



## PRESS RELEASE

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**PRESS RELEASE**

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### **PERFORMANCE UPDATE for April – June 2022 (Q1) of FY 2022-23**

**Mumbai, August 12<sup>th</sup>, 2022: The Board of Directors of Life Insurance Corporation of India (“LIC”) approved the standalone and consolidated financial results for the quarter ending June 30<sup>th</sup>, 2022. Below are the key highlights of our standalone results**

For the quarter ended June 30<sup>th</sup>, 2022, LIC registered an increase of 20.35 per cent in the Total Premium Income at Rs. 98,352 crore as compared to Rs. 81,721 crore for the quarter ended June 30<sup>th</sup> 2021 during the previous year. The Profit after Tax (PAT) for the quarter ended June 30<sup>th</sup>, 2022 was Rs.682.88 crore<sup>1</sup>

The marketing activity picked up pace, overall business momentum was strong for LIC and as a result the overall market share by First Year Premium Income (as per IRDAI) increased to 65.42% for the quarter ended June 30<sup>th</sup> 2022 as compared to full year market share of 63.25% for FY 2021-22. The market share by First Year Premium Income for the quarter ended June 30<sup>th</sup> 2021 was 67.52%.

On an Annualised Premium Equivalent (APE) basis the total premium was Rs.10,270 crore for the quarter ended June 30<sup>th</sup> 2022. Of this 62.80 percent (Rs. 6,450 crore) was accounted for by the Individual Business and 37.20 percent (Rs. 3,819 crore) by the Group Business. Within the Individual business the share of Par products on APE basis was 92.25 percent and balance 7.75 percent was due to Non par products.

A total of 36.81 Lakh policies were sold in the individual segment during the quarter ended June 30<sup>th</sup>, 2022 thereby registering an increase of 59.56 percent over the similar quarter last year when 23.07 Lakh policies were sold.

For the quarter ended June 30, 2022, the persistency ratios on premium basis for the 13<sup>th</sup> month, and 61<sup>st</sup> month were 75.75%, and 58.99% respectively. The comparable persistency ratios for the corresponding quarter ended June 30<sup>th</sup>, 2021 were 72.49%, 56%, respectively.

For the quarter ended June 30, 2022, the persistency ratios on number of policies basis for the 13<sup>th</sup> month, and 61<sup>st</sup> month were 63.85%, and 47.51%, respectively. The comparable persistency ratios for the corresponding quarter ended June 30<sup>th</sup>, 2021 were 61.26% and 44.87% respectively. The persistency has improved across the board, both on premium and policies basis for the quarter ending 30<sup>th</sup> June, 2022 as compared to quarter ended June 30<sup>th</sup> 2021.

The asset under management increased to Rs 41.02 Lakh crore as on June 30<sup>th</sup> 2022 as compared to Rs. 38.13 Lakh crore on June 30<sup>th</sup> 2021 registering an increase of 7.57%.

The Yield on Investments on policyholders funds excluding unrealized gains was 7.74% for period ended June 30<sup>th</sup>, 2022 as against 8.39 % for period ended June 30<sup>th</sup>, 2021. The Net NPAs in the policyholders fund declined to Rs 9 Crore for the quarter ended June 30<sup>th</sup>, 2022 as compared to Rs 194 Crore for the quarter year ended June 30<sup>th</sup> 2021. As against Gross NPA of Rs 26,620 Crore, NPA provision of Rs 26,611 Crore has been made for Quarter ended June 30<sup>th</sup> 2022.

The solvency ratio for the quarter ended June 30<sup>th</sup>, 2022 was 188.54% as against 173.34% for the period ended June 30<sup>th</sup>, 2021.

The Value of New Business (VNB) (Gross) for the quarter ended June 30<sup>th</sup>, 2022 was 1,861 Crore. The VNB margins for the period ended June 30<sup>th</sup> 2022 are 13.6% (Net). The Gross VNB of the Individual business was Rs 1277 Crore and for Group business was Rs 583 Crore for quarter ended June 30<sup>th</sup> 2022. The Gross VNB margins for the Individual and Group business were 19.80% and 15.26% respectively. Within the Individual business, the Par business, Non Par business (including Linked business) had Gross VNB margins of 14.38% and 84.20% respectively.

Shri M.R. Kumar, Chairperson, LIC said:- “As the Covid situation normalises, we are seeing a larger activity on the ground, therefore bringing us back closer to our model of having “feet on street” and continuous in person engagement with our customers. While the growth numbers are very robust for the first quarter as seen in comparison to the same quarter of FY 2021-22, we are aware that the Q1 of the previous year, FY 2021-22 was impacted by a very tough second wave of Covid. However, the trajectory is upwards and we are looking at increased business volumes as is evident in our market share in the year to date since January 2022. We are glad to inform that LIC has been now included in the Fortune 500 list of companies and is placed at number 98 in the list. With this ranking, LIC is the top ranked Indian company on the Fortune 500 list.”

**Key operational and financial metrics:**

Sr No.	Particulars	Q1 FY 2023 (Rs in Crs)	Q1 FY 2022 (Rs in Crs)	Growth %age
1	Total New Business Premium Income (Individual)	10,938	8,040	36.04
2	Renewal Premium (Individual)	49,069	45,048	8.93
3	Total Premium (Individual)	60,007	53,088	13.03
4	Group Business Premium	38,345	28,633	33.92
5	Total Premium Income	98,352	81,721	20.35
6	Number of Policies sold	36,81,764	23,07,513	59.56
7	Assets under Management	41,02,041.84	38,13,370.14	7.57

*Note<sup>1</sup> Pursuant to LIC amendment act 1956, the 6 months policy liabilities and 9 months policy liabilities 30/9/2021 and 31/12/2021 respectively were first ascertained in the previous financial year 2021-2022. In previous financial years the Corporation was ascertaining the policy liability annually as on 31<sup>st</sup> March every year (until Financial Year 2020-2021). Consequently, no surplus has been assessed in the Revenue Account and is included in “Change in Valuation of Liability in respect of Life Policies” for the quarter*

*ended 30/06/2021 and hence corresponding period financial results for the quarter ended 30/06/2021 are not comparable with current financial results.*

Dated at Mumbai on 12<sup>th</sup> August 2022.

For Further Information please contact: Executive Director (CC)

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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.