



Leadership in life insurance

October 2013

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Industry overview and outlook

Performance update

Our strategy

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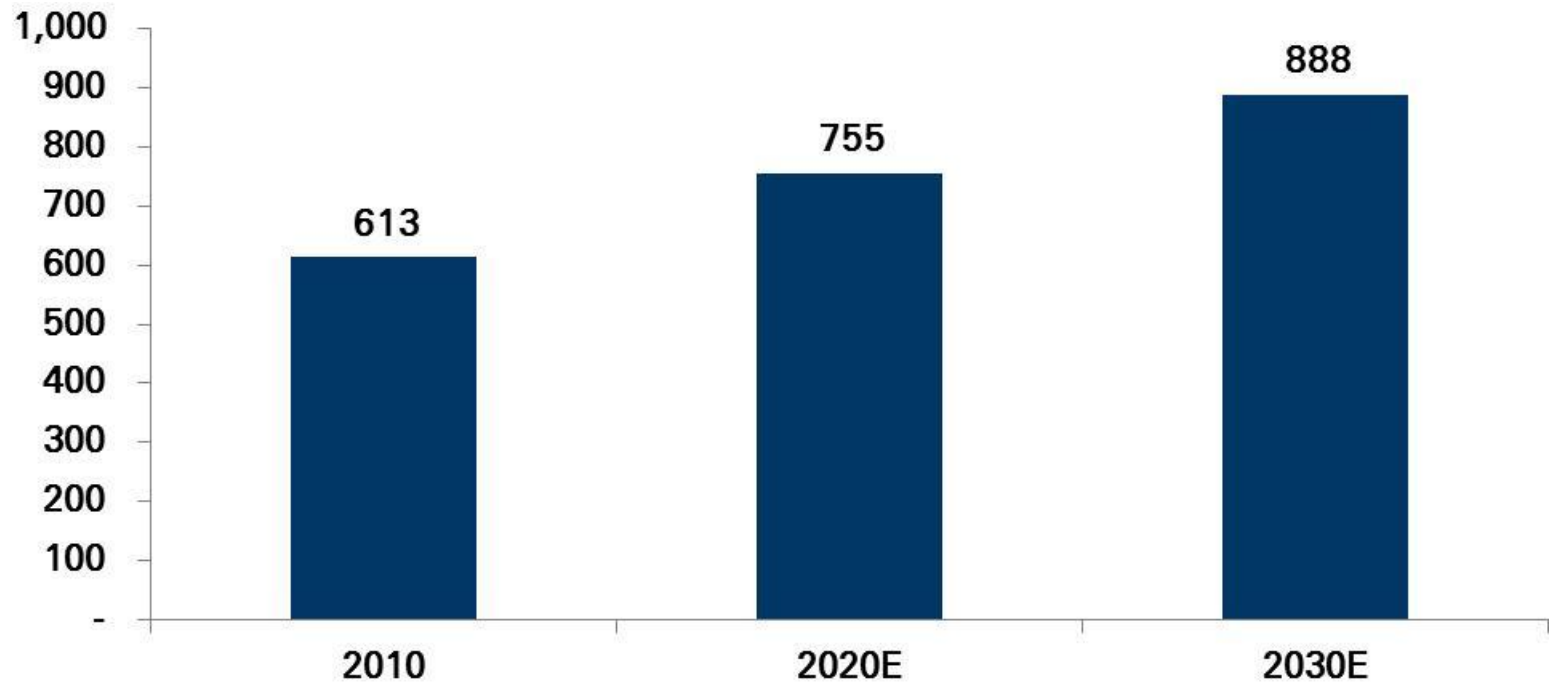
India life insurance growth story

	FY2002		FY2008		FY2013
Number of players	12		18		24
New business premium ¹ (₹ bn)	116	→ 28.7%	527	→ -2.2%	470
Total premium (₹ bn)	501	→ 26.1%	2,014	→ 7.4%	2,872
Penetration (as a % to GDP)	~2.1%		~4.0%		~2.9%
Insurance premium per capita (₹)	~460		~1,680		~2,235
Asset under management (₹ bn)	~2,304	→ 24.3%	~8,477	→ 15.8%	~17,687

1. Retail weighted premium

Fuelled by favourable demographics..

Population of age > 25 years (in mn)

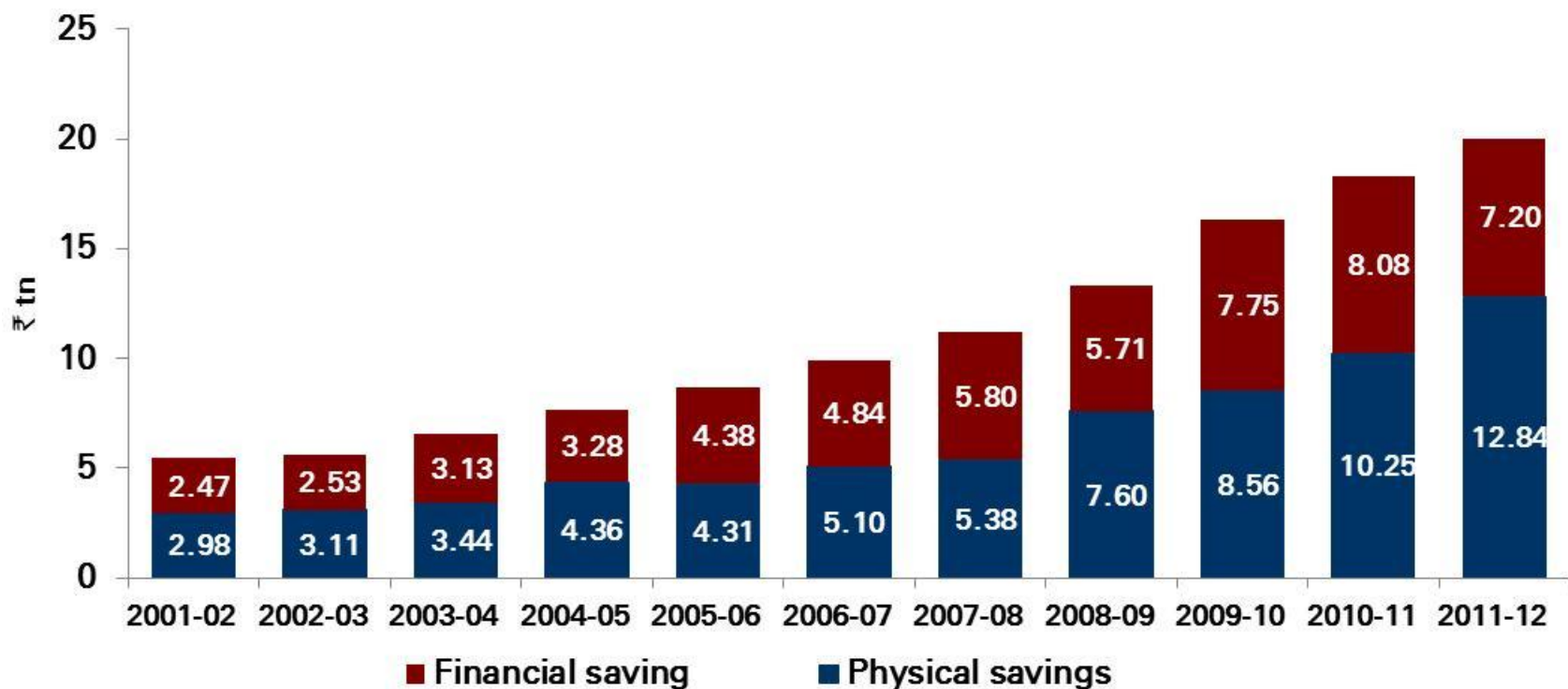


Increase in target population with rising income levels

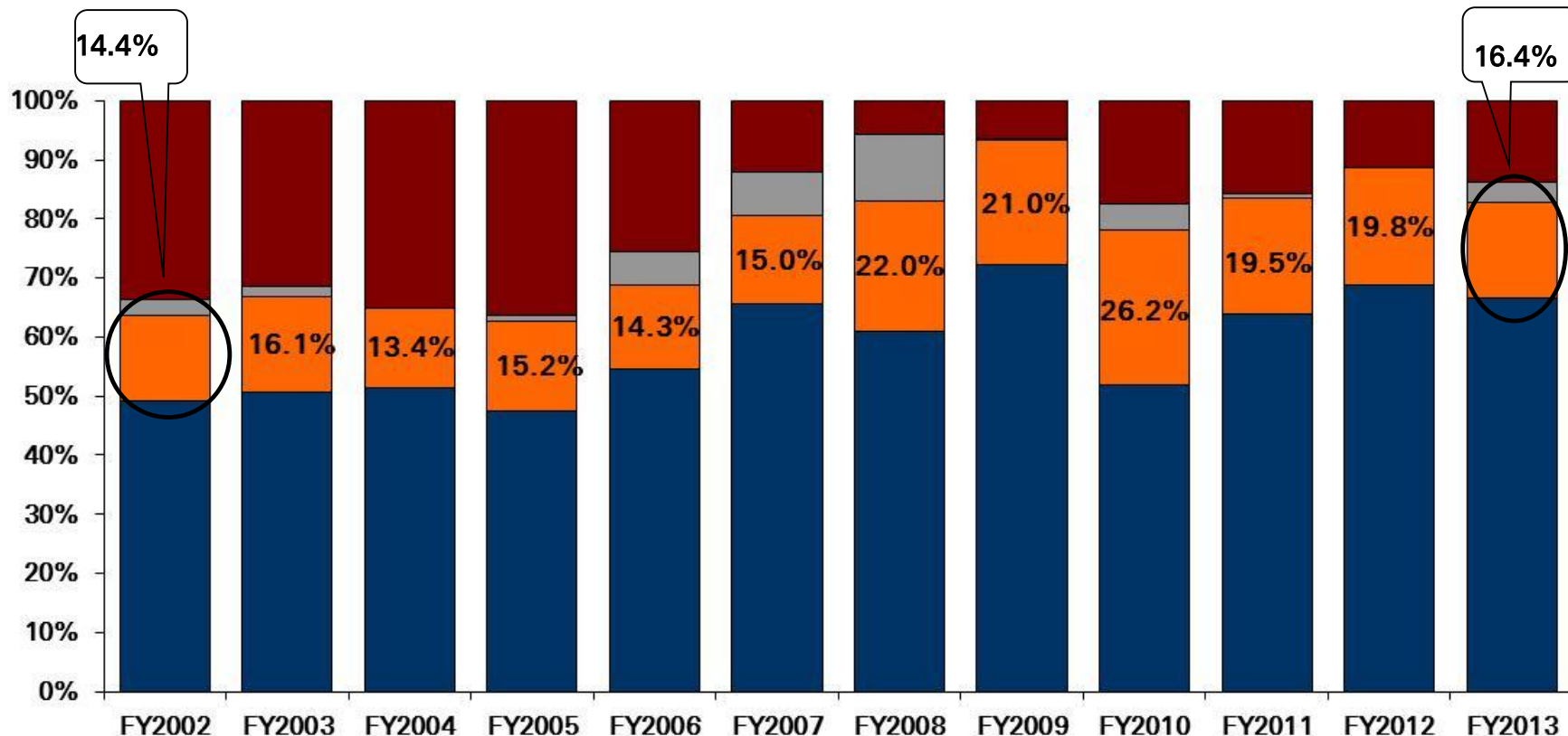
Source: UN Population division's release: 'World Population Prospects- The 2012 Revision'

..High household savings

Financial year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Financial savings /GDP	10.5%	10.0%	11.0%	10.1%	11.9%	11.3%	11.6%	10.1%	12.0%	10.4%	8.0%
Household savings / GDP	23.2%	22.3%	23.2%	23.6%	23.5%	23.2%	22.4%	23.6%	25.2%	23.5%	22.3%



Share of life insurance in financial savings



Distribution of financial assets

■ Currency & Deposits
 ■ Shares/ Debentures / MFS

■ Life Insurance Fund
 ■ Provident/ Pension Fund / Claims on Govt

Insurance market size

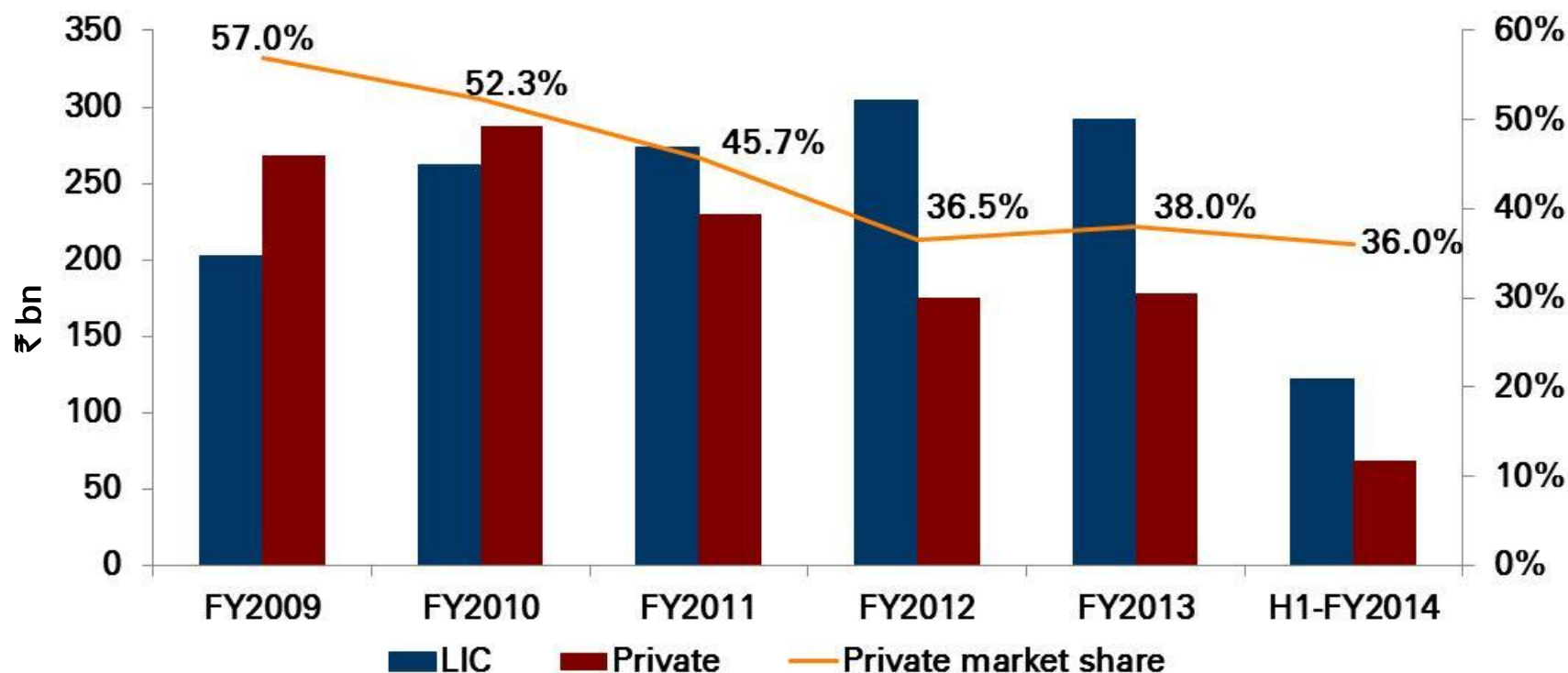
Amounts in ₹ trillion	FY 2002		FY 2008		FY 2013		FY 2020E*
Nominal GDP	23.48	13% CAGR →	49.87	15% CAGR →	100.21	15% CAGR →	266.55
Household savings	5.45	13% CAGR →	11.18	15% CAGR →	22.37*	15% CAGR →	59.51
Gross financial savings	2.86	18% CAGR →	7.72	7% CAGR →	10.97	15% CAGR →	29.17
Insurance	0.41	27% CAGR →	1.70	1% CAGR →	1.80	15% CAGR →	4.78

Significant opportunity at current savings rate

Source: RBI, CSO
*Company estimates

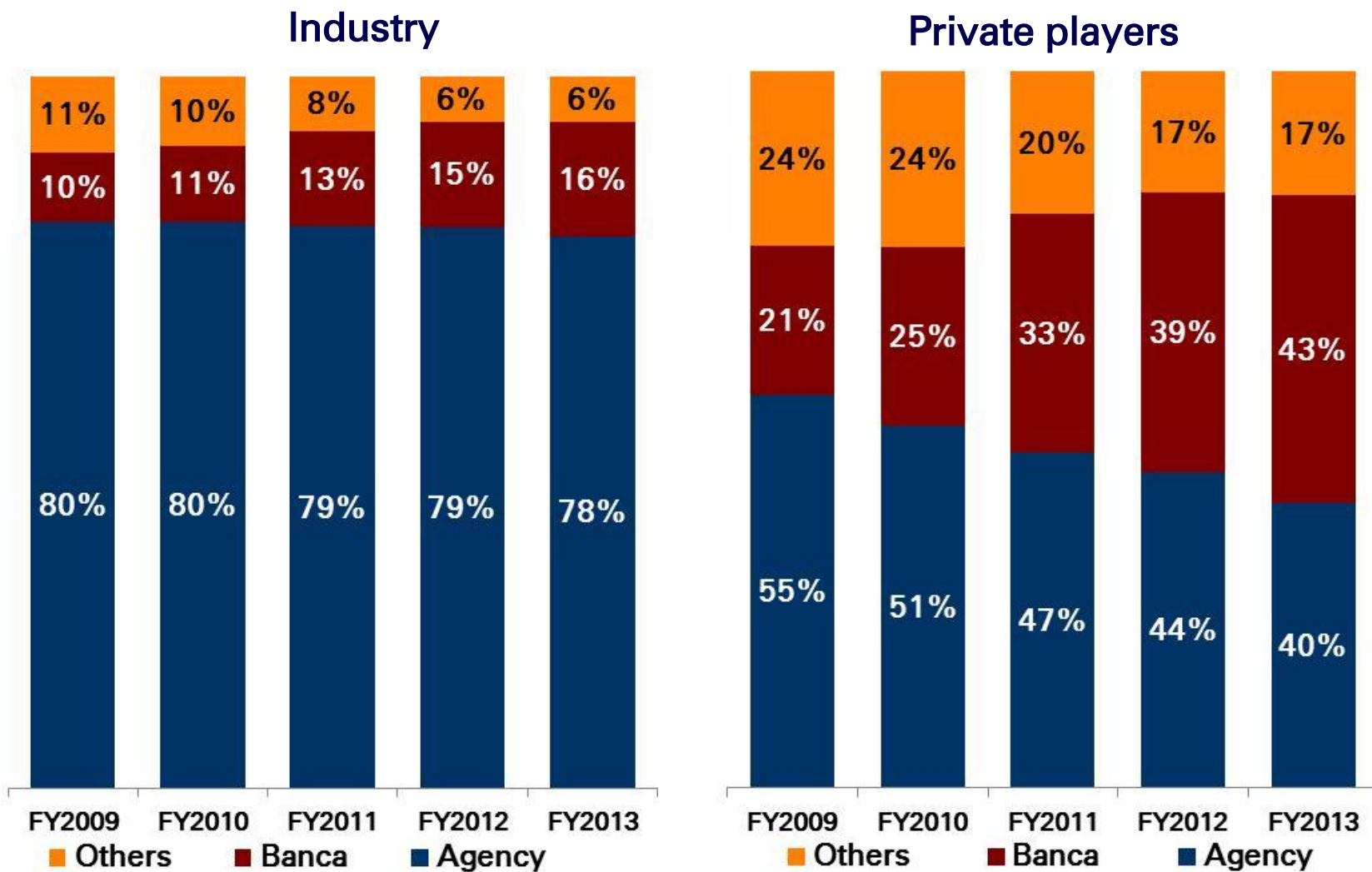
Industry: New business premium¹

Growth	FY2009	FY2010	FY2011	FY2012	FY2013	H1-FY2014
Private	1%	7%	-20%	-24%	2%	2%
LIC	-22%	29%	4%	11%	-4%	-13%
Industry	-10%	17%	-8%	-5%	-2%	-8%



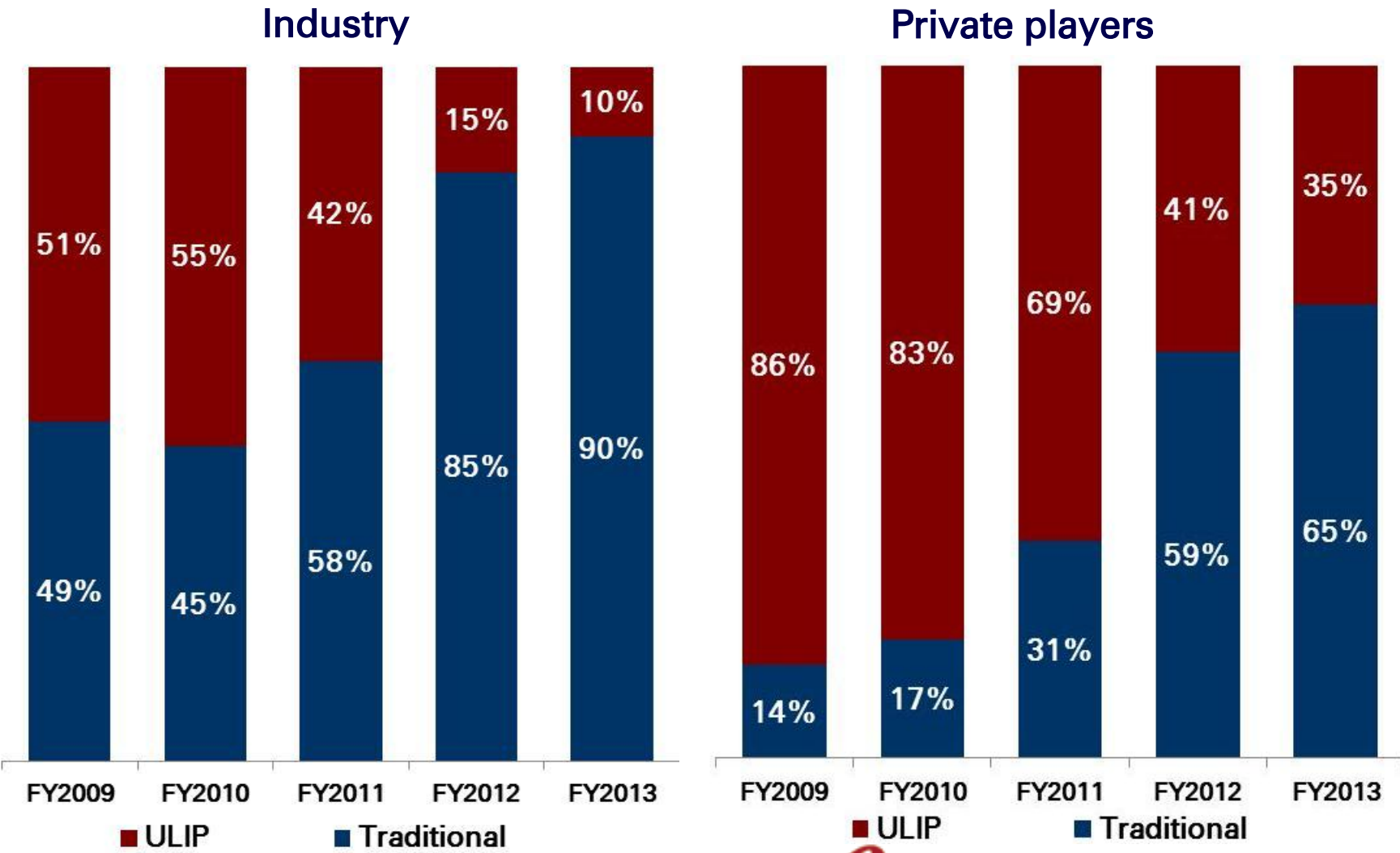
1. Weighted new business premiums for individual business
Source : IRDA , Life insurance council

Channel mix¹



¹ Individual new business premium basis
Source: IRDA, Company estimate

Product mix¹



11 ¹ New business premium basis
Source: IRDA, Life council

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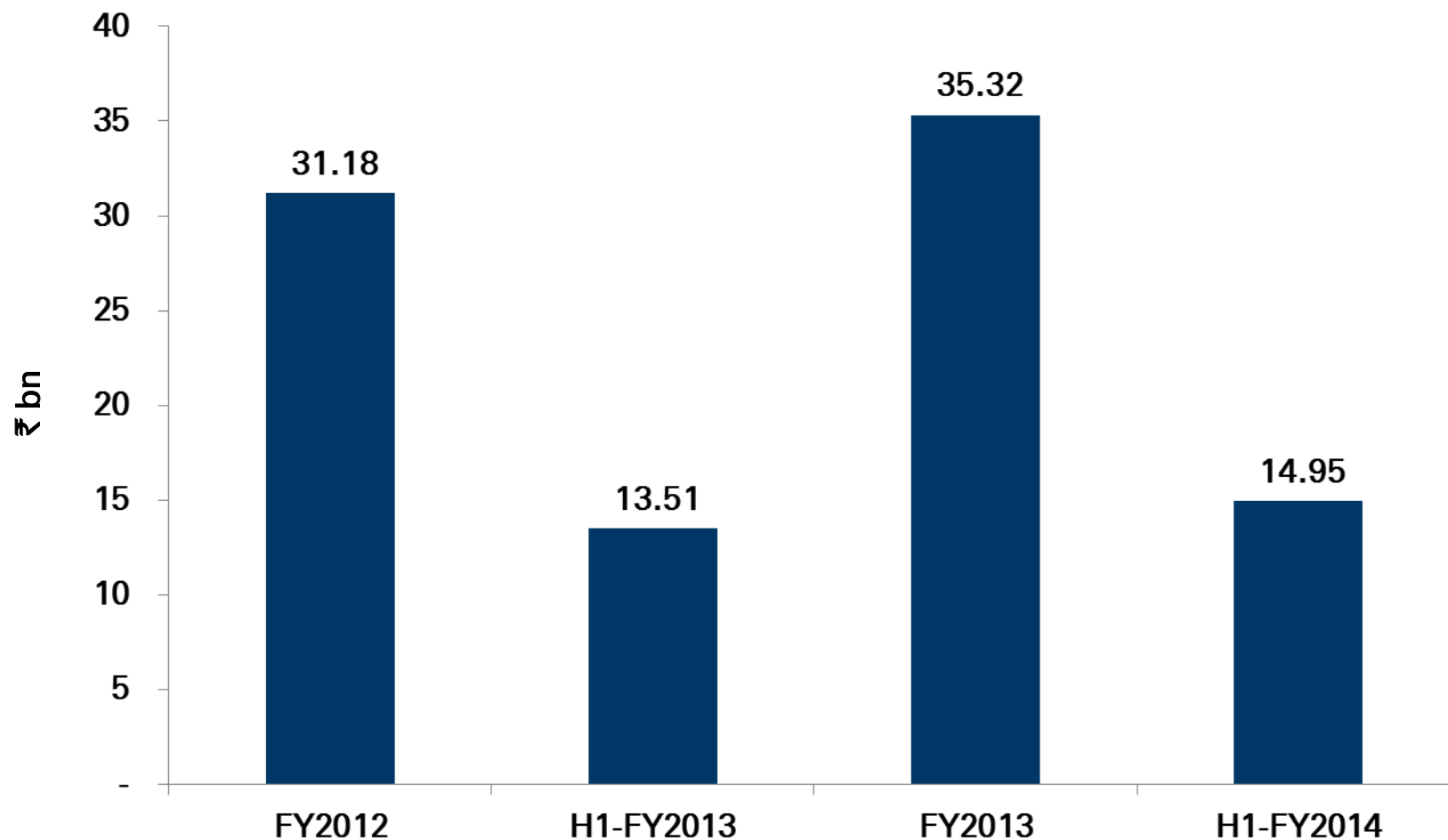
Our strategy

Performance snapshot

₹ bn	FY2012	H1-FY2013	FY2013	H1-FY2014
Retail new business premium	30.52	12.71	34.20	14.35
Retail renewal premium	89.41	36.04	80.55	32.18
Group premium	20.29	10.08	20.63	4.67
APE	31.18	13.51	35.32	14.95
New Business Profit (NBP) ¹	5.00	2.03	5.29	2.15
Assets under management	707.71	735.21	741.64	739.76
Profit after tax	13.84	7.44	14.96	7.51
Total expenses (excl. commission)	17.83	8.10	17.31	7.55
Commission	6.05	3.07	7.65	3.09

¹ On post-tax basis

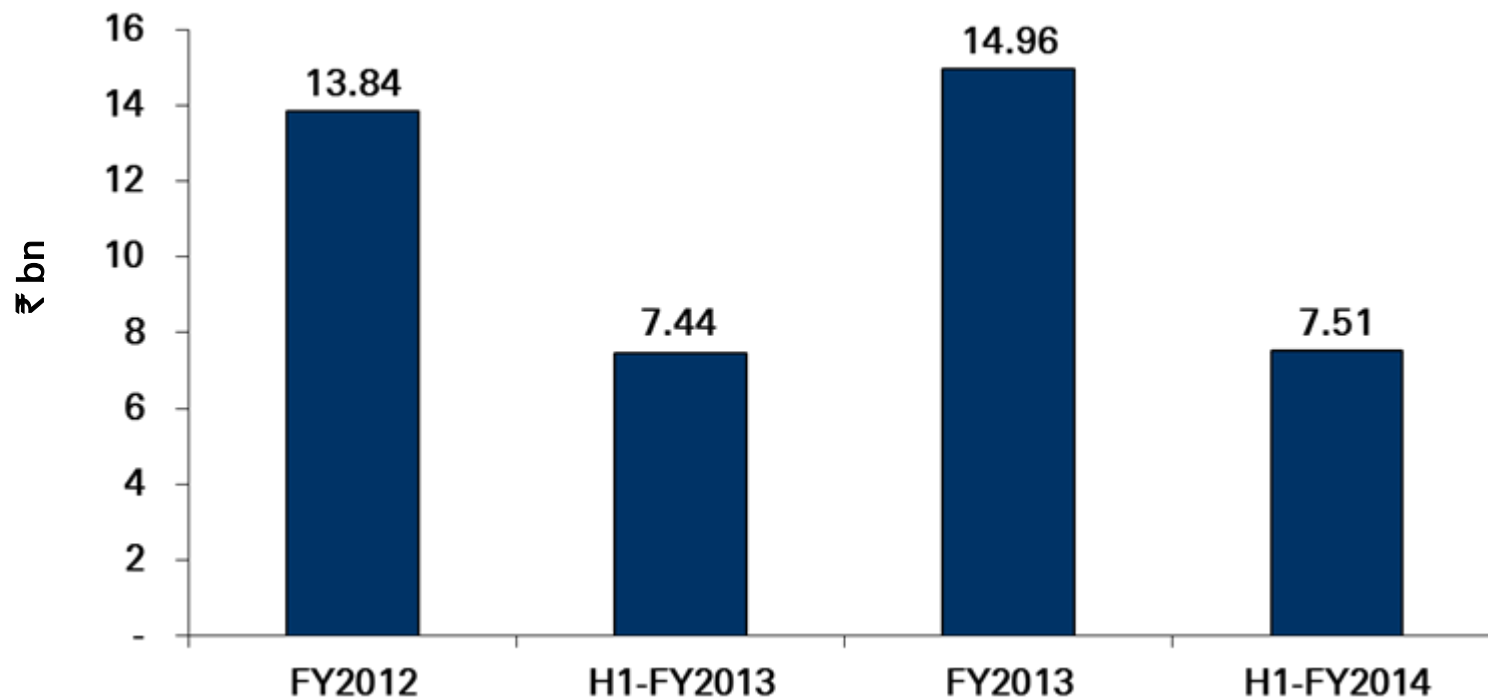
Annualized premium equivalent (APE)



Financial and capital position

	FY2012	H1-FY2013	FY2013	H1-FY2014 ¹
Dividend payout (₹ bn)	4.14	2.21	4.84	4.50
Solvency ratio* (%)	371	382	396	395

Profit after tax



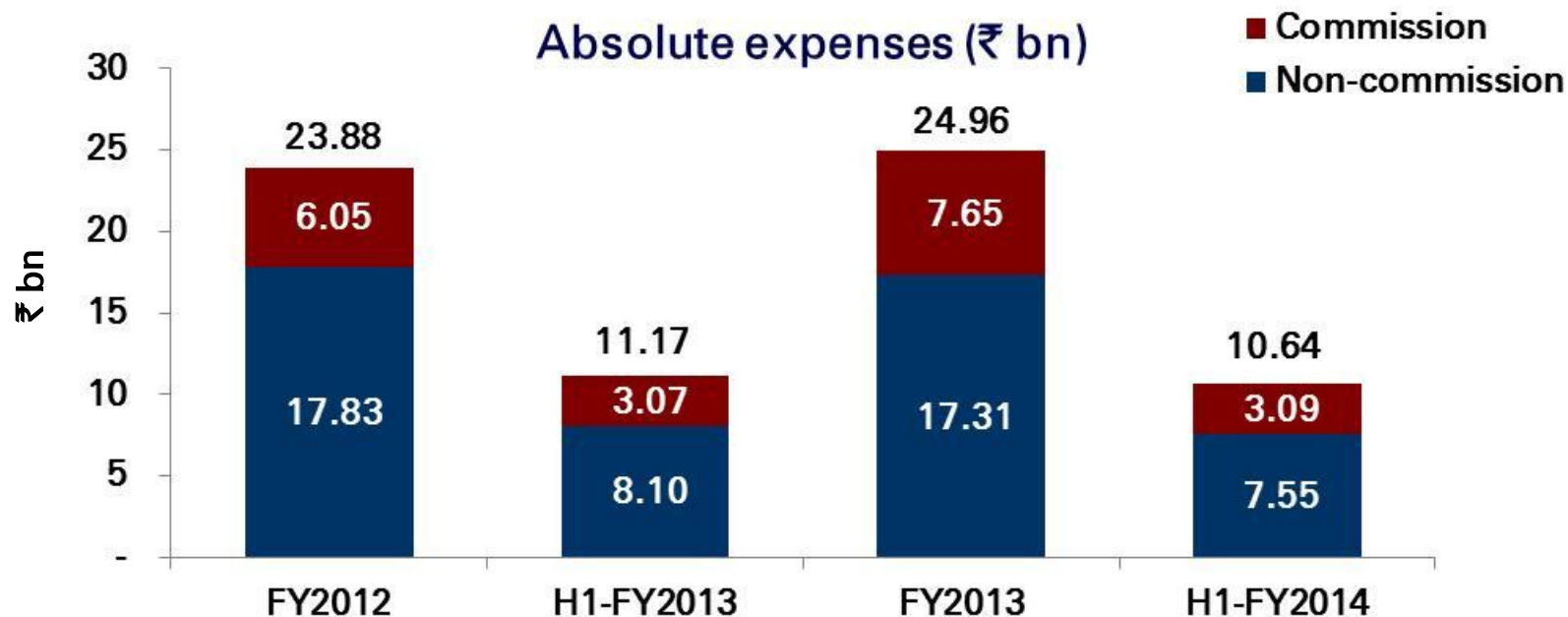
Solvency Ratio = $\frac{\text{Required Solvency Margin (RSM)}}{\text{Available Solvency Margin (ASM)}}$

RSM is prescribed by IRDA and is a factor of reserves and sum at risk

¹ Dividend is inclusive of a special dividend of ₹ 1.57 bn for Q2-2014

Cost efficiency

Ratios	FY2012	H1-FY2013	FY2013	H1-FY2014
Cost to APE	76.6%	82.7%	70.7%	71.1%
Expense ratio (excl. commission)	13.4%	14.5%	13.3%	15.4%
Commission ratio	4.6%	5.5%	5.9%	6.3%
Total expense ratio	17.9%	19.9%	19.2%	21.7%

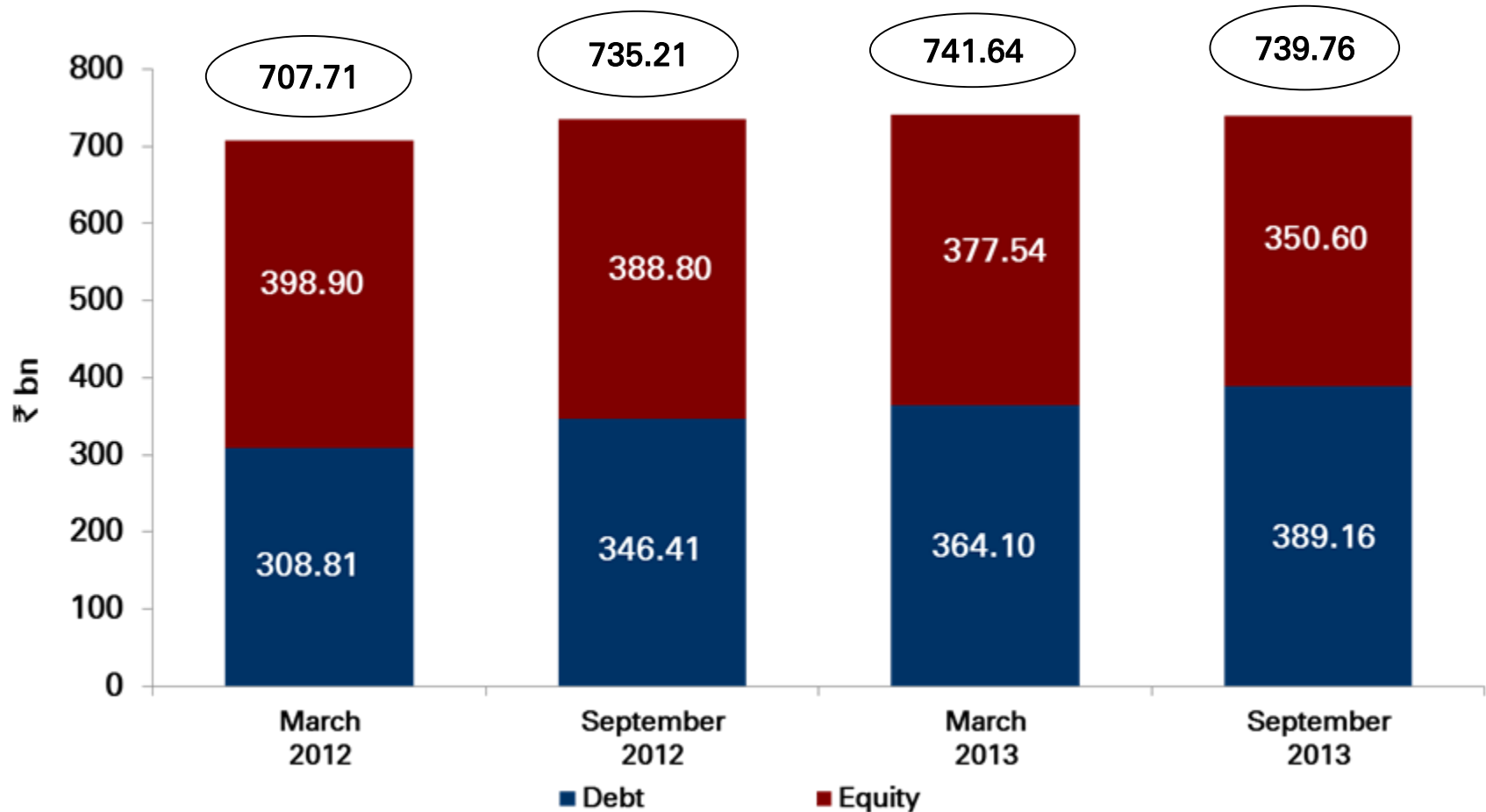


Expense ratio: All insurance expenses (excl. commission) / (Total premium – 90% of single premium)

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

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

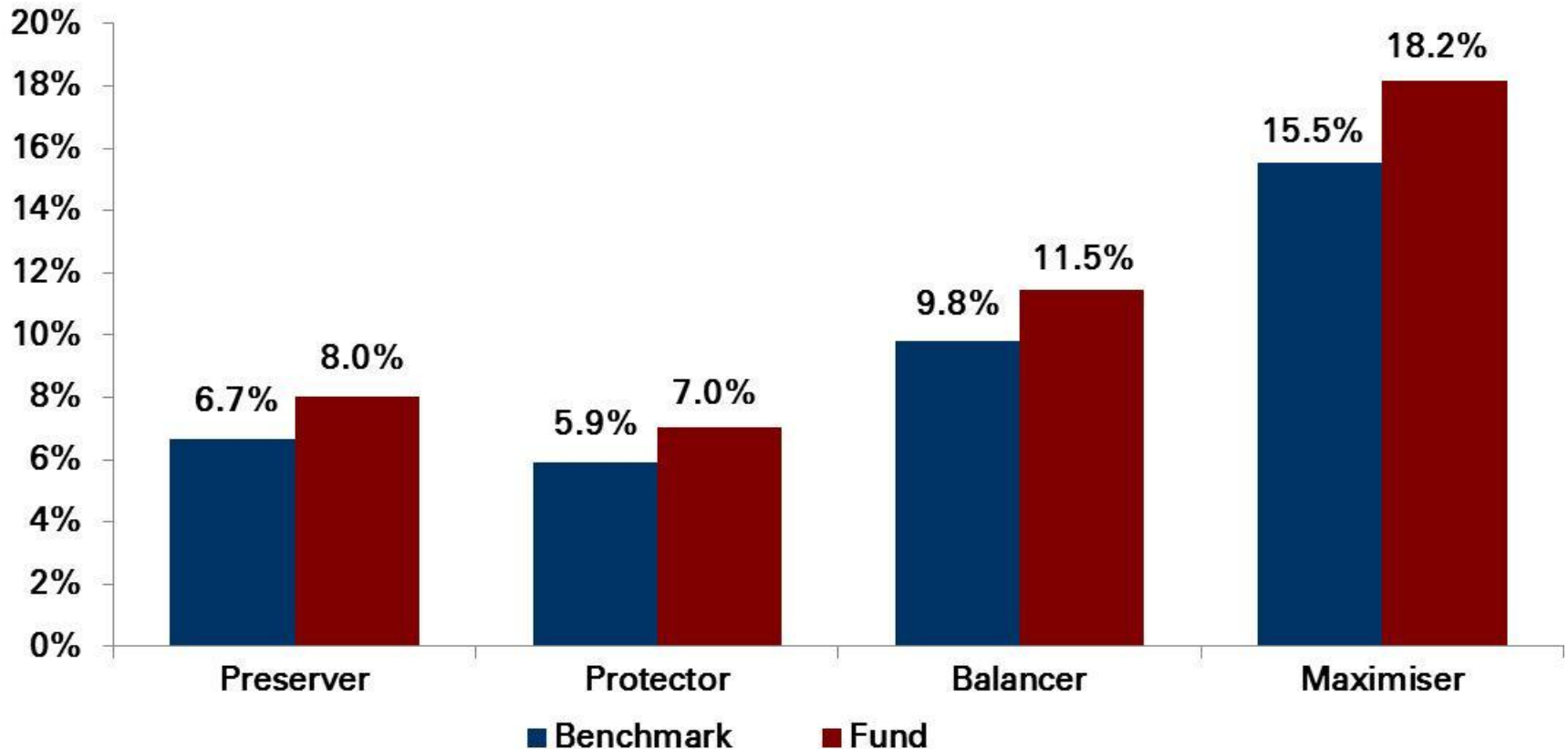
Assets under management



Among the largest domestic fund managers

Fund performance

Fund performance since inception*



90% of the funds have outperformed benchmark since inception*

Inception Dates:

Preserver Fund: June 28, 2004 Protector Fund: April 2, 2002

Balancer Fund : April 2, 2002 Maximiser Fund: Nov 19, 2001

* As on September 30, 2013



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Key strategic objective: Profitable growth

- Enhance market leadership
- Provide superior value proposition to customers
- Strengthen multichannel distribution architecture
- Improve cost efficiency
- Improve persistency and control surrenders
- Target superior risk adjusted fund performance

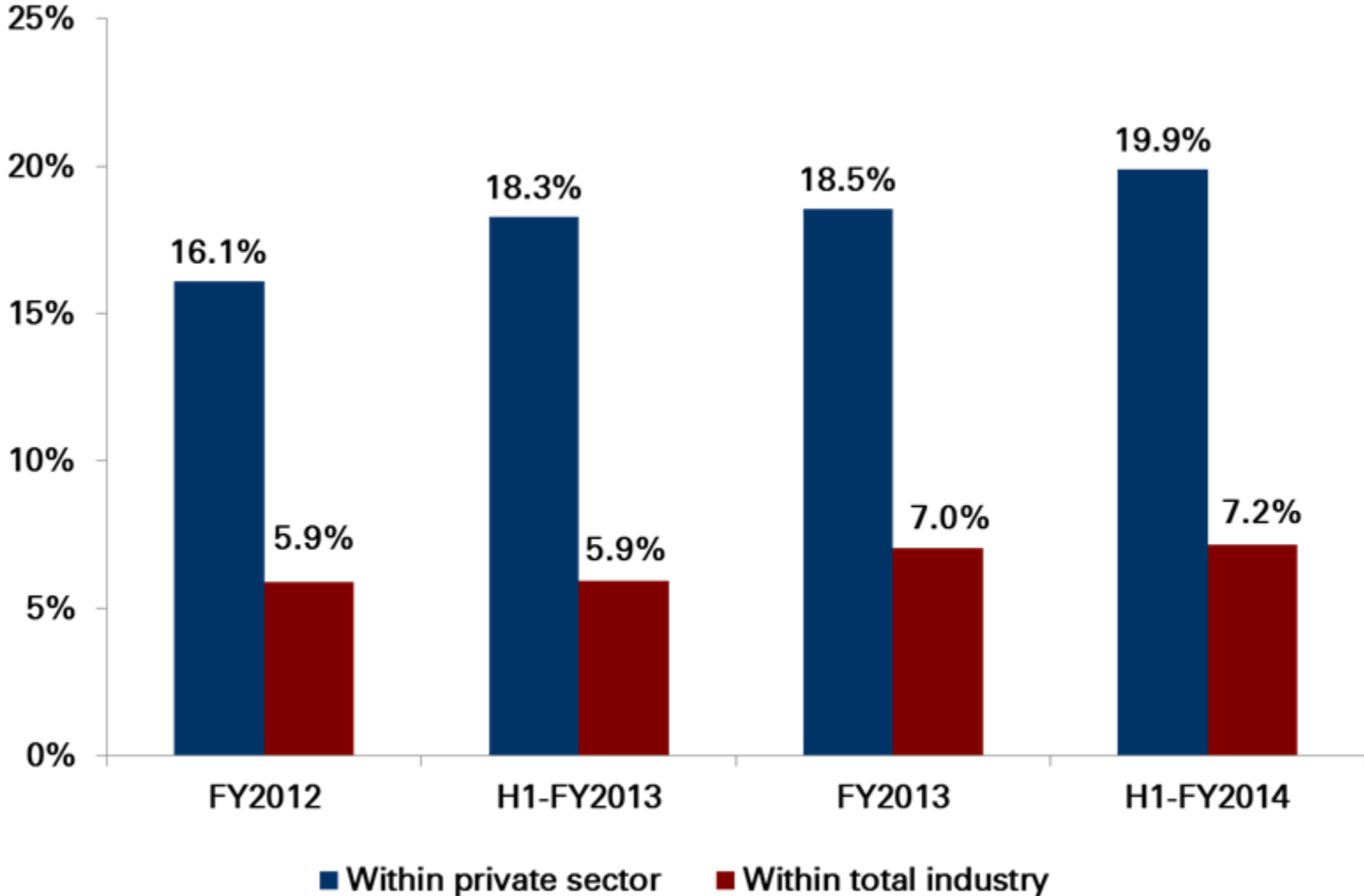
Robust risk management and control framework

Consistent leadership¹

	FY2002	FY2006	FY2008	FY2010	FY2012	FY2013	H1-FY2014
1							
2							
3							
4							
5							
6							

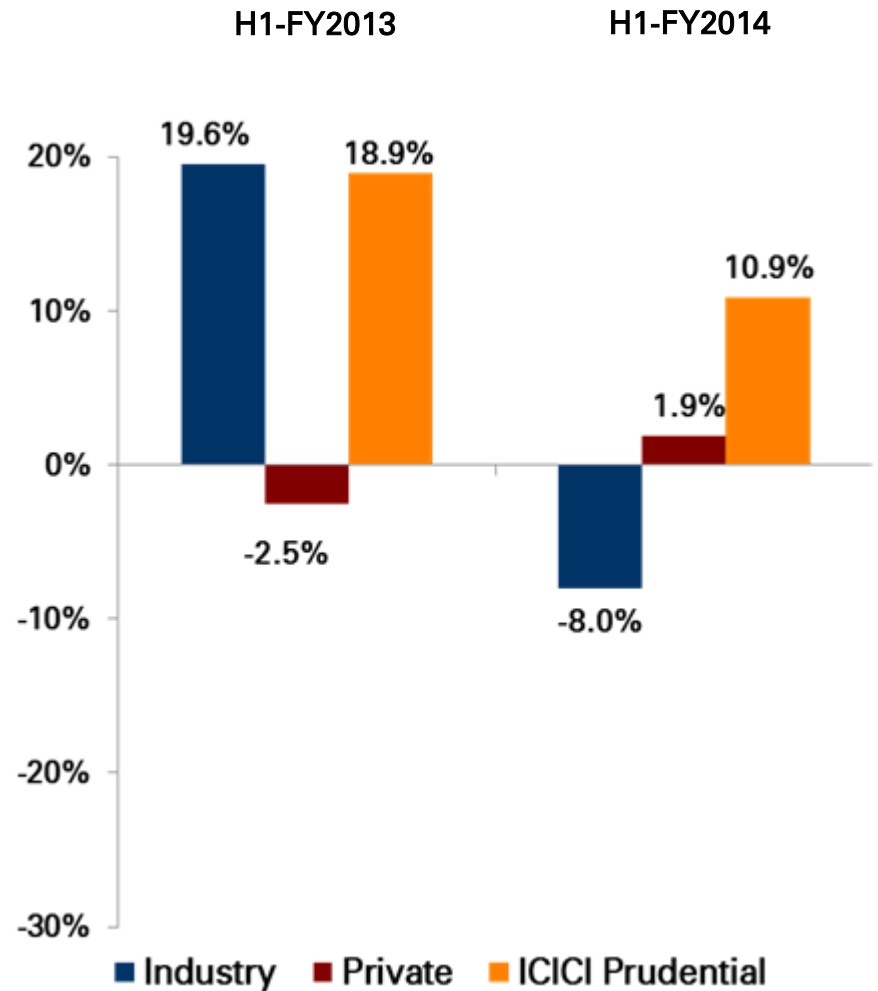
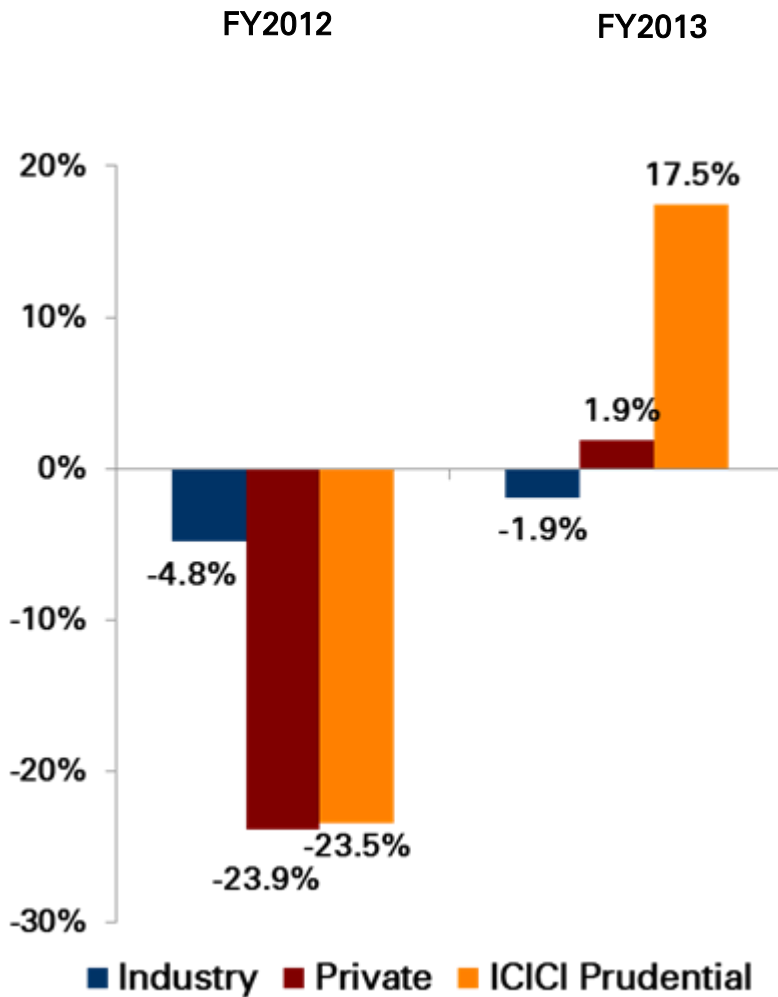
¹ On retail weighted received premium basis

Market share¹



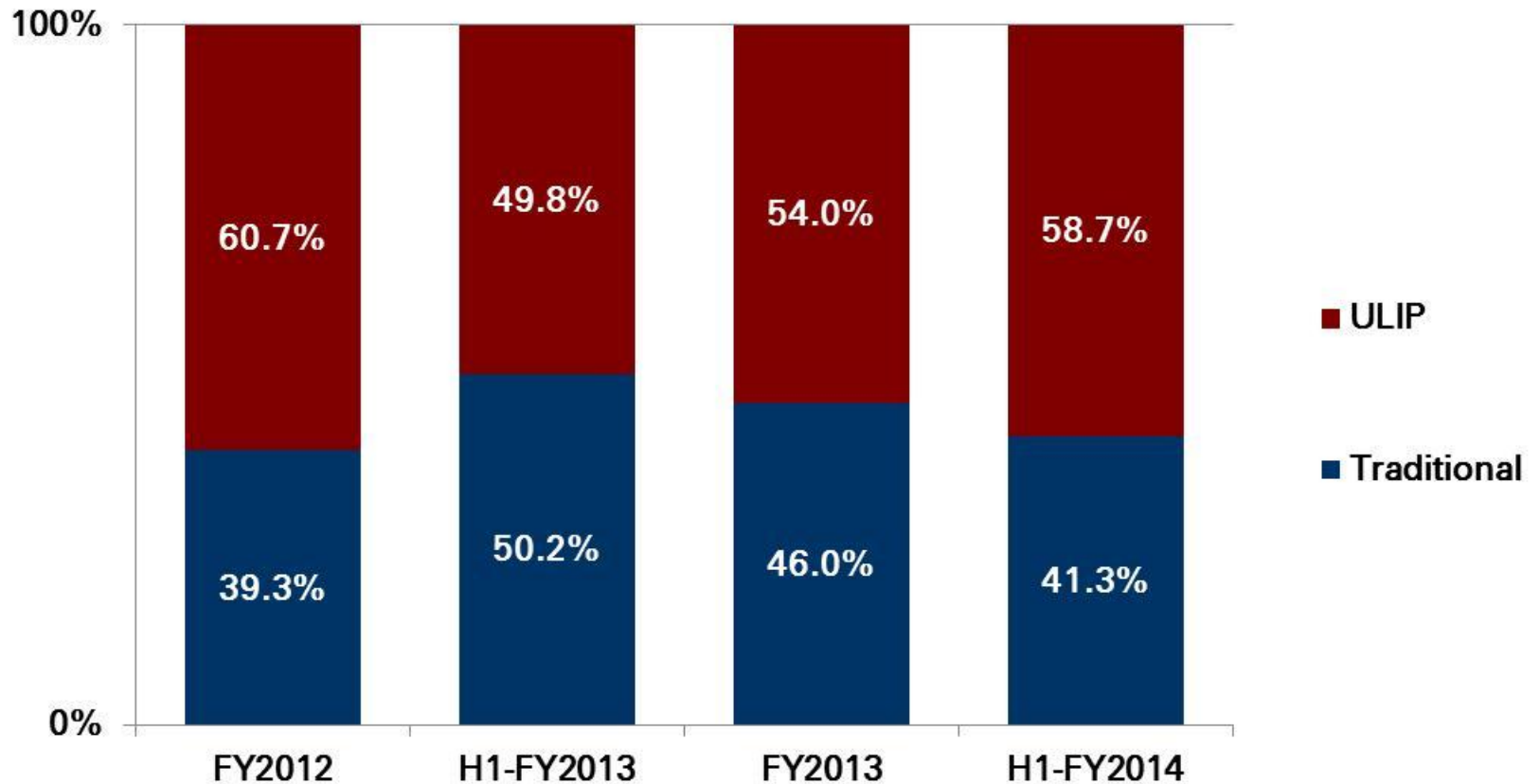
¹ Retail weighted received premium basis

Growth¹



¹ Retail weighted received premium basis

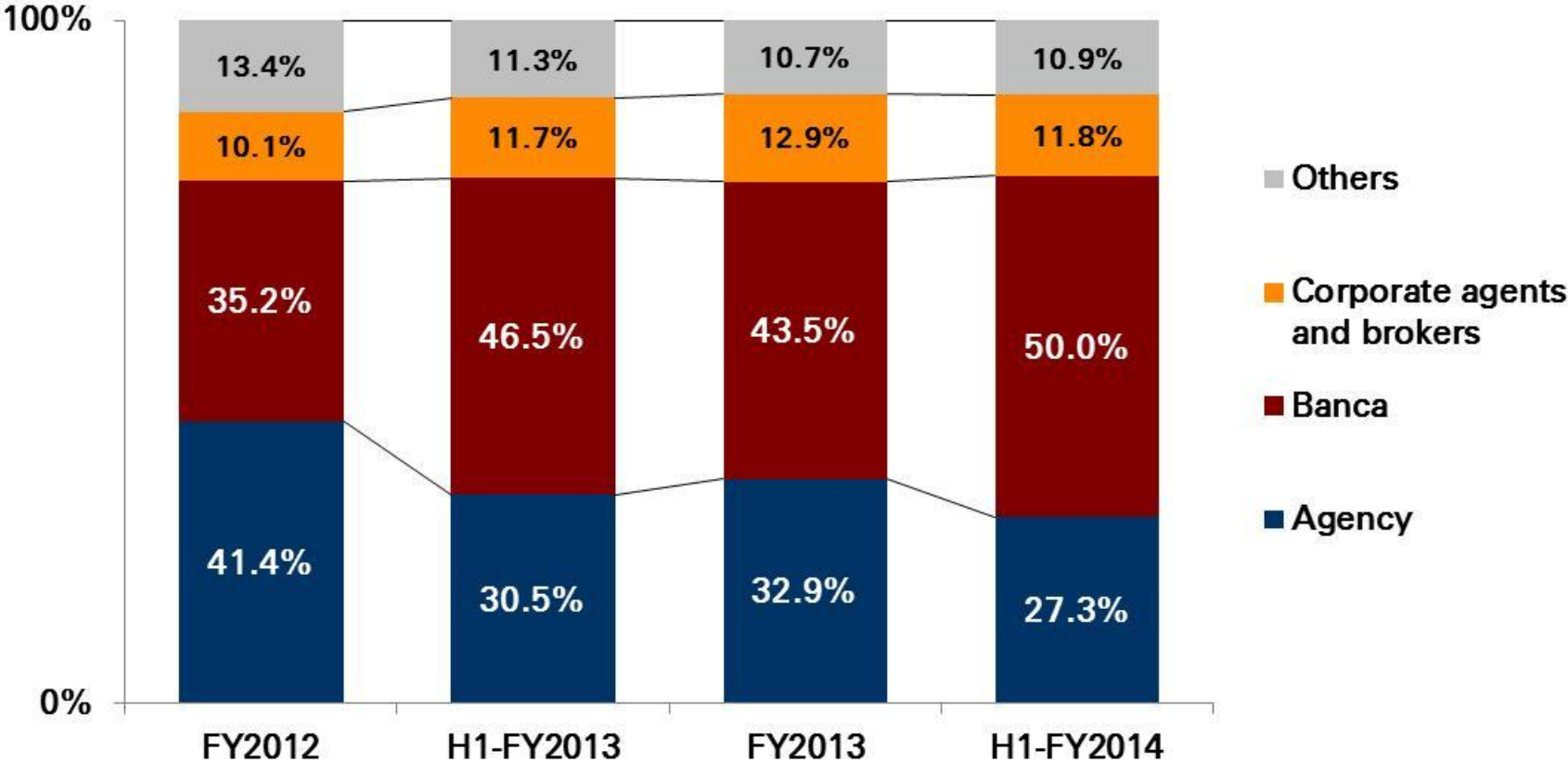
Product mix¹



Balanced mix to cater to all customer segments

¹ Based on Retail APE

Distribution mix¹

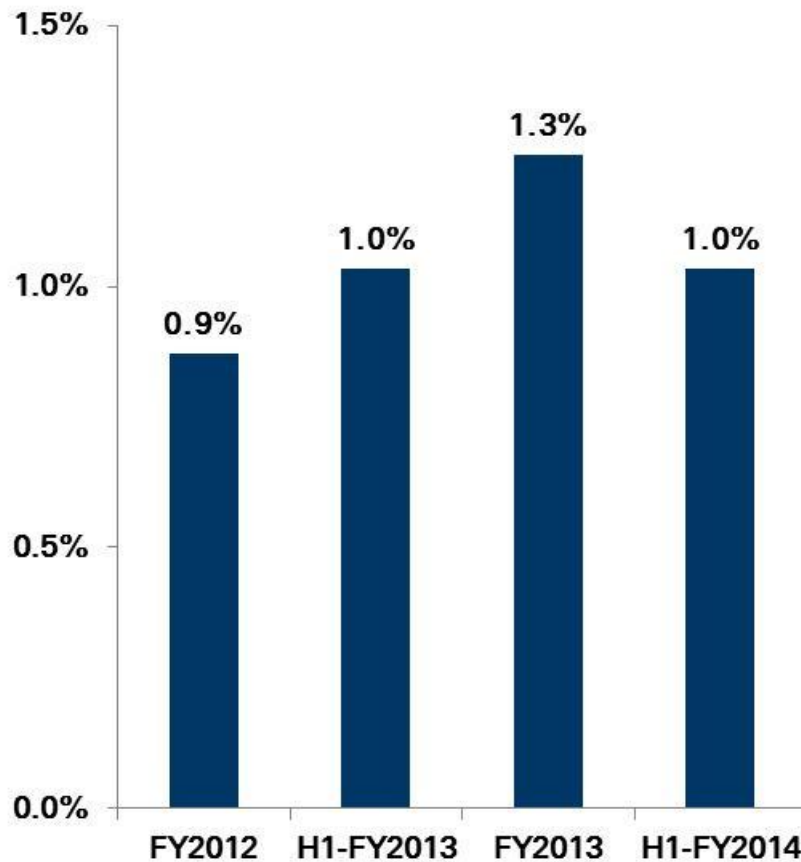


Multi channel distribution architecture to optimize reach and efficiency

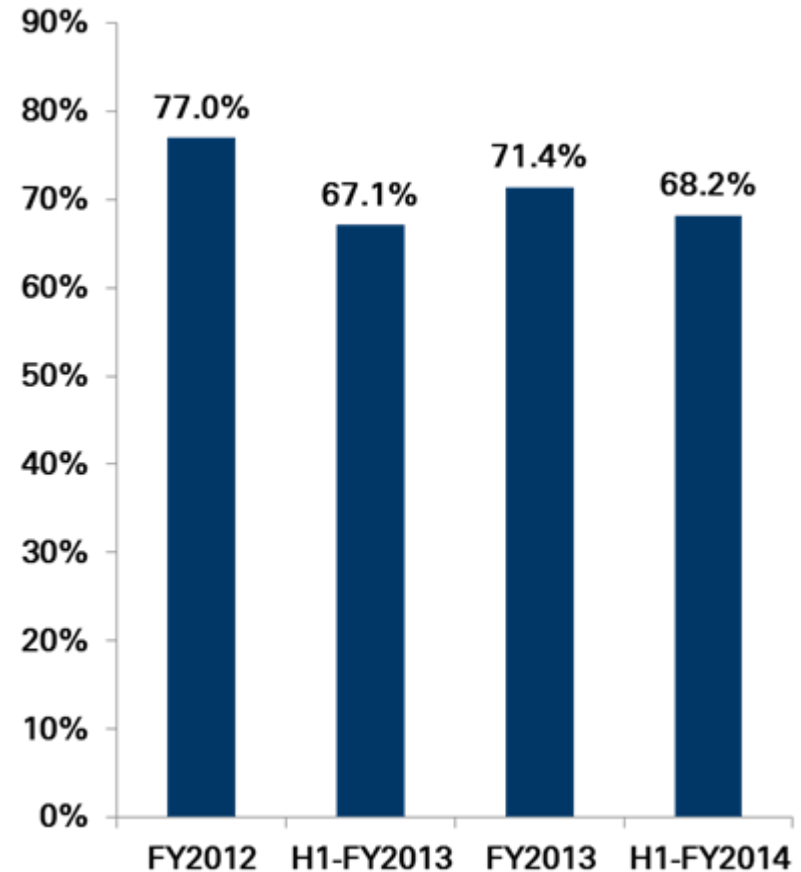
¹ Mix shown on APE basis

Customer retention

Surrenders¹ as % of average AUM



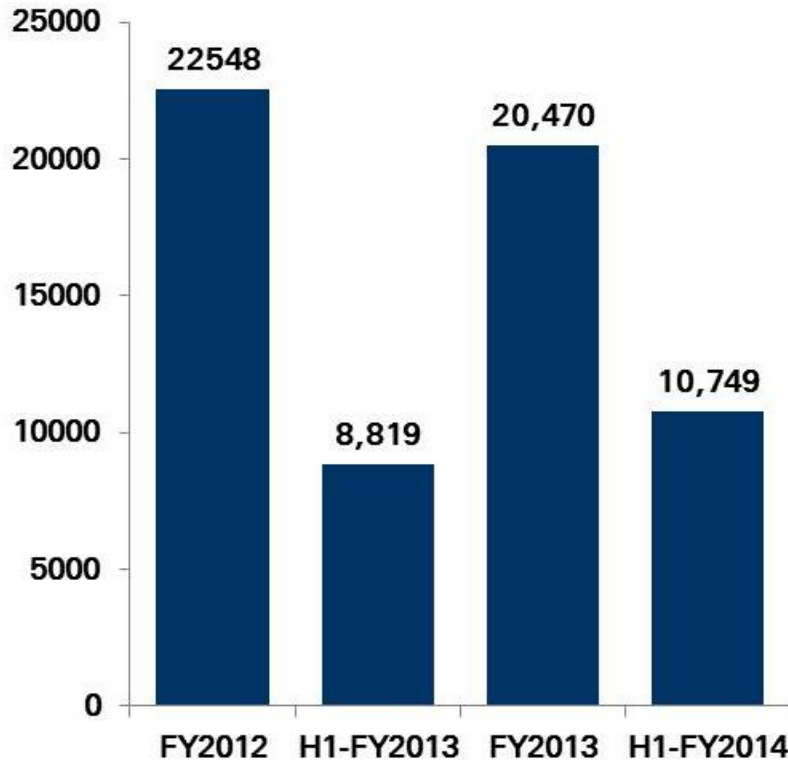
13th month persistency



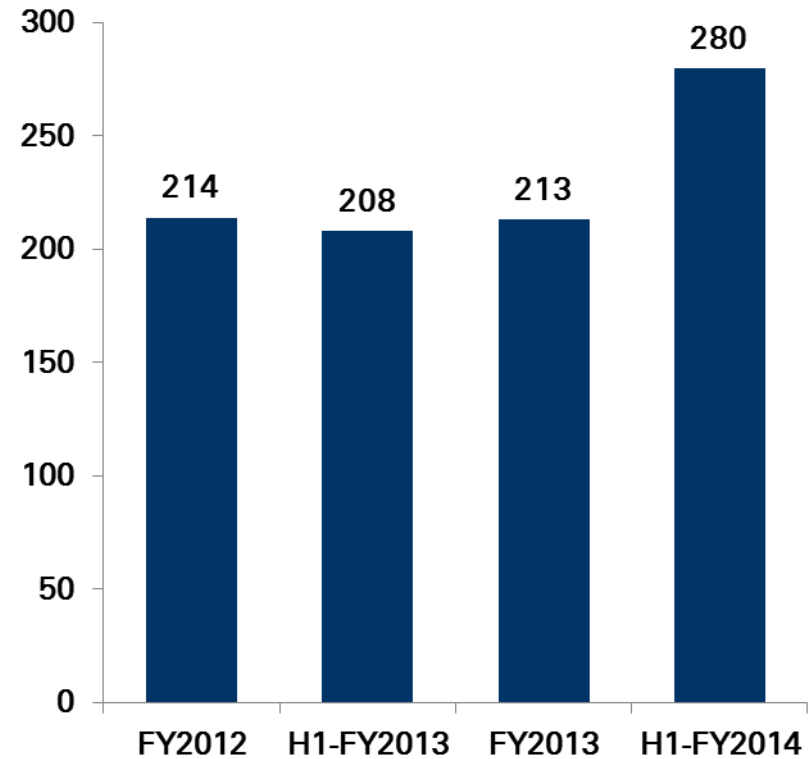
1. Average monthly retail surrenders

Customer service parameters

No of grievances



Grievance ratio¹



Claims settlement ratio² for FY2013: 96.3%

1 No of grievances per 10,000 policies issued in the period

2 Claims settled / Total claims volume for the period (ratio is for individual death claims)

Digitization initiative

Context

- Intermediary driven business
- Internet used primarily for research

Objectives

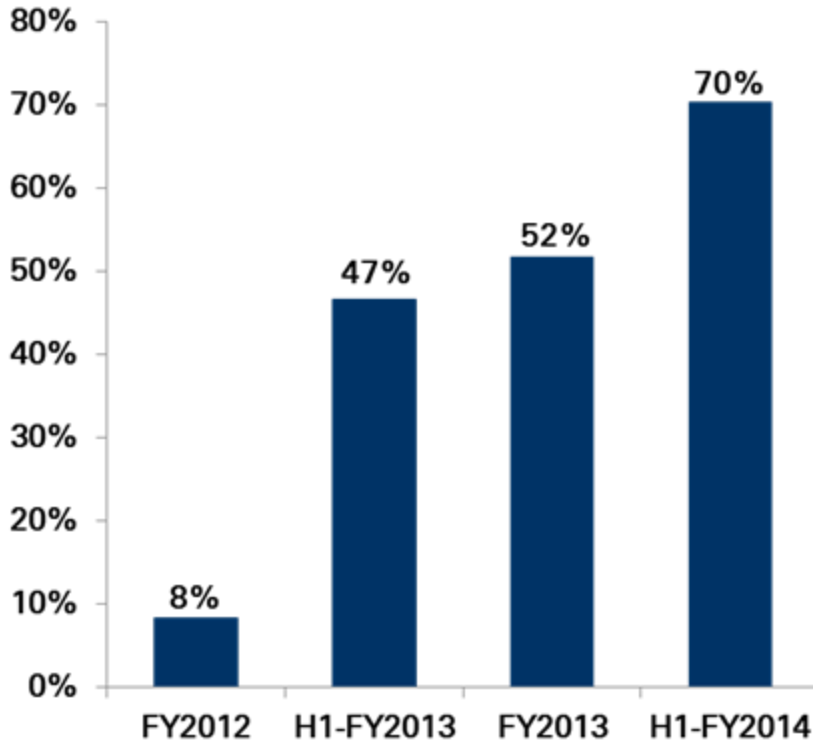
- Structured sales pitch
- Fast and convenient customer onboarding
- Higher sales productivity
- Improved cost efficiency

Approach

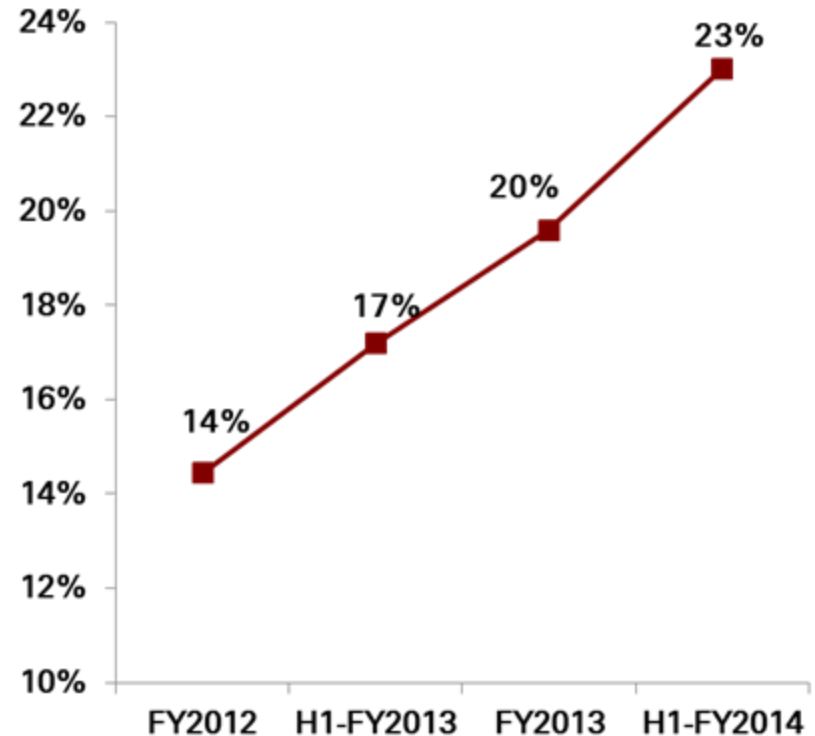
- Device agnostic digital application for distributors
 - Need analysis and product selection
 - Instant decision and OTC issuance
- Smooth paperless buying experience
- Multiple payment options

Progress in digitization

% Retail APE using digital platform¹



Share of renewals² collected online



2/3^{rds} of all servicing transactions are through self-service modes

1. % new business applications initiated using digital platform
2. For retail business

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 Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Thank you