



# Leadership in Life Insurance

May 2012

# Agenda

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Industry overview and outlook

Performance update

Strategic elements

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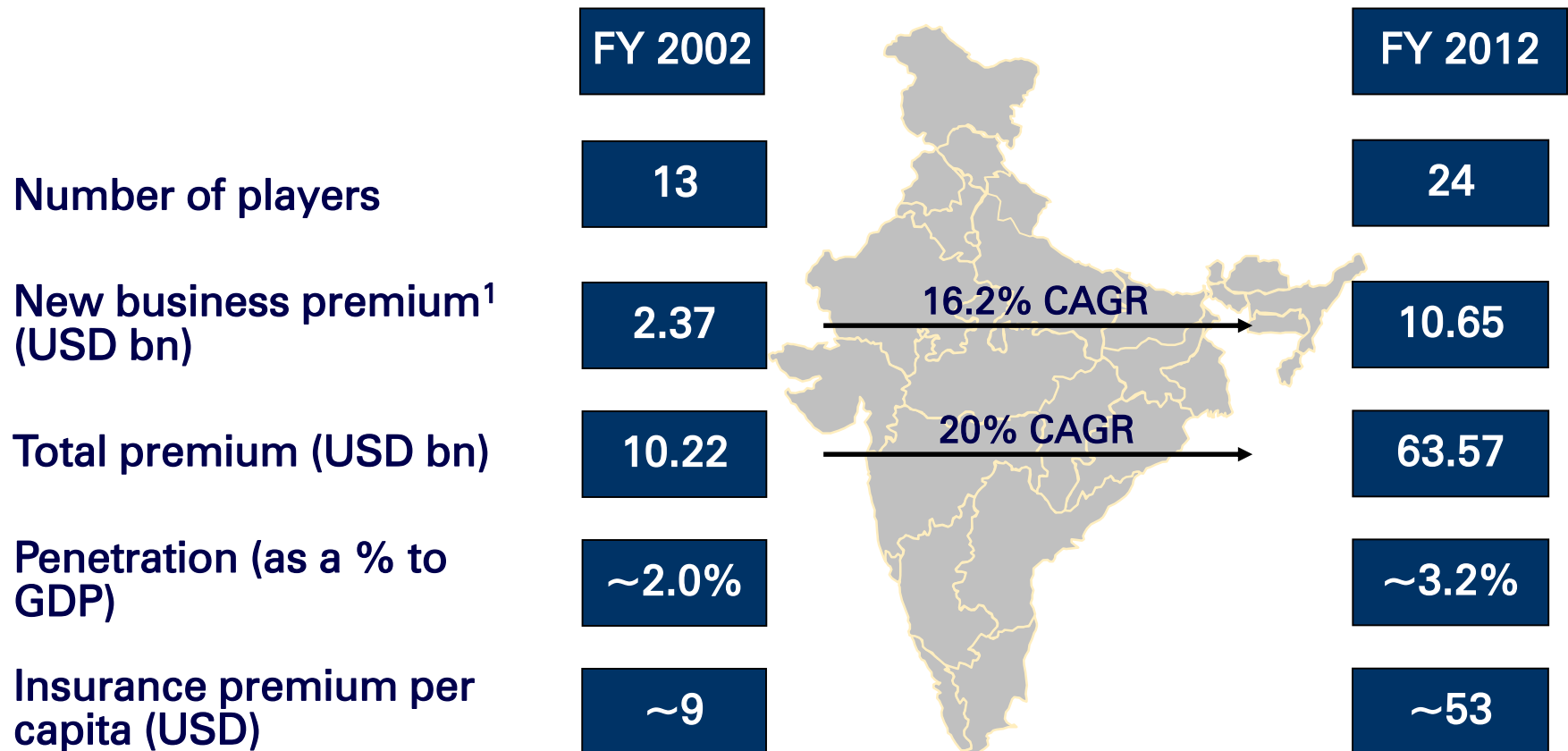
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# Evolution of industry since liberalization



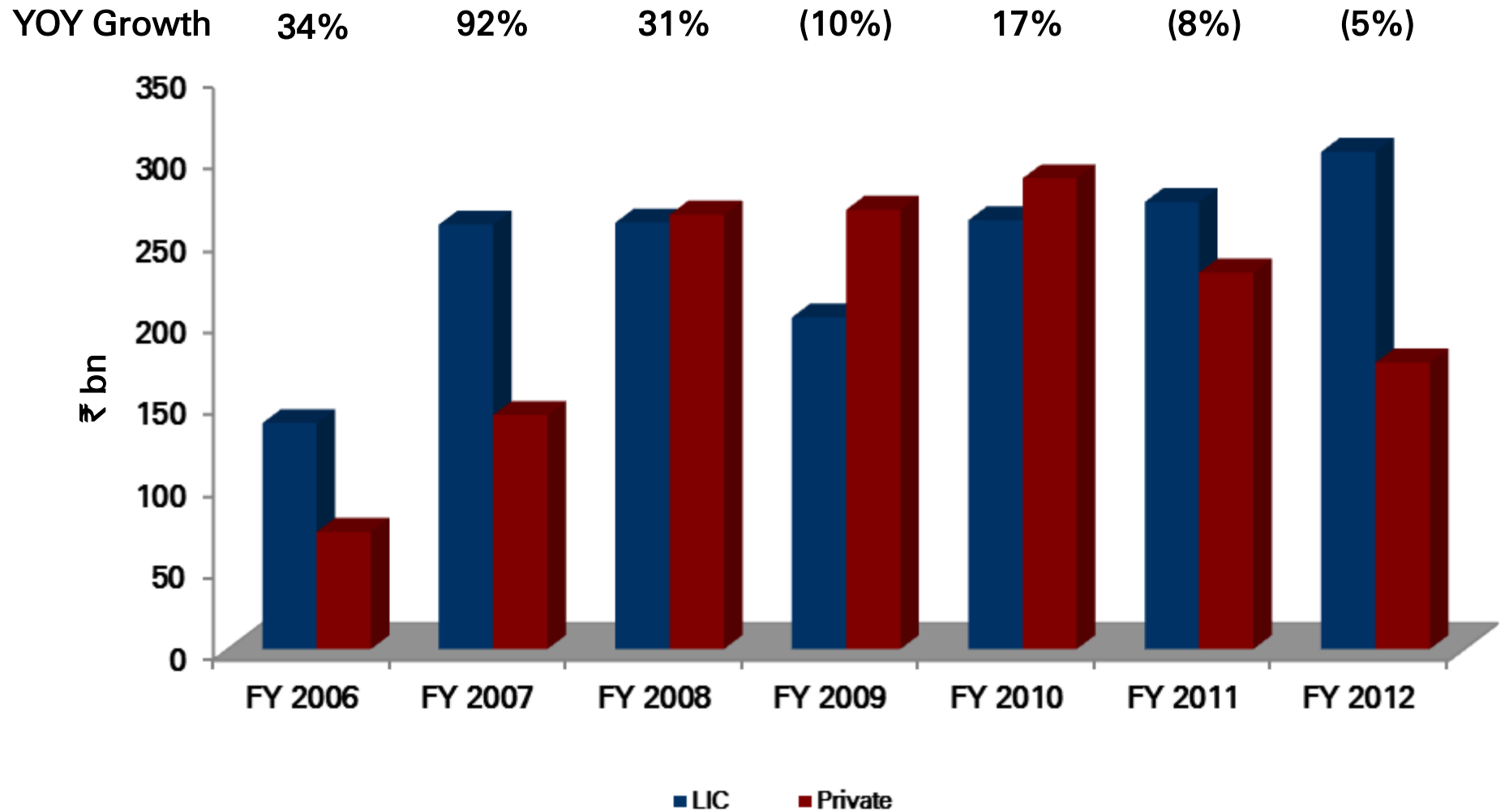
<sup>1</sup> Retail weighted premium

Source: IRDA, Swiss Re, market estimates

Exchange rate FY 2002 \$1 = ₹ 49

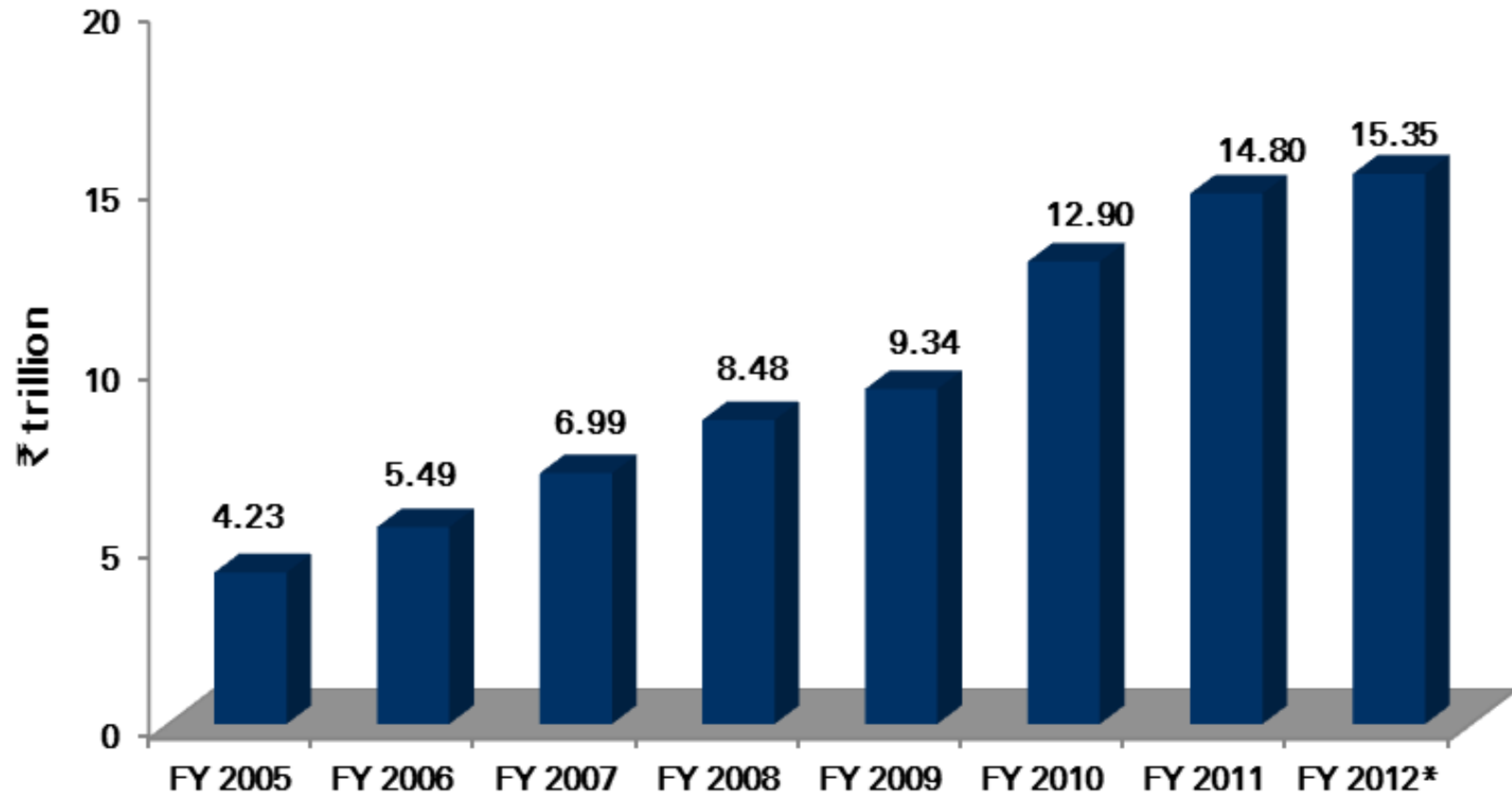
FY 2011 S1 = ₹ 45

# Industry: New business premium



Source: IRDA, weighted new business premiums for individual business

# Industry: AUM



Source: Life Insurance Council

\* Estimated

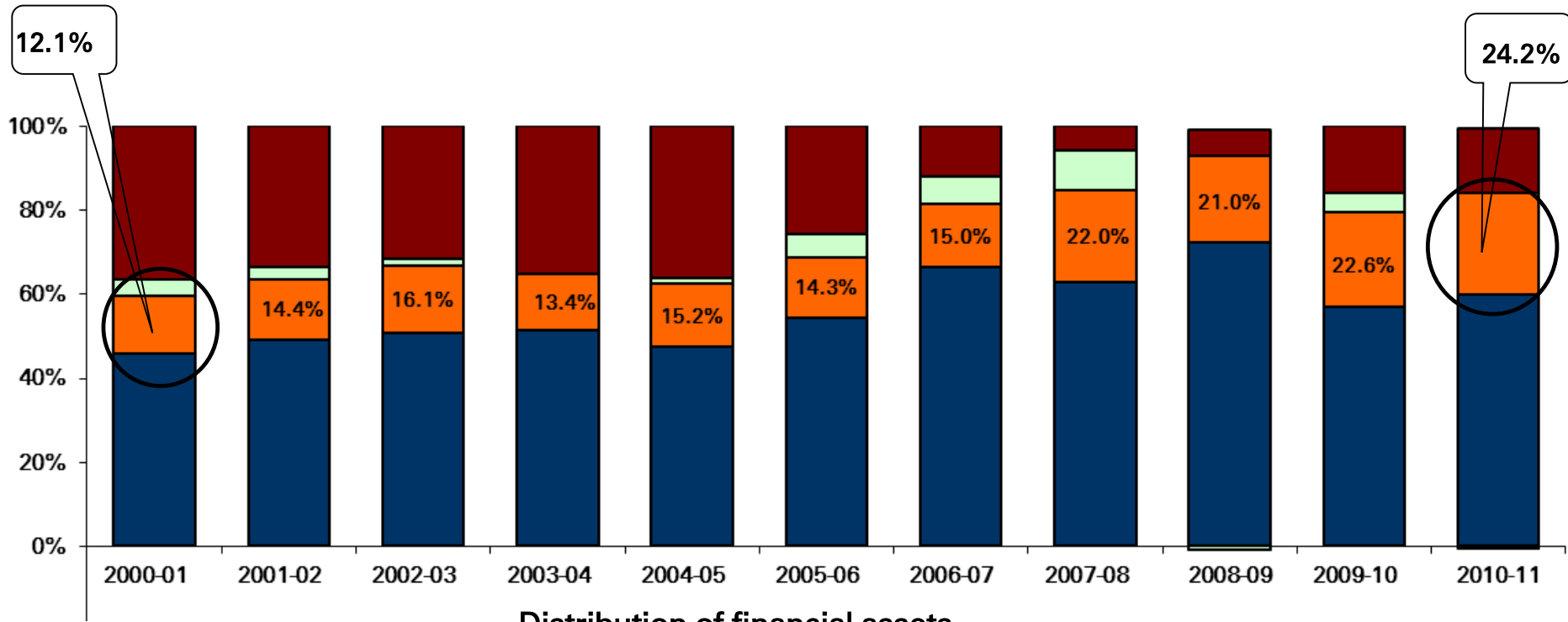
# Growth opportunity

	FY 2000 (USD bn)		FY 2011 (USD bn)		FY 2020E (USD bn)
Nominal GDP	424	13.3% CAGR	1,668	12.0% CAGR	4,626
Household savings	89	14.1% CAGR	380	12.0% CAGR	1,055
Financial savings	45	12.7% CAGR	167	12.0% CAGR	463
Insurance <sup>1</sup>	5	20.9% CAGR	40	12.0% CAGR	112

Significant opportunity at current savings rate

<sup>1</sup> Exchange Rate: \$1 = ₹ 46

# Increasing life insurance fund



Distribution of financial assets

■ Currency & Deposits

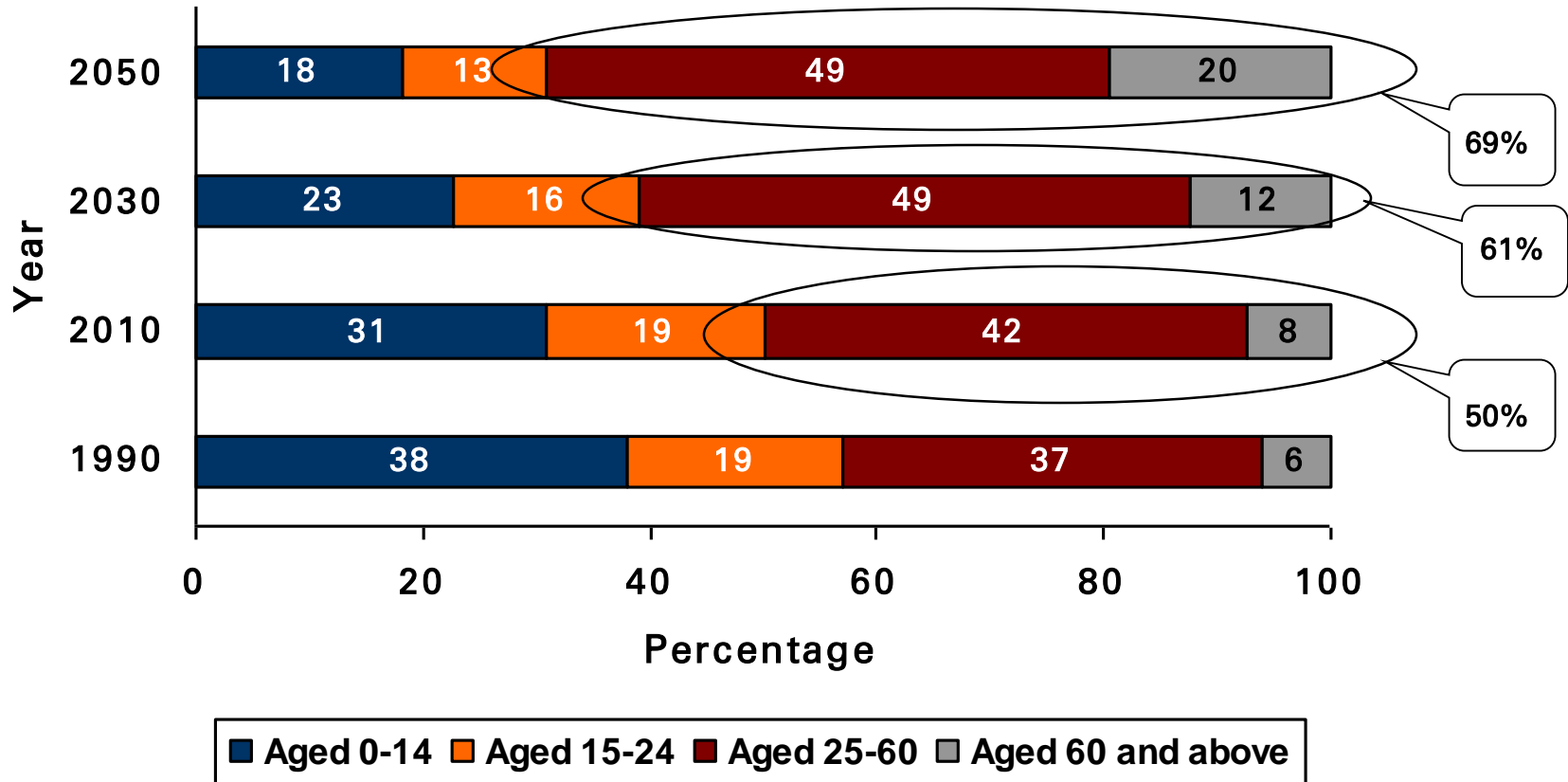
■ Life Insurance Fund

■ Shares/ Debentures / MFS

■ Provident/ Pension Fund / Claims on Govt



# Favourable demographics



Target population expected to increase by over 500 mn by 2050

Source: UN Population division

# Emerging regulatory landscape

## Regulatory priorities

- Value for customer
- Higher insurance cover
- Transparency
- Grievance and claim focus
- Improve penetration

## Implications for industry

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

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**Industry overview and outlook**

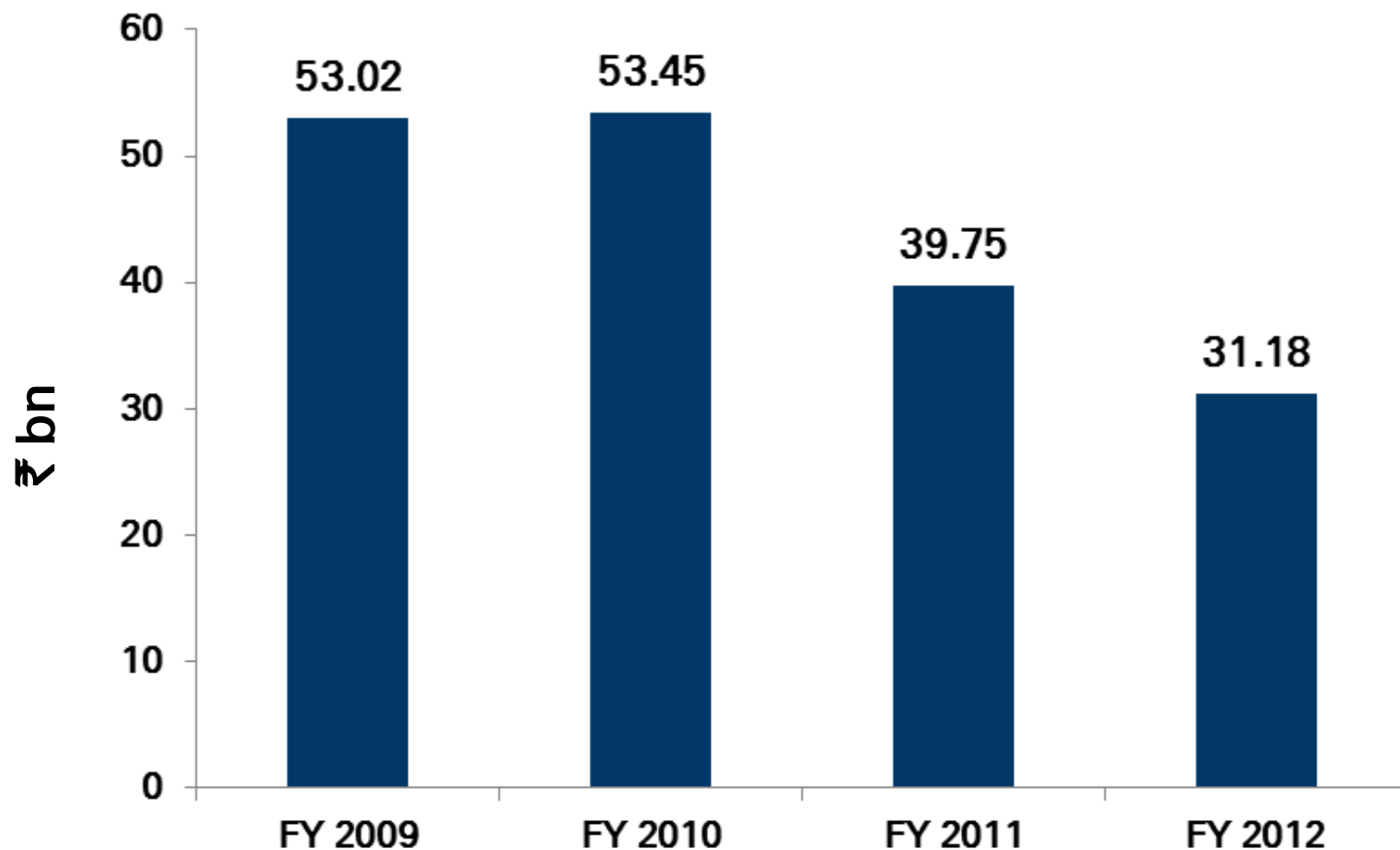
**Performance update**

**Strategic elements**

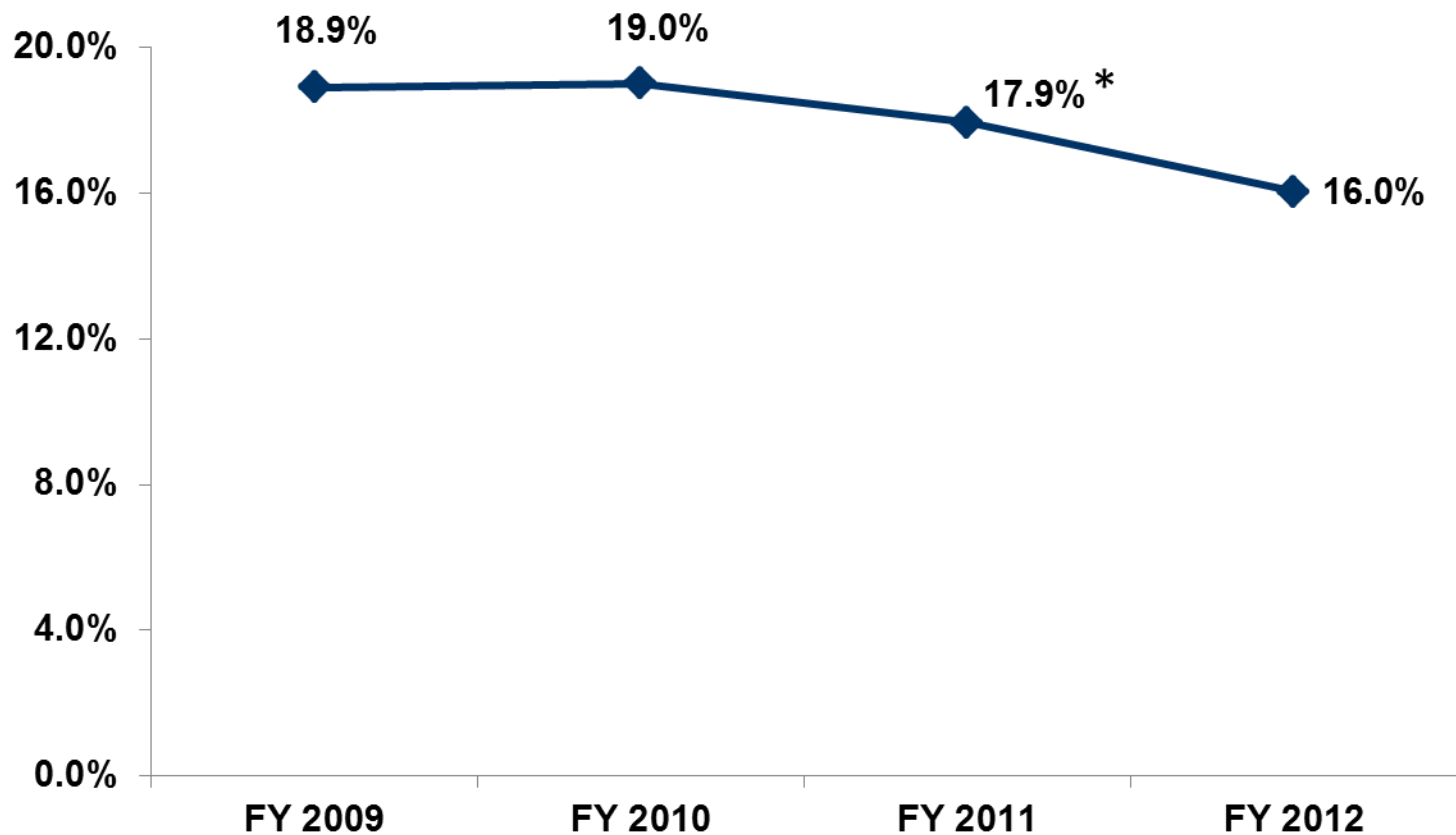
# Performance snapshot

₹ bn	FY 2011	FY 2012
New business premium	74.39	44.41
Total premium	178.81	140.22
APE	39.75	31.18
New Business Profit (NBP)	7.13	5.00
NBP margin	17.9%	16.0%
Asset under management	681.50	707.71
Profit/(Loss) after tax	8.08	13.84
Total Expenses	25.51	23.89

# Annualized Premium Equivalent (APE)

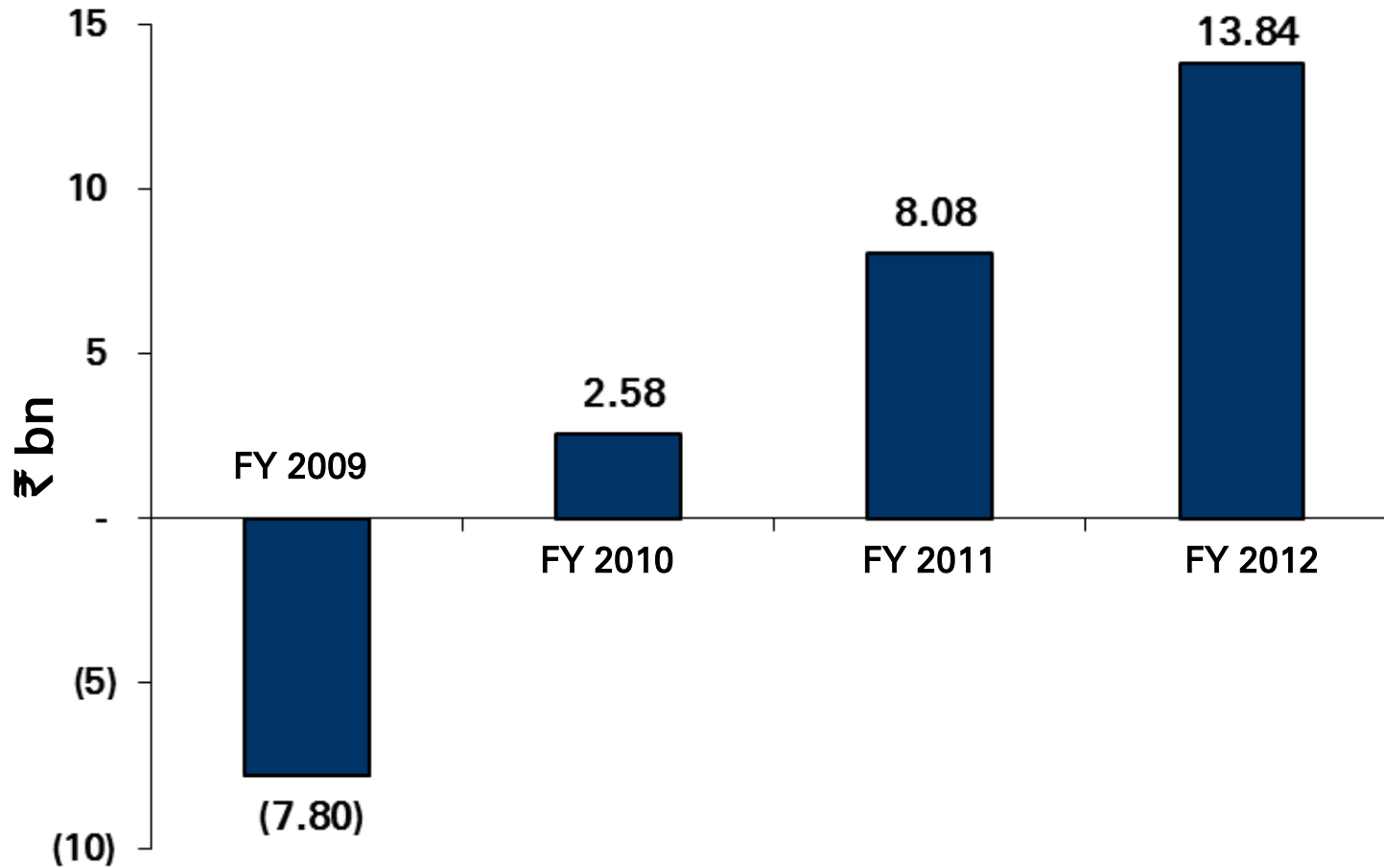


# New Business Profit (NBP) Margin (%)



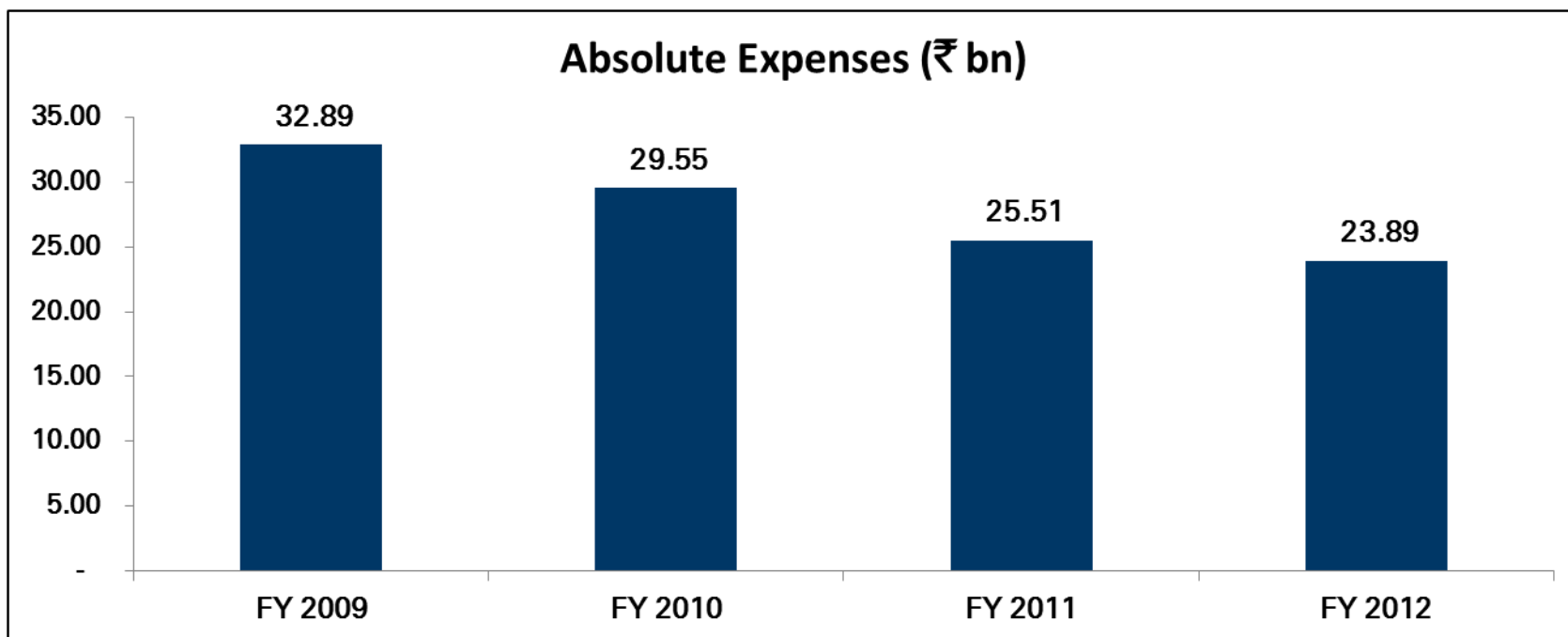
\* Margin for H1 2011 was 19.0% and for H2 2011 was 16.2%

# Profit after tax



# Expense summary

Ratios	FY 2009	FY 2010	FY 2011	FY 2012
Total Expense Ratio	22.0%	18.1%	16.0%	17.9%
Expense Ratio	17.3%	14.4%	12.5%	13.3%
Commission ratio	4.7%	3.7%	3.5%	4.6%



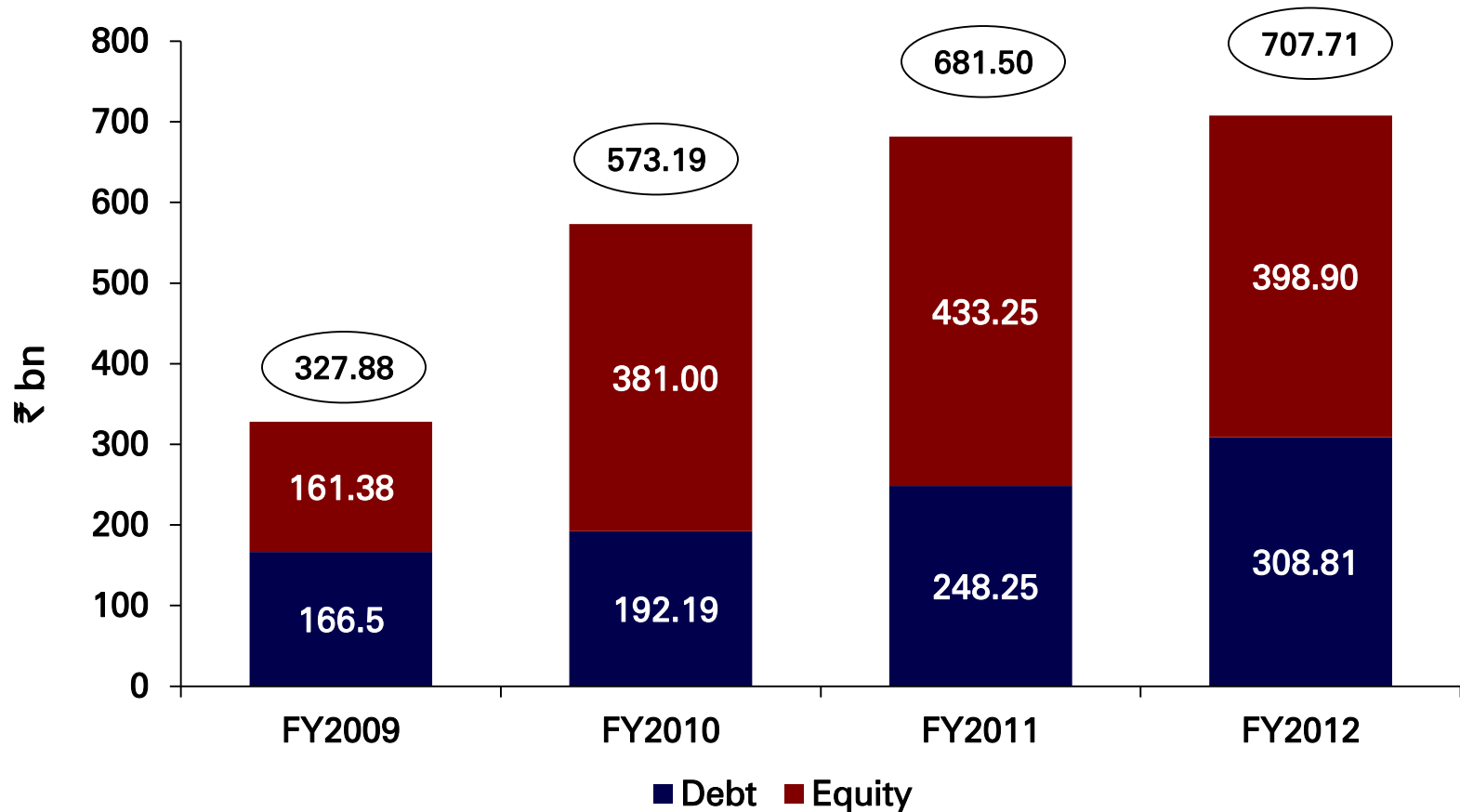
Expense ratio: All expenses (excl. commission) / (Total premium – 90% of single premium)

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

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

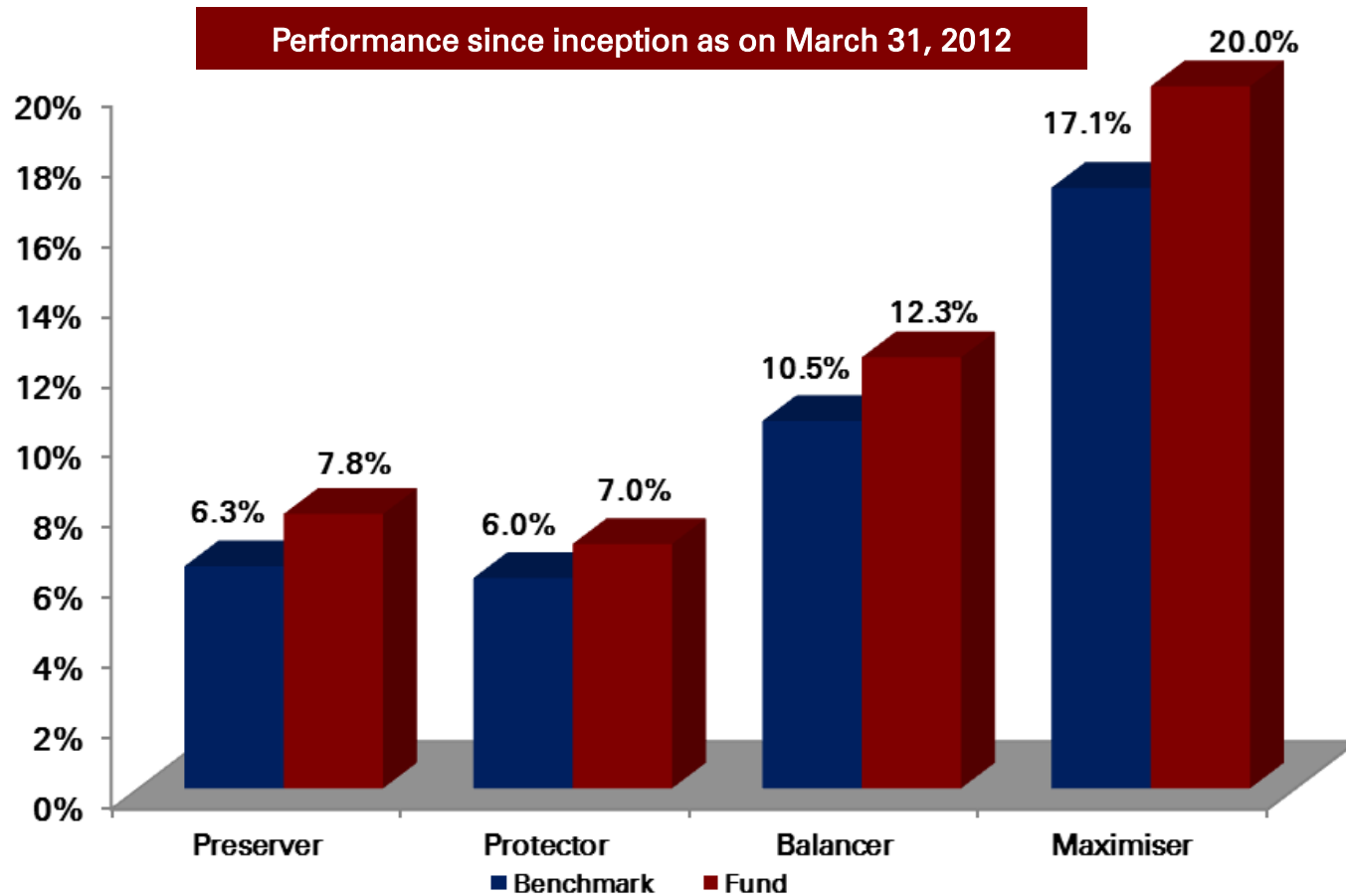


# Robust growth in assets held



Among the largest domestic fund managers

# Superior fund performance




















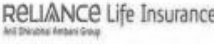







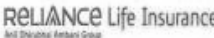
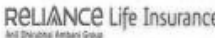



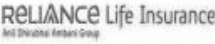











**91% of funds have out performed benchmarks over 5 year horizon**

Inception Dates:

Preserver Fund: June 28, 2004 Protector Fund: April 2, 2002  
Balancer Fund : April 2, 2002 Maximiser Fund: November 15, 2001



# Consistent leadership

	FY 2005	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1							
2							
3							
4							
5							
6							

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**Quality of business**

**Customer Experience**

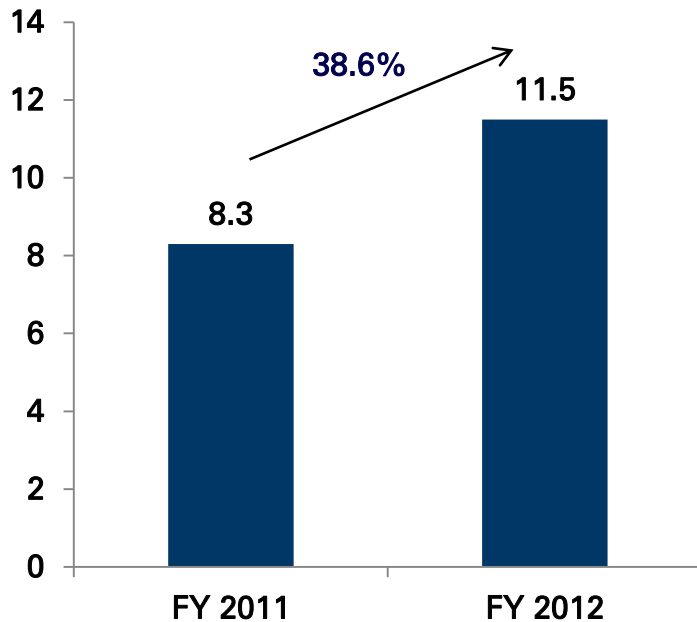
**Profitable growth**

**Financial strength**

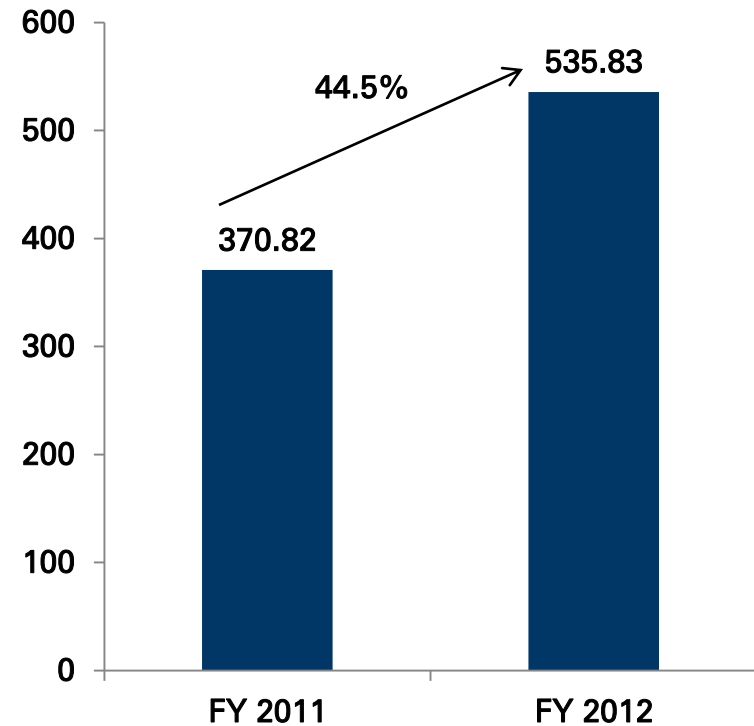
# Higher term and protection

₹ bn	FY 2011	FY 2012	Change
Retail APE	36.73	29.26	(20.3%)
Sum assured / ret APE	10.10	18.10	81.4%

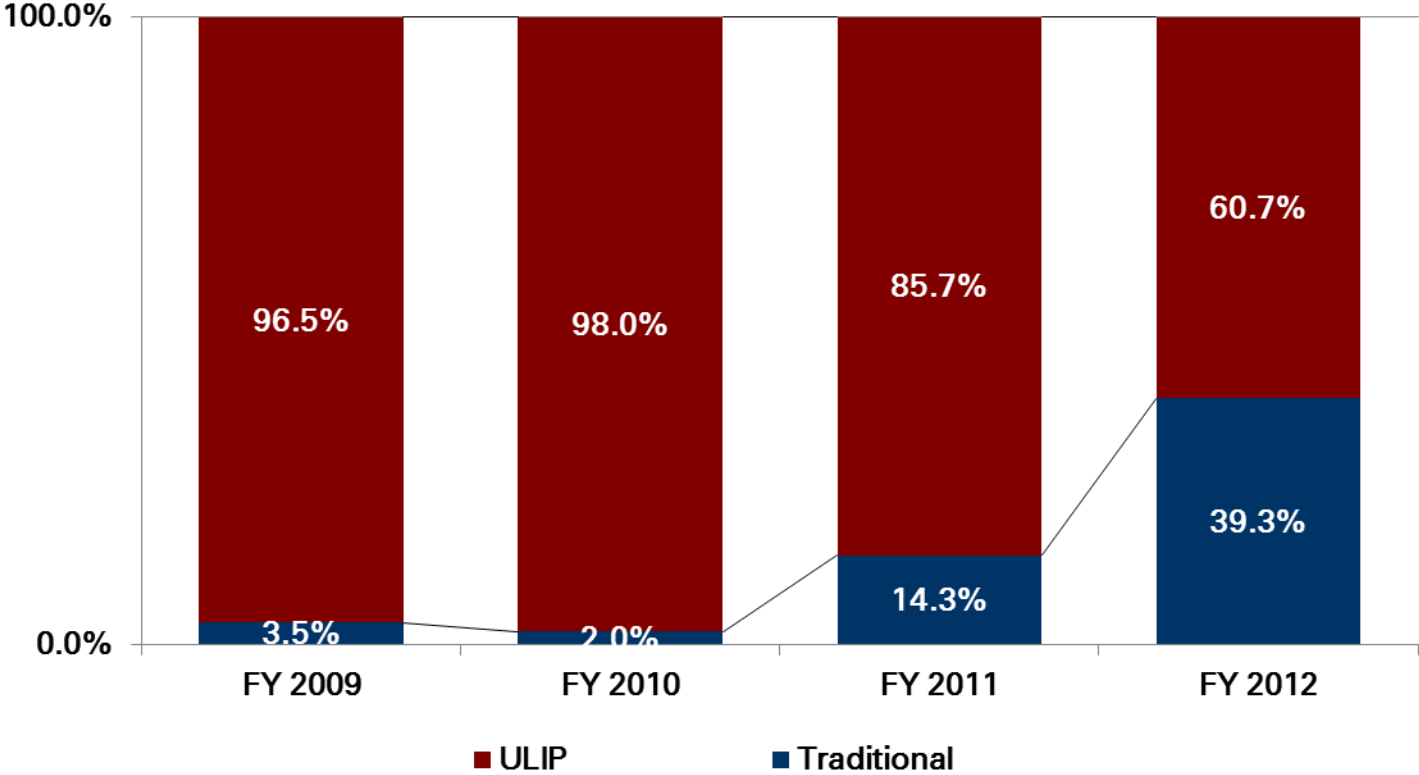
Average term of policies (years)



Sum Assured (₹ bn)



# Balanced product mix<sup>1</sup>



1. Based on APE

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**Customer Experience**

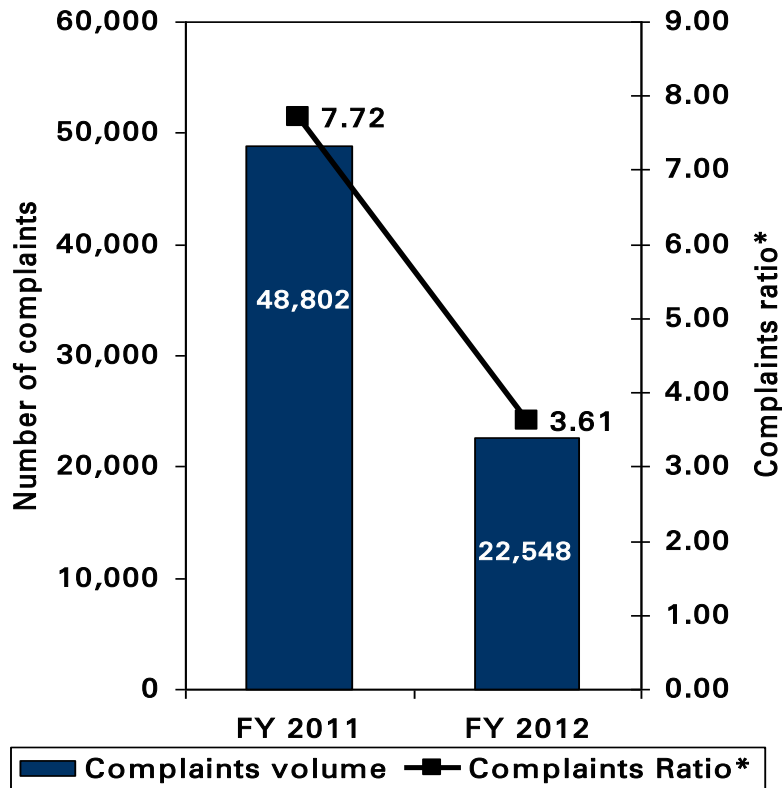
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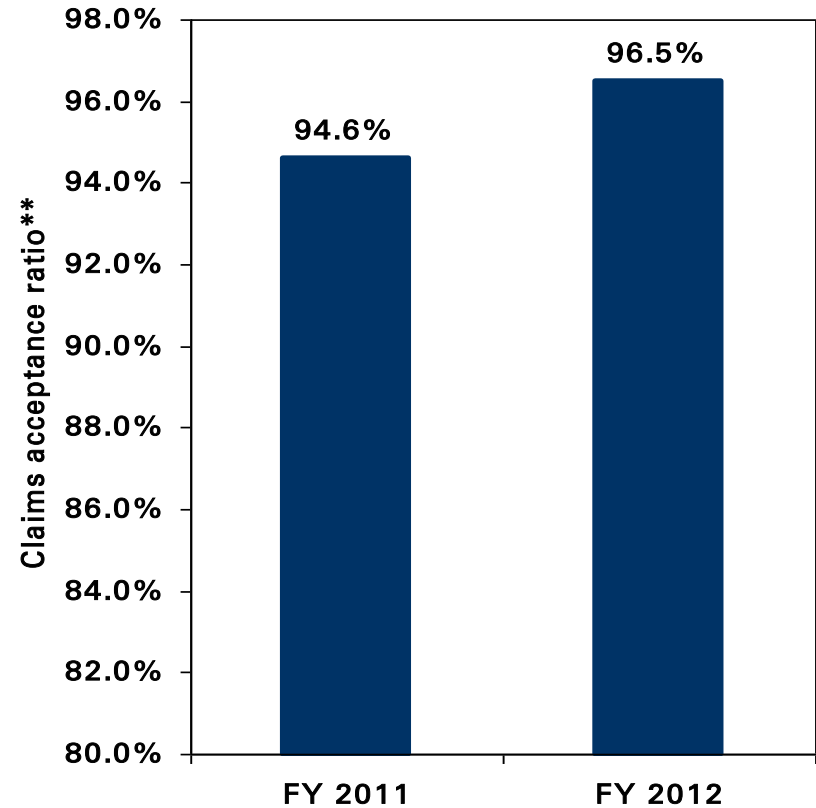
# Improvement in customer service parameters

## Grievances



\* Complaints per 1000 In-force policies

## Claims acceptance ratio

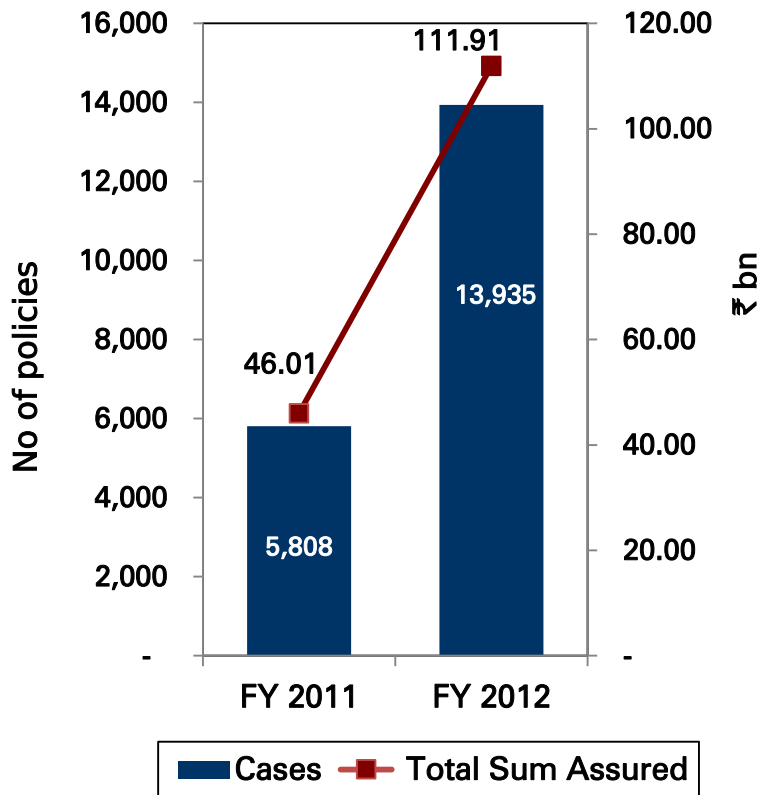


\*\* Ratio of claims accepted to claims submitted

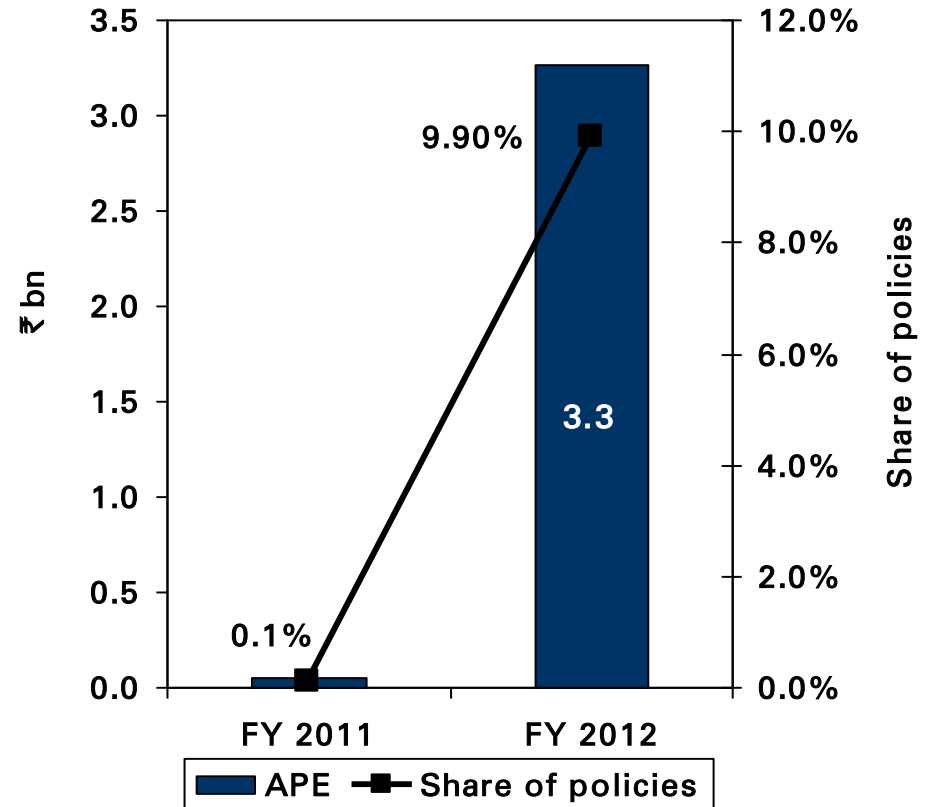
Enhance customer experience by continued focus on process & technology

# Technology initiatives: new business

## Buy Online

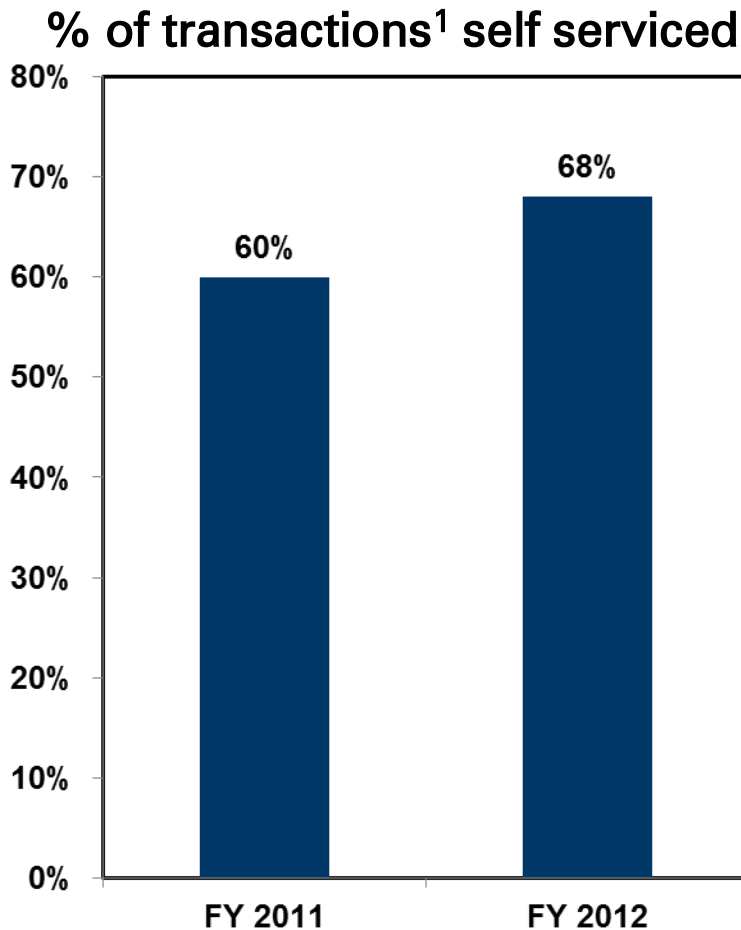


## Sell Online

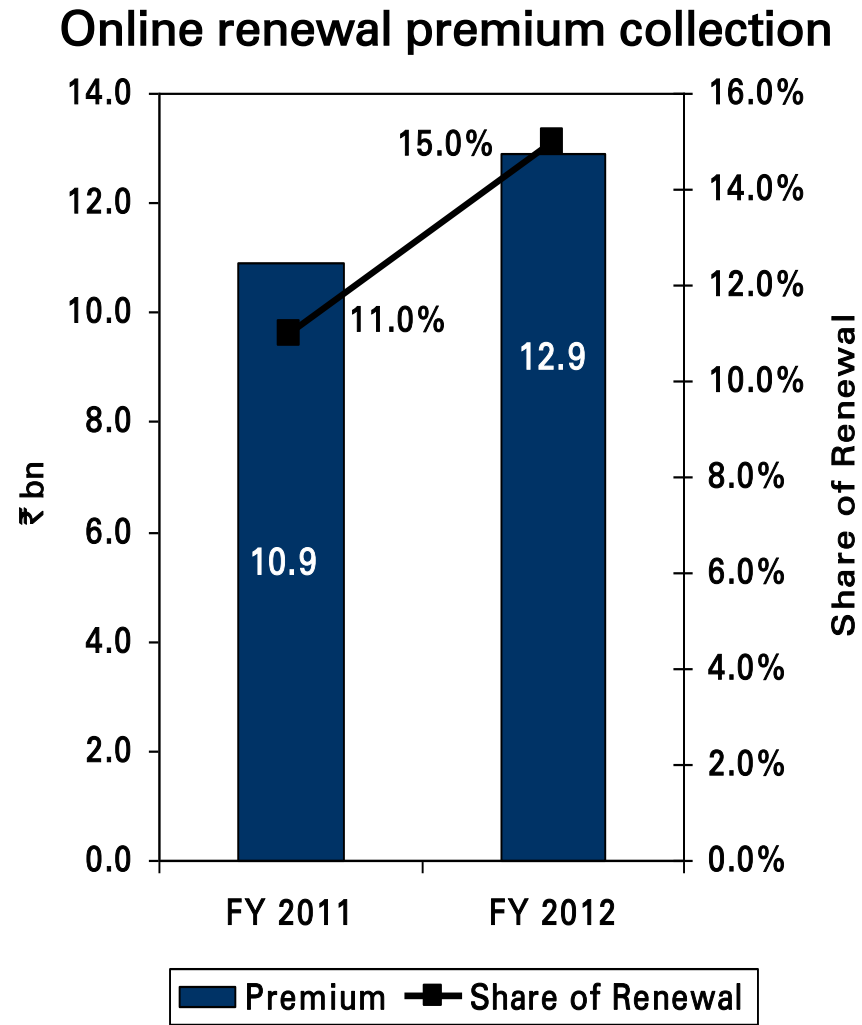


Leveraging technology to provide efficient and convenient platform

# Technology initiatives: customer service



1. Transactions include queries, requests, escalated requests and grievances



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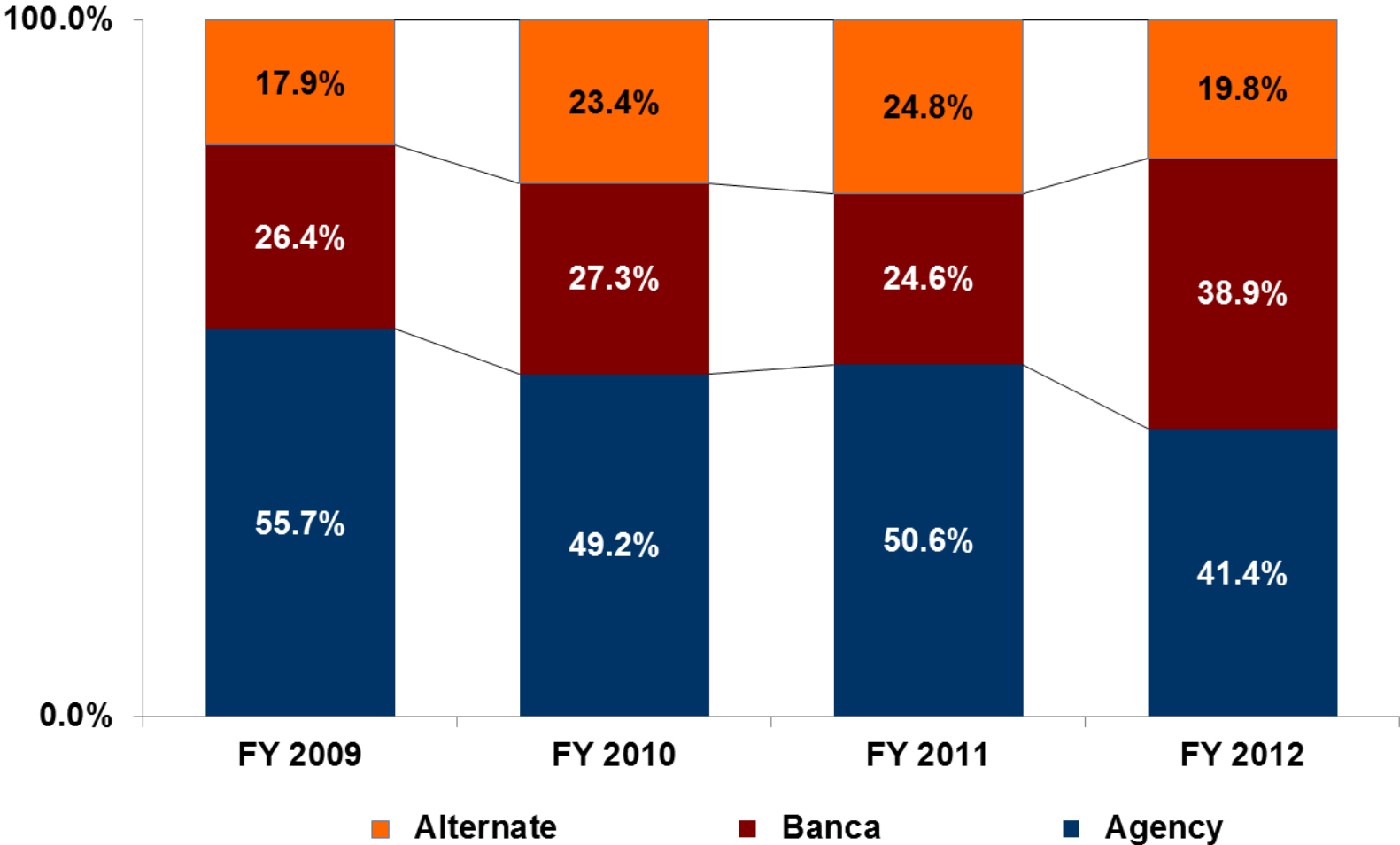
**Quality of new business**

**Customer Experience**

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# Balanced distribution mix<sup>1</sup>



<sup>1</sup> Mix shown on APE basis



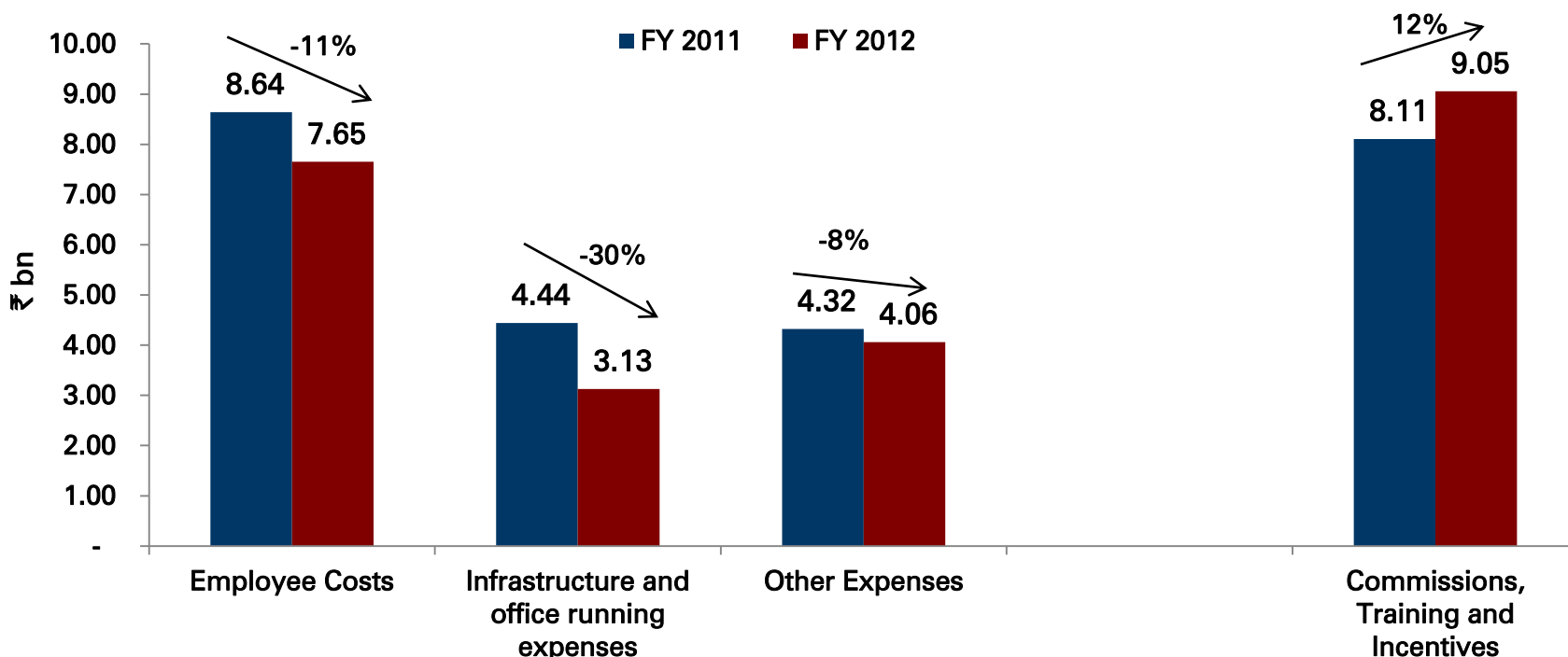
# Deeper geographical focus

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- Top 25 cities contribute to 60% of our business
- No location excluding Mumbai and Delhi contribute to more than 5% of our overall business

# Efficiency of operations

₹ bn expenses	Fixed	Variable	Total
FY 2011	17.40	8.11	25.51
FY 2012	14.84	9.05	23.89



**Reduction in total expenses by 6.4% in the year**

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**Strategy going forward**

**Quality of new business**

**Customer Experience**

**Profitable growth**

**Financial strength**



# Financial strength

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- Solvency ratio of 371%
  - Available solvency margin: ₹ 35.74 bn
  - Required solvency margin: ₹ 9.63 bn
- Well capitalized base : ₹ 47.93 bn
- First private insurer to start paying dividends
- No capital infused since FY 2009
- Robust PAT growth:
  - ₹ 8.08 bn in FY 2011 to ₹ 13.84 bn in FY 2012
- AUM of ₹ 707.71 bn as at March 31, 2012

# Recognition for ICICI Prudential

**Best leading private player – Life**

*CNBC TV 18 Awards 2011*



**Insurance company of the year award**

*India Insurance Awards 2011*

**Life Insurance company of the year award**

*India Insurance Awards 2011*

**Award for Excellence in Cost Management**

*ICWAI Awards 2010*

**1<sup>st</sup> Runner up - Best Financial Website**

*IAMAI India Digital Awards 2011*

**ICICI Pru iCare voted 'Product of the Year'**

*Nielsen's survey in Life Insurance Category 2012*



# Safe harbor

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Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital , solvency or accounting standards , tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company, with the United States Securities and Exchange Commission. ICICI Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Thank you