

### Issue highlights

- Life Insurance Corporation of India (“LIC”) was established on September 1, 1956, under the LIC Act by merging and nationalizing 245 private life insurance companies in India. LIC has been providing life insurance in India for more than 65 years and is the **largest life insurer in India**, with a 61.6% market share in terms of premiums (or GWP), a 61.4% market share in terms of New Business Premium (or NBP), a 71.8% market share in terms of number of individual policies issued, a 88.8% market share in terms of number of group policies issued for Fiscal 2021, as well as by the number of individual agents, which comprised 55% of all individual agents in India as at December 31, 2021.
- LIC had the **highest gap in market share by life insurance GWP relative to the 2<sup>nd</sup> largest life insurer in India** as compared to the market leaders in the top seven markets globally (in 2020 for the other players and in Fiscal 2021 for the LIC).
- LIC is **ranked 5<sup>th</sup> globally by life insurance GWP** (comparing the LIC’s life insurance premium for Fiscal 2021 to the global peers’ life insurance premium for 2020) and **10<sup>th</sup> globally in terms of total assets** (comparing the LIC’s assets as at March 31, 2021 with other life insurers’ assets as at December 31, 2020).
- LIC is the largest asset manager in India as at December 31, 2021 with AUM of ₹40.1 trillion, on a standalone basis which is 1.1 times the entire Indian mutual fund industry’s AUM.
- The Corporation’s brand, LIC, was recognised as the 3<sup>rd</sup> strongest and 10<sup>th</sup> most valuable global insurance brand as per the “*Insurance 100 2021 report*” released by Brand Finance.
- LIC has a broad, diversified product portfolio covering various segments across individual products and group products. Their individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and pension products; and (e) unit linked insurance products.
- Their group products comprise (i) **group term insurance products**, (ii) **group savings insurance products**; (iii) **group savings pension products**; and (iv) **group annuity products**.

### Brief Financial Details\*

(₹ In Cr)

	As at Dec’ 31,	As at Mar’ 31,		
	2021(09)	2021 (12)	2020 (12)	2019 (12)
Share Capital	6,325.00	100.00	100.00	100.00
Reserves	2,498.62	6,705.47	891.66	798.44
Net worth#	8,230.50	6,514.64	854.65	815.33
Premium Earned	285,341.93	405,398.50	382,475.52	339,971.63
Income from Investments	226,253.73	285,520.42	242,836.31	225,043.54
EBITDA	1,756.97	2,980.35	2,718.52	2,642.37
Profit After Tax	1,715.31	2,974.14	2,710.48	2,627.38
EPS - Basic & Diluted (₹)	2.71 <sup>^</sup>	4.70	4.29	4.15
RoNW (%)	20.84% <sup>^</sup>	45.65%	317.14%	322.25%
NAV(₹)	13.01	10.30	1.35	1.29

Source: RHP, \*Restated Consolidated, <sup>^</sup>not annualised, #Net worth is net of reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

### Issue Details

Offer for sale of 221,374,920 Equity shares

#### Issue summary

Issue size(Net): ₹ 19,517- 20,557 Cr

No. of shares: 221,374,920 Shares

Face value: ₹ 10/-

Reservation for:

LIC Employees	1,581,249 Shares
LIC Policyholders	22,137,492 Shares

Price band : ₹ 902 - 949

Bid Lot: 15 Shares and in multiple thereof

Discount for:

Retail Category	₹ 45/ per share
LIC Employees	₹ 45/- per share
LIC Policyholders	₹ 60/- per share

Post Issue Implied Market Cap =

₹ 570,515 – 600,242 Cr

**BRLMs:** Axis Capital, Kotak Mahindra Capital, BofA Securities, Citigroup Global, Goldman Sachs, ICICI Securities, JM Financial, J.P.Morgan, Nomura Financial, SBI Capital Markets

**Registrar:** KFin Technologies Ltd

**Issue opens on:** Wednesday, 4<sup>th</sup> May 2022

**Issue closes on:** Monday, 9<sup>th</sup> May 2022

#### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	12-05-2022
Refunds/Unblocking ASBA Fund	13-05-2022
Credit of equity shares to DP A/c	16-05-2022
Trading commences	17-05-2022

#### Issue break-up

	No. of Shares	Net Amount ₹ In Cr		% of Issue
		@ Lower	@ upper	
QIB	98,828,089	8,914	9,379	50%
NIB	29,648,427	2,674	2,814	15%
RET	69,179,663	5,929	6,254	35%
EMP	1,581,249	136	143	-
LIC P/h	22,137,492	1,864	1,968	-
<b>Total</b>	<b>221,374,920</b>	<b>19,517</b>	<b>20,557</b>	<b>100%</b>

**Listing:** BSE & NSE

#### Shareholding (No. of Shares)

	Pre-Offer and Post-Offer Equity Shares
<b>No of shares</b>	6,324,997,701

#### Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	100.00%	96.50%
Public	0.56%	3.50%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Corporation and Directors

Promoted by the President of India, acting through the Ministry of Finance, Government of India (“GoI”), Life Insurance Corporation of India (“LIC”) was formed by merging and nationalizing 245 private life insurance companies in India on September 1, 1956. From LIC’s incorporation until 2000, they were the only life insurer in India. LIC was identified by IRDAI as a Domestic Systemically Important Insurer (“D-SII”) on the basis of size, market importance and domestic and global inter-connectedness in September 2020. GoI, the Promoter currently holds 100% of the pre-Offer paid-up Equity Share capital of the Corporation.

### Brief Biographies of Directors

**Mangalam Ramasubramanian Kumar** is the Whole-time Chairperson of LIC. He joined LIC in the year 1983 and has experience in the insurance sector. Previously, he was the zonal manager of South, North-Central and North zones of LIC and has also headed the personnel and pension & group schemes department.

**Pankaj Jain** is a Government Nominee Director of LIC and he is 1990 batch IAS officer. Presently serving as an additional secretary in the Ministry of Petroleum, GoI

**Raj Kumar** is the Managing Director of LIC. He joined LIC in the year 1984 and has experience in the insurance sector. He has also served as the CEO of LIC Mutual Fund Asset Management Ltd and was also the zonal manager, Bhopal, executive director (estate and office services), Mumbai, amongst others, of LIC. He was also the senior divisional manager of Gorakhpur and Jaipur divisions of LIC.

**Siddhartha Mohanty** is the Managing Director of LIC. He previously served as COO and CEO of LIC Housing Finance Ltd and has held various other positions. He joined LIC in the year 1985 and has experience in the insurance sector.

**Ipe Mini** is the Managing Director of LIC. She joined LIC in the year 1986 and has experience in the insurance sector. Previously, she was also the CEO of LICHL Financial Services Ltd and has led the international operations of LIC.

**Bishnu Charan Patnaik** is the Managing Director of LIC. He joined LIC in the year 1985 and has experience in the insurance sector and has handled several positions in LIC.

**Dr Ranjan Sharma** is the Independent Director of LIC. He is experienced in the field of academics.

**Vinod Kumar Verma** is the Independent Director of LIC. He is experienced in electronics business. He is an Independent Director of LIC from October 29, 2021.

**Anil Kumar** is the Independent Director of the LIC. He is currently working as a professor in the Department of Commerce of the Shri Ram College of Commerce, University of Delhi.

**Anjuly Chib Duggal** is the Independent Director of LIC. She was also a director on the board of the Reserve Bank of India.

**Gurumoorthy Mahalingam** is the Independent Director of LIC. Previously, he was, amongst others, the whole time director of SEBI and was also the executive director of the Reserve Bank of India and has numerous years of experience in the financial sector.

**Raj Kamal** is the Independent Director of LIC. Previously, he was also the CEO of OYO Vacation Homes.

**Vankipuram Srinivasa Parthasarathy** is the Independent Director of LIC. Previously, *inter alia*, he was also the group CFO and group CIO of the Mahindra Group.

**Vijay Kumar Muthu Raju Paravasa Raju** is the Independent Director of LIC. Currently, he is the CFO at Sify Technologies Ltd. He is the independent director on the boards of, amongst others, Thejo Engineering Ltd.

**Sanjeev Nautiyal** is the Independent Director of LIC. Previously, he was, amongst others, the managing director and CEO of SBI Life Insurance Co Ltd.

### Key Managerial Personnel

**Debi Prasanna Mohanty** is the Executive Director (Audit) and Chief Internal Auditor of LIC. He joined LIC on April 17, 1984 and has worked in various offices of LIC in different capacities.

**Arun Kumar Anand\*** is the Executive Director (Investment Operations) and Chief Investment Officer of LIC. He joined LIC on April 17, 1984. Previously, he has held various other positions in LIC and has also been chief of investment operations of LIC.

*(\*Arun Kumar Anand shall cease to hold the office on account of his retirement with effect from April 30, 2022 and Pramod Ranjan Mishra shall assume the charge of this designation with effect from May 2, 2022.*

**Pramod Ranjan Mishra** is the Executive Director (investment operations) and Chief Investment Officer of LIC. Previously, he has held various other positions in LIC and has also held the position of CEO, LIC (Nepal) Ltd.)

**Muraleedharan Purushothaman** is the Executive Director – marketing/ product development and chief marketing office of LIC. He joined LIC on November 1, 1985. He has also held several other positions in LIC and was also the CEO of Life Insurance Corporation (Nepal) Ltd.

**Sunil Agrawal** is the Chief Financial Officer of LIC. He joined LIC on February 21, 2022

**Debashish Prasad Pattanaik\*** is the Chief (in-charge)(Corporate Governance/ golden jubilee foundation/ Regulatory Compliance) and Chief Compliance Officer of LIC. He was previously the general manager of LIC Housing Finance Ltd and was also the chief operating officer of LICHL Financial Services Ltd. He joined LIC on September 18, 1989 and has held several other positions.

*(\*Satyabrata Nayak shall assume the charge of designation with effect from April 25, 2022 pursuant to the transfer of Debashish Prasad Pattanaik, who will get relived as and when expatriation procedures are completed.*

**Satyabrata Nayak** is the executive director (corporate governance/ golden jubilee foundation/ regulatory compliance) and chief compliance officer of LIC. Previously, he has held various other positions in LIC. He joined the LIC on February 1, 1988).

**Tablesh Pandey** is the Executive Director (investment – risk management and research)/ chief risk officer/ actuarial core group central office) of LIC. He joined LIC in February 22, 1988.

**Dinesh Pant** is the Appointed Actuary and Chief (in-charge) (Actuarial) of LIC. Previously, he has been the product actuary of LIC and has also been the general manager and deputy general manager of Kenindia Assurance Company Ltd., Kenya, on deputation from LIC. He joined LIC on September 1, 1989.

**Pawan Agrawal** is the Company Secretary and Compliance Officer of LIC. He joined LIC on April 16, 2021.

## BUSINESS OVERVIEW

- LIC has been providing life insurance in India for more than 65 years and is the largest life insurer in India, with a 61.6% market share in terms of premiums (or GWP), a 61.4% market share in terms of New Business Premium (“NBP”), a 71.8% market share in terms of number of individual policies issued, a 88.8% market share in terms of number of group policies issued for the 9 months ended December 31, 2021, as well as by the number of individual agents, which comprised 55% of all individual agents in India as at December 31, 2021. LIC’s market share in the Indian life insurance industry for Fiscal 2021 was 64.1% in terms of GWP, 66.2% in terms of NBP, 74.6% in terms of number of individual policies issued, and 81.1% in terms of number of group policies issued.
- LIC had the highest gap in market share by life insurance GWP relative to the 2<sup>nd</sup> largest life insurer in India as compared to the market leaders in the top 7 markets globally (in 2020 for the other players and in Fiscal 2021 for LIC). This is owing to their enormous agent network, strong track record, immense trust in the brand ‘LIC’ and LIC’s 65 years of lineage. LIC is ranked 5<sup>th</sup> globally by life insurance GWP (comparing LIC’s life insurance premium for Fiscal 2021 to their global peers’ life insurance premium for 2020) and 10<sup>th</sup> globally in terms of total assets (comparing LIC’s assets as at March 31, 2021 with other life insurers’ assets as at December 31, 2020).
- LIC is the largest asset manager in India as at December 31, 2021, with Assets Under Management (“AUM”) (comprising policyholders’ investment, shareholders’ investment and assets held to cover linked liabilities) of ₹40.1 trillion on a standalone basis, which was (i) more than 3.2 times the total AUM of all private life insurance in India (ii) approximately 15.6 times more than the AUM of the 2nd largest player in the Indian life insurance industry in terms of AUM (iii) more than 1.1 times the entire Indian mutual fund industry’s AUM and (iv) 17% of India’s annualised GDP for Fiscal 2022. As at December 31, 2021, LIC’s investments in listed equity represented around 4% of the total market capitalisation of NSE as at that date.
- Corporation’s brand, LIC, was recognised as the 3<sup>rd</sup> strongest and 10<sup>th</sup> most valuable global insurance brand as per the “Insurance 100 2021 report” released by Brand Finance. The strength of a brand means the efficacy of a brand’s performance on intangible measures relative to its competitors and is determined by looking at the

brand's marketing investment, stakeholder equity and impact of those on business performance. The value of a brand is the present value of earnings specifically related to brand reputation. The brand 'LIC' was also recognised by WPP Kantar as the 2<sup>nd</sup> most valuable brand in India in the report "BrandZ™ Top 75 Most Valuable Indian Brands" for 2018, 2019 and 2020.

- LIC has a broad, diversified product portfolio covering various segments across individual products and group products. Their individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and pension products; and (e) unit linked insurance products. Their individual products include specially designed products for specific segments, such as special products for women and children and Micro Insurance products. In addition, they offer riders that provide additional benefits along with the base product to cover for additional risks, such as accidental disability, death, critical illness and premium waiver on the death of the proposer. LIC's individual product portfolio in India comprised 33 individual products (17 participating products and 16 non-participating products) and 7 individual riders.
- Their group products comprise (i) group term insurance products, (ii) group savings insurance products; (iii) group savings pension products; and (iv) group annuity products. LIC's group product portfolio in India comprised 11 group products.
- LIC's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on LIC's website), (v) Micro Insurance agents and (vi) Point of Sales Persons-Life Insurance scheme. LIC's individual policies are primarily distributed by their individual agents. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the 9 months ended December 31, 2021, their individual agents were responsible for sourcing 96.69%, 95.73%, 94.78% and 96.20% of LIC's NBP for their individual products in India, respectively. LIC has the largest individual agent network among life insurance entities in India, comprising approximately **1.33 million individual agents as at December 31, 2021, which was 6.8 times the number of individual agents of the 2<sup>nd</sup> largest life insurer**. Customers can also approach LIC branch offices and satellite offices and purchase products through their intermediaries. As at December 31, 2021, LIC had 2,048 branch offices and 1,559 satellite offices in India, covering 91% of all districts in India. LIC's multichannel distribution platform for group products comprises (i) their employees in the sales team for group products, (ii) individual agents, (iii) bancassurance partners and (iv) alternate channel partners (other corporate agents and brokers).
- In addition to LIC's life insurance operations in India, LIC has one branch each at Fiji, Mauritius and the United Kingdom and subsidiaries in Bahrain (with operations in Qatar, Kuwait, Oman and the United Arab Emirates), Bangladesh, Nepal, Singapore and Sri Lanka in the life insurance industry. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the 9 months ended December 31, 2021, on a consolidated basis, their premium from outside India represented 0.93%, 0.99%, 0.73% and 0.69%, respectively, of their total premium.

In addition, LIC's other subsidiaries include **LIC Pension Fund Ltd**, which is one of the 3 companies appointed as a pension fund sponsor under the Indian Government's New Pension System, and **LIC Cards Services Ltd**, which operates a credit card business.

The key operating and financial performance parameters for the insurance business on a consolidated basis (except as indicated):

(₹ In Cr, except % and ratios)

	As at and for the 9 months ended December 31,	As at and for the year ended March 31,		
	2021	2021	2020	2019
- Premium in India	283,753.28	402,888.14	379,013.56	337,130.02
- Premium outside India	1,976.67	2,962.66	3,797.89	3,164.60
<b>Premium (Consolidated)</b>	<b>285,729.96</b>	<b>405,850.80</b>	<b>382,811.45</b>	<b>340,294.62</b>
- First year premiums	22,215.33	34,341.00	58,446.50	31,676.56
- Single premiums and consideration for annuities granted	104,562.38	151,182.22	121,827.71	112,361.40
<b>New Business Premium ("NBP")</b>	<b>126,777.71</b>	<b>185,523.22</b>	<b>180,274.21</b>	<b>144,037.96</b>
- Renewable premiums	158,952.25	220,327.59	202,537.24	196,256.66
<b>Total annualised premium equivalent ("APE") (in India)</b>	<b>29,923.32</b>	<b>45,587.92</b>	<b>47,972.34</b>	<b>40,565.58</b>
- Individual APE (in India)	20,904.40	32,270.59	35,297.41	31,447.66
- APE of group business in India	9,018.92	13,317.33	12,674.93	9,117.91
Operating expenses related to insurance business to premium ratio (as a % of premium) (Consolidated)	9.54%	8.66%	8.99%	8.33%
Conservation Ratio (in India) (Standalone)	93.72%	84.48%	88.79%	92.19%

	As at and for the 9 months ended December 31,	As at and for the year ended March 31,		
	2021	2021	2020	2019
Individual new business sum assured	390,346.12	586,083.89	645,398.81	575,131.71
13th month Persistency Ratio in India for individual products (%)				
- regular premium and limited premium	77%	79%	72%	77%
- single premium and fully paid-up premium	100%	100%	100%	100%
- total premium	88%	87%	85%	88%
49th month Persistency Ratio in India for individual products (%)				
- regular premium and limited premium	65%	63%	58%	60%
- single premium and fully paid-up premium	96%	97%	96%	95%
- total premium	80%	79%	72%	73%
61st month Persistency Ratio in India for individual products (%)				
- regular premium and limited premium	62%	59%	54%	63%
- single premium and fully paid-up premium	96%	95%	94%	92%
- total premium	79%	72%	70%	72%
Net premium	285,341.93	405,398.50	382,475.52	339,971.63
AUM (consolidated)	4,032,170.05	3,692,967.27	3,338,107.94	3,271,032.73
Solvency Ratio (within India Business)	1.77	1.76	1.55	1.60

- **APE** is the sum of annualised first year premiums on regular premium policies, and 10% of single premiums of both individual and group business written by LIC, adjusted for new business cancellations, effected during the relevant Fiscal Year or period. For the purposes of calculating APE, LIC considered all new premiums received in LIC's group business and any top-up premiums as single premiums. The premiums received in LIC's group business have been classified into new and renewal business for the purpose of calculating APE, based on IRDAI guidelines. The APE set forth in the Embedded Value Reports was not based on all policies and are therefore less than the amounts set forth in the table.
- **Individual APE** is the sum of annualised first year premiums on regular individual premium policies, and 10% of single individual premiums, adjusted for new business cancellations, effected during the relevant Fiscal Year or period. LIC's individual APE does not include renewal premiums paid after the initial policy term.
- **Operating expenses** related to insurance business to premium ratio is ratio of operating expenses related to insurance business to premium ("Operating Expenses Related to Insurance Business to Premium Ratio").
- **Conservation Ratio** represents the total renewal premium for individual products in India for the year or period, expressed as a percentage of total premium for individual products in India for the previous year or period ("Conservation Ratio").

## INDIAN EMBEDDED VALUE ("IEV")

(₹ in Cr, except ratios and percentage)

	As at and for the 6 Months Ended Sep' 30, 2021	As at and for the Year Ended March 31,		
		2021	2020	2019
Value of New Business ("VNB") (Consolidated)	1,583.0	4,167.0	N.C.	N.C.
VNB margin (consolidated)	9.3%	9.9%	N.C.	N.C.
Indian Embedded Value (consolidated)	539,686.0	95,605.0	46,497.0	N.C.
Indian Embedded Value operating earnings (consolidated) ("IEVOE")	N.C.	17,151.0	N.C.	N.C.
Operating return on Indian Embedded Value (consolidated) ("ORIEV")	N.C.	36.89%	N.C.	N.C.

- **VNB** represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. The "covered business" is all life insurance and pensions business, accident and health insurance business across both individual and group segments: (a) that has been written by LIC in India; and (b) that has been written by LIC's entities outside of India, either through its branches, subsidiaries or joint ventures.
- **VNB margin** is the ratio of VNB to APE (as set forth in the Embedded Value Reports) for the relevant period and is a measure of the expected profitability of new business in percentage terms.
- **Indian Embedded Value** is derived from the Embedded Value Reports. Indian Embedded Value consists of the Adjusted Net Worth ("ANW") (consisting of LIC's free surplus and required capital) and the value of in-force business ("VIF"). The free surplus is the market value of assets allocated to, but not required to support, the in-force covered business as at the applicable valuation date. The required capital is determined as the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, the distribution of which to shareholders is restricted. The VIF is a measure of the value of the Shareholders' interest in LIC "covered business". The VIF represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. Indian Embedded Value was not calculated as at March 31, 2019 as there is no requirement for it to be calculated.
- **IEVOE** is the summation of the (i) VNB added during the year; (ii) expected return on existing business; and (iii) variances in operating experience.
- **ORIEV** is the ratio of IEVOE for any given period to the IEV at the beginning of that period.

## VALUE OF NEW BUSINESS (“VNB”)

	(₹ in Cr)
	For new business sold during the 6 months ending 30 September 2021
<b>VNB before TVFOG, FC and CRNHR (A)</b>	<b>3,064</b>
Individual participating	1,406
Individual non-participating	885
Group	773
TVFOG in respect of new business (B)	(101)
FC in respect of new business (C)	(643)
CRNHR in respect of new business (D)	(736)
<b>Value of new business (VNB) (= A + B + C + D)</b>	<b>1,583</b>
<b>New business annualised premium equivalent (“APE”)</b>	<b>17,074</b>
Individual participating	10,925
Individual non-participating	750
Group	5,399
<b>VNB Margin (= VNB / APE)</b>	<b>9.3%</b>
<b>Present value of new business premium (“PVNBP”)</b>	<b>118,181</b>
Individual participating	60,800
Individual non-participating	6,612
Group	50,770
<b>PVNBP Margin (= VNB / PVNBP)</b>	<b>1.3%</b>

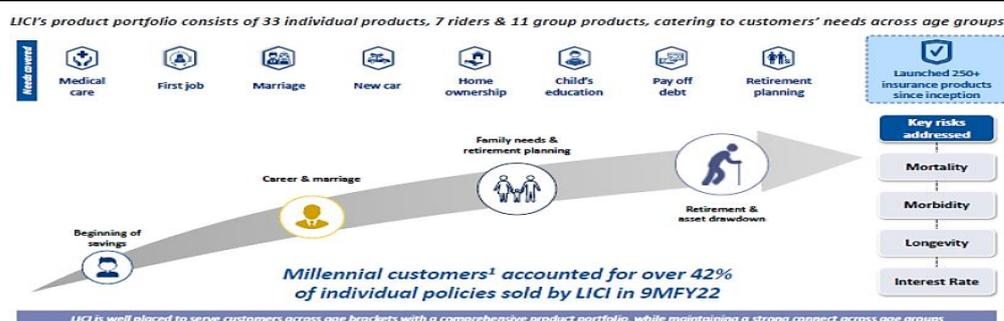
(1) ‘Group’ includes group annuities, group funds management and group term; (2) APE is calculated as 100% of annualised premium for regular and limited premium plans and 10% of single premium for business sold during the 6 months ending 30 September 2021; (3) The Present Value of New Business Premium (“PVNBP”) at the point of sale for the new business sold during the 6 months ending 30 September 2021.

## EFFECT OF COVID-19

LIC’s first-year premiums decreased by 41.24% from ₹58,446.50 crore for Fiscal 2020 to ₹34,341 crore for Fiscal 2021 on a consolidated basis. While the primary reason for this decrease was because of a higher base in Fiscal 2020 due to a first-year premium of ₹23,160 crore from a superannuation scheme with one of the state governments completed in May 2019, COVID-19 also adversely affected LIC’s distribution partners’ ability to distribute their products due to lockdowns and social distancing measures limiting in-person interactions.

Persistency ratio is the proportion of business that is retained from the business underwritten and is measured in terms of the number of policies and premiums underwritten (the “**Persistency Ratio**”). The Persistency Ratios decreased as at March 31, 2020 compared to as at March 31, 2019 but had generally recovered as at March 31, 2021 and December 31, 2021. The insurance claims by death (net) increased during the pandemic. For the 9 months ended December 31, 2021, their insurance claims by death (net) were ₹29,310.74 crore, on a consolidated basis, which were 12.49% of their total benefits paid (net), respectively, on a consolidated basis. For Fiscal 2021 and the 9 months ended December 31, 2021, a separate mortality reserve of ₹2,344.60 crore and ₹7,419.56 crore was provided for the COVID-19 pandemic on a consolidated basis, respectively. LIC will continue to review this mortality reserve as the pandemic evolves. Currently, the mortality loading in premium rates is adequate for the long term due to the expected duration of the pandemic.

## PRODUCT PORTFOLIO



### Individual Products

LIC’s individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and

pension products; and (e) unit linked insurance products. Their individual products include specially designed products for specific segments, such as special products for women and children and Micro Insurance products. LIC's individual product portfolio in India comprised 33 individual products (17 participating products and 16 non-participating products) and 7 individual riders.

#### Riders for Individual Products

Riders are add-on covers to the base policy at an additional cost to facilitate additional benefits linked to accident, critical illness, death and premium waiver benefit.

#### Group Products

LIC had an 81.1% and 88.8% market share of group policies issued in India in Fiscal 2021 and the 9 months ended December 31, 2021. It provides term cover products to both employer-employee groups and non-employee-employee groups. LIC also offers fund management and pension payment services to employer-employee groups wherein retirement benefits – gratuity, superannuation and leave encashment liabilities – are managed by them under respective funded schemes. LIC provides fund management services for group pension products under employer-employee pension schemes.

Name of products	Type of product	Primary customer needs addressed
LIC's New One Year Renewable Group Term Assurance Plan – I	Protection	Group insurance of employer - employee groups, non-employer-employee groups
LIC's New One Year Renewable Group Term Assurance Plan – II	Protection	Group insurance of employer - employee groups, non- employer- employee groups which offers reduction of renewal premium/increase of renewal premium.
LIC's Single Premium Group Insurance	Protection	Employer - employee groups, non-employer- employee single premium for more than one year's coverage.
LIC's Group Credit Life Insurance	Protection	Lender borrower group. It provides for covering the borrowers to the extent of outstanding loan. In case of death, the proceeds are to be used for settling outstanding loan and the balance to the nominee.
LIC's One Year Renewable Group Micro Term Assurance Plan	Protection	Non-employer - employee groups. It aims to provide low-cost coverage up to a maximum of ₹2 Lakh to the unorganized sectors and underprivileged groups, such as artisans, rickshaw pullers, carpenters, etc.
LIC's New Group Gratuity Cash Accumulation Plan	Savings	Employer - employee groups – managing the gratuity funds of the corporates.
LIC's New Group Leave Encashment Plan	Savings	Employer-employee groups - managing the leave encashment funds of the corporates.
LIC's New Group Superannuation Cash Accumulation Plan	Savings	Employer-employee groups - the superannuation fund management of employer/employee groups during the employment phase and providing pension post retirement/exit of the employee as per the scheme
Group Immediate Annuity	Savings	Employer-employee groups - providing pension post retirement/exit of the employee
LIC's Group Assurance Plan	Savings	This plan is designed for Public Sector Undertaking ("PSUs"), required to pay compensation to protect affected persons under the right to fair compensation and transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013 or any other similar Act promulgated by the Central or any State Government.

#### Policies Being Serviced

The breakdown of LIC's policies being serviced in India by customer category:

Policies Being Serviced	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total
Individual	279.11	99.94%	286.23	99.94%	289.19	99.94%	290.86	99.94%
Group (schemes)	0.17	0.06%	0.16	0.06%	0.16	0.06%	0.16	0.06%
<b>Total</b>	<b>279.28</b>	<b>100.00%</b>	<b>286.39</b>	<b>100.00%</b>	<b>289.35</b>	<b>100.00%</b>	<b>291.03</b>	<b>100.00%</b>

The breakdown of LIC's individual policies being serviced in India by non-linked/linked policies and product category:

Individual Policies Being Serviced	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total
<b>By non-linked/linked:</b>								
Non Linked	277.30	99.35%	284.11	99.26%	285.85	98.85%	286.07	98.35%
- Participating	272.40	97.60%	279.15	97.53%	281.19	97.24%	281.58	96.81%
- Non-Participating	4.90	1.76%	4.96	1.73%	4.66	1.61%	4.49	1.54%

Individual Policies Being Serviced	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total
Linked	1.81	0.65%	2.12	0.74%	3.34	1.15%	4.79	1.65%
<b>Total</b>	<b>279.11</b>	<b>100.00%</b>	<b>286.23</b>	<b>100.00%</b>	<b>289.19</b>	<b>100.00%</b>	<b>290.86</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating	270.65	96.97%	277.37	96.91%	279.37	96.60%	279.73	96.17%
Non-participating Savings	1.17	0.42%	1.24	0.43%	1.26	0.44%	1.39	0.48%
Non-participating Protection	1.02	0.36%	1.00	0.35%	1.03	0.35%	1.02	0.35%
Health insurance	0.66	0.24%	0.72	0.25%	0.63	0.22%	0.57	0.20%
Unit-linked insurance products	1.81	0.65%	2.12	0.74%	3.34	1.15%	4.79	1.65%
Annuity/Pension	3.80	1.36%	3.78	1.32%	3.56	1.23%	3.36	1.16%
<b>Total</b>	<b>279.11</b>	<b>100.00%</b>	<b>286.23</b>	<b>100.00%</b>	<b>289.19</b>	<b>100.00%</b>	<b>290.86</b>	<b>100.00%</b>

The breakdown of LIC's group policies being serviced in India by non-linked, participating and non-linked, non-participating and product category:

Group Policies Being Serviced	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total	Nos. (Million)	% to Total
<b>By non-linked</b>								
Non-linked, Participating	-	-	-	-	0.01	5.88%	0.01	6.25%
Non-linked, Non-participating	0.17	100.00%	0.16	100.00%	0.16	94.12%	0.15	93.75%
<b>Total</b>	<b>0.17</b>	<b>100.00%</b>	<b>0.16</b>	<b>100.00%</b>	<b>0.17</b>	<b>100.00%</b>	<b>0.16</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating Business	-	-	-	-	0.01	6.25%	0.01	6.25%
Non-Participating Business Savings	0.11	64.71%	0.11	68.75%	0.10	62.50%	0.10	62.50%
Non-Participating Business Protection	0.04	23.53%	0.03	18.75%	0.04	25.00%	0.04	25.00%
Annuity/Pension	0.02	11.76%	0.02	12.50%	0.01	6.25%	0.01	6.25%
<b>Total</b>	<b>0.17</b>	<b>100.00%</b>	<b>0.16</b>	<b>100.00%</b>	<b>0.16</b>	<b>100.00%</b>	<b>0.16</b>	<b>100.00%</b>

#### GWP, NBP New Business APE and Average APE

The breakdown of the business in India in terms of GWP, NBP and APE by customer category:

In India	9 Months ended Dec 31,		Year Ended March 31,					
	2021		2021		2020		2019	
	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total
<b>GWP (Gross Written Premium)</b>								
<b>By Customer Category</b>								
Individual	189,119.77	66.65%	267,796.73	66.47%	245,377.29	64.74%	238,931.11	70.87%
Group	94,633.52	33.35%	135,091.41	33.53%	133,636.28	35.26%	98,198.91	29.13%
<b>Total</b>	<b>283,753.28</b>	<b>100.00%</b>	<b>402,888.14</b>	<b>100.00%</b>	<b>379,013.56</b>	<b>100.00%</b>	<b>337,130.01</b>	<b>100.00%</b>
<b>NBP (New Business Premium)</b>								
<b>By Customer Category</b>								
Individual	35,825.85	28.43%	56,526.69	30.67%	51,402.62	28.55%	51,026.11	35.88%
Group	90,189.16	71.57%	127,769.44	69.33%	126,749.26	71.15%	91,179.11	64.12%
<b>Total</b>	<b>126,015.01</b>	<b>100.00%</b>	<b>184,296.12</b>	<b>100.00%</b>	<b>178,151.88</b>	<b>100.00%</b>	<b>142,205.22</b>	<b>100.00%</b>
<b>APE (Annualised Premium Equivalent)</b>								
<b>By Customer Category</b>								
Individual	20,904.40	69.86%	32,285.38	71.65%	35,297.41	73.58%	31,447.66	77.52%
Group	9,018.92	30.14%	12,776.94	28.35%	12,674.93	26.42%	9,117.91	22.48%
<b>Total</b>	<b>29,923.31</b>	<b>100.00%</b>	<b>45,062.33</b>	<b>100.00%</b>	<b>47,972.34</b>	<b>100.00%</b>	<b>40,565.58</b>	<b>100.00%</b>

#### Product Breakdown

The breakdown of LIC's individual business in India in terms of NBP and APE by non-linked/linked policies and product category for the periods indicated.

Individual Products – In India	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total
<b>NBP (New Business Premium)</b>								
<b>By non-linked/linked:</b>								
Non Linked	34,187.05	95.43%	55,770.84	98.66%	51,311.49	99.82%	50,991.86	99.93%
– Participating	24,969.52	69.70%	35,122.76	62.13%	35,794.70	69.64%	34,214.09	67.05%
– Non-Participating	9,217.53	25.73%	20,648.08	36.53%	15,516.79	30.19%	16,777.77	32.88%
Linked	1,638.81	4.57%	755.85	1.34%	91.14	0.18%	34.25	0.07%
<b>Total</b>	<b>35,825.85</b>	<b>100.00%</b>	<b>56,526.69</b>	<b>100.00%</b>	<b>51,402.62</b>	<b>100.00%</b>	<b>51,026.11</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating	24,969.52	69.70%	35,122.76	62.13%	35,794.70	69.64%	34,214.09	67.05%
Non-participating	135.67	0.38%	65.68	0.12%	10.80	0.02%	38.40	0.08%
Non-participating Protection	149.65	0.42%	188.98	0.33%	164.37	0.32%	141.76	0.28%
Health insurance	57.81	0.16%	102.10	0.18%	104.74	0.20%	112.60	0.22%
Unit-linked insurance products	1,638.81	4.57%	755.85	1.34%	91.14	0.18%	34.25	0.07%
Annuity/Pension	8,874.40	24.77%	20,291.32	35.90%	15,236.88	29.64%	16,485.0	32.31%
<b>Total</b>	<b>35,825.85</b>	<b>100.00%</b>	<b>56,526.69</b>	<b>100.00%</b>	<b>51,402.62</b>	<b>100.00%</b>	<b>51,026.11</b>	<b>100.00%</b>

Individual Business – In India	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total
<b>APE (Annualised Premium Equivalent)</b>								
<b>By non-linked/linked:</b>								
Non Linked	20,524.12	98.18%	3,1989.53	99.13%	35,217.46	99.77%	31,418.87	99.91%
– Participating	19,279.06	92.22%	29,555.39	91.59%	33,379.71	94.57%	29,428.63	93.58%
– Non-Participating	1,245.07	5.96%	2,434.14	7.54%	1,837.74	5.20%	1,990.24	6.33%
Linked	380.28	1.82%	281.06	0.87%	79.96	0.23%	28.79	0.09%
<b>Total</b>	<b>20,904.40</b>	<b>100.00%</b>	<b>32,270.59</b>	<b>100.00%</b>	<b>35,297.41</b>	<b>100.00%</b>	<b>31,447.66</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating Products	19,279.06	92.22%	29,555.39	91.59%	33,360.30	94.52%	29,403.43	93.51%
Non-participating	186.19	0.89%	133.17	0.41%	43.69	0.12%	54.88	0.17%
Non-participating Protection	124.79	0.60%	162.13	0.50%	152.58	0.43%	164.18	0.52%
Health insurance	65.62	0.31%	121.29	0.38%	117.78	0.33%	122.68	0.39%
Unit-linked insurance products	380.28	1.82%	281.06	0.87%	79.96	0.23%	28.79	0.09%
Annuity/Pension	868.46	4.15%	2,017.54	6.25%	1,543.10	4.37%	1,673.70	5.32%
<b>Total</b>	<b>20,904.40</b>	<b>100.00%</b>	<b>32,270.59</b>	<b>100.00%</b>	<b>35,297.41</b>	<b>100.00%</b>	<b>31,447.66</b>	<b>100.00%</b>

LIC's group business in India in terms of GWP, NBP and APE by non-linked/linked policies and product category:

Group Business – In India	9 Months ended Dec'31,		Year Ended March'31,					
	2021		2021		2020		2019	
	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total
<b>GWP (Gross Written Premium)</b>								
<b>By non-linked/linked:</b>								
Non Linked	-	-	-	-	5,608.40	4.20%	5,127.61	5.22%
Participating	-	-	-	-	-	-	-	-
Non-Linked Non-Participating	94,631.31	100.00%	135,088.66	100.00%	128,020.57	95.80%	93,061.70	94.77%
Linked	2.20	0.00%	2.75	0.00%	7.30	0.01%	9.60	0.01%
<b>Total</b>	<b>94,633.52</b>	<b>100.00%</b>	<b>135,091.41</b>	<b>100.00%</b>	<b>133,636.28</b>	<b>100.00%</b>	<b>98,198.91</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating Business	-	-	-	-	5,608.40	4.20%	5,127.61	5.22%
Non-participating Business Savings	2,386.52	25.22%	35,529.62	26.30%	28,365.26	21.23%	38,263.68	38.97%
Non-participating Business Protection	2,158.39	2.28%	3,835.47	2.84%	3,552.27	2.66%	4,026.93	4.10%
Linked	2.20	-	2.75	0.00%	7.30	0.01%	9.60	0.01%
Annuity/Pension	68,603.40	72.49%	95,723.57	70.86%	96,103.04	71.91%	50,771.09	51.70%
<b>Total</b>	<b>94,633.52</b>	<b>100.00%</b>	<b>135,091.41</b>	<b>100.00%</b>	<b>133,636.28</b>	<b>100.00%</b>	<b>98,198.91</b>	<b>100.00%</b>

Group Business – In India	As at Dec'31,		As at March'31,					
	2021		2021		2020		2019	
	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total	(₹ Cr)	% to Total
<b>NBP (New Business Premium)</b>								
<b>By non-linked:</b>								
Non Linked Participating	-	-	-	-	5,606.50	4.42%	5,124.13	5.62%
Non Linked Non-Participating	90,189.16	100.00%	127,769.44	100.00%	121,142.76	95.58%	86,054.98	94.38%
<b>Total</b>	<b>90,189.16</b>	<b>100.00%</b>	<b>127,769.44</b>	<b>100.00%</b>	<b>126,749.26</b>	<b>100.00%</b>	<b>91,179.11</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating Business	-	-	-	-	5,606.50	4.42%	5,124.13	5.62%
Non-participating Business Savings	22,228.42	24.65%	33,671.49	26.35%	26,292.37	20.74%	36,463.33	39.99%
Non-participating Business Protection	879.10	0.97%	896.94	0.70%	990.93	0.78%	1,485.73	1.63%
Annuity/Pension	67,081.64	74.38%	93,201.00	72.94%	93,859.45	74.05%	48,105.91	52.76%
<b>Total</b>	<b>90,189.16</b>	<b>100.00%</b>	<b>127,769.44</b>	<b>100.00%</b>	<b>126,749.26</b>	<b>100.00%</b>	<b>91,179.11</b>	<b>100.00%</b>
<b>APE (Annualised Premium Equivalent)</b>								
<b>By non-linked/linked:</b>								
Non Linked	-	-	-	-	560.65	4.42%	512.41	5.62%
- Participating	9,018.92	100.00%	13,317.33	100.00%	12,114.28	95.58%	8,605.50	94.38%
- Non-Participating	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,018.92</b>	<b>100.00%</b>	<b>13,317.33</b>	<b>100.00%</b>	<b>12,674.93</b>	<b>100.00%</b>	<b>9,117.91</b>	<b>100.00%</b>
<b>By product category:</b>								
Participating Business	-	-	-	-	560.65	4.42%	512.41	5.62%
Non-participating Business Savings	2,222.84	24.65%	3,405.01	25.57%	2,629.24	20.74%	3,646.33	39.99%
Non-participating Business Protection	87.91	0.97%	600.58	4.51%	99.09	0.78%	148.57	1.64%
Linked	-	-	-	-	-	-	-	-
Annuity/Pension	6,708.17	74.38%	9,311.74	69.92%	9,385.95	74.06%	4,810.59	52.76%
<b>Total</b>	<b>9,018.92</b>	<b>100.00%</b>	<b>13,317.33</b>	<b>100.00%</b>	<b>12,674.93</b>	<b>100.00%</b>	<b>9,117.91</b>	<b>100.00%</b>

## DISTRIBUTION NETWORK

### Individual Products:

As at December 31, 2021, LIC had the following distribution network for individual policies in India:

Distributor	Distribution Network
Individual Agents	1.33 million individual agents;
Bancassurance partners	70 bancassurance partners (comprising: 8 Public Sector Banks, 5 Private Sector Bank, 1 Foreign Bank, 14 Regional Rural Banks and 42 Co-operative Banks);
Alternate channels	215 alternate channel partners (comprising 63 insurance marketing firms, 83 brokers and 69 corporate agents);
Digital sales	A portal on LIC's website for digital sales;
Micro Insurance agents	2,128 active Micro Insurance agents;
Point of Sales Persons	4,769 Point of Sales Persons-Life Insurance scheme.

Customers can also approach their branch offices and satellite offices and purchase products through their intermediaries. As at December 31, 2021, LIC had 2,048 branch offices and 1,559 satellite offices in India.

### Group Products:

LIC's omni-channel distribution platform for group products comprises (i) their employees in the sales team for group products, (ii) individual agents, (iii) bancassurance partners and (iv) alternate channels (other corporate agents and brokers). As at December 31, 2021, LIC had 231 full-time employees working in their group products sales team working at P&GS units, zones and the central office and in 77 group product sales units throughout India.

## GEOGRAPHICAL PRESENCE

As at December 31, 2021, LIC had 4,983 offices spread across all 36 states and union territories of India, comprising 1 central office, 8 zonal offices, 113 divisional offices, 2,048 Branch offices, 1,559 satellite offices and 1,173 mini offices. It has a presence in Fiji, Mauritius and the United Kingdom through a branch in each of those countries.

## COMPETITIVE STRENGTHS

- **5<sup>th</sup> largest life insurer globally by GWP and the largest player in the fast growing and underpenetrated Indian life insurance sector**

LIC is ranked 5<sup>th</sup> globally in terms of life insurance GWP (comparing LIC's life insurance premium for Fiscal 2021 to their global peers' life insurance premium for 2020), and 10<sup>th</sup> globally in terms of total assets (comparing LIC's assets as at March 31, 2021 with assets of other life insurers as at December 31, 2020). LIC is the largest life insurer in India in terms of GWP, NBP, number of individual policies issued and number of group policies issued for Fiscal 2021 and the 9 months ended December 31, 2021.

For Fiscal 2021, LIC issued approximately 21 million individual policies in India, representing approximately 75% market share in new individual policy issuances. The 2<sup>nd</sup> largest player in the industry issued 1.66 million individual policies and had a 5.9% market share for Fiscal 2021. LIC's market share in the Indian life insurance industry was 66.2% based on NBP, and NBP was 1.96 times the total private life insurance sector and 8.9 times the NBP for the 2<sup>nd</sup> largest player in the Indian life insurance industry. Nowhere in the Top-7 markets globally is the difference in market share between the largest and the 2<sup>nd</sup> largest life insurer as stark as in India (in 2020 for the other players and in Fiscal 2021 for LIC), with the 2<sup>nd</sup> largest player having only 8% market share of GWP in India compared to their market share of 64.1% market share in terms of premiums (or GWP) in India for Fiscal 2021.

- **Trusted brand and a customer-centric business model**

The brand 'LIC' was recognised as the 3<sup>rd</sup> strongest and 10<sup>th</sup> most valuable global insurance brand in 2021, as per the "Insurance 100 2021" report released by Brand Finance. The brand value of LIC in 2021 was US\$8,655 million, with a Brand Strength Index (BSI) score of 84.1 out of 100, corresponding to AAA- brand strength rating. The brand 'LIC' was also recognised by WPP Kantar as the 2<sup>nd</sup> most valuable brand in the report "BrandZ™ Top 75 Most Valuable Indian Brands" for 2018, 2019 and 2020. The brand 'LIC' has won the Reader's Digest Trusted Brand Award numerous times and the prestigious Outlook Money Award Gold Award in Editor's Choice Category as the "Most Trusted Brand in Insurance" twice.

The trust in the brand 'LIC' is evidenced by the 27.91 crore in force policies under individual business being serviced in India as at December 31, 2021. The trust in the brand 'LIC' is further evidenced by the fact that approximately 75% of individual policies sold by LIC in India in the 9 months ended December 31, 2021 were sold to customers who had not purchased any life insurance policies from LIC prior to April 1, 2021.

- **Cross-cyclical product mix that caters to diverse consumer needs and an individual product portfolio that is dominated by participating life insurance policies**

LIC has a broad, diversified product portfolio covering various segments across individual products and group products. The benefits of having a portfolio dominated by participating products includes a balance sheet that has lower interest rate and liquidity risks compared to a balance sheet that is dominated by non-participating products; Lower capital requirements compared to a balance sheet that is dominated by non-participating products, allowing for better product diversification; Less need to cede premium to reinsurers; Lesser burden of guaranteed returns; and Sticky customer base due to the stable long-term product offered to mass-market customer.

LIC also has a large market share in health insurance and annuity products. In health insurance provided by life insurance players, they had a market share in India of 46.9% and 53.6% and 54.4% in terms of GWP for Fiscal 2020 and Fiscal 2021 and for the 9 months ended December 31, 2021, respectively. In annuity products, LIC had a market share in India of 84.7%, 76.9% and 68.7% in terms of GWP for Fiscal 2020, Fiscal 2021 and December 31, 2021, respectively. LIC's growth in non-participating protection individual NBP, non-participating savings individual NBP, ULIP and annuity/pension individual NBP in India from Fiscal 2019 to Fiscal 2021 was a CAGR of 15.46%, 30.78%, 369.75% and 10.95%, respectively.

- **Presence across India through an omni-channel distribution network with an unparalleled agency force**

LIC's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on LIC's website), (v) Micro Insurance agents and (vi) Point of Sales Persons-Life Insurance scheme.

LIC's individual policies are primarily distributed by their individual agents. Key metrics for their agent network in India include:

- Largest agent network among life insurance entities in India. As at December 31, 2021, their individual agency force accounted for 55% of the total agent network in India and was 6.8 times the numbers of individual agents of the 2nd largest life insurer in terms of agent network.
- Industry leading agent network growth in India, with the number of LIC's agents in India increasing at a CAGR of 7% between March 31, 2019 and March 31, 2021 compared to the next best player's agency force CAGR of 5% and the average of the private players agency force CAGR of 4% during the same period.
- Most productive agent network in the Indian life insurance sector, as evidenced by the fact that for the 9 months ended December 31, 2021 and Fiscal 2021, LIC's agents had an average NBP of ₹260,069 and ₹412,934 per agent, respectively, compared to the average NBP of ₹108,888 and ₹124,892 per agent for the median of the Top-5 private players.
- LIC has the highest Million Dollar Round Table ("MDRT") members among all the Indian corporates operating in financial services industry, with a total of 721 MDRT members for 2021.
- High longevity 59.38% of their individual agents in India has acted for LIC for more than 5 years as at December 31, 2021.
- 81% of LIC's agents in India recruited in Fiscal 2021 were within the 18 to 40 years old group.

LIC has a wide presence across India and distribute their policies in all 36 states and union territories. As at March 31, 2021, they had offices in 91% of districts in India as compared to 81% for the entire private sector combined.

- ***Harnessing technology capabilities to support customer connect and drive operating efficiencies***

LIC has developed technological capabilities that help them provide a great customer experience and drive operating efficiencies. They have added technological capabilities across the customer journey from purchase to payments to claims processing. As at December 31, 2021, their portal had 18.60 million registered users and their mobile app for policyholders, available on both Android and iOS platforms had 5.13 million registered users. They spent ₹177.44 crore, ₹424.40 crore, ₹361.42 crore and ₹137.34 crore on information technology, on a consolidated basis, in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the 9 months ended December 31, 2021, respectively.

LIC has 3 online on-boarding digital platforms through which their intermediaries can register new proposals for insurance and issue new policies:

- ***e2e***, which is an online customer on-boarding portal, enables Senior Business Associates to register new proposals for insurance and complete the process of underwriting and acceptance of risk for customers instantly, with immediate issuance of first premium receipt;
  - ***i-proposals***, which facilitates the new proposal data capture by Senior Business Associates, select Development Officers, LIC Associates, Chief Life Insurance Advisors, empowered agents and the online submission of the proposal data to the servicing branch office for underwriting and completion of acceptance process; and
  - ***AtmaNirbhar Agents New Business Digital App ("ANANDA")***, which was implemented in November 2020, is a completely paperless digital platform for procurement of insurance business. This is a digital platform for all LIC's sales channels. ANANDA is available as a mobile app and as a web portal.
- ***Largest asset manager in India with an established track record of financial performance and profitable growth***

As at December 31, 2021, on a standalone basis, LIC's Investment portfolio included 38.09% central government securities, 24.56% equity securities, 24.25% state government securities and 8.35% corporate bonds. As at December 31, 2021, 95.90% of LIC's debt AUM on a standalone basis was invested in sovereign and AAA-rated securities. Over 90% of their policyholders' equity investments on a standalone basis are held in stocks that are a part of the Nifty 200 and BSE 200 indices as at December 31, 2021.

LIC has a proven track record of strong financial performance, as demonstrated by the following metrics:

- The net profit on sale/redemption of policyholders' investments (profit on sale/redemption of investments minus loss on sale/redemption of investments) (Policyholders' Account) was ₹23,897.21 crore, ₹19,387.48 crore, ₹39,809.63 crore and ₹36,462.78 crore in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the 9 months ended December 31, 2021 on a consolidated basis, respectively.
- The GWP on a consolidated basis increased at a CAGR of 9.21% from Fiscal 2019 to Fiscal 2021.

- LIC's strong renewal book is evidenced by a market share of 62.5% and 61.8% compared to 8.5 and 8.8% market share of the second best player in the market by renewal premium for Fiscal 2021 and the 9 months ended December 31, 2021, respectively.
  - The NBP on a consolidated basis increased at a CAGR of 13.49% from Fiscal 2019 to Fiscal 2021.
  - For Fiscal 2021, LIC issued approximately 21 million individual policies in India, representing approximately 75% market share in new individual policy issuances. For Fiscal 2021, the 2nd largest player in the industry issued 1.66 million individual policies for Fiscal 2021 and had 5.9% market share in the fiscal year.
  - LIC's expense ratios on a standalone basis are considerably lower than that of the Top-5 private players in India as a whole. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and December 31, 2021 LIC's operating expenses as a percentage of total premium ("**Operating Expense Ratio**") on a standalone basis was 8.4%, 9.0%, 8.7%, and 9.6% respectively, compared to the median of the Top-5 private players' Operating Expense Ratio of 13.0%, 13.0%, 11.9% and 12.1%, respectively, and LIC's total cost (commission and operating expenses) as a percentage of total premium ("**Total Cost Ratio**") on a standalone basis was 14.4%, 14.7%, 14.2% and 15.0% respectively, compared to the median of the Top-5 private players' Total Cost Ratio of 16.9%, 17.6%, 16.3% and 16.2%, respectively.
  - LIC is the best-in-class of Indian life insurance players in terms of profitability, with ₹2,889.01 crore surplus transferred to the shareholders' account in Fiscal 2021 on a standalone basis, relative to the private players, for which the highest surplus transferred to the shareholders' account in Fiscal 2021 was ₹1,984.86 crore.
  - The profit after tax on a consolidated basis increased from ₹2,627.38 crore for Fiscal 2019 to ₹2,974.14 crore for Fiscal 2021, representing a CAGR of 6.39%.
- **Robust risk management framework**

LIC has a risk management framework where risk identification, risk measurement and risk mitigation are undertaken through structured procedures and various Board-approved policies and controls. Their enterprise risk management ("**ERM**") cell provides a framework for evaluating and managing risks inherent in LIC through risk and control self-assessment, incident management and top risk-key risk indicator analysis. The ERM cell is working on the implementation of the IT solution package for monitoring various risks LIC encounters in its business processes.

LIC proactively manages its financial risks through, among other things:

- Diversification of investment portfolio across asset classes, with significant exposure to sovereign and state-owned entities.
  - Regular monitoring of interest rates to address market volatility;
  - 95.90% of the debt portfolio in India is invested in sovereign and AAA-rated debt as at December 31, 2021.
  - Stress and resilience testing of the investment portfolio.
  - Matching of assets and liabilities on a quarterly basis at the line of business level where line of business liabilities account for over 5% of total liabilities.
  - Conservative management of reserves.
  - LIC price their products using prudent assumptions.
  - LIC also proactively review the business mix to maintain alignment with customer needs and preferences.
- **Highly experienced and qualified management team, distinguished Board and strong corporate governance framework**

LIC's Key Management Personnel have more than 20 years' experience in the insurance industry, with experience in different parts of India, in different capacities (both in administrative and marketing positions), and have headed branches, divisions and zones in India. A few of them have also worked overseas. Their Board includes highly distinguished representatives of the Government. The Board reviews their performance based on an objective range of performance indicators such as business performance and financial results, compliance and governance status, risk management, customer service, claims settlement and strategic growth. LIC has a strong corporate governance framework, with a multi-layered supervisory structure from the Government, the Board and its sub-committees, the Central Management Committee and the Policyholders Protection Committee.

## KEY BUSINESS STRATEGIES

- **Capitalize on the growth opportunities in the Indian life insurance sector**

With the kind of scale, size, reach and scalability LIC has achieved over the years, they are well-positioned to capitalize on the expected growth of the Indian life insurance sector. LIC's plans include:

- Increasing the market share of the bancassurance channel by tying up with more bank partners and improving their productivity.
  - Increasing direct sales of individual products on LIC's website by increasing the marketing of their website and adding more products.
  - Improving the share of non-participating products by increasing the focus on sales of ULIP, protection products, pension/annuity products and health insurance.
  - Recruiting more millennial agents in light of the changing demographic dynamics.
  - Increasing upselling and cross-selling to individual customers and beneficiaries of group products to cover their varied financial needs.
  - Increasing the average ticket size of their products.
  - Increasing the productivity of their intermediaries by furthering competency-building initiatives.
  - Increasing the focus on group protection plans.
- **Further diversify the product mix by increasing the contribution of the non-participating portfolio**

While their participating products continue to be a strong focus, LIC intends to continue diversifying the product mix by addressing customer needs at every stage of life and increasing sales of their existing non-participating products as well as launching new non-participating products, in particular term insurance, health insurance, pension/annuity products and ULIP products.

LIC's NBP from term insurance in India increased by 14.97% from ₹164.37 crore for Fiscal 2020 to ₹188.98 crore for Fiscal 2021 and was ₹149.65 crore for the 9 months ended December 31, 2021. LIC's NBP from health insurance in India decreased by 2.52% from ₹104.74 crore for Fiscal 2020 to ₹102.10 crore for Fiscal 2021. Despite the small decrease in LIC's NBP from health insurance in India in Fiscal 2021, LIC's market share in India in health insurance in NBP increased from 43.4% for Fiscal 2020 to 63.1% for Fiscal 2021. The NBP from health insurance in India was ₹57.81 crore for the 9 months ended December 31, 2021.

The NBP from pension/annuity products in India increased 33.17% from ₹15,236.88 crore for Fiscal 2020 to ₹20,291.32 crore for Fiscal 2021 and was ₹8,874.40 crore for the 9 months ended December 31, 2021.

LIC has been putting more focus on selling ULIPs, which resulted in a 729.34% increase in their NBP from ULIPs in India from ₹91.14 crore for Fiscal 2020 to ₹755.85 crore for Fiscal 2021. Despite this large increase, LIC has plenty of scope to increase sales of ULIPs. Their market share of NBP in the linked segment in India was 2.8% for Fiscal 2021. However, LIC witnessed approximately 715% year-on-year increase in linked segment NBP from ₹93.26 crore for Fiscal 2020 to ₹759.81 crore for Fiscal 2021. For the 9 months ended December 31, 2021, their NBP from ULIPs in India was ₹1,638.81 crore.

- **Reinforce the omni-channel distribution network and increase its productivity**

LIC plans to increase the number of Point of Sales Persons-Life Insurance scheme to better meet the needs of potential customers. They intend to find additional partners in the bancassurance (bank) channel and alternate channel (brokers, insurance marketing firms and other corporate agents) and improve their productivity by providing all of them with digital solutions for on-boarding customers for their policies. ANANDA was launched in November 2020 for online use only. To increase its use, on August 24, 2021, ANANDA was made available as a mobile app. LIC plans to increase direct sales of their individual products on their website by increasing the marketing of their website and adding more products that are available for purchase on their website. As at September 30, 2021, LIC had 11 individual products available for purchase on their website.

The NBP from sales of their products on LIC's website increased from ₹274.89 crore for Fiscal 2019 to ₹611.67 crore for Fiscal 2021, representing a CAGR of 49.17%. The NBP from sales of their products on LIC's website was ₹145.44 crore for the 9 months ended December 31, 2021.

- **Continue leveraging technology to aid growth, drive operating efficiencies and provide digital support**

To improve cost efficiencies, provide better customer experience, provide a seamless customer on-boarding process and enhance the digital channels for payments, LIC plans to continue to implement various technological and digital initiatives to increase productivity, train their agents and employees, They plan to make greater use of analytics to further drive productivity of their agency channel, deliver enhanced service levels, support customer connection with services and drive operating efficiencies.

LIC's pension and group schemes vertical is in the process of rolling out a new multi-tiered IT application which provides self-servicing capabilities for customers, increased operational efficiency, improved service delivery, better risk management capabilities, an improved claims management system and a robust management information system.

- **Maximize value creation through various commercial and financial levers as well as changes to LIC's surplus distribution policy**
  - **Commercial levers to increase revenue and profit**

LIC plans to increase their Persistency Ratios by Increasing the number of policies that are revived by the Corporation through launch of revival campaigns. They plan to continue to engage with their policyholders, directly and through their intermediaries, to retain the policies that are being served.

- **Financial levers to optimize yield on investment**

LIC plans to continue to strive for a dynamic and strategic asset allocation amongst the different asset classes allowed within the regulatory framework, depending upon the market cycles and conditions, with a view to improve the yield on investments.

- **Changes in surplus distribution policy and bifurcation of funds**

Prior to September 30, 2021, LIC had one fund – a participating fund. An amendment to the LIC Act in the Finance Act, 2021, which was notified on June 30, 2021, resulted in LIC having a participating fund and non-participating fund since September 30, 2021. The amended Section 28 of the LIC Act provides that 90% or more of the valuation surplus, as the Government may approve, shall be allocated to or reserved for the policyholders. The Government allowed LIC to continue with the existing surplus distribution pattern of 95:5 between policyholders and the shareholders, while retaining the flexibility to reduce it to 90:10 between policyholders and the shareholders in the future.

This amendment brought LIC to be in line with the private players in India. The Top-5 private players transfer a maximum of 1/9<sup>th</sup> of the participating policyholder's surplus to the shareholder's account. The surplus includes the bonus allocated to the participating policyholders and the interim bonus paid. Therefore, each of the Top-5 the private allocated approximately 10% of the participating policyholder's account surplus to its shareholders in Fiscal 2021.

In accordance with LIC's approved surplus distribution policy, the surplus in respect of the participating fund will be allocated between policyholders and shareholders in the ratio of 95:5 for Fiscal 2022, 92.5:7.5 for each of Fiscal 2023 and Fiscal 2024 and then 90:10 for Fiscal 2025 onwards. The shareholders have a 100% allocation in the non-participating fund. The increasing allocation of the surplus of the participating fund to the shareholders and the 100% allocation to shareholders of the non-participating business (previously at 5%, which was flowing through the declaration of bonuses for the participating business in lieu of a single fund) results in a higher allocation of the surplus to shareholders.

## COMPETITION

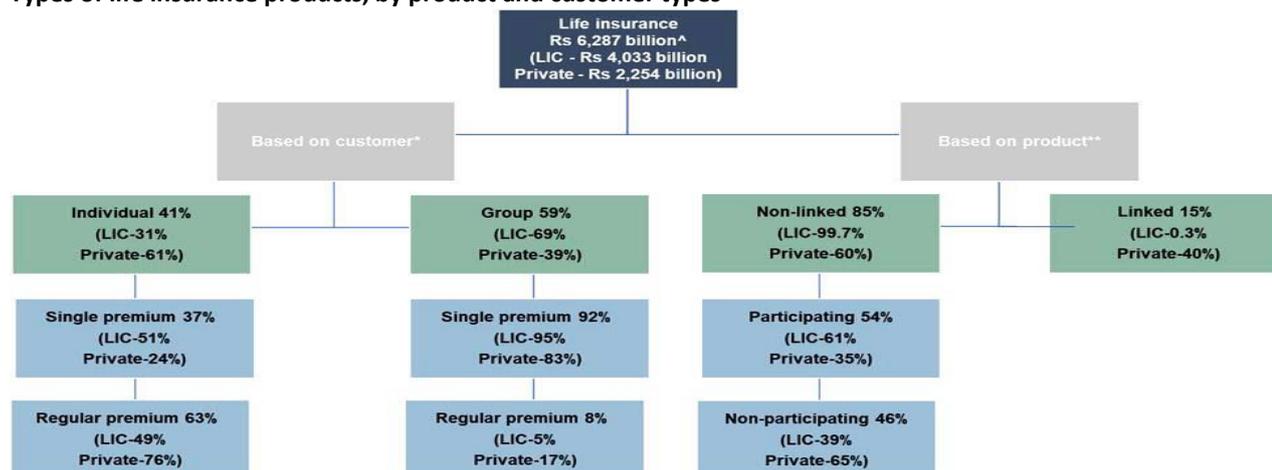
LIC is the sole public sector life insurer in India's market and their competitors in India, as at March 31, 2021, are 23 private insurance companies. After 20 years of competition, LIC has been able to sustain their market leadership position. On April 1, 2021, the Insurance Laws (Amendment) Act, 2021 came into force, raising the limit of foreign investment in an Indian insurance company from 49% to 74%, subject to certain safeguards. This will lead to new entrants in the industry, better capitalisation of existing competitors and generally increase the level of competition. LIC's main competitors are **SBI Life Insurance Company Ltd, HDFC Standard Life Insurance Co Ltd and ICICI Prudential Life Insurance Co Ltd.**

LIC's market share in India in terms of premium, NBP, number of individual policies issued and number of group policies issued:

Particulars	9 Months Ended	Year Ended March 31,		
	December 31,	2021	2020	2019
	2021	2021	2020	2019
<b>LIC's Market Share in India (%)</b>				
Premium	66.2%	64.1%	66.2%	66.4%
NBP	64.5%	66.2%	68.7%	66.2%
Number of individual policies issued	70.9%	74.6%	75.9%	74.7%
Number of group policies issued	84.3%	81.1%	78.4%	80.2%

## INDIAN LIFE INSURANCE INDUSTRY

### Types of life insurance products, by product and customer types



<sup>^</sup> Classification based on total premium (premium acquired from old policyholders and premium from new policies issued during the year) in Fiscal 2021;

\*Classification based on new business premium (premium acquired from new policies for a particular year) in Fiscal 2021; \*\* Estimated on the basis of player-wise analysis

### Market share of largest insurers (% of total life insurance premium)

Country	Top Insurers Globally	Market share within country (2020)	Market share within country (2016)
United States	NorthWestern Mutual Life Insurance Company	8.4%	8.4%*
	Metlife Inc.	7.6%	9.6%*
China	Ping An Insurance Company	21.3%	16.7%
	China Life Insurance Company	20.0%	20.7%
Japan	Nippon Life Insurance	16.2%	15.1%
	Japan Post Insurance Co. Ltd.	15.4%	14.2%
India	<b>Life Insurance Corporation of India</b>	<b>64.1%#</b>	<b>71.8%<sup>^</sup></b>
	SBI Life Insurance Ltd.	8.0%#	5.0% <sup>^</sup>
United Kingdom	Aviva PLC	23.0%	14.7%
	Lloyd Banking Group	18.6%	19.8%
South Korea	Samsung Life Insurance	14.8%	21.3%
	Hanwha Life Insurance	12.7%	12.6%
Malaysia	AIA BHD	20.6%	20.5%
	Great Eastern Life Insurance	16.6%	18.8%

Source: Company Reports, CRISIL Research; \* Share in 9M2016, <sup>^</sup>Share for fiscal 2017, # Share for fiscal 2021

### Global Positioning of LIC

Company Name	Country	Gross Written Premium in USD Millions (2020)	Total Assets in USD Millions (2020)	Life Insurance Premiums USD Millions (2020)
Allianz SE	Germany	99,583	1,272,014	88,853
Ping An Insurance	China	115,635	1,380,851	74,134
China Life Insurance	China	88,734	616,291	69,651
Assicurazioni Generali S.p.A	Italy	84,845	653,652	58,268
<b>Life Insurance Corporation of India*</b>	<b>India</b>	<b>56,405</b>	<b>507,333</b>	<b>56,405</b>
Nippon Life Insurance	Japan	39,838	705,002	39,838
AXA S.A.	France	112,698	965,747	37,829
Japan Post Insurance	Japan	24,369	633,845	34,223
Dai-ichi Life Holdings	Japan	41,644	559,853	27,024
NorthWestern Mutual	US	19,323	308,767	15,720
Metlife Inc.	US	49,486	795,146	14,200
People's Insurance Company of China	China	75,447	182,038	13,665

\*Data as of FY21 Source: Company Reports, CRISIL Research

**Peer Benchmarking:****Group financial performance of key life insurers (2020)**

Players	Total Assets (USD Mn)	CAGR growth (FY16- FY20)	Net Premium Earned (USD Mn)	CAGR Growth (FY16- FY20)	Total PAT (USD Mn)	CAGR Growth (FY16- FY20)
Ping An Insurance	1,380,851	14%	109,797	15%	23,096	22.0%
Allianz SE	1,272,014	5%	90,857	2%	8,560	(0.7)%
AXA S.A.	965,507	(3)%	112,698	(0.1)%	3,997	(14.4)%
Metlife Inc.	795,146	(3)%	42,034	3%	5,418	67.0%
Nippon Life Insurance	705,002	4%	39,838	(6)%	1,609	(17.4)%
Aviva PLC	657,338	4%	34,595	4%	3,986	37.5%
China Life Insurance Company	616,291	12%	87,633	9%	7,285	27.5%
<b>Life Insurance Corporation of India</b>	<b>507,333*</b>	<b>8%^</b>	<b>54,865*</b>	<b>6%^</b>	<b>406</b>	<b>5.1%</b>
Samsung Life Insurance	309,270	9%	15,837	4%	1,163	(9.1)%
NorthWestern Mutual Life Insurance Co	308,767	5%	19,323	2%	425	(14.9)%
AIA BHD Malaysia	14,927	8%	2,463	8%	110	(14.2)%

\*Data as of FY 2021, ^ CAGR growth of FY17-F21, Source: Company Reports, CRISIL Research

**LIC has the highest RoE amongst the global peers**

Player	Return on Total Assets		Return on Equity	
	2020	2016	2020	2016
Ping An Insurance	1.7%	1.3%	19.5%	17.4%
Allianz SE	0.7%	0.8%	8.8%	10.7%
AXA S.A.	0.4%	0.7%	4.4%	8.3%
MetLife Inc.	0.9%	0.2%	7.7%	1.0%
Nippon Life Insurance	0.3%	0.7%	3.9%	0.8%
Aviva PLC	0.9%	0.3%	14.8%	4.4%
China Life Insurance Company	0.6%	0.7%	11.9%	6.2%
<b>Life Insurance Corporation of India*</b>	<b>0.2%*</b>	<b>0.1%^</b>	<b>82.0%*</b>	<b>375%^</b>
Samsung Life Insurance	0.7%	0.5%	3.4%	2.4%
NorthWestern Mutual Life Insurance Company	0.3%	0.4%	1.4%	3.4%
AIA BHD Malaysia	0.7%	1.9%	9.0%	19.0%

\* Data for Fiscal 2021, ^ Data for Fiscal 2017, Source: Company Reports, CRISIL Research

**Market share of LIC, top 5 private players and other players in the industry (as of Fiscal Year 2021)**

	Total Premium – FY21			New Business Premium – FY21			Renewal Premium – FY21		
	Total Premium (₹ billion)	Customer Mix		NBP (₹ billion)	Customer Mix (Basis NBP)		Renewal Premium (₹ billion)	Customer Mix (Basis Renewal Premium)	
		Individual	Group		Individual	Group		Individual	Group
<b>LIC</b>	<b>4,032.9</b>	<b>66.5%</b>	<b>33.5%</b>	<b>1,841.7</b>	<b>30.6%</b>	<b>69.4%</b>	<b>2,188.57</b>	<b>96.6%</b>	<b>3.4%</b>
SBI Life	502.5	81.7%	18.3%	206.3	60.6%	39.4%	296.20	96.4%	3.6%
HDFC Life	385.5	73.7%	26.3%	202.4	50.0%	50.0%	184.80	99.5%	0.5%
ICICI Prudential Life	3573	85.2%	14.8%	130.3	60.2%	39.8%	225.07	100.0%	0.0%
Max Life	190.2	96.8%	3.2%	68.3	91.2%	8.8%	121.92	100.0%	0.0%
Bajaj Allianz Life	120.2	68.3%	31.7%	63.1	40.1%	59.9%	57.20	99.5%	0.5%
Others	698.3	86.3%	13.7%	270.6	67.2%	32.8%	426.42	97.4%	2.6%
Private players total	<b>2,254.3</b>	<b>83.9%</b>	<b>16.1%</b>	<b>941.0</b>	<b>61.0%</b>	<b>39.0%</b>	<b>1,311.74</b>	<b>98.3%</b>	<b>1.7%</b>
<b>Total</b>	<b>6,287.3</b>	<b>72.6%</b>	<b>27.4%</b>	<b>2,787.0</b>	<b>40.9%</b>	<b>59.1%</b>	<b>3,500.30</b>	<b>97.3%</b>	<b>2.7%</b>

**Policies Issued – FY21**

	Total Policies		NBP Policies		Renewal Policies	
	Individual	Group	Individual	Group	Individual	Group
<b>LIC</b>	<b>211,982,912</b>	<b>120,090</b>	<b>20,975,439</b>	<b>31,795</b>	<b>191,007,473</b>	<b>88,295</b>
SBI Life	7,229,466	1,943	1,656,377	514	5,573,089	1,429
HDFC Life	4,786,345	631	982,007	256	3,804,338	375
ICICI Prudential Life	3,629,696	4,303	661,511	2,885	2,968,185	NA
Max Life	3,395,952	409	644,627	409	2,751,325	NA
Bajaj Allianz Life	3,282,526	498	427,003	238	2,855,523	260

	Total Policies		NBP Policies		Renewal Policies	
	Individual	Group	Individual	Group	Individual	Group
Others	14,020,000	6,785	2,781,345	3,107	11,238,655	3,678
Private players total	<b>36,343,985</b>	<b>13,151</b>	<b>7,152,870</b>	<b>7,409</b>	<b>29,191,115</b>	<b>5,742</b>
<b>Total</b>	<b>248,326,897</b>	<b>133,241</b>	<b>28,128,309</b>	<b>39,204</b>	<b>220,198,588</b>	<b>94,037</b>

Note: Total policies calculated as summation of NBP policies and Renewal policies;

#### Premium – FY 21 – Single Premium and Non-Single premium:

	Single Premium (₹ billion)	Market share (Single Premium)	Non-Single <sup>^</sup> (₹ billion)	APE (₹ billion)
<b>LIC</b>	<b>1,503.9</b>	<b>77.4%</b>	<b>337.8</b>	<b>NA</b>
SBI Life	102.9	5.3%	103.4	114.5
HDFC Life	133.3	6.9%	69.1	83.7
ICICI Prudential Life	49.7	2.6%	80.6	64.6
Max Life	19.9	1.0%	48.3	49.6
Bajaj Allianz Life	36.6	1.9%	26.5	NA

<sup>^</sup>Also includes Yearly Renewable Group Premium.

#### Premium – Total Premium, New Business Premium and Renewal Premium:

	Total Premium - 9M FY22			New Business Premium (NBP) - 9M FY22			Renewal Premium - 9M FY22		
	Total Premium (₹ billion)	Customer Mix		NBP (₹ Billion)	Customer Mix (Basis NBP)		Renewal (₹ billion)	Customer Mix (Basis Renewal Premium)	
		Individual	Group		Individual	Group		Individual	Group
<b>LIC</b>	<b>2,840.5</b>	<b>66.6%</b>	<b>33.4%</b>	<b>1,260.2</b>	<b>28.4%</b>	<b>71.6%</b>	<b>1,580.4</b>	<b>97.2%</b>	<b>2.85</b>
SBI Life	412.5	80.1%	19.9%	187.9	61.8%	38.2%	224.6	95.5%	4.5%
HDFC Life	315.4	71.0%	29.0%	171.9	47.2%	52.8%	143.5	99.6%	0.4%
ICICI Prudential Life	257.5	82.0%	18.0%	102.5	62.35	37.7%	155.0	97.3%	2.7%
Max Life	144.1	94.5%	5.5%	52.9	89.3%	10.7%	91.3	97.8%	2.2%
Bajaj Allianz Life	104.1	67.2%	32.85	59.0	42.5%	57.5%	45.1	99.6%	0.4%
Others	537.2	83.1%	16.9%	218.0	63.4%	36.6%	319.1	95.7%	4.3%
Private players Total	<b>1,770.8</b>	<b>80.1%</b>	<b>19.9%</b>	<b>792.2</b>	<b>59.5%</b>	<b>40.5%</b>	<b>978.6</b>	<b>96.8%</b>	<b>3.2%</b>
<b>Total</b>	<b>4,611.3</b>	<b>71.8%</b>	<b>28.2%</b>	<b>2,052.3</b>	<b>40.4%</b>	<b>59.6%</b>	<b>2,559.0</b>	<b>97.1%</b>	<b>2.9%</b>

#### Premium CAGR

	Premium CAGR (FY19- FY21)			Premium CAGR (FY11-FY21)		
	Total premium	NBP	Renewal premium	Total premium	NBP	Renewal premium
<b>LIC</b>	<b>9.3%</b>	<b>13.8%</b>	<b>6.0%</b>	<b>7.1%</b>	<b>7.8%</b>	<b>6.5%</b>
SBI Life	23.4%	22.3%	24.2%	14.5%	10.5%	18.7%
HDFC Life	15.0%	16.3%	13.6%	15.7%	17.4%	14.0%
ICICI Prudential Life	7.5%	12.1%	5.1%	7.2%	5.2%	8.5%
Max Life	14.2%	15.0%	13.8%	12.6%	12.7%	12.5%
Bajaj Allianz Life	16.5%	13.2%	20.5%	2.3%	6.2%	(0.7%)

#### Market Share

	Market Share – 9M FY22					Market Share – FY21				
	Total Premium	New Business Premium	Renewal Premium	No. of Policies - Individual	No. of Policies - Group	Total Premium	New Business Premium	Renewal Premium	No. of Policies - Individual	No. of Policies - Group
<b>LIC</b>	<b>61.6%</b>	<b>61.4%</b>	<b>61.8%</b>	<b>71.8%</b>	<b>88.8%</b>	<b>64.1%</b>	<b>66.2%</b>	<b>62.5%</b>	<b>74.6%</b>	<b>81.1%</b>
SBI Life	8.9%	9.2%	8.8%	7.4%	0.7%	8.0%	7.4%	8.5%	5.9%	1.3%
HDFC Life	6.8%	8.4%	5.6%	3.6%	0.5%	6.1%	7.2%	5.2%	3.5%	0.7%
ICICI Prudential Life	5.6%	5.0%	6.1%	2.6%	3.5%	5.7%	4.7%	6.5%	2.4%	7.4%
Max Life	3.1%	2.6%	3.6%	2.3%	0.2%	3.0%	2.4%	3.5%	2.3%	1.0%
Bajaj Allianz Life	2.3%	2.9%	1.8%	1.7%	0.5%	1.9%	2.3%	1.6%	1.5%	0.6%
Others	11.6%	10.6%	12.5%	10.4%	5.8%	11.2%	9.8%	12.2%	9.8%	7.9%
Private Players Total	<b>38.4%</b>	<b>38.6%</b>	<b>38.2%</b>	<b>25.9%</b>	<b>11.2%</b>	<b>35.9%</b>	<b>33.8%</b>	<b>37.5%</b>	<b>25.4%</b>	<b>18.9%</b>

**Return on Equity and Dividend Payout Ratio:**

	ROE (%)	Dividend payout (%)	Retention ratio (%)	Solvency ratio
	(3-year average ended FY21)			
<b>LIC</b>	<b>289.6%</b>	<b>33.0%</b>	<b>67.0%</b>	<b>1.76</b>
SBI Life	17.2%	11.8%	88.2%	2.15
HDFC Life	21.0%	10.3%	89.7%	2.01
ICICI Prudential Life	14.4%	37.5%	62.5%	2.17
Max Life	19.8%	89.3%	10.7%	2.02
Bajaj Allianz Life	5.2%	27.4%	72.6%	6.66

**Dividend Payout Ratio and Retention Ratio**

	Dividend Payout Ratio			Retention Ratio		
	FY21	FY20	FY19	FY21	FY20	FY19
<b>LIC</b>	<b>0.0%</b>	<b>0.0%</b>	<b>99.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.0%</b>
SBI Life	17.2%	0.0%	18.2%	82.8%	100.0%	81.8%
HDFC Life	0.0%	0.0%	31.0%	100.0%	100.0%	69.0%
ICICI Prudential Life	0.0%	38.1%	74.5%	100.0%	61.9%	25.5%
Max Life	38.2%	143.7%	86.1%	61.8%	-	13.9%
Bajaj Allianz Life	28.6%	28.3%	25.3%	71.4%	71.7%	74.7%

**COMPARISON WITH LISTED INDUSTRY PEERS (CONSOLIDATED AS ON 31<sup>ST</sup> MARCH 2021)**

Name of the Company	Face Value	Total Premium (₹ Cr)	Net Worth (₹ Cr)	Net Profit (₹ Cr)	Closing price <sup>A</sup>	EPS (Basic)	NAV (₹)	P/E	RoNW (%)	Embedded Value (₹ Billion)	Market capitalization to IEV (x)
<b>Life Insurance Corporation of India</b>	<b>10</b>	<b>405,850</b>	<b>6,514.64</b>	<b>2,974.14</b>	<b>NA</b>	<b>4.70</b>	<b>10.30</b>	<b>[●]</b>	<b>45.65%</b>	<b>5,396.8</b>	<b>[●]</b>
<b>Other listed players in India in the same industry</b>											
SBI Life Insurance Co.	10	50,250	10,400.44	1,455.85	1,137.25	14.55	103.99	78.16	14.00%	302.0	3.77
HDFC Life Insurance Co.	10	38,580	8,637.72	1,360.87	554.05	6.74	42.75	82.33	15.75%	295.4	3.96
ICICI Prudential Life Insurance Co.	10	35,730	9,119.42	956.16	524.10	6.66	63.51	78.81	10.48%	302.0	2.49

Source:RHP; Financial Statement values for or as on the end of fiscal year 2021 and on a consolidated basis wherever applicable;

<sup>A</sup>Closing Price per share as on April 22, 2022.

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