



## PRESS RELEASE

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**PRESS RELEASE**

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### **PERFORMANCE UPDATE for Nine Months ended December 31<sup>st</sup> 2022 (9M FY23)**

**Mumbai, February 09<sup>th</sup>, 2023: The Board of Directors of Life Insurance Corporation of India ("LIC") approved and adopted the standalone and reviewed consolidated financial results for the nine months ending December 31<sup>st</sup>, 2022. Below are the key highlights of our standalone results.**

For the nine months ending December 31<sup>st</sup>, 2022, LIC registered an increase of 20.65% in the Total Premium Income at Rs 3,42,244 crore as compared to Rs. 2,83,673 crore for the nine months ending December 31<sup>st</sup>, 2021 during the previous year. The Profit after Tax (PAT) for the nine months ending December 31<sup>st</sup>, 2022 was Rs 22,970 crore as compared to Rs.1,672 crore for the nine months ending December 31<sup>st</sup>, 2021. The current period profit has increased due to transfer of an amount of Rs.19,941.60 crore (net of tax), pertaining to the accretions on the available solvency margin, from non par to shareholders account. The amount of Rs.19,941.60 crore comprises of Rs 5,669.79 crore for the quarter ended December 31<sup>st</sup>, 2022 besides Rs.5,580.72 crore, Rs. 4,148.78 crore and Rs. 4,542.31 crore for the preceding three quarters respectively.

The business momentum continues to be strong for LIC and as a result the overall market share by First Year Premium Income (as per IRDAI) was 65.38% for the nine month ended December 31<sup>st</sup> 2022 as compared to 61.40% for the corresponding period last year.

On an Annualised Premium Equivalent (APE) basis the total premium was Rs 37,545 crore for the nine months ending December 31<sup>st</sup>, 2022. Of this Rs 23,419 crore (62.38%) was accounted for by the Individual Business and Rs 14,126 crore (37.62%) by the Group Business. Within the Individual Business, the share of Par products on APE basis was 90.55% percent and balance 9.45% percent was due to Non Par products.

During nine months ended December 31<sup>st</sup>, 2022, a total of 1.29 crore policies were sold in the individual segment, thereby registering an increase of 1.92% over the nine months ending December 31<sup>st</sup>, 2021 when 1.26 crore policies were sold.

For the nine months ending December 31<sup>st</sup>, 2022, there was an improvement in persistency ratio on premium basis for both 13<sup>th</sup> month and 61<sup>st</sup> month at 77.61% and 62.73% respectively. For the period ended December 31<sup>st</sup> 2021 the comparable persistency by premium for 13<sup>th</sup> and 61<sup>st</sup> month was 76.84% and 61.91% respectively.

For the nine months ending December 31<sup>st</sup>, 2022 the persistency ratio on number of policies basis for the 13<sup>th</sup> month and 61<sup>st</sup> month were 64.99% and 51.42% respectively. The comparable persistency ratios for the corresponding nine months ending December 31<sup>st</sup>, 2021 were 65.47% and 50.85% respectively.

The Assets Under Management (AUM) increased to Rs 44,34,940 crore as on December 31<sup>st</sup>, 2022 as compared to Rs 40,12,172 crore on December 30<sup>th</sup>, 2021 registering an increase of 10.54% year on year.

The operating expense ratio for the nine months ending December 31<sup>st</sup>, 2022 increased by 27 bps to 15.26% as compared to 14.99% for the nine months ending December 31<sup>st</sup>, 2021.

The Yield on Investments on policyholders funds excluding unrealized gains was 8.58% for nine months ending December 31<sup>st</sup>, 2022 as against 8.76% for the nine months ended December 31<sup>st</sup>, 2021.

The Value of New Business (VNB) (Gross) for the nine months ending December 31<sup>st</sup>, 2022 was 7,187 Crore and the Gross VNB margin was 19.1% while the net VNB margins for the nine months ending December 31<sup>st</sup>, 2022 was 14.6%.

The Gross VNB of the Individual Business was Rs 4,683 crore and for Group business was Rs 2,504 crore for nine months ending December 31<sup>st</sup>, 2022. The Gross VNB margins for the Individual business and Group Business were 20% and 17.7% respectively. Within the Individual Business, the Par Business, Non-par Business (including Linked Business) had Gross VNB margins of 14.4% and 73.5% respectively.

Shri M.R. Kumar, Chairperson, LIC said: - "We continue to remain focussed on creating a portfolio mix to optimise value for all stakeholders, and in that context, increasing the proportion of Non-par business in a consistent and profitable manner. In the Individual business, on an APE basis, the share of Non Par Business has increased to 9.45% for the nine months ended December 31<sup>st</sup>, 2022, as against 7.12% for full year ended March 31<sup>st</sup>, 2022. While the relative growth of various products within the Non-par bucket will vary within each quarter, we believe we are firmly on our way to achieving the target product mix changes. We think the market is showing signs of robust growth and we are confident of retaining and also growing our market share going forward."

**Key operational and financial metrics:**

<b>Sr No.</b>	<b>Particulars</b>	<b>9M FY 23 (Rs in Crs)</b>	<b>9M FY 22 (Rs in Crs)</b>	<b>YoY Growth %age</b>
1	Total New Business Premium Income (Individual)	38,828	35,910	8.13%
2	Renewal Premium (Individual)	1,61,601	1,53,312	5.41%
3	Total Premium (Individual)	2,00,429	1,89,222	5.92%
4	Total Group Business Premium	1,41,815	94,452	50.15%
5	Total Premium Income	3,42,244	2,83,673	20.65%
6	Profit after Tax *	22,970	1,672	
7	Number of Policies sold (Individual)	1,28,90,843	1,26,48,184	1.92%
8	Assets Under Management	44,34,940	40,12,172	10.54%
9	Operating expense ratio (%)	15.26%	14.99%	
10	13 M/ 61 M Persistency (Premium basis (%))	77.61%/ 62.73%	76.84%/ 61.91%	
11	13 M/ 61 M Persistency (Number of Policy (%))	64.99%/ 51.42%	65.47%/ 50.85%	
12	Value of New Business (Net) <sup>1</sup>	5478		
13	VNB Margin (Net) <sup>1</sup> %	14.6%		

*\*Since numbers for two time period are not strictly comparable, therefore, YoY growth not mentioned.*

*<sup>1</sup> Data for 9MFY22 is not available in strictly comparable form, therefore, not mentioned.*

Dated at Mumbai on February 9<sup>th</sup>, 2023

For Further Information please contact: Executive Director (CC)  
LIC of India, Central Office, Mumbai. Email id: [ed\\_cc@licindia.com](mailto:ed_cc@licindia.com)  
Visit us at [www.licindia.in](http://www.licindia.in)

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We believe that the news contained in this release is of value to your readers. While we would thank you to publish it as soon as possible, we also readily recognize that the decision to do so rests entirely with you.