th month persistency#
across product categories



Significant improvement in persistency



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

* Comparative period figures restated for revised definition

Productivity improvement

Productivity

Continue to leverage technology for process re-engineering and to drive productivity

₹ billion	FY2020	FY2021	FY2022	Growth
APE	73.81	64.62	77.33	19.7%
Total expenses	44.71	42.20	53.71	27.3%
Cost/TWRP ¹ (%)	15.9%	14.8%	18.6%	-
Cost/TWRP (savings LOB) (%)	10.4%	9.6%	12.8%	-

11% increase in APE per employee in FY2022 over FY2021

Resilient Balance Sheet

Insurance risks

- COVID-19 claims net of reinsurance of ₹ 10.17 billion for FY2022
- IBNR provisions of ₹ 0.24 billion held for future COVID-19 claims

Strong solvency ratio

- Solvency ratio of 204.5% at March 31, 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

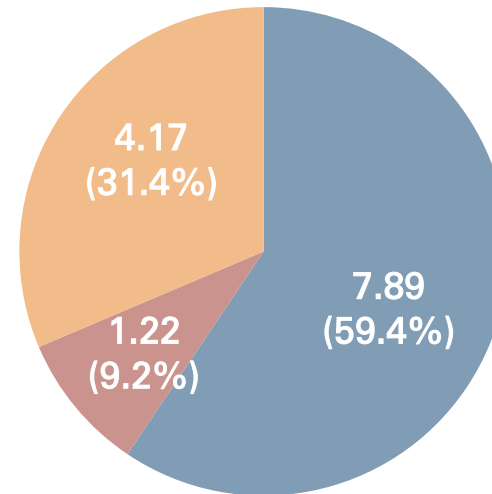
- 79.4% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 1.9% of liabilities

Value of New Business (VNB)

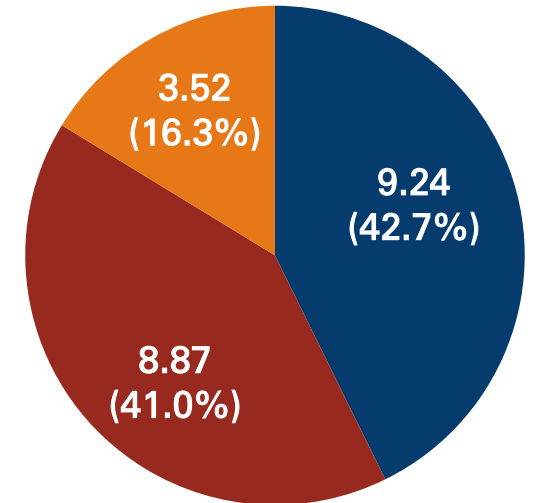
₹ billion	FY2021	FY2022
Value of New Business (VNB)	16.21	21.63
VNB margin	25.1%	28.0%

VNB contribution*

FY2019



FY2022



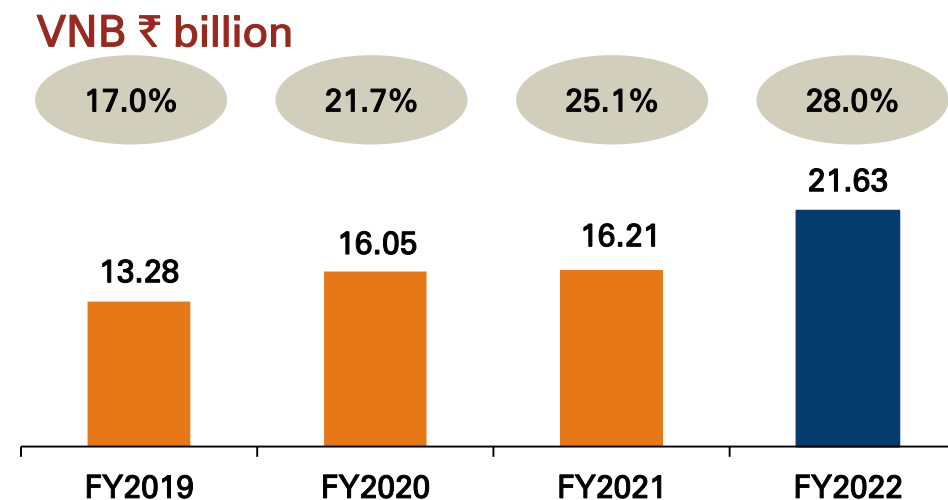
■ Protection ■ Savings: Non-linked ■ Savings: Linked

Well diversified pools of profit

Way forward

Aspire to double the FY2019 VNB by FY2023

₹ billion	FY2021	FY2022	Growth
Value of New Business (VNB) ¹	16.21	21.63	33.4%
VNB margin	25.1%	28.0%	+290 bps



- Premium growth: Diversified product & distribution mix to aid growth
- Protection: Short term headwinds in retail business, continued to leverage opportunities in group protection
- Persistency: Continued improvement to aid product margins
- Productivity: Target operating leverage with growth in premium and better product mix

Business update

Product

Distribution

Persistency

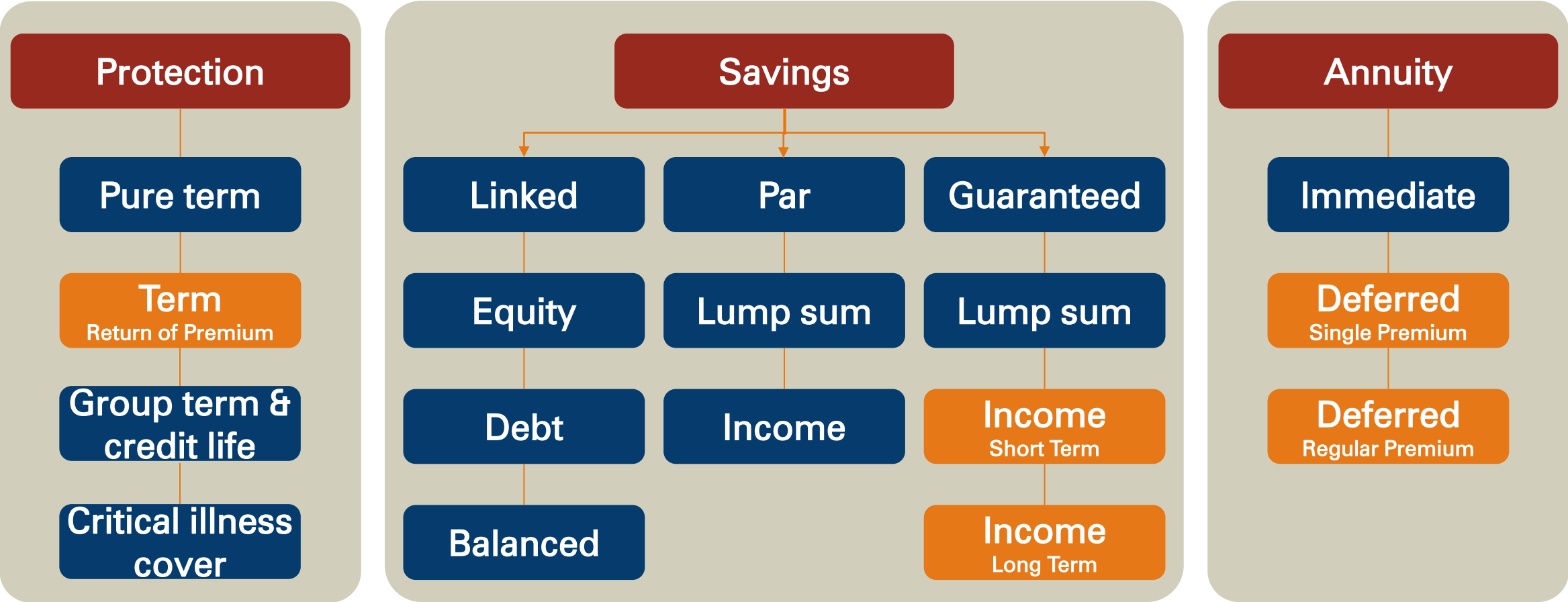
Business update

Product

Distribution

Persistency

Product suite



Comprehensive product suite to address varied customer needs

Products available across all categories



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



Retail

Protection

Group

Pure term, term with accident cover

Critical illness, Disease specific

Pure term, Micro insurance, Credit insurance, Critical illness

Product interventions

Linked

- **Balanced Advantage Fund:** Best suited to address volatile market
- **Sustainability Equity Fund:** Industry's first ESG fund

Non linked

- **Short Term Income:** Early income starting from second year
- **Long Term Income:** Duration as long as 30 years with life cover during the income term
- **Option to choose the date of income** as per customer's own choice

Protection

- **Life stage option:** Protection cover as per life-stage of the customer
- **Early return of premium** at an early age of 60 or 70
- **Option to choose return of premium** either in lump sum or income form

Annuity

- **Waiver of premium:** The financial security of the secondary annuitant
- **Health Booster Option:** To help customers meet ageing related health expenses

Contribution of new funds / new products launched in the last two years to FY2022 APE is > 25%

Performance across segments

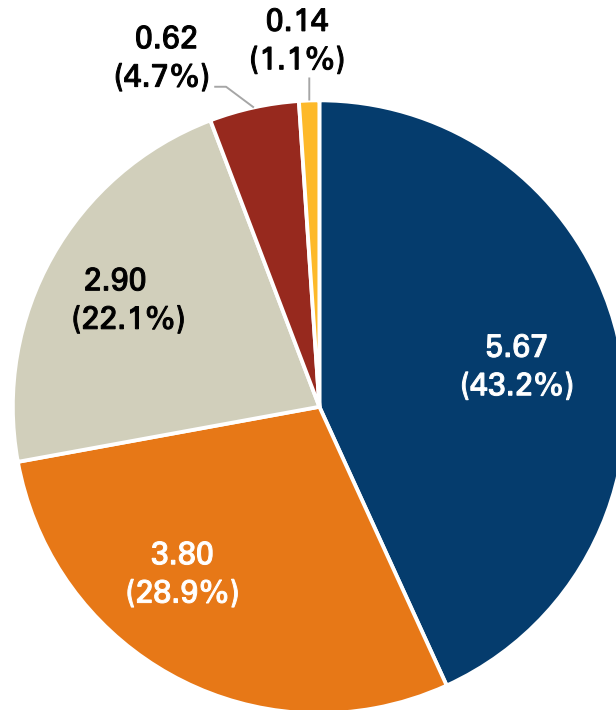
APE (₹ billion)				Mix	
Segments	FY2021	FY2022	Growth (%)	FY2021	FY2022
Savings	54.16	64.20	18.5%	83.8%	83.0%
Linked	30.90	37.38	21.0%	47.8%	48.3%
Non-linked	17.79	21.21	19.2%	27.5%	27.4%
Annuity	2.29	3.00	31.0%	3.5%	3.9%
Group funds	3.18	2.61	(17.9%)	4.9%	3.4%
Protection	10.46	13.13	25.5%	16.2%	17.0%
Total APE	64.62	77.33	19.7%	100.0%	100.0%

Continued strong growth across product segments

Protection business

Protection split based on APE*

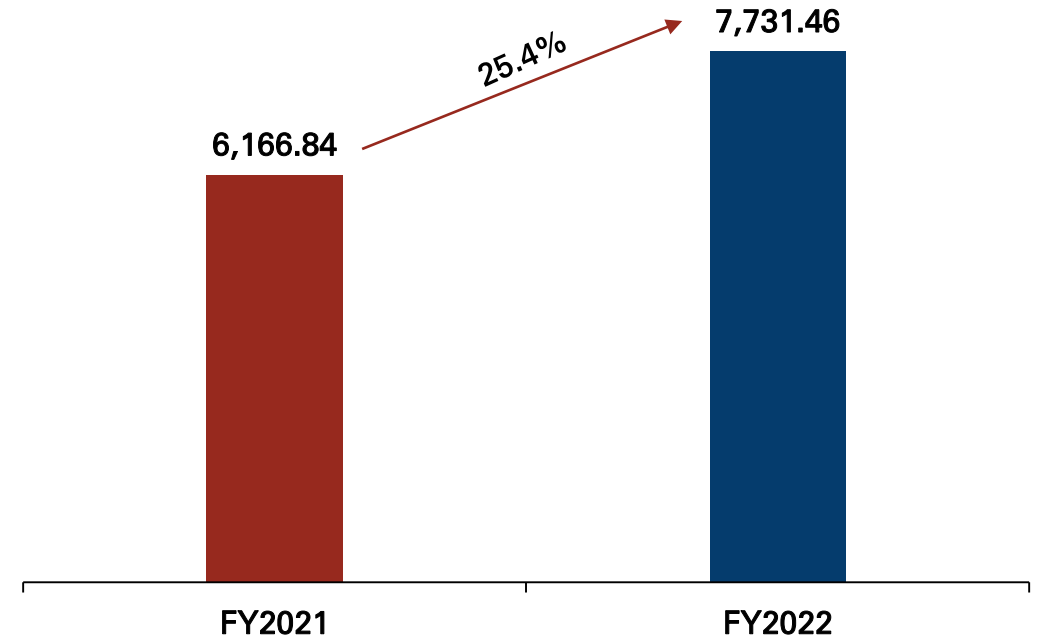
₹ billion



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

Total new business sum assured

₹ billion

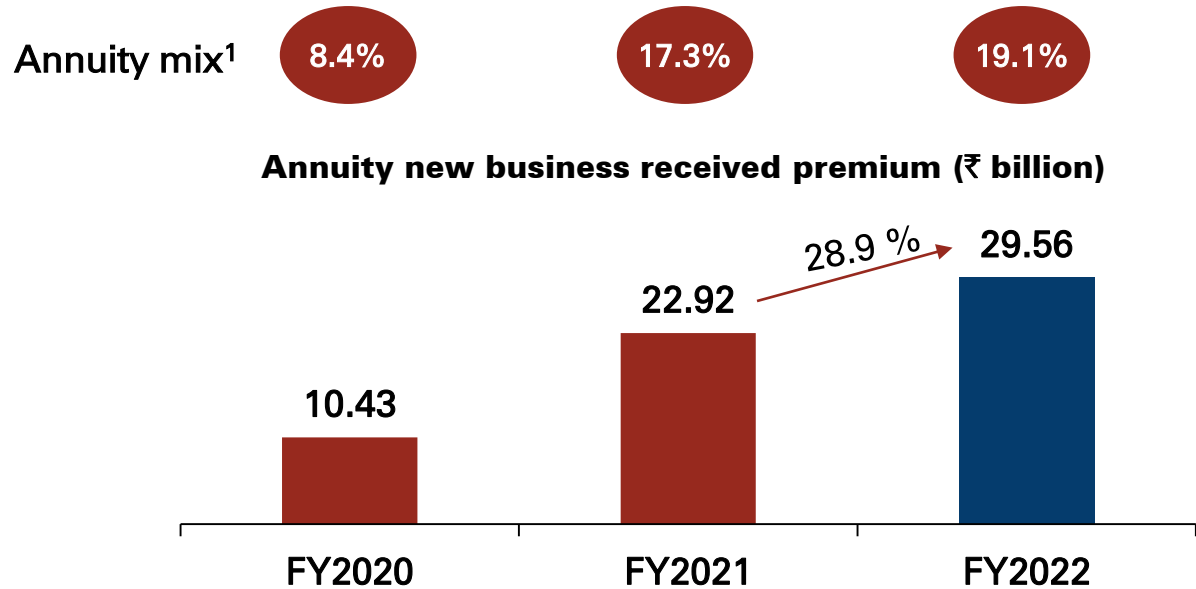


Sum assured grew by 25% in FY2022

Pension and Annuity

A comprehensive pension provider

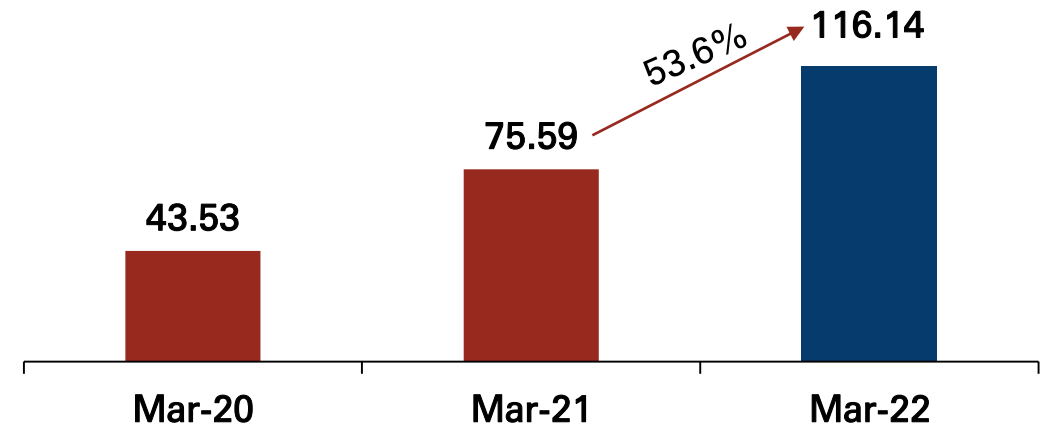
Annuity



Annuitant grew by 29% in FY2022

Pension fund management (AUM)

₹ billion



Pension fund AUM grew by 54% over Mar 2021

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



1. % of new business received premium as per financials

Business update

Product

Distribution

Persistency

Enhancing distribution

Strategy: Build profitability

- 27 bank partnerships
- Protection and Annuity mix 38%

Strategy: Create depth and add width

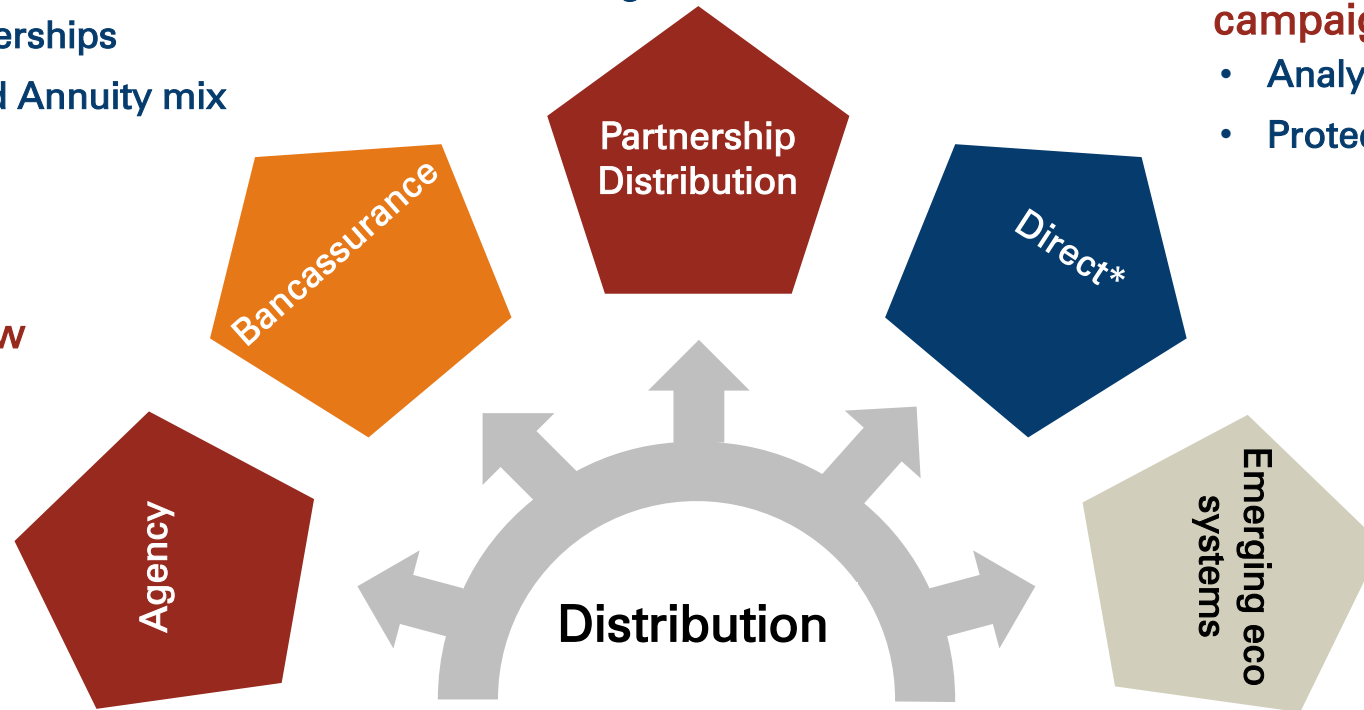
- ~800 partnerships; 107 new partnerships
- Protection and Annuity mix 27%, Non-linked savings 60%

Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection and Annuity mix 43%

Strategy: Invest and grow

- 24,607 agents recruited during FY2022
- Diversified product mix: Protection and Annuity 31%, Non-linked savings 34% and linked 35%



Strategy: Partner with non-traditional distributors

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

~800 partnerships including 27 banks; > 198,000 advisors

Performance across distribution channels

Channels	APE (₹ billion)			Mix (%)	
	FY2021	FY2022	Growth (%)	FY2021	FY2022
Bancassurance	27.34	30.12	10.2%	42.3%	38.9%
<i>ICICI Bank</i>	20.22	19.26	(4.7%)	31.3%	24.9%
<i>Other Banks</i>	7.13	10.85	52.2%	11.0%	14.0%
Agency	15.39	18.28	18.8%	23.8%	23.6%
Direct	8.10	9.97	23.1%	12.5%	12.9%
Partnership distribution	5.87	7.16	22.0%	9.1%	9.3%
Group	7.93	11.80	48.8%	12.3%	15.3%
Total APE	64.62	77.33	19.7%	100.0%	100.0%

Continued strong growth across distribution channels

Business update

Product

Distribution

Persistency

Persistency

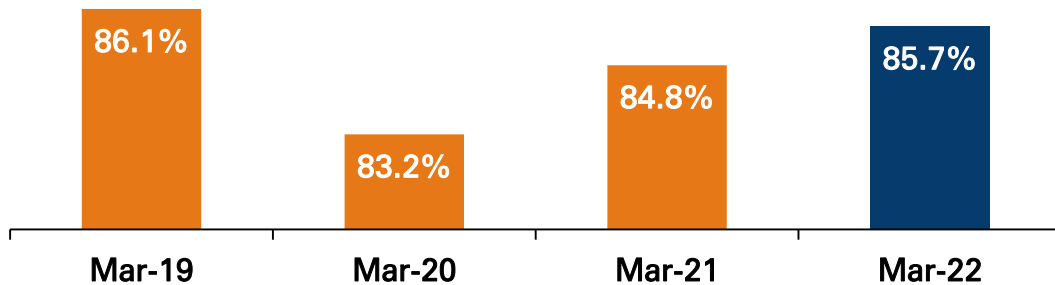
Regular and Limited pay

Month	11M-FY2021	11M-FY2022
13 th month	84.8%	85.7%
25 th month	73.6%	77.2%
37 th month	66.3%	67.1%
49 th month	63.0%	63.7%
61 st month	58.3%	54.4%

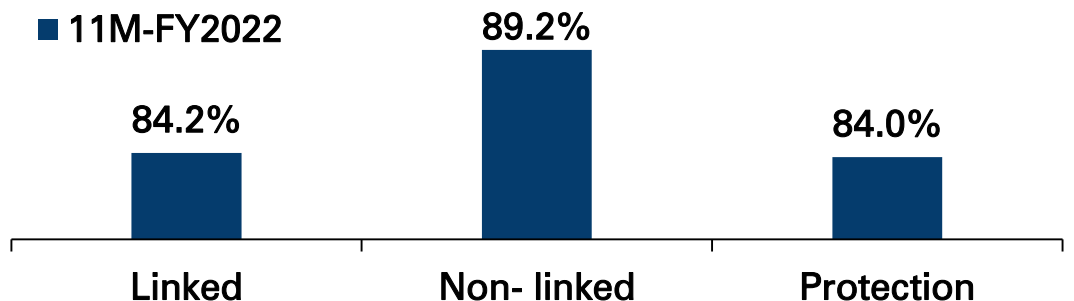
Fully paid and Single premium

Month	11M-FY2021	11M-FY2022
13 th month	100.0%	100.0%
25 th month	99.2%	100.0%
37 th month	97.3%	98.7%
49 th month	95.1%	96.2%
61 st month	91.3%	99.2%

13th month persistency



13th month persistency across product categories

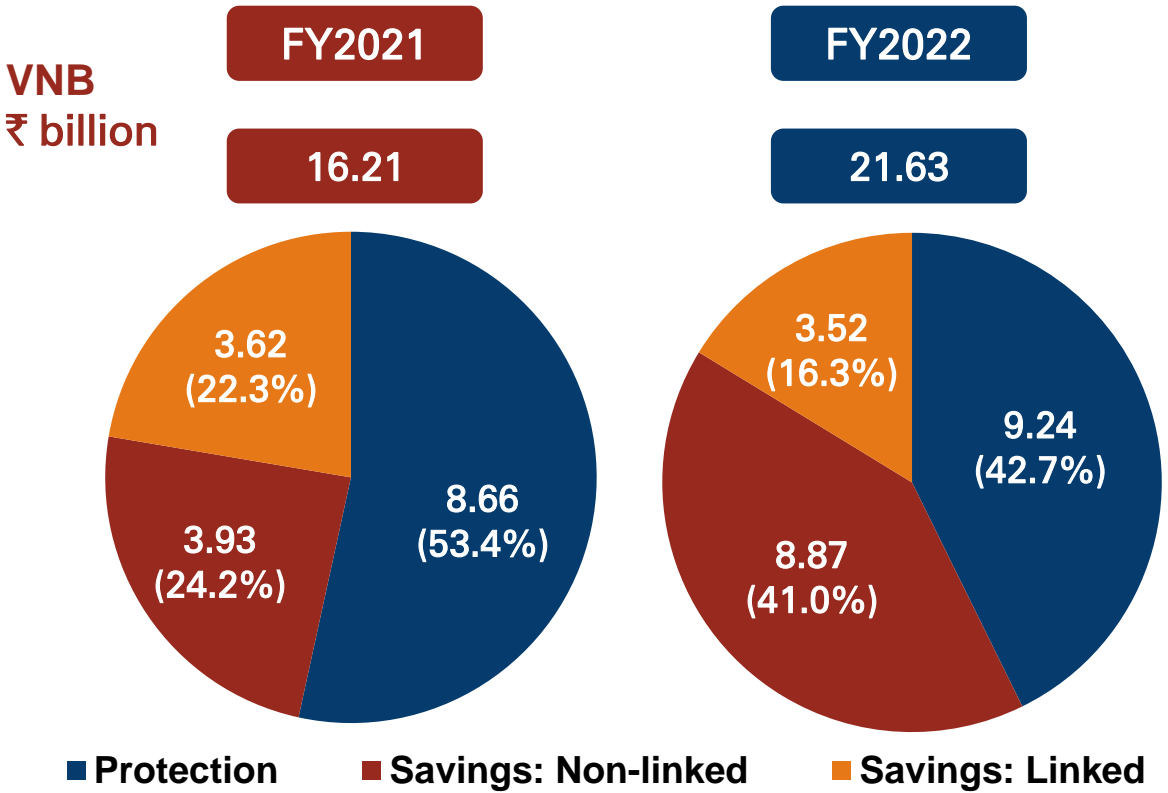


Continued focus on persistency improvement

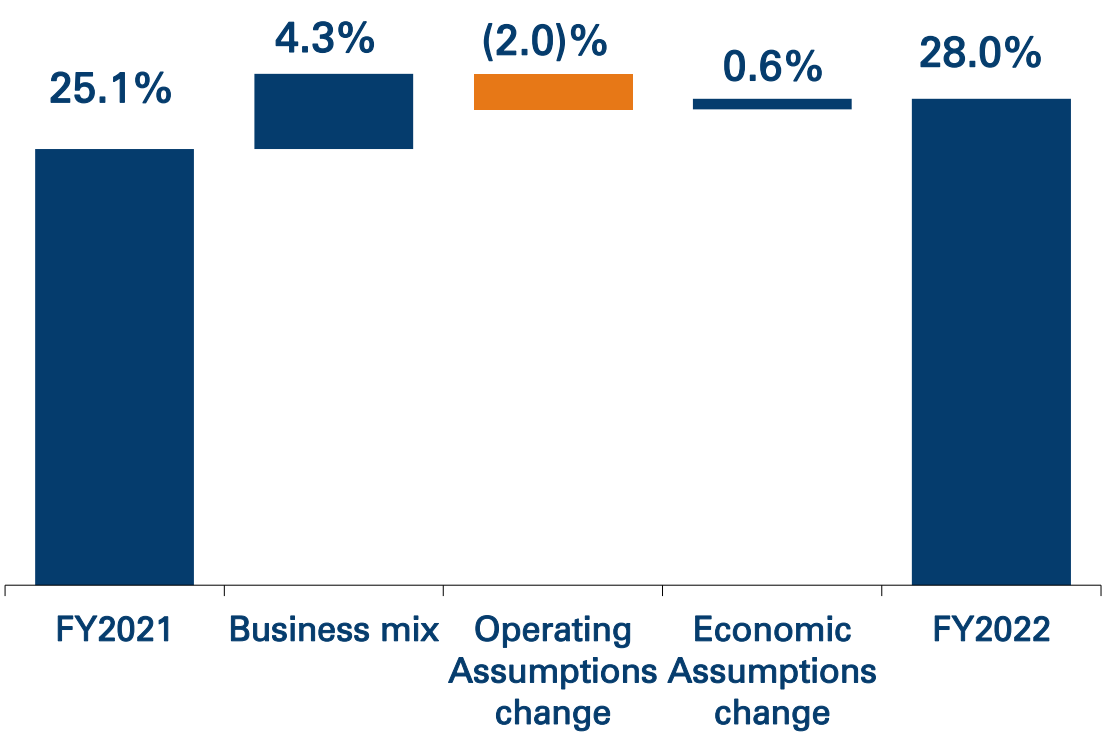
Financial update

Value of New Business (VNB)

VNB contribution*



VNB margin movement



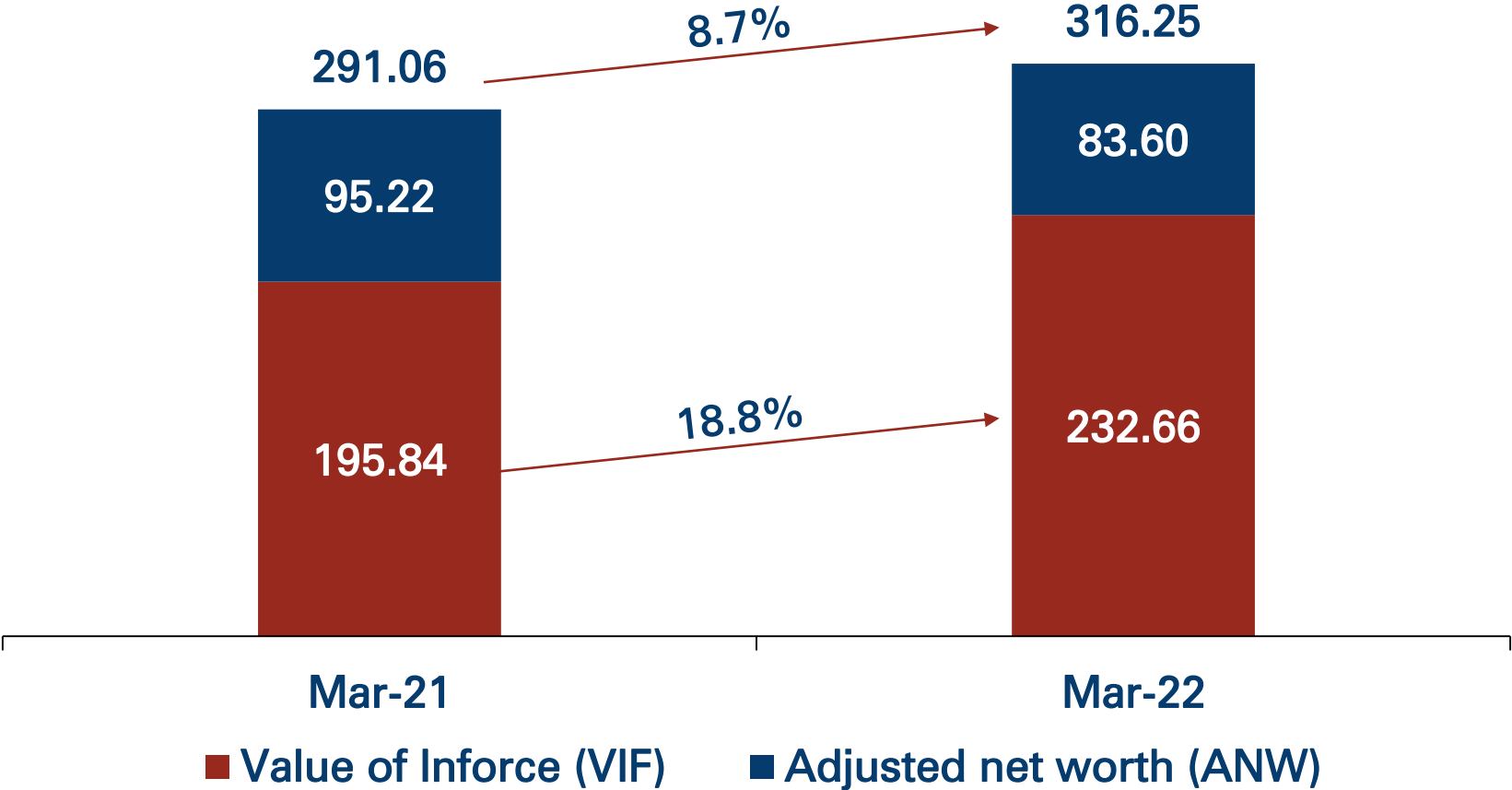
Well diversified pools of profit



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

Embedded Value¹

₹ billion



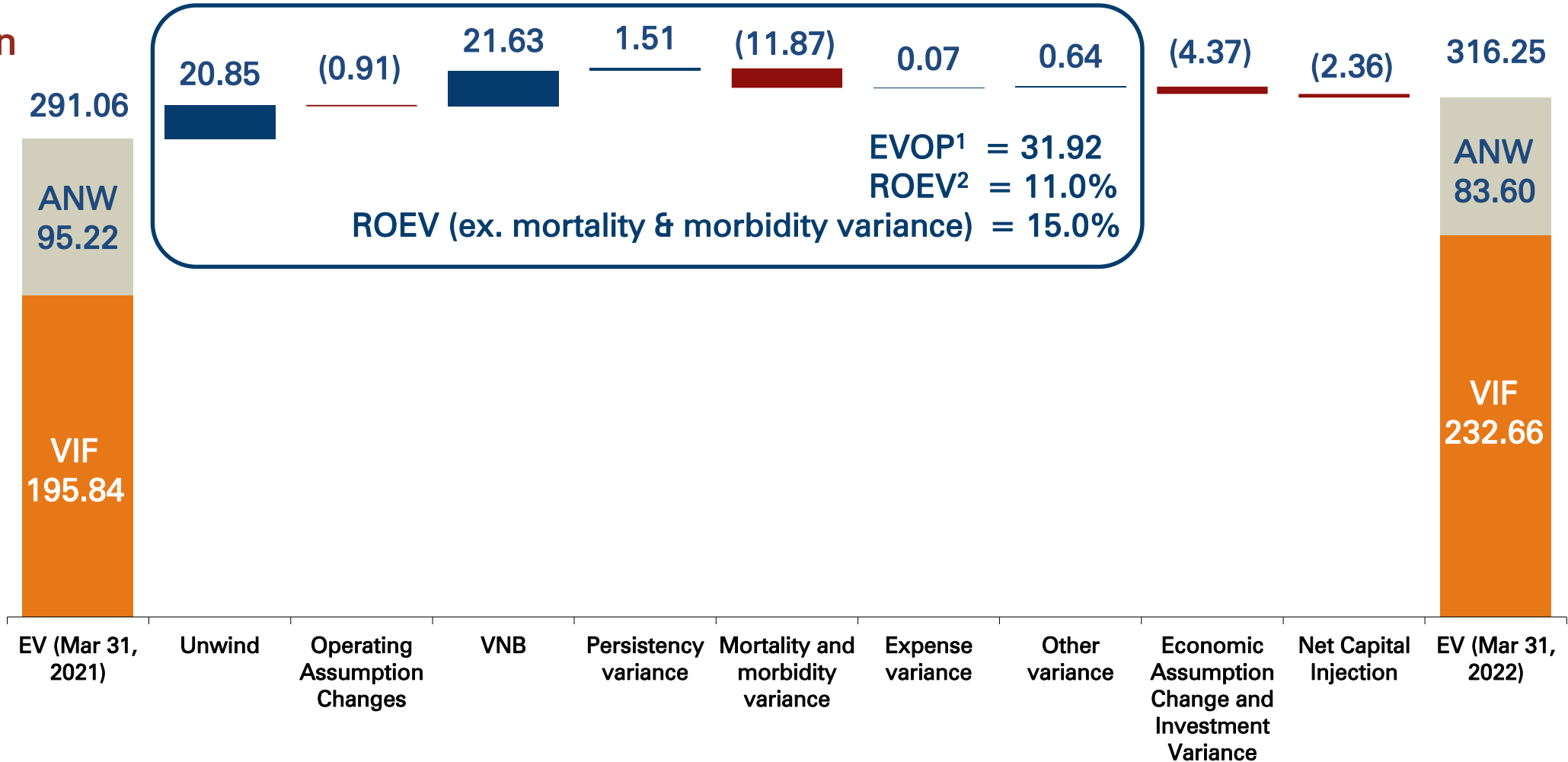
VIF grew by 18.8% to ₹ 232.66 billion and EV grew by 8.7% to ₹ 316.25 billion



1. As per Indian Embedded value (IEV) method
Total may not add up due to rounding off

Analysis of movement in EV

₹ billion



All figures in ₹ billion

1: EVOP is the embedded value operating profit net of tax

2: ROEV is the return on embedded value net of tax

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

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

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)

Financial metrics

₹ billion	FY2021	FY2022
Profit after Tax	9.60	7.54
Solvency ratio	216.8% ¹	204.5% ¹
AUM	2,142.18 ¹	2,404.92 ¹
Total COVID-19 claims	3.54	21.07
COVID-19 claims net of reinsurance	1.98	10.17
Provision for future COVID-19 claims	3.32	0.24

Solvency ratio continues to be strong at 204.5%

VNB growth levers update (4P's)

₹ billion	FY2021	FY2022	Growth
Value of New Business (VNB)	16.21	21.63	33.4%
VNB margin	25.1%	28.0%	

₹ billion	FY2021	FY2022	Growth
Premium growth (APE)	64.62	77.33	19.7%
Protection growth (APE)	10.46	13.13	25.5%
Persistency (13 th month) ¹	84.8%	85.7%	
Persistency (49 th month) ¹	63.0%	63.7%	
Productivity (Cost/TWRP: Savings) ²	9.6%	12.8%	

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



Responsible Investing



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)

Focus areas: Human capital



Enabling employee wellbeing

1. **99% employees fully vaccinated**
2. **Building awareness**
 - Webinars & advisories on Covid-19 / other safety protocols
3. **Enabling policies**
 - 24/7 Covid-19 helpdesk
 - Doctor tele-consultation, mental health counselling
 - Vaccination camps & reimbursement support
4. **Facilitating habit formation**
 - Walkathon, Pinkathon, Yoga and encouraging employees to take restorative breaks



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
 - Capability development and differentiated rewards based on performance and potential
 - Identification of bench for all key roles based on talent management and succession planning system and processes



Building an agile & engaged workforce

1. **Enabling a diverse workforce**
 - Equal opportunity employer, Diversity & Inclusion policy
 - **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 and infra, health & safety measures and learning & engagement opportunities
 - NPS score: **90%** for top talent and **87%** overall

Focus areas: Responsible investing



Three pronged approach

Stewardship policy and process

ESG Integration

ICICI Prudential Sustainable Equity Fund

Engaging with investee companies

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

Benchmarked against NSE 100 ESG Index

Disclosing voting actions

Became signatory to UN PRI¹



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

Focus areas: 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

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



L I F E I N S U R A N C E

Focus areas: Access to finance, CSR and Environment



Access to Finance

- 45.6 mn lives impacted by micro insurance products (58.1 mn lives total)
- 85.7% - One of the best persistency¹ ratios (13th month) in the industry.
- 24x7 service architecture; 91.5% self-help usage
- 97.8% - One of the best claim settlement ratios²; 1.5 days³ 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)
- 4,000 employees participation in 'Go Green' campaign

Figures mentioned are for financial year ended March 31, 2022

1. Computed as per IRDAI circular dated January 23, 2014
2. Individual death claims
3. Average turnaround time for non-investigated claims from receipt of last requirement

Awards and Accolades – FY2022

Featured among the top 20 BSE100 companies with strong corporate governance practices

COMPANIES WITH 'LEADERSHIP' SCORES



Excellence in Claims and Customer Service



Innovation During COVID 19



ICICI Pru Guaranteed Pension Plan - Product of the Year 2021 in the Retirement & Pension category



*Scorecard developed by liAS in joint collaboration with IFC and BSE

FICCI Insurance Industry Awards 2021

FICCI Insurance Industry Awards 2021

Awarded by Product of the Year Private Limited

Excellence in Innovation - Best Use of Emerging Technology for Business Growth

Tech Innovator Company of the year

Silver Award - Best Mobile App of the Year

Gold Award for FY2021 Annual Report



ET BFSI Awards 2021



India Insurance Summit and Awards 2022



Velocity Awards 2021



LACP** 2021 Spotlight Awards



*Institutional Investor Advisory Services India Limited (liAS); International Finance Corporation (IFC) and Bombay Stock Exchange (BSE)

**League of American Communications Professionals LLC

Technology @ICICI Prulife

Digital@iciciprulife

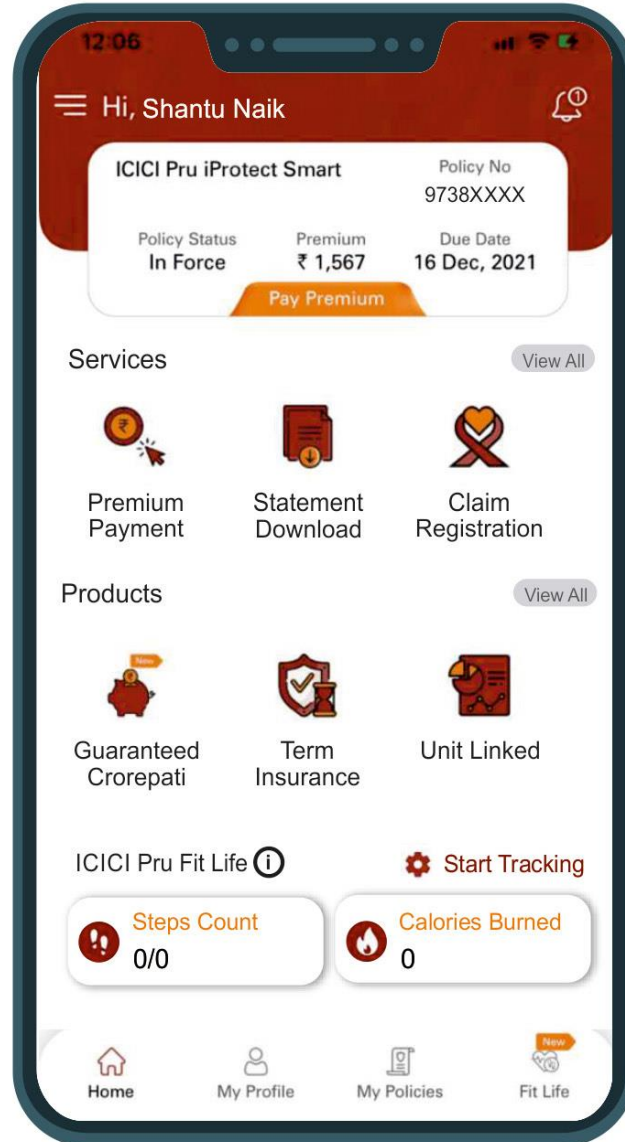
Most visited website among private life insurance players

~3 million digital service interactions every month

1 million+ app downloads

Highest rated app within life insurance industry

Access to over 45 types of policy transactions



Digital logins at 96%

80%+ issuances through smart OCR / ML

>91% service interactions are via self-help / digital modes

System uptime of >99%


All new 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 Mn. digital service interactions monthly
- ❖ >90% 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
- ❖ ET BFSI Award 2021 for 'Best Use of Emerging Technology for business growth'



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

- ❖ Awarded 'Best Mobile App of the Year' for the 'Customer Mobile App' in the Velocity Awards 2021
- ❖ 8 lakh+ app downloads with best app rating among the peers



24x7 chat/voice assistants

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



Voice bot

- ❖ Voice bot on IVR, which provides customers with personalized interactions with a human touch.
- ❖ >50% of calls handled by bots end-to-end, thus improving productivity

Digital Life Verification for Individual Annuity Customer



Digital experience



Personalization

Hyper personalization –

Personalised messages to handhold customers throughout journey

Segmented targeting –

Reaching the customer by mapping their interests/affinities



Interactive banners –

Banners with built-in calculators for instant and customised quotes



Search engine optimization –

Use of Machine Learning (ML) to rank ICICI Pru higher on search engines



Actionable insights

Nudge engine/ Actionable insights - Data analytics based system which suggests the best suited action to achieve the next goal



Smart solutions – Pre-approved personalized best offers for instant issuance and persistency backed by data

Modular data integration approach to meet partner requirements



Use of AI & ML to analyze structured & unstructured data

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

Agenda

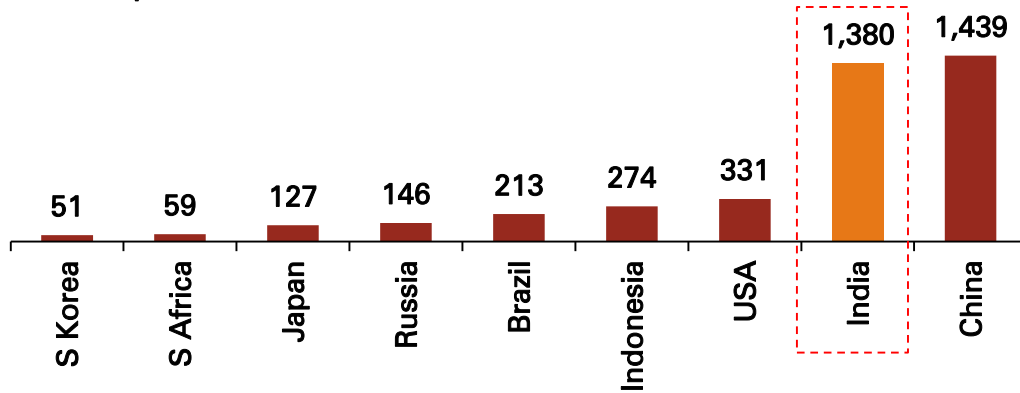
- Company strategy and performance
- **Opportunity**
- Industry overview



Favorable demography

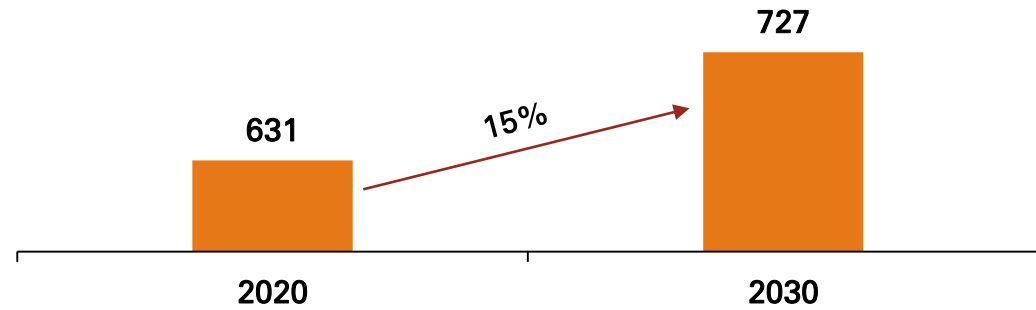
Large and growing population base¹

2020 Population (mn)

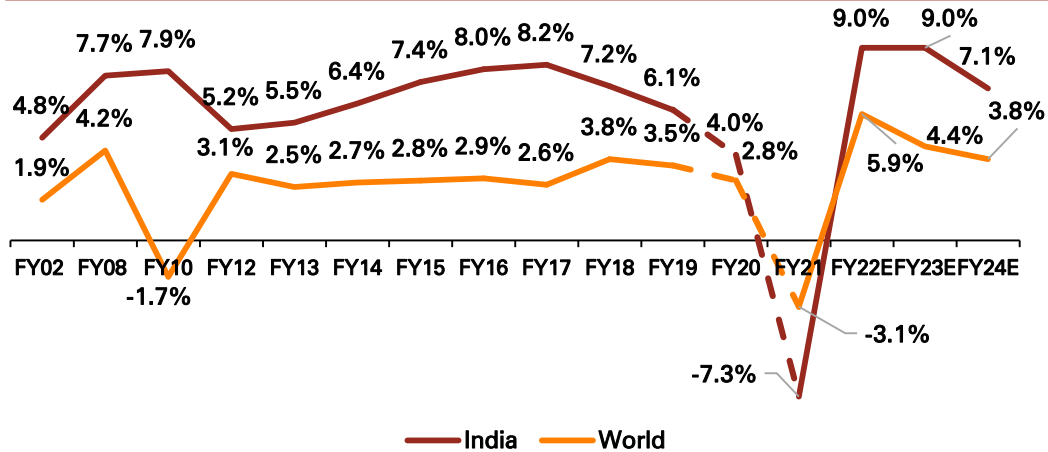


High share of working population¹

Population of age 25-59 years (in mn)

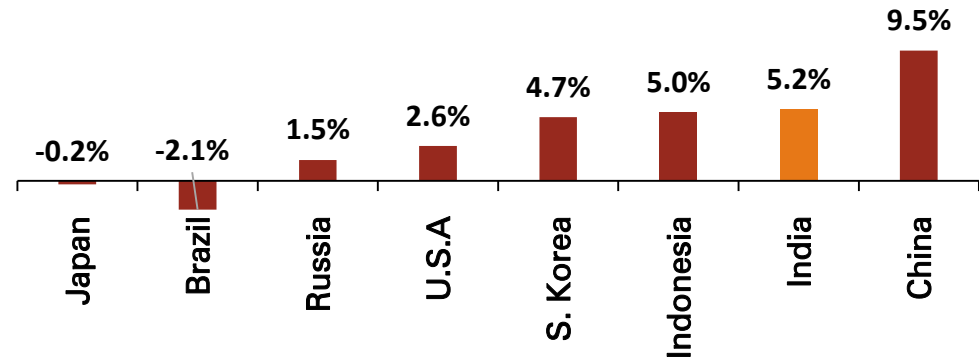


Driving GDP growth²



Rising affluence³

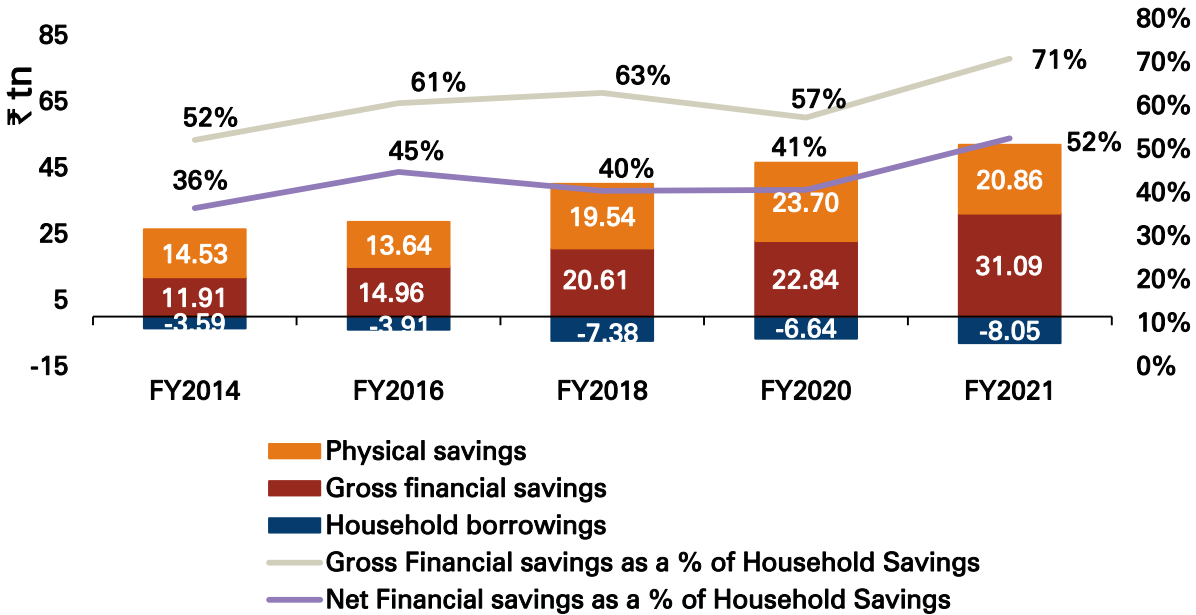
GDP per capita CAGR (FY2010-FY2021)



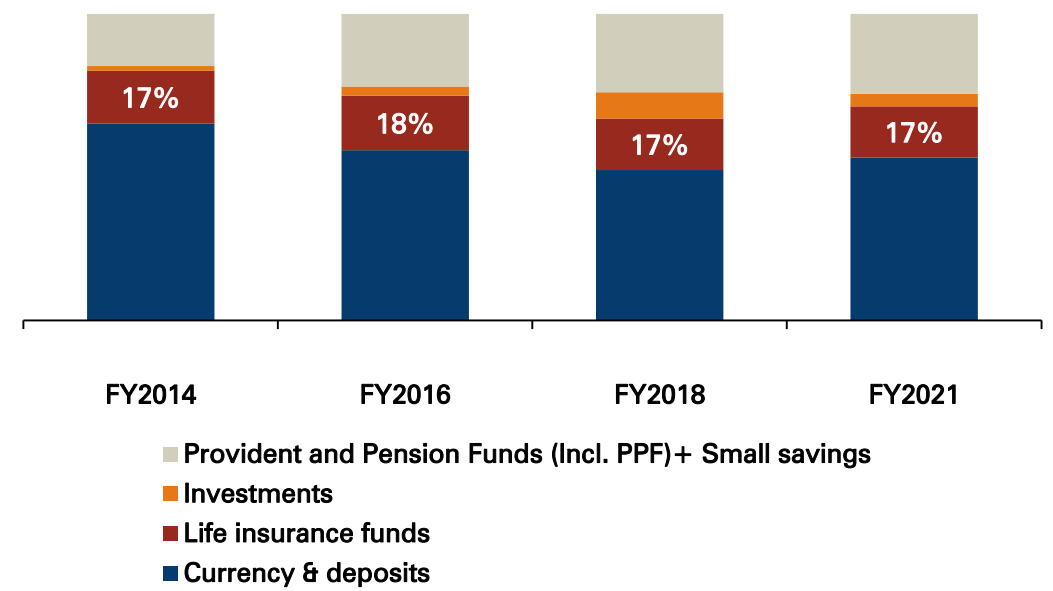
1. Source: UN population division
2. Source: WEO Update, January 2022
3. Source: The World Bank

Financialisation of savings: Opportunity for insurance

Household savings¹



Distribution of financial savings (including currency)²



FY2002 FY2008 FY2010 FY2012 FY2014 FY2018 FY2019 FY2020 FY2021

Life insurance premium³ as % of GDP

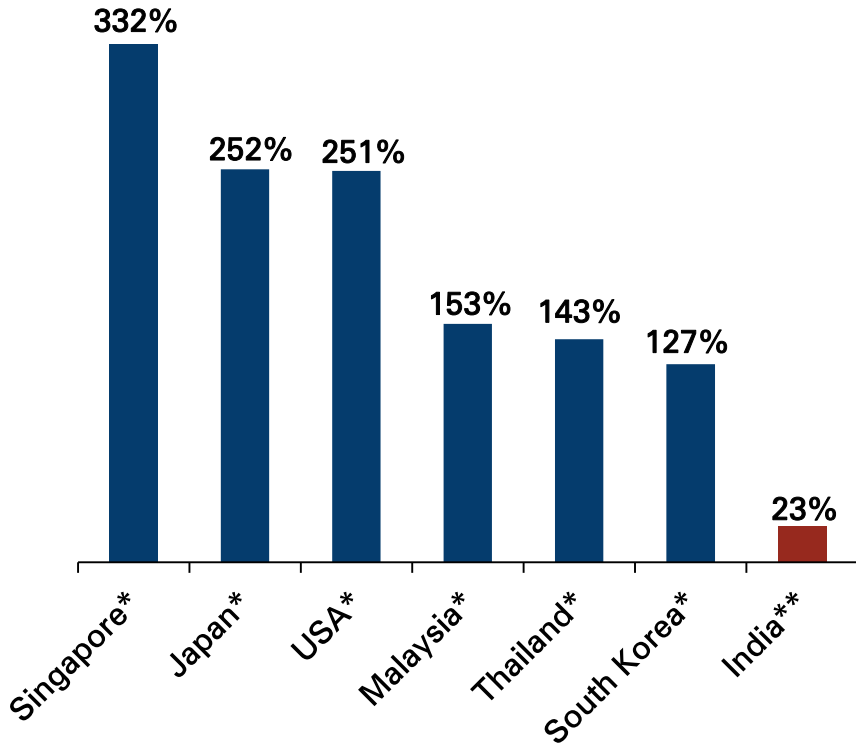
2.1% 4.0% 4.1% 3.3% 2.8% 2.7% 2.7% 2.8% 3.2%



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

Protection opportunity: Low penetration

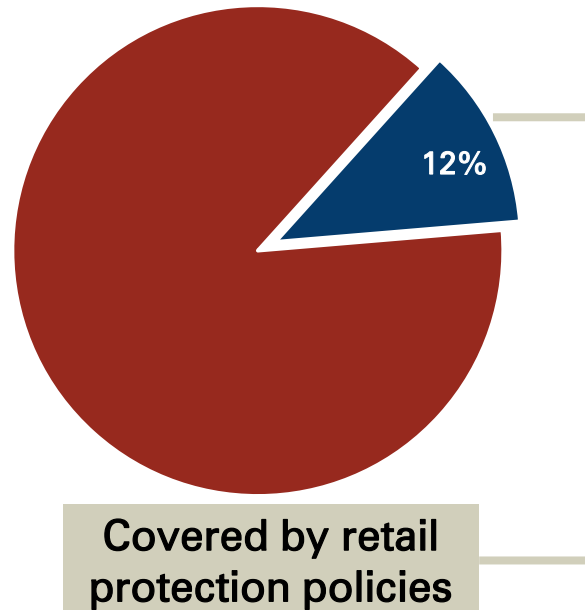
Sum Assured as a % of GDP^{1,2}



* Total sum assured

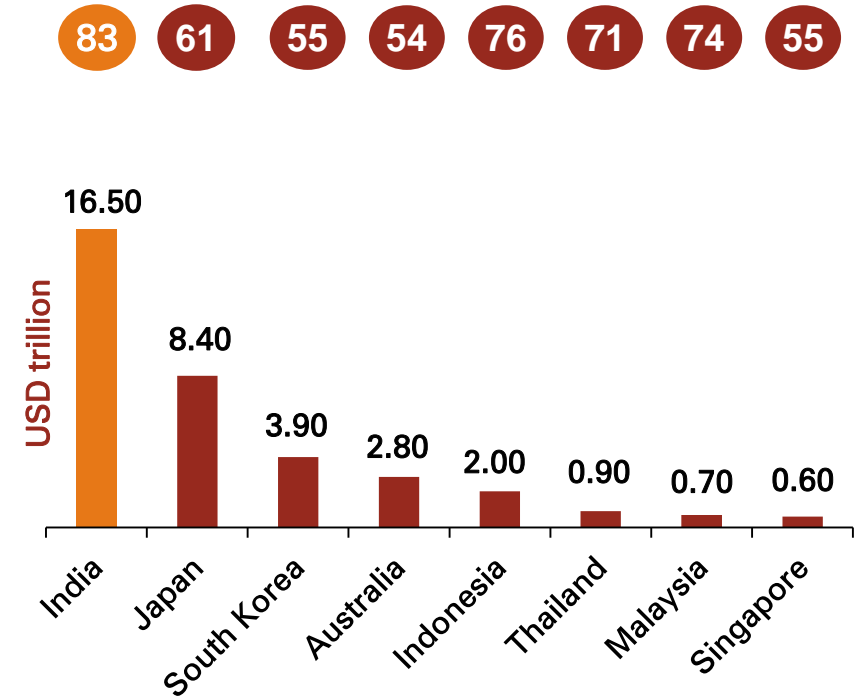
** Retail protection sum assured (company estimates)

Addressable population[#] coverage³ (%)



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

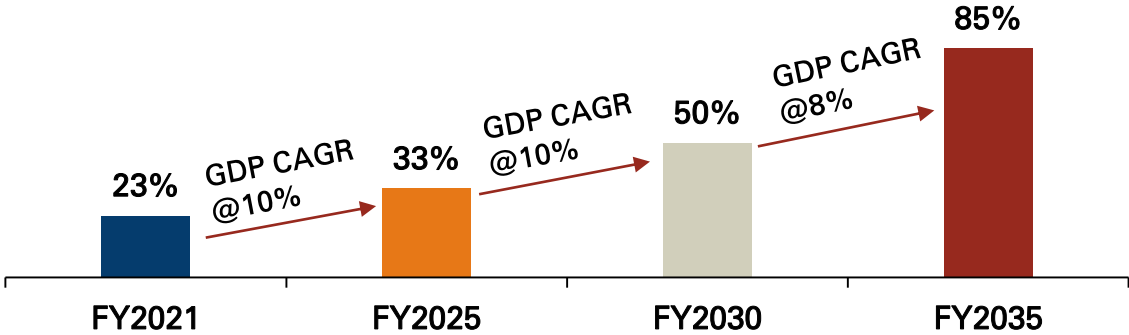
Protection gap(%)^{4,5}



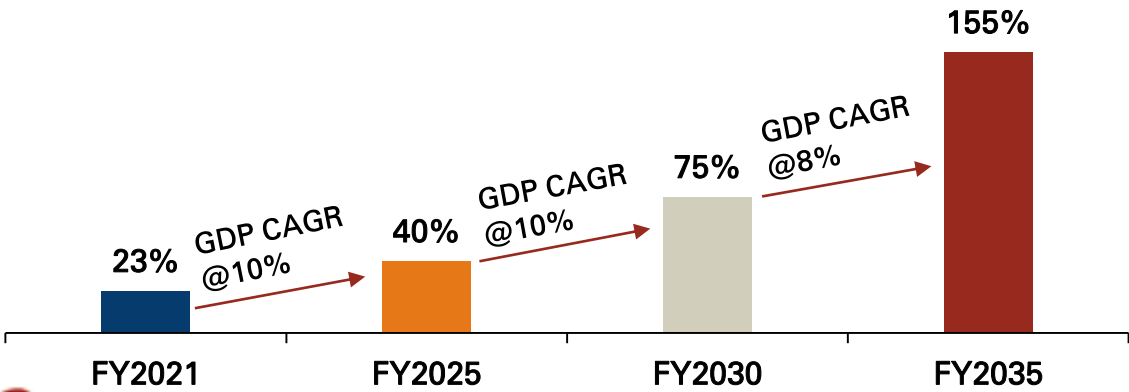
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income > ₹ 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

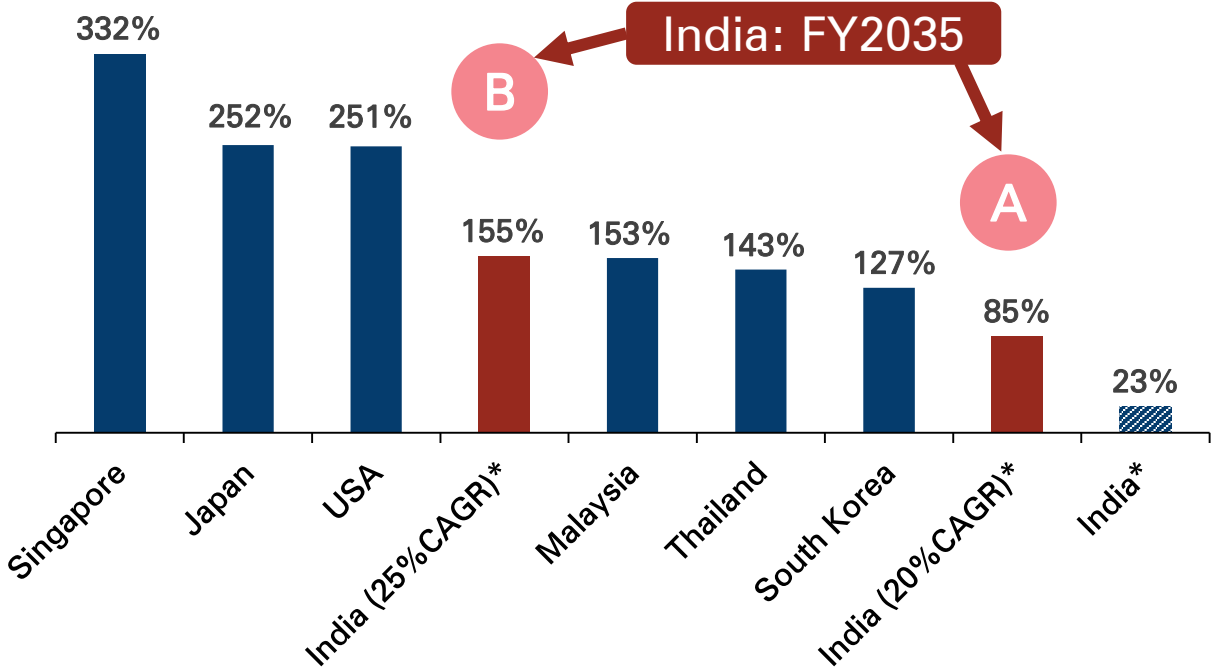
A Sum Assured (SA) as a % of GDP:
Assuming SA growth @ 20% CAGR



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



Sum Assured as a % of GDP^{1,2}



* For retail protection sum assured (company estimates)

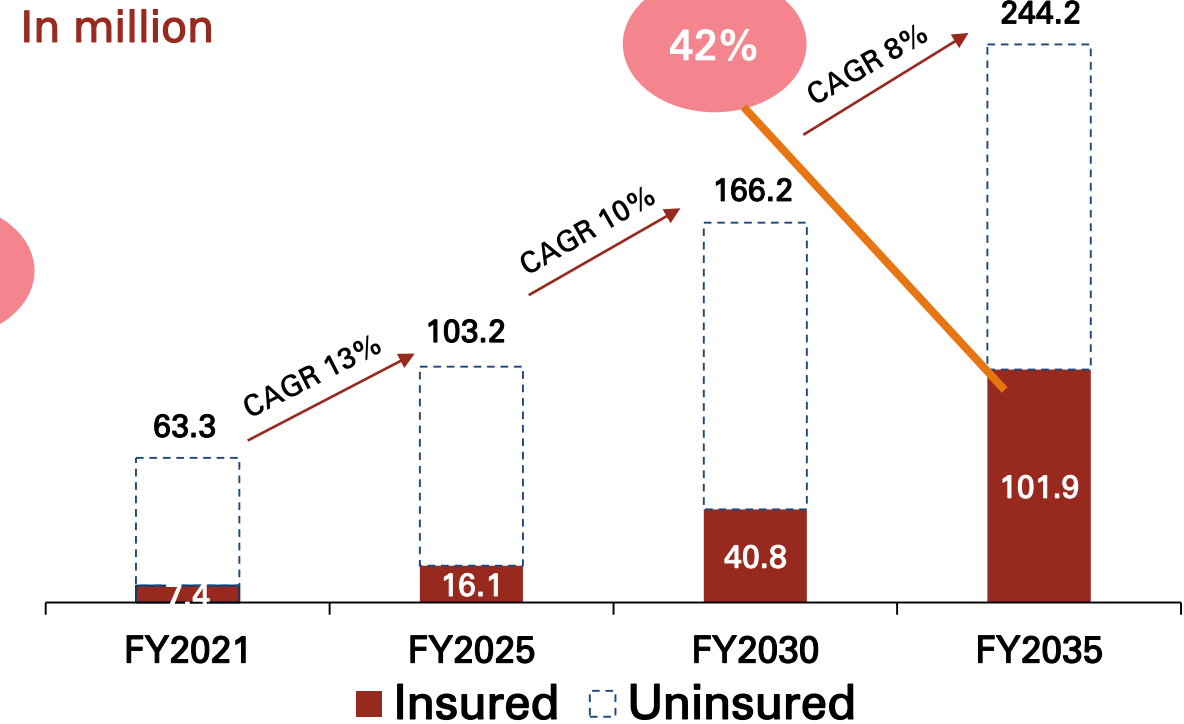
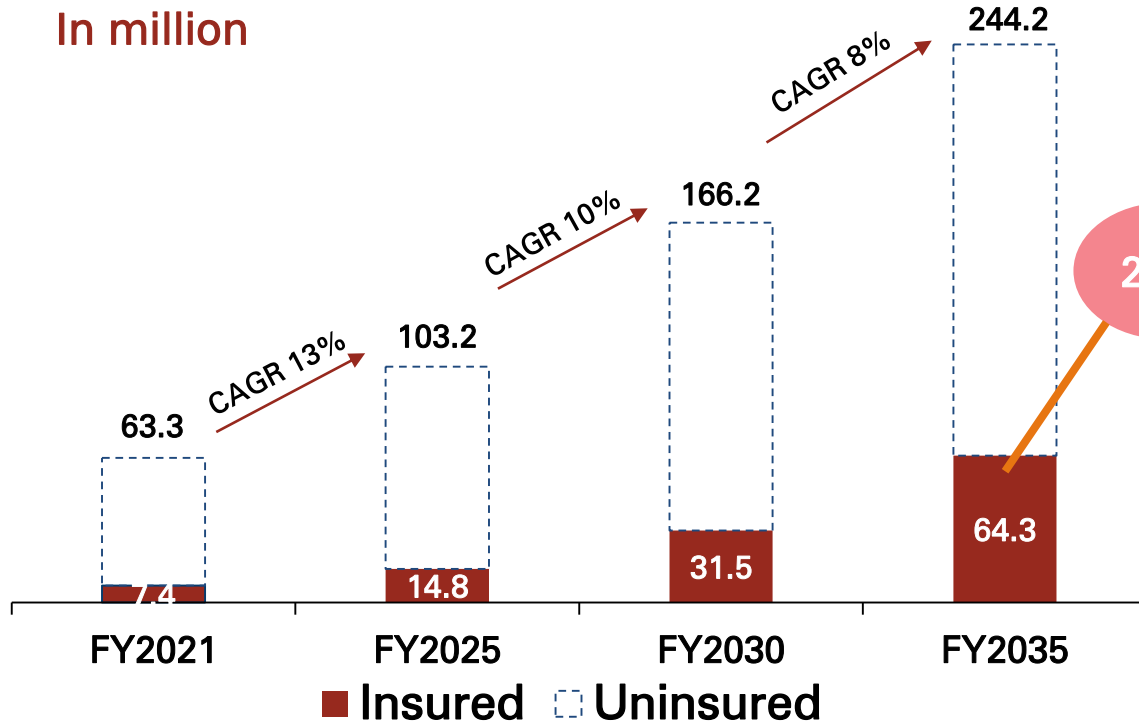


1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
 2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates

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

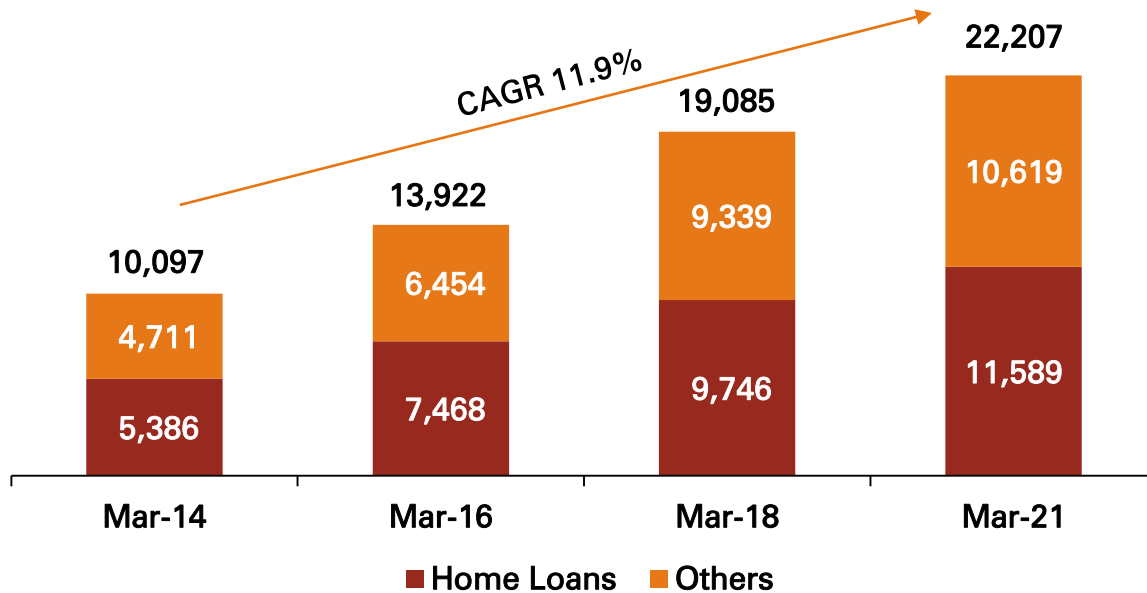


Even at accelerated policy growth rates, at best ~40% of India's addressable population can be expected to be covered in 15 years

Indicators of protection opportunity

Retail Credit¹

₹ billion



- Healthy growth in retail credit
- Credit life is voluntary

Health & Motor²

Gross direct premium
(₹ billion)

FY2021

Health

585.72

Motor

677.90

- Motor Own Damage (OD)

260.81

- Motor Third Party (TP)

417.09

- Protection premium ~ ₹ 235 billion for life insurance industry in FY2021



1. Source: RBI

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

Agenda

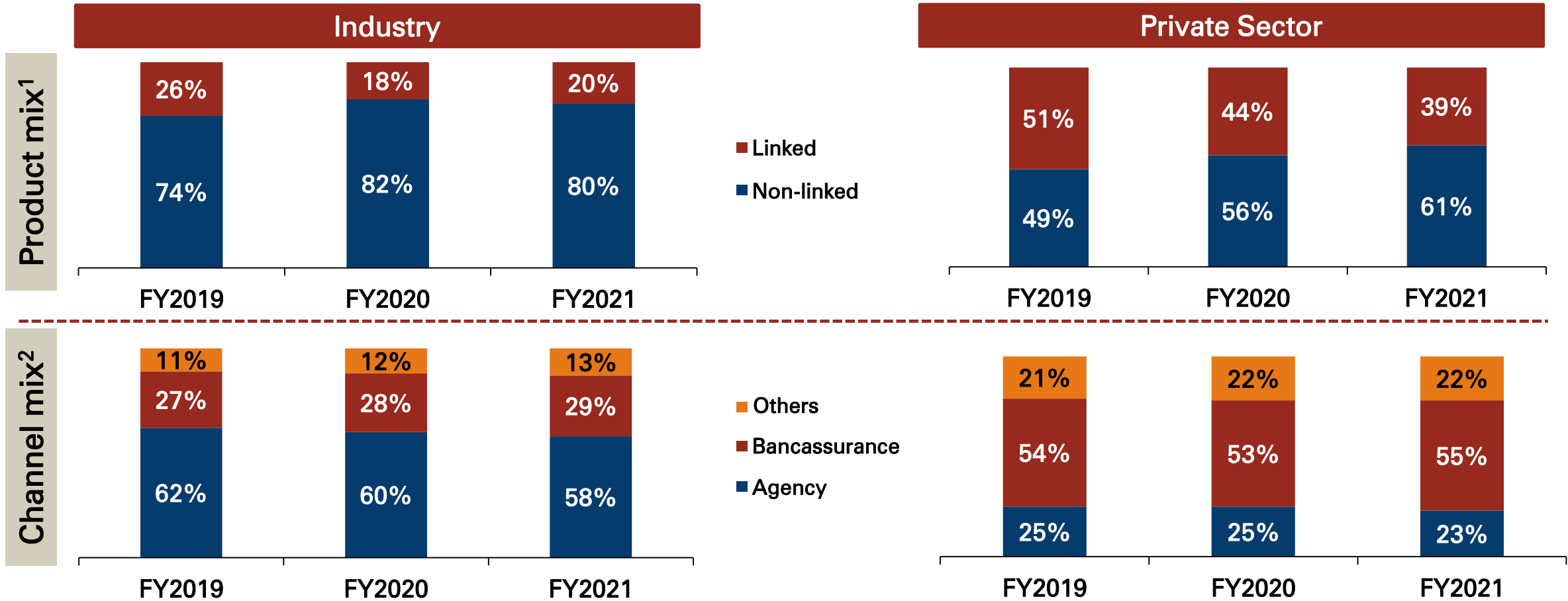
- Company strategy and performance
- Opportunity
- Industry overview



Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2021
New business premium ¹ (₹ 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 ² (₹ 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



1. New business weighted premium basis
 2. Individual new business premium basis
 Source: Life Insurance Council

Annexures

Risk management: Non-participating business

Guaranteed return savings product

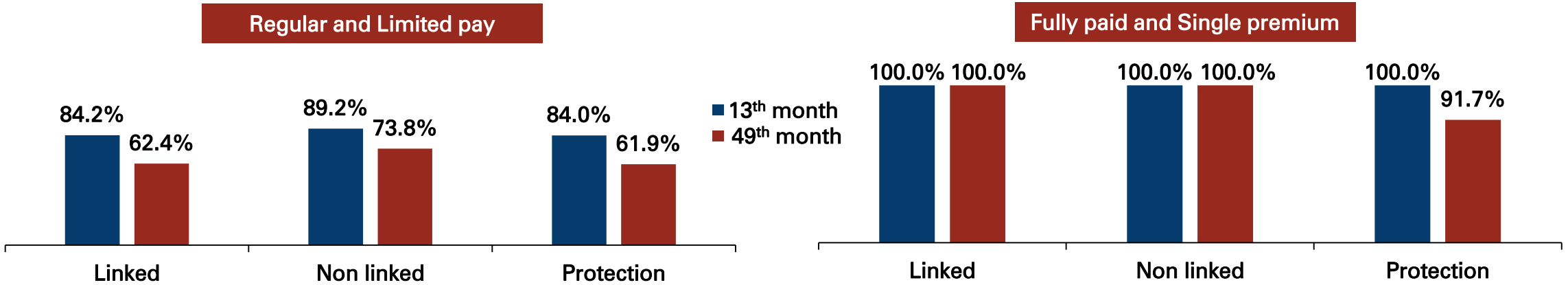
- Interest risk hedged through a combination of cash market instruments and derivatives
 - Premium payment term upto 12 years only
 - Hedge program designed for each tranche of new business
 - Locked in yields for future premiums
 - Underlying bonds for derivatives selected keeping in mind liability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

- Annuity (GPP): Average deferment period < 5 years

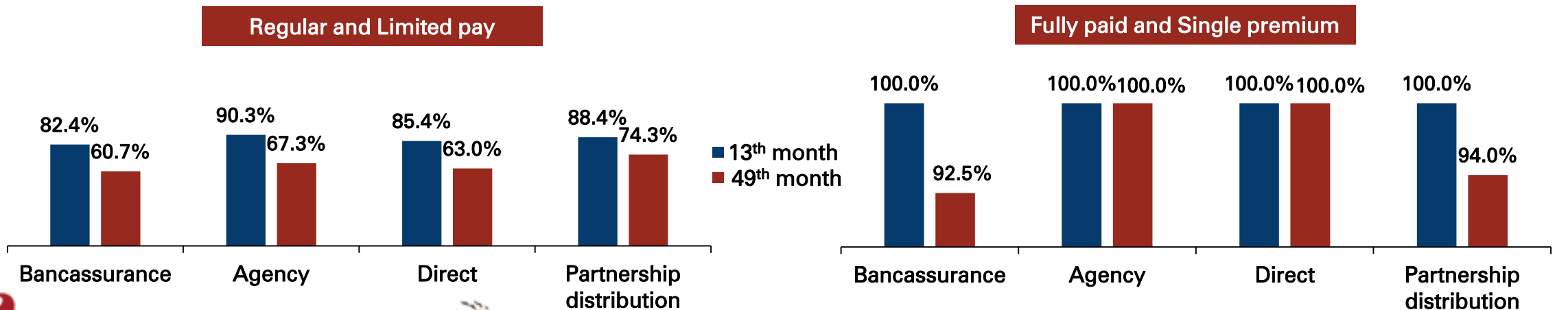
Review of pricing based on current interest rate environment

Retail persistency

Persistency¹ across product categories

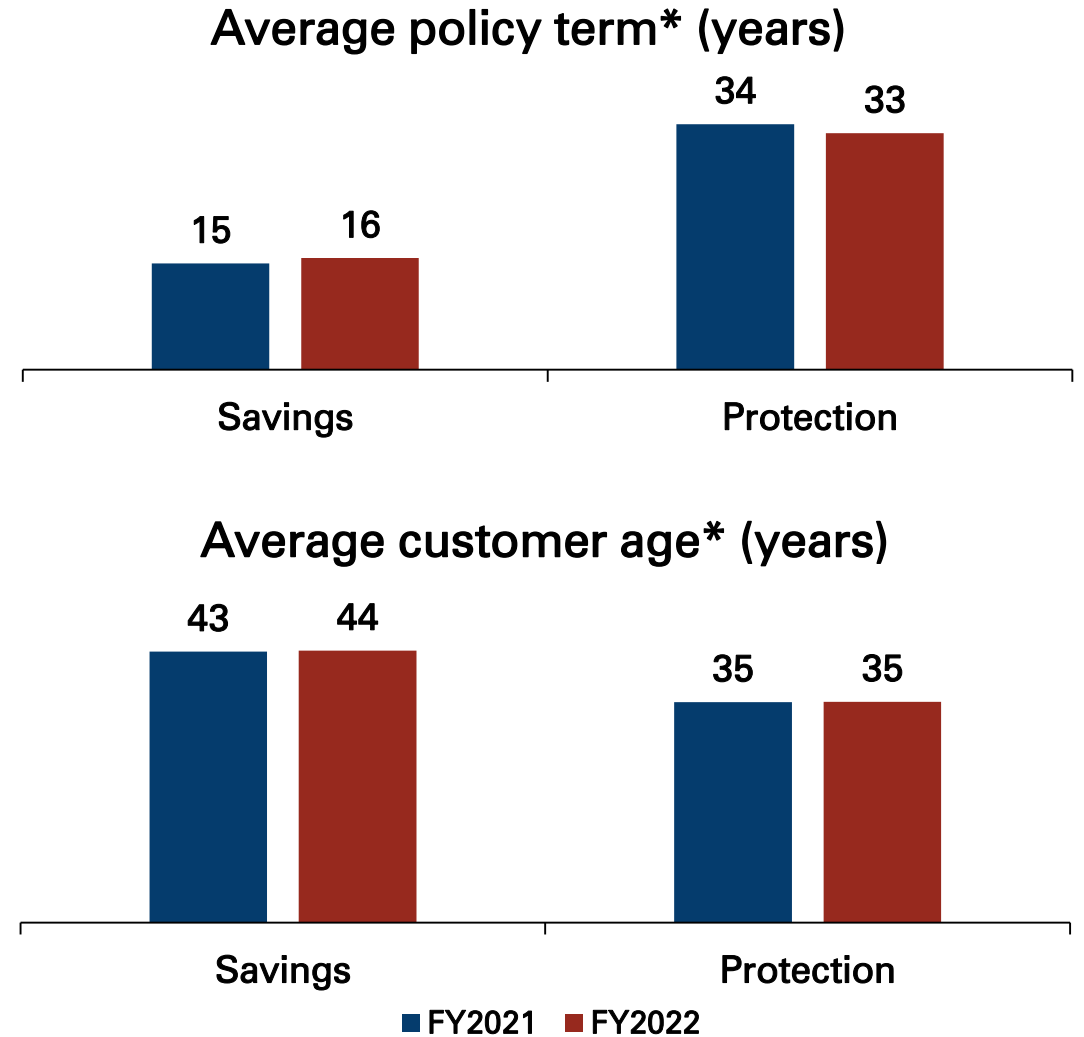


Persistency¹ across channel categories



Average APE by product categories

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



* Protection excludes credit life

Channel wise product mix¹

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

Product wise channel mix¹

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

Embedded value

Embedded value growth

₹ billion	FY2020	FY2021	FY2022
Value of In force (VIF)	151.87	195.84	232.66
Adjusted Net worth	78.43	95.22	83.60
Embedded value¹	230.30	291.06	316.25
Return on Embedded Value (ROEV)	15.2%	15.2%	11.0%
ROEV excluding mortality & morbidity variance	15.0%	16.3%	15.0%
EV growth-pre net capital injection	8.4%	26.4%	9.5%
EV growth-post net capital injection	6.5%	26.4%	8.7%
VNB as % of opening EV	7.4%	7.0%	7.4%
Operating assumption changes and variance as % of opening EV	(0.2%)	1.0%	(3.6%)

Analysis of movement in EV¹

₹ billion	FY2018	FY2019	FY2020	FY2021	FY2022
Opening EV	161.84	187.88	216.23	230.30	291.06
Unwind	13.72	15.84	17.25	16.61	20.85
Value of New Business (VNB)	12.86	13.28	16.05	16.21	21.63
Operating assumption changes + Operating variance	10.22	8.89	(0.42)	2.24	(10.56)
<i>Operating assumption changes</i>	7.64	4.20	(2.25) ²	3.09	(0.91)
<i>Operating variance</i>	2.58	4.69	1.83	(0.85)	(9.64)
<i>Persistency variance</i>	1.53	2.66	0.85	1.10	1.51
<i>Mortality and morbidity variance</i>	0.78	1.97	0.42	(2.37) ³	(11.87) ³
<i>Expense variance</i>	0.27	0.04	0.01	0.01	0.07
<i>Other variance</i>	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

Economic assumptions underlying EV

Tenor (years)	References Rates	
	Mar 31, 2021	Mar 31, 2022
1	3.91%	4.35%
5	7.38%	7.90%
10	7.93%	8.36%
15	7.48%	7.97%
20	7.02%	7.57%
25	6.72%	7.28%
30	6.55%	7.09%

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