



**H1 2022**

**Performance Review**

# Agenda

- Company Strategy
- Financial Performance
- Update- Scheme of Arrangement
- ESG Initiatives
- Industry Overview



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- **Company Strategy**
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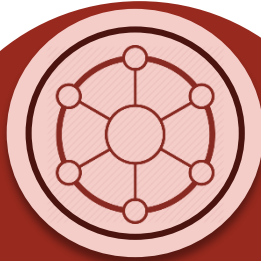


# ICICI Lombard General Insurance – Pillars of Strength



## Consistent Market Leadership and growth

- Leading private sector non-life insurer in India since FY2004 (GDPI basis)
- 13 years GDPI CAGR\* for IL: 11.7%
- Market share H12022 (GDPI basis): 7.9%



## Diverse products and multi-channel distribution

- Comprehensive and diverse product portfolio
- Individual Agents<sup>^</sup> 78,035
- Expanding distribution network to increase penetration in Tier 3 and Tier 4 cities
  - Number of Virtual Offices: 852



## Excellence in Customer service and Technology

- Leveraging on Artificial Intelligence, Machine Learning, IoT etc. throughout the customer life cycle
- Dedicated “digital arm” to improve speed of delivery for D2C business



## Risk Management

- Profitable growth using risk selection and data analytics
- Maintain robust reserves
- Prudent investment management



## Capital Conservation

- Maintain high level of Solvency against regulatory minimum requirement of 1.50x
- Solvency 2.49x as at September 30, 2021

<sup>^</sup> including POS

IoT – Internet of Things

\*Standalone IL

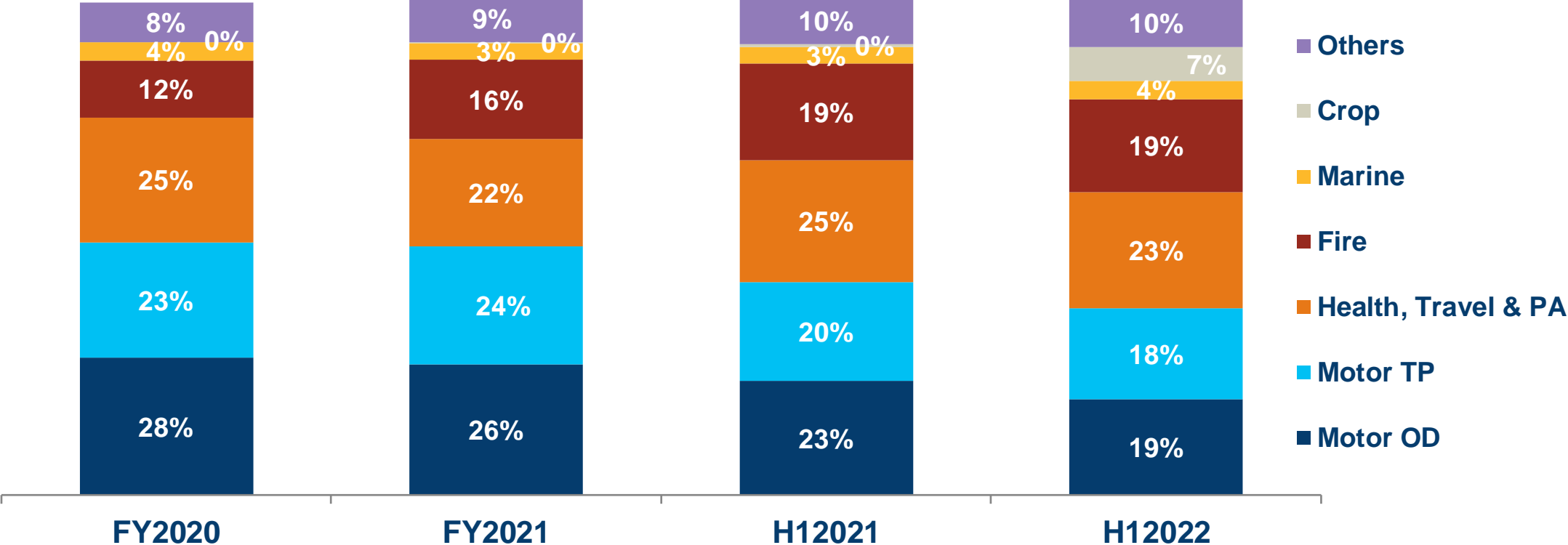
# Key Highlights

Particulars (₹ billion)	FY2020 Actual	FY2021 Actual	H12021 Actual	H12022 Actual
Gross Written Premium	135.92	143.20	66.49	87.76
Gross Direct Premium Income (GDPI)	133.13	140.03	64.91	86.13
GDPI Growth	-8.1%	5.2%	0.8%	32.7%
Combined Ratio	100.4%	99.8%	99.8%	114.3%
Profit after Tax	11.94	14.73	8.14	6.41
Return on Average Equity	20.8%	21.7%	24.9%	15.2%
Solvency Ratio	2.17x	2.90x	2.74x	2.49x
Book Value per Share	134.97	163.56	152.92	176.32
Basic Earnings per Share	26.27	32.41	17.91	13.07

- H12022 includes impact of Covid claims on health book of ₹ 5.61 billion as against ₹ 1.15 billion in H12021 and ₹ 3.39 billion in FY2021

# Comprehensive Product Portfolio

## Product Mix

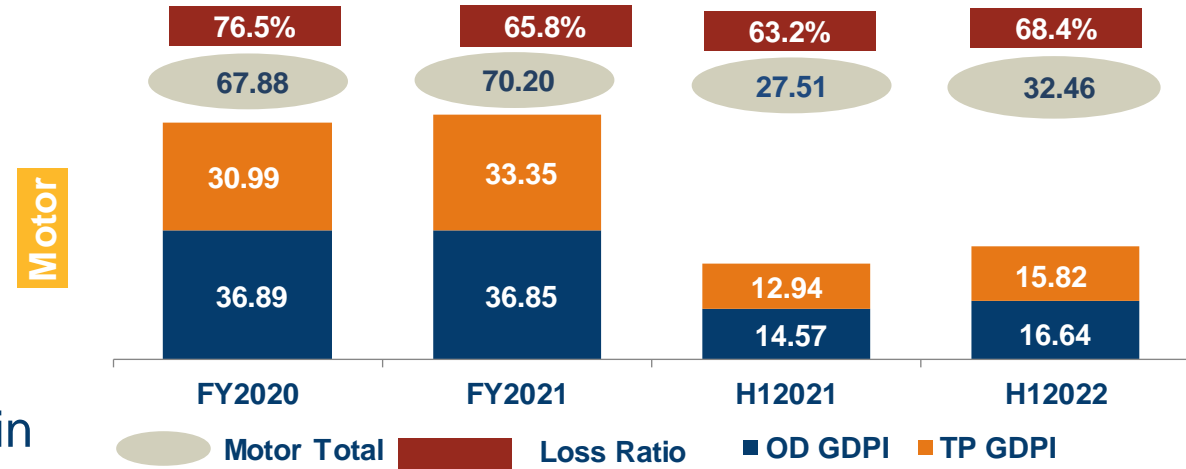


- Diversified product mix– motor, health, travel & personal accident, fire, marine, crop and others

# Comprehensive Product Portfolio - Motor

₹ billion

Motor GDPI Mix		
Type	H12021	H12022
Private car	57.9%	56.5%
Two Wheeler	26.4%	26.5%
Commercial Vehicle	15.7%	17.0%

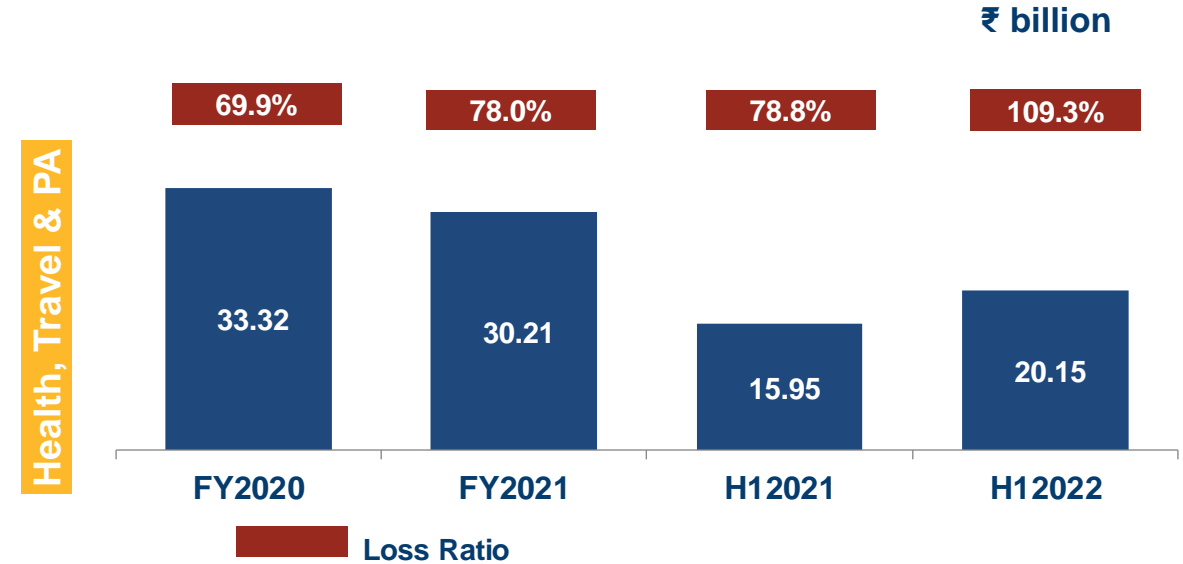


- Loss cost driven micro-segmentation resulting in focus on relatively profitable segment
- Advance premium at September 30, 2021 : ₹ 36.86 billion (₹ 32.06 billion at March 31, 2021)
- No revision by the Authority on prevailing Motor TP rates
- Lower drop in frequency owing to Covid-19 related lockdown in certain states unlike a complete lockdown during same period last year



# Comprehensive Product Portfolio – Health, Travel & PA

Health, Travel & PA GDPI Mix		
Type	H12021	H12022
Individual	23.4%	21.6%
Group – Others	19.6%	19.1%
Group Employer-Employee	57.0%	59.1%
Mass	0.0%	0.2%



- Reduction in sourcing from Corporate Agent - Banks led to lower growth in Group – Others business for H12022
- IL Take Care for customer engagement & servicing of health, motor and travel customers
  - More than 880K+ users downloaded till H12022 ( 180K+ users downloaded in Q22022)
- Launched Complete health insurance product, for wider coverage and price revision launched in November 2020 for new customers and from January 2021 onwards for renewals
- Rate hike in GHI – Employer Employee product effecting increase in average premium per life in range of 15%-20% since Q12022
- Impact of Covid related health claims at ₹ 5.61 billion for H12022 (₹ 1.15 billion for H12021)



# Comprehensive Product Portfolio – P&C and Crop

₹ billion

- Market share across all commercial lines

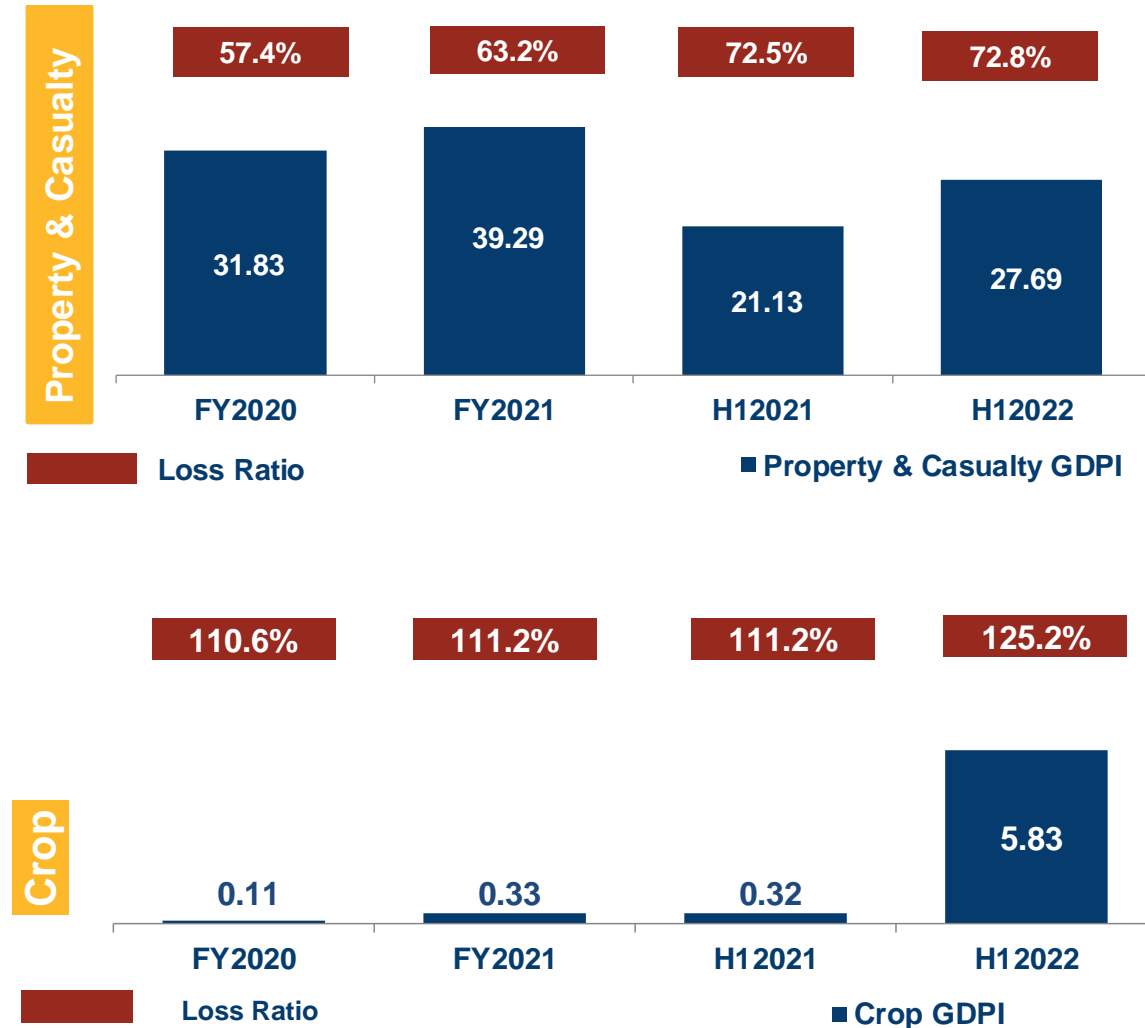
## Property & Casualty (P&C) Market Share

Product	H12021	H12022
Fire	10.9%	13.2%
Engineering	12.9%	15.7%
Marine Cargo	16.5%	18.4%
Liability	16.0%	17.5%

- Net impact of cyclone losses of ₹ 0.82 billion for H12022 ( ₹ 1.07 billion for H12021)

## Crop

- Post merger, Crop constitutes 7% of the product mix for H12022
- Covered farmers in 2 states and 9 districts in Kharif season in H12022
- Conservative reserving philosophy



Source: IRDAI and GI Council

Merged figures are presented from April 1, 2021 onwards, hence prior years are not comparable.

# Digital Opportunities

## Service Excellence



### Policy Issuance

**11.5 Mn** Policies sourced

**96.9%** issued electronically  
(97.0% in FY2021)



### Claims & Servicing

**1.0 Mn** Claims honored

**79.4%** Motor OD claims\*  
through InstaSpec in  
September 2021 (60.8% in  
March 2021)



### Headcount Productivity\*

**14.8%** 13 year CAGR  
(FY2008 to FY2021)

## Automation and Scale



### Next Gen Solutions

Cloud-based speech  
recognition solutions

Video and audio AI solutions



### AI and ML Solutions\*

**66.3%** cashless authorization  
through AI for GHI in September  
2021 (60.1% in March 2021)

**83.5%** first-time STP of motor  
break-in from Self Inspection app  
through AI in September 2021  
(73.9% in March 2021)



### Dynamic Workforce

Remote working policy  
under Flexi-Able initiatives

Enhanced Data & End point  
Security

# Risk Management

## 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

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## Reinsurance

- Spread of risk across panel of quality re-insurers
- Conservative level of catastrophe (CAT) protection

## Investments

- Tighter internal exposure norms as against regulatory limits
- Invest high proportion of Debt portfolio 90.1% in sovereign or AAA rated securities\*
  - All Debt securities are rated AA & above
  - Zero instance of default on the IL's debt portfolio since inception

## Reserving

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

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# Agenda

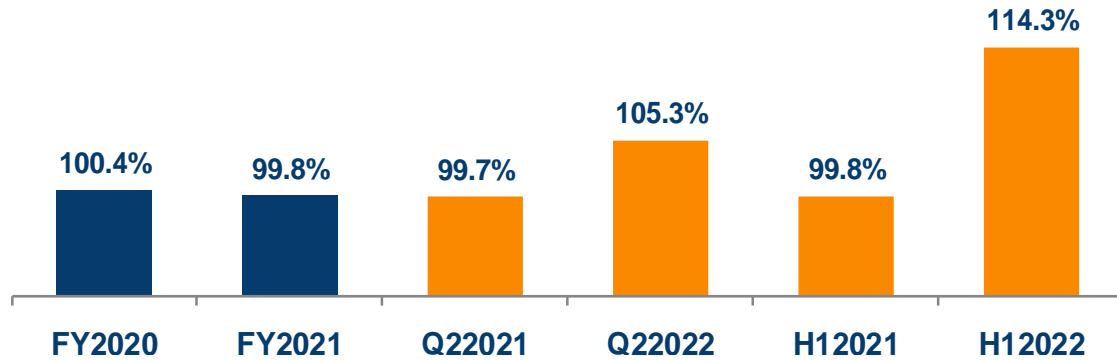
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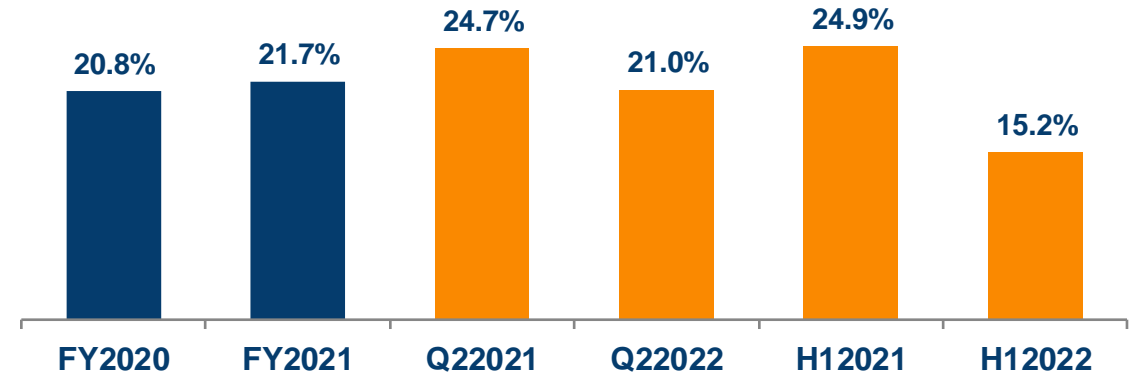
# Financial performance

₹ billion

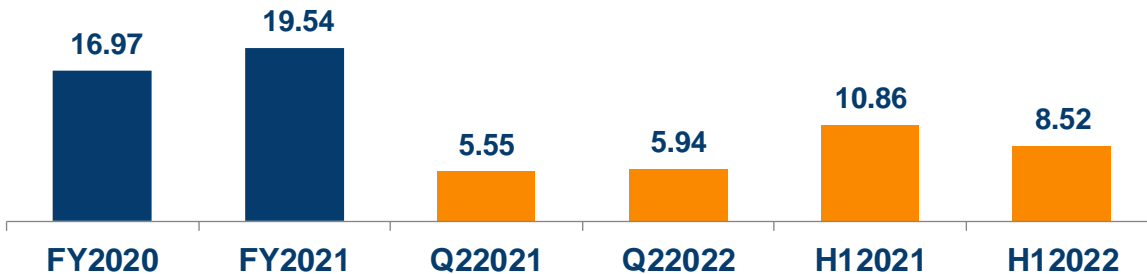
Combined ratio (%)



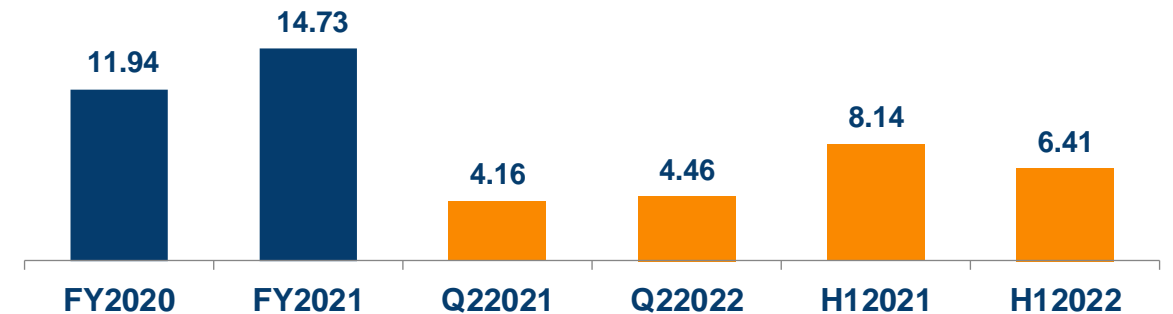
Return on average Equity (ROAE) (%)



Profit before Tax (PBT)



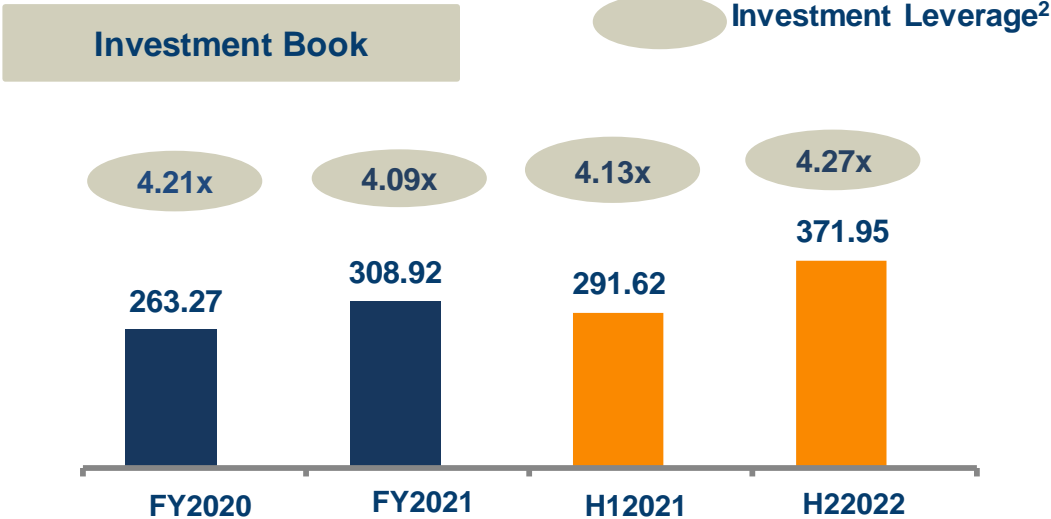
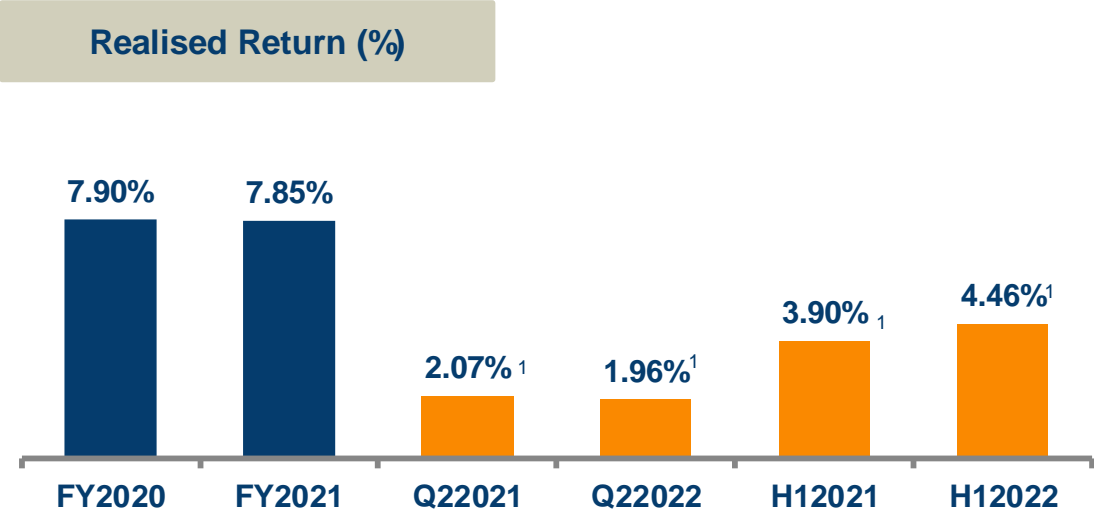
Profit after Tax (PAT)



- H12022 includes impact of Covid claims on health book of ₹ 5.61 billion as against ₹ 1.15 billion in H12021 and ₹ 3.39 billion in FY2021

# Robust Investment Performance

₹ billion



- Investment portfolio mix<sup>3</sup> for H12022 : Corporate bonds 43.1%, G-Sec 41.3% and equity 13.3%
- Strong investment leverage
- Unrealised gain of ₹ 18.82 billion as on September, 30 2021
  - Unrealised gain on equity<sup>4</sup> portfolio at ₹ 9.08 billion
  - Unrealised gain on other than equity<sup>4</sup> portfolio at ₹ 9.74 billion

<sup>1</sup> Absolute Returns

<sup>2</sup> Total investment assets (net of borrowings) / net worth

<sup>3</sup> Investment portfolio mix at cost

<sup>4</sup> Equity includes units of mutual funds, REIT and InvIT



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# Update- Scheme of Arrangement

## Regulatory Filings & Approvals

Filed an 'Application for in-principle' approval to IRDAI on August 26, 2020

Communication received from IRDAI, to approach other Regulatory agencies such as CCI, RBI and SEBI to seek necessary approval while in-principle approval under process on September 8, 2020

Central Government on the recommendation of RBI, on September 9, 2020 notified that the provisions of the Banking Regulation Act, 1949 shall not apply to ICICI Bank Limited in so far as it relates to its holding shares of an amount exceeding 30% of paid-up capital of IL for a period of 3 years

Filed for 'No Objection letter' on Scheme of Arrangement with the Stock exchanges on September 11, 2020

Filed Application for approval of CCI on September 22, 2020

CCI approved the combination under sub section (1) section 31 of Competition Act 2002 on November 2, 2020

Received in-principle approval from IRDAI on November 27, 2020

# Update- Scheme of Arrangement

## Regulatory Filings & Approvals

BSE Limited and NSE Limited, issued their 'No adverse observation/ No-objection', on the proposed scheme on November 2, 2020 and November 3, 2020 respectively

Application made to the NCLT with respect to Scheme of Arrangement on December 3, 2020

The Company, vide NCLT order, convened the meeting of its Equity Shareholders, to consider and approve the Scheme of arrangement on February 23, 2021 and dispensed with the creditors meeting

The Scheme of arrangement was sanctioned by NCLT vide order dated May 13, 2021 with the Appointed date of April 1, 2020

Final IRDAI approval received on September 3, 2021

Effective date of the Scheme of Arrangement : September 8, 2021

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# Safeguarding environment



## An overarching Policy on Environment Management



### Responsible consumption

- Adapting methods to conserve natural resources and energy
- Prevent emissions on a sustainable basis
- Incorporating business processes that promote reduction in use of paper
- Reduce, Reuse and Recycle for consumable
- Effective disposal of E-waste



### Environment friendly business practices

- Reducing carbon footprint by integrating digital tools for sourcing and servicing of business
- Offering environment friendly insurance solutions like insurance for renewable energy - solar panel, electric vehicle insurance etc
- Value-added risk management solutions that enable customers to take effective measures towards reducing carbon footprint and catastrophic hazardous events impacting environment.



### Protecting the environment

- Adopting green measures for communication across organisation
- Flexi-Able initiatives resulting in digitization, reduction in business travel and environmental footprint
- “Make a difference” campaign for employees across verticals

# Contributing the Social Way



## Addressing customer needs

- Providing best-in-class experience
- Innovative products and services
- AI-based solutions and digital claim forms for instant renewals/claims
- Usage of cognitive computing to fasten claim processing, reducing overall response time
- Providing end to end digital solutions



## Creating value for employees

- Hiring from diverse skill sets; Employee friendly policies
- Building capabilities in knowledge, skills and competencies through intense and customized training programmes at defined stages of employee career
- Building an inclusive culture and an enabling environment to perform and grow
- Customised employee support programmes
- Driving a performance culture through differentiation and linkage to rewards



## Enabling community awareness and development

- Aimed at community well-being in areas of skill development, sustainable livelihood, healthcare, road safety and wellness
- “Caring Hands” providing free spectacles for children with poor vision
- “Ride to Safety” raising awareness for road safety and bringing about behavioral change
- “Niranjali” to educate children on safe drinking water and hygiene habits
- Covid-19 initiatives such as providing oxygen concentrators, social distancing facilitating equipment, initiating vaccination drive etc

# Strong Governance



## Robust Structure

- Optimum mix of Executive/Non-Executive Directors as per Policy on Board Diversity
- Performance evaluation of Board, Committees, Chairperson, Individual Directors
- ERM framework\* for managing key core risks and robust internal Risk Governance framework of executive committees
- CSR & Sustainability Board Committee oversight to drive ESG



## Code of conduct

- Conducting business with highest standards of compliance and ethics
- Zero tolerance approach towards Fraud
- Policies like Prohibition of Insider Trading, Anti-Money Laundering
- Encouraging to report concerns through Whistle Blower Policy



## Data protection

- Dedicated Information Security Council
- Enforcing leading practices and controls through effective Cyber security Policy and Framework
- Focused approach to cyber security with the triad of Confidentiality, Integrity and Availability (CIA) at the core of the information security framework



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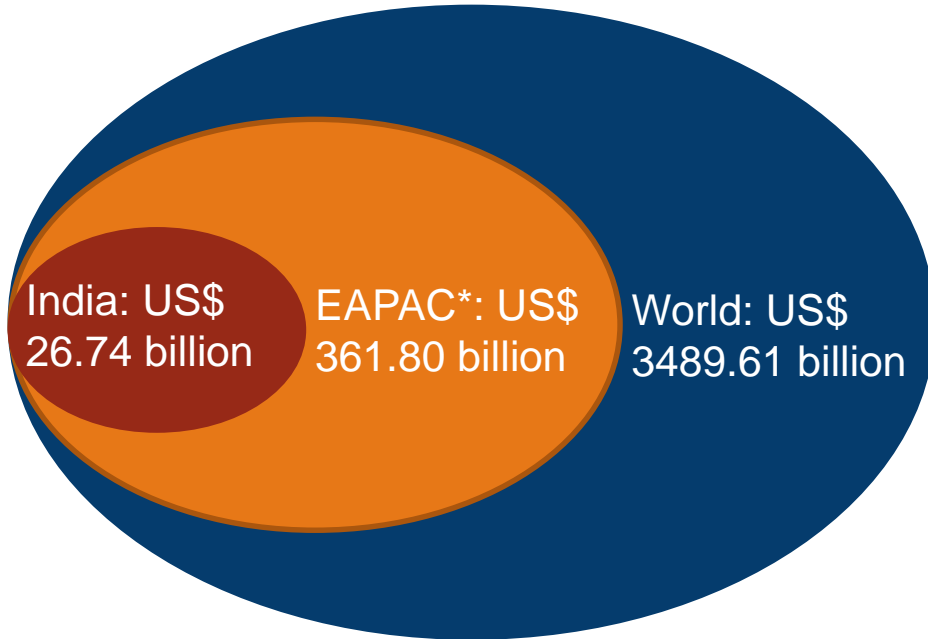
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# India Non - life Insurance Market - Large Addressable Market

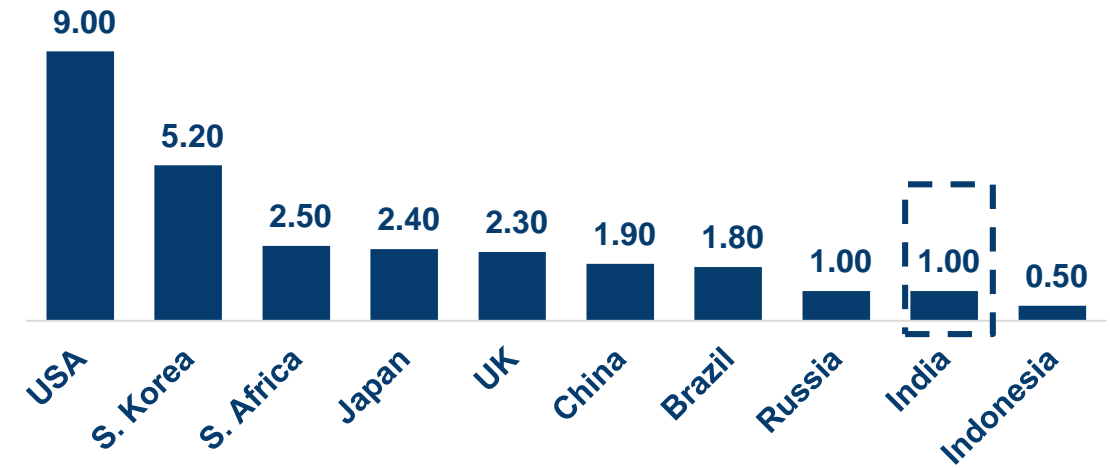
## Massive growth opportunity in non-life premiums



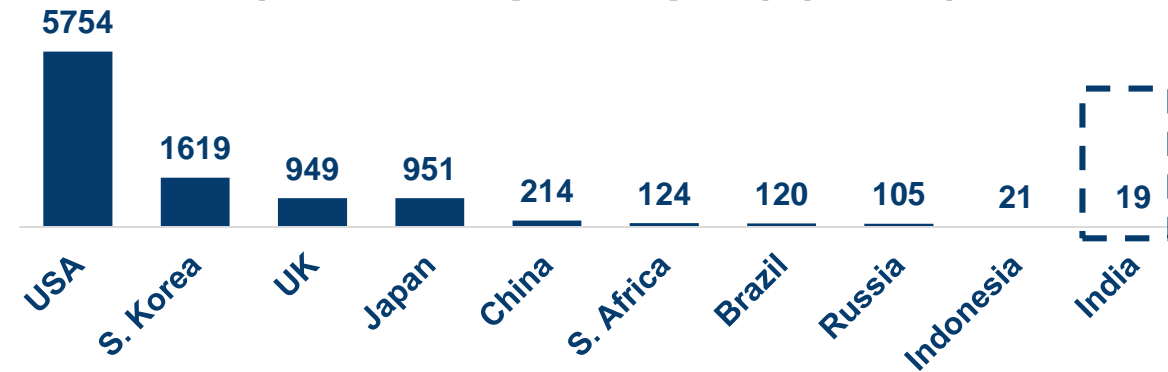
- 4th largest non-life insurance market in Asia and 14th largest globally
- Non-life Insurance penetration in India was around 1/4th of Global Average in 2020
- Operates under a “cash before cover” model

## Significantly underpenetrated

Premium as a % of GDP (CY20) (US\$)



## Non-Life Insurance Density (Premium per capita) (CY20) (US\$)





**Thank you**

# Annexure



# Loss Ratio

Particulars	FY2020	FY2021	Q22021	Q22022	H12021	H12022
Motor OD	68.9%	62.2%	58.9%	62.8%	60.8%	64.0%
Motor TP	84.4%	69.7%	61.6%	74.6%	65.8%	73.4%
Health, Travel & PA	69.9%	78.0%	81.9%	71.4%	78.8%	109.3%
Crop	110.6%	111.2%	111.3%	126.5%	111.2%	125.2%
Fire	64.0%	63.7%	77.2%	64.6%	84.5%	75.1%
Marine	65.3%	83.3%	76.6%	89.9%	80.1%	86.7%
Engineering	40.7%	57.7%	83.2%	54.8%	79.6%	64.5%
Other	52.0%	52.7%	55.7%	61.7%	52.6%	61.8%
<b>Total</b>	<b>72.9%</b>	<b>68.6%</b>	<b>67.2%</b>	<b>69.8%</b>	<b>68.4%</b>	<b>79.5%</b>

# Abbreviations & Glossary:

**AI** - Artificial Intelligence  
**API** – Application Programming Interface  
**AY** – Accident Year  
**BOT**- Built-Operate-Transfer  
**CAGR** – Compounded Annual Growth Rate  
**CCI** – Competition Commission of India  
**CY** – Calendar Year  
**EAPAC** – Emerging Asia Pacific Markets  
**FY** – Financial Year  
**G-Sec** – Government Securities  
**GDP** – Gross Direct Product  
**GDPI** – Gross Direct Premium Income  
**GHI** – Group Health Insurance  
**GIC** – The General Insurance Corporation of India  
**GI Council** – General Insurance Council  
**GWP** – Gross Written Premium  
**IBNR** – Incurred But Not Reported  
**IL / ICICI General / Company** – ICICI Lombard  
**IMTPIP** – Indian Third Party Insurance Pool  
**InvIT**- Infrastructure Investment Trust

**IoT** – Internet of Things  
**IRDAI** – Insurance Regulatory and Development Authority of India  
**ML**- Machine Learning  
**NCLT**- National Company Law Tribunal  
**NEP** – Net Earned Premium  
**NWP** – Net Written Premium  
**OD** – Own Damage  
**PA** – Personal Accident  
**PAT** – Profit After Tax  
**PBT** – Profit Before Tax  
**P&C** – Property & Casualty  
**POS** – Point of Sales  
**REIT**- Real Estate Investment Trust  
**ROAE** – Return on Average Equity  
**SEBI** – Securities Exchange Board of India  
**STP** - Straight through processing  
**₹** - Indian Rupees  
**TP** – Third Party  
**US\$** - United State's dollar  
**VO** – Virtual Office

- Unless specified as standalone, all the other numbers in the presentation for the current year are on merged basis

# Impact of catastrophic events : Historical snapshot

₹ billion

Catastrophic Event	Year	Economic Losses	Insured losses*	Our Share of Insured losses
Cyclone Tauktae*	2021	150.00	15.00	11.1%**
Cyclone Yaas*	2021	200.00	7.00	1.6%**
Cyclone Amphan*	2020	1,000.00	15.00	8.7%**
Maharashtra, Gujarat, Karnataka, Kerala & other states Floods	2019	709.70**	20.00	3.4%
Cyclone Fani	2019	120.00	12.25	2.5%
Kerala floods	2018	300.00	25.00	2.7%
Chennai floods	2015	150.00	49.40	6.2%
Cyclone Hudhud	2014	715.00	41.60	2.1%
J&K floods	2014	388.05	15.60	2.6%
North-east floods	2014	393.30	15.60	***

\* estimates based on market sources

\*\*Combined for IL and BAGI

\*\*\*There was no separate reporting of losses resulting from these floods since this did not rise to the level of a catastrophic event for us

Other sources : Google search & estimates

# Reserving Triangle Disclosure – Total<sup>1</sup>

## Incurred Losses and Allocated Expenses (Ultimate Movement)

₹ billion

As at March 31, 2021	Prior	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21
End of First Year	75.77	22.53	27.97	35.96	34.16	39.13	49.49	52.41	65.27	72.72	70.56
One year later	76.31	21.97	27.02	34.63	33.95	38.58	49.20	51.10	64.10	71.59	
Two years later	77.10	21.74	26.52	34.37	33.53	38.07	48.84	50.08	63.91		
Three years later	77.21	21.85	26.40	34.29	32.91	37.78	48.57	49.33			
Four years later	78.01	21.83	26.46	33.85	32.73	37.25	48.17				
Five years later	78.50	21.81	26.21	33.73	32.16	37.11					
Six years later	78.73	21.83	26.18	33.32	32.15						
Seven Years later	79.08	21.83	26.17	33.32							
Eight Years later	79.15	21.75	26.12								
Nine Years later	78.99	21.81									
Ten Years later	79.22										
Deficiency/ (Redundancy) (%)	4.6%	-3.2%	-6.6%	-7.3%	-5.9%	-5.2%	-2.7%	-5.9%	-2.1%	-1.6%	

## Unpaid Losses and Loss Adjusted Expenses

As at March 31, 2021	Prior	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21
End of First Year	11.67	7.98	12.01	17.32	17.10	20.44	26.84	32.58	37.37	37.98	35.74
One year later	6.41	3.33	6.11	9.70	11.58	14.06	16.86	18.03	27.01	27.48	
Two years later	5.59	2.46	4.72	7.92	9.61	11.46	13.04	15.00	19.23		
Three years later	4.60	2.12	3.84	6.73	7.80	9.69	10.67	13.15			
Four years later	4.51	1.76	3.39	5.58	6.77	7.93	9.44				
Five years later	4.04	1.47	2.77	4.82	5.49	7.22					
Six years later	3.66	1.28	2.42	3.94	5.14						
Seven Years later	3.40	1.08	2.12	3.60							
Eight Years later	3.00	0.87	1.92								
Nine Years later	2.43	0.87									
Ten Years later	2.50										



# Reserving Triangle Disclosure – IMTPIP

## Incurred Losses and Allocated Expenses (Ultimate Movement)

₹ billion

As at March 31, 2021	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.71
One year later					3.85	2.72
Two years later				4.49	3.85	2.73
Three years later			5.81	4.49	3.98	2.73
Four years later		6.16	5.81	4.63	4.12	2.74
Five years later	2.61	6.16	5.85	4.67	4.41	3.16
Six years later	2.61	6.46	5.96	4.99	5.12	3.17
Seven Years later	2.86	6.55	6.05	5.45	5.12	3.17
Eight Years later	2.95	6.69	6.55	5.45	5.12	3.23
Nine Years later	3.00	6.98	6.55	5.45	5.11	
Ten Years later	3.09	6.98	6.55	5.62		
Eleven Years later	3.09	6.98	6.61			
Twelve Years later	3.09	7.19				
Thirteen Years later	3.09					
Deficiency/ (Redundancy) (%)	18.5%	16.7%	13.8%	25.1%	32.6%	18.9%

## Unpaid Losses and Loss Adjusted Expenses

As at March 31, 2021	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.67
One year later					3.41	2.30
Two years later				3.14	2.57	1.87
Three years later			3.17	2.38	1.98	1.37
Four years later		2.67	2.51	1.84	1.51	0.98
Five years later	0.86	2.05	2.03	1.32	1.22	1.13
Six years later	0.63	1.89	1.56	1.19	1.63	0.91
Seven Years later	0.72	1.50	1.26	1.31	1.29	0.71
Eight Years later	0.65	1.23	1.39	1.03	1.02	0.66
Nine Years later	0.55	1.19	1.07	0.78	0.91	
Ten Years later	0.52	0.89	0.78	0.79		
Eleven Years later	0.43	0.63	0.73			
Twelve Years later	0.32	0.69				
Thirteen Years later	0.28					

# 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 there.