



## PRESS RELEASE

**10/08/2023 PANINDIA**

**PRESS RELEASE**

10<sup>th</sup> AUGUST 2023

NSE Code:- LICI

BSE Code:- 543526

### **PERFORMANCE UPDATE for April – June 2023 (Q1) of FY 2023-24**

- Profit After Tax at Rs. 9543.71 crore
- Non-par APE increased by 21.6% to Rs. 608 crore
- Total Individual premium increased by 4.61% to Rs. 62,773 crore
- Overall Expense Ratio reduced from 14.59% to 12.85%
- VNB Margin (Net) increased from 13.6% to 13.7%.
- AUM increased by 12.41% to Rs. 46.11 lakh crore
- Improvement in both 13<sup>th</sup> and 61<sup>st</sup> month persistency on premium basis

**Mumbai, August 10<sup>th</sup>, 2023: The Board of Directors of Life Insurance Corporation of India (“LIC”) approved and adopted the standalone and consolidated financial results for the quarter ending June 30<sup>th</sup>, 2023. Below are key highlights of our standalone results.**

For the quarter ended June 30<sup>th</sup>, 2023, LIC registered Total Premium Income of Rs. 98,363 crore as compared to Rs 98,352 crore for the quarter ended June 30<sup>th</sup> 2022.

In terms of market share measured by First Year Premium Income (FYPI) (as per IRDAI) LIC has maintained its leadership in Indian life insurance business with a market share of 61.42% for the quarter ended June 30<sup>th</sup>, 2023. On a comparable basis for the quarter ended June 30<sup>th</sup>, 2022 the market share was 65.42%. The Total Premium Income of Rs. 98,363 crore for the quarter ended June 30<sup>th</sup>, 2023 comprises of Individual New Business premium income of Rs.10,462 crore, Individual Renewal premium income of Rs. 52,311 crore and total Group Business premium income of Rs.35,590 crore. The Total Individual business premium for the quarter ended June 30<sup>th</sup>, 2023 increased to Rs 62,773 crore from Rs. 60,007 crore for the comparable period of previous year registering a growth of 4.61%.

The Profit after Tax (PAT) for the quarter ended June 30<sup>th</sup> 2023 was Rs. 9,543.71 crore which comprises of an amount of Rs. 7,491.53 crore (Net of Tax) pertaining to the accretion on the Available Solvency Margin, transferred from Non Par fund to shareholders account. For the quarter ended June 30<sup>th</sup>, 2022, PAT was Rs. 682.88 crore in which an amount of Rs. 4,148.77 crore (Net of Tax) pertaining to the accretion on the Available Solvency Margin was not included as this amount was transferred from Non Par fund to shareholders account on September 30<sup>th</sup> 2022. Therefore the comparable profit figure for quarter ended June 30<sup>th</sup>, 2022 is Rs. 4,831.65 crore (net of tax).

On an Annualised Premium Equivalent (APE) basis the total premium was Rs 9,532 crore for the quarter ended June 30<sup>th</sup> 2023. Of this 62.42% (Rs 5,950 crore) was accounted for by the Individual business and 37.58% (Rs 3,582 crore) by the Group business. Within the Individual business the share of Par products on APE basis was 89.78% (Rs.5,342 crore) and balance 10.22% (Rs.608 crore) was due to Non-Par products. The non-par APE has increased from Rs. 500 crore for the quarter ended June 30<sup>th</sup>, 2022 to Rs. 608 crore for the quarter ended June 30<sup>th</sup> 2023 registering a growth of 21.6%. Therefore our non-par share of Individual APE which was 7.75% for the quarter ended June 30<sup>th</sup> 2022 has grown to 10.22% for the quarter ended June 30<sup>th</sup> 2023.

A total of 32,16,301 policies were sold in the individual segment during the quarter ended June 30<sup>th</sup>, 2023 as compared to 36,81,764 policies sold during the quarter ended June 30<sup>th</sup>, 2022.

The persistency ratios on premium basis up to the quarter ended June 30<sup>th</sup> 2023 for the 13<sup>th</sup> month and 61<sup>st</sup> month were 78.37% and 62.73% respectively. The comparable persistency ratios up to the corresponding quarter ended June 30<sup>th</sup> 2022 were 77.85 % and 62.43% respectively. Therefore, persistency on premium basis has improved by 52 bps and 30 bps for 13<sup>th</sup> month and 61<sup>st</sup> month respectively.

The persistency ratios on number of policies basis up to the quarter ended June 30<sup>th</sup> 2023 for the 13<sup>th</sup> month and 61<sup>st</sup> month were 66.15% and 50.79% respectively. The comparable persistency ratios up to the corresponding quarter ended June 30<sup>th</sup> 2022 were 65.96%, and 51.23% respectively.

The Assets Under Management (AUM) increased by Rs 5.09 Lakh crore to Rs 46.11 Lakh crore as on June 30<sup>th</sup> 2023 as compared to Rs 41.02 Lakh crore on June 30<sup>th</sup> 2022 registering an increase of 12.41%.

The Yield on Investments on policyholder's funds excluding unrealized gains improved to 8.78% for period ended June 30<sup>th</sup>, 2023 as against 7.74% for period ended June 30<sup>th</sup>, 2022.

The solvency ratio as on June 30<sup>th</sup>, 2023 was 1.89 as against 1.88 as on June 30<sup>th</sup>, 2022.

The Value of New Business (VNB) for the quarter ended June 30<sup>th</sup>, 2023 was Rs.1,302 crore as compared to Rs. 1,397 crore for the quarter ended June 30<sup>th</sup>, 2022. The VNB margins for the period ended June 30<sup>th</sup>, 2023 are 13.7% as against 13.6% for quarter ended June 30<sup>th</sup>, 2022.

**Shri Siddhartha Mohanty, Chairperson, LIC said** - "During the first quarter of this financial year, we have achieved increase in our Non-Par product mix as a percentage of the overall individual business. Further, our efforts to improve persistency across cohorts are beginning to show results. Our overall expense ratio has become better and our margins are stable on year-on-year basis. Simultaneously we continue to work on strategies for diversifying the channel mix. We believe that we are on track to grow our business in a manner which creates superior value for all our stakeholders. We are committed, as LIC to contribute meaningfully to the achievement of target of "Insurance for all by 2047" thereby providing financial security and livelihood to people. We thank our policyholders, shareholders and employees for their support.

**Key operational and Financial metrics:**

Sr. No.	Particulars	Quarter ended June 30 <sup>th</sup> 2023 (Rs crore)	Quarter ended June 30 <sup>th</sup> 2022 (Rs crore)	YoY Growth %age
1.	Profit after Tax (PAT)*	9,543.71	682.88	
2.	New Business Premium Income (Individual)	10,462	10,938	- 4.35%
3.	Renewal Premium (Individual)	52,311	49,069	6.61%
4.	Total Premium (Individual)	62,773	60,007	4.61%
5.	Total Group Business Premium	35,590	38,345	- 7.19%
6.	Total Premium Income	98,363	98,352	0.01%
7.	Number of Policies sold	32,16,301	36,81,764	-12.64%
8.	Value of New Business	1,302	1,397	
9.	Assets Under Management	46,11,066.52	41,02,041.84	12.41%
10.	VNB Margin (Net)	13.7%	13.6%	
11.	Ratio of Expenses of Management	12.85%	14.59%	
12.	Solvency Ratio	1.89	1.88	
13.	13 M/ 61 M Persistency (Premium Basis)	78.37%/62.73%	77.85%/62.43%	
14.	13 M/ 61 M Persistency (Number of Policies Basis)	66.15%/50.79%	65.96%/51.23%	
15.	Individual APE	5,950	6,450	- 7.75%
16.	Ind APE Product Mix (%) (Par/ Non Par incl Linked)	89.78%/10.22%	92.25%/7.75%	
17.	APE Group Business	3,582	3,819	- 6.21%
18.	Total APE (Ind + Group)	9,532	10,270	- 7.19%

*\* The Corporation had changed its accounting policy in September 2022 regarding transfer of amount (Net of Tax) pertaining to the accretion on the Available Solvency Margin from Non-Participating Policyholder's Account to Shareholder's Account and accordingly transferred total amount of Rs.27,240.75 crores (Net of Tax) during FY 2022-23, which includes Rs.4,148.77 crores (Net of Tax) pertaining to quarter ended 30/06/2022. An amount of Rs.7,491.53 crores (Net of Tax) has been transferred for the quarter ended 30/06/2023, due to which the Profit shown for the quarter ended 30/06/2023 is not comparable with the financial results of the quarter ended 30/06/2022.*

Dated at Mumbai on 10th August 2023.

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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.