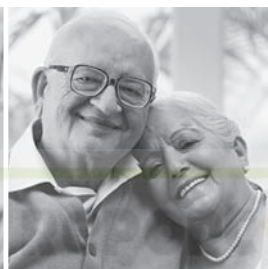


The last decade has seen the Indian life insurance sector evolve and grow substantially thereby cementing its position as a key component of the financial services sector and contributing significantly to economic development and nation building.



At ICICI Prudential Life, the journey over the last decade has been one of **learning** and doing simple things the right way, like focusing extensively on delivering high quality products & services to customers. This has resulted in the company becoming the trusted insurance

partner for the nation's population. Due to its deep understanding of consumer needs, the company has been able to provide customized solutions encompassing the vital components of **protection, financial security** and long term financial goals.



An ingrained value of constant **innovation** has ensured that innovation is reflected in every sphere, encompassing all functions within the organization. The company believes in embracing technological innovations and harnessing it to enhance customer service and

create efficiencies. We believe that providing a strong foundation of financial security for customers has enabled us to successfully



navigate through the last decade. ICICI Prudential Life Insurance is proud to partner a nation in progress.





CORPORATE REPORT

- 2 Message from the Chairperson
- 4 Message from the Chief Executive, Prudential Corporation Asia
- 6 Message from the Managing Director & CEO
- 10 Board of Directors
- 12 Board Committees
- 14 Company Highlights

Corporate
Report

BUSINESS REPORT

- 16 The evolution of the Indian life insurance industry
- 19 The building blocks
- 22 Reaching the customer's doorstep
- 24 Providing need-based solutions
- 26 The service approach
- 28 Geared for a tech-savvy tomorrow
- 30 New horizons

Business
Report

FINANCIAL REPORT

- 32 Directors' Report
- 41 Management Report
- 49 Corporate Governance
- 55 Management Discussion and Analysis
- 68 Auditors' Report
- 70 Financial Statements
- 293 Consolidated Financial Statements
- 329 New Business Profit

Financial
Report

Message from the Chairperson

Dear Stakeholders,

The Indian economy has changed at an unprecedented pace in the last decade. Its position today amongst the fastest growing economies in the world rests on the fundamental economic strengths of strong domestic consumption and investment. These strengths have built resilience in the economy.

The world is currently witnessing uncertainty and volatility in financial markets, arising out of concerns over the fiscal position and weak growth outlook for developed markets. However, India's strength lies in its domestic growth drivers, which position our country for strong and sustained growth over the long term. Several growth fundamentals are in place, which include rising savings and demand, growing global competitiveness and a favourable demographic profile. Rapidly rising per capita incomes have translated into rising demand for goods and services, and the desire for higher standards of living. The rural economy has also been transforming with rising incomes providing the impetus to consumption and savings. A growing consuming class combined with the human capital to drive growth will take India to higher levels in terms of inclusive and rising purchasing power. Future growth will be driven by the hopes and aspirations of over a billion people.

Given this macro economic perspective, we expect robust demand for financial services and products from both households and businesses. Life insurance is a key sector in the financial services space, which is expected to see significant growth in the coming years as the growing savings pool seeks long-term investment options as well as products for mitigating the impact of potential future risks, including health and mortality.

ICICI Prudential Life Insurance Company (ICICI Prudential Life) is well-equipped to leverage the growth opportunities presented by the economy's growth momentum. The life insurance sector is poised for its next phase of growth and we are confident that ICICI Prudential Life will continue on its profitable growth path as the largest private sector player in India.

The fiscal year 2011 saw ICICI Prudential Life record profits for the second consecutive year. Going forward, the focus at ICICI Prudential Life will be to maintain its growth trajectory, while at the same time continuing to focus on profitability.

Rising financial literacy levels in the country have increased the demand for financial solutions across the country. Penetration of life insurance solutions in particular has witnessed robust traction. Being sensitive to the needs of people and providing the highest quality of service has earned the loyalty of customers, which has enabled the company to execute a strategy of profitable growth.

We believe that technology can add significant value to every aspect of the business. We will continue to leverage technology in every aspect to enhance customer service, create efficiencies and provide an unmatched experience to a customer base that has reposed its faith and trust in ICICI Prudential Life.

We believe that the long-term growth fundamentals of the life insurance sector in India are strong and offer a strong potential for growth. ICICI Prudential Life, as one of the largest private sector players, is well positioned to be the preferred life insurance partner for the people of India.

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“ We believe that the **long-term growth fundamentals of the insurance sector in India are strong** and offer a strong potential for growth. ”

Chanda Kochhar

Chairperson

Message from the Chief Executive, Prudential Corporation Asia

The Indian life insurance market is one of the world's most dynamic. In the ten short years since liberalisation, so much has been achieved in terms of expanding the market through building distribution networks, providing careers for many thousands of industry specialists, raising the awareness of personal financial solutions amongst ordinary people and channeling the savings of many millions of hard working Indians into more productive bond and equity based products. Now we are ready to move onto the next stage of development.

“ We understand the need for and actively support initiatives that are progressive for the industry and **help in raising standards and improve the quality of service to customers.** ”

At Prudential, we have a somewhat unique perspective on the life insurance industry. We have our UK heritage where we have been one of the country's largest insurers for over a hundred years, our Jackson National business in the US, which is one the leading providers of retirement solutions through variable annuities and, of course, our unrivalled platform of businesses in Asia, where we are industry leaders across a spectrum of markets at varying stages of development. We understand the need for and actively support initiatives that are progressive for the industry and help in raising standards and improve the quality of service to customers.

With this in mind, we believe that the regulatory changes effected are a



move in the right direction for the Indian life insurance sector. These changes have enhanced the value proposition of the life insurance industry and reiterated focus on long term savings and protection solutions that meet customer needs.

“ I believe **ICICI Prudential Life will continue to be one of the industry leaders.** ”

At Prudential Corporation Asia, we know we have, through ICICI Prudential Life, the platform in place to embrace this change including a trusted brand, comprehensive distribution capabilities, outstanding technical and operational competencies and a proven track record of delivery including a significant increase in IFRS profits this year.

Prudential plc has a clearly stated objective to continue expanding its operations in Asia and India's life insurance sector remains highly attractive to us. We see excellent long term prospects for the sustained and profitable growth of the sector and with the support of its parents, ICICI Bank and Prudential plc, I believe ICICI Prudential Life will continue to be one of the industry leaders.



Barry Stowe

Chief Executive, Prudential Corporation Asia

Message from the Managing Director & CEO

Dear Stakeholders,

The financial year 2011 has been a defining year for the Indian life insurance industry. The Regulator introduced significant and exciting changes that altered the dynamics of the life insurance industry. These changes further reinforced the proposition of life insurance as a means of ensuring protection and providing financial security in the case of an eventuality. It also ensured a greater balance of power amongst all stakeholders of the industry, namely the insurer, customer and distributor. These structural changes were introduced to further augment the customers trust in life insurance and simultaneously protecting his interests. This, we believe, is extremely positive for the industry in the long run and these changes have taken us a step closer to building a world class life insurance industry.

“During this financial year we relentlessly pursued **building greater efficiencies into our systems and processes.**”



It is now a decade since the insurance industry was opened up for private participation. In the initial stages after the liberalisation of the sector, the new entrants into the life insurance industry focused on expanding operations and establishing a national footprint. This business model focused on enabling future growth in volumes through large scale expansion. While the insurance industry gained traction in this phase, the next phase of growth witnessed companies focusing on achieving profitable growth. The new regulations also required companies to re-evaluate business models and achieve a balance between

top-line and bottom-line growth. It is our firm belief that the new regulations have nudged the industry in a direction which holds a very promising future.

At ICICI Prudential Life we have been focusing on achieving 'Quality Growth coupled with Profitability' for sometime now. Therefore, adapting to the new industry dynamics and fine-tuning our strategies was possible in a seamless manner. We are extremely pleased in the manner in which this transition was managed.

This has been the second consecutive year that we have delivered profits and this bears testimony to our efforts in achieving profitable growth. During this financial year, we relentlessly pursued building greater efficiencies into our systems and processes. This led to significantly enhancing productivity across the organisation. The challenge here was to achieve the objective without compromising on top-line growth.

We believe, the key drivers of delivering this profitability have been continued focus on enhancing persistency levels and managing costs. The results have been consistent with our objective to grow business in a profitable manner and deliver superior value to our customers. While ensuring profitable growth, we were watchful of not deviating from creating value for customers through enhanced service efficiency and by providing a smooth claim settlement process by hand-holding customers through it. The cornerstone of our success has always been, and will continue to be, our customers who continue to repose their trust and are convinced that we are their trusted partner for offering long-term solutions to meet their future financial needs. Given the changing dynamics of the business environment, we have had to recalibrate processes across various verticals in order to enhance efficiency. Products have had to be redesigned in line with the new regulations. Additionally, it only

“ At ICICI Prudential Life we have been focusing on achieving **'Quality Growth coupled with Profitability'**. ”

Message from the Managing Director & CEO

quicken the process for us to have a stronger emphasis on training agents to act as financial planners and provide counsel to customers rather than sell insurance products. We have provided our financial advisors with modules which enable them to recommend relevant products depending on the life stage requirements of customers. Mentoring and re-skilling our financial advisors to the nuances of the changed business environment have started showing positive results and I am confident that this will further contribute to the improving persistency. While our endeavour has always been to provide our customers a balanced mix of products to choose from, we have also focused on providing a higher element of protection.

The integration of technology in each and every aspect of our functioning is an ongoing endeavor and we ensured optimal use of technology to significantly enhance customer experience. On the distribution front, we will continue to build on our multi-channel distribution network and continue to look for avenues that will enable us to reach out to our customers in the most cost effective and efficient way.

As an organisation, we have completed a journey of ten years from the day we took our first steps. Over the last decade, we have made rapid strides and have continued to set the benchmarks in the life insurance industry. The journey over the last decade has been exciting for all of us, as we went through various stages of learning and improving in the course of our pursuit of excellence. We have taken several steps to adapt to the changing industry landscape and this has enabled us to discover, learn, re-invent ourselves and understand our customers better. Our deep understanding of customer needs has enabled us to provide customised solutions encompassing the vital components of protection, financial security and other long-term financial goals. An ingrained value of constant innovation is reflected in every sphere and touching all functions within the organisation.

“ The journey over the last decade has been exciting for all of us, **as we went through various stages of learning and improving in the course of our pursuit of excellence.** ”