



# IPO INSIGHTS



भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

Life Insurance Corporation of India Ltd

**Issue Dates - Opens: 04-05-2022 | Closes: 09-05-2022**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li>1. Largest Life Insurance Provider and Asset Manager In India</li> <li>2. Solvency &amp; Claim Settlement Ratios better than peers</li> <li>3. Strong Brand Recall &amp; Agent Network</li> <li>4. Offer for Sale Only</li> <li>5. Better offer for policy-holders</li> <li>6. Lower Downside Risk</li> <li>7. On Price to Embedded Value basis, priced at discount to peers</li> </ol>
<b>Rating</b>	★★★ (GOOD)

## IPO SNAPSHOT

Issue Size	₹ 21008.48 Crores
Issue Type	Offer For Sale
Offer for Sale	₹ 21008.48
Face Value Per Share	₹ 10
Price Band Per Share	₹ 902 - ₹ 949
Minimum Lot Size	15 shares
Listing On	BSE & NSE
Discounts Applicable	Retail & Employee = ₹ 45 per share Policy Holders = ₹ 60 per share
Pre-Issue Promoter Shareholding	100%
Post-Issue Promoter Shareholding	96.5%

Registrar to the Issue

KFin Technologies Limited

# IPO SNAPSHOT – Life Insurance Corporation of India Ltd

<b>About the Company</b>	<ul style="list-style-type: none"> <li>Established on September 1, 1956 under the LIC Act by merging 245 private Life Insurance companies</li> <li>Provides Life Insurance for more than 65 years now and is the largest life insurer in India with 61.6% market share in terms of GWP, 61.4% in terms of New Business Premiums, 71.8% in terms of number of individual policies issued, 88.8% in terms of Group Policies issued for Fiscal 2021</li> <li>Had the highest gap in market share by life insurance GWP relative to the second largest life insurer in India as compared to market leaders in the top 7 markets globally (in 2020 for other players and in Fiscal 2021 for LIC)</li> <li>Ranked 5<sup>th</sup> Globally by Life Insurance GWP and 10<sup>th</sup> in terms of Assets as at March 31, 2021.</li> <li>Recognized as the 3<sup>rd</sup> strongest and 10<sup>th</sup> most valuable global insurance brand as per the <b>Insurance 100 2021 report released by Brand Finance</b></li> <li>Diversified product portfolio covering various segments             <ul style="list-style-type: none"> <li>Participating Insurance Products</li> <li>Non-Participating Insurance Products which include savings insurance products, term-insurance products, health insurance, annuity and pension products and ULIPs</li> </ul> </li> </ul>
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<b>Competitive Strengths</b>	<ul style="list-style-type: none"> <li>Leading Life Insurance Provider Company in India</li> <li>Strong Omni-Channel Distribution Network : 1.34 million agents, 3463 micro-insurance agents, 174 Alternate Channel</li> <li>Largest Asset Manager in India with established financial performance track record</li> <li>Solvency Ratio : 183.87% as against requirement of 150%</li> <li>Claim Settlement Ratio: (20-21) = 98.27%</li> <li>NPA Ratio = 7.78% (all investments)</li> <li>Owns 4% of all listed stocks in India</li> </ul>
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<b>Financials (₹ in Millions)</b>	Particulars	31-3-2019	31-3-2020	31-3-2021	31-12-2021	Y-o-Y
	Premium Earned	33,99,716.34	38,24,755.18	40,53,984.98	28,53,419.26	6%
	EBITDA	27,345.44	31,176.72	32,824.20	17,569.67	5%
	EBITDA Margin	0.8%	0.8%	0.8%	0.6%	
	PAT	26273.78	27104.78	29741.39	17153.12	10%
	PAT Margin	0.8%	0.7%	0.7%	0.6%	

<b>Valuation</b>	At FY21 EPS of 5.69, P/E is 166.87 at Upper Price Band
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<b>Peers</b>	Sr. No.	Name	TTM P/E
	1	SBI Life Insurance	78.16
	2	HDFC Life Insurance	82.33
	3	ICICI Prudential Life Insurance	78.81

<b>Promoters</b>	The President of India acting through the Ministry of Finance & GOI
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<b>Embedded Valuation Comparison</b>	Company	As On	Market Cap (₹ in Crores)	Embedded Value (₹ in Crores)	Price / EV
	LIC	Expected	6,00,000	5,39,686	1.11
	SBI Life	May 2, 2022	1,08,145	30,200	3.58
	HDFC Life	May 2, 2022	<b>1,22,500</b>	<b>29,540</b>	<b>4.15</b>
	ICICI Prudential	May 2, 2022	74,582	30,200	2.47

<b>Multiple Applications Criteria</b>	<ul style="list-style-type: none"> <li>Policy Holder + Retail</li> <li>Policy Holder + HNI (NII) Category</li> </ul>
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