



# Performance update: 9M-FY2022

January 18, 2022

# Agenda

- Company strategy and performance
- Opportunity
- Industry overview



# Agenda

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



# Key strategic elements



# Premium growth

## Premium growth

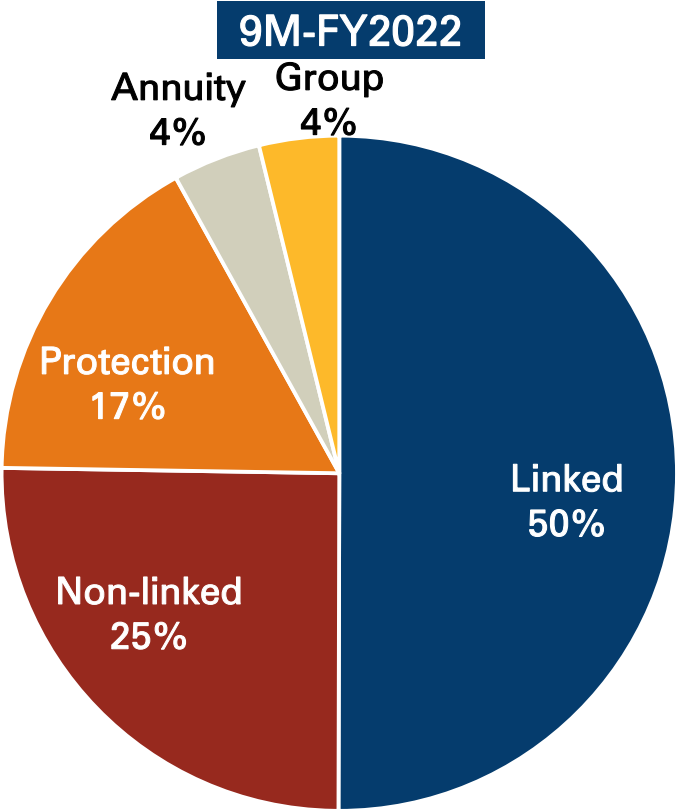
- Deepen penetration in under-served customer segments
- Enhance current distribution
- Create new distribution
- Augment capability in Health and Protection
- Increase focus on Pension and Annuity

₹ billion	FY2021	Q3-FY2022	9M-FY2022
APE <sup>1</sup>	64.62	19.29	51.25
<i>YoY growth</i>	<i>(12.5%)</i>	<i>15.8%</i>	<i>29.6%</i>
New business premium (NBP) <sup>2</sup>	130.32	37.87	102.48
<i>YoY growth</i>	<i>5.5%</i>	<i>10.0%</i>	<i>29.7%</i>
<i>Market share<sup>3</sup></i>	<i>7.2%</i>		<i>7.4%</i>

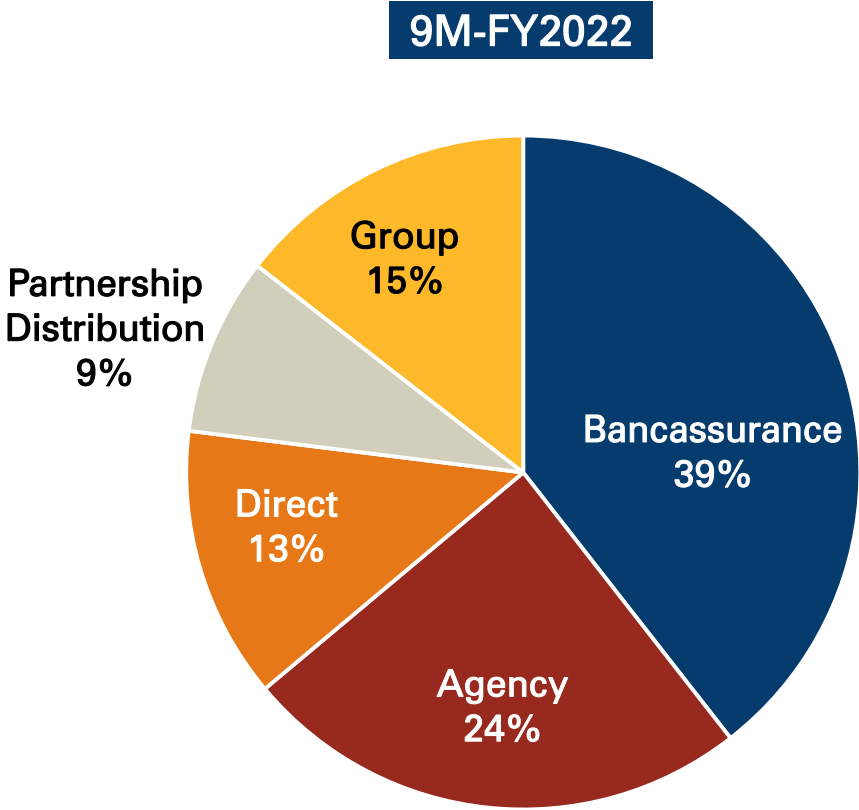
Continued growth momentum resulting in 30% growth in 9M-FY2022

# Premium growth: Product and Distribution

Product mix APE



Distribution mix APE



Driven by well diversified product and distribution mix



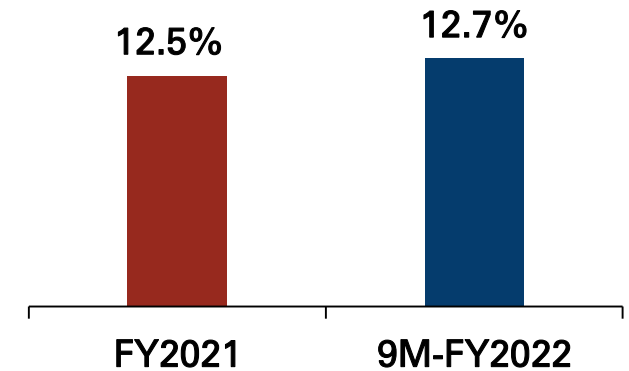
# Protection growth

Protection focus

Continue to grow both retail and group lines of business

₹ billion	FY2021	Q3-FY2022	9M-FY2022
Protection APE <sup>1</sup>	10.46	3.06	8.56
YoY growth	(6.3%)	19.5%	21.8%

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



- Focused efforts on protection business despite supply side challenges
- Continued private market leadership based on new business sum assured

# Persistency improvement

Persistency

Improve persistency across all cohorts

Persistency#	11M-FY2021*	8M-FY2022	
13 <sup>th</sup> month	84.8%	84.8%	-
61 <sup>st</sup> month	49.8%	52.7%	↑ 290 bps

Significant improvement in persistency across most cohorts



# Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for regular and limited pay individual policies  
 \* Comparative period figures restated for revised definition



# Productivity improvement

## Productivity

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

₹ billion	FY2021	9M-FY2021	9M-FY2022	Growth
APE	64.62	39.54	51.25	29.6%
Total expenses	42.20	28.04	35.05	25.0%
Cost/TWRP <sup>1</sup> (%)	14.8%	14.6%	17.7%	-
Cost/TWRP (savings LOB) (%)	9.6%	9.3%	12.2%	-

New business growth ahead of expense growth

# Resilient Balance Sheet

## Insurance risks

- COVID-19 claims net of reinsurance of ₹ 9.82 billion for 9M-FY2022
- Provisions of ₹ 2.03 billion held for future COVID-19 claims including IBNR provision

## Strong solvency ratio

- Solvency ratio of 202.2% at December 31, 2021

## High quality assets

- 98% of fixed income in sovereign or AAA; 0.2% of fixed income below AA
- Zero NPA since inception

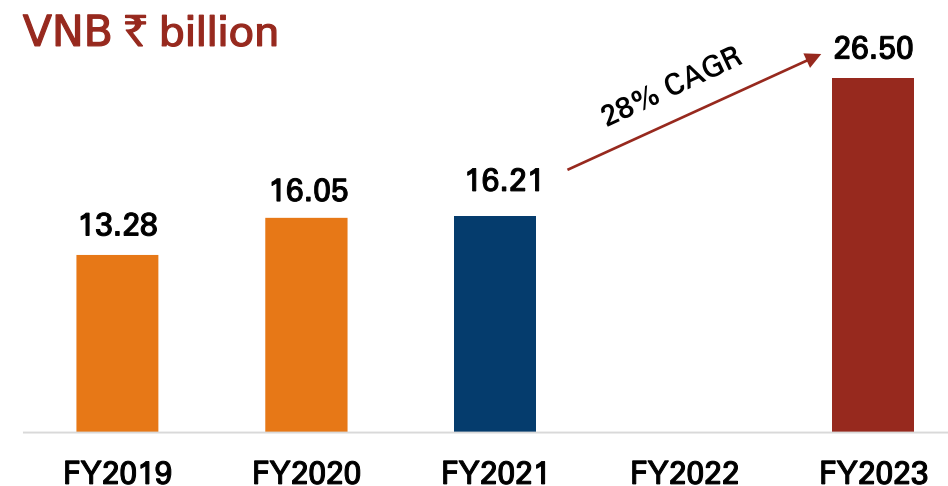
## Liability profile

- 81% of liabilities largely pass on the market performance to customers
- Non par guaranteed return book: 1.6% of liabilities

# Way forward

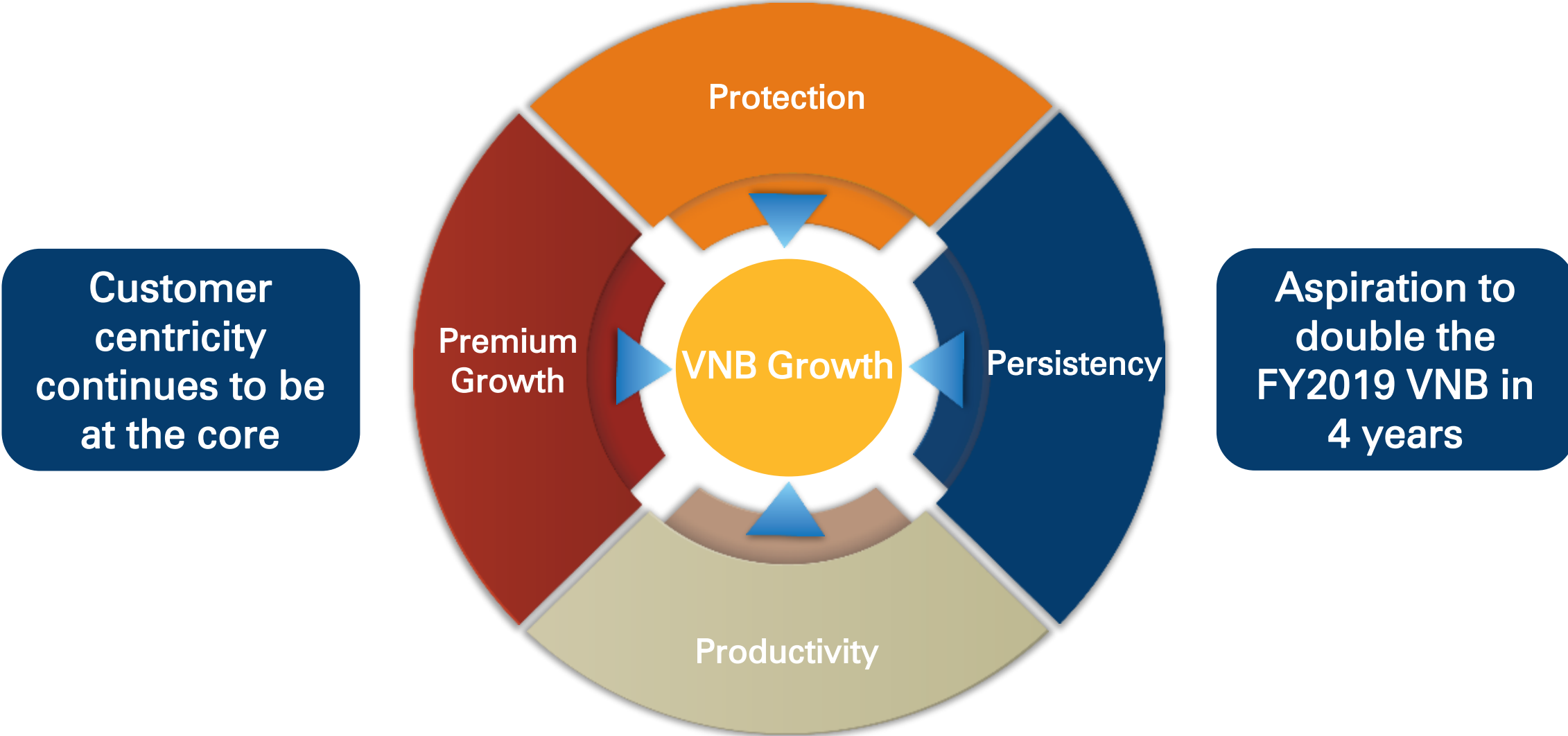
Aspire to double the FY2019 VNB by FY2023

₹ billion	FY2020	FY2021	9M-FY2022
Value of New Business (VNB) <sup>1</sup>	16.05	16.21	13.88
VNB growth	20.9%	1.0%	34.8%
VNB margin	21.7%	25.1%	27.1%



- Premium growth: Diversified product & distribution mix to aid growth
- Protection: Short term headwinds in retail business, expect to maintain the sequential momentum and increase attachment of riders
- Persistency: Continued improvement to aid product margins
- Productivity: Target operating leverage with growth in premium

# Key strategic elements



# 4P: Premium

# 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



Products introduced in Q3-FY2022  
Balanced Advantage Fund and Sustainable Equity (ESG focused) Fund during 9M-FY2022

# Performance across segments

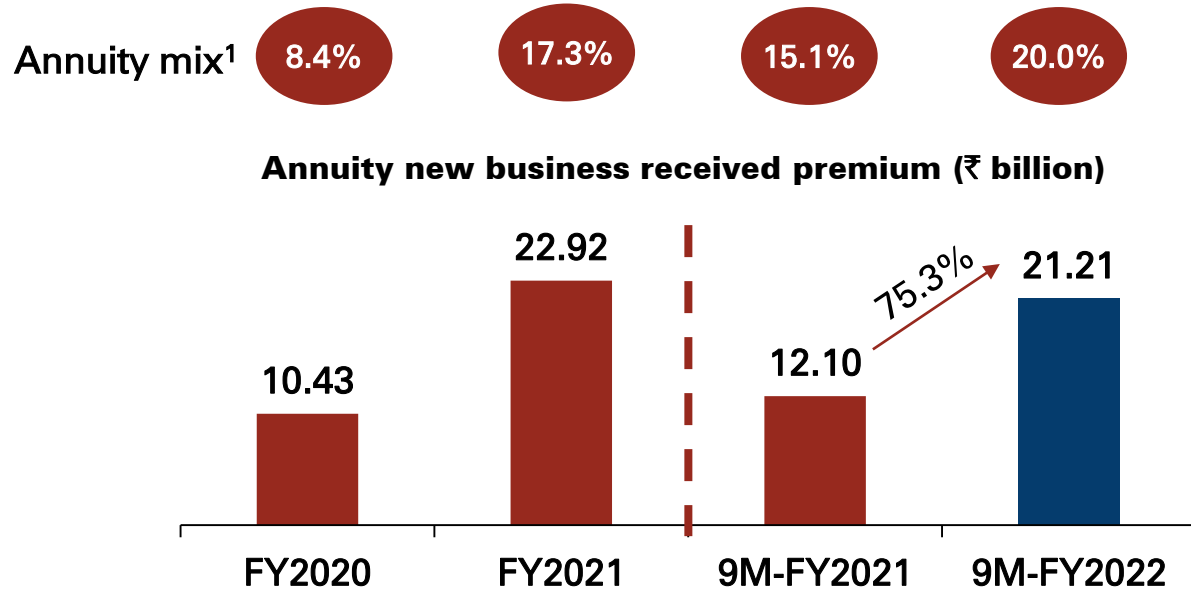
Segments	APE (₹ billion)			Mix	
	FY2021	9M-FY2022	Growth (%)	FY2021	9M-FY2022
<b>Savings</b>	<b>54.16</b>	<b>42.68</b>	<b>31.3%</b>	<b>83.8%</b>	<b>83.3%</b>
Linked	30.90	25.64	34.6%	47.8%	50.0%
Non-linked	17.79	12.92	28.6%	27.5%	25.2%
Annuity	2.29	2.16	77.0%	3.5%	4.2%
Group funds	3.18	1.96	(10.1%)	4.9%	3.8%
<b>Protection</b>	<b>10.46</b>	<b>8.56</b>	<b>21.8%</b>	<b>16.2%</b>	<b>16.7%</b>
<b>Total APE</b>	<b>64.62</b>	<b>51.25</b>	<b>29.6%</b>	<b>100.0%</b>	<b>100.0%</b>

Continued strong growth across product segments

# Pension and Annuity

A comprehensive pension provider

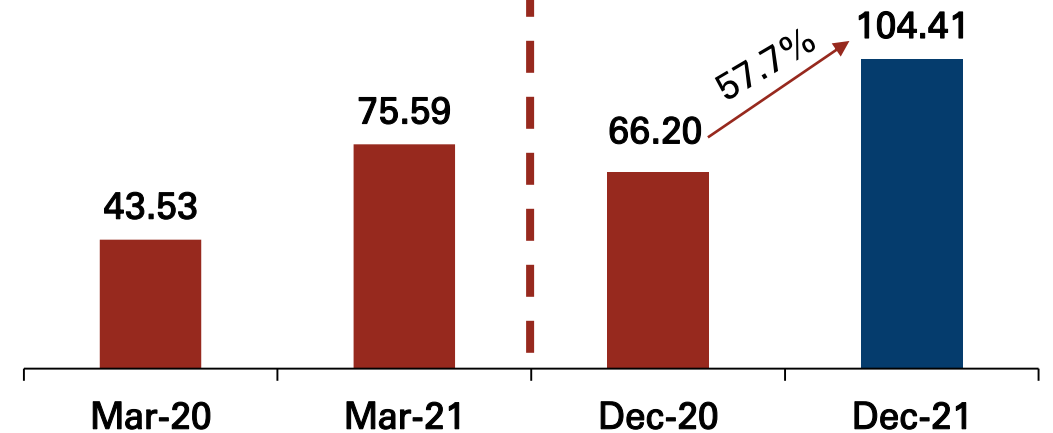
## Annuity



Annuity grew by 75% in 9M-FY2022

## Pension fund management (AUM)

₹ billion



Pension fund AUM grew by 58% over Dec 2020

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



# Enhancing distribution

## Strategy: Build profitability

- 23 bank partnerships
- Protection and Annuity mix 40%

## Strategy: Create depth and add width

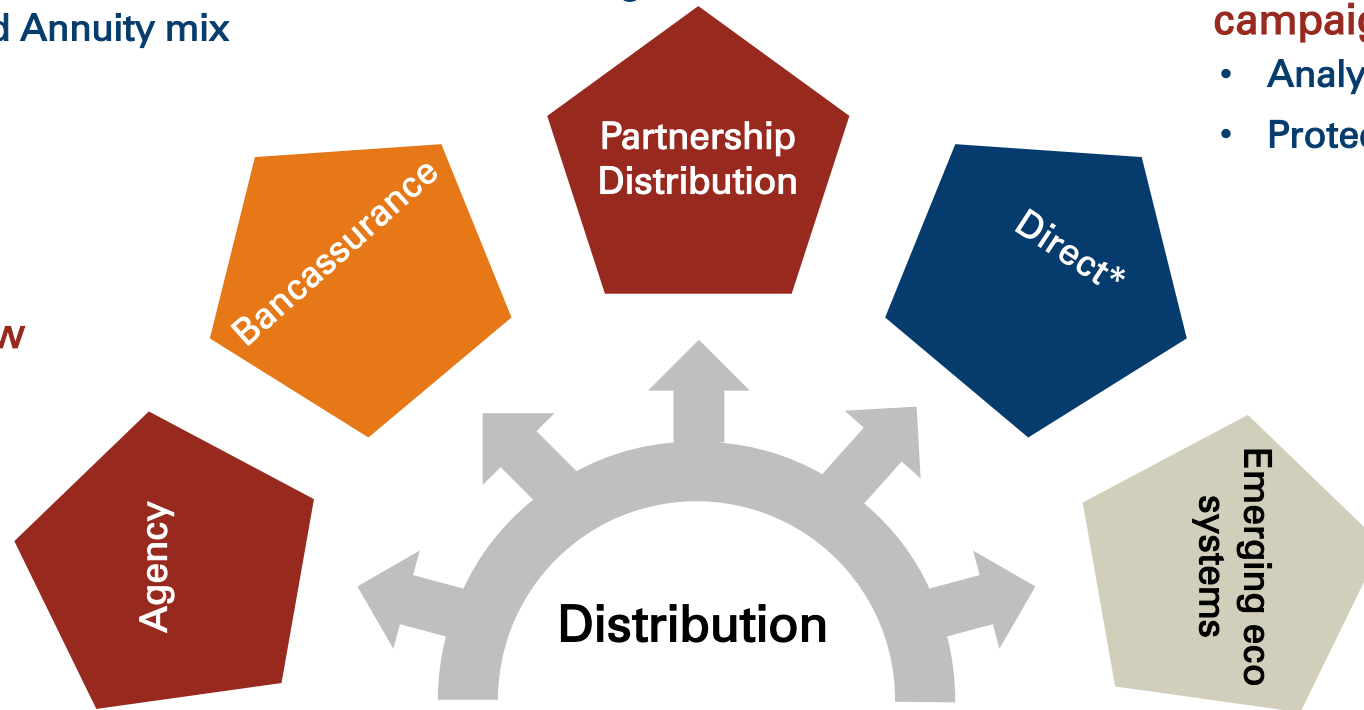
- ~700 partnerships; 72 new partnerships
- Protection and Annuity mix 32%, Non-linked savings 56%

## Strategy: Digital focused upsell campaigns

- Analytics driven upsell channel
- Protection and Annuity mix 44%

## Strategy: Invest and grow

- 17,925 agents recruited during 9M-FY2022
- Diversified product mix: Protection and Annuity 33%, Non-linked savings 32% and linked 35%



## Strategy: Partner with non-traditional distributors

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

~700 partnerships including 23 banks; > 196,000 advisors

# Performance across distribution channels

Channels	APE (₹ billion)			Mix (%)	
	FY2021	9M-FY2022	Growth (%)	FY2021	9M-FY2022
Bancassurance	27.34	20.22	21.4%	42.3%	39.5%
Agency	15.39	12.53	31.5%	23.8%	24.4%
Direct	8.10	6.70	34.3%	12.5%	13.1%
Partnership distribution	5.87	4.38	34.8%	9.1%	8.5%
Group	7.93	7.42	45.5%	12.3%	14.5%
<b>Total APE</b>	<b>64.62</b>	<b>51.25</b>	<b>29.6%</b>	<b>100.0%</b>	<b>100.0%</b>

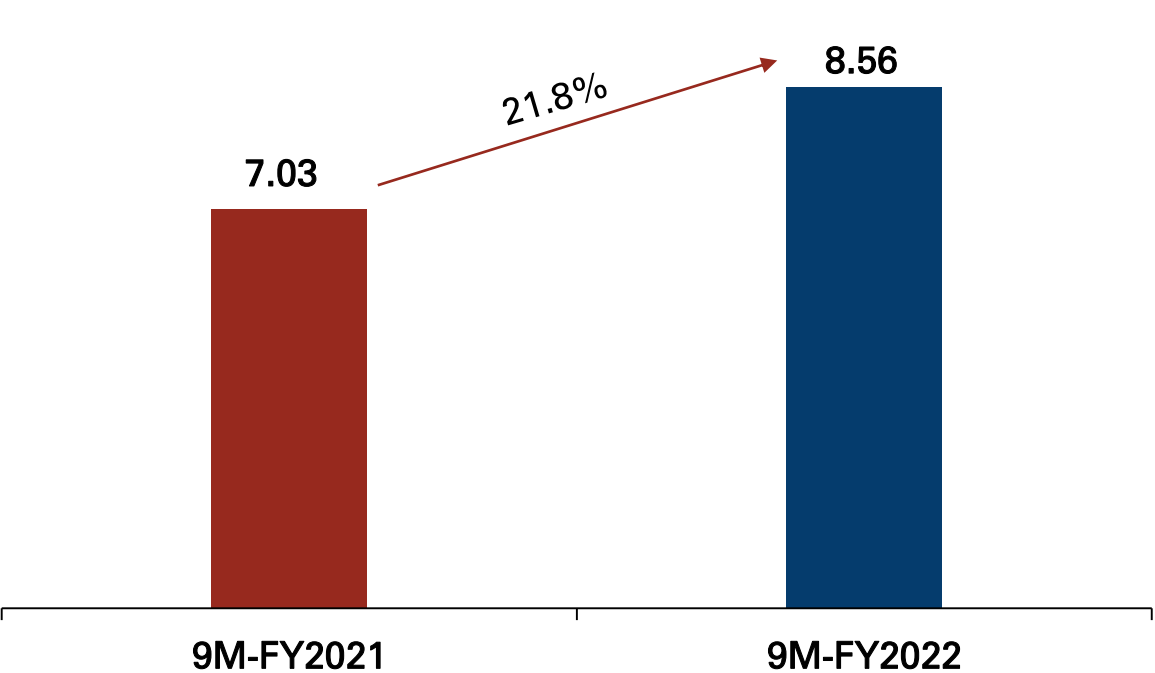
Continued strong growth across distribution channels

# 4P: Protection

# Protection business

## Protection APE

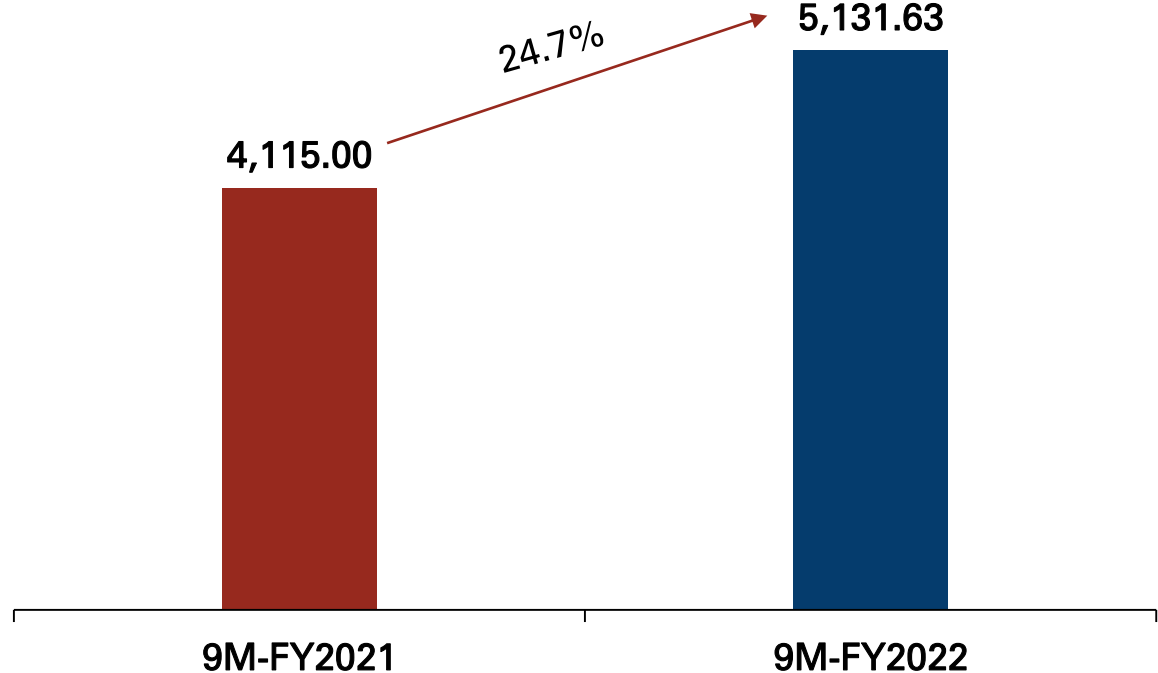
₹ billion



Protection APE grew by 22% in 9M-FY2022

## New business sum assured

₹ billion



Sum assured grew by 25% in 9M-FY2022



# 4P: Persistency

# Persistency (1/2)

## Regular and Limited pay

Month	8M-FY2021	11M-FY2021	8M-FY2022
13 <sup>th</sup> month	82.7%	84.8%	84.8%
25 <sup>th</sup> month	72.7%	73.6%	75.7%
37 <sup>th</sup> month	65.1%	66.3%	66.6%
49 <sup>th</sup> month	61.4%	62.2%	59.4%
61 <sup>st</sup> month	50.7%	49.8%	52.7%

## Fully paid and Single premium

Month	8M-FY2021	11M-FY2021	8M-FY2022
13 <sup>th</sup> month	100.0%	100.0%	100.0%
25 <sup>th</sup> month	98.8%	99.3%	100.0%
37 <sup>th</sup> month	97.2%	97.4%	98.0%
49 <sup>th</sup> month	97.1%	97.3%	98.1%
61 <sup>st</sup> month	99.7%	99.5%	99.0%

Continued focus on persistency improvement



Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; comparative period figures restated for revised definition

# Persistency (2/2)

## Retail excluding single premium

Month	8M-FY2021	11M-FY2021	8M-FY2022
13 <sup>th</sup> month	82.7%	84.8%	84.8%
25 <sup>th</sup> month	72.7%	73.6%	75.7%
37 <sup>th</sup> month	65.1%	66.3%	66.6%
49 <sup>th</sup> month	63.3%	63.0%	63.1%
61 <sup>st</sup> month	58.0%	58.3%	56.1%

# 4P: Productivity



# Productivity: Cost efficiency

₹ billion	FY2021	9M-FY2021	9M-FY2022	Growth
APE	64.62	39.54	51.25	29.6%
Total expenses	42.20	28.04	35.05	25.0%
Cost/TWRP <sup>1</sup> (%)	14.8%	14.6%	17.7%	-
Cost/TWRP (Savings LOB) (%)	9.6%	9.3%	12.2%	-
Cost/Average AUM <sup>2</sup> (%)	2.3%	2.1%	2.1%	-

New business growth ahead of expense growth

# Key initiatives taken in Q3-FY2022



## Leveraging ecosystem

### Income documents

- ❖ Option for customer to upload bank statements or login through his internet banking account
- ❖ Can retrieve bank account statement for six months and Income Tax Returns for 3 years, through system integration



## Mobility

- ❖ ICICI Pru Fit Life - Health tracker to record steps count, calories burned. **Key features** – Set health goals, track daily progress and calculate BMI
- ❖ **E-Quotes** – Mobile app calculators with rich UI/UX, accessible without internet
- ❖ **Re-imagination of customer journey** – UI redesigned for simplified purchase and servicing experience



## Customer service on partners platform

### Empowering partners to accept customer request on their platform

- ❖ Customer can place request on partners platform
- ❖ Request passed onto ICICI Pru using API services
- ❖ Acknowledgement and status shared as reverse feed
- ❖ **Request types:** Frequency change, updation of contact details, intimation of claim

# VNB growth levers update (4P's)

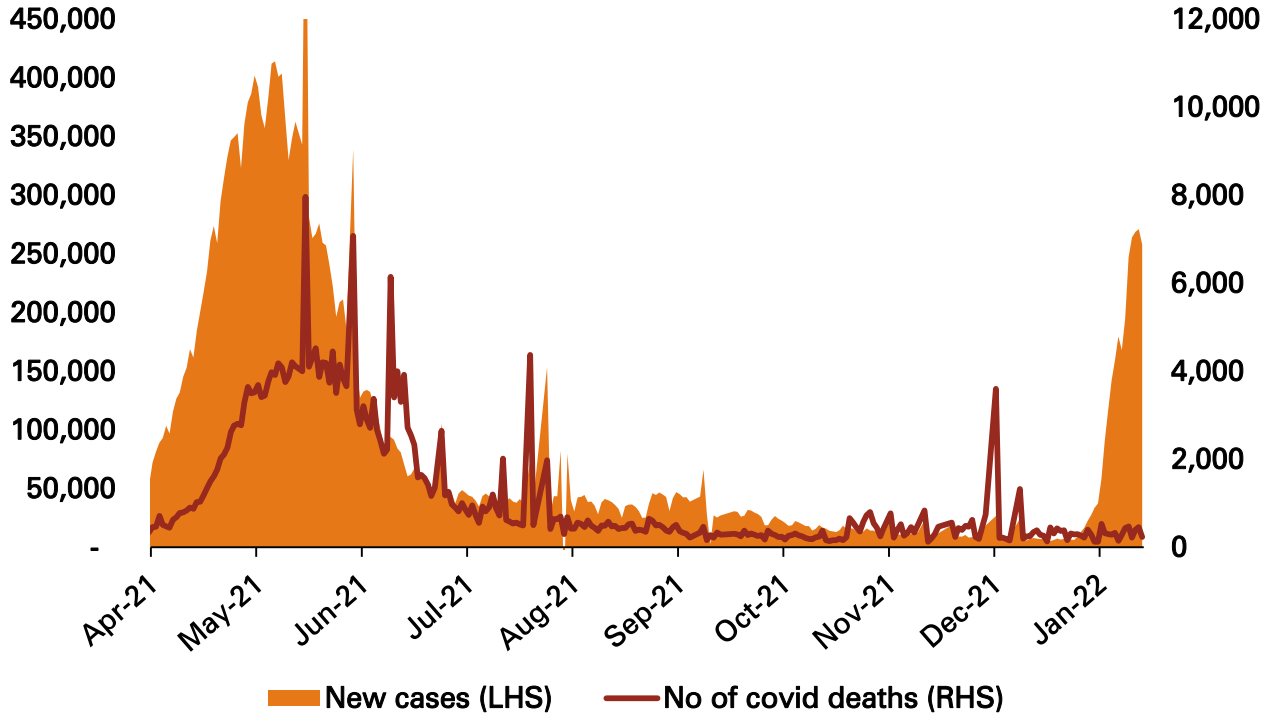
₹ billion	FY2021	9M-FY2022	Growth
Value of New Business (VNB) <sup>1</sup>	16.21	13.88	34.8%
VNB margin	25.1%	27.1%	NA

₹ billion	FY2021	9M-FY2022	Growth
Premium growth (APE)	64.62	51.25	29.6%
Protection growth (APE)	10.46	8.56	21.8%
Persistency (13 <sup>th</sup> month) <sup>2</sup>	84.8% <sup>3</sup>	84.8%	NA
Persistency (61 <sup>st</sup> month) <sup>2</sup>	49.8% <sup>3</sup>	52.7%	NA
Productivity (Cost/TWRP: Savings) <sup>4</sup>	9.6%	12.2%	NA

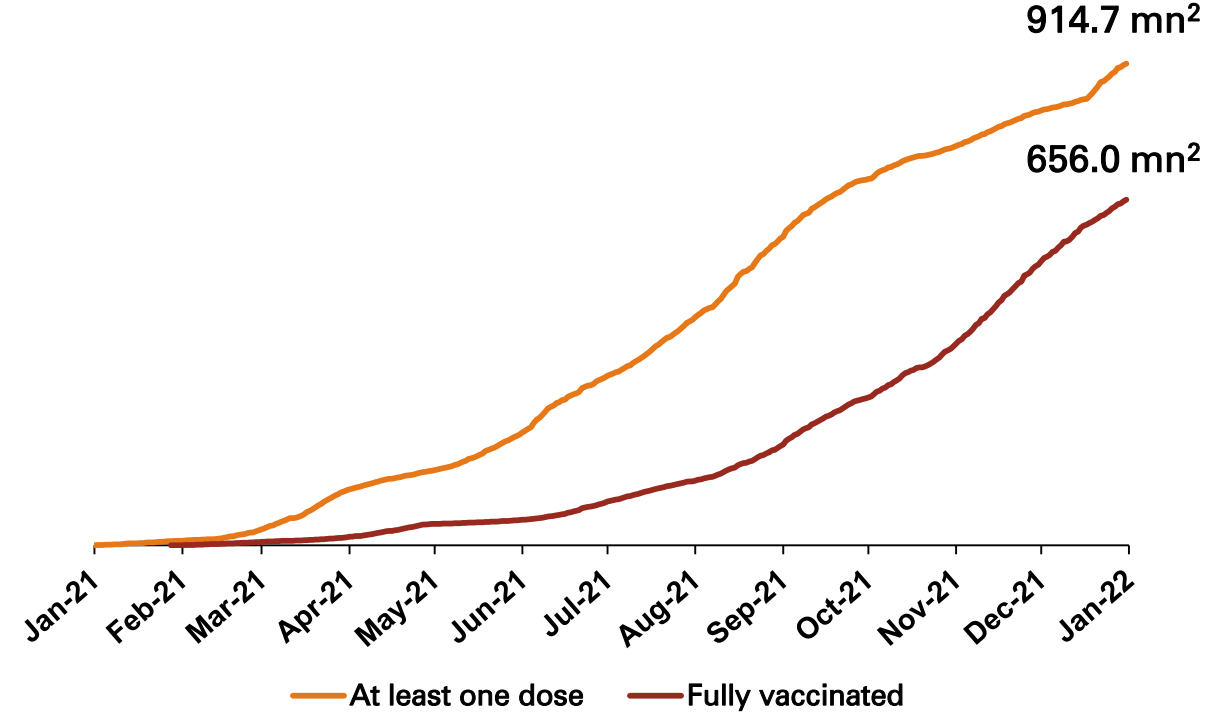
# Financial update

# COVID-19: Emerging trends

Emerging third wave with lower expected fatality<sup>1</sup>



- ~47% of population fully vaccinated
- ~65% of population received at least one dose



Vaccination extended to lower age groups; precautionary dose for senior citizens & FLW



1. New cases and deaths are as on January 17, 2022

2. Vaccine data is till January 16, 2022

Source: [www.prsindia.org](http://www.prsindia.org) (compiled based on data published by Ministry of Health and Family Welfare, Government of India)

FLW: Front line workers

# Impact of COVID-19 on mortality

- Total claims on account of COVID-19 for 9M-FY2022: ₹ 20.45 billion<sup>1</sup> (FY2021: ₹ 3.54 billion)
  - Claims net of reinsurance: ₹ 9.82 billion (FY2021: ₹ 1.98 billion)
- Provision of ₹ 2.03 billion (March 2021: ₹ 3.32 billion) held for future COVID-19 claims including IBNR<sup>2</sup>

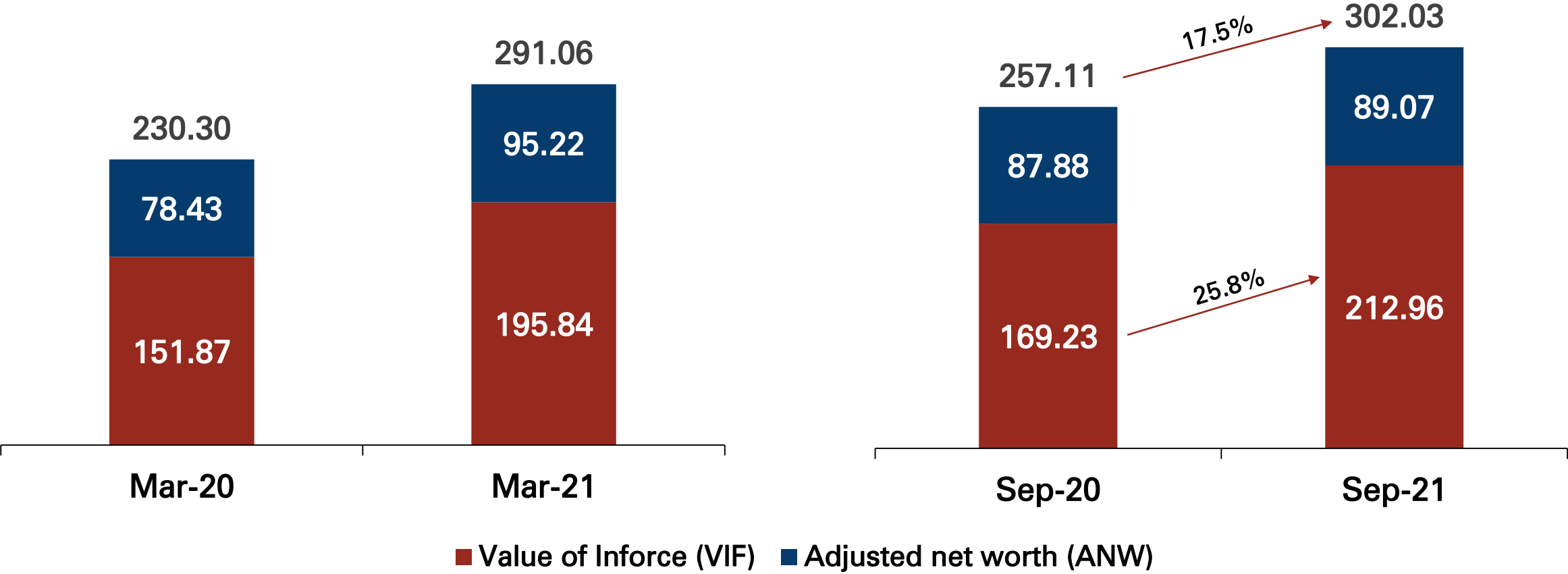
# Financial metrics

₹ billion	9M-FY2021	FY2021	9M-FY2022
Profit after Tax	8.96	9.60	5.69
Solvency ratio	226.1% <sup>1</sup>	216.8% <sup>2</sup>	202.2% <sup>1</sup>
AUM	2,048.72 <sup>1</sup>	2,142.18 <sup>2</sup>	2,375.60 <sup>1</sup>

- Profit after Tax of ₹ 3.11 billion for Q3-FY2022
- AUM grew by 16% over December 2020

# Embedded Value<sup>1</sup>

₹ billion



Value of Inforce (VIF) grew by 26% over September 2020



1. As per Indian Embedded value (IEV) method



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

₹ billion	FY2017	FY2018	FY2019	FY2020	FY2021
Opening EV	139.39	161.84	187.88	216.23	230.30
Unwind	12.21	13.72	15.84	17.25	16.61
Value of New Business (VNB)	6.66	12.86	13.28	16.05	16.21
Operating assumption changes + Operating variance	4.08	10.22	8.89	(0.42)	2.24
<i>Operating assumption changes</i>	1.00	7.64	4.20	(2.25) <sup>2</sup>	3.09
<i>Operating variance</i>	3.08	2.58	4.69	1.83	(0.85)
<i>Persistency variance</i>	0.99	1.53	2.66	0.85	1.10
<i>Mortality and morbidity variance</i>	0.98	0.78	1.97	0.42	(2.37) <sup>3</sup>
<i>Expense variance</i>	0.35	0.27	0.04	0.01	0.01
<i>Other variance</i>	0.76	0.00	0.02	0.56	0.41
EVOP	22.95	36.80	38.01	32.88	35.05
Return on embedded value (ROEV)	16.5%	22.7%	20.2%	15.2%	15.2%
Economic assumption change and investment variance	5.82	1.13	(1.22)	(14.76)	25.67
Net capital injection	(6.32)	(11.88)	(8.43)	(4.05)	0.04
Closing EV	161.84	187.88	216.23	230.30	291.06

# Sensitivity analysis

Scenario	% change in VNB		% change in EV	
	FY2020	FY2021	FY2020	FY2021
Increase in 100 bps in the reference rates	(2.4)	0.7	(2.5)	(2.8)
Decrease in 100 bps in the reference rates	2.2	(1.7)	2.6	3.0
10% increase in the discontinuance rates	(5.0)	(3.1)	(1.1)	(0.9)
10% decrease in the discontinuance rates	5.1	3.2	1.1	1.0
10% increase in mortality/morbidity rates	(9.5)	(10.2)	(1.6)	(1.6)
10% decrease in mortality/morbidity rates	9.6	10.4	1.7	1.6
10% increase in acquisition expenses	(11.6)	(10.5)	Nil	Nil
10% decrease in acquisition expenses	11.6	10.4	Nil	Nil
10% increase in maintenance expenses	(3.0)	(2.5)	(0.8)	(0.6)
10% decrease in maintenance expenses	3.0	2.5	0.9	0.6
Tax rates increased to 25%	(11.4)	(11.1)	(5.8)	(6.2)
10% increase in equity values	0.7	1.3	1.8	2.9
10% decrease in equity values	(0.7)	(1.6)	(1.8)	(2.9)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE



# ESG: Approach and focus areas



Business itself is social in nature: Serving long term financial 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



Diversity &  
inclusion policy

## Enhanced disclosures/policies



Human  
capital



Privacy  
policy



Ethical  
aspects



Environmental  
impact

# Focus areas: Human capital



## Support during COVID-19

### 1. Workplace safety

- COVID-19 protocols
- App based health tracking & contact tracing

### 2. Employee Assistance

- Doctor tele-consultation including mental health counselling
- COVID-19 testing and leave
- Vaccination facilitation

### 3. Enabling Work From Home

- Accessibility & tech support
- Virtual collaboration tools



## Enabling productivity

### 1. Talent attraction & on-boarding

- >50% of hiring comprise freshers

### 2. Learning & development

- ~ 1 million digital learning hours
- 13,000+ employees certified
- 85% leadership team > 10 yrs vintage
- ~66% employees with at least one role change in five years

### 3. Performance & talent management

- Alignment to Board KPIs
- Differentiated rewards and capability development
- Succession plan and strong bench



## Building an agile & engaged workforce

### 1. Enabling a diverse workforce

- Diversity & inclusion policy
- 40% women in non-sales roles
- Policies catering to life-stage needs

### 2. Engagement framework

- 3i framework to align to strategy, enhance connect & belongingness

### 3. Robust grievance redressal framework

### 4. Voice of employee survey

- 90%+ score: Alignment, advocacy, support during hour of need, technology and infra, health and safety measures and learning & engagement opportunities



# Focus areas: Responsible investing



Three pronged approach

Stewardship policy and process

Engaging with investee companies

Disclosing voting actions

ESG Integration

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

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

Exclusion: Restricted exposure to



Thermal power



Coal



Defence



Tobacco

ICICI Prudential Sustainable Equity Fund

Benchmarked against NSE 100 ESG Index



~47% of our AUM\*: Infrastructure/ housing and Government bonds (₹314 billion and ₹689 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 prudent risk management framework

### Governance

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

### Alignment

- WTD compensation aligned to KPIs incl. non-financial & risk parameters; capping & deferral of bonus, malus & claw-back 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 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 Conflict 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

- **46.0 mn** lives covered through micro insurance products
  - **56.8 mn** lives covered in total
- **87.1%** - One of the best persistency<sup>1</sup> ratios (13<sup>th</sup> month) in the industry.
- **24x7 service architecture; >90%** self-help usage
- **97.9%** - One of the best claim settlement ratios<sup>2</sup> in the industry; **1.4 days**<sup>3</sup> average TAT
- Insurance awareness campaigns, focus on right selling & product suitability
- Robust policy & framework for grievance redressal



## CSR

- **₹109.8 million** spent for COVID-19 pandemic and CSR initiatives
- **₹26.5 mn** contributed to PM CARES fund by employees including 1 month salary by top management
- **159,000** Candidates trained till March 2021 by ICICI Academy for Skills
- **14,000** youths benefited in FY2021



## Environment

- **~2,700 tonnes** of carbon footprint saved through:
  - Responsible consumption of energy
  - Water conservation
  - Replace, reduce and recycle approach
- **95%** of new business applications logged digitally
- **86%** shareholders communicated digitally



# Awards and accolades

Only insurance Company to be ranked in the Top 30 of India's 'Most Sustainable Companies'

SUSTAINABILITY *RANKINGS*

INDIA'S MOST SUSTAINABLE COMPANIES

Rank	Company	ESG Score	ESG Rating	ESG Score	ESG Rating	ESG Score	ESG Rating	ESG Score	ESG Rating
1	Wipro	8.110	AAA	7.920	AAA	7.730	AAA	7.540	AAA
2	Infosys	8.070	AAA	7.880	AAA	7.690	AAA	7.500	AAA
3	TCS	8.030	AAA	7.840	AAA	7.650	AAA	7.460	AAA
4	ICICI Prudential Life Insurance Company Limited	8.030	AAA	7.840	AAA	7.650	AAA	7.460	AAA
5	Axis Bank	7.990	AA+	7.800	AA+	7.610	AA+	7.420	AA+
6	State Bank of India	7.950	AA+	7.760	AA+	7.570	AA+	7.380	AA+
7	ICICI Bank	7.910	AA+	7.720	AA+	7.530	AA+	7.340	AA+
8	Reliance Industries	7.870	AA+	7.680	AA+	7.490	AA+	7.300	AA+
9	Bank of Baroda	7.830	AA+	7.640	AA+	7.450	AA+	7.260	AA+
10	ICICI Prudential Finance Company Limited	7.790	AA+	7.600	AA+	7.410	AA+	7.220	AA+
11	ICICI Prudential Life Insurance Company Limited	7.750	AA+	7.560	AA+	7.370	AA+	7.180	AA+
12	ICICI Prudential Life Insurance Company Limited	7.710	AA+	7.520	AA+	7.330	AA+	7.140	AA+
13	ICICI Prudential Life Insurance Company Limited	7.670	AA+	7.480	AA+	7.290	AA+	7.100	AA+
14	ICICI Prudential Life Insurance Company Limited	7.630	AA+	7.440	AA+	7.250	AA+	7.060	AA+
15	ICICI Prudential Life Insurance Company Limited	7.590	AA+	7.400	AA+	7.210	AA+	7.020	AA+
16	ICICI Prudential Life Insurance Company Limited	7.550	AA+	7.360	AA+	7.170	AA+	6.980	AA+
17	ICICI Prudential Life Insurance Company Limited	7.510	AA+	7.320	AA+	7.130	AA+	6.940	AA+
18	ICICI Prudential Life Insurance Company Limited	7.470	AA+	7.280	AA+	7.090	AA+	6.900	AA+
19	ICICI Prudential Life Insurance Company Limited	7.430	AA+	7.240	AA+	7.050	AA+	6.860	AA+
20	ICICI Prudential Life Insurance Company Limited	7.390	AA+	7.200	AA+	7.010	AA+	6.820	AA+
21	ICICI Prudential Life Insurance Company Limited	7.350	AA+	7.160	AA+	6.970	AA+	6.780	AA+
22	ICICI Prudential Life Insurance Company Limited	7.310	AA+	7.120	AA+	6.930	AA+	6.740	AA+
23	ICICI Prudential Life Insurance Company Limited	7.270	AA+	7.080	AA+	6.890	AA+	6.700	AA+
24	ICICI Prudential Life Insurance Company Limited	7.230	AA+	7.040	AA+	6.850	AA+	6.660	AA+
25	ICICI Prudential Life Insurance Company Limited	7.190	AA+	7.000	AA+	6.810	AA+	6.620	AA+
26	ICICI Prudential Life Insurance Company Limited	7.150	AA+	6.960	AA+	6.770	AA+	6.580	AA+
27	ICICI Prudential Life Insurance Company Limited	7.110	AA+	6.920	AA+	6.730	AA+	6.540	AA+
28	ICICI Prudential Life Insurance Company Limited	7.070	AA+	6.880	AA+	6.690	AA+	6.500	AA+
29	ICICI Prudential Life Insurance Company Limited	7.030	AA+	6.840	AA+	6.650	AA+	6.460	AA+
30	ICICI Prudential Life Insurance Company Limited	7.000	AA+	6.800	AA+	6.610	AA+	6.420	AA+

Sustain Labs Paris in association with BW Businessworld

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



ET BFSI Awards 2021

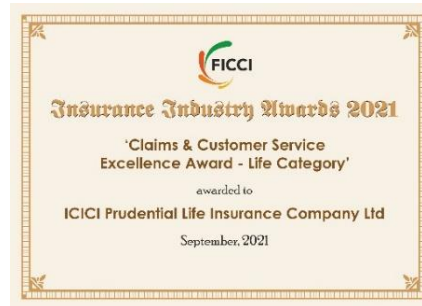


Innovation During COVID 19



FICCI Insurance Industry Awards 2021

Excellence in Claims and Customer Service



FICCI Insurance Industry Awards 2021

Gold Award for FY2021 Annual Report



LACP\* 2021 Spotlight Awards

Silver Award - Best Mobile App of the Year



Velocity Awards 2021

\*League of American Communications Professionals LLC

# Technology @ICICI Prulife

# Digital@iciciprulife

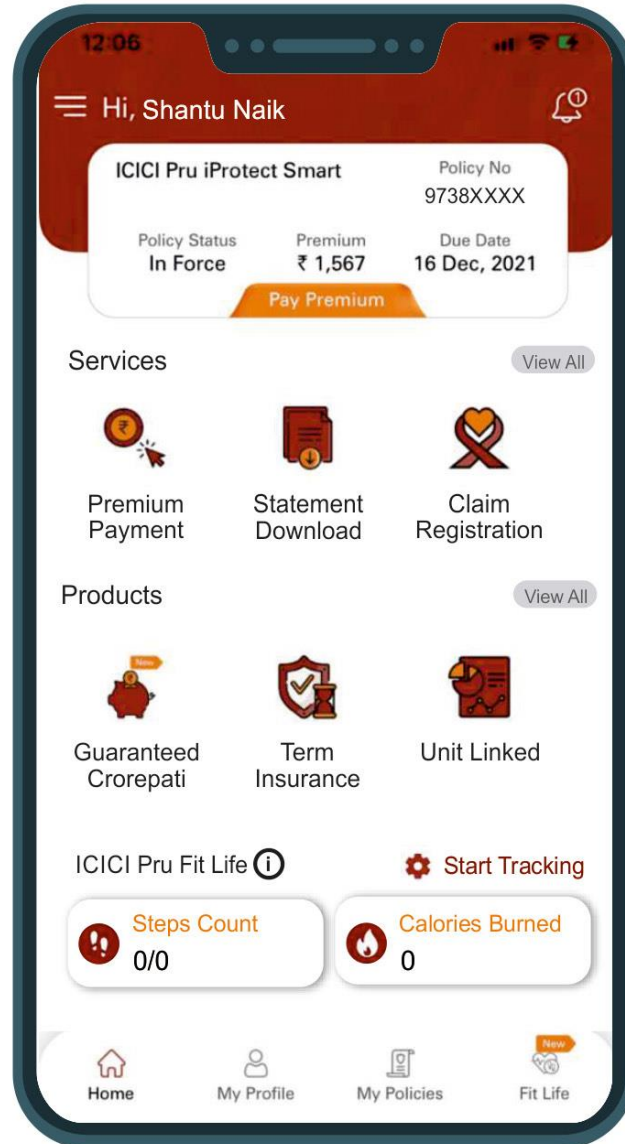
Most visited website among private life insurance players

~3 million digital service interactions every month

Over 800,000 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

>90% 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


**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

# 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

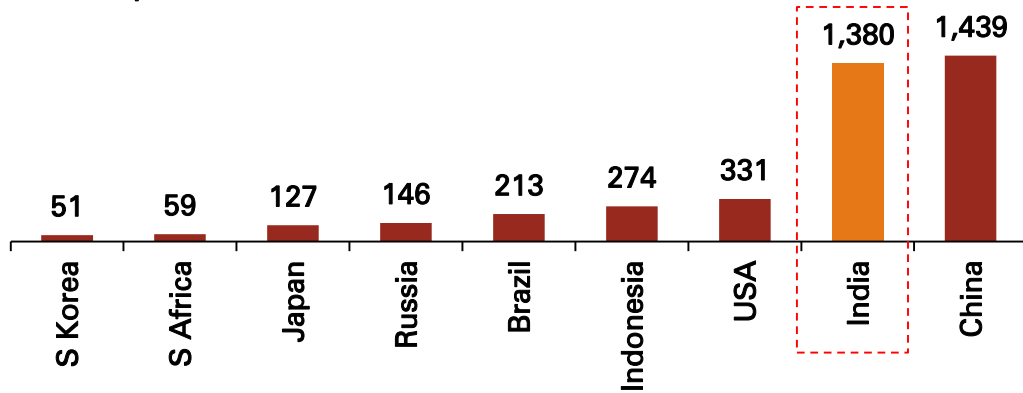
- Company strategy and performance
- **Opportunity**
- Industry overview



# Favorable demography

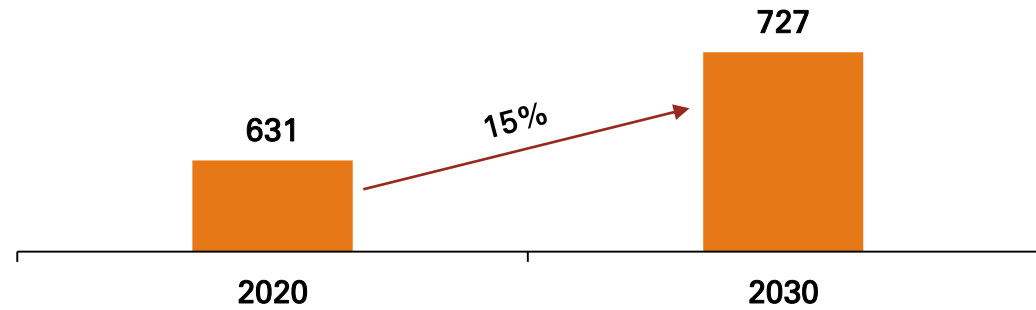
## Large and growing population base<sup>1</sup>

2020 Population (mn)

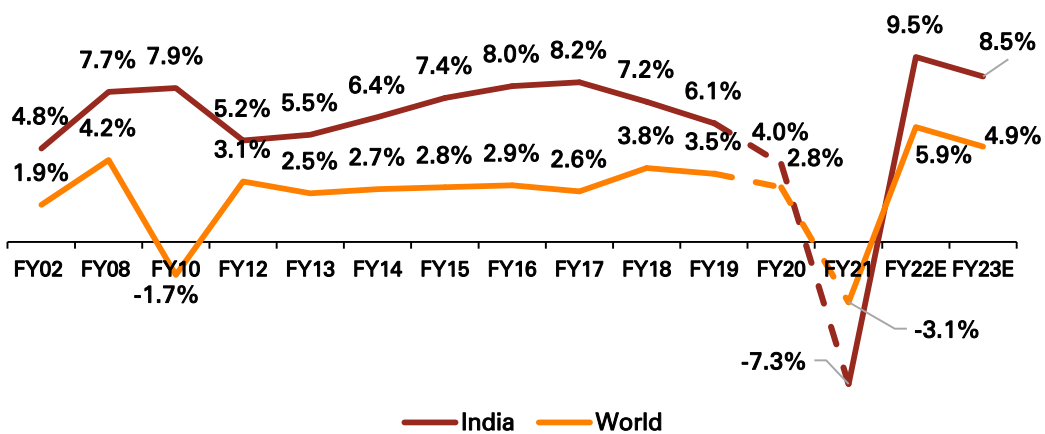


## High share of working population<sup>1</sup>

Population of age 25-59 years (in mn)

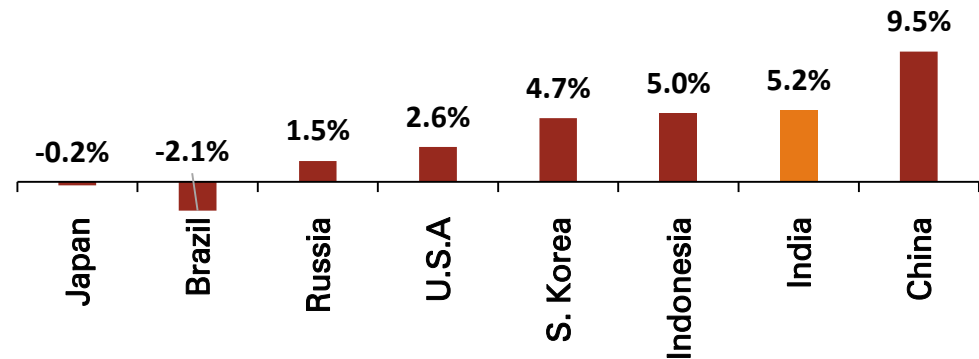


## Driving GDP growth<sup>2</sup>



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

GDP per capita CAGR (FY2010-FY2021)

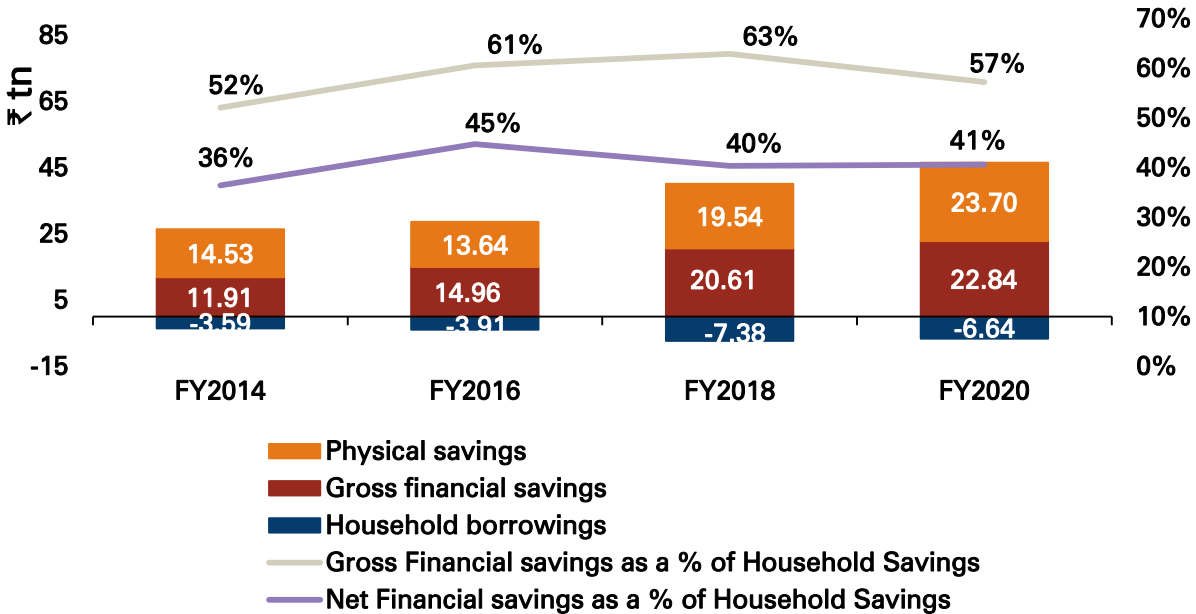


1. Source: UN population division
2. Source: WEO Update, October 2021
3. Source: The World Bank

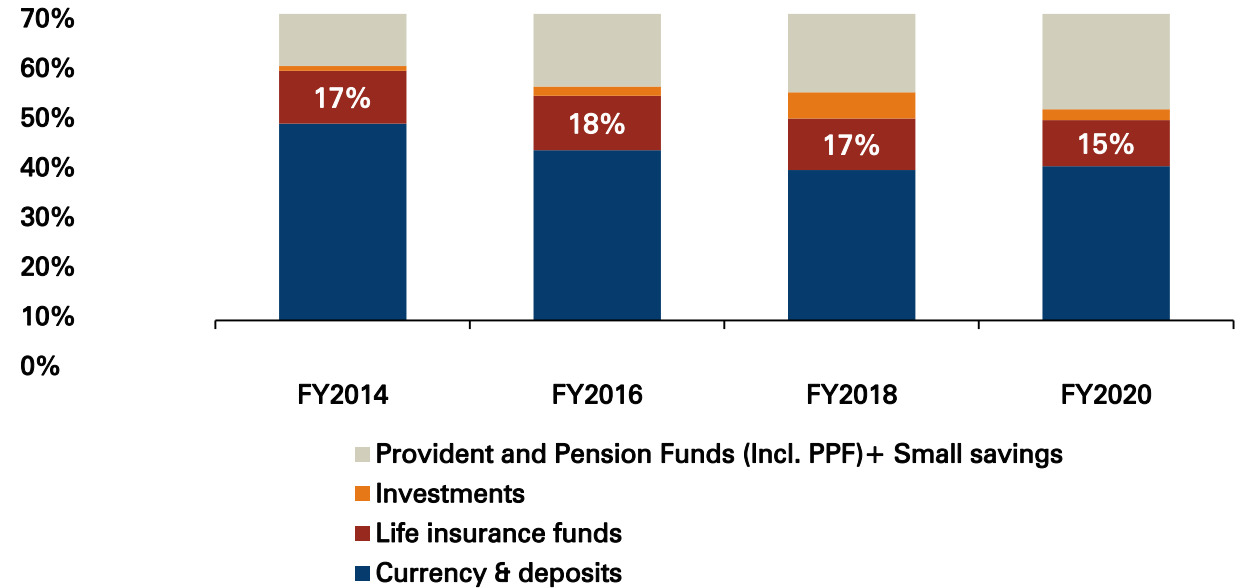


# Financialisation of savings: Opportunity for insurance

## Household savings<sup>1</sup>



## Distribution of financial savings (including currency)<sup>2</sup>



FY2002    FY2008    FY2010    FY2012    FY2014    FY2018    FY2019    FY2020    FY2021

Life insurance premium<sup>3</sup> as % of GDP

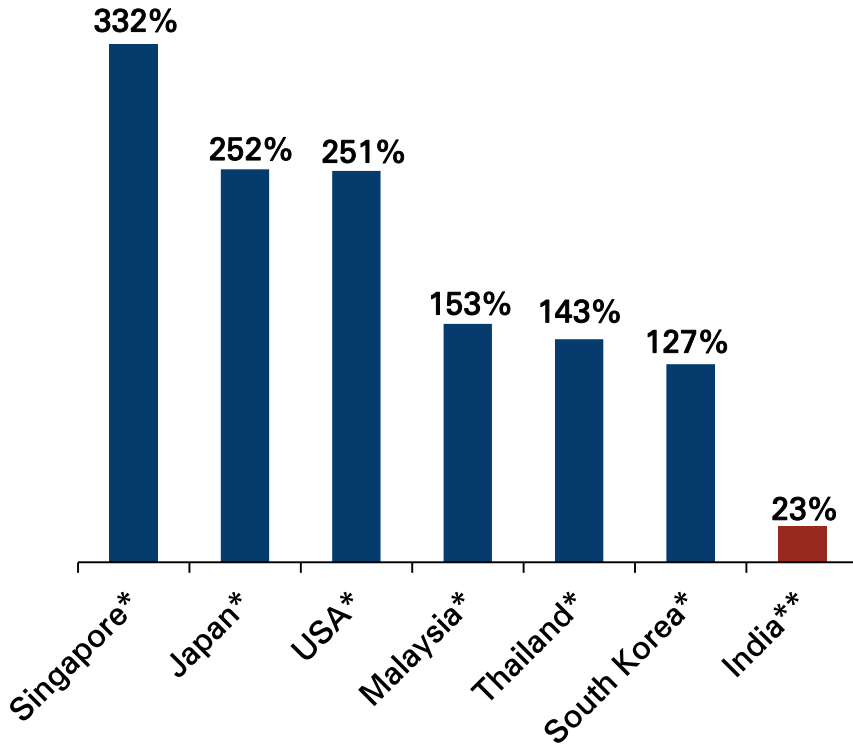
2.1%    4.0%    4.1%    3.3%    2.8%    2.7%    2.7%    2.8%    3.2%



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

# Protection opportunity: Low penetration

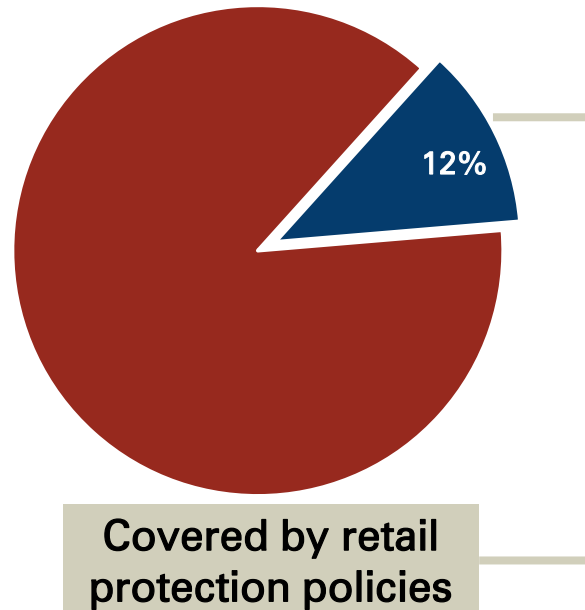
Sum Assured as a % of GDP<sup>1,2</sup>



\* Total sum assured

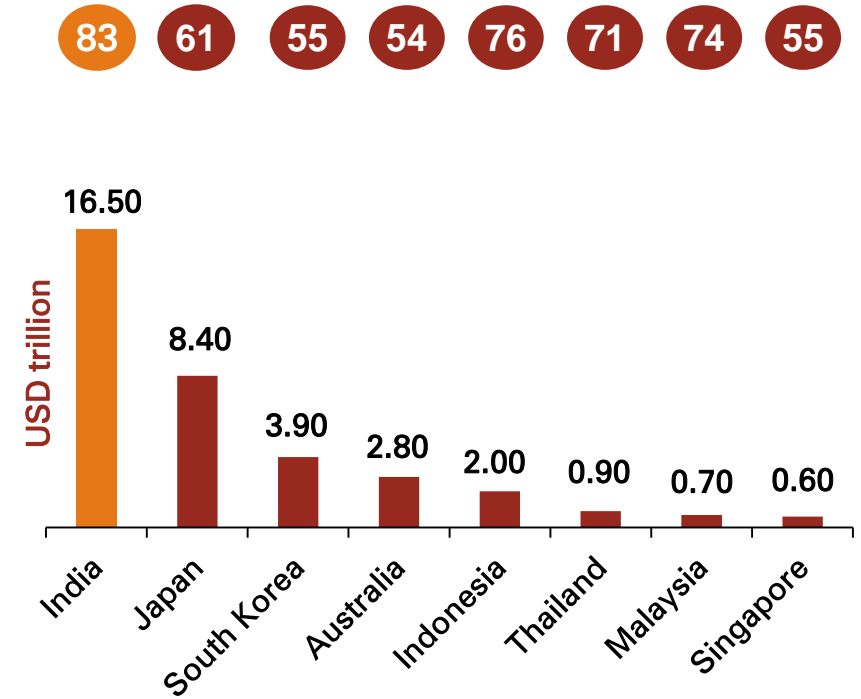
\*\* Retail protection sum assured (company estimates)

Addressable population<sup>#</sup> coverage<sup>3</sup> (%)



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

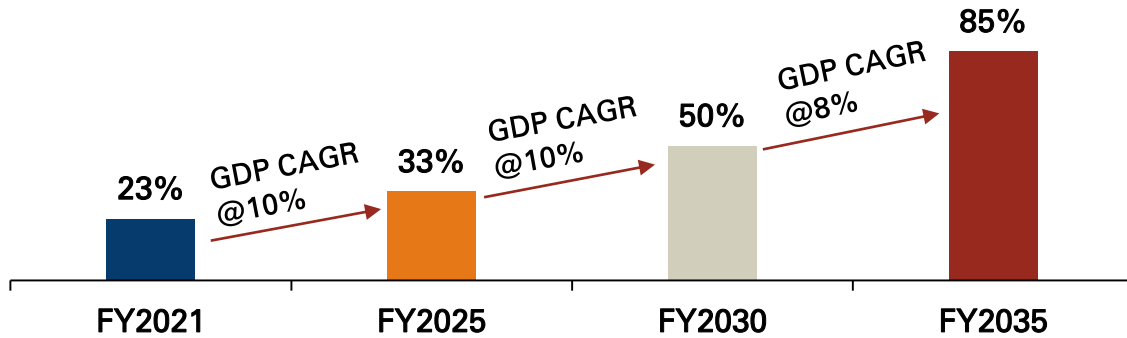
Protection gap(%)<sup>4,5</sup>



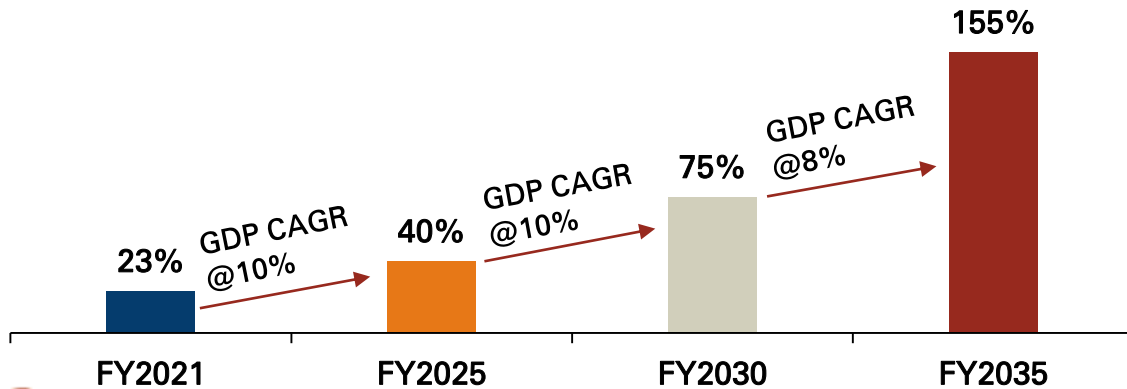
1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates
3. Addressable population coverage= Inforce no. of lives for retail protection/ No. of returns with income > ₹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

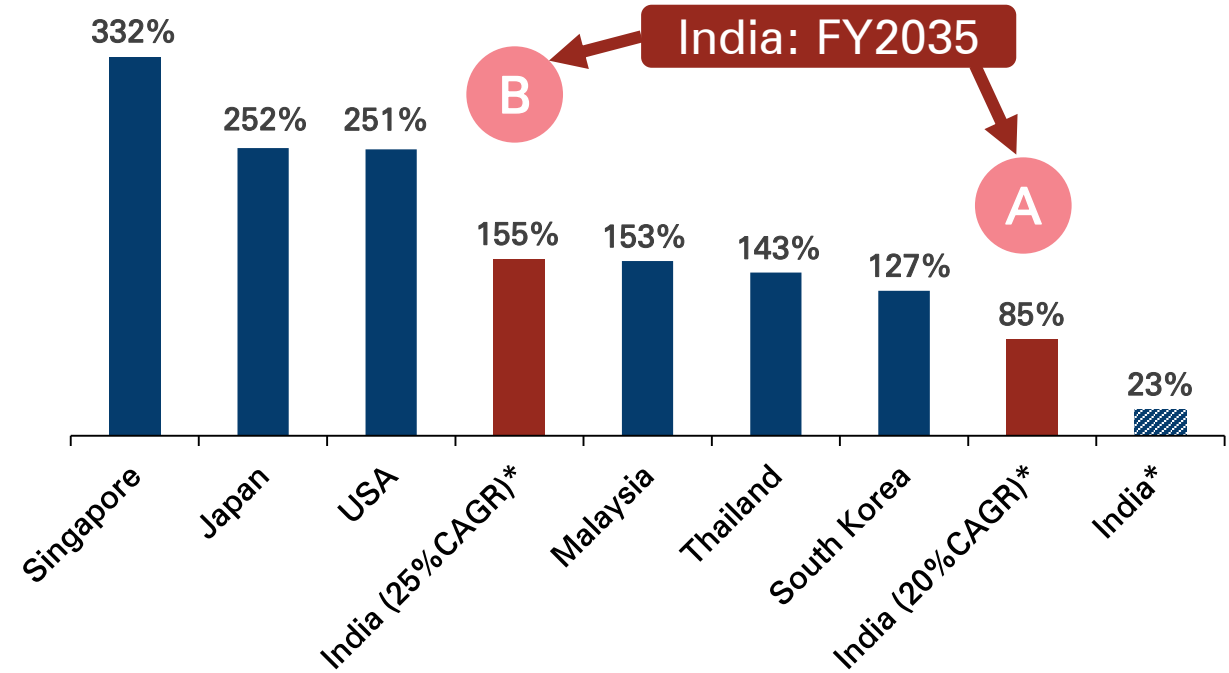
**A** Sum Assured (SA) as a % of GDP:  
Assuming SA growth @ 20% CAGR



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



Sum Assured as a % of GDP<sup>1,2</sup>



\* For retail protection sum assured (company estimates)

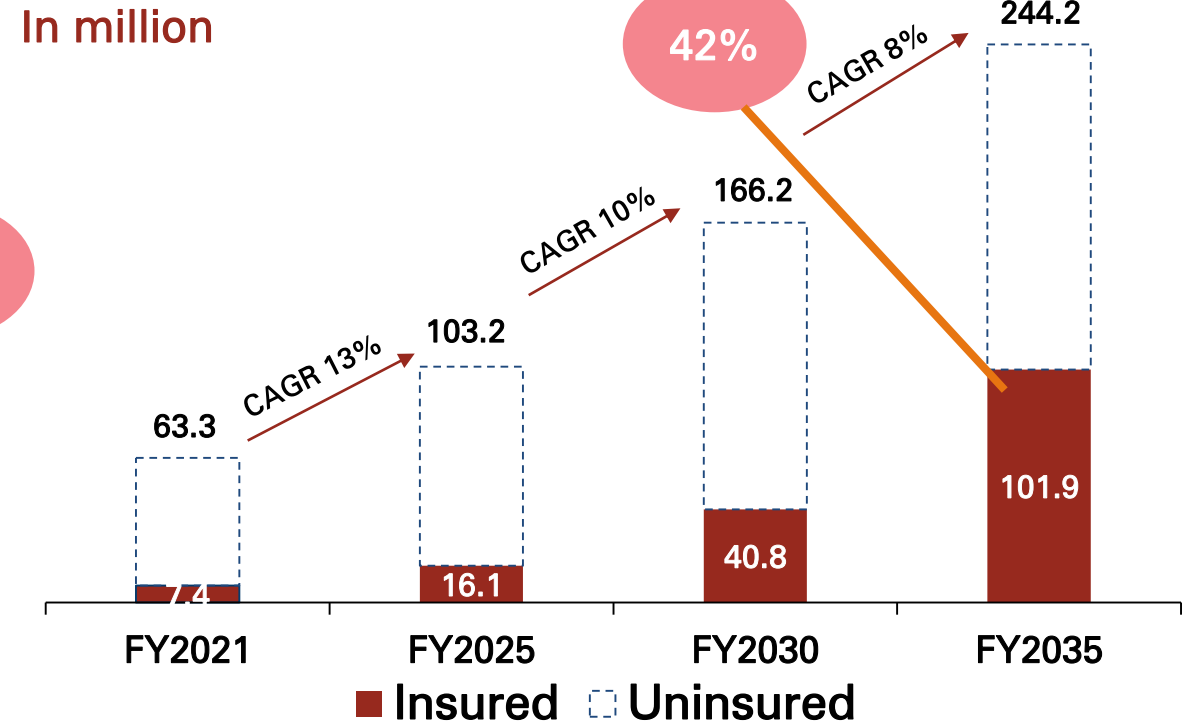
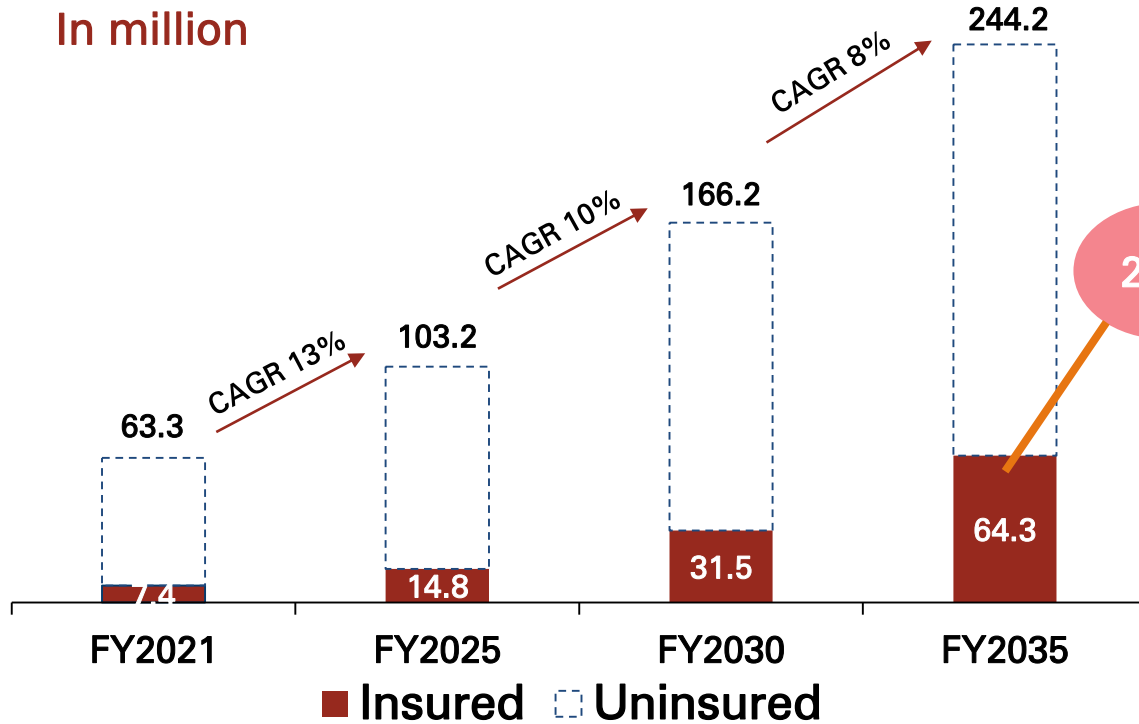


1. As of FY2021 for India (GDP Source: National Statistics Office, protection sum assured source: company estimates)
2. As of FY2020 (for USA & Japan as of FY2018) Source: McKinsey estimates

# 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

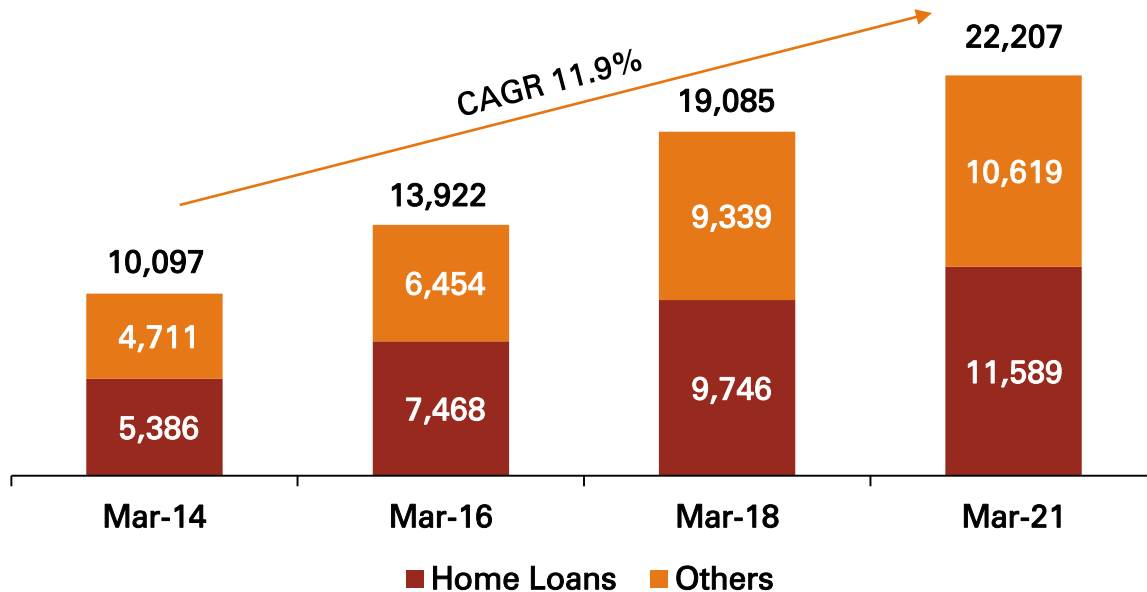


Even at accelerated policy growth rates, at best ~40% of India's addressable population can be expected to be covered in 15 years

# Indicators of protection opportunity

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

₹ billion



- Healthy growth in retail credit
- Credit life is voluntary

## Health & Motor<sup>2</sup>

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

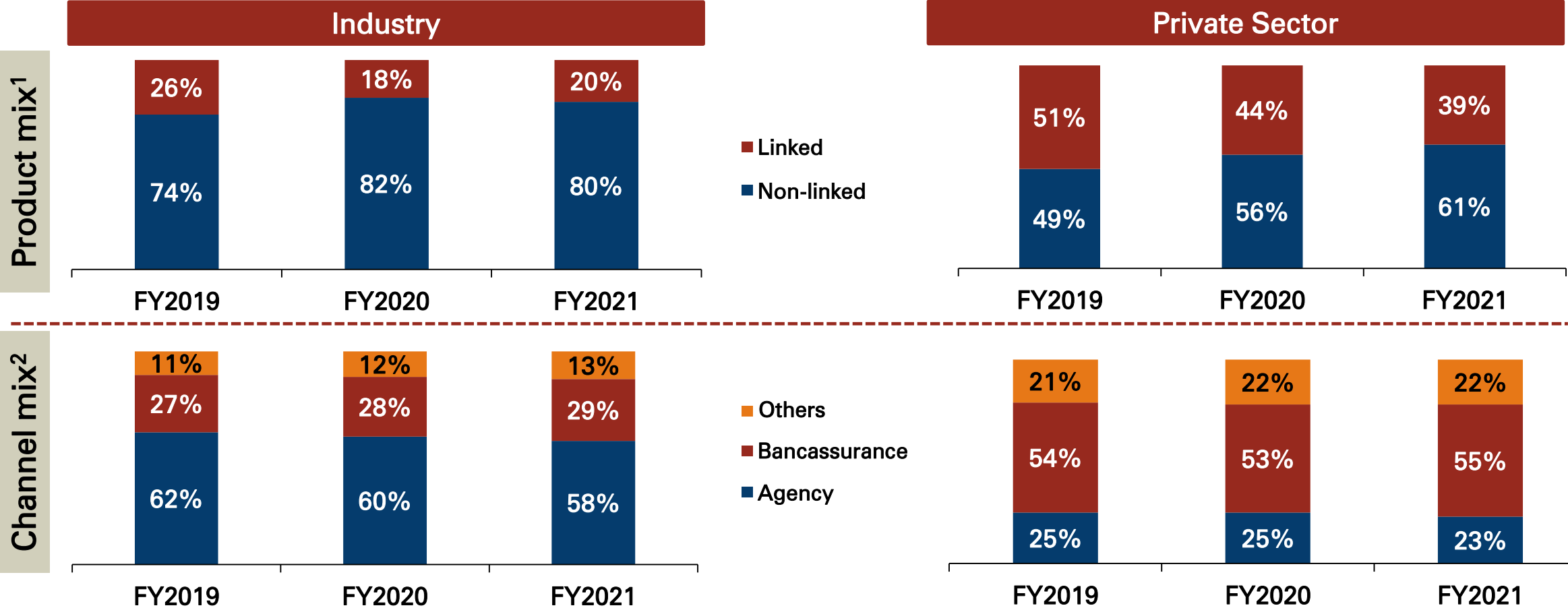
- Company strategy and performance
- Opportunity
- Industry overview



# Evolution of life insurance industry in India

	FY2002		FY2010		FY2015		FY2021
New business premium <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



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 10 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

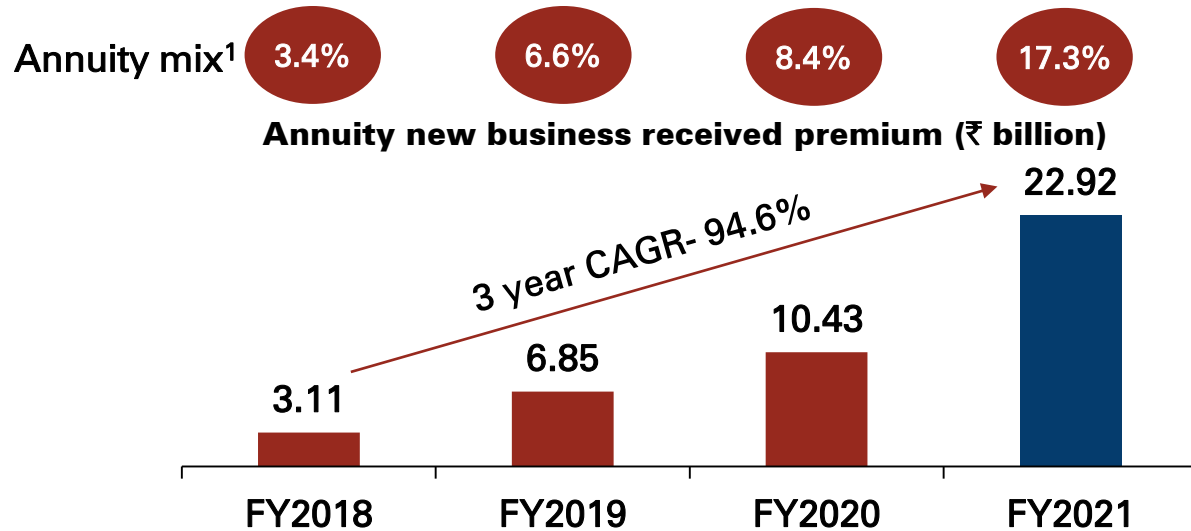
- Annuity (GPP): Average deferment period < 5 years

Review of pricing based on current interest rate environment

# Pension and Annuity

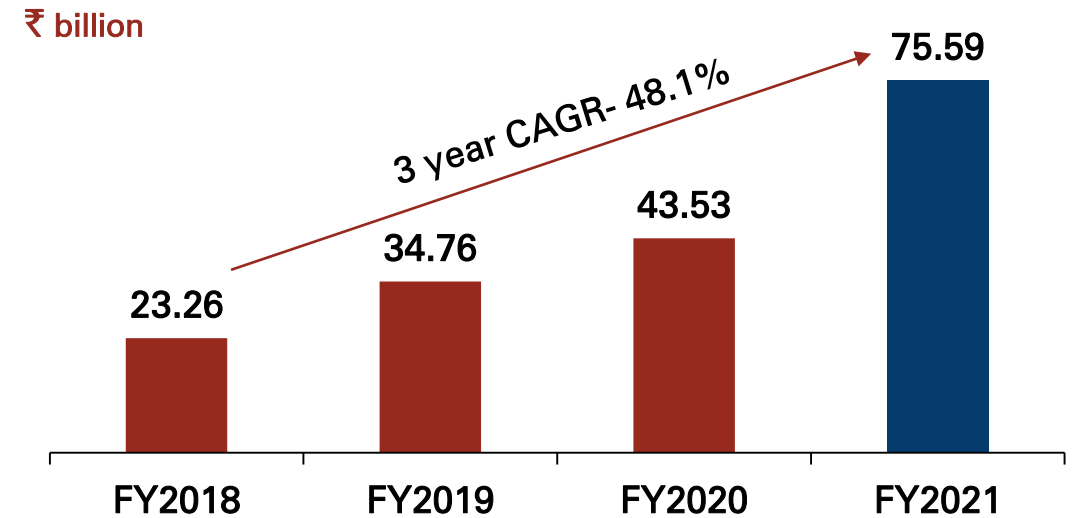
A comprehensive pension provider

## Annuity



- 120% growth in FY2021
- Premium over 7x in three years

## Pension fund management (AUM)



- 74% growth in AUM during FY2021
- AUM over 3x in three years

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

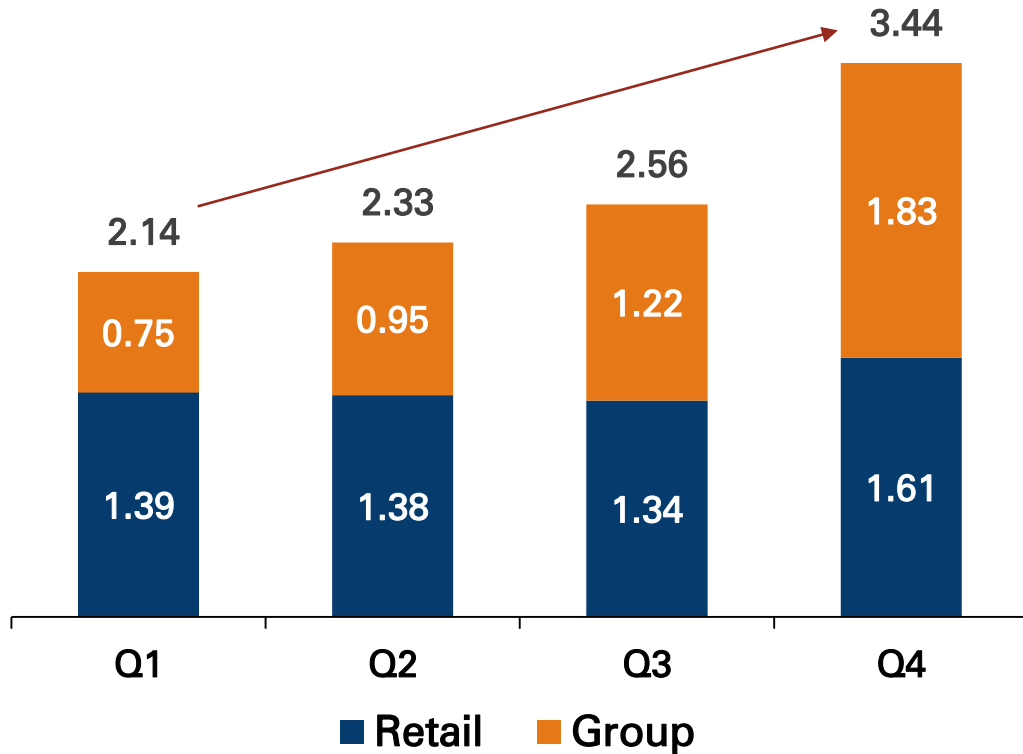


1. % of new business received premium as per financials

# Protection business

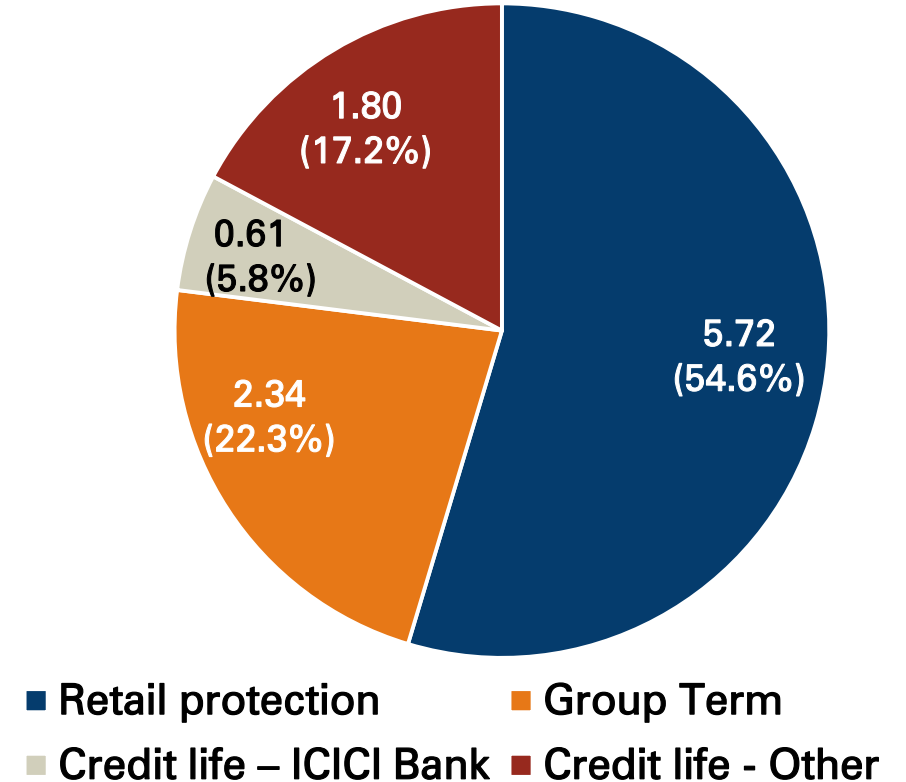
## Retail and Group Protection APE (FY2021)

₹ billion



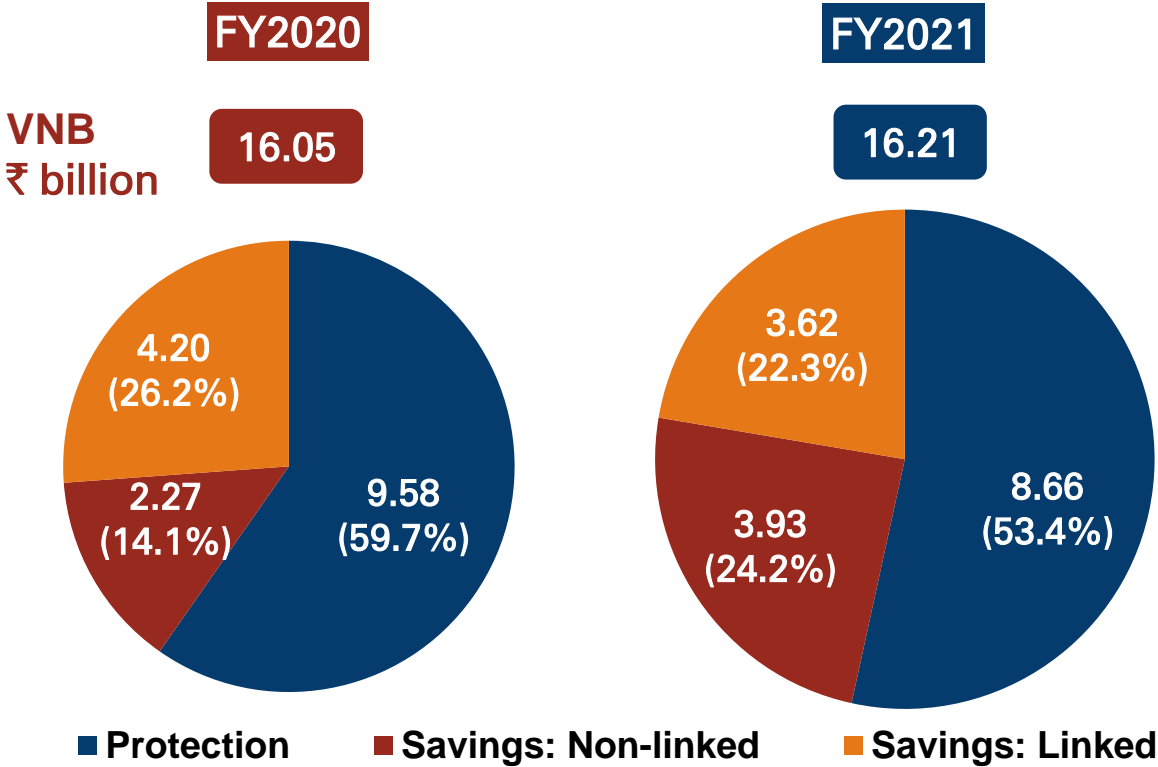
## Protection split based on APE\* (FY2021)

₹ billion

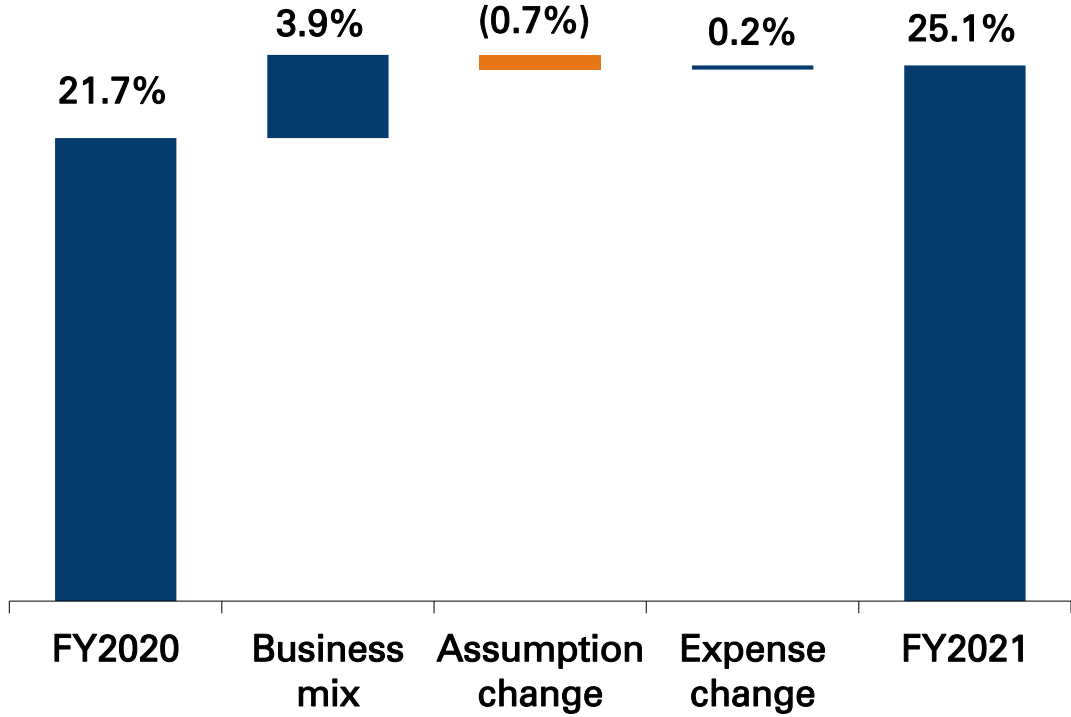


# Value of New Business (VNB)

## VNB contribution\*



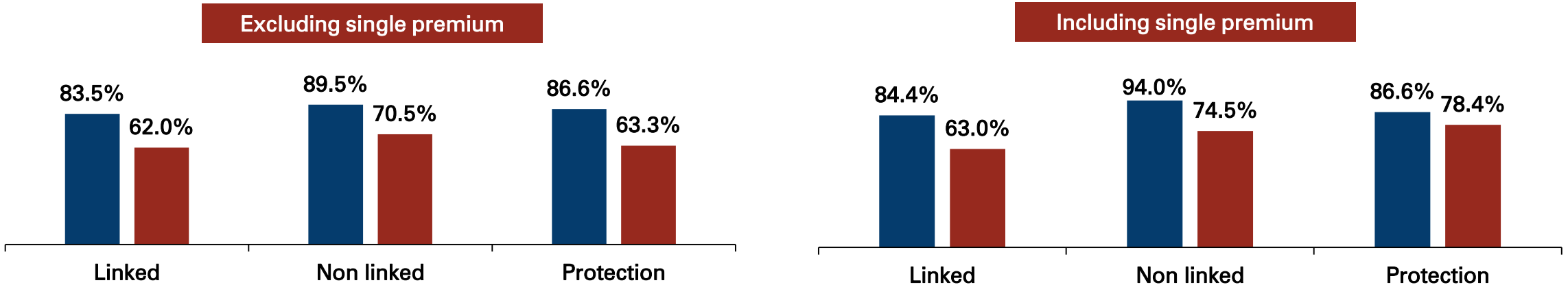
## VNB margin movement



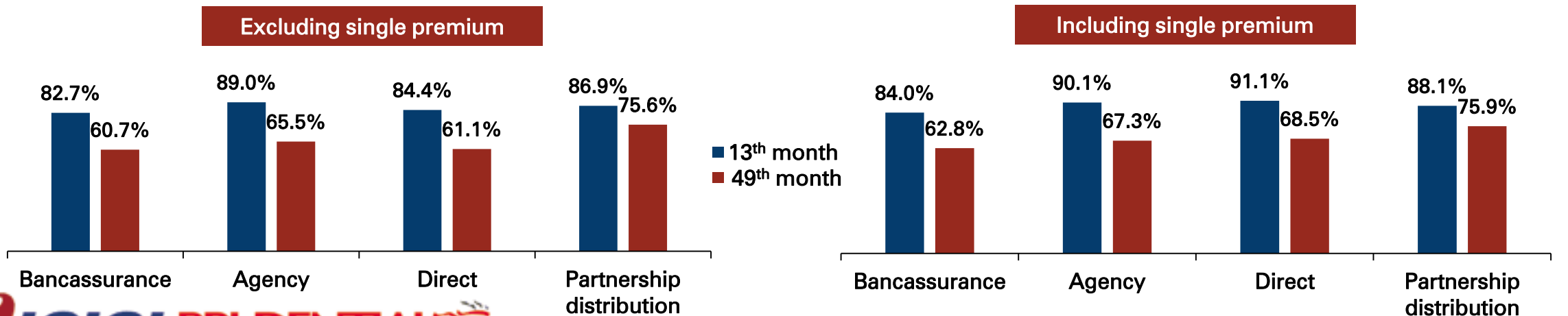
\*Figures in brackets represent share of VNB  
Total may not add up due to rounding off

# Retail persistency

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



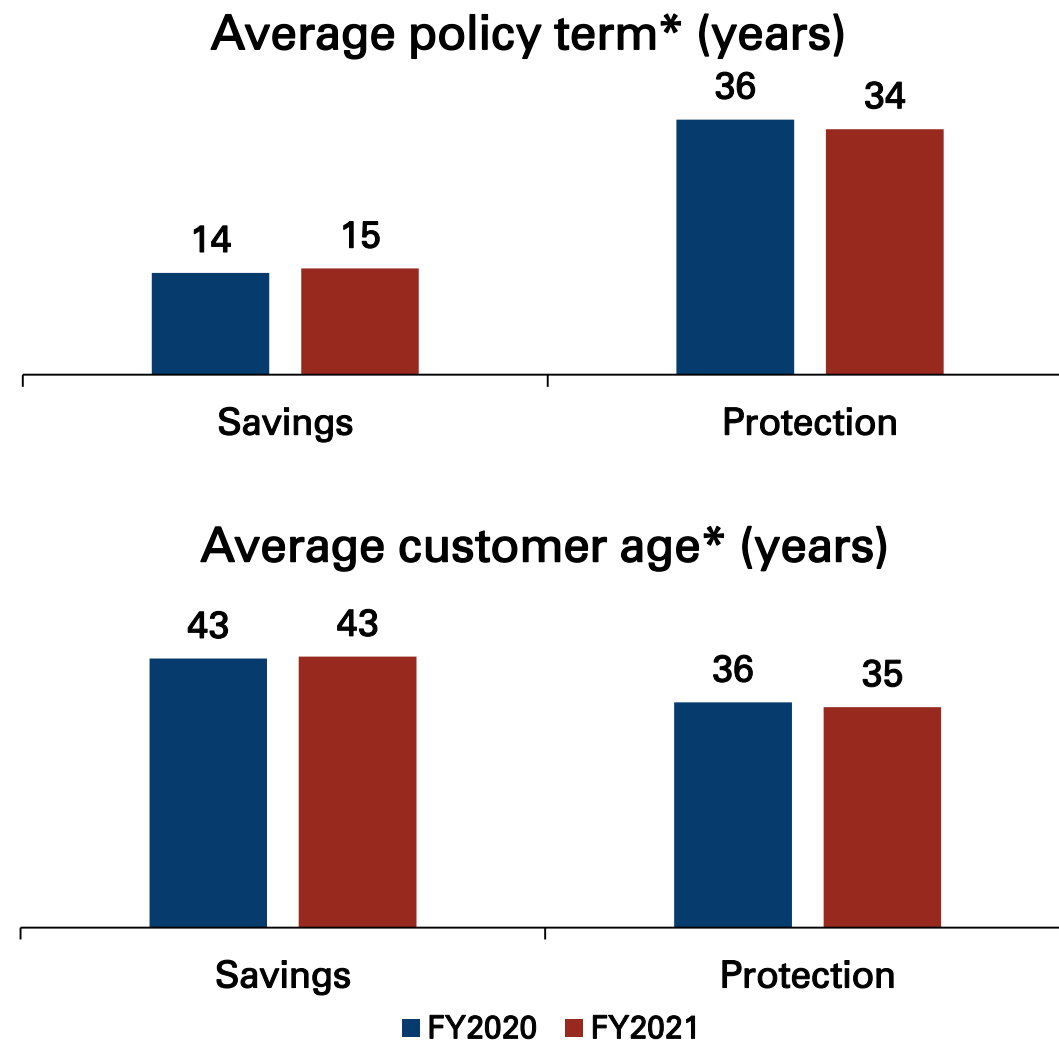
## Persistency<sup>1</sup> across channel categories



1. 11M-FY2021 persistency  
As per IRDAI circular dated January 23,2014; excluding group

# Average APE by product categories

Segment (₹)	FY2020	FY2021
ULIP	183,109	154,702
Non-linked savings	72,000	85,654
Protection	23,115	25,149
<b>Total</b>	<b>88,648</b>	<b>85,701</b>



\* Protection excludes credit life

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

Channel category	Product category	FY2019	FY2020	FY2021
Bancassurance	ULIP	93.4%	86.8%	73.3%
	Non-linked savings	2.3%	3.3%	11.6%
	Annuity	0.5%	0.7%	4.3%
	Protection	3.9%	9.3%	10.9%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Agency	ULIP	75.3%	49.9%	33.3%
	Non-linked savings	18.4%	39.2%	57.0%
	Annuity	0.1%	0.6%	2.1%
	Protection	6.2%	10.3%	7.7%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct	ULIP	79.3%	66.7%	61.4%
	Non-linked savings	6.7%	14.4%	21.2%
	Annuity	4.9%	7.2%	7.8%
	Protection	9.0%	11.6%	9.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Partnership distribution	ULIP	28.3%	21.8%	13.1%
	Non-linked savings	49.9%	49.6%	70.5%
	Annuity	0.0%	0.5%	2.9%
	Protection	21.9%	27.8%	13.5%
	<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	FY2019	FY2020	FY2021
ULIP	Bancassurance	65.5%	68.2%	64.9%
	Agency	20.5%	16.3%	16.6%
	Direct	12.0%	13.0%	16.1%
	Partnership distribution	2.1%	2.5%	2.5%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Non-linked savings	Bancassurance	14.2%	10.8%	17.8%
	Agency	44.5%	53.6%	49.3%
	Direct	9.0%	11.7%	9.7%
	Partnership distribution	32.3%	23.8%	23.3%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Annuity	Bancassurance	29.0%	29.4%	51.1%
	Agency	2.9%	11.8%	14.0%
	Direct	66.7%	55.3%	27.5%
	Partnership distribution	0.0%	3.5%	7.4%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Protection	Bancassurance	36.9%	45.2%	51.9%
	Agency	22.8%	20.9%	20.6%
	Direct	18.7%	14.0%	13.6%
	Partnership distribution	21.7%	19.8%	13.8%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Embedded value growth

₹ billion	FY2019	FY2020	FY2021
Value of In force (VIF)	142.69	151.87	195.84
Adjusted Net worth	73.54	78.43	95.22
<b>Embedded value<sup>1</sup></b>	<b>216.23</b>	<b>230.30</b>	<b>291.06</b>
Return on Embedded Value (ROEV)	20.2%	15.2%	15.2%
EV growth-pre dividend	19.6%	8.4%	26.4%
EV growth-post dividend	15.1%	6.5%	26.4%
VNB as % of opening EV	7.1%	7.4%	7.0%
Operating assumption changes and variance as % of opening EV	4.7%	(0.2%)	1.0%

# Economic assumptions underlying EV

Tenor (years)	References Rates	
	Mar 31, 2021	Dec 31, 2021
1	3.91%	4.05%
5	7.38%	7.42%
10	7.93%	8.27%
15	7.48%	8.04%
20	7.02%	7.63%
25	6.72%	7.29%
30	6.55%	7.06%

# Glossary

- **Annualized Premium Equivalent (APE)** – Annualized Premium Equivalent (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**