



# Investor Presentation

June 12, 2023

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# India: Strong Potential to Lead Next Decade of Global Growth

**USD 3.3 tn<sup>1</sup>**

5th largest economy by Nominal GDP, ~11% CAGR for next 5 years<sup>5</sup>

**1.4 bn<sup>2</sup>**

Large population and productive workforce

**40%<sup>3</sup>**

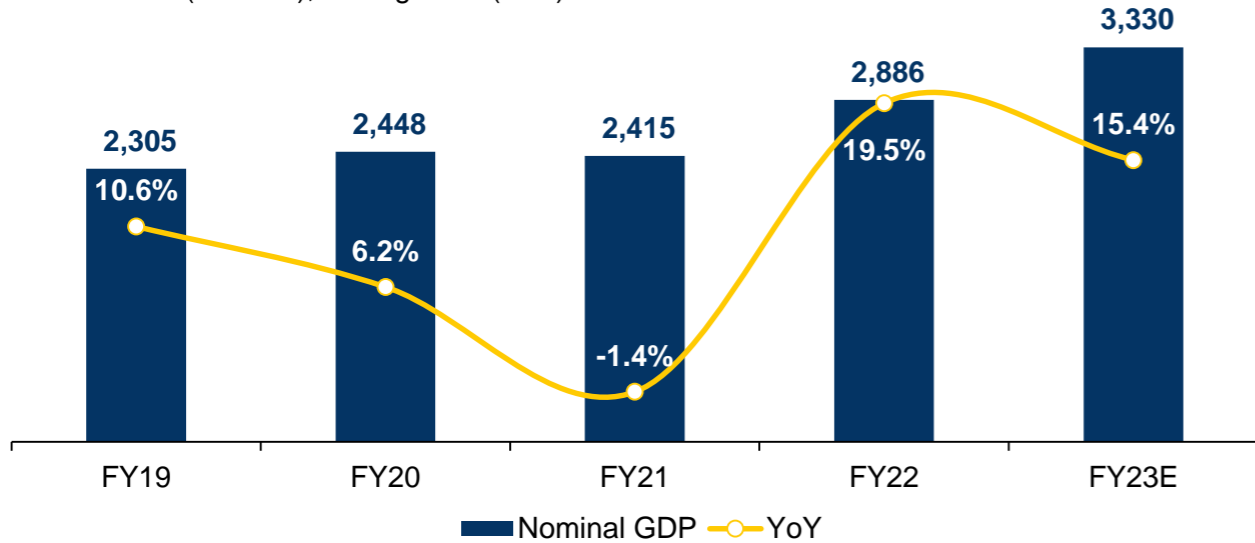
Urbanization - increasing disposable income

**USD 3.1 tn<sup>4</sup>**

India's Equity Market Cap Top 10 globally

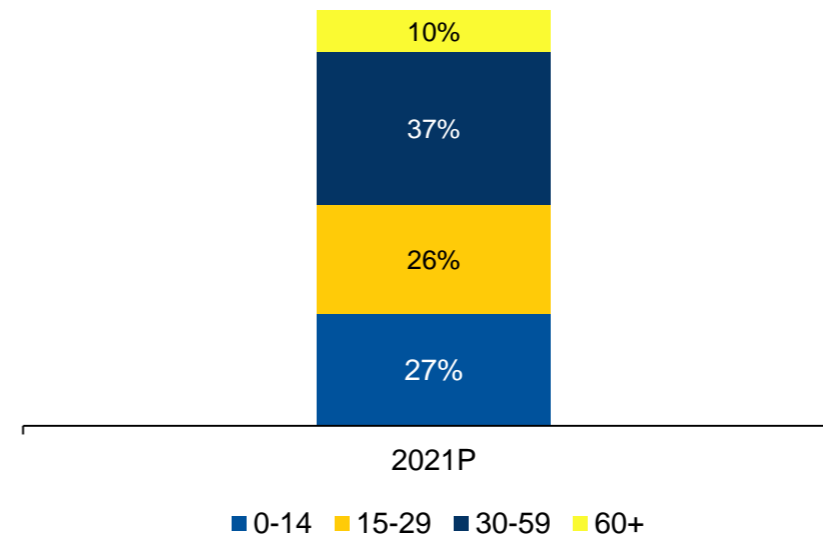
## GDP on upward trend; among the fastest growing globally

Nominal GDP (USD bn), GDP growth (YoY)%<sup>1</sup>



## Demographic dividend play → next 25 years

% Population<sup>6</sup>



India has young population with low median age of ~30 years and ~65% population between 15 to 64 years → strong demographic dividend

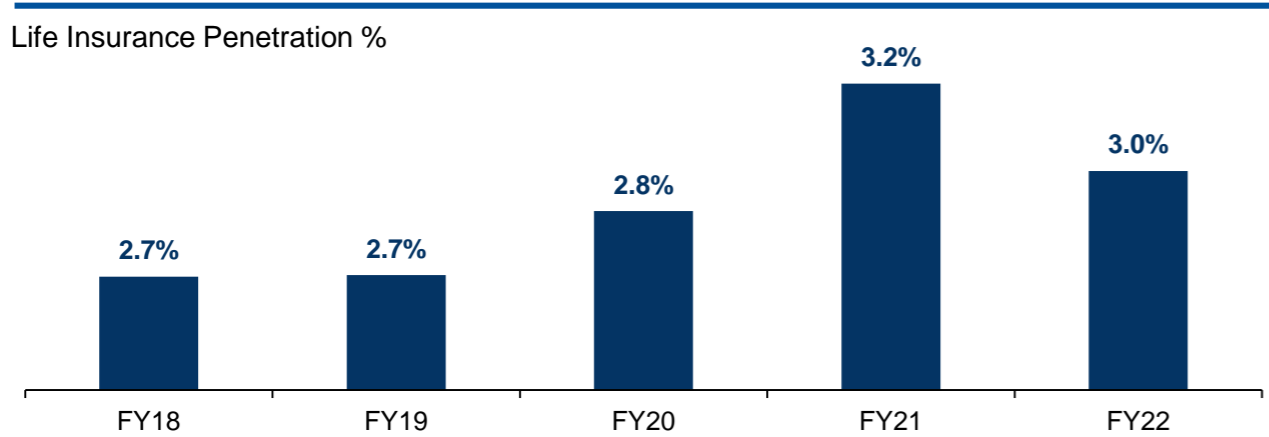
**The right levers in place to help India lead global economic growth and become USD 5 tn economy by 2027**

Note 1. As per Ministry of Statistics and Program Implementation (MoSPI); 2. Economic Survey 2023; 3. Urbanization % by 2036, as per report by World Bank "Financing India's urban infrastructure needs"; 4. As per Census and Economic Information Center (CEIC) as of Mar, 2023; 5. As per World Economic Outlook, April 2023; 6. As per United Nations Department of Economic and Social Affairs

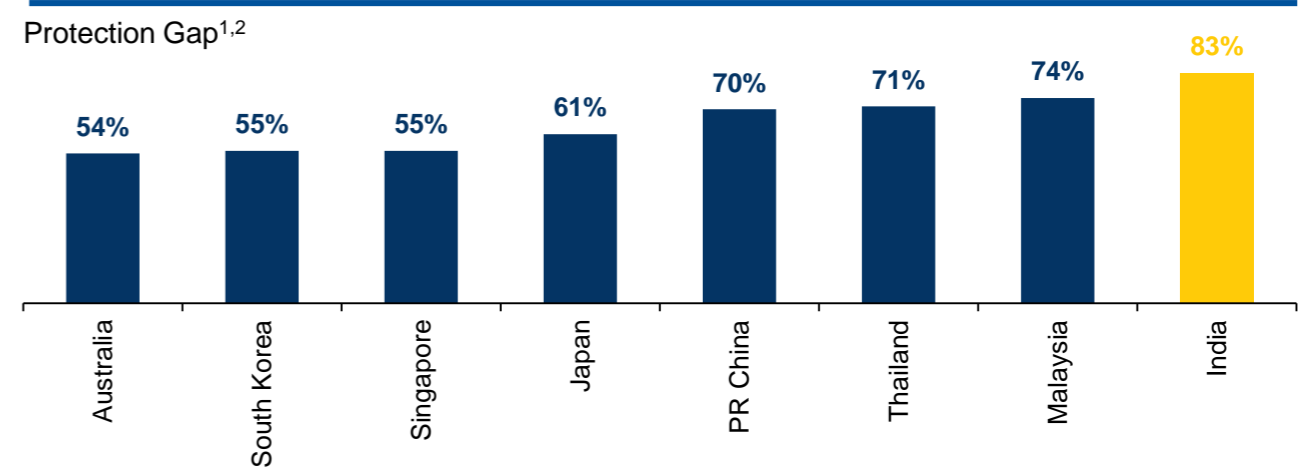
# Life insurance: An Underpenetrated Industry in Growing Economy



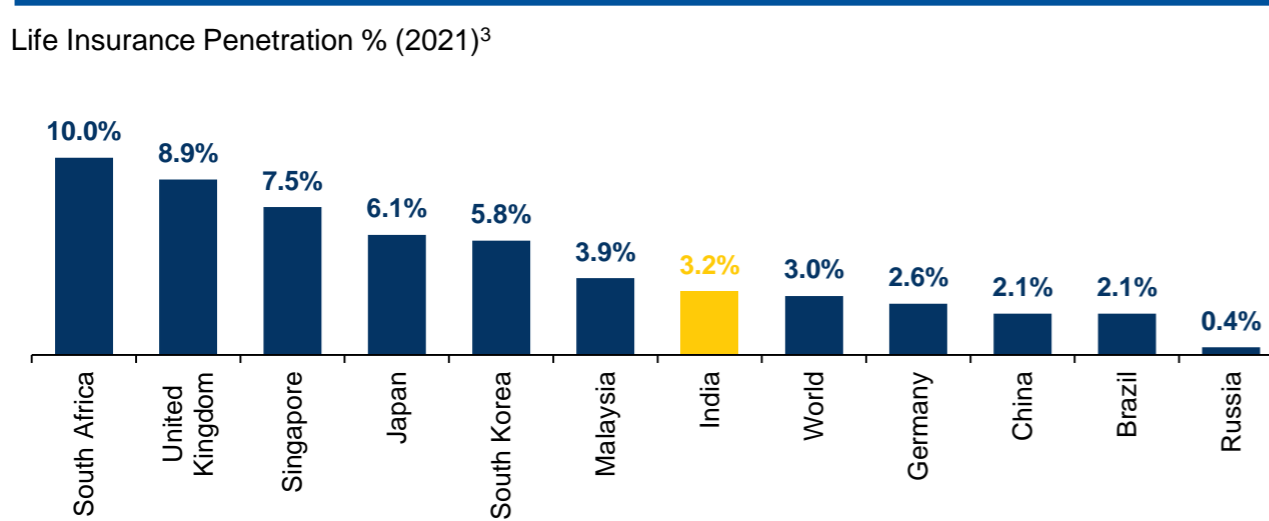
Life Premium as % of GDP increasing over the years



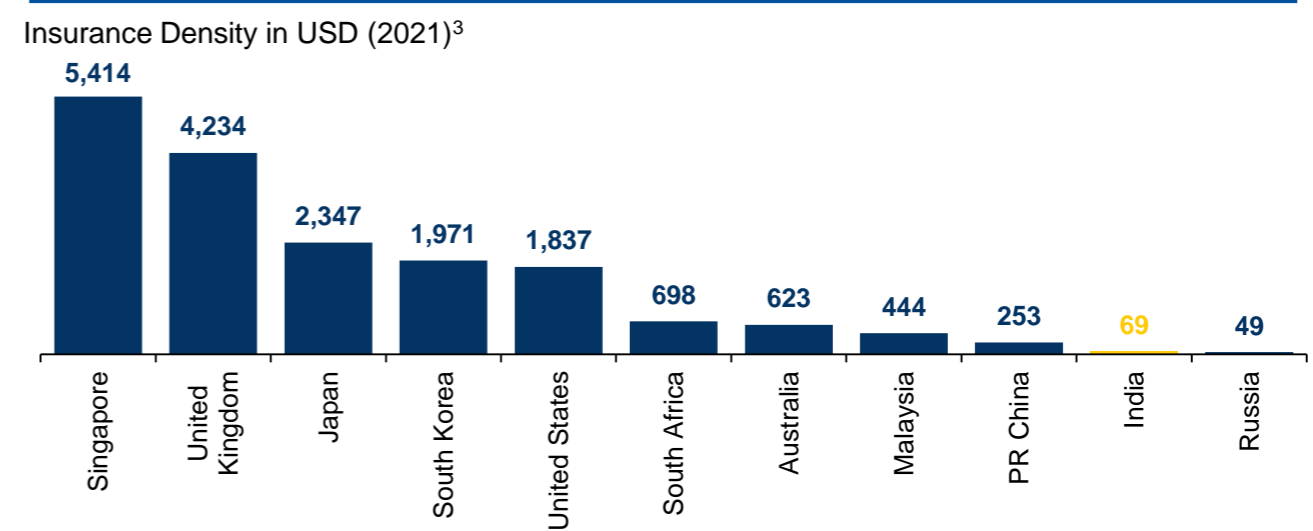
Highly under-covered market → Significant need for protection products



Low Life Insurance Penetration (%)



Huge scope for growth → Amongst lowest Insurance Density



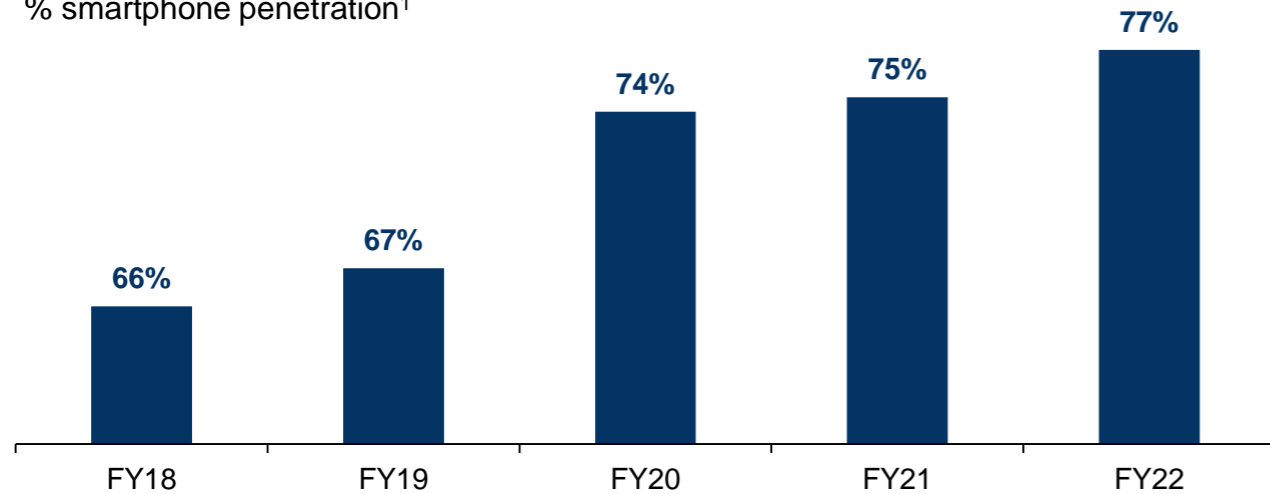
Well positioned to ride the growth in a highly underinsured market both in terms of penetration and density

Source: Corporation data; Exchange rate: 1 USD = INR 82 ; Note 1. Swiss Re - Closing Asia's Mortality Protection Gap- July 2020; 2. Protection Gap is defined as the difference between economic losses and insurance coverage; 3. As per Swiss Re, Sigma 2022 Report; 4. Insurance Density is defined as Premiums per Capita

# Rising Mobile Penetration and Easy Internet Access paving way for Digital Revolution

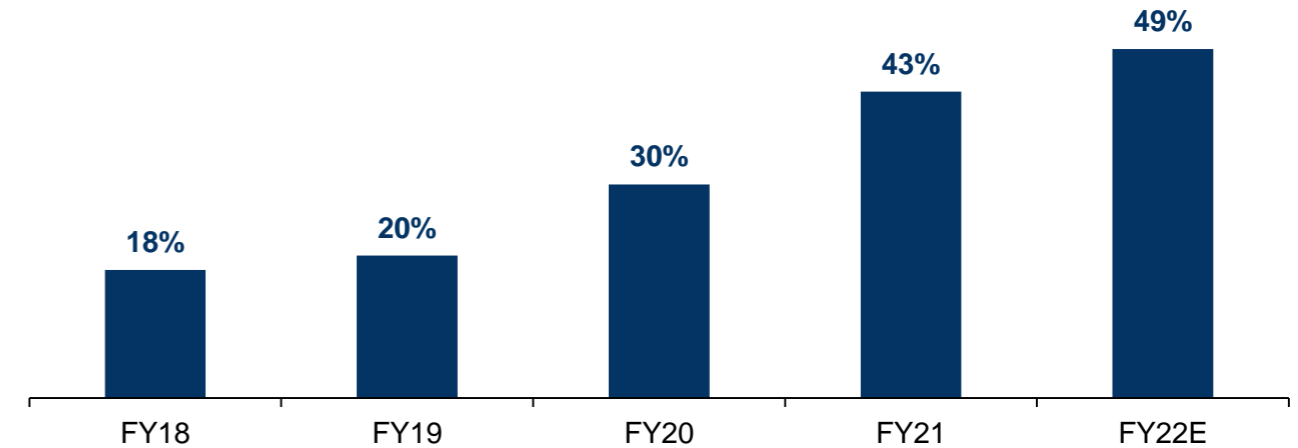
## Rising smartphone penetration

% smartphone penetration<sup>1</sup>



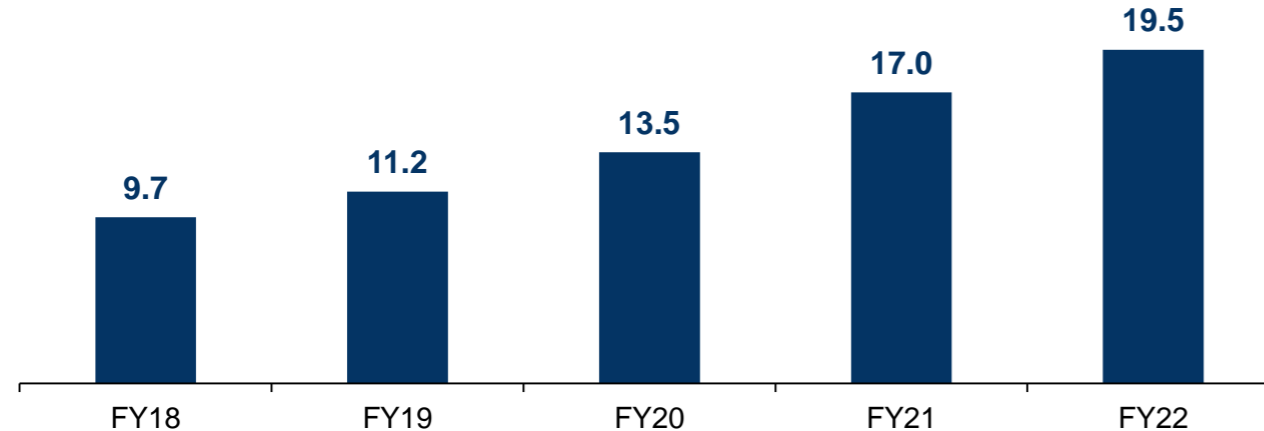
## With internet users on the rise

Regular internet users % of population<sup>2</sup>

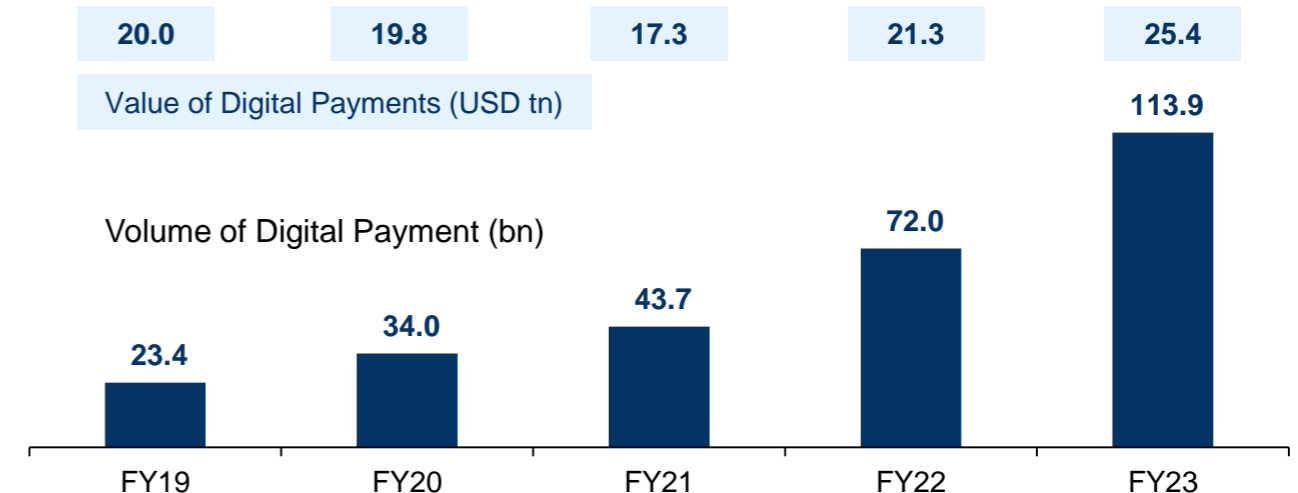


## And increasing data consumption

Avg. data consumption per user per month (in gigabytes)<sup>3</sup>



## Leading to digital payments<sup>4</sup> economy booming



Note 1. % of population with access to smartphone; as per Statista; 2. % population who have used internet from any location in last three months as per World Bank; 3. As per Statista; 4. RBI Data - Digital Payment includes RTGS, Credit & Debit Transfers (AePS, APBS, ECS, IMPS, NACH, NEFT, UPI), Card Payments & Prepaid Payment instruments

# An Illustrious Journey of 67 Years

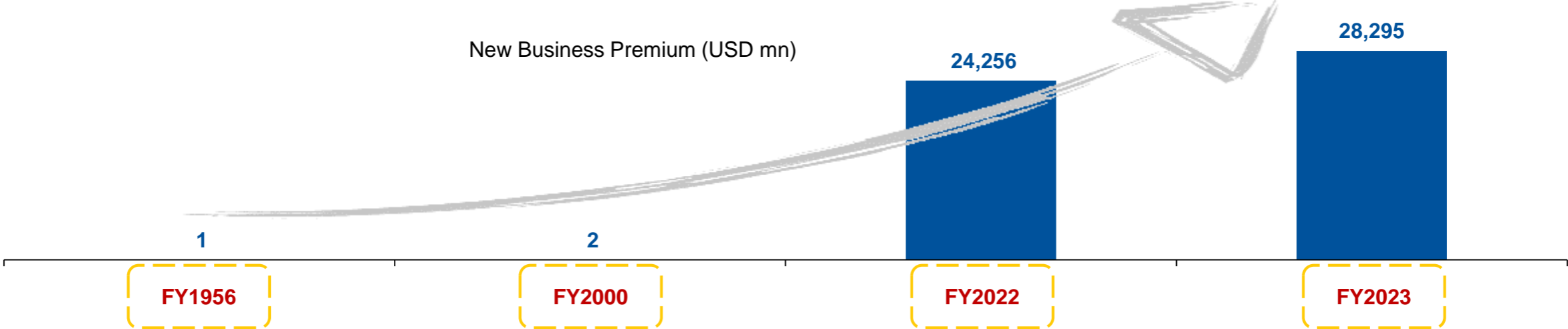
Sustained leadership position after 20+ years of liberalization of insurance sector with a 62.58% market share in NBP in FY23<sup>1</sup>

LIC of India formed

Opening up insurance sector to private players

May 2022 - India's largest IPO ever; Globally 6<sup>th</sup> largest<sup>2</sup>

LIC continues to lead, after 20+ years of liberalization



Total Assets (USD bn)

0.05

19.6

515.8

554.9

# policies in force (mn)

5.05

101.3

280.7

277.4

Given its scale, LIC plays a strategic role in inculcating a culture of insurance and savings across India

Source: Corporation data; Exchange rate: 1 USD = INR 82; Note 1. As per IRDAI data; 2. 6<sup>th</sup> largest globally in CY22

# LIC - A Leader with Deep Competitive Moats

## Trusted brand



*Trusted brand and a customer centric business model*

## Unmatched scale



*India's largest life insurer by GWP in the fast growing & underpenetrated life insurance sector*

## Customer Life-cycle product suite



*Product mix that caters to diverse consumer needs, with increasing focus on non-participating policies*

## Unrivalled distribution



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

## Focus on technology



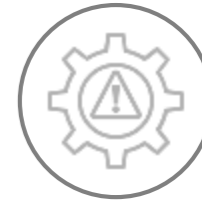
*Deploying tech for smoother customer experience and to drive operating efficiencies*

## Strong financial & investment track record



*Largest asset manager in India with an established track record of financial performance & profitable growth*

## Strong risk controls



*Robust risk management framework, and recognized as a Domestic Systemically Important Insurer*

**Brand LIC is the 14<sup>th</sup> strongest global insurance brand<sup>1</sup>, with ~277.4 mn Individual policies being serviced<sup>2</sup>, 88 mn lives covered under Group insurance**

# Unmatched Scale - Largest Life Insurer in India

## Market leadership



**#1**

Largest Insurer by Market Cap<sup>1</sup> in India



**10<sup>th</sup>**

Largest life insurer globally by total premium volume<sup>2</sup>

## Scale



**~20.4 mn**

FY23 Individual policies sold

**9.3x**

of 2nd largest life insurer<sup>3</sup>

**USD 350**

FY23 Average ticket size (NBP/per individual policy)



**USD 28.3 bn**

FY23 NBP

**62.58%**

FY23 Market share

**7.8x**

of 2nd largest life insurer<sup>3</sup>



**USD 71.0 bn**

March-23 Embedded value

**12.65x**

of 2nd largest life insurer<sup>3</sup>



**USD 536.2 bn**

AUM

**1.07x**

of entire Indian mutual fund industry AUM

**14.31x**

of 2nd largest life insurer<sup>3</sup>

## Distribution & Customer



**~1.35 mn**

Agents (Mar-23)

**51.26%**

Mkt. share by agents (Mar-23)

**6.45x**

of 2<sup>nd</sup> largest life insurer<sup>4</sup>



**15.19**

Policies sold per agent for FY23

Significantly higher than the

**10.53**

policies sold per agent for the 2<sup>nd</sup> largest life insurer<sup>3</sup>



**61.80% / 61.00%**

61<sup>st</sup> month persistency ratio by individual regular premium

Mar-23 / Mar-22



**98.52%**

FY23 Individual death claim paid ratio

**USD 2.9 bn**

FY23 Individual total death claims paid



## Snapshot of LIC's vast distribution capabilities

**1.35<sup>1</sup> mn**

Agents exclusive to LIC

**40,789<sup>3</sup>**

Premium points **+2,708** MICRO Insurance Premium Points

**160<sup>2</sup>**

Corporate Agents

**295**

Brokers

**123**

Insurance Marketing Firms

**36**  
States & UTs

Covering 92% districts vs 79% combined for sector (ex-LIC)<sup>4</sup>

**19,437**

Total Micro-insurance agents

**3,628**

Branch and satellite offices

**80**

Bancassurance partnerships

**12%**

Single state concentration  
→ geographically diversified

**Massive Distribution Network spread across India capable of delivering multi-fold growth**

# Highly Experienced Management, Distinguished Board and Strong Corporate Governance framework



## Experienced Board of Directors



**Shri Siddhartha Mohanty**  
*Whole-time Chairperson*



**Shri Suchindra Misra**  
*Government Nominee Director*



**Smt. Ipe Mini**  
*Managing Director*



**Shri M Jagannath**  
*Managing Director*



**Shri Tablesh Pandey**  
*Managing Director*



**Dr. Ranjan Sharma**  
*Independent Director*



**Shri Vinod Kumar Verma**  
*Independent Director*



**Shri Anil Kumar**  
*Independent Director*



**Smt. Anjuly Chib Duggal**  
*Independent Director*



**Shri Gurumoorthy Mahalingam**  
*Independent Director*



**Shri Raj Kamal**  
*Independent Director*



**Shri Vankipuram Srinivasa Parthasarathy**  
*Independent Director*



**Shri Vijay Kumar Muthu Raju Paravasa Raju**  
*Independent Director*



**Shri Sanjeev Nautiyal**  
*Independent Director*



## Key Managerial Personnel



**Shri P. Kumaresan**  
*Executive Director (Audit) & Internal Auditor*



**Shri R. Sudhakar**  
*Executive Director (Marketing/ PD) & Chief Marketing Officer*



**Shri Dinesh Pant**  
*Appointed Actuary & Executive Director*



**Shri Ratnakar Patnaik**  
*Executive Director (INVT-FO) & Chief Investment Officer*



**Shri Krishna Kumar S**  
*Executive Director (CG/GJF/RC) & Chief Compliance Officer*



**Shri. Pratap Chandra Paikray**  
*Executive Director (ERM) & Chief Risk Officer*



**Shri Pawan Agrawal**  
*Company Secretary & Compliance Officer*



**Shri Sunil Agrawal**  
*Chief Finance Officer*

5 full time Directors and 9 Independent Directors ensuring a strong governance framework

# Key Focus Areas

**#1**

**Wide bouquet of products with new product launches**

**#2**

**Focus on increasing share of Non Par products**

**#3**

**Create optimum mix of distribution channels while retaining leadership for agency channel**

**#4**

**Strengthen digital processes to empower agents, policyholders and drive higher operating efficiency**

**#5**

**Enhance yields on investment portfolio without compromising on risk and quality**

# #1 Wide Bouquet of Products with New Product Launches

## Comprehensive suite of products

16

Participating products

20

Non-Par products  
(incl. 3 Annuity)

11

Group products incl. 1  
Credit Life & 1 Annuity

8

Riders

## New Non-Par Product Launches

3

Non-Linked Individual  
Savings Plan  
(Endowment product)

2

Non-Linked Individual  
Pure Risk Premium  
(Term product)

1

Unit-Linked Pension  
product

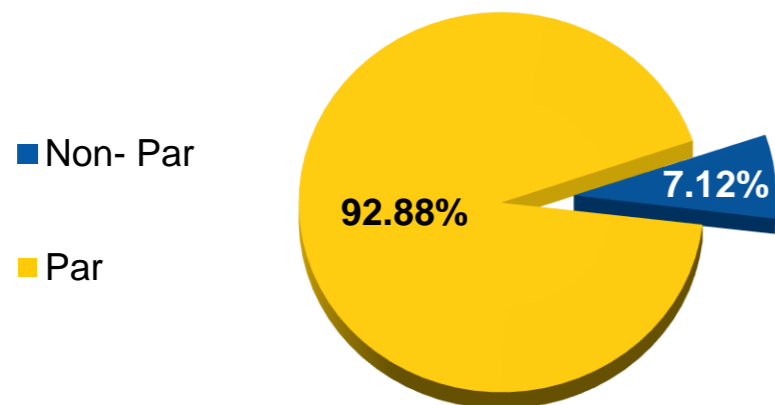
1

Non Linked Individual  
Savings Plan  
(Money Back)

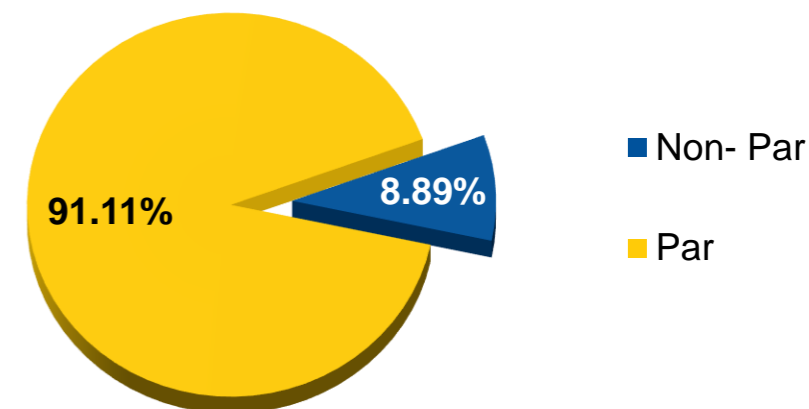
# #2 Focus on Increasing Share of Non-Par Products

## Rising share of Non-Par in Individual APE<sup>1</sup>

Breakup of Individual APE (FY22)

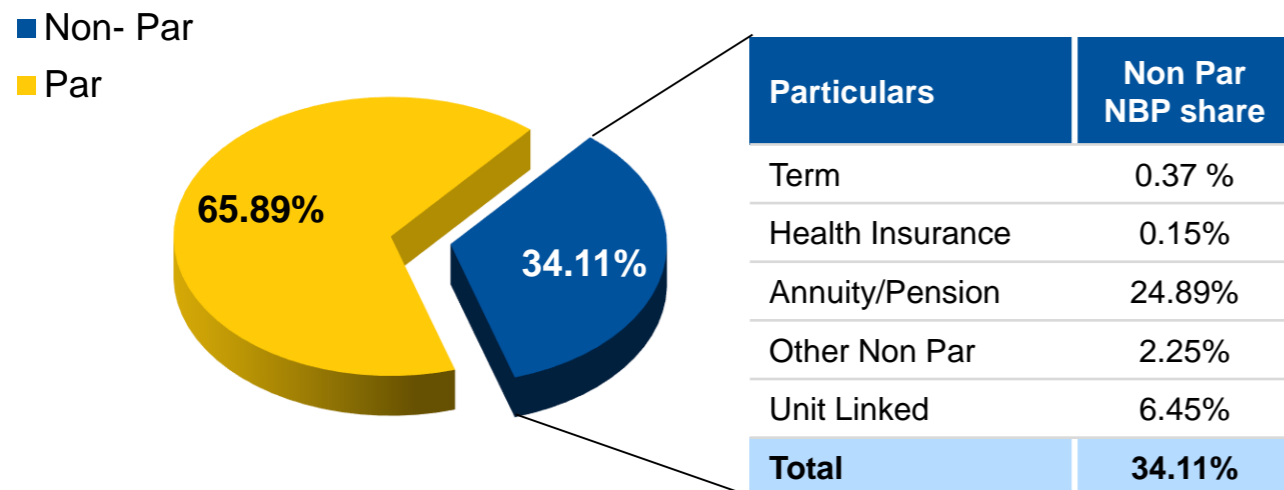


Breakup of Individual APE (FY23)

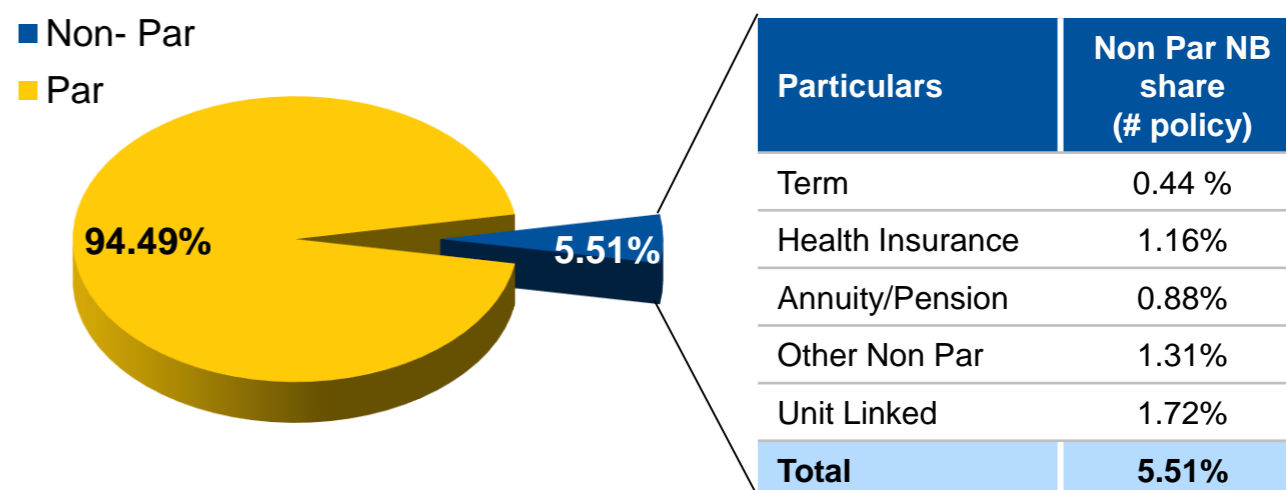


## Breakup of Individual New Business

Breakup by premium (FY23)

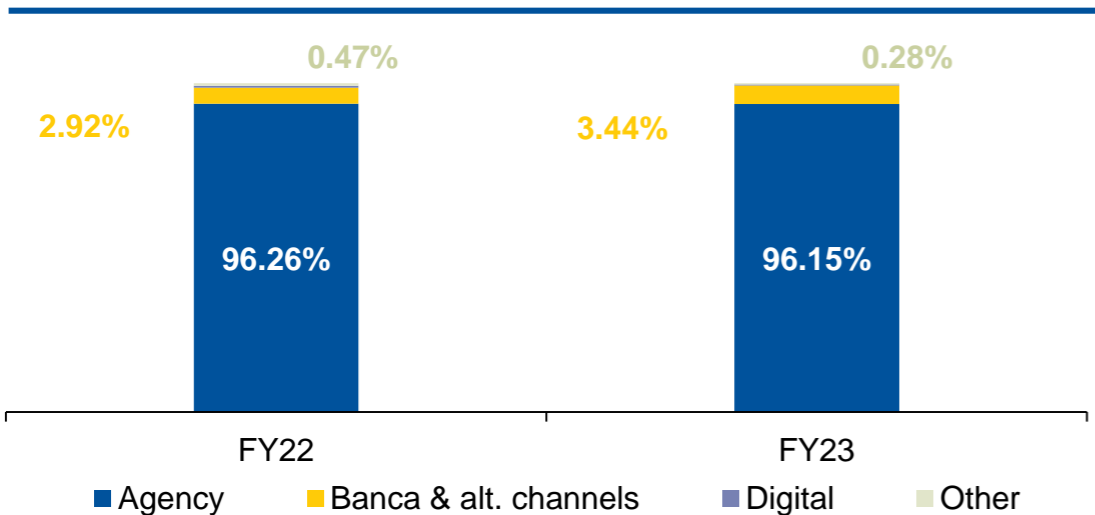


Breakup by no. of policies (FY23)

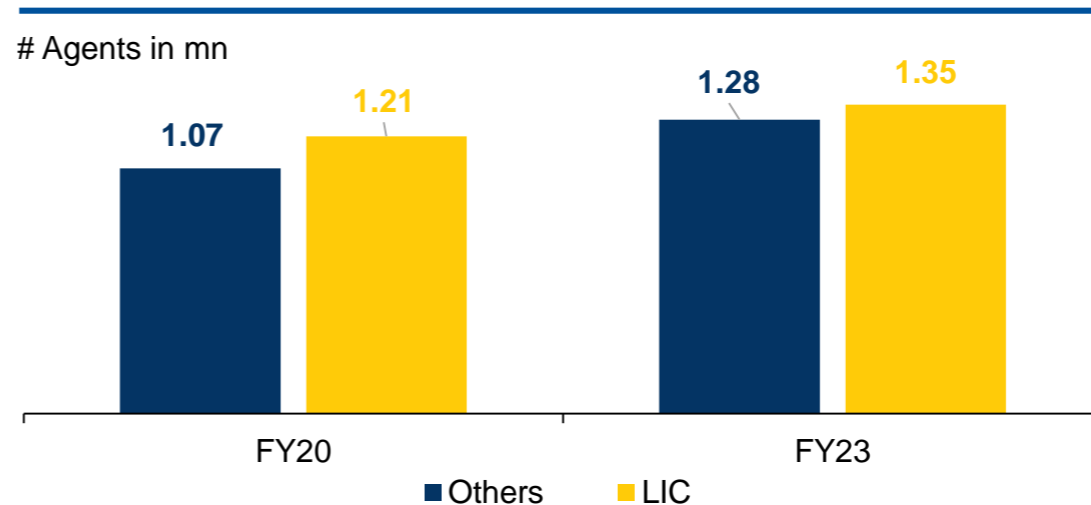


# #3 Distribution led by Agency whilst Expanding other Channels

Distribution mix by individual NBP (%)



Largest agency force



**Agent Age**  
~73% agents >35 years

**Higher Vintage:**  
60% > 5 Years

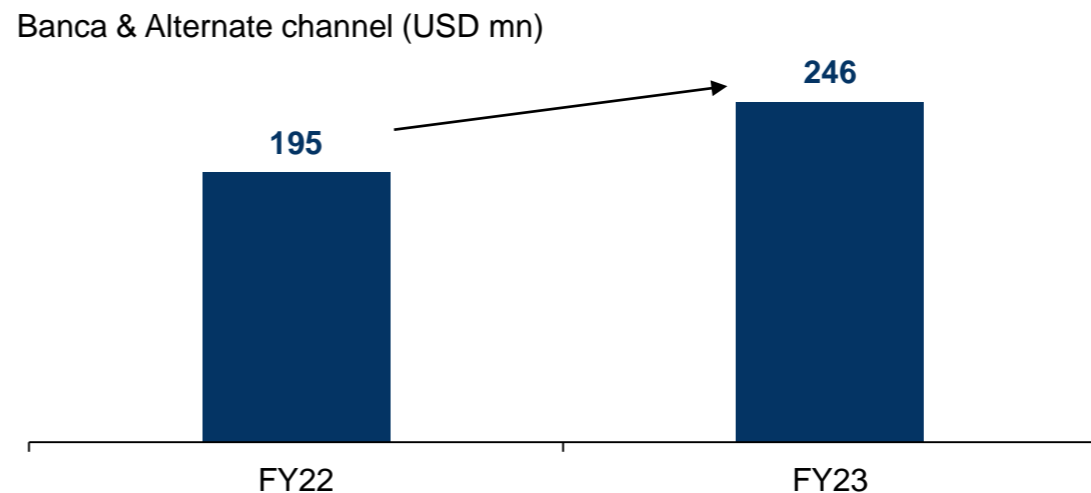
**Pan-India Present:**  
52% Metro, Urban & Semi-Urban  
48% Rural

Digital App for Agents to process New Business digitally

Key stats (in '000)	FY21	FY22	FY23
Total policies completed under ANANDA	41.2	274.4	811.3
Number of agents activated in ANANDA	15.6	78.6	156.1

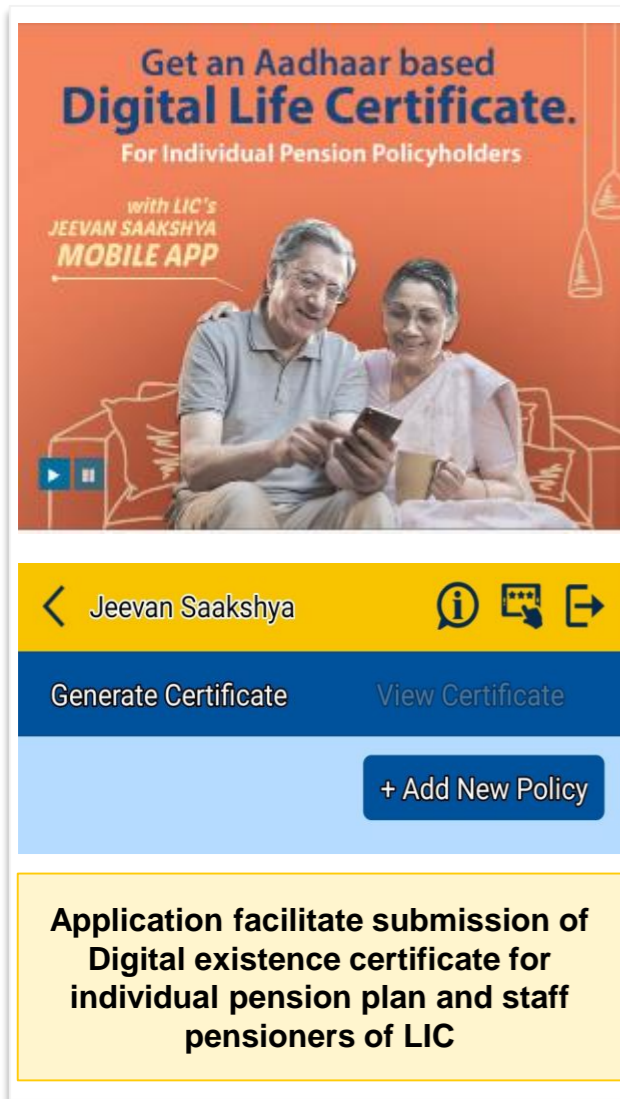
Time to Policy conclusion is less than 10 minutes. Now ANANDA app is integrated with WhatsApp

Rising Individual NBP premium via the banca and alternate channels



Increasing focus on banca and alternate channels

# #4 Strengthening Digital Process – Empowering Policyholders



Get an Aadhaar based  
**Digital Life Certificate.**  
For Individual Pension Policyholders

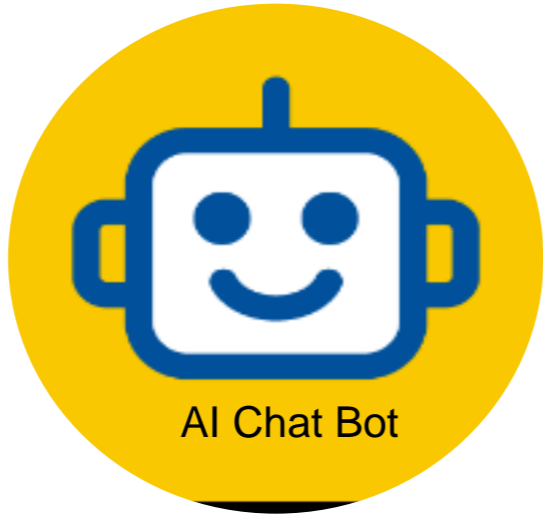
with LIC's  
JEEVAN SAAKSHYA  
MOBILE APP

Jeevan Saakshya

Generate Certificate View Certificate

+ Add New Policy

Application facilitate submission of Digital existence certificate for individual pension plan and staff pensioners of LIC

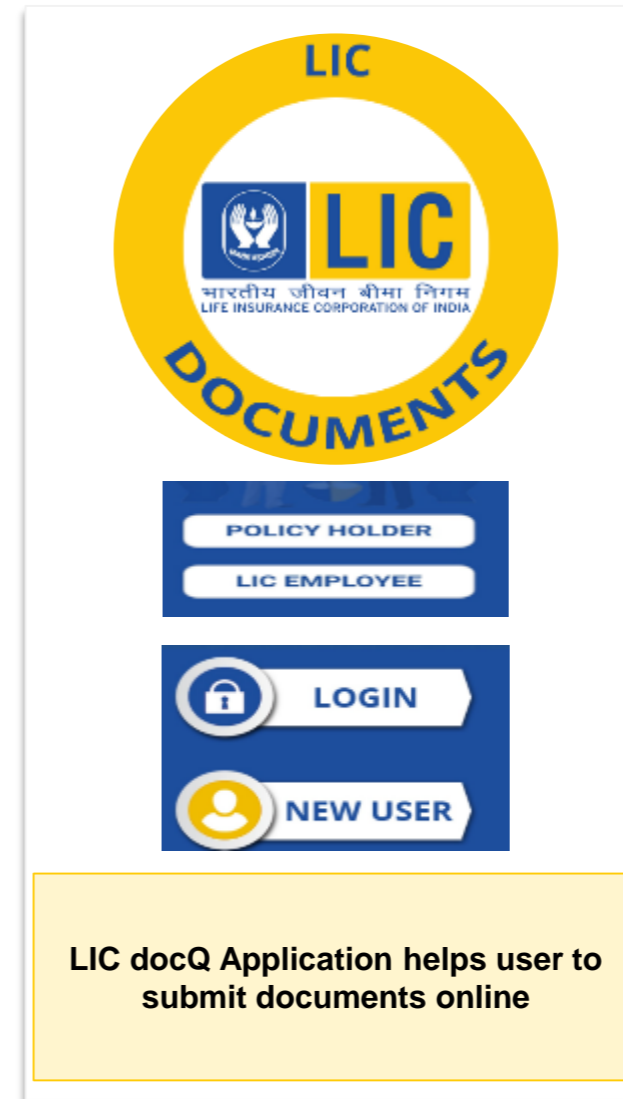


AI Chat Bot

एल आई सी मित्र / LIC MITRA

आप अपने प्रश्न मुझसे पूछ सकते हैं! / Got questions? Ask me!!

1. Policy Status
2. First Unpaid Premium date
3. Last paid premium date
4. Download forms
5. Product information etc.



LIC DOCUMENTS

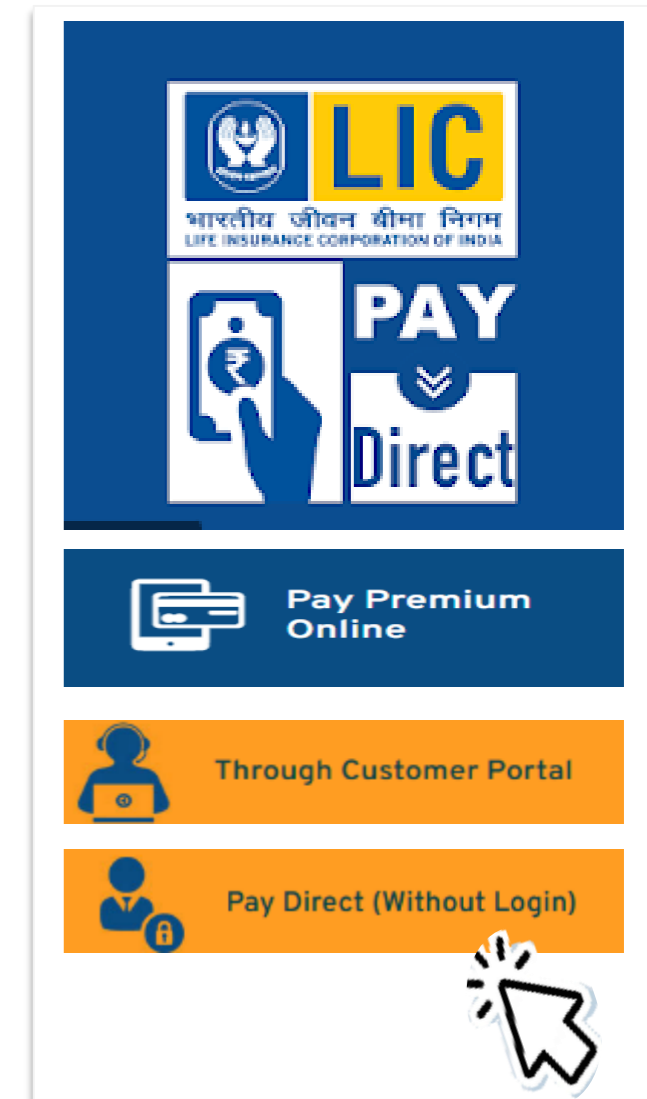
POLICY HOLDER

LIC EMPLOYEE

LOGIN

NEW USER

LIC docQ Application helps user to submit documents online



LIC भारतीय जीवन बीमा निगम LIFE INSURANCE CORPORATION OF INDIA

PAY Direct

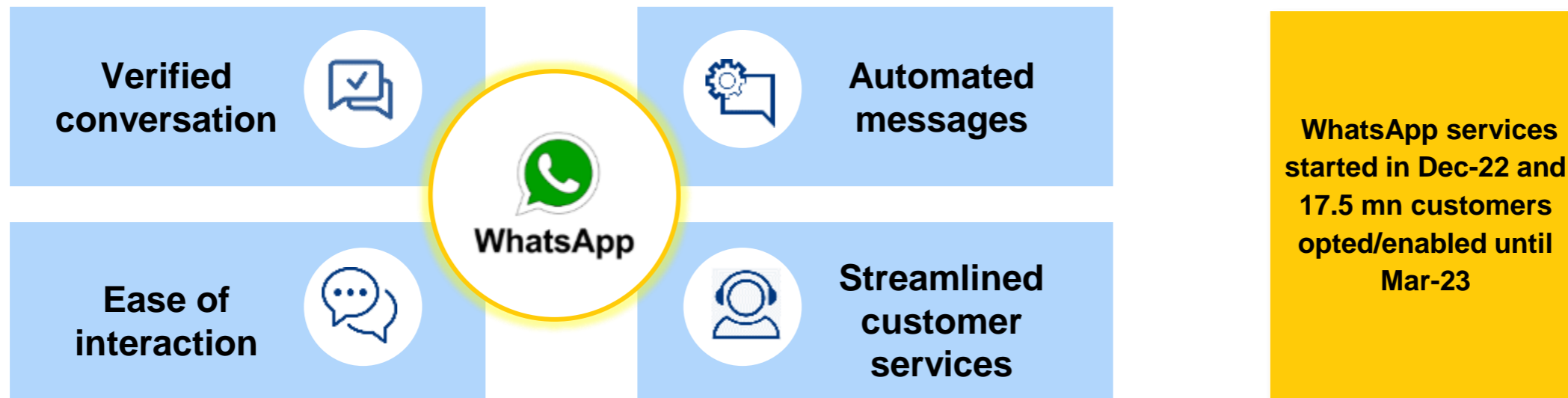
Pay Premium Online

Through Customer Portal

Pay Direct (Without Login)

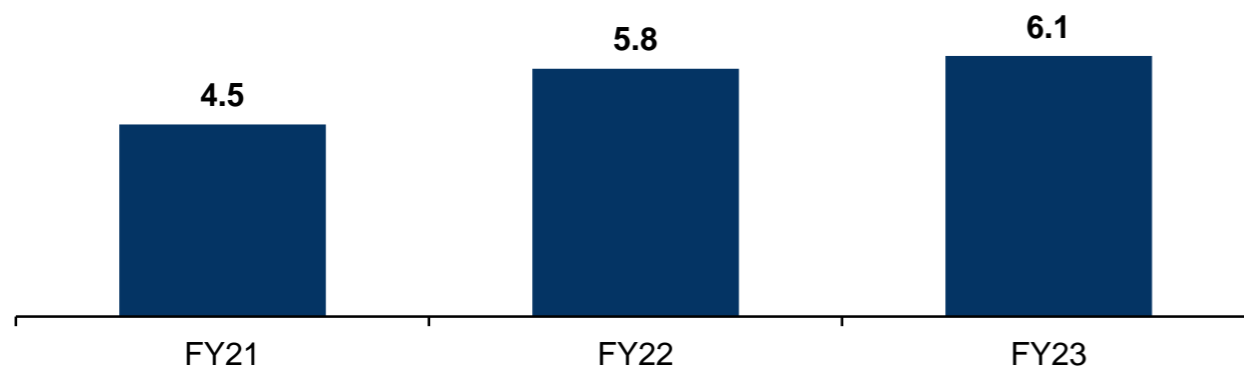
# #4 Strengthening Digital Process – Customer Service

## Services offered



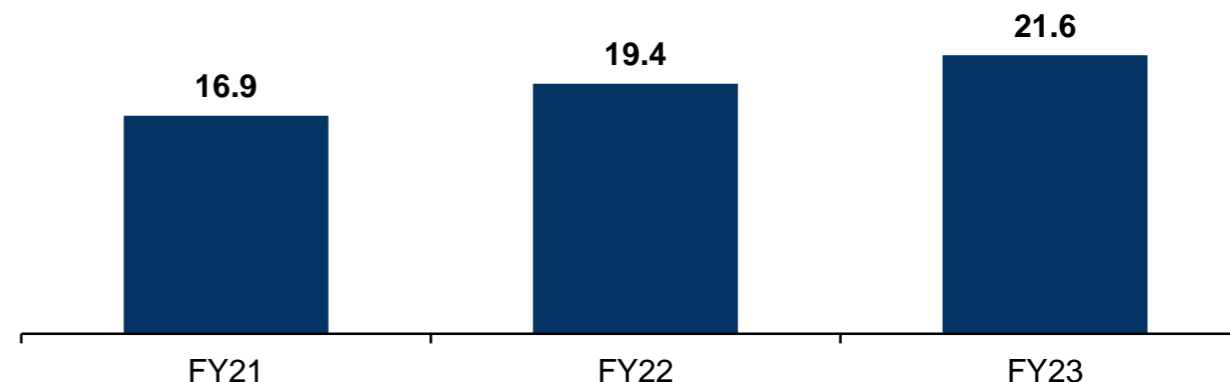
## Uptrend in LIC customer APP users

App rating 4.1/ 5.0<sup>1</sup> (# users in mn)



## Rising website registered customers

No. of Customers (# in mn)



Source Corporation data; Note 1. App Rating as on 31 Mar, 2023



# Financial Performance (1/2)

## Total Premium Income

**FY23 USD 57.8 bn**

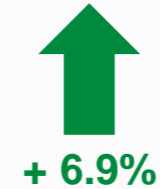
FY22 USD 52.1 bn



## Individual New Business Premium

**FY23 USD 7.2 bn**

FY22 USD 6.7 bn



## Renewal Premium (Individual)

**FY23 USD 28.5 bn**

FY22 USD 27.0 bn



## Total APE

**FY23 USD 6.9 bn**

FY22 USD 6.1 bn



## Weighted Received Premium

**FY23 USD 4.3 bn**

FY22 USD 4.0 bn



## Total Group Business Premium

**FY23 USD 22.1 bn**

FY22 USD 18.4 bn



## Total Death Claim Paid

**FY23 USD 2.9 bn**

FY22 USD 4.4 bn



## Claim Settlement Ratio Death

**FY23 98.52%**

FY22 98.74%

## Maturity Claims Paid

**FY23 USD 22.6 bn**

FY22 USD 25.1 bn

# Financial Performance (2/2)

## Commission Ratio

**FY23 5.39%**

FY22 5.54%



## Overall Expense Ratio

**FY23 15.53%**

FY22 14.50%

## Profit After Tax

**FY23 USD 4.4 bn<sup>1</sup>**

FY22 USD 0.5 bn



## Assets Under Management

**FY23 USD 536.2 bn**

FY22 USD 498.2 bn



## Total Gross / Net NPA Ratio

**FY23 2.56% / NIL**

FY22 6.03 % / 0.04%



## VNB (Gross)

**FY23 1.4 bn**

FY22 1.2 bn



## Total VNB Margin (Net)

**FY23 16.2%**

FY22 15.1%



## Embedded Value

**FY23 USD 71.0 bn**

FY22 USD 66.0 bn



## Solvency Ratio

**FY23 1.87<sup>2</sup>**

FY22 1.85

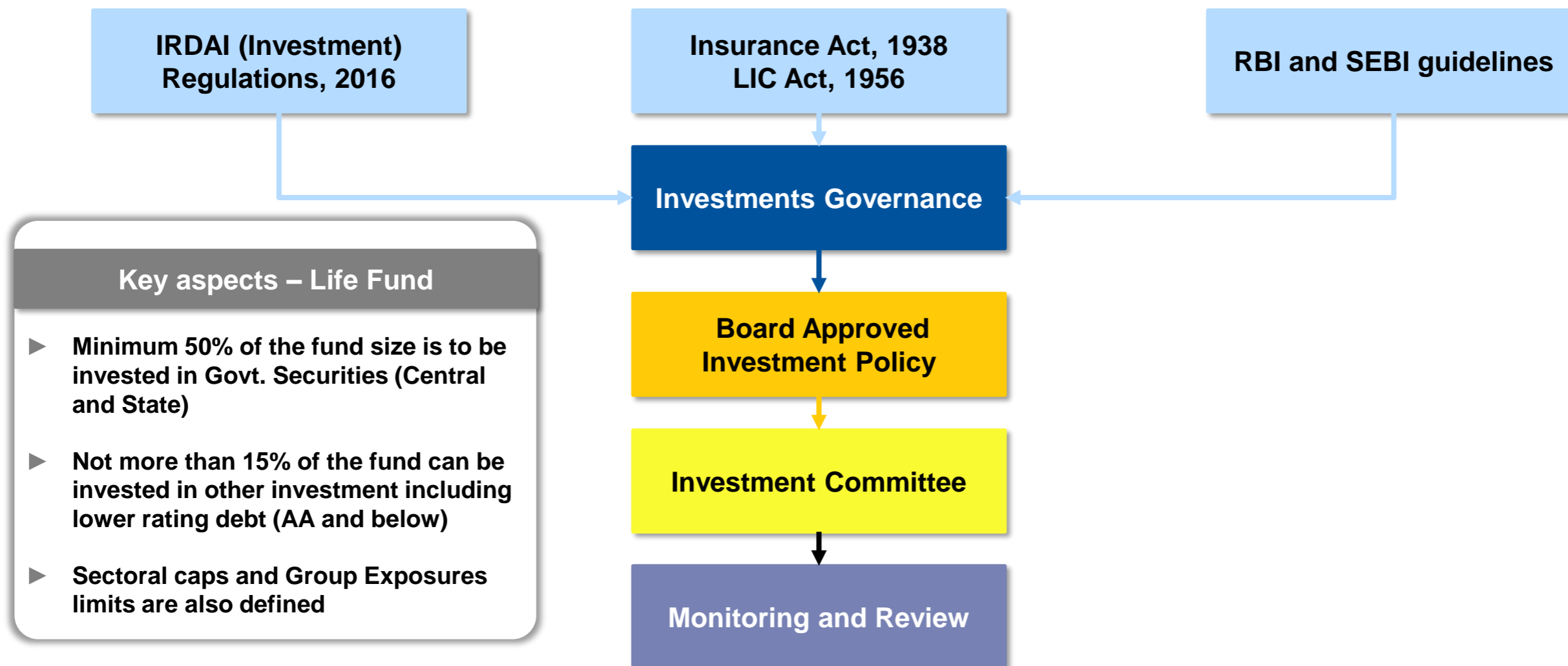


Source: Corporation data; Exchange rate: 1 USD = INR 82; % arrows represent change over FY22 to FY23 unless stated otherwise; Note 1. The Corporation has changed its accounting policy during the current year and accordingly has transferred an amount of USD 3.3 bn (Net of Tax) pertaining to the accretion on the Available Solvency Margin from Non Par to Shareholder's Account due to which the Profit for the financial year ended as on 31 Mar, 2023 has increased to that extent. The said amount comprises of USD 0.9 bn (Net of Tax) of quarter ended 31 Mar, 2023, USD 1.9 bn (Net of Tax) up to 9 months ended 31 Dec, 2022 and USD 0.6 bn (Net of Tax) of quarter ended 31 Mar, 2022. 2. Before considering the proposed final dividend for FY23

# Investment Philosophy and Framework

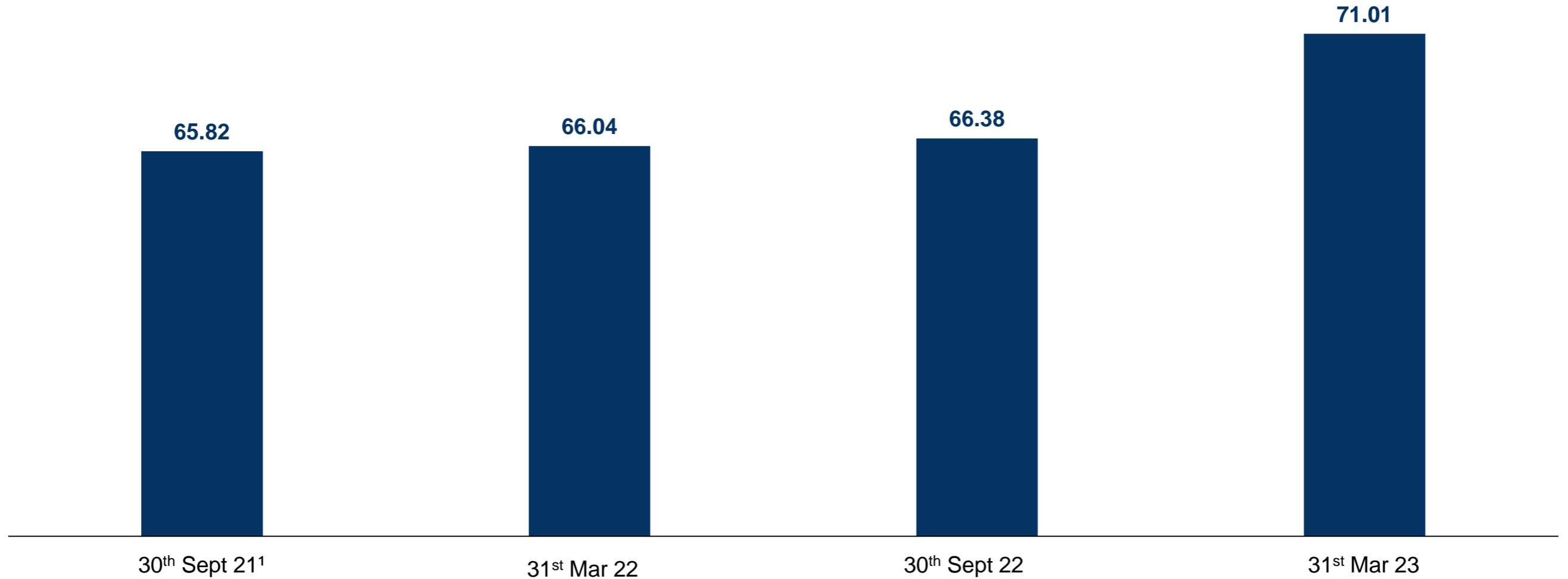
LIC's overall investment policy is governed by the principles of:

- Selection of quality assets matching the liabilities
- Optimizing the return to the Policyholders and other stakeholders ensuring risk management and compliances



# Indian Embedded Value (IEV)

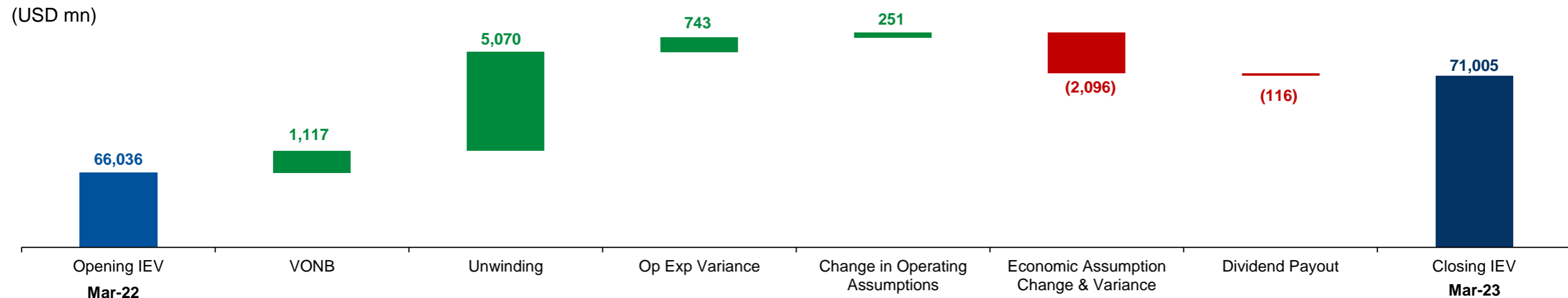
Embedded Value  
(USD bn)



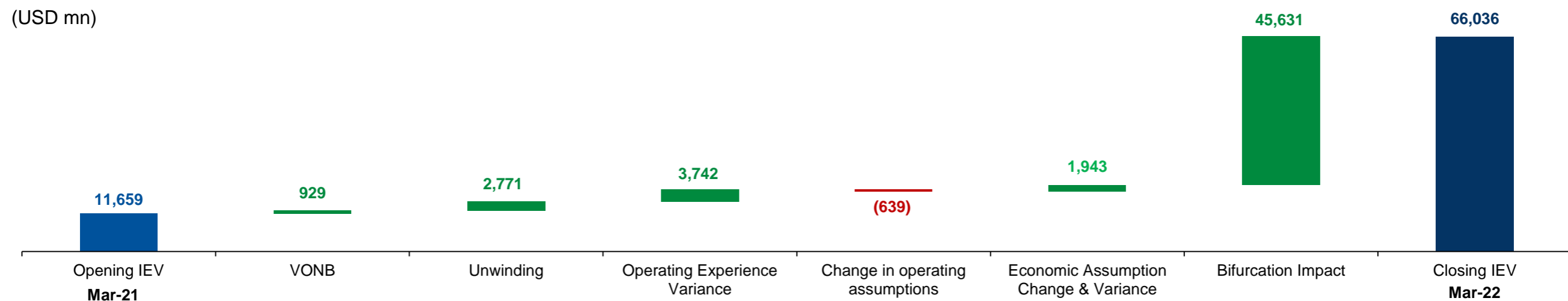
Source: Corporation data, Exchange rate: 1 USD = INR 82; Note 1. Milliman Report, IEV as on 30 Sep 2021 includes bifurcation impact of USD 45.63 bn

# Movement of Indian Embedded Value over the years

## Indian Embedded Value (IEV) walk – Mar-22 to Mar-23

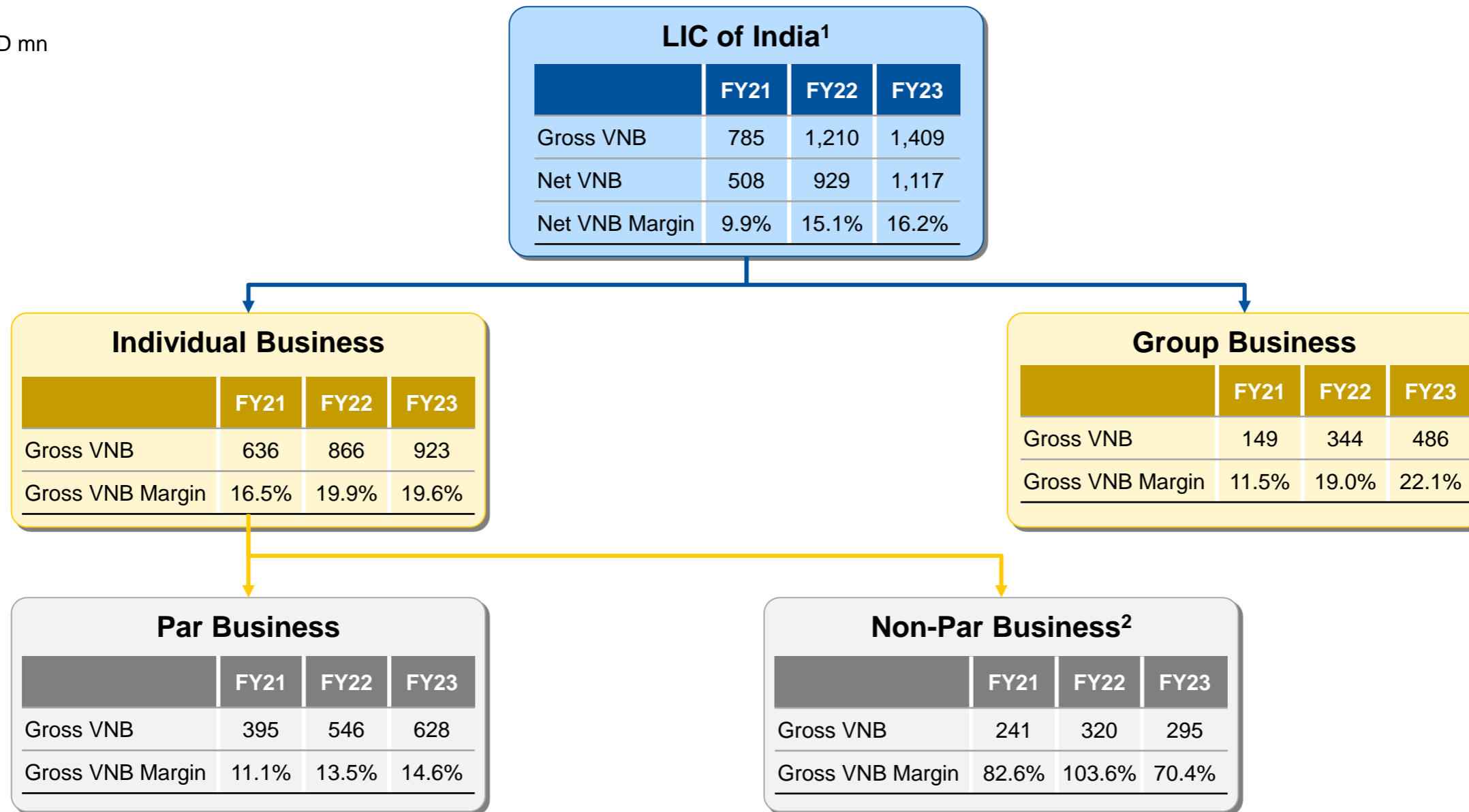


## Indian Embedded Value (IEV) walk – Mar-21 to Mar-22



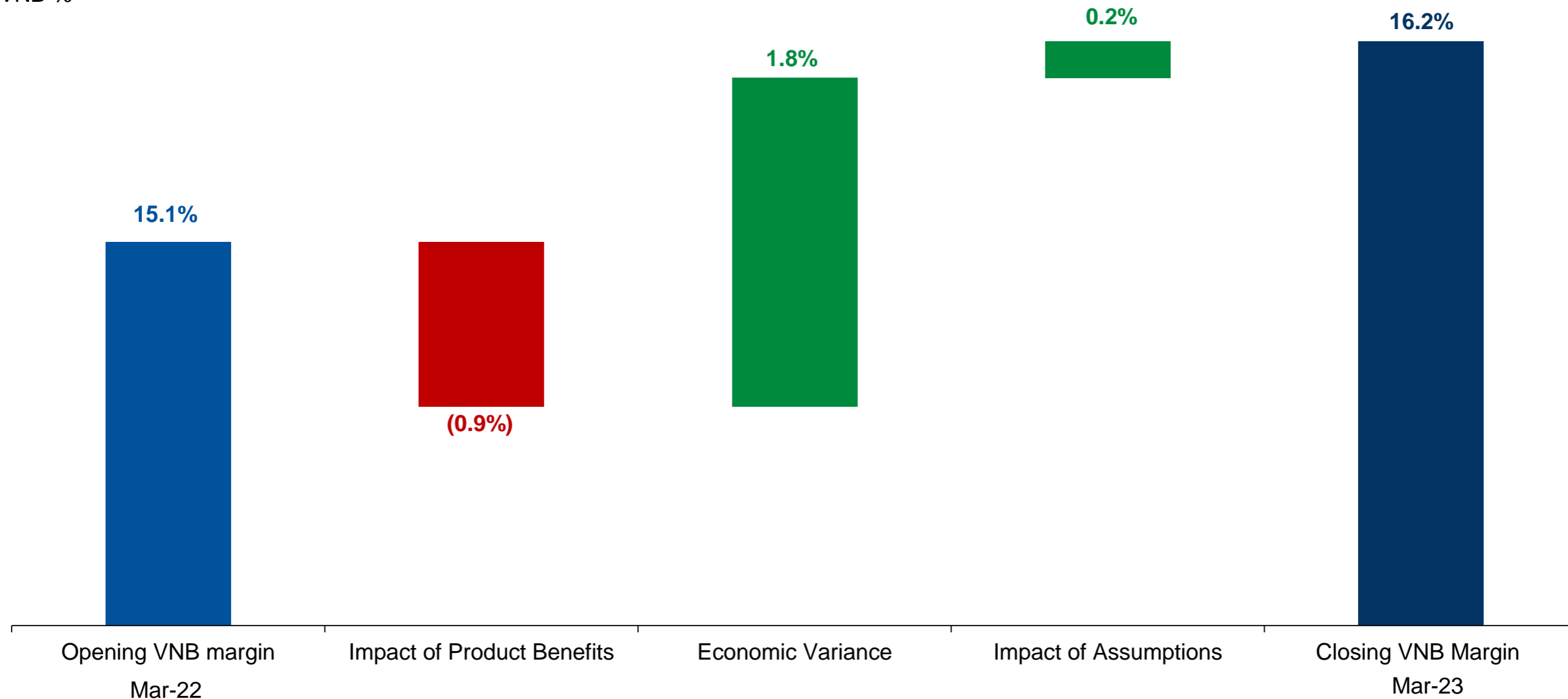
# Value of New Business (VNB)

Amounts in USD mn



Source: Corporation data; Exchange rate: 1 USD = INR 82; Note 1. Gross VNB before Time Value of financial options and guarantees (TVFOG), Frictional Cost of required capital (FC), Cost of residual non-hedgeable risks (CRNHR) 2. Including Unit Linked

VNB %



# Embedding ESG in our business

**LIC Golden Jubilee Foundation (LIC GJF) collaborates with NGOs to serve marginalized communities & underprivileged people across India  
As at Mar-23, LIC GJF has sanctioned funding for 723 projects in relevant fields across the country**

**LIC has integrated the SDGs with key areas of their business operations and have ensured a positive contribution to 12 SDGs**

<p><b>NO POVERTY</b> </p> <ul style="list-style-type: none"> <li>✓ Rural areas contribute <b>22.3% of individual policies sold</b> and <b>16.7% of total new business sum assured</b></li> <li>✓ <b>48.4% agents in India reside in rural areas</b></li> <li>✓ <b>“Bima Gram” initiative</b> to drive insurance awareness in rural India</li> </ul>	<p><b>ZERO HUNGER</b> </p> <ul style="list-style-type: none"> <li>✓ Partnership with the <b>Akshaya Patra Foundation (NGO)</b> to provide <b>food security for children</b></li> </ul>	<p><b>GOOD HEALTH &amp; WELL BEING</b> </p> <ul style="list-style-type: none"> <li>✓ <b>4,400 medical camps &amp; 5,542 cleaning activities organized</b> in FY23 under the <b>“Swastha Bharat” initiative</b></li> <li>✓ <b>Annual “Insurance Week”</b> promoting awareness</li> <li>✓ <b>Impact investing strategy</b> to improve access to healthcare and financing healthcare infrastructure</li> </ul>	<p><b>QUALITY EDUCATION</b> </p> <ul style="list-style-type: none"> <li>✓ Rural areas contribute <b>22.3% of individual policies sold</b> and <b>16.7% of total new business sum assured</b></li> <li>✓ <b>48.4% agents in India reside in rural areas</b></li> <li>✓ <b>“Bima Gram” initiative</b> to drive insurance awareness in rural India</li> </ul>
<p><b>GENDER EQUALITY</b> </p> <ul style="list-style-type: none"> <li>✓ <b>23.6% female agents, 23.5% women in workforce, &amp; 36.0% female policyholders</b></li> <li>✓ Committees for prevention of sexual harassment</li> <li>✓ <b>Active contribution to women welfare projects</b> by LIC GJF</li> </ul>	<p><b>CLEAN WATER &amp; SANITATION</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Contribution to Clean Ganga Fund</b></li> <li>✓ <b>Support to various other sanitation projects</b></li> <li>✓ Contributions for <b>renovation of water bodies and enabling availability of fresh water</b> for communities</li> </ul>	<p><b>DECENT WORK &amp; ECONOMIC GROWTH</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Continuous investments towards skill development</b> of employees and agents</li> <li>✓ Comprehensive <b>in-house infrastructure</b></li> </ul>	<p><b>INDUSTRY, INNOVATION &amp; INFRASTRUCTURE</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Significant investments towards social infrastructure</b> including power generation, development of roads/ bridges/railways etc.</li> </ul>
<p><b>REDUCED INEQUALITIES</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Equal opportunities policy in place</b></li> <li>✓ Reservations for <b>PWDs &amp; EWS</b></li> <li>✓ Contribution by LIC GJF towards <b>medical &amp; education facilities to tribal communities; relief to those affected by calamities etc.</b></li> </ul>	<p><b>SUSTAINED CITIES &amp; COMMUNITIES</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Outstanding investments worth USD 172 mn in renewable energy</b></li> <li>✓ <b>USD 3,885 mn</b> invested in the <b>housing sector</b> in India in FY23</li> <li>✓ <b>Multi-faceted initiatives for upliftment of poor communities</b></li> </ul>	<p><b>CLIMATE ACTION</b> </p> <ul style="list-style-type: none"> <li>✓ <b>4,471 KW rooftop solar capacity</b> installed, resulting in reduction of <b>~3,826 tons of carbon emissions per annum</b></li> <li>✓ <b>3 Green rated buildings constructed</b></li> </ul>	<p><b>LIFE ON LAND</b> </p> <ul style="list-style-type: none"> <li>✓ <b>Proactive identification</b> of relevant environment and ecosystem issues</li> <li>✓ <b>Free plantation drives, adoption of public gardens</b> for their upkeep etc.</li> </ul>



**LIC remains committed towards retaining its leadership position, in terms of profitable overall market share, through**

- ▶ Dynamic product mix shift with focus on increasing share of non-par products
- ▶ Leveraging its vast footprint and customer base to diversify its channel mix to non-agency channels
- ▶ Increase in VNB and IEV growth - optimization of micro and macro opportunities and strategic interventions
- ▶ Expansion of digital footprint for superior customer experience to build greater level of customer trust & loyalty
- ▶ Enhanced returns to policyholders, solvency and risk management practices
- ▶ Continued focus on ESG initiatives
- ▶ Creating value for all stakeholders through profitable growth

## Awards & Accolades 2022-23



**Golden Peacock  
National Training Award**



**BFSI National Award for  
Leadership & Excellence -  
Best Persistency Award**



**BFSI National Award for Leader-  
ship & Excellence -Customer  
Service Excellence Award**



**BFSI National Award for  
Leadership & Excellence -  
Claims services Leader- Large**



**BFSI National Award for  
Leadership & Excellence -  
Insurance Company of the year**



**BERKSHIRE MEDIA  
India's Best Company  
Of The Year Awards 2022**



**IBC INFOMEDIA  
India's Most Trusted  
Brand Awards 2022**



**Navbharat BFSI Awards 2022  
Best Life Insurance  
Company in Claim**



**ASSOCHAM-  
Moment of Truth  
(Claims Experience)**



**Outlook Money  
Editor's Choice Award  
The Most Trusted Life Insurer**



**ET Ascent  
Award for Customer Service  
& Loyalty**



**ET Ascent  
Brand Excellence Award**



**KANTAR BRANDZ  
Most Purposeful  
Non-FMCG Brand in India**



**World BFSI Congress &  
Awards for Insurance  
Company of the Year**



**World BFSI Congress &  
Awards for Customer  
Service Excellence**



**World BFSI Congress &  
Awards for Excellence in  
Claims Service**

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as ‘will’, ‘would’, ‘indicating’, ‘expected to’ etc., and similar expressions or variations of such expressions may constitute ‘forward-looking statements’. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed L.I.C. of India, our holding company. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

The assumptions, estimates and judgments used in the calculations are evaluated internally where applicable and have been externally reviewed. They represent the best estimate based on the Corporation’s experience and knowledge of relevant facts and circumstances. While the management believes that such assumptions, estimates and judgments to be reasonable; the actual experience could differ from those assumed whereby the results may be materially different from those shown herein.

# THANK YOU

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