

A vibrant background depicting a sunrise over a horizon. The sun is a bright yellow circle partially obscured by the horizon, with numerous rays of light radiating upwards and outwards. The sky is filled with a gradient of orange and yellow, and scattered with many small, bright yellow and orange stars and bokeh effects, creating a sense of a bright, new beginning.

# New Dawn

**Life Insurance Corporation of India**

**Insurance**

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Elara Securities (India) Private Limited

21 February 2022

Image source: Freepik

## Synopsis

- LIC is the largest life insurer in India, with FY21 market share of 40% in individual APE and 50% in group NBP.
- Participating products contribute ~92% to individual APE, which is ~71% of total APE; group savings is the major component, contributing ~96% to the group APE.
- Individual agents drive the business and consistently contribute ~95% to the individual APE mix.
- LIC has changed its surplus distribution policy and will incrementally pay 10% of PAR surplus and 100% of non-par surplus to shareholders. This has resulted in the company reporting VNB of ~INR 41.7bn in FY21, delivering a VNB margin of 9.9% and an improved IEV of ~INR 5.4tn in H1FY22.
- LIC has also segregated the consolidated life fund to different funds PAR/NPAR/Linked in H1FY22. A large portion of equity assets has been earmarked towards NPAR book as ~35% of the assets are in equity.
- Scenario analysis: Assuming an annual APE growth of ~13% over FY21-24E, a modest VNB margin expansion and a 9% unwind, we expect FY24E EV of ~INR 6.9tn. At a valuation of INR 10-15tn, LIC's FY24E P/EV may be in the range of ~1.5-2.2x.
- Adjusted financials: We adjust reported PAT and networth of LIC retrospectively and award shareholders 5% additional share in surplus, in-line with the current LIC Act and LIC board resolution. This, we believe, results in a 5x improvement in LIC's FY21 adjusted PAT to INR 150bn – Its adjusted FY21 RoE would be ~9.4%.
- Adjusted P/E valuation: At INR 10-15tn valuation, LIC's FY21E trailing P/E is estimated in ~66.5-99.8x range.

## Offer details

- According to the DRHP, LIC's IPO is an offer of 316.25mn equity shares (5% of the shares outstanding) by President of India, acting through the Ministry of Finance, Government of India.
- As per media reports, OFS portion is likely to be worth INR 654bn, thus valuing LIC at ~INR 13tn.

### IPO comprises:

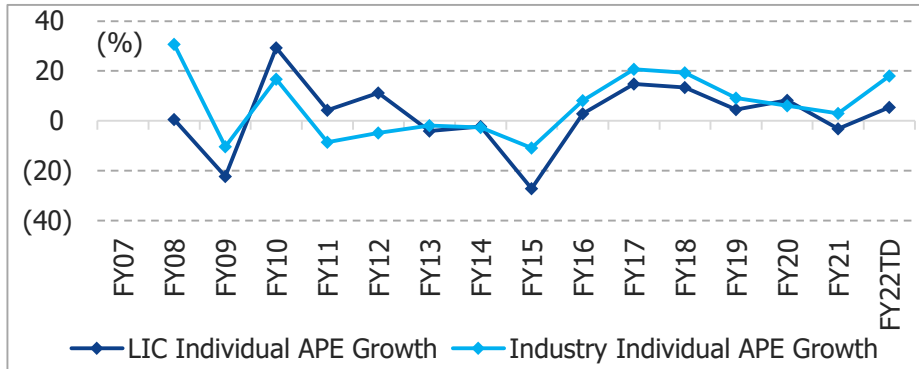
- A 100% offer for sale: 316,249,885 equity shares
- Employee reservation: 5% of post offer equity share capital
- Policyholder reservation: 10% of offer size
- Net offer: QIB – Not more than 50%; HNI – not less than 15%; Retail – not less than 35% Anchor – 60% of QIB i.e. 30% of net offer.

| YE<br>March | APE<br>(INR bn) | YoY<br>(%) | VNB<br>(INR bn) | YoY<br>(%) | AUM<br>(INR bn) | YoY<br>(%) | Op. ROEV<br>(%) | VNB<br>margin (%) | EV<br>(INR bn) |
|-------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|-------------------|----------------|
| FY19        | 406             | NA         | NA              | NA         | 28,299          | NA         | NA              | NA                | NA             |
| FY20        | 480             | 18.3       | NA              | NA         | 29,195          | 3.2        | NA              | NA                | NA             |
| FY21        | 456             | (5.0)      | 42              | NA         | 35,213          | 20.6       | 36.9            | 9.9               | 956            |
| H1FY22      | 184             | NA         | 16              | NA         | 39,559          | NA         | NA              | 9.3               | 5,397          |

Source: Company, LIC's DRHP, Elara Securities Research

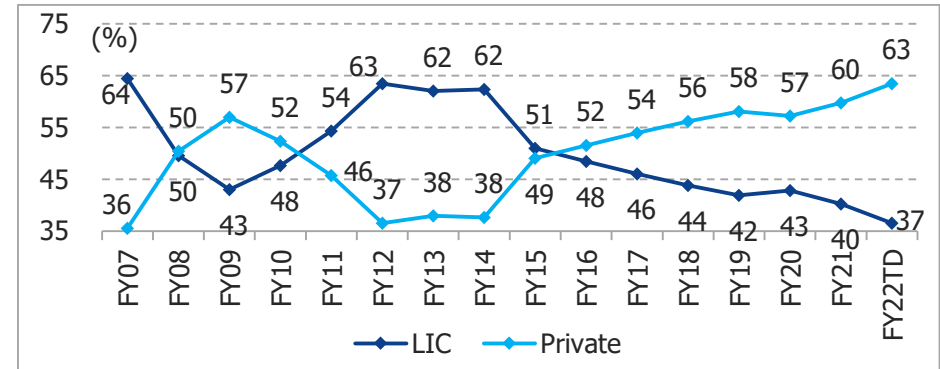
# LIC's individual APE market share has been moderating

LIC's individual APE growth underperforms that of industry's



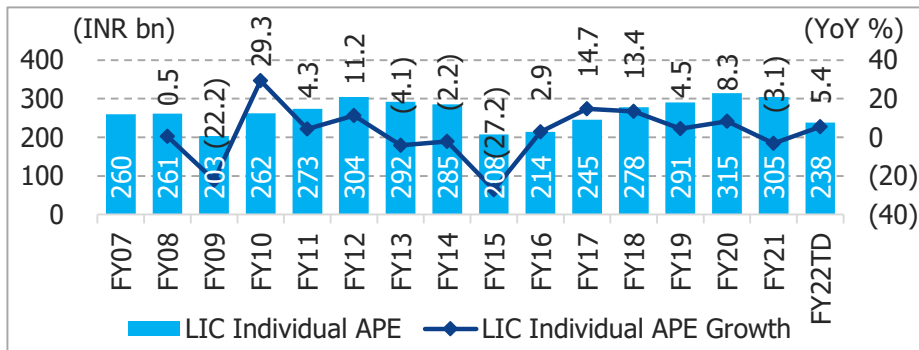
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

APE Market share: LIC lost 2500bp market share to 37% since FY14



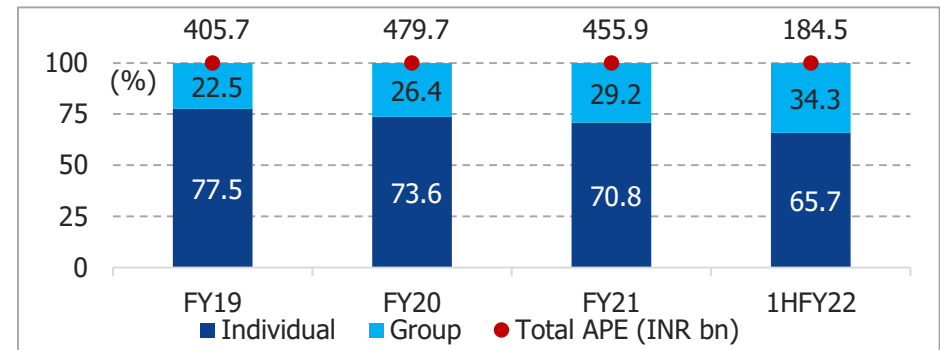
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

FY22TD individual APE ~78.3% of FY21 APE, growing 5.4% YoY



Note: FY22TD represents data up to Jan-22; Individual APE data is from IRDAI and is higher versus that in the DRHP filing for FY20 by ~10%; Source: IRDAI, Elara Securities Research

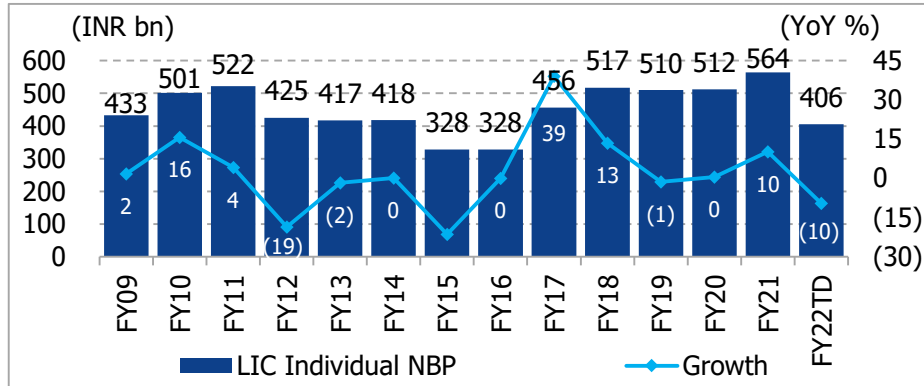
LIC APE: Group APE ~34.3% of total APE, as on H1FY22



Source: LIC DRHP, Elara Securities Research

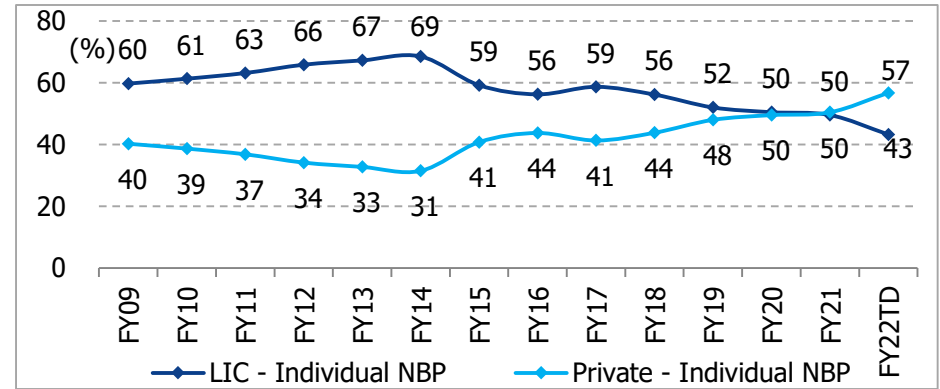
# LIC's market share in individual NBP has slipped

**FY22TD individual NBP has declined 10% YoY to INR 406bn**



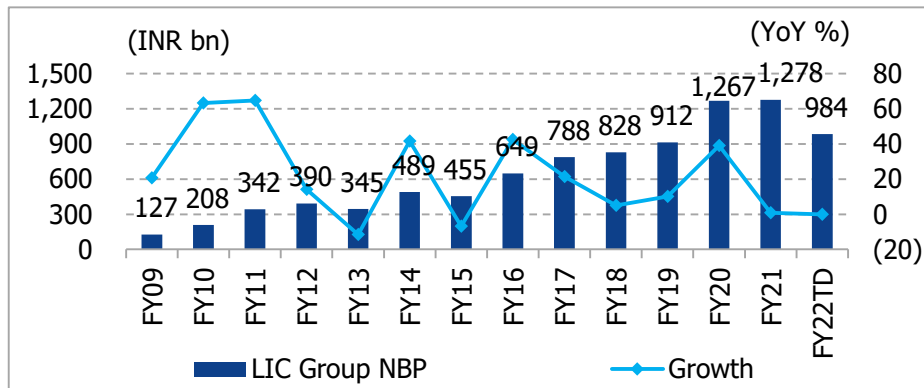
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

**Individual NBP market share: LIC losing market share**



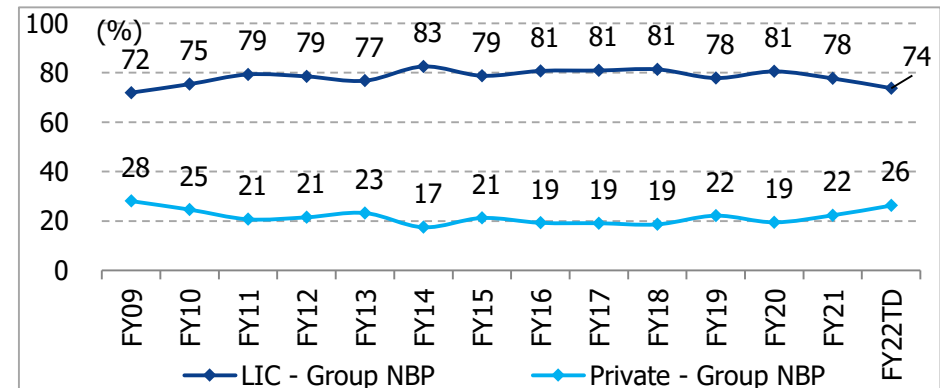
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

**FY22TD group NBP is ~77% of FY21 NBP, growing 0.1% YoY**



Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

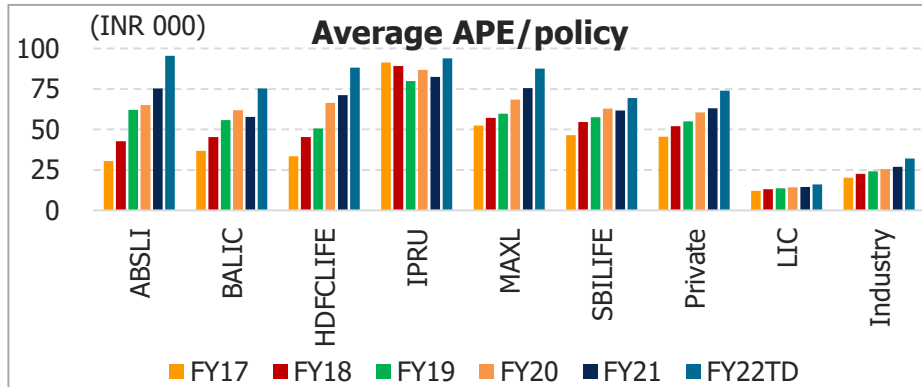
**Group NBP market share: LIC commands ~80% share**



Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

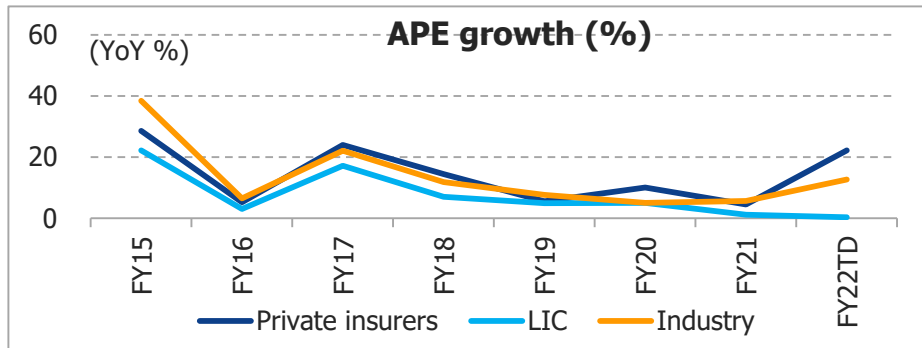
# Granular policy underwriting

**Average APE per policy for LIC is lower than industry's**



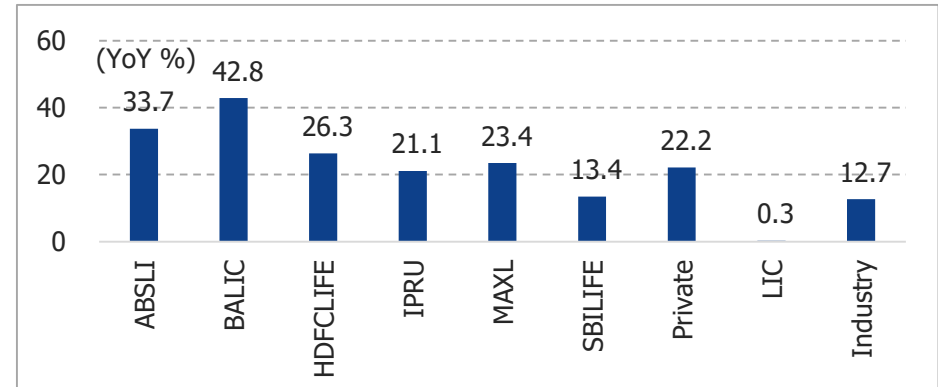
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

**LIC's APE growth continues to underperform private players and industry**



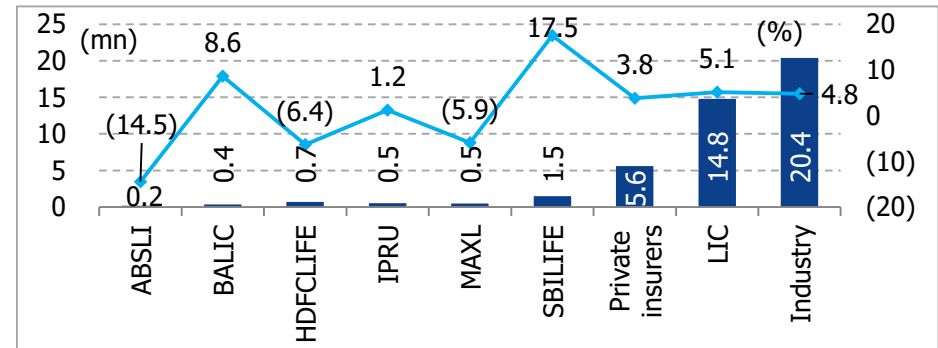
Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

**LIC's average YoY APE growth rate is the lowest for FY22TD**



Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

**During 9MFY22, LIC wrote 2.6x the number of policies written by all private insurers combined**



Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

## LIC displaying balanced value/volume growth

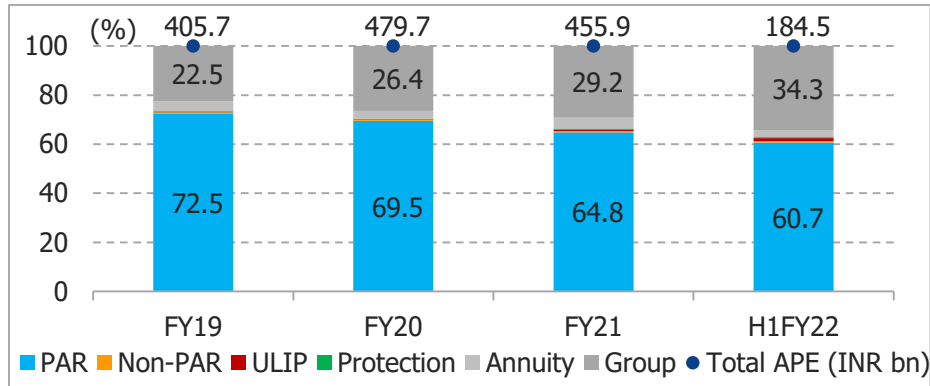
### Average APE per policy for LIC lower than that for the industry

|  | FY17  | FY18  | FY19   | FY20   | FY21   | FY22TD |
|--|-------|-------|--------|--------|--------|--------|
| <b>Average APE per policy growth (%)</b> |       |       |        |        |        |        |
| BALIC                                    | 34.2  | 22.7  | 23.3   | 10.8   | (6.6)  | 42.8   |
| HDFCLIFE                                 | 15.7  | 35.1  | 11.9   | 31.3   | 7.1    | 26.3   |
| IPRU                                     | 6.6   | (2.3) | (10.5) | 8.7    | (5.0)  | 21.1   |
| MAXL                                     | 14.8  | 9.2   | 4.3    | 14.4   | 10.5   | 23.4   |
| SBILIFE                                  | 38.7  | 17.1  | 5.4    | 9.5    | (2.0)  | 13.4   |
| LIC                                      | 17.1  | 7.0   | 4.9    | 5.0    | 1.1    | 0.3    |
| <b>No of policies – Growth (%)</b>       |       |       |        |        |        |        |
| BALIC                                    | 4.9   | 12.7  | 1.2    | (0.2)  | 37.1   | 8.6    |
| HDFCLIFE                                 | (5.7) | (3.2) | (5.8)  | (9.4)  | 9.6    | (6.4)  |
| IPRU                                     | 21.0  | 19.2  | 6.2    | (13.9) | (13.6) | 1.2    |
| MAXL                                     | 9.3   | 11.6  | 15.7   | (8.1)  | 8.1    | (5.9)  |
| SBILIFE                                  | 0.1   | 12.0  | 9.1    | (0.4)  | 6.8    | 17.5   |
| LIC                                      | (2.0) | 6.0   | (0.3)  | 3.1    | (4.2)  | 5.1    |
| <b>Individual APE growth (%)</b>         |       |       |        |        |        |        |
| BALIC                                    | 40.9  | 38.3  | 24.7   | 10.6   | 28.0   | 55.1   |
| HDFCLIFE                                 | 9.1   | 30.8  | 5.4    | 19.0   | 17.3   | 18.3   |
| IPRU                                     | 29.0  | 16.4  | (4.9)  | (6.4)  | (17.9) | 22.6   |
| MAXL                                     | 25.5  | 21.8  | 20.7   | 5.2    | 19.4   | 16.1   |
| SBILIFE                                  | 38.9  | 31.1  | 15.0   | 9.1    | 4.6    | 33.3   |
| LIC                                      | 14.7  | 13.4  | 4.5    | 8.3    | (3.1)  | 5.4    |

Note: FY22TD represents data up to Jan-22; Source: IRDAI, Elara Securities Research

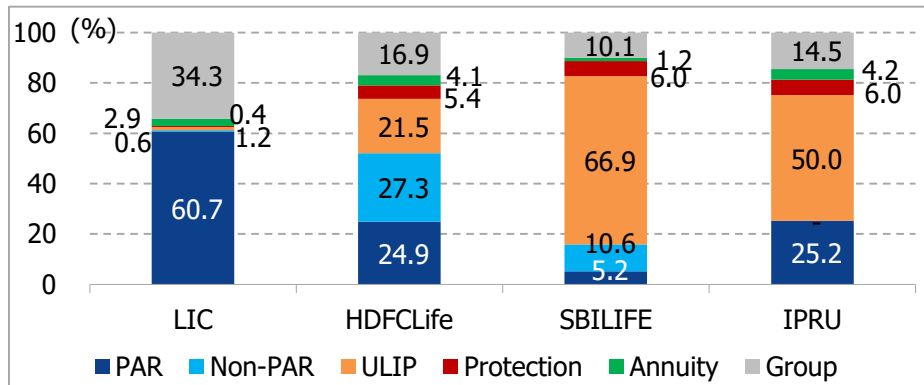
# PAR business dominates product mix

## H1FY22: PAR declining, but still 60.7% of total APE



Source: LIC DRHP, Elara Securities Research

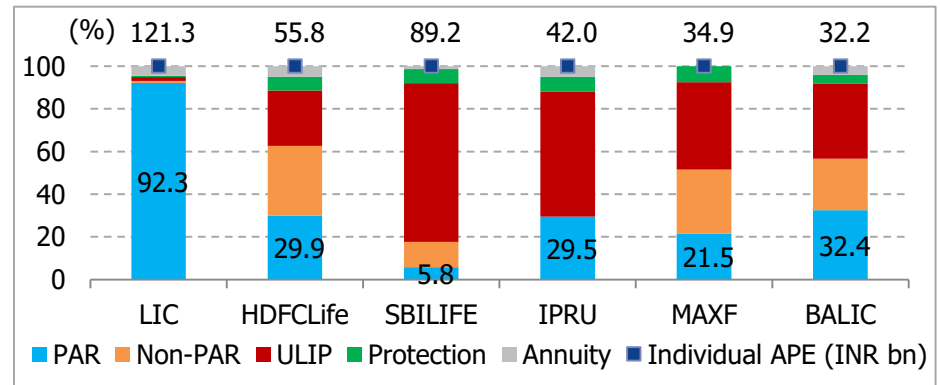
## In H1FY22, LIC's share of PAR business in its mix, higher



Note: Data for peers as on 9MFY22; LIC data for H1FY22; Source: Companies, Elara Securities Research

- PAR dominated LIC's product mix with a ~65% share in FY21.
- NPAR contributed ~5.3% to FY21 total APE mix.
- Share of NPAR protection in FY21 total APE mix just 0.7% and 0.8% in individual APE.
- Private insurers have a more balanced product mix.
- NPAR growth (savings and protection) can be a big value driver.

## In H1FY22, LIC's PAR business share in its individual APE mix higher

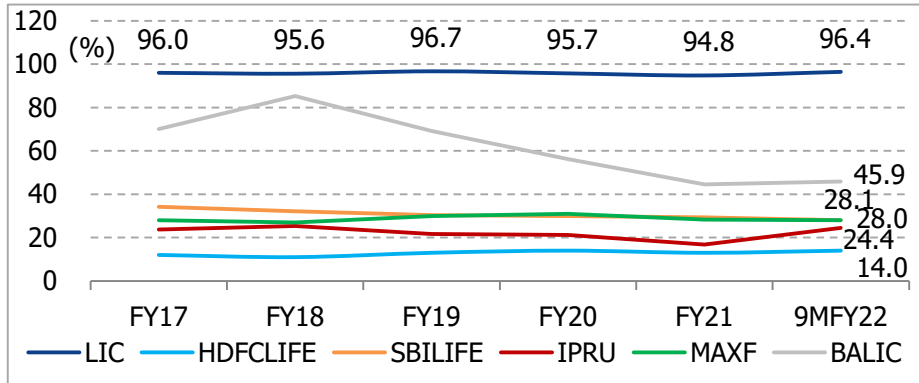


Note: Data for peers as on 9MFY22; Source: Companies, Elara Securities Research



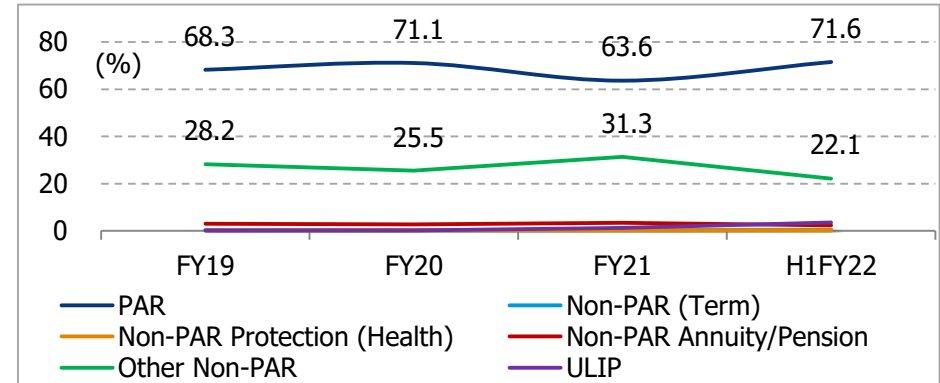
# Agency drives sales

## Individual agents contributed 96% to H1FY22 NBP



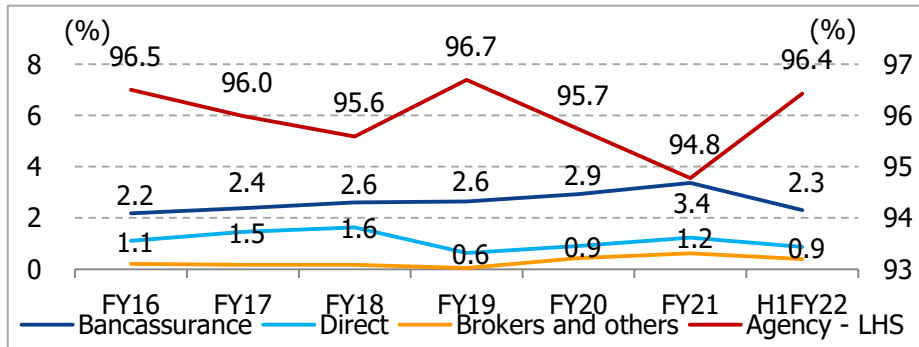
Note: 1) 9MFY22 data for other private sector insurers; LIC data for H1FY22; 2) LIC data is based on NBP and that for other insurers on APE; Source: LIC's Annual reports and DRHP, Companies, Elara Securities Research

## PAR: Highest selling category in LIC's individual agency channel



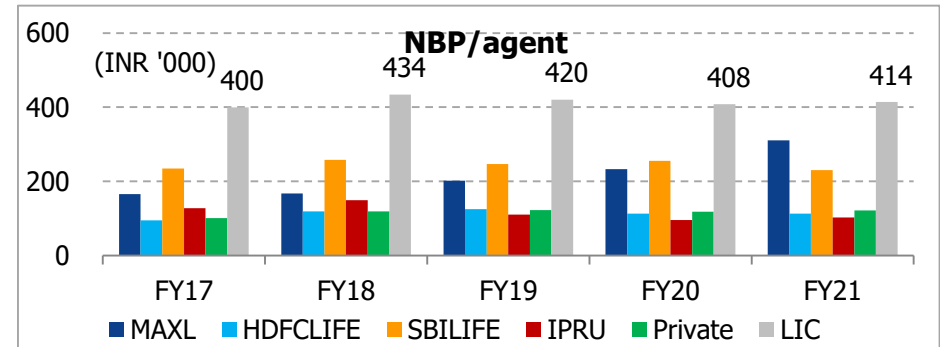
Note: LIC data based on individual NBP; Source: LIC DRHP, Elara Securities Research

## Stable channel mix over the years



Note: LIC data based on individual NBP; Source: LIC's Annual reports and DRHP, Elara Securities Research

## LIC: Highest individual agent productivity (NBP/agent)



Note: Agent productivity relates to average individual NBP; Source: IRDAI Handbooks, Elara Securities Research

## Pure protection rates unchanged for LIC since Mar-21

Channel checks suggest LIC has not raised rates for its pure protection Tech Term plan

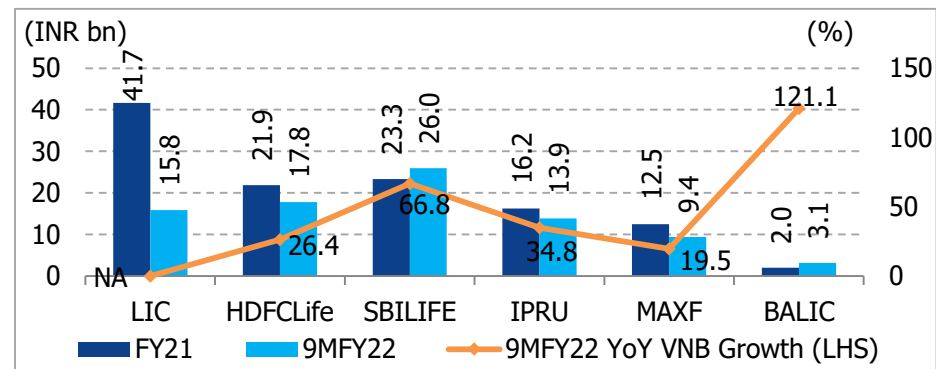
| Insurers / Pricing for term plan | Feb-22 (INR) | Mar-21 (INR) | Feb-22 versus Mar-21 (%) |
|----------------------------------|--------------|--------------|--------------------------|
| Bajaj Allianz                    | 10,887       | 9,626        | 13.1                     |
| Canara HSBC                      | 9,596        | 9,596        | -                        |
| HDFCLife                         | 13,792       | 11,711       | 17.8                     |
| IPRU                             | 13,391       | 12,173       | 10                       |
| India First                      | 9,081        | 7,080        | 28.3                     |
| Kotak Life Insurance             | 11,092       | 11,092       | -                        |
| LIC                              | 11,007       | 11,007       | -                        |
| Max Life                         | 10,744       | 10,384       | 3.5                      |
| PNB Met Life                     | 11,328       | 10,384       | 9.1                      |
| SBILife                          | 13,683       | 11,092       | 23.4                     |
| Tata AIA                         | 12,897       | 12,744       | 1.2                      |

Note: Premium per policy is for sum insured of INR 10mn for a non-smoker male, at an entry age of 30 years and with a premium paying term of 30 years. #Above prices include GST; Source: Policy Bazaar, licindia.in, sbillife.co.in, Elara Securities Research

# High absolute VNB, but low in terms of margin

- LIC's FY21 VNB was at INR 41.7bn, with a margin of 9.9%. Comparatively, large private sector insurers have reported margins in 25-27% range.
- LIC's margin is lower than private sector companies' as product mix skewed towards participating and group fund management products.
- Increase of NPAR in mix can be a future VNB and VNB margin driver.

## LIC has highest absolute VNB versus large private insurers



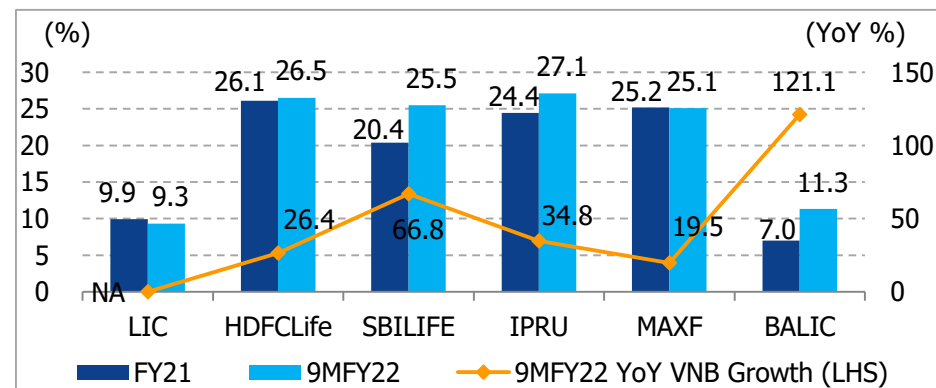
Note: 9MFY22 data for other private sector insurers; LIC data for H1FY22.  
Source: Companies, LIC DRHP, Elara Securities Research

## LIC: Surplus sharing from business types (%)

| Product type / (%) | FY21 | FY22 | FY23 | FY24 | FY25 onwards |
|--------------------|------|------|------|------|--------------|
| Participating      | 5    | 5    | 7.5  | 7.5  | 10           |
| Others             | 5    | 100  | 100  | 100  | 100          |

Source: LIC DRHP, Elara Securities Research

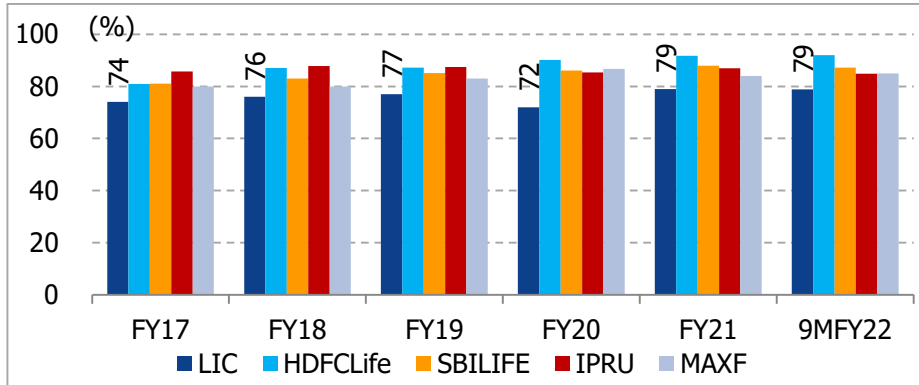
## VNB growth and margins: LIC has low margins



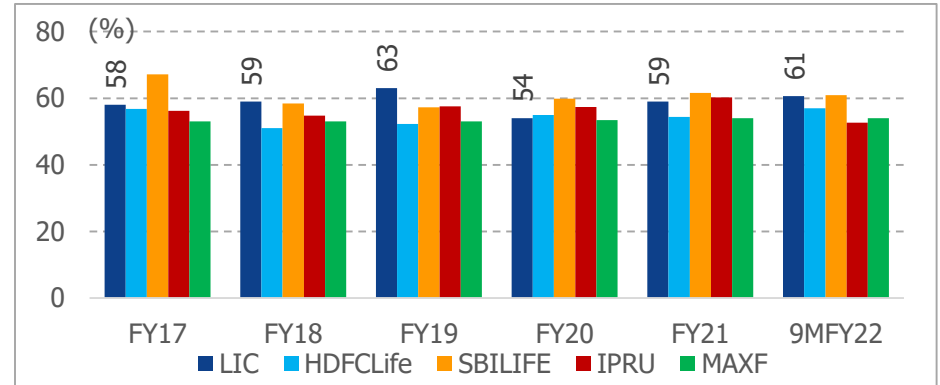
Note: 9MFY22 data for other private sector insurers; LIC data for H1FY22.  
Source: Companies, LIC DRHP, Elara Securities Research

# Higher persistency over long tenures

**LIC has one of the lowest thirteenth-month persistency**

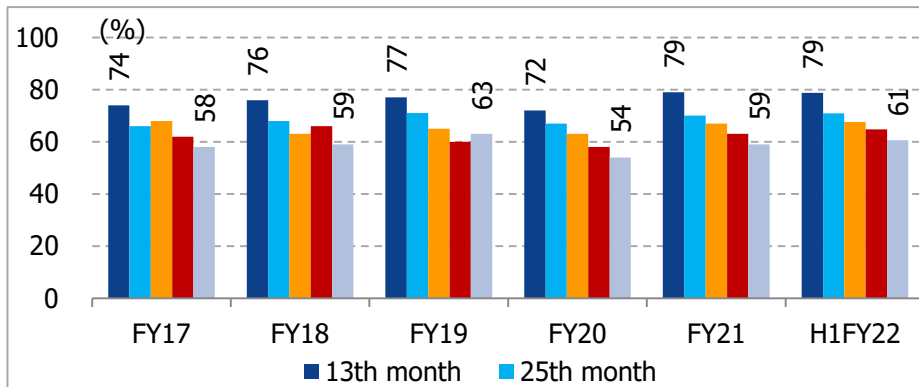


**LIC has one of the highest sixty-first month persistency**



Note: 1) 9MFY22 data for other private sector insurers; LIC data for H1FY22; 2) Persistency for regular premium and limited premium products, excluding single premium.  
 Source: Companies, LIC's Annual reports and DRHP, Elara Securities Research

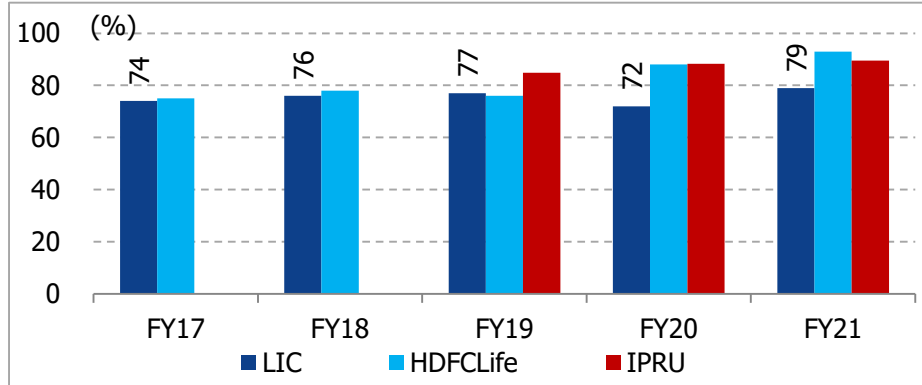
**LIC's persistency has been improving over time**



Source: LIC's Annual reports and DRHP, Elara Securities Research

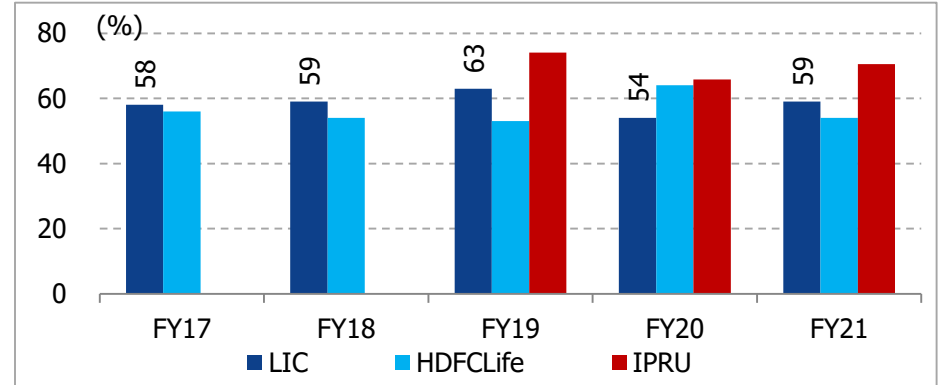
# Persistence, ex. ULIP

**LIC has one of the lowest thirteenth-month persistency...**



Note: FY17 and FY18 data for IRPU unavailable; Source: Companies, LIC's Annual reports and DRHP, Elara Securities Research

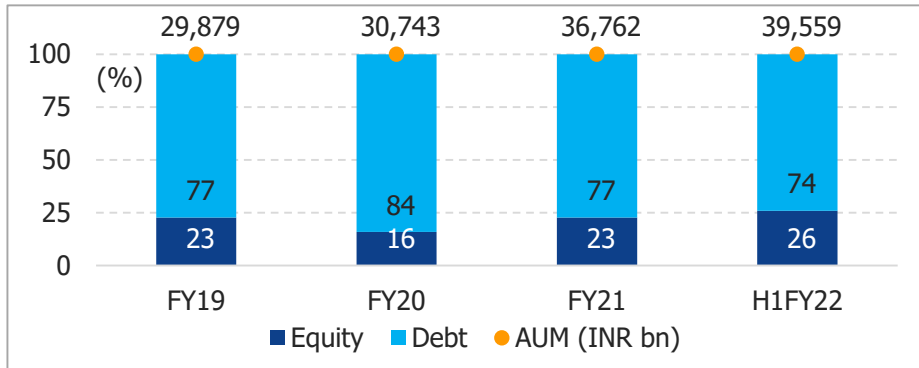
**...but one of the best for the sixty-first month**



Note: 1) Data for IPRU is for 49<sup>th</sup> month persistency, 2) FY17 and FY18 data for IRPU unavailable Source: Companies, LIC DRHP, Elara Securities Research

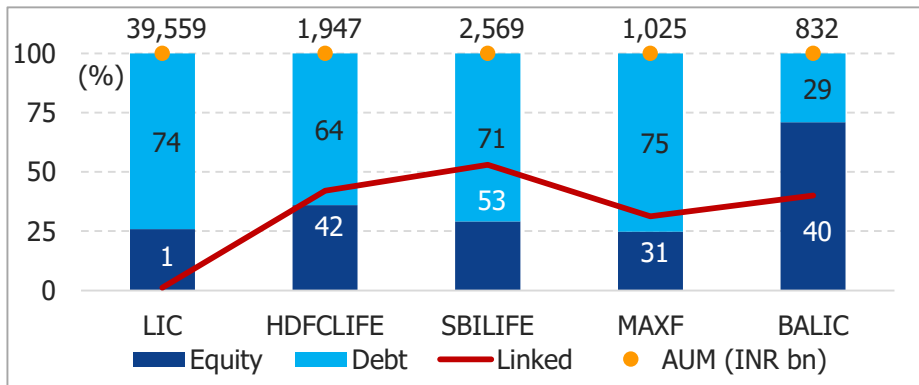
# AUM

**LIC's AUM surged at 12% CAGR over FY19-H1FY22 to INR 39.6tn**



Source: LIC DRHP, Elara Securities Research

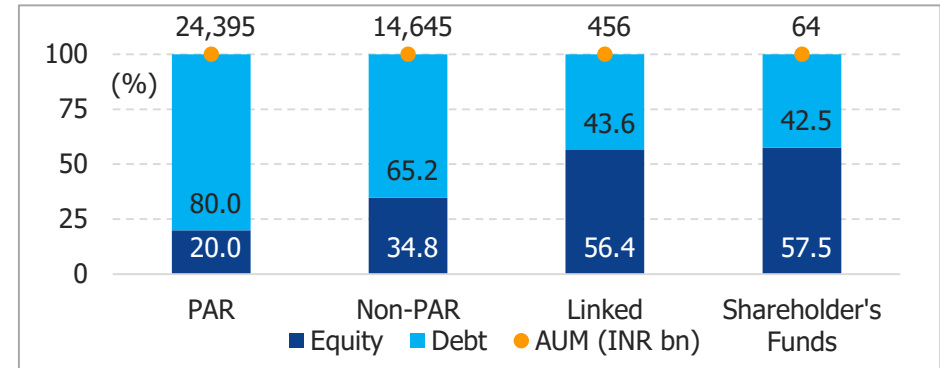
**LIC has high share of equity in AUM mix considering linked is just 1% of AUM**



Note: 9MFY22 data for other private sector insurers; LIC data for H1FY22. Source: Companies, LIC DRHP, Elara Securities Research

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**As on H1FY22, 61.6%/ 47.5% of total AUM/equity AUM allocated to PAR funds; ~35% of NPAR funds in equity**



Source: LIC DRHP, Elara Securities Research

- LIC segregated consolidated policyholders fund to different funds PAR/NPAR/linked funds in H1FY22.
- Large portion of equity assets has been earmarked towards NPAR book as ~35% of assets are in equity.

## Returns in recent periods

- Equity gains seem to have driven returns for NPAR funds in H1FY22.
- PAR funds most likely benefited from higher equity share in FY19 and FY21.

### Realized/unrealized yields across funds

| Funds (INR bn)   | FY19              |           | FY20              |           | FY21              |           | H1FY22            |           |
|--|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|
|  | Investment income | Yield (%) | Investment income | Yield (%) | Investment income | Yield (%) | Investment income | Yield (%) |
| <b>A. Realized investment income / (losses)</b>                |                   |           |                   |           |                   |           |                   |           |
| Participating funds  | 1,649             | 8.9       | 1,788             | 8.8       | 1,996             | 9.0       | 1,088             | 9.3       |
| Non-participating funds  | 515               | 8.5       | 570               | 8.1       | 663               | 8.2       | 353               | 7.1       |
| Linked funds   | 43                | 5.5       | (30)              | (4.3)     | 59                | 10.1      | 27                | 11.9      |
| Shareholders' funds  | 0                 | 7.4       | 0                 | 4.5       | 0                 | 3.4       | 0                 | 2.5       |
| <b>B. Realized and unrealized investment income / (losses)</b> |                   |           |                   |           |                   |           |                   |           |
| Participating funds  | 3,794             | 21.6      | 1,866             | 9.2       | 4,625             | 22.0      | 1,749             | 15.1      |
| Non-participating funds  | 502               | 8.3       | 436               | 6.2       | 725               | 8.9       | 3,717             | 89.4      |
| Linked funds   | 69                | 9.0       | (15)              | (2.3)     | 160               | 30.1      | 157               | 81.8      |
| Shareholders' funds  | 1                 | 11.7      | 0                 | 7.4       | 1                 | 8.8       | 1                 | 5.9       |

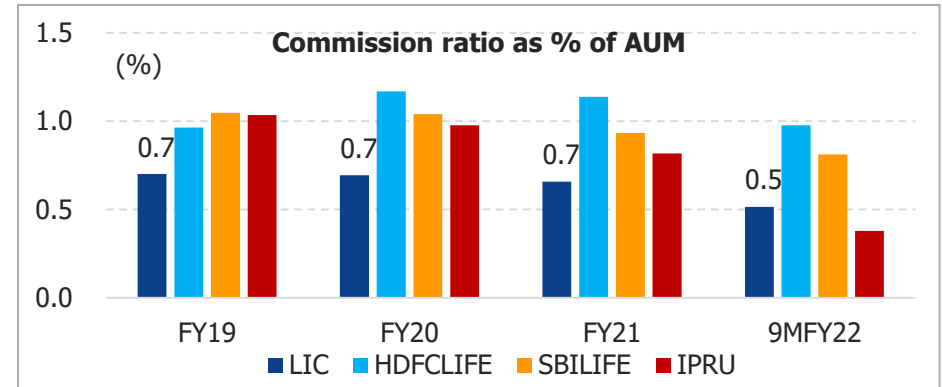
Note: Yield is computed using the formula  $i = 2I/(A+B-I)$ , where  $i$ =gross yield,  $I$ =investment income,  $A$ =assets at the beginning of the Fiscal Year and  $B$ =assets at the end of the Fiscal Year.

Source: LIC DRHP, Elara Securities Research

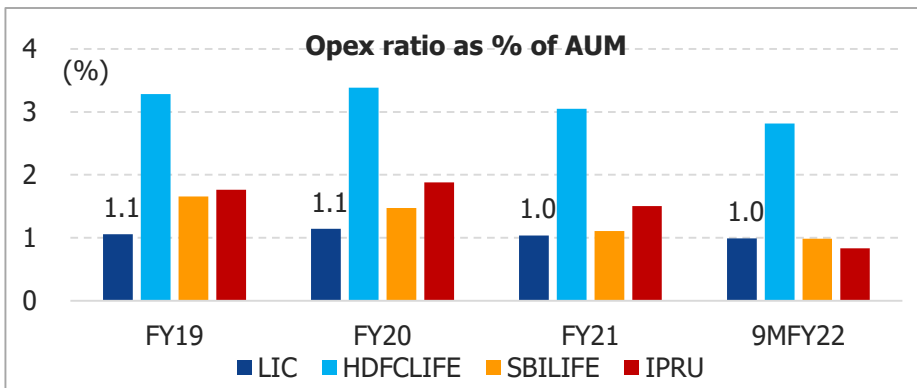
# Costs as percentage of AUM

- Large share of group AUM results in lower cost ratios on total AUM basis

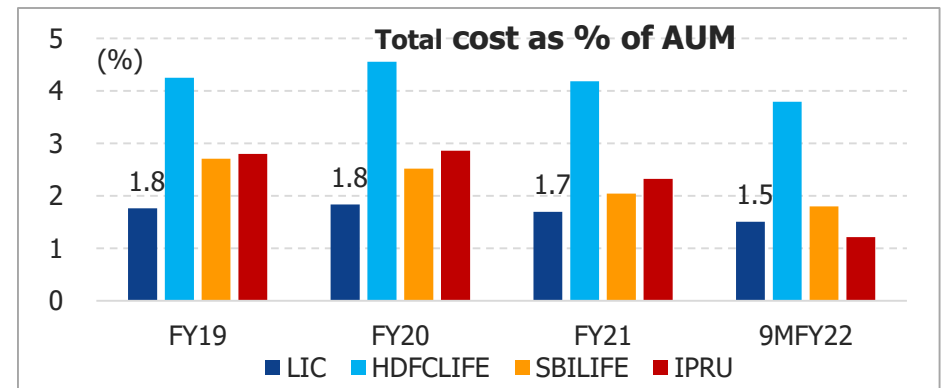
**LIC has one of the lowest commission ratios and it has been improving**



**Opex ratio improving for LIC**



**Better opex ratio sharply improves total cost ratio**



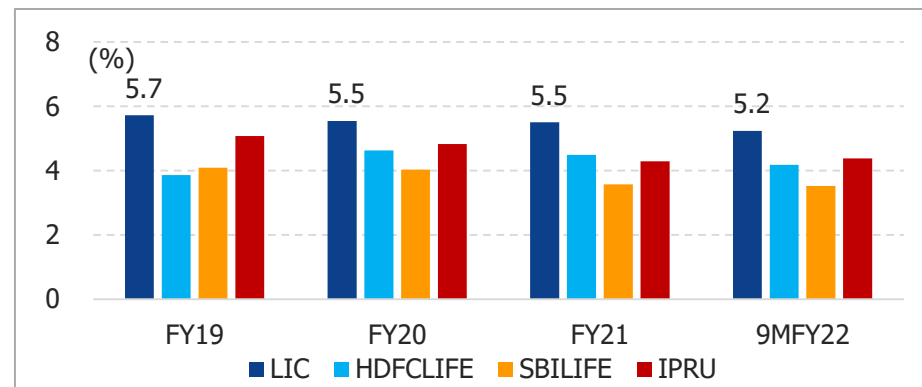
Note: 9MFY22 data for other private sector insurers; LIC data for H1FY22; Source: Companies, LIC DRHP, Elara Securities Research



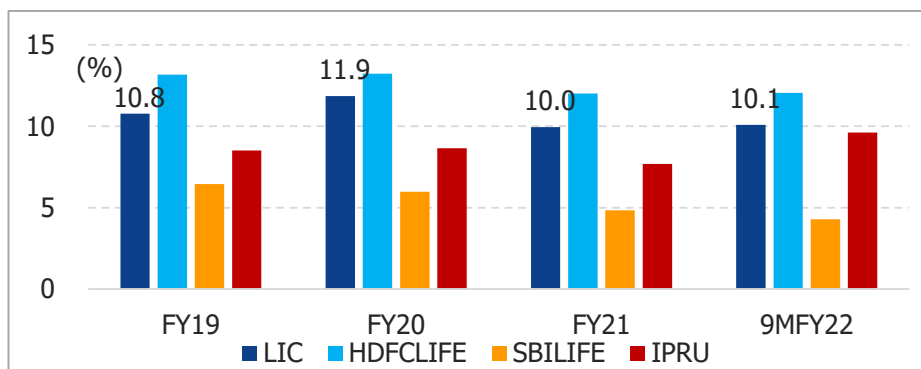
# Cost ratios as percentage of GWP

- Cost ratios for LIC are higher than that of peers despite having large share of group premium in GWP.

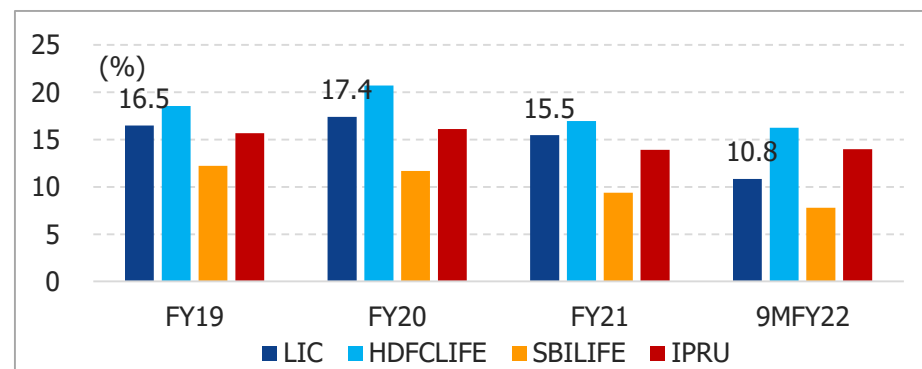
## LIC operates at one of the highest commission ratios



## Opex ratio improving for LIC



## Improvement in opex ratio results in significant improvement in total cost ratio

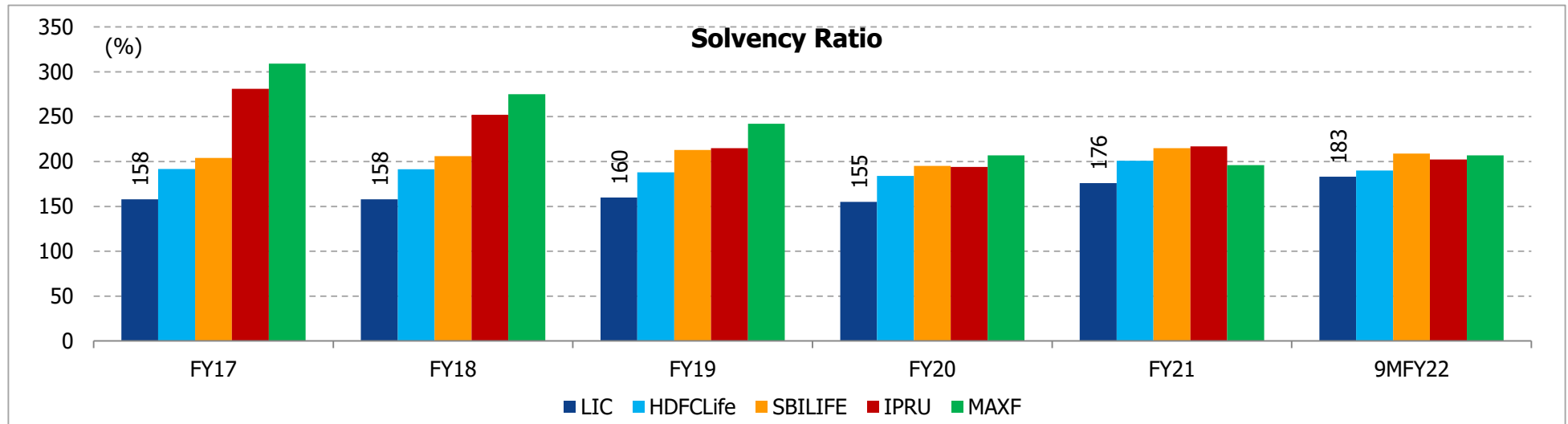


Note: 9MFY22 data for other private sector insurers; data for LIC is for 1HFY22; Source: Companies, LIC's DRHP, Elara Securities Research

## Solvency boosted by surplus in policyholders funds

- Surplus in policyholders fund is included to calculate solvency for LIC.
- High share of equity impacts solvency as MTM gains or losses result in changes in available capital.

### LIC's solvency ratio is improving; however, remains the lowest among top private insurers



Note: 9MFY22 data for other private sector insurers; LIC data for H1FY22; Source: Companies, LIC's annual reports and DRHP, Elara Securities Research

## VNB sensitivities

- Lower interest rates sharply reduce VNB for LIC.
- Large inverse correlation to persistency.
- Low correlation to changes in mortality/morbidity as annuity business most likely has balancing impact.

### VNB sensitivity – H1FY22

| Change in                 | Scenario   | Absolute VNB change [%] |         |        |        | VNB margin [%] |          |
|---------------------------|--|-------------------------|---------|--------|--------|----------------|----------|
|                           |  | LIC                     | SBILIFE | IPRU#  | MAXL   | LIC            | HDFCLIFE |
| Reference rate            | Increase by 1%   | 18.7                    | (1.0)   | 0.7    | NA     | 1.7            | (1.4)    |
| Reference rate            | Decrease by 1%   | (37.7)                  | 0.9     | (1.7)  | NA     | (3.5)          | 1.1      |
| Equity market movement    | Decrease by 10%  | (4.3)                   | (0.2)   | (1.6)  | -      | (0.4)          | (0.1)    |
| Persistency (lapse rates) | Increase by 10%  | (5.2)                   | (3.8)   | (3.1)  | (2.0)  | (0.5)          | (0.3)    |
| Persistency (lapse rates) | Decrease by 10%  | 5.4                     | 4.9     | 3.2    | 1.0    | 0.5            | 0.3      |
| Maintenance expenses      | Increase by 10%  | (4.3)                   | (1.6)   | (2.5)  | (6.0)  | (0.4)          | (0.5)    |
| Acquisition expenses      | Increase by 10%  | (3.7)                   | NA      | (10.5) |        | (0.3)          | (3.2)    |
| Maintenance expenses      | Decrease by 10%  | 4.3                     | 1.6     | 2.5    | 6.0    | 0.4            | 0.5      |
| Acquisition expenses      | Decrease by 10%  | 3.7                     | NA      | 10.4   |        | 0.3            | 3.2      |
| Mortality / morbidity     | Increase by 5%   | 0.0                     | (5.5)   | (10.2) | (4.0)  | 0.0            | (1.1)    |
| Mortality / morbidity     | Decrease by 5%   | (0.0)                   | 5.5     | 10.4   | 4.0    | (0.0)          | 1.1      |
| Required capital          | Set equal to the minimum required capital              | 35.3                    | NA      | NA     | NA     | 3.3            | NA       |
| Tax rate increase         | LIC - increased to 34.94%<br>Others - increased to 25% | (49.7)                  | (13.1)  | (11.1) | (19.0) | (4.6)          | (4.4)    |

Note: #Data for IPRU pertains to FY21

Source: Companies, LIC DRHP, Elara Securities Research

## EV sensitivities

- EV sensitivity is highest for LIC to any equity market movement and any increase in tax rate.
- Mortality/morbidity sensitivity for LIC includes impact of annuity product segment.
- LIC like other insurers is inversely correlated to persistency.

### EV sensitivity – H1FY22 (%)

| Change in                 | Scenario   | LIC    | HDFCLIFE | SBILIFE | IPRU* | MAXL   |
|---------------------------|--|--------|----------|---------|-------|--------|
| Reference rate            | Increase by 1%   | (0.7)  | (2.0)    | (3.0)   | (2.8) | NA     |
| Reference rate            | Decrease by 1%   | 0.5    | 1.6      | 3.1     | 3.0   | NA     |
| Equity market movement    | Decrease by 10%  | (6.7)  | (1.7)    | (1.6)   | (2.9) | (1.0)  |
| Persistency (lapse rates) | Increase by 10%  | (0.2)  | (0.6)    | (1.1)   | (0.9) | (1.0)  |
| Persistency (lapse rates) | Decrease by 10%  | 0.2    | 0.7      | 1.4     | 1.0   | 1.0    |
| Maintenance expenses      | Increase by 10%  | (0.4)  | (0.8)    | (0.6)   | (0.6) | (1.0)  |
| Acquisition expenses      | Increase by 10%  | (0.0)  | NA       | NA      | 0.0   |        |
| Maintenance expenses      | Decrease by 10%  | 0.4    | 0.8      | 0.6     | 0.6   | 1.0    |
| Acquisition expenses      | Decrease by 10%  | 0.0    | NA       | NA      | 0.0   |        |
| Mortality /morbidity      | Increase by 5%   | 0.0    | (0.8)    | (1.8)   | (1.6) | (2.0)  |
| Mortality /morbidity      | Decrease by 5%   | (0.1)  | 0.8      | 1.8     | 1.6   | 1.0    |
| Required capital          | Set equal to the minimum required capital              | 0.1    | NA       | NA      | NA    | NA     |
| Tax rate increase         | LIC - increased to 34.94%<br>Others - increased to 25% | (24.4) | (8.5)    | (8.8)   | (6.2) | (13.0) |

Note: \* Data for IPRU pertains to FY21; Source: Companies, LIC DRHP, Elara Securities Research

## Scenario analysis suggests FY24E EV of INR 6.9tn

- For FY21, expected return on existing business includes expected real world return above risk free rate; contributing to ~60% of unwind. Total unwind rate for FY21 is ~20%, which looks unusually high!
- Unwind assumption for FY22E onwards assumed at 9%.
- Improvement in IEV for FY21 is mainly on account of including higher share of future profits from NPAR and PAR policies written, and large unwind and large positive economic variance and assumption.
- We believe, a large jump in IEV for H1FY22 is mainly on account of segregation of life fund into participating and non-participating.
- FV change account in non-linked NPAR policy funds is ~INR 3.36tn and in non-linked PAR funds is ~INR 0.66tn as of H1FY22.
- At INR 10-15tn valuation, LIC's FY24E P/EV may be in ~1.5-2.2x range.

### Our back-of-the-envelope calculations suggest an IEV of INR 6.9tn in FY24E

| EV movement: (INR bn)                               | FY21 | H2FY22E | FY23E | FY24E |
|---|------|---------|-------|-------|
| Opening IEV   | 465  | 5,397   | 5,676 | 6,251 |
| VNB / value added by new business during the period | 42   | 36      | 64    | 75    |
| Expected return on existing business                | 95   | 243     | 511   | 562   |
| Variance in operating experience                    | 22   | -       | -     | -     |
| Change in operating assumptions                     | 14   | -       | -     | -     |
| IEV operating earnings                              | 172  | 279     | 575   | 638   |
| Economic variances                                  | 252  | -       | -     | -     |
| Change in economic assumptions                      | 41   | -       | -     | -     |
| Total IEV earnings                                  | 464  | 279     | 575   | 638   |
| Capital contributions / dividend payouts            | 27   | -       | -     | -     |
| Closing IEV   | 956  | 5,676   | 6,251 | 6,889 |
| Operating RoEV (%)                                  | 36.6 | 10.4    | 10.1  | 10.2  |

Note: EV movement unavailable for H1FY22; Source: LIC DRHP, Elara Securities Estimates

| APE and margin assumptions | FY21 | H1FY22 | H2FY22E | FY22E | FY23E | FY24E |
|----------------------------|------|--------|---------|-------|-------|-------|
| APE (INR bn)               | 422  | 185    | 296     | 481   | 538   | 608   |
| Growth (%)                 | NA   | NA     | NA      | 14.0  | 12.0  | 13.0  |
| VNB margin (%)             | 9.9  | 9.3    | 12.2    | 10.9  | 11.9  | 12.4  |
| VNB (INR bn)               | 42   | 15.8   | 36.2    | 52    | 64    | 75    |
| Growth (%)                 | NA   | NA     | NA      | 25.5  | 22.3  | 17.8  |

Note: For H1FY22, LIC declared an APE of INR 185bn, a VNB margin of 9.3%, resulting in VNB of INR 15.8bn; Source: LIC DRHP, Elara Securities Estimates

## Scenario analysis: FY21 adjusted PAT estimated to be 5x reported PAT

- We adjust PAT and net worth of LIC retrospectively and award shareholders 5% additional share in surplus, in-line with the current LIC Act and LIC board resolution.
- Additionally, we add the surplus in policyholders funds to net worth.
- Assuming that net worth is invested in fixed income instruments, we build in a return of 7% less estimated tax.
- Adjusted RoE for LIC is 9-10%.

### LIC: Adjusted PAT 5x that of reported PAT

| Adj. PAT (INR bn)   | FY17         | FY18         | FY19         | FY20         | FY21         | H1FY22       |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Shareholders PAT</b>                                       | <b>22</b>    | <b>24</b>    | <b>27</b>    | <b>27</b>    | <b>29</b>    | <b>15</b>    |
| <b>Add:</b>   |              |              |              |              |              |              |
| Share in surplus (additional 5%)                              | 22           | 25           | 27           | 28           | 30           | 1            |
| Investment income post tax                                    | 61           | 68           | 77           | 87           | 91           | 54           |
| <b>Adj. PAT</b>   | <b>105</b>   | <b>118</b>   | <b>132</b>   | <b>142</b>   | <b>150</b>   | <b>70</b>    |
| <b>LIC's reported net worth</b>                               | <b>6</b>     | <b>7</b>     | <b>7</b>     | <b>7</b>     | <b>64</b>    | <b>88</b>    |
| Excess surplus in policyholder's account                      | 1,144        | 1,284        | 1,417        | 1,505        | 1,809        | 1,946        |
| Income on excess surplus in policyholder's account (post tax) | 61           | 68           | 77           | 87           | 91           | 54           |
| <b>Adj. net worth</b>   | <b>1,211</b> | <b>1,359</b> | <b>1,501</b> | <b>1,599</b> | <b>1,964</b> | <b>2,088</b> |
| <b>Adj. RoE (%)</b>   | <b>9.8</b>   | <b>9.7</b>   | <b>9.7</b>   | <b>9.5</b>   | <b>9.4</b>   | <b>7.1</b>   |

Source: LIC's Annual reports and DRHP, Elara Securities Research

## Scenario analysis: LIC's adjusted trailing P/E

We estimate that at INR 12.5tn, LIC will be valued at a trailing P/E of 83.2x.

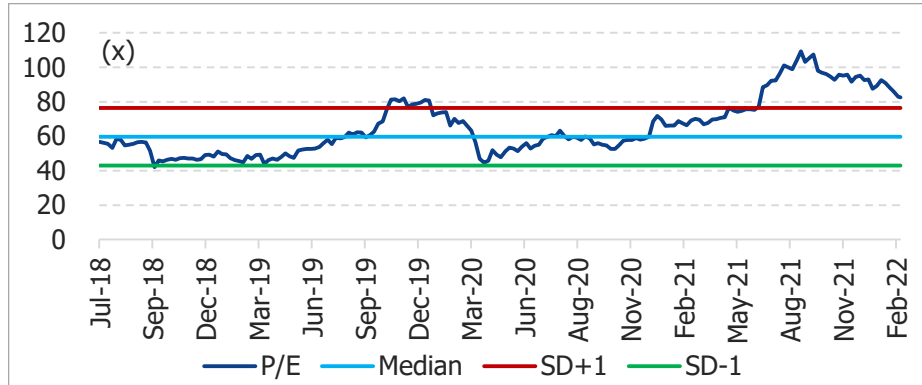
**At INR 12.5tn valuation, LIC's IPO would be priced at adjusted P/E of ~83.2x FY21 earnings.**

| LIC: Adjusted trailing P/E FY21 |      |      |      |      |
|---------------------------------|------|------|------|------|
| Market cap (INR tn)             | 7.5  | 10.0 | 12.5 | 15.0 |
| Adjusted trailing P/E (x)       | 49.9 | 66.5 | 83.2 | 99.8 |

Source: LIC Annual reports and DRHP, Elara Securities Research

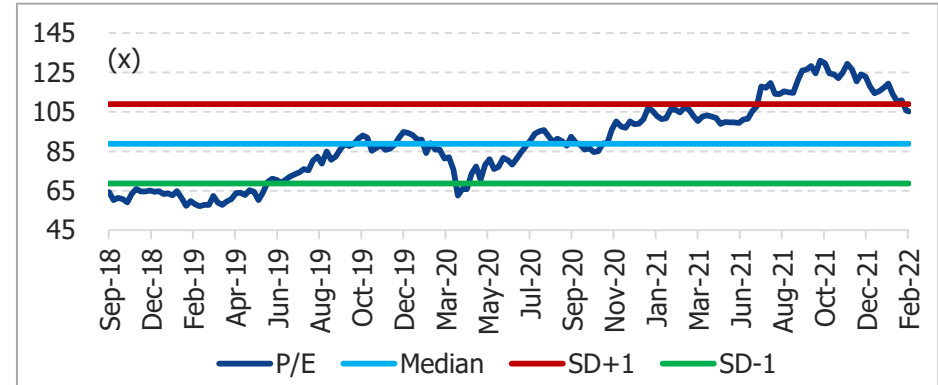
# Peers – Trailing P/E

**SBILIFE – Median trailing P/E at 59.7x**



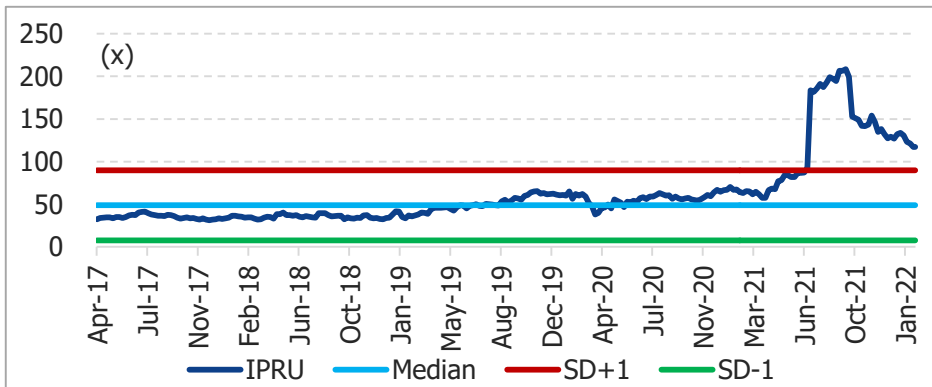
Source: Bloomberg, Elara Securities Research

**HDFCLIFE – Median trailing P/E at 88.9x**



Source: Bloomberg, Elara Securities Research

**IPRU – Median trailing P/E at 48.8x**



Source: Bloomberg, Elara Securities Research



# Financials

| Policyholder Account (INR bn)            | FY19          | FY20          | FY21          | H1FY22        |
|--|---------------|---------------|---------------|---------------|
| Total Premium earned                     | 3,372         | 3,791         | 4,028         | 1,873         |
| Income from investments and other income | 2,236         | 2,368         | 2,794         | 1,497         |
| <b>Total Income</b>                      | <b>5,608</b>  | <b>6,159</b>  | <b>6,822</b>  | <b>3,370</b>  |
| Commission                               | 193           | 210           | 222           | 98            |
| Operating expenses                       | 292           | 346           | 350           | 189           |
| Provisions                               | 71            | 104           | 51            | (84)          |
| <b>Total Expenses</b>                    | <b>556</b>    | <b>660</b>    | <b>623</b>    | <b>203</b>    |
| Benefits Paid                            | 2,509         | 2,542         | 2,869         | 1,517         |
| Change in valuation of liabilities       | 2,438         | 2,862         | 3,222         | 1,587         |
| <b>Total</b>                             | <b>4,948</b>  | <b>5,404</b>  | <b>6,091</b>  | <b>3,104</b>  |
| <b>Surplus</b>                           | <b>104</b>    | <b>95</b>     | <b>109</b>    | <b>63</b>     |
| Tax                                      | 77            | 68            | 80            | 48            |
| <b>Net Surplus</b>                       | <b>27</b>     | <b>27</b>     | <b>29</b>     | <b>15</b>     |
| <b>Transfer to shareholders AC</b>       | <b>27</b>     | <b>27</b>     | <b>29</b>     | <b>15</b>     |
| Shareholders AC (INR bn)                 | FY19          | FY20          | FY21          | H1FY22        |
| Transfer from policyholders' a/c         | 27            | 27            | 29            | 15            |
| Investment income and other Income       | 0             | 0             | 0             | 0             |
| <b>Total income</b>                      | <b>27</b>     | <b>27</b>     | <b>29</b>     | <b>15</b>     |
| Expenses                                 | 0             | 0             | 0             | 0             |
| Contribution to policyholders' a/c       | -             | -             | -             | -             |
| Provisions other than taxation           | -             | 0             | 0             | -             |
| <b>Profit before tax</b>                 | <b>27</b>     | <b>27</b>     | <b>29</b>     | <b>15</b>     |
| Taxes                                    | 0             | 0             | 0             | 0             |
| <b>PAT</b>                               | <b>27</b>     | <b>27</b>     | <b>29</b>     | <b>15</b>     |
| Balance Sheet (INR bn)                   | FY19          | FY20          | FY21          | H1FY22        |
| <b>Source</b>                            |               |               |               |               |
| Share capital                            | 1             | 1             | 1             | 63            |
| Reserve and surplus                      | 6             | 6             | 62            | 23            |
| <b>Net worth</b>                         | <b>7</b>      | <b>7</b>      | <b>63</b>     | <b>86</b>     |
| Minority Interest                        | -             | -             | -             | 1             |
| Credit/debit balance in fair value a/c   | 0             | 0             | 0             | 1             |
| Borrowings                               | -             | -             | -             | 0             |
| Policyholders' a/c                       | 30,549        | 31,230        | 37,225        | 40,302        |
| Funds for future appropriation           | 0             | 0             | 0             | 44            |
| <b>Total Liabilities</b>                 | <b>30,556</b> | <b>31,237</b> | <b>37,289</b> | <b>40,435</b> |
| <b>Application</b>                       |               |               |               |               |
| Shareholders' Investments                | 6             | 7             | 7             | 51            |
| Policyholders' investments               | 27,535        | 28,483        | 34,877        | 37,849        |
| Asset to cover linked liabilities        | 757           | 705           | 329           | 236           |
| Loans                                    | 1,043         | 1,078         | 1,078         | 1,100         |
| Fixed assets                             | 29            | 30            | 35            | 35            |
| <b>Net current assets</b>                | <b>1,185</b>  | <b>934</b>    | <b>963</b>    | <b>1,164</b>  |
| Debit balance in P&L                     | -             | -             | -             | -             |
| <b>Total Assets</b>                      | <b>30,556</b> | <b>31,237</b> | <b>37,289</b> | <b>40,435</b> |

Source: Company, LIC's DRHP, Elara Securities Research

| Performance metrics (INR bn)   | FY19  | FY20  | FY21    | H1FY22 |
|--------------------------------|-------|-------|---------|--------|
| NBP                            | 1,440 | 1,803 | 1,855   | 857    |
| APE                            | 406   | 480   | 456     | 184    |
| VNB                            | NA    | NA    | 42      | 16     |
| EV                             | NA    | NA    | 956     | 614    |
| EVOP                           | NA    | NA    | 172     | -      |
| <b>INR/share</b>               |       |       |         |        |
| EPS                            | 4.3   | 4.3   | 4.6     | 2.4    |
| Book Value                     | 1.0   | 1.1   | 10.0    | 13.6   |
| DPS                            | 4.2   | 4.3   | -       | -      |
| <b>Growth (%)</b>              |       |       |         |        |
| Premium growth                 | NA    | 12.4  | 6.3     | NA     |
| Total income growth            | NA    | 9.8   | 10.8    | NA     |
| Commissions growth             | NA    | 8.9   | 5.4     | NA     |
| Opex growth                    | NA    | 18.5  | 1.2     | NA     |
| PAT growth                     | NA    | 0.9   | 6.9     | NA     |
| Performance metrics growth (%) | FY19  | FY20  | FY21    | H1FY22 |
| NBP                            | NA    | 25.2  | 2.9     | NA     |
| APE                            | NA    | 18.3  | (5.0)   | NA     |
| VNB                            | NA    | NA    | NA      | NA     |
| EV                             | NA    | NA    | NA      | NA     |
| EVOP                           | NA    | NA    | NA      | NA     |
| EPS                            | NA    | 0.9   | 6.9     | NA     |
| BV                             | NA    | 10.3  | 776.0   | NA     |
| DPS                            | NA    | 1.4   | (100.0) | NA     |
| <b>Expense ratios (%)</b>      |       |       |         |        |
| Commissions/premium            | 5.7   | 5.5   | 5.5     | 5.2    |
| Opex/premium                   | 10.8  | 11.9  | 10.0    | 5.6    |
| Total expenses/premium         | 16.5  | 17.4  | 15.5    | 10.8   |
| <b>Efficiency ratios (%)</b>   |       |       |         |        |
| RoAA                           | 0.1   | 0.1   | 0.1     | 0.0    |
| RoE                            | 410.7 | 394.1 | 82.3    | 20.1   |
| ROEV return                    | NA    | NA    | 99.8    | NA     |
| Operating RoEV                 | NA    | NA    | 36.9    | NA     |
| Non-operating RoEV             | NA    | NA    | 54.2    | NA     |

# Financial comparison

| Life Insurance Comps    | Unit   | HDFCLIFE    |              |              |              | SBILIFE     |              |              |              | IPRU        |              |              |              | MAXF        |              |              |              |
|-------------------------|--------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Bloomberg Ticker        |        |             |              |              |              |             |              |              |              |             |              |              |              |             |              |              |              |
| Rating                  |        | Buy         |              |              |              | Buy         |              |              |              | Buy         |              |              |              | Buy         |              |              |              |
| Current market price    | INR    | 591         |              |              |              | 1,151       |              |              |              | 525         |              |              |              | 848         |              |              |              |
| Market Capitalisation   | INR bn | 1,245       |              |              |              | 1,151       |              |              |              | 756         |              |              |              | 293         |              |              |              |
| Target price            | INR    | 880         |              |              |              | 1,680       |              |              |              | 775         |              |              |              | 1260        |              |              |              |
| Upside/(Downside)       | %      | 48.9        |              |              |              | 45.9        |              |              |              | 47.6        |              |              |              | 48.6        |              |              |              |
| <b>Profitability</b>    |        | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> |
| VNB margin              | %      | 26.1        | 26.2         | 25.7         | 26.2         | 20.4        | 25.6         | 25.8         | 26.0         | 25.1        | 26.2         | 26.0         | 26.2         | 25.2        | 25.1         | 25.2         | 25.7         |
| Total RoEV              | %      | 28.5        | 18.2         | 18.3         | 18.3         | 27.9        | 19.2         | 20.8         | 20.9         | 26.4        | 15.5         | 15.0         | 15.5         | 22.4        | 21.6         | 20.2         | 20.4         |
| Operating RoEV          | %      | 18.5        | 16.7         | 18.3         | 18.3         | 19.1        | 18.3         | 20.8         | 20.9         | 15.2        | 12.0         | 15.0         | 15.5         | 18.6        | 19.0         | 20.2         | 20.4         |
| Non-operating RoEV      | %      | 10.0        | 1.5          | 0.0          | 0.0          | 8.8         | 0.9          | 0.0          | 0.0          | 11.1        | 3.4          | 0.0          | 0.0          | 3.8         | 2.5          | 0.0          | 0.0          |
| RoE                     | %      | 17.6        | 8.9          | 9.3          | 10.4         | 15.3        | 11.9         | 14.5         | 15.5         | 11.9        | 10.0         | 12.9         | 13.9         | 18.2        | 12.0         | 14.3         | 16.4         |
| <b>Valuation at CMP</b> |        | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> |
| P/EV                    | x      | 4.7         | 3.8          | 3.2          | 2.8          | 3.5         | 2.9          | 2.4          | 2.0          | 2.6         | 2.3          | 2.0          | 1.7          | 3.1         | 2.6          | 2.2          | 1.9          |
| P/EVOP                  | x      | 32.8        | 28.3         | 20.7         | 17.7         | 23.1        | 18.9         | 14.1         | 11.7         | 21.6        | 21.7         | 15.1         | 12.8         | 19.7        | 16.2         | 12.8         | 10.8         |
| Implied P/VNB           | x      | 47.9        | 36.9         | 28.5         | 22.4         | 38.3        | 21.3         | 16.7         | 12.7         | 32.6        | 21.7         | 16.2         | 12.1         | 21.2        | 16.4         | 12.8         | 9.7          |
| P/B                     | x      | 14.9        | 8.3          | 7.8          | 7.2          | 11.5        | 10.4         | 9.3          | 8.2          | 8.9         | 8.2          | 7.3          | 6.6          | 14.0        | 13.8         | 13.4         | 12.7         |
| P/E                     | x      | 92.1        | 119.9        | 86.9         | 72.1         | 79.5        | 92.0         | 67.8         | 56.2         | 79.3        | 85.7         | 59.8         | 49.9         | 79.8        | 123.8        | 95.5         | 80.9         |
| <b>Growth YoY</b>       |        | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY21</b> | <b>FY22E</b> | <b>FY23E</b> | <b>FY24E</b> |
| APE                     | %      | 14.2        | 24.8         | 23.2         | 17.2         | 6.6         | 31.8         | 17.4         | 16.9         | (12.5)      | 27.0         | 22.1         | 17.5         | 19.5        | 21.0         | 16.0         | 15.0         |
| VNB                     | %      | 13.8        | 22.4         | 20.8         | 19.5         | 16.0        | 65.5         | 18.3         | 17.8         | 1.0         | 32.7         | 21.2         | 18.4         | 39.2        | 20.6         | 16.5         | 17.3         |
| Total EVOP              | %      | 153.8       | (17.9)       | 24.9         | 17.0         | 9.3         | 21.8         | 34.3         | 20.5         | 234.9       | (25.9)       | 11.8         | 18.1         | 2.1         | 21.7         | 26.5         | 18.7         |
| EV                      | %      | 28.9        | 24.1         | 16.9         | 17.1         | 27.0        | 18.5         | 19.9         | 20.0         | 26.4        | 15.2         | 14.4         | 14.5         | 18.6        | 19.0         | 17.9         | 18.2         |
| Net worth               | %      | 20.5        | 78.3         | 6.6          | 8.0          | 13.6        | 10.2         | 12.3         | 13.2         | 12.7        | 9.4          | 11.6         | 11.0         | 14.6        | 1.2          | 3.5          | 4.9          |

Note: Pricing as on 18 February 2022; Source: Companies, Elara Securities Estimates

# Operational comparison

|   |        | HDFCLIFE     |              |              |              | SBILIFE      |              |              |              | IPRU       |            |            |            | MAXF        |             |             |             | LIC          |              |              |              |
|---|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Life Insurance: Operational Comps             | Unit   | FY19         | FY20         | FY21         | 9M FY22      | FY19         | FY20         | FY21         | 9M FY22      | FY19       | FY20       | FY21       | 9M FY22    | FY19        | FY20        | FY21        | 9M FY22     | FY19         | FY20         | FY21         | H1 FY22      |
| <b>APE mix</b>                                |        |              |              |              |              |              |              |              |              |            |            |            |            |             |             |             |             |              |              |              |              |
| Individual                                    | INR bn | 52.0         | 61.4         | 71.2         | 55.8         | 90.9         | 98.9         | 101.9        | 90.3         | 74.4       | 66.8       | 54.4       | 41.7       | 39.2        | 41.2        | 49.1        | 37.0        | 296.1        | 285.6        | 300.9        | 115.2        |
| Group   | INR bn | 10.6         | 12.7         | 12.5         | 11.3         | 6.0          | 8.5          | 9.6          | 8.9          | 3.7        | 5.9        | 7.9        | 7.4        | 0.3         | 0.3         | 0.5         | 0.5         | 91.2         | 48.9         | 133.2        | 63.2         |
| APE (Rs bn)                                   | INR bn | 62.6         | 74.1         | 83.7         | 67.1         | 96.9         | 107.4        | 111.5        | 99.2         | 78.0       | 72.8       | 62.3       | 49.1       | 39.5        | 41.5        | 49.6        | 37.5        | 387.3        | 334.5        | 434.1        | 178.4        |
| YoY Growth                                    | %      | 13           | 18           | 13           | (20)         | 13           | 11           | 7            | 36           | 0.1        | (5.4)      | (12.5)     | 29.6       | 22          | 5           | 19          | 23          | 5            | (14)         | 30           | NA           |
| CAGR 3 years                                  | %      | 20           | 22           | 15           | 19           | 26           | 18           | 10           | 15           | 15         | 4          | (6)        | (3)        | 22          | 15          | 15          | 18          | 11           | 1            | 6            | NA           |
| CAGR 5 years                                  | %      | 20           | 18           | 18           | 23           | 25           | 25           | 19           | NA           | 19         | 10         | 5          | -          | 31          | 28          | 18          | 18          | -            | 12           | 9            | NA           |
| <b>VNB Margin</b>                             |        |              |              |              |              |              |              |              |              |            |            |            |            |             |             |             |             |              |              |              |              |
| Margin  | %      | 24.6         | 25.9         | 26.1         | 26.5         | 17.7         | 18.7         | 20.4         | 25.5         | 17.0       | 21.7       | 24.4       | 27.1       | 21.7        | 21.6        | 25.2        | 25.1        | NA           | NA           | 10           | 9            |
| VNB   | INR bn | 15.4         | 19.2         | 21.9         | 17.8         | 17.2         | 20.1         | 23.3         | 26.0         | 13.3       | 16.1       | 16.2       | 13.9       | 8.6         | 9.0         | 12.5        | 9.4         | NA           | NA           | 42           | 16           |
| YoY Growth                                    | %      | 20.3         | 24.7         | 13.8         | 26.4         | 24.1         | 17.0         | 16.0         | 66.8         | 3.3        | 20.9       | 1.0        | 34.8       | 30.5        | 4.8         | 39.2        | 19.5        | NA           | NA           | NA           | NA           |
| <b>Business mix- product wise (APE basis)</b> |        |              |              |              |              |              |              |              |              |            |            |            |            |             |             |             |             |              |              |              |              |
| Individual                                    | %      | 83.1         | 82.9         | 85.1         | 83.1         | 93.7         | 92.2         | 90.0         | 89.9         | 95.3       | 90.5       | 84.2       | 85.5       | 96.0        | 95.0        | 95.0        | 93.0        | 77.5         | 73.6         | 70.8         | 65.7         |
| PAR   | %      | 15.0         | 15.7         | 28.5         | 24.9         | 18.8         | 10.9         | 8.5          | 5.2          | 8.6        | 12.7       | 27.5       | 25.2       | 39.5        | 30.5        | 19.0        | 20.0        | 72.5         | 69.5         | 64.8         | 60.7         |
| Non-PAR                                       | %      | 12.5         | 34.0         | 25.9         | 27.3         | 0.2          | 6.1          | 9.3          | 10.6         | 0.9        | 2.7        | -          | -          | 9.0         | 18.0        | 30.0        | 28.0        | 0.4          | 0.3          | 0.6          | 0.6          |
| ULIP  | %      | 45.7         | 23.2         | 20.4         | 21.5         | 70.7         | 69.6         | 64.8         | 66.9         | 79.6       | 64.7       | 47.8       | 50.0       | 41.5        | 38.5        | 36.8        | 38.0        | 0.1          | 0.2          | 0.6          | 1.2          |
| Protection                                    | %      | 5.8          | 6.6          | 6.0          | 5.4          | 3.8          | 4.7          | 6.4          | 6.0          | 6.2        | 10.4       | 8.8        | 6.0        | 6.0         | 8.0         | 9.2         | 7.0         | 0.4          | 0.3          | 0.4          | 0.4          |
| Annuity                                       | %      | 4.2          | 3.3          | 4.3          | 4.1          | 0.2          | 0.8          | 1.0          | 1.2          | -          | -          | -          | 4.2        | NA          | NA          | NA          | NA          | 4.1          | 3.2          | 4.4          | 2.9          |
| Group   | %      | 16.9         | 17.1         | 14.9         | 16.9         | 6.3          | 7.8          | 10.0         | 10.1         | 4.7        | 9.5        | 15.8       | 14.5       | 4.0         | 5.0         | 5.0         | 7.0         | 22.5         | 26.4         | 29.2         | 34.3         |
| Savings                                       | %      | 6.2          | 5.9          | 7.1          | 7.3          | 3.2          | 3.4          | 4.3          | 4.4          | 1.6        | 3.3        | 4.9        | 3.8        | NA          | NA          | NA          | NA          | 10.3         | 6.6          | 7.5          | 7.8          |
| Protection                                    | %      | 10.9         | 10.6         | 7.0          | 8.6          | 3.0          | 4.2          | 4.1          | 4.3          | 3.1        | 4.7        | 7.4        | 10.7       | 4.0         | 5.0         | 5.0         | 7.0         | 0.4          | 0.2          | 1.3          | 0.4          |
| Annuity                                       | %      | (0.2)        | 0.7          | 0.7          | 0.9          | 0.1          | 0.2          | 1.6          | 1.4          | -          | 1.4        | 3.5        | -          | NA          | NA          | NA          | NA          | 11.9         | 19.6         | 20.4         | 26.1         |
| <b>Channel mix (Overall)</b>                  |        |              |              |              |              |              |              |              |              |            |            |            |            |             |             |             |             |              |              |              |              |
|   |        | * Indiv. APE | * Indiv. APE | * Indiv. APE | * Indiv. APE | * Indiv. APE | * Indiv. APE | * Indiv. APE | * Indiv. APE | *Total APE | *Total APE | *Total APE | *Total APE | * Total APE | * Total APE | * Total APE | * Total APE | *Indi v. NBP | *Indi v. NBP | *Indi v. NBP | *Indi v. NBP |
| Bancassurance                                 | %      | 64.0         | 55.0         | 61.0         | 61.0         | 68.6         | 67.8         | 67.0         | 68.3         | 56         | 51         | 30         | 39         | 69.0        | 68.0        | 71.2        | 71.0        | 2.6          | 2.9          | 3.4          | 2.3          |
| Agency  | %      | 13.0         | 14.0         | 13.0         | 14.0         | 30.4         | 30.0         | 29.3         | 28.1         | 22         | 21         | 17         | 24         | 30.0        | 31.0        | 28.3        | 28.0        | 96.7         | 95.7         | 94.8         | 96.4         |
| Direct  | %      | 19.0         | 22.0         | 19.0         | 19.0         | -            | -            | -            | -            | 12         | 13         | 9          | 13         | -           | -           | -           | -           | 0.6          | 0.9          | 1.2          | 0.9          |
| Brokers and others                            | %      | 4.0          | 9.0          | 7.0          | 6.0          | 1.0          | 2.2          | 3.7          | 3.6          | 11         | 15         | 15         | 23         | 1.0         | 1.0         | 0.5         | 1.0         | 0.0          | 0.4          | 0.6          | 0.4          |
| Total   | %      | 100          | 100          | 100          | 100          | 100          | 100          | 100          | 100          | 100        | 100        | 70         | 100        | 100         | 100         | 100         | 100         | 100          | 100          | 100          | 100          |

Source: Companies, LIC's DRHP, Elara Securities Research

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29

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