

January 20, 2026

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Phiroze Jeejeebhoy Towers,  
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Mumbai 400 001

Vice President  
Listing Department  
National Stock Exchange of India Limited  
'Exchange Plaza',  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

**Subject: Earnings Call Transcript for the quarter and nine months ended December 31, 2025**

In continuation to our letter(s) dated January 2, 2026 and January 13, 2026, the Company had hosted an earnings conference call with investors and analysts on Tuesday, January 13, 2026, at 3:30 p.m. IST, to discuss the performance of the Company for 9M-FY2026.

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that the transcript of the 'earnings conference call' for 9M-FY2026 has been hosted on the website of the Company at [www.iciciprulife.com](http://www.iciciprulife.com)

A copy of the transcript is enclosed herewith for immediate reference.

Please note that no unpublished price sensitive information was shared during the meeting.

Thanking you,

Yours sincerely,

**For ICICI Prudential Life Insurance Company Limited**

**Priya Nair**  
**Company Secretary**  
**ACS 17769**

**Encl.: As above**

**ICICI Prudential Life Insurance Company Limited**  
**Earnings conference call**  
**Nine months ended December 31, 2025 (9M-FY2026)**  
**January 13, 2026**

## Anup Bagchi

Thank you. Good afternoon and welcome to the results call of ICICI Prudential Life Insurance Company for the nine months ended December 31, 2025.

I have several of my senior colleagues with me on this call; Amit Palta – Chief Products and Distribution Officer; Dhiren Salian – CFO; Judhajit Das – Chief of Service Delivery; Manish Kumar – Chief Investment Officer; Souvik Jash – Appointed Actuary and Dhiraj Chugha – Chief Investor Relations Officer.

Let me start by talking about some of the key developments during the quarter.

We are proud to celebrate 25 years of service to our customers. Trusted by over 20 crore Indians, we have carried the responsibility and pride in protecting families and supporting them in their long-term savings goal. We extend our deepest gratitude to all our stakeholders whose trust and partnership have shaped this journey.

The President of India has approved amendments to the Insurance Act through the 'Sabka Bima Sabki Raksha' Act 2025. This is a move towards achieving 'Insurance for All by 2047'. Raising the FDI limit from 74% to 100% is expected to attract long-term capital to the insurance sector. The Act also enhances ease of doing business, prioritizes policy holder protection and positions India for accelerated growth and development.

Now, let me talk about Q3-FY2026 business overview.

In Q3, the life insurance sector saw a surge in demand following the recent GST reforms, strong GDP growth, low inflation and stable equity markets. Collectively, these factors have provided a conducive environment for the industry.

The key highlights of our business performance are as follows.

- Q3-FY2026 retail APE grew by 9.9% year-on-year on a base of 20.8% growth in the previous year Q3. Retail number of policies grew by 11.7% year-on-year.
- The recent GST reforms partly aided the strong performance of our retail protection segment. In Q3-FY2026, this segment registered a 40.8% year-on-year growth. Consequently, the retail sum assured witnessed robust 51.6% year-on-year growth during the quarter.
- Overall APE grew by 3.6% year-on-year in Q3-FY2026. Nine-month retail and overall APE stood at similar levels to previous year.
- VNB for Q3-FY2026 stood at ₹ 6.15 billion. The 9M-FY2026 VNB stood at ₹ 16.64 billion with a margin of 24.4%.
- Cost-to-premium ratio for 9M-FY2026 reduced to 19.3% from previous year's ratio of 19.8%. This includes the impact of withdrawal of input tax credit.
- As you are aware, over the past two years, we have undertaken several optimisation initiatives to make our cost structures leaner and better aligned to our product mix and will continue to work on the same.

- Our 13-month persistency stood at 84.4% and claim settlement ratio stood at 99.3% with an average turnaround time of 1.1 days for non-investigated individual death claims.

To summarise, we are committed to deliver sustainable VNB growth through a balanced focus on business growth, profitability, and risk management. This approach ensures we remain resilient and ready to scale emerging opportunities regardless of the ever-changing external landscape.

Thank you and I will now hand it over to Amit to take you through the business updates.

### **Amit Palta**

Thank you, Anup. Good afternoon, everyone. Let me start with the business overview.

As mentioned by Anup, Q3-FY2026 retail APE grew by 9.9%. Consequently, the two-year retail APE CAGR for Q3 stood at 15.2%. The retail savings and protection segment both registered growth in Q3 of this financial year.

Linked business also grew by 8.3% year-on-year driven by renewed customer confidence as equity markets returned to growth after Q2. Within linked business, we continue to focus on products which are not only aimed at wealth creation but also offer goal protection, high sum assured, and comprehensive benefit for nominees. This approach helps us cater to wider needs of customers apart from wealth creation.

Non-linked savings business grew by 15.2% year-on-year primarily led by non-participating products as customers locked in guaranteed yields in the declining interest rate environment. Annuity business declined by 16.4% in Q3 on the back of 50% growth in the previous year's same period. Within the annuity business, single premium continues to perform well as it offers attractive rates compared to other investment alternatives. We expect this segment to return to growth as the base normalises in the coming quarters.

Long-term life insurance savings product represents a steady growth opportunity and we capitalise on this through continuous innovation and expansion of our product portfolio. Recently, we introduced three products designed for long-term wealth creation: 'ICICI Pru Wealth Forever', a legacy plan that helps build long-term corpus, 'ICICI Pru SmartKid 360', a plan to secure a child's future milestones and third, 'ICICI Pru Wealth Elite Pro', a ULIP offering which incentivises customers to stay invested for long-term wealth creation.

Our core focus area, the retail protection segment continues to grow, registering 40.8% year-on-year growth. With only 13% of the addressable population currently being covered, we believe this segment offers a strong multi-decadal opportunity for growth.

Group Protection, which includes Credit Life and Group Term business, grew by 6.2% year-on-year. In Credit Life business, MFI segment has started showing signs of revival with growth in Q3. We expect the momentum to continue as industry stabilizes. Group Term business has grown, and we expect this segment to continue to grow over long-term as we remain focused on selecting businesses which meet our defined risk-reward expectations. Group funds business declined by

43.5% year-on-year in Q3 on a high base of 348.3% growth in the previous year. This business is typically lumpy in nature.

Moving on to the channel-wise growth and contribution:

Agency channel grew by 0.8% and direct channel grew by 1.1% in Q3 and together these channels contribute 52% to retail APE. This performance is on the back of high growth delivered in previous year where agency channel grew by 26% and direct channel grew by 23.1% in Q3 last year. Over the period, these channels, i.e. Agency and Direct have demonstrated their ability to deliver continuous growth across various business cycles with 5-year CAGR of approximately 14% in 9M-FY2026. Given the current macroeconomic environment favoring both market linked and traditional products, we believe these channels are well-placed to capture the growth opportunities.

On bancassurance channel, we grew by 10.5% year-on-year and contributed 26.7% to APE in Q3. Partnership distribution channel grew by 51.6% year-on-year in Q3 on a base of 7.1% year-on-year growth in the previous year Q3. The channel contributed 13.5% to APE mix in Q3. Group business declined by 20.1% year-on-year in Q3 on a high base of group fund business last year. The channel contributed 16.2% to APE mix in Q3.

Our distribution reach is provided on Slide 23. We continue to strengthen and deepen our distribution network and have added more than 46,000 agents, 140+ partnerships and 3 bank tie-ups in 9M-FY2026. Today, we have the strength of 2.35 lakh+ advisors, 51 bank partnerships with access to more than 24,500 bank branches and 1,400-plus non-bank partnerships.

To summarise, we will continue to offer the right product to the right customer and deliver it through the right channel. By leveraging our strong brand, continuous product innovation and well-diversified distribution, we are confident in our ability to deliver sustainable business growth. We finished Q3 on a positive trajectory and expect the momentum to continue in Q4.

I will now hand it over to Dhiren to talk to you through the financial update.

### **Dhiren Salian**

Thank you, Amit. Good afternoon, everyone.

Now, let me take you through the financial metrics.

Our Value of New Business (VNB) for Q3-FY2026 stood at ₹ 6.15 billion. The VNB for 9M-FY2026 was ₹ 16.64 billion with the VNB margin at 24.4%.

As you are aware, effective September 22, 2025, the input tax credit on individual business is no longer available. Despite this, we have maintained nine-month margins at levels similar to that of H1. This movement in margin is primarily due to higher retail protection mix, improvement in product-level profitability through increasing sum-assured multiples, longer tenure policies, and increasing rider attachment, and a favorable movement in the yield curve during Q3. The above

movement has helped us cushion the impact of an increase in expenses due to the unavailability of input tax credit and therefore maintain healthy profitability.

On the efficiency front, we continue to optimise expenses and improve productivity. As you can see, cost-to-premium ratio has reduced by 50 basis points to 19.3% in 9M-FY2026. This includes an increase in Q3 expenses resulting from the unavailability of input tax credit. The reduction in cost is a result of our endeavor over the past two years to continuously align our cost structure with that of the product mix that is demanded by the customer. Notably, the cost-to-premium ratio for our savings line of business has also reduced by 90 basis points to 12.7% in 9M-FY2026.

Our 13-month persistency stood at 84.4%. We have observed some challenges in specific channel and product pockets, where persistency ratios are lower than the initial assumptions. To address this, corrective actions have been initiated aimed at improving these levels and that is being monitored closely.

Coming to the other financial metrics:

- The Company's PAT grew by 19.6% year-on-year to ₹ 3.90 billion in Q3-FY2026 and 23.5% year-on-year to ₹ 9.92 billion in nine months of this fiscal, primarily driven by higher investment income from Shareholders' funds.
- Our solvency ratio stood at 214.8% at December 31, 2025. During the quarter, the Company had called back ₹ 12 billion that had been previously raised in November 2020. Subsequently, the Company raised fresh subordinated debt to replace the amount called back.
- Our Assets under management grew by 6.5% year-on-year to ₹ 3.31 trillion at December 31, 2025.

Thank you and we are now happy to take any questions that you may have.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Shreya Shivani from Nomura. Please go ahead.

**Shreya Shivani:** Hi, thank you for the opportunity and congratulations on a good set of numbers. I have three questions. My first question is on the VNB margins of Q3. While you have explained what has driven the almost flat margins, I wanted to understand if the new labor laws' impact of those have been priced into this quarter's financials in terms of the margins. If not, will it come in the next quarter? If you can help us, explain how much would that impact be, how much of it is recurring and so on and so forth. Some details around that would be useful.

My second question is on the persistency bucket. While you have spoken about the 13-month persistency, I also want to understand what is going on with the 61<sup>st</sup> month because over the years, the persistency trend in this bucket has gone up to as high as 66% probably in the FY2024 numbers and now it is in a different trajectory. Before that, it was as low as 56%-57%. So, if you can help us understand the wide movement and what is causing this amount of wide movement over here.

My third question is RBI FSR (Financial Stability Report) spoke about the distribution reforms, product innovation that they look forward to in the insurance sector. If you can help us understand, what kind of reforms should we expect from the industry, what could be the timelines and so on and so forth? Thank you.

**Dhiren Salian:** Let me take your questions one by one. To address the first point that you raised, in terms of the impact of the labour law, yes, we have taken the impact. We have put it as part of our disclosures as well. The charge that we are taking is to the tune of ₹ 11 crores and that is all that we have at this point. So, the next question would be that why is it so small in relative to the overall liabilities that we hold. Quite frankly, the way that we had set out our internal policies pretty much offset whatever was required by the new labor code. So, the delta of ₹ 11 crores is what we have taken at this point. There is nothing residual for the future from this particular pool.

Coming to your second question on persistency, 61<sup>st</sup> month, over the years, a couple of changes have happened in terms of the way 61<sup>st</sup> month has to be measured and that is also stemming from the product regulations. Unit linked does have an element where earlier they would get foreclosed at the end of 61<sup>st</sup> month. Now, the new set of regulations that have happened over the last, actually in 2019, these require the policies to remain active and the foreclosure dates have been pushed back. What that does is that it depresses the persistency at this point. However, given the fact that these are going, the AUM continues to stay with us, we continue to earn off that. There is a similar regulatory change that happened sometime back for traditional book as well, which therefore elongates the foreclosures.

Coming to your third point, I think, frankly, in terms of innovation, you are seeing us do quite a bit. Innovation is not just centered around products. Amit gave you a brief of some of the products that we have recently launched, but innovation also works around in terms of process, efficiency and cost, because all of these go back to be able to deliver value to customers. Frankly, there are two businesses that we run, savings and protection. In the savings business, continuous innovation to be able to drive better cost ratios is where we give better value back to customers. That is something that we will continue to keep pushing. And in terms of claims ratios for protection, that's something that we monitor very, very closely.

**Shreya Shivani:** Just to follow up on that, distribution reforms is not, I mean, any, I understand the product-process innovation, but we have anything, any inkling on the distribution reform?

**Dhiren Salian:** Not at this point, Shreya. I think we will await any inputs from the regulator or the committees that they've set out.

**Shreya Shivani:** Okay. All right. And just one follow up on the persistency bit, the traditional book's foreclosures getting elongated, that happened when? I understand ULIP policies were changed in 2019.

**Dhiren Salian:** Yes, that's also the same 2019 period.

**Shreya Shivani:** Okay. All of this is in 2019. So, basically, the new regulation allowed the account to remain active, is it?

**Dhiren Salian:** Yes, that's right. It stays with the Company for longer, gives additional time for the customer to revive the policy.

**Shreya Shivani:** Got it. Understood. This is useful. Thank you and all the best.

**Dhiren Salian:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Swarnabha Mukherjee from B&K Securities. Please go ahead.

**Swarnabha Mukherjee:** Hi, sir. Thank you for the opportunity and congrats on a good set of numbers. Three questions from my side. First of all, of the channel strategy. So, I take the point that you mentioned that channels like Agency, Banca had a high base previously. So, now I think we are sitting on the inflection point. So, as we move on, what are the on-ground trends are we seeing in terms of these channels? What kind of products we are selling and how are the offtake looking vis-à-vis, say, the base in the previous year for fourth quarter? Although I understand these are early days, but some comments related to that would give us some better understanding about how we should think about growth as we move ahead. And in terms of the partnership distribution channel, I just wanted to understand what kind of products were sold through this channel and is there any impact of any product launch, etc. that was there in this particular quarter. And on the GST side, so are our negotiations largely done and the impact absorbed or should we expect another quarter for that to happen? And also, once everything is absorbed, then the margin run rate that we are seeing currently, do we expect it to increase in the coming year, just purely on the basis of that? And last one, I think I wanted to understand that all these changes in operating parameters like, say, cost ratios or persistency, have we already made the changes in our VNB calculation? Yes, that would be all for my side.

**Dhiren Salian:** Thanks, Swarnabha. Let me address a couple of questions before I hand over to Amit. One is in terms of the negotiation that we have on GST with distribution. See, frankly, again, we are reiterating what we had said the last time around. We strongly believe that these reforms, they will help usher in growth. And we expect them to be value accretive for all our stakeholders, customers, distributors, as well as the Company. And you have seen the increase in business that has happened in the current quarter post the reforms that had been announced. Now, everyone has benefited. Customers have seen the value of zero GST. We have seen the benefit of volumes and distributors have also seen the benefit of these volumes come through. Now, we have got multiple types of partners. Our approach is very different with each of these partners. Given that this diversification exists, I guess closing some of these commercials may take time over the period. But we are progressively addressing each of these. And we will work towards a win-win proposition for us as well as our distributors on this. The fundamental point is, it's not the margin, it's growing the absolute business and therefore the absolute VNB and from a partner perspective, growing their earnings as well. So, that's the process that we have adopted and we continue to make headway at it. Anything else that comes through the coming quarter, we will keep you updated on that front.

Coming to your question on cost ratios, again, we have a view of where we will end up for the year in terms of our cost ratio. Does it take into account all of the savings that we have got over the past few quarters? To some degree, yes. But of course, it depends on how we do well in the



coming quarter. And we will anyway update all of these cost ratios at the end of the year. At this point, it is looking positive. So, we are very clearly working to ensure that we do not have any surprises on the cost front at all.

**Amit Palta:** Yes, Amit, this side. On channels front, you spoke about high base of last year. So, let me just define what contributed to high base last year. One was, of course, the markets were very favourable, they were buoyant. Second, we had the right products to capitalise on the positivity that existed in the market. We introduced new products as well on the unit-linked platform, which supported our growth on the unit-linked side. And third is the annuity business that we experimented with a new product, which got us the upside last year. So, last year, we had a very strong growth in the first three quarters, which was largely driven through our proprietary channels, which is Agency and Direct. So, over the years, we have drawn confidence from the fact that whenever there has been a change in the macro environment, our direct channels, our proprietary channels have been able to align to the shift in the customer demand or any change in the macro environment. So, this is something that we witnessed, even in H1 as well. So, while there was a decline, there was a stress because of high base. But progressively, we have seen our decline coming down from Quarter one to Quarter two. And eventually, we turned the corner in Quarter three by turning positive. So, two year CAGR gives us comfort that on a little longish basis, we have the ability through our proprietary channels to start growing every time there is a shift in the environment.

So, these are the things. In between, like I mentioned, even in my opening note as well, looking at where the current environment is, which actually is quite a dual opportunity because the economy has started doing well. Markets are much better than what it was in H1 of the year. So, Quarter three is looking good, and we are supported with new product introductions as well. So, we are quite prepared in terms of availability of products which are most opportune, most appropriate at this point in time, because the opportunity doesn't just exist in unit-linked products, but it also exists on the guaranteed platform products. So, hence, we have seen an uptick on both sides in Quarter three, which gives us the confidence that with these new introductions that we have done, which I spoke in the opening note as well, we are fairly placed in carrying on with the momentum in Quarter four as well, in our direct channels.

Your second question was on partnership distribution. See, partnership distribution, of course, it has a lot of almost 1,400 odd partners we have, and they all follow very different models. So, there is no one model that suffice all 1,400 partners. So, different partners have different primary businesses, somebody is in general insurance, somebody is in broking distribution, somebody is in equity distribution. So, the fabric of our partners in the entire partnership distribution space actually varies quite a lot. And hence, it's very difficult to single out and say one product strategy works across. So, different cohorts of partners respond differently to different economic environment. So, we have seen the current environment is quite favourable when it comes to guaranteed products and that is where we have seen maximum momentum.

**Swarnabha Mukherjee:** Right, sir. That's very helpful. Just one bookkeeping question. In the non-linked part, if you could give us the split between par and non-par, that would be very helpful.

**Dhiren Salian:** Swarnabha, we are roughly at about 60:40 right now, par to non-par.

**Swarnabh Mukherjee:** Okay, thank you. Very helpful. That's all from my side. Thank you so much and all the best.

**Dhiren Salian:** Thanks.

**Moderator:** Thank you. We take the next question from the line of Kushagra Goel from CLSA. Please go ahead.

**Kushagra Goel:** Sure. Hi. Thank you for taking my question and congrats on a good set of numbers. Just first question was on the regulatory front. I know you said that there is no update on the distribution reforms. But in general, just wanted to understand, are we expecting any other types of reforms to come in over, let's say, next 3 to 6 months period? So, anything that is in the works, if you could give some more color? And second was on the banca side. So, one, just a bookkeeping question, if you could give the APE mix for ICICI bank and the other banks. I just wanted to understand like this quarter; did we see higher growth on the other banks side or how was it on the banca channel?

**Dhiren Salian:** Kushagra, ICICI bank to non-ICICI bank roughly is half-half in that range. ICICI bank is steady as in you see the composition of ICICI bank business is unit-linked and protection. Protection has done very well in this quarter as has every other channel. So, they have been able to partake in the growth and do well as well. And unit-linked is dependent upon how the general market environment is. So, to that extent, otherwise generally broadly in the range of ₹100 crores- ₹120 crores is typically what they do per month.

Coming to your first question in terms of distribution reform, I think I have answered that. There's nothing more that I can add at this point that is in the public domain.

**Kushagra Goel:** Any other reforms or anything else which is in the work that can come up in the space? Anything that you have heard?

**Dhiren Salian:** No. I think we will wait for the committee to come up with their recommendations.

**Kushagra Goel:** Got it. Thank you. That's all.

**Moderator:** Thank you. We take the next question from the line of Madhukar from JP Morgan. Please go ahead.

**Madhukar:** Thank you for the question and congratulations on a good set of numbers. So, first, see protection has done really very well for us. 40% year-over-year growth that we are seeing and that's in retail protection. So, my question is, a lot of it is driven by pent-up demand, I'm guessing, and obviously the GST reduction factor. So, how should we think about it in the coming quarters? What should be sort of more, if you could help us understand, what sort of growth can we see in protection? And second, also on an overall basis, individual APE growth this year has been slightly muted and Q3, of course, you have seen an improvement. But going into Q4, how should you look at individual APE growth? How much do you think we can, on an overall basis, we should be sort of penciling in for APE growth over the next couple of years, individual APE growth?

**Amit Palta:** Good question. So, on your comment on protection, well, as you know that once the GST waiver was announced on 22<sup>nd</sup> of September, we did see demand for consumers picking up. And that was as simple as 18% cheaper product. So, if you ask me, you know, that is something which has really triggered demand across channels that we have witnessed and in the industry. And I don't really believe that for a country where penetration is only 13% to the addressable market, where still there is a long way to go, there could be anything which is pent up. So, it's just the cost economics, suddenly 18% cheaper product is now available, is pushing customers to think again, and get the purchase decision be taken faster. And the organizations and us as well, we are making access of these products more and more easy for the customers, getting processes streamlined, and making it available to our customers. So, last year, also, if you look at, you know, Quarter three, we had actually grown by 40% year-on-year. So, actually, it is quite a sustained effort that is required in protection. There is a lot of infrastructure that is required to be built to do protection business at large. Right. So, which is something that where we are investing over a very long period of time, and just that GST waiver has given fillip to the kind of growth that we have witnessed in last three months. And if you ask me, the outlook for future, again, looks very, very good on protection, eventually, it is protection that really differentiates this industry from any other industry in BFSI. So, from that perspective, it's a great move by the government, consumer demand exists and we will keep investing in our processes and systems and our practices to ensure that experiences are good while onboarding our customers and demand keep picking up from current levels. So, I expect this momentum to continue.

On APE growth, you spoke about relatively a muted growth in first half and turning positive in Quarter three. I had explained as an answer to the previous question, that we did have a large base in the last year, which was driven by a positive market environment, unit-linked products, new product launches that we did on unit-linked platform, and the experiment that we did with one of our products in the annuity category, all that led to a very large base. So, the way to look at our overall nine-month performance is on a 2-year CAGR basis, where we look quite in line with the industry, right. So, to that extent, you can say two years RWRP CAGR, if it is 13.8% for us, for the industry it is about 13.3%. But good part is that Quarter three onwards, it will start getting normalised and for the momentum that now we have seen turning positive in Quarter three, hopefully, it will only get better in Quarter four.

**Madhukar:** Got it, understood. And just one follow up question on repricing, any thoughts on protection repricing anytime soon?

**Dhiren Salian:** So, Madhukar, en masse repricing is not something that one should expect, quite frankly. At all points in time, we keep assessing and this is business as usual for us, we keep assessing segments, we keep assessing the process, we keep assessing the pricing. And whenever there are micro adjustments, we keep doing that along the way. This is in the quarter, previous quarters as well. And that's something that we will continue to do. So, in a nutshell, there is no secular price increase that has happened. This is, I'm referring to the price hikes that we had seen back in 2020 and 2022, nothing of that sort has happened.

**Madhukar:** It's not happened, but given that you are obviously absorbing some bit of the GST there, any chance of you taking a price hike in protection in the near term?

**Dhiren Salian:** Madhukar, the objective is to be able to grow absolute VNB. As I explained earlier, if you're able to get demand by way of this reform, then everyone is happy along with it, customers, distributors, as well as us. So, it is the objective of growing absolute VNB, which helps us in this endeavor.

**Madhukar:** Understood, sir. Congratulations.

**Dhiren Salian:** And again, I think maybe I should draw your attention to the protection number, 40% year-on-year retail protection growth in the quarter is quite strong.

**Madhukar:** Yes, sir. Absolutely.

**Moderator:** Thank you. We take the next question from the line of Umang Shah from Banyan Tree Advisors PMS. Please go ahead.

**Umang Shah:** Hi, sir. Thank you for taking the question. Sir, first question was, what was the rationale of transferring the pension management subsidiary to ICICI Bank? This was the first question. Second question was, in partnership distribution, how much revenue or how much premium would be coming from online aggregators? That was the second question. And third one, do we continue selling zero surrender products or have we discontinued them all altogether? Just these three questions.

**Dhiren Salian:** Sure. In terms of the zero-surrender product, it's still on our shelf, but we don't have so much of volumes at this point. In terms of partnership distribution, and specifically looking at web aggregator, let me just remind you, we have a very diversified distribution. Our largest channel is ICICI Bank as a single entity. And most distribution doesn't really cross the 4%-5% mark at all as a single distribution entity. So, I will not call that web aggregator in specific, but you get the sense that we are extremely diversified in that sense.

Coming to the question on PFM, there is a little bit of synergy that can happen with the PFM being integrated as a direct subsidiary of the bank. And this is in line with the strategy the bank has put out. And to that extent, we were looking at the value that was done through an independent valuer. That's the value that we have transferred the PFM to the bank at.

**Umang Shah:** Okay. Considering that it's a long-term product, we would have thought that life insurance company and pension fund management will have a better synergy as such.

**Dhiren Salian:** Yes, Umang, good question. The entire pension is broken up into two parts, the accumulation and the de-accumulation phase. So, the accumulation phase, typically on the NPS, is done by the PFM entity. But it's the de-accumulation phase, which is the annuity phase where only we can participate in. So, to the extent that the PFM grows, whether it's a direct subsidiary or it is a sister concern, as long as we get the annuity, I think we should be able to reap benefits of that. So, that doesn't change our strategy in that perspective.

**Umang Shah:** Right, sir. Got it. And sir, on partnership distribution, the growth in that channel was even higher than any of the products that were growing. So, if you could just highlight which products did PD do really well in, that would be great.

**Amit Palta:** Very simple to explain here. This is Amit. See, partnership distribution, like I explained for Direct distribution which was supported by very strong growth in annuity and unit linked business last year. Partnership distribution is not much into linked business. So, they had relatively a subdued base of last year. So, on that subdued base, they have grown quite phenomenally. And this year's environment, which is more favourable on guaranteed platform, partnership distribution partners have actually done well.

**Umang Shah:** Okay. Sure, sir. Thank you so much.

**Dhiren Salian:** Thanks, Umang.

**Moderator:** Thank you. We take the next question from the line of Sanketh Godha from Avendus Spark. Please go ahead.

**Sanketh Godha:** Thank you for the opportunity. Dhiren, I had one question on the margin, 24.5%. If you can give a broader waterfall, the 24.5% on one edge falling to a margin of 24.4%, how much was dragged by GST and how much it was pulled up by either product level margins or product mix change? If you can give a broader colour there, it gives an understanding how it plays out and how do you see it to play out from a full year perspective in the margins in that sense? So, that's my first question.

And the second question is, cost cutting exercise, which you alluded to, supported the margins and it has been on the focus area. That exercise is broadly done, or you still believe there are efficiencies to play out further and which can contribute incrementally more to the margins? These are the two questions on the margin. And I have one more question on growth. Maybe if you answer these two, then maybe I will ask later.

**Dhiren Salian:** So, Sanket, I have not given a walk, but when you look at the breakup, as I mentioned earlier, there are these elements that are offsetting the GST cost. One is the fact that the higher protection mix, which is the entire product mix shift, that has contributed towards an uptick. You can see that in Quarter three, retail protection is at 8.2% versus 7.2% that you'd seen in H1. There is an improvement in the product profitability where we had spoken about increasing sum assured, policy tenures, rider attachment, that has contributed quite well. And of course, some degree of movement in the yield curve. Now, these are the counter balancing elements. I'm not getting into the breakup of it. But these have counteracted each other and we are broadly flattish from H1 to nine months.

In terms of your question on cost, I think the right phrasing that we should use is actually waste cutting. It's not cost-cutting. Clearly, we are not cutting into any of the muscle. What we are assessing at every point in time is what can be a better allocation of our resources to be able to deliver sustainable growth. So, very clearly, identification of waste across the organization, across departments, across processes, and across systems. That's something that we have started a few quarters back and we will continue to do it at this point. But having said that, obviously, the bigger chunks of cutting has already happened. We will continue to keep working and cutting further in terms of all of these waste. But of course, the big jumps that you would see in terms of cost ratio drops, that may not be as large going forward.

**Sanketh Godha:** I understood. And on margin trajectory, I mean, if these levers of product mix and product level margins sustain, then this 24.5% kind of a margin should hold up for next two years, or this year and the next year, I mean.

**Dhiren Salian:** Yes, largely it is going to be product mix that kind of dictates where the final margin lands up. And to be able to deliver on VNB, it's growth in the premium, which is APE, and to whatever extent the mix shifts, then that should add to VNB growth. That formula continues.

**Sanketh Godha:** Understood. Thanks for that. And the second question is much more on growth, which you probably alluded at. See, two years CAGR, it has been 13%-14% growth. Maybe, as you rightly said, the higher base had an implication on the current nine months growth. Then is it fair to say that now, given the distributions are broadly settled, whether it's ICICI Bank or others, we will be in a position to deliver a growth of 13%-14%, assuming the industry growth going ahead. Is it a fair number to believe that now the recent base can give us a growth of 13%-14% going ahead too?

**Amit Palta:** That exactly is the endeavor, Sanketh. And after having turned our Q3 positive, going through the high-base challenge of last year, we are fairly confident about building it up from here.

**Sanketh Godha:** Got it. And lastly, on group protection, which was 5%-6% growth in nine months in the 3rd Quarter, if you can give a color whether it's largely credit life led slowdown or it's a combination of both credit life and retail slowdown?

**Dhiren Salian:** So, in the nine months, we do have an impact of slower growth or rather decline that we have seen in the MFI business of Credit Life. So, the good part that we are starting to see now is that MFI has now started to turn around. I wouldn't say it's out of the woods yet, but very clearly, we have started to see a turnaround coming through in Q3. So, again, this is in line with the commentary that you're also hearing generally around MFI credit, the core business of credit. So, as that business starts to build up, we should be a natural beneficiary of that.

**Sanketh Godha:** Understood. Yes. Thanks, Dhiren. This answers most of my question. Thank you.

**Moderator:** Thank you. We take the next question from the line of Nidhesh from Investec. Please go ahead.

**Nidhesh:** Thanks for the opportunity. First question is on GST impact. So, have you passed on that impact to the distributor or we intend to pass it on in coming quarters? And what would be the strategy there?

**Dhiren Salian:** So, Nidhesh, I covered this earlier as well. Again, GST reforms, this should help usher in growth. There again, value accretive for all our stakeholders - customers, distributors, Company. See, post the change in reform, we have seen growth come through that again, to our sense, it's a demand that's been built up. That's quite positive. We are able to add VNB. At the same time, partner's earnings are also coming through. Now, given the diversity of partnerships that we have, some of these conversations take longer to conclude. We are working towards this and the idea is to be able to bring a win-win proposition for everyone.

**Nidhesh:** Sure. Secondly, so this quarter, we also got benefit of yield curve being in our favor, which also helped our margins. How do you see that playing out over medium term, whether you will pass on that benefit to the customer or you will be able to retain that because then that will have an implication on the future margins?

**Dhiren Salian:** Yes, you're right, Nidhesh. But the final changes in pricing or if there are any changes in pricing will be a function of how the yield curve moves, what the market dynamics are, what our distributive conversations are, as well as growth. So, it will be a multi-factor equation. I can't simply pick up one thing that will determine whether the price will move positively or negatively.

**Nidhesh:** And last question is on persistency. So, there has been a sharp drop in 13-month persistency, which you have explained. But how do you see the trend in FY2027? Should we again go back to 88%-89% persistency on 13-month basis or this 85% is the new normal? And how do you see the impact of lower persistency in our operating variances for the full year?

**Dhiren Salian:** So, you're right. We have seen some challenges in specific channel product cohorts and we are working at this. As we fix those particular poles, we should see persistency rise. That's the endeavor, we should hit 85% and above as we go through into the later part or mid part of next year. How much more can we get through to the 87%-88%? I think we will have to wait and watch how that shapes up or the underlying business shapes up. How we take a look at that on terms of EV, I think we will do the final assessment as we go through to the end of the quarter and then we will bring that to the market.

**Nidhesh:** Sure. Thanks, Dhiren. Thanks.

**Moderator:** Thank you. We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services Limited. Please go ahead.

**Prayesh Jain:** Hi. Just firstly on the growth front, while Amit you mentioned that we are looking at a good 2-year CAGR, but if I actually look at trends even in FY2024, it was a kind of a low base where ICICI Bank was possibly declining and from that base in FY2025, we saw most quarters very strong growth, obviously because of product innovations and product launches that we had done. Then again on that high base, we have seen a low growth in this fiscal so far. So, it's been up and down. So, do you think that we are now in a position that we can be a more consistent growth Company from an all-product perspective or from a channel perspective, now that all these corrections have been done, we should be a more stable growth Company?

**Amit Palta:** Okay. I will take this. Amit, this side. You spoke about FY2024 challenges because of decline in our primary channel and subsequently product launches and innovation. See, one big learning from last year after having witnessed growth in first nine months, when the demand was very strong in unit-linked products, we took a strategic call to align our cost structure to ensure that we don't create a bias, artificial bias in selecting products which gives margin. And we continue to have growth of absolute VNB as an objective. But to follow that strategy, it is very important that you take those hard calls, cut the waste, relook at the structure, work on every area of cost rationalization, so that you are aligned as an organization to the demand based on the macro environment. So, having done that hard work, now we have created products across



category, not creating biases on what we believe is right for us internally, but going truly with the consumer demand, I think we are fairly well placed with our current cost structure, as well as the availability of products that we have created. So, if you ask me on growth perspective, we are very confident in aligning to any change in the macro environment that may happen in times to come. And this situation is very different from where we were two years back, when there were issues about concentration of business with one of the large partners, which is now fairly diversified. And even on products, we are fairly diversified and have availability of products to take care of any change in the environment. So, from a degree of confidence, I can say now things look much better. Because at cost structures that we have currently, we can take care of the volatility much better.

**Prayesh Jain:** Got that. That's helpful. Dhiren, you mentioned that the product mix in between in the non-linked part is 60-40 between par and non-par. But I think in the Q2 call, you mentioned it was 50-50. So, has the par share gone up?

**Dhiren Salian:** It's 60-40, roughly in that range.

**Prayesh Jain:** Okay. Because in the previous call, you had mentioned the mix is 50-50, that's the reason I'm asking. And the third question is the solvency increase is because of what, in spite of we seeing such a strong growth in protection?

**Dhiren Salian:** Solvency increase is largely because of addition in PAT. There's not too much of movement. Whatever that we need in terms of required solvency, that was added up.

**Prayesh Jain:** Okay. All right. That's all from my side. Thank you.

**Dhiren Salian:** Nothing unusual there, Prayesh.

**Prayesh Jain:** Okay. All right.

**Dhiren Salian:** Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Harshal from Asian Market Securities. Please go ahead.

**Harshal:** Hi sir. Thank you for the opportunity. Two sets of questions. The first is in terms of annuity books. So, if you can help us explain how the surrender experience tracking versus assumption is, whether there is any impact on EV from annuity surrenders has been recognized or is expected to be going forward? That was the first question. And secondly, in terms of commission cost, we have seen a sharp increase in the single premium commissions. So, could you help us understand the key drivers behind the same?

**Dhiren Salian:** So, in terms of the final quantification of whatever hit that we have, if any on to EV, we will bring that at the end of the year. Yes, in the RP annuity book, the persistency is lower than what we had initially set out. In terms of single premium overall, you would have seen the commission grow. That's also because of the growth that we have seen in parts of the Credit Life business.



**Harshal:** Sure, sir. Thank you and all the best.

**Dhiren Salian:** Thanks.

**Moderator:** Thank you. We take the next question from the line of Dipanjan Ghosh from Citi Group. Please go ahead.

**Dipanjan Ghosh:** Hi. Good evening, sir. Just a few questions from my side. First, if you look at your protection business, it seems that after quite some time, your non-ROP business has grown at a very, very significant pace. So, just want to get some sense of this demand growth that we have seen, let's say, post-GST rate cuts and its linkage to pure term. Do you see some linkage of them? Secondly, is the non-ROP product significantly higher on the margin profile, which kind of benefited you during the quarter? Second, on the Credit Life mix, I think this question has been asked by previous participants. So, just wanted to kind of extend the discussion. In terms of your mix between MFI and non-MFI, how much that will be, let's say, for the nine months, so that we can gauge what can be the growth if microfinance were to improve in FY2027? And the last question is on the non-IBank banca channels. Do you see any sort of competitive pressure rising, or do you kind of hold on to the counter shares that you would have seen over the past half or nine months, or rather, in case they have increased from the previous levels?

**Dhiren Salian:** So, Dipanjan, bulk of our retail protection business is actually non-ROP. ROP is a very small component of that. That's roughly in the range of about 10%. So, that's never been the big mainstay. Most of our retail protection has been pure termed without ROP. And that's seen a big spike over this last few quarters also. We have not broken out the split between MFI and non-MFI within the Credit Life, but it's fair to say that MFI is fairly significant within our portfolio. Coming to the third question that you had in terms of non-ICICI bank multi-insurers, I think we have been holding our counter share in all of these shops. So, competition, of course, is intense in all of these shops, but we have been holding our counter share here. Amit, you want to add anything?

**Amit Palta:** Yes. So, most of our bancassurance partnerships outside ICICI Bank are multi-insurance, with the exception of one multinational bank that we have. And there the competitive pressures are always there. So, we play by the year, the only guardrail threshold that we keep in mind is the risk reward ratio, as well as the quality. And based on that, we play out and see how it goes. But yes, competition is very active. But most of the shops, we have been able to hold on to our share or even better there. So, that's something which is only on the improving side.

**Dipanjan Ghosh:** Got it. Thank you and all the best.

**Amit Palta:** Thanks, Dipanjan.

**Moderator:** Thank you. We take the next question from the line of Vinod Rajamani from Nirmal Bang. Please go ahead.

**Vinod Rajamani:** Thank you for the opportunity. I had two questions. One is on this ULIP portfolio, what is the proportion of say these hybrid ULIPs, say the ULIPs on the similar lines of say Protect and Gain and so on, where you offer a higher sum assured. So, just what the proportion of the

entire ULIP is? Secondly, on riders, what is the attachment rate? Are you attaching only on say the new products, new sales or on the existing portfolio as well? And what kind of attachment rates are you seeing? So, these are the two questions I had.

**Dhiren Salian:** Now, Vinod, we haven't called out the share of higher sum assured ULIPs, but it's safe to say that it started to pick up materially over this current fiscal. In terms of riders, these are on to new products, new sales only. A little difficult to go back to existing customers and then look at an upsell of a rider on an existing plan. So, it's easier done with a new sale primarily because the amount of premium that we are taking is quite small. So, going back to existing customers using our distribution force is not as cost effective.

**Vinod Rajamani:** Fair point. Just on this, a follow up to this hybrid ULIP question, is there any, do you see any issue in terms of, say, a substitution effect in the sense that if you're selling these high sum-assured ULIPs, you could be kind of, some customers who would have wanted to buy, say, a large term policies, they might be wanting, they might just end up finally buying hybrid ULIPs, which have high sum assured. So, is there some substitution effect that is possibly playing there? Also, is that some, is the substitution effect also playing to some extent on the non-par to kind of on hybrid ULIPs? So, the customer profile is different. But, is the agency force trying to kind of sell these hybrid ULIPs as a substitute for non-par? Is that happening?

**Amit Palta:** So, let me answer this. Amit, this side. See, the profile of customer that we are intending to penetrate through our high sum assured ULIP are those mass affluent and affluent customers who have dual objective of wealth creation and protection. So, to that extent, even somebody who does purchase a pure protection doesn't stop planning for wealth creation. So, to that extent, he does plan wealth creation as well. So, these are typically mass affluent and affluent customers who tend to take these products. But you're right, for somebody who intends to go for a very high cover, he has a choice of going with his affordability and seeing what he can spare for pure protection and can choose a cheaper product. So, to that extent, I don't see this coming as a replacement for pure protection because the affordability and what you get as premium is very, very different in these two categories of products. So, they are not a similar premium sized product giving similar kind of cover and one giving wealth creation, other than not giving wealth creation. So, it's a, it's very different from an affordability perspective by customer segments. And we have not witnessed, to be very honest, giving you a direct answer, we have not witnessed any replacement of pure protection with the high sum assured ULIP.

**Dhiren Salian:** Because Vinod, the pure protection plan at one level gives you 400 plus times the premium in terms of cover, whereas these products give you anywhere between 40 to 100 in terms of the coverage to the premium. So, clearly different areas, different objectives that we are trying to meet with this. And despite this, you have seen a 40% year-on-year growth in retail protection in Quarter 3.

**Vinod Rajamani:** The only reason I brought this up is, none of your similar sized peers have launched this, this high sum assured ULIP So, that was the reason that's it. So, that's why I was wondering if there's some substitution effect at play.

**Amit Palta:** Let us clarify, this product is being offered though a little differently, but mostly it is available across quite a few organizations now. We are not the only one.

**Vinod Rajamani:** Okay. Thank you.

**Amit Palta:** Thanks.

**Moderator:** Thank you. We take the next question from the line of Shobhit Sharma from HDFC Securities Limited. Please go ahead.

**Shobhit Sharma:** Hi, sir. Thanks for the opportunity. So, I have a question on your growth. So, how should we think about your growth on the individual business side for the next 2-3 years? Why I'm asking this question is like, if I look at your five years CAGR, it's actually less than one third of the CAGR of the private players. And it is now almost two years from the time we have rejigged our margin profiles and the constant changes we have made to our product portfolio. So, that's first. Secondly, on to the product strategy, if I look at, so we, so two years, so we have thought about no-cost ULIPs. We have pushed for that. We launched an annuity product with a 100% return of premium on surrender. Now we have launched a new product on the ULIP side with a return of premium allocation charges and we have slowed down on the annuity products. So, just wanted to understand our thought process on that and what kind of new product should we expect in the upcoming quarters now? Yes. Thank you.

**Amit Palta:** Okay. I will take this, Amit, this side. So, there's always a context and the power of context cannot be taken away. And that has been the journey that we have traversed over a period of last 4 to 5 years. And we focused on things which we prioritized at a given point in time and looked at protecting our margins, diversifying our channel mix, diversifying our products at a time when there was a shift in strategic priorities with a primary bank partnership. And we are very happy to say that, the guidance that we had given of doubling our FY2019 VNB by FY2023 VNB still was achieved. We doubled that VNB. Though the path we chose was through channel diversification, new partnerships and product diversification. So, the path was different from the growth objective that we would have probably otherwise followed. Subsequent to that, there has been some changes in the environment to which we have aligned whenever the opportunity has been favorable. And when it has been challenged, like the way it was challenged last year with a very high base and we capitalizing on that base of unit linked opportunity, market positive and annuity as an experiment that we did, in light of the fact that surrender guidelines were six months down the line, going to become a new norm. And we thought it was a good experiment to do with our affluent customers with our select channels. And it did work for a short while. And it gave us a good growth last year. So, there is a context to what you witnessed over a period of last so many years. And today, which is most important is the context where we are today. Where we are on our product strategy is that in terms of availability of products, right across categories we have on category of products, whether it is unit linked, market linked, part guarantee, full guarantee, annuity, nearing retirement age customers, younger customers, protection, return of premium, exit as a special feature for our customers, exclusive products for self-employed. So, virtually, from benefit perspective and from category choice perspective, we have almost our basket being full. And we have already articulated that we will not follow an internal expectation on what product need to deliver how much. We have allowed customer demand to dictate what is purchased in the market. And we have aligned our cost structures now to deliver that objective of being true to consumer demand. So, from that perspective, like I mentioned again, the context that we have witnessed in most recent times, which is Q3, I think coming out of a challenging base in H1 and getting into a positive growth in Q3 gives us fair confidence that with all the

availability of products we have, and for the dual opportunity that we see both from the market perspective, as well as on guaranteed product platform. And with this support that we see on protection business with consumer demand increasing, I think we are in a fairly decent spot in terms of delivering a stable growth going forward.

**Shobhit Sharma:** Yes, just to follow up on this, Amit, which channel do you think would be key in driving the overall growth for yourself?

**Amit Palta:** See, all channels are dear to us. There is no channel that we can really articulate. As Dhiren mentioned as an answer to a previous question, that no channel apart from ICICI delivers more than 6% to 7% of our overall portfolio. So, I don't have the luxury of focusing only on one channel, right? Because apart from ICICI, almost every channel is 5% to 6% contribution to overall. So, from that perspective, our effort is to look at cohorts of our distribution, which is multi-insurance, partnership distribution as one cohort, direct distribution, which is both online as well as offline as one cohort, agency as third cohort, and bancassurance, ICICI and non-ICICI bank partnerships as other cohorts. And we would like to invest in all depending upon the strategic priorities chosen by our partners. We will keep aligning ourselves and keep making the products available, make processes efficient, and keep cost under control, and deliver growth in a balanced manner.

**Shobhit Sharma:** Our approach on the product strategy, what kind of new products should we expect in the upcoming quarters now?

**Amit Palta:** I mentioned three products we have launched very recently. One on a unit linked platform, and second on a legacy platform, and third on a children platform. So, that is one effort that we will keep making. So, I can't really say how many and when, but we will keep working on across categories and see and align our effort to the natural demand that we will witness based on the environmental factors.

**Shobhit Sharma:** Okay, and Dhiren, just one question to you. So, should we expect our VNB growth outpace our APE growth? The benefit of the cost savings, the efficiency in the cost, so should we expect that to happen now?

**Dhiren Salian:** No, I'm not giving guidance on this. The fundamental that we are looking at is growing VNB. As we bring some stability to the business, you will see that APE will be the lead to getting growth in VNB.

**Shobhit Sharma:** Okay, thank you. Thank you and all the best.

**Dhiren Salian:** Thanks.

**Moderator:** Thank you. We take the next question from the line of Nischint Chawathe from Kotak Securities. Please go ahead.

**Nischint Chawathe:** Hi, I have a simple question. When you say that your conversations with distributors are going on with respect to the GST input tax credit deficit, what do you really mean? Does it mean that next quarter, supposing you kind of get into more favorable conversation, then

some of the ITC provision that you have made this quarter kind of reverses or what happens to the business that has been done till date?

**Dhiren Salian:** Nischint, it's not about ITC provision. The input tax credit is no longer available and that is the cost that we have taken on the P&L as well as VNB. Now, as our conversations with distributions come to a close, if there is an element in terms of cutting commission, then we will get that implemented in the coming period. If that is effective first October, then it will be effective since then as well.

**Nischint Chawathe:** So, when you say that there is going to be maybe some revision in commissions from October 1, then you obviously made some assumptions on commissions for the business in last three months, right? So, that kind of completely gets reset in the 4th Quarter. Is that how we should think about it?

**Dhiren Salian:** No, that it doesn't. So, commissions will anyway be applicable going forward. And what we are looking at doing is optimizing along with commission, everything else that we have within our capabilities, technology, operations to be able to give better value in terms of operating leverage.

**Nischint Chawathe:** Okay. So, basically what you're trying to say is that whatever the conversation that happens will be for prospective business and not really for retrospective business. Is that how we should think about it?

**Dhiren Salian:** Yes.

**Nischint Chawathe:** Got it. Thank you very much. That was my question.

**Moderator:** Thank you. We take the next question from the line of Mohit from Centrum Broking. Please go ahead.

**Mohit:** Good evening and thanks for the opportunity. So, I have got two questions. My first question, I was looking at your bancassurance, where we have around 51 banca partnership. One year before, we had around 46. Despite adding new banks, their share in the protection and annuity has declined from 13% to 11%. So, how should we interpret this kind of decline, basically?

**Dhiren Salian:** So, Mohit, the banks that we have added are actually quite small. Yes, the count has gone up from about 47 to now 51. But the banks that we have added are actually quite small. So, they would not have materially moved the mix at this point.

**Mohit:** Okay. So, is there any concentration risk within this, within the banca business?

**Dhiren Salian:** No, not really. Like I mentioned earlier, the largest single distributor is ICICI Bank, which is roughly about 15%, beyond which everyone is at best in the 5% range. And most others are quite small.

**Mohit:** Understood. That's helpful. My second question is towards the retail protection. So, I think, is it safe to say that your return of premium demand is going down and basically the focus is on selling pure term policies?

**Dhiren Salian:** Mohit, again, I answered this in another context. Bulk of our business has always been a pure term. The return of premium has been quite small in the range of 10% to 15%. At this point, it was 10%. And that's what it is. At this stage, we are seeing that a bigger demand is visible in the pure protection plan. And very clearly, the impact of 0% GST is most felt on that plan.

**Mohit:** Understood. And just to confirm, we are not repricing any of the retail protection policies, right?

**Dhiren Salian:** No, there is no en masse repricing that is planned.

**Mohit:** Understood. Thanks and wish you all the best.

**Dhiren Salian:** Thanks

**Moderator:** Thank you. We take the next question from the line of Raghvesh from JM Financial. Please go ahead.

**Raghvesh:** Hi, congratulations on strong results. Now, I just have one question that mentioned persistency has been bad in some buckets. Now, we will decide on the operating variance at the end of Q4. But whatever the impact is there on the new business that is that should be visible in the VNB, that has been taken already or will that also be reassessed at the end of Q4? Yes, that's it.

**Dhiren Salian:** So, Raghvesh, if there's an assumption update that we need to do that will impact VNB. Assumption updates are typically can be either directions. Generally, when I look at the assumption updates, these will be in the context of persistency, mortality and expense ratios. And these are elements that we look at in terms of whether these are permanent. Whatever is permanent gets passed through as an assumption update, whatever is temporary goes through as variance. This exercise will be done in the last quarter and we will take all of those updates at the March end financials.

**Raghvesh:** Okay. So, essentially, there can be an update on the VNB margins as well?

**Dhiren Salian:** No, not really. Not so much on the VNB.

**Raghvesh:** Okay. Thanks.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Anup Bagchi for closing comments.

**Anup Bagchi:** Thank you very much for joining. Have a good day.

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