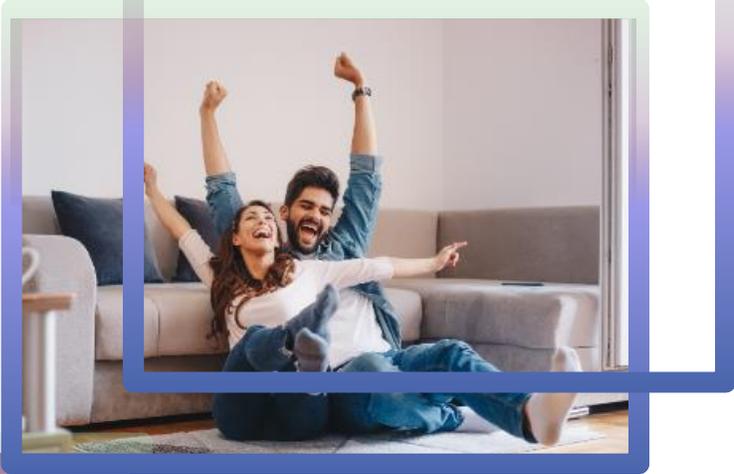


BELIEVE



ACHIEVE

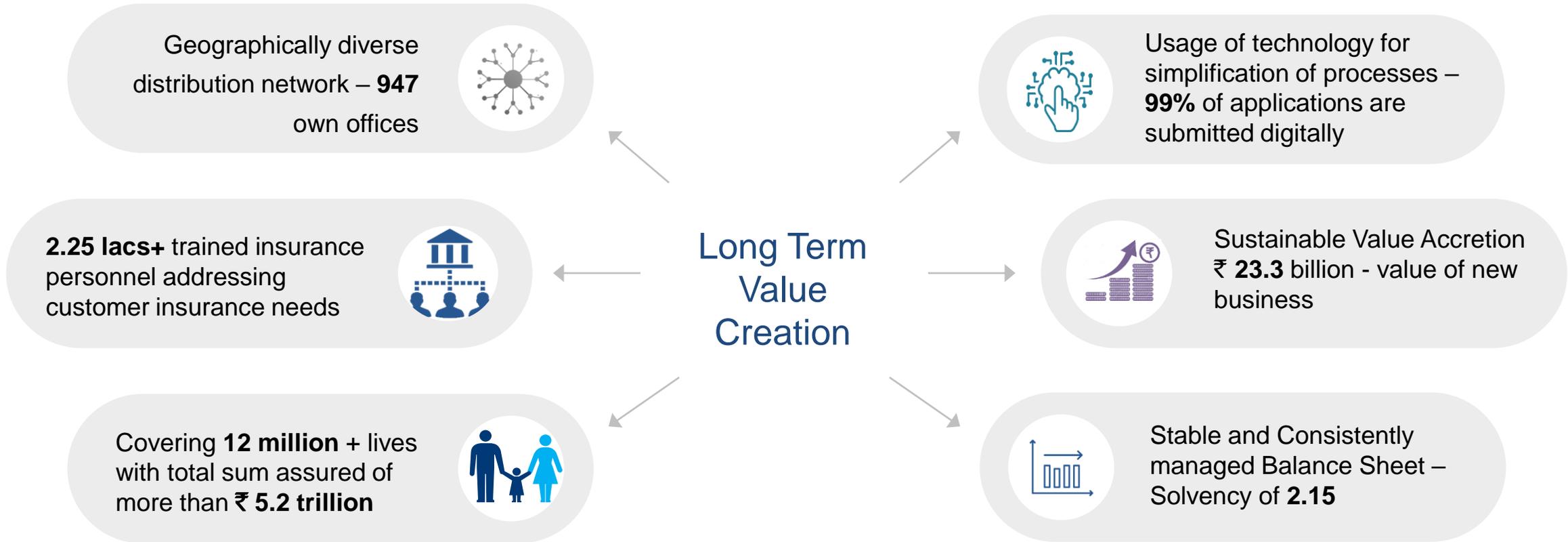
# SBI LIFE INSURANCE

## Performance Update – FY21

- I** Performance update
- II** Focus areas and initiatives
- III** Industry overview
- IV** Annexure

# Resilient business model creating long term value

Well positioned to maintain steady growth and long term consistent returns



**Driven by strong brand, solid governance and committed employees**

# Delivered strong performance

Overall business grew steadily

₹ in billion



## New Business Premium

₹ **206.2** (24% Y-o-Y)  
CAGR 24%



## New Business APE

₹ **114.5** (7% Y-o-Y)  
CAGR 19%



## Profit after Tax

₹ **14.6**  
(2% Y-o-Y)



## Value of New Business

₹ **23.3**  
(16% Y-o-Y)



## Renewal Premium

₹ **296.3** (23% Y-o-Y)  
CAGR 28%



## Individual Rated Premium

₹ **102.2** (5% Y-o-Y)  
CAGR 19%



## New Business Margin

**20.4%**  
170 bps Y-o-Y



## Indian Embedded Value

₹ **333.9**  
(27% Y-o-Y)



## Gross Written Premium

₹ **502.5** (24% Y-o-Y)  
CAGR 26%



## Protection & Annuity Share

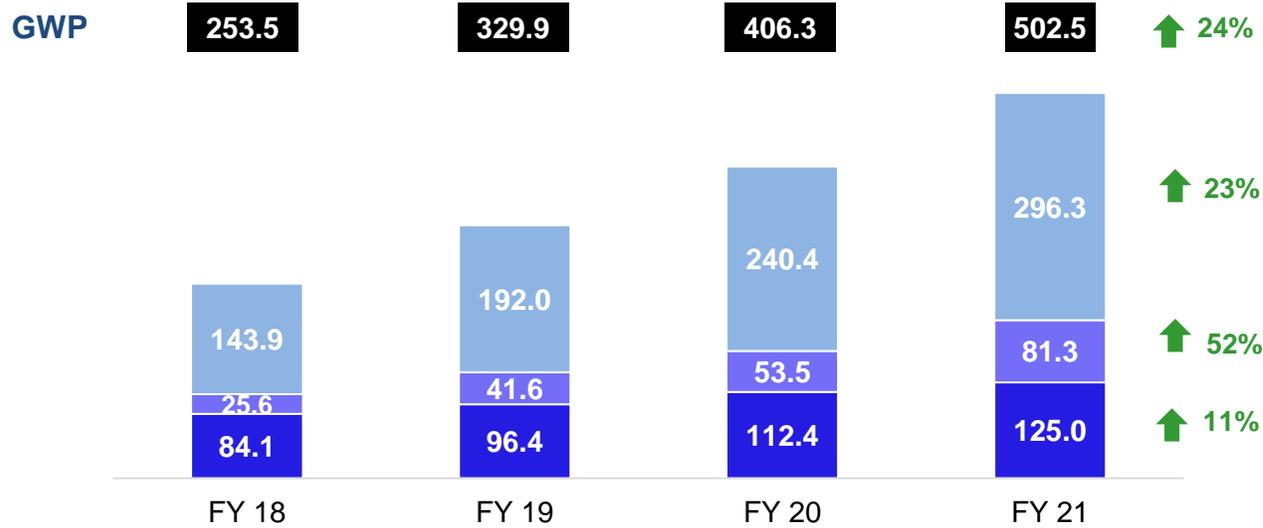
**27%**  
726 bps Y-o-Y

1. Value of New Business and New Business Margin is based on actual tax rate. On Effective tax rate basis, VoNB and VoNB margin is ₹ 26.6 billion & 23.2% respectively for FY 21.
2. The methodology, assumptions and the results have been reviewed by Willis Towers Watson Actuarial Advisory LLP.  
The CAGR numbers are calculated for a period of 5 years from FY 16 to FY 21. Numbers are rounded off to nearest one decimal.

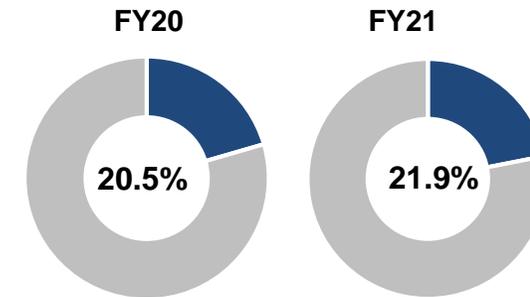
# Capturing growth in a rapidly changing environment

₹ in billion

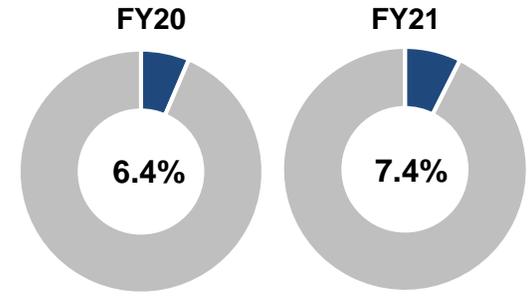
Overall business grew steadily



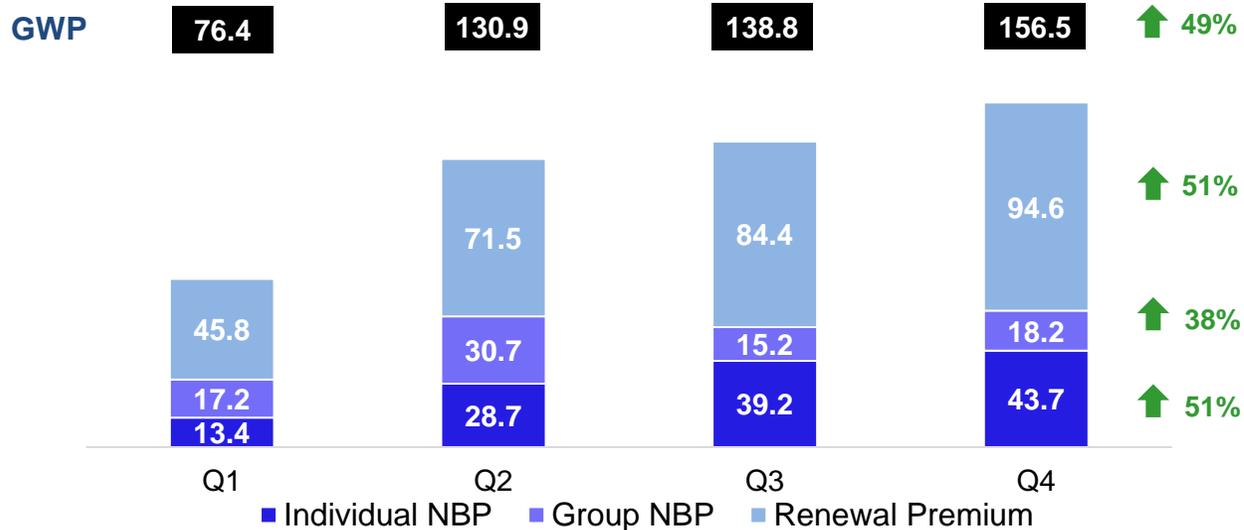
Private Market share<sup>1</sup>



Total Market share<sup>1</sup>



Growth picked well in Quarter III & IV after initial slowdown



- ✓ Track record of recovery from periods of disruption on solid foundation of distribution network
- ✓ Achieved milestone of Rs 500 bn of Gross written premium
- ✓ Strong growth in New Business Premium in challenging times
- ✓ Consistent growth in Renewal Premium
- ✓ Individual New Business Premium grown by 11% in Quarter 4
- ✓ Top three states contributes less than 30% of total new business premium

<sup>1</sup> Based on Life Insurance Council NBP data for life insurers. Components may not add up to total due to rounding-off.

# Product portfolio

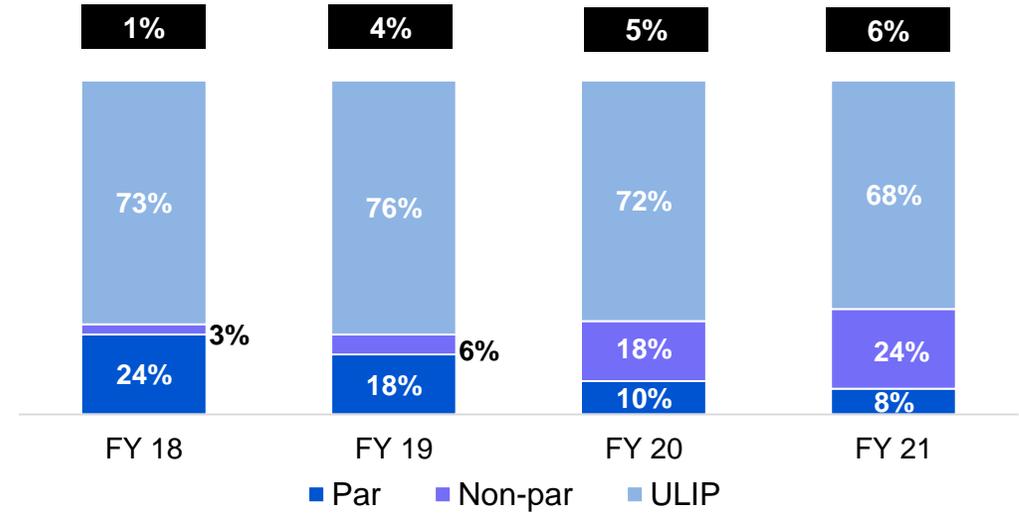
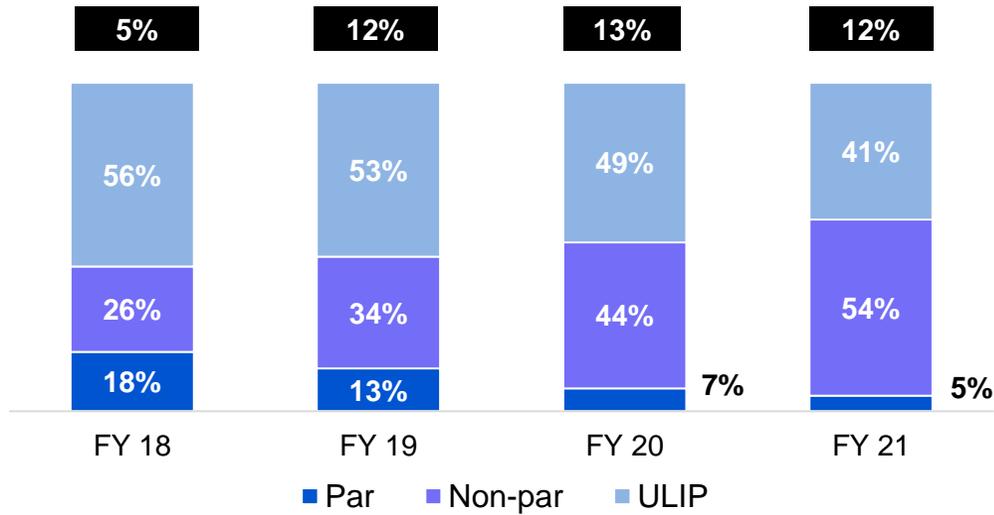
Gained momentum across all segments

₹ in billion

## NBP

## Individual NBP

### Protection



■ Par ■ Non-par ■ ULIP

■ Par ■ Non-par ■ ULIP



**Growth in Protection APE - 26%**



**Growth in Non-Par Individual NBP - 46%**

Product Mix <sup>1</sup>	FY18	FY 19	FY 20	FY 21	Y-o-Y Growth	Mix (FY21)
<b>Savings</b>	<b>81.9</b>	<b>90.7</b>	<b>98.4</b>	<b>105.7</b>	<b>7%</b>	<b>51%</b>
- Par	20.3	17.6	11.6	9.7	(16%)	5%
- Non Par	0.6	0.2	6.3	10.5	65%	5%
- ULIP	61.0	72.8	80.5	85.5	6%	41%
<b>Protection</b>	<b>6.0</b>	<b>16.4</b>	<b>20.8</b>	<b>24.6</b>	<b>18%</b>	<b>12%</b>
- Individual	0.6	3.7	5.3	7.4	40%	4%
- Group	5.4	12.7	15.5	17.2	11%	8%
<b>Annuity</b>	<b>2.1</b>	<b>2.8</b>	<b>11.3</b>	<b>30.2</b>	<b>169%</b>	<b>15%</b>
<b>Group Savings</b>	<b>19.6</b>	<b>28.1</b>	<b>35.4</b>	<b>45.7</b>	<b>29%</b>	<b>22%</b>
<b>Total NBP</b>	<b>109.7</b>	<b>137.9</b>	<b>165.9</b>	<b>206.2</b>	<b>24%</b>	

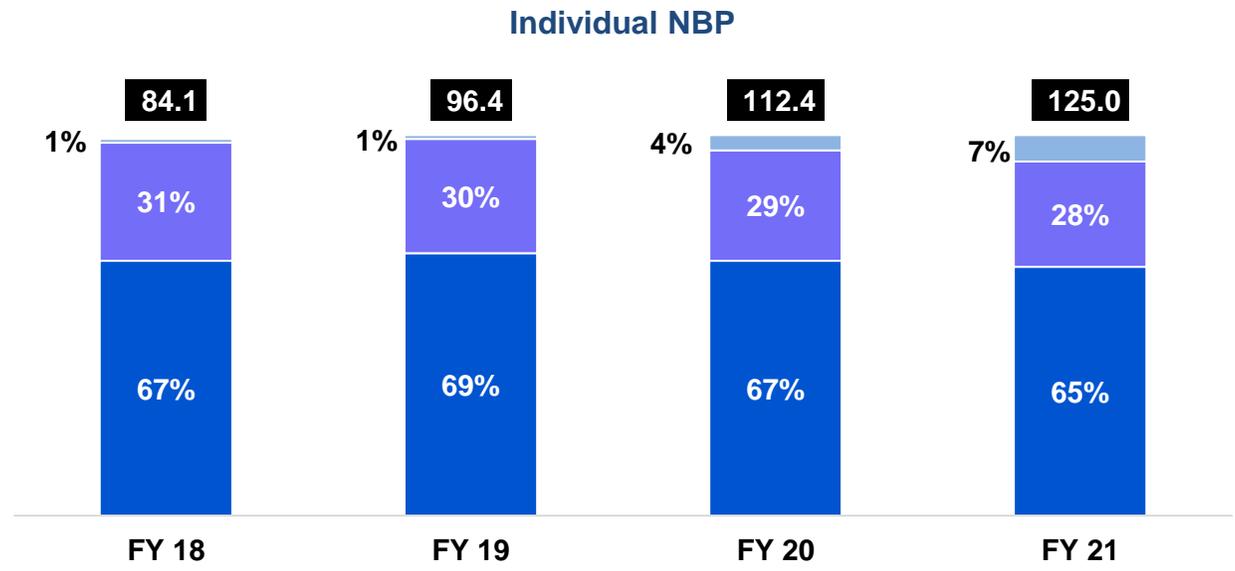
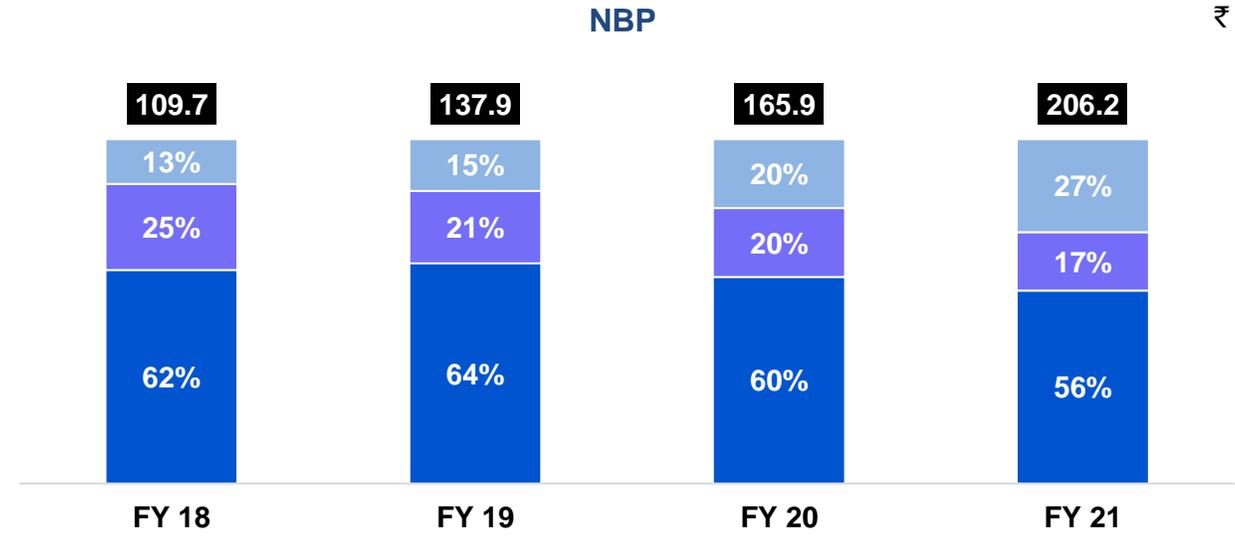
1. New business premium basis  
Components may not add up to total due to rounding-off

# Robust growth across all channels

Prominent value creation capability

₹ in billion

- Diversified network of Traditional + Alternative channels enabling us to maintain business continuity during Covid-19
- Unrivalled distribution network of Banca & Agency registered growth of 15% and 7% respectively
- 70% increase in NBP from Other Channel (Non - SBI & Agency channel)
- New Partnership added during the year – UCO Bank, Yes Bank, Suryoday Small Finance Bank
- Vast distribution network supported by strong, agile and analytics driven technology platform

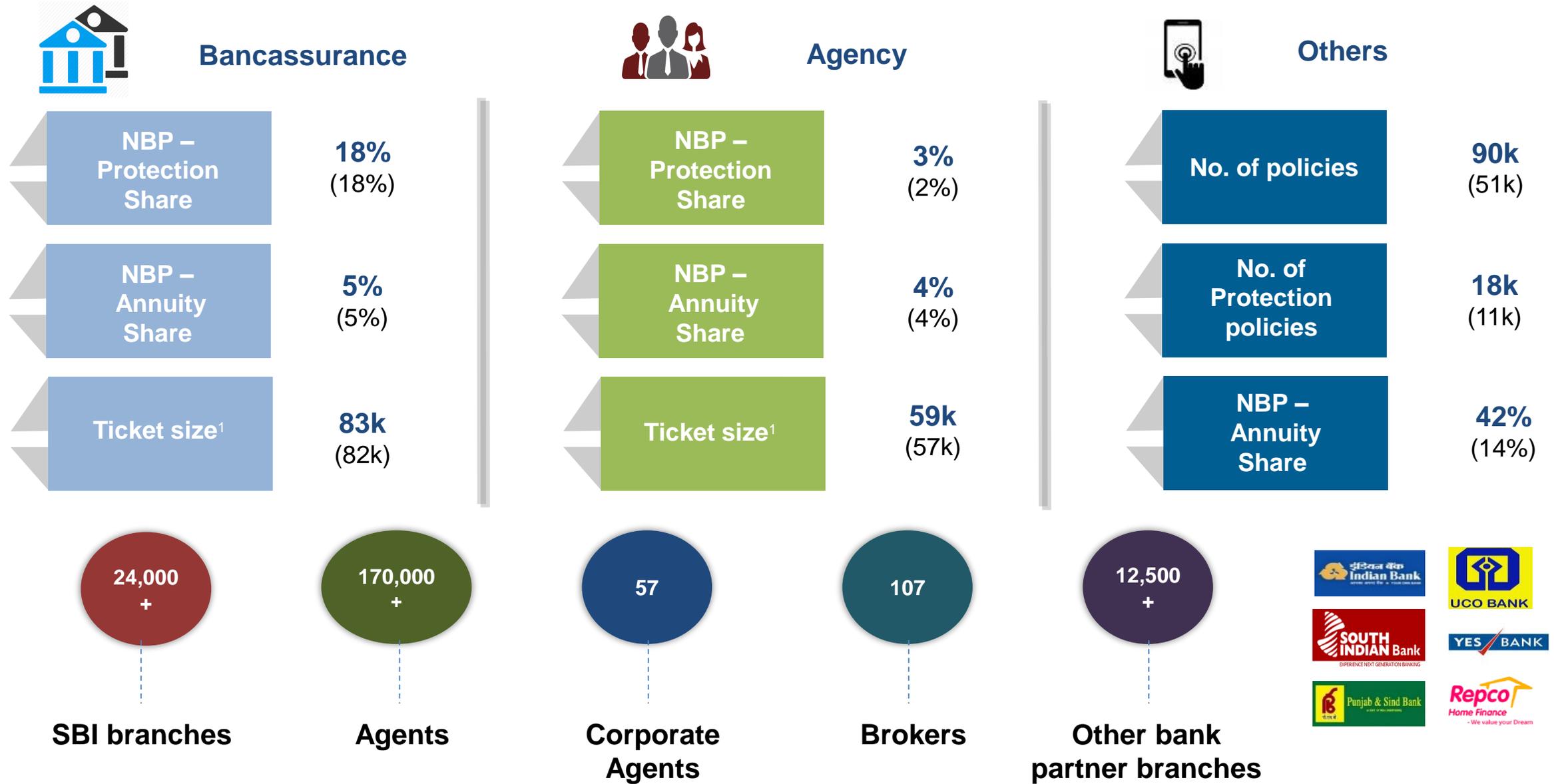


■ Banca   ■ Agency   ■ Others

All growth/drop numbers are with respect to FY 21 over FY 20. Components may not add up to total due to rounding-off.

# Unparalleled distribution reach

Quality and scale of multichannel distribution platforms enabling wider presence



1. Individual ticket size is calculated as the Individual NBP of Channel divided by the number of individual policies. Figures in bracket represent FY 20 numbers. All growth/drop numbers are with respect to FY 21 over FY 20. Components may not add up to total due to rounding-off.

# Cost efficiency and profitability

Maintaining high levels of cost efficiencies leading to growing profitability

₹ in billion

Increasing adoption of technology like robotics, block chain and cloud computing driving efficiencies, improving cost ratios and providing best-in-class services to our customers

Stable profitability supported by strong back book surplus

Interim Dividend declared @ Rs 2.5 per share

Healthy solvency ratio of 2.15 against regulatory mandate of 1.50

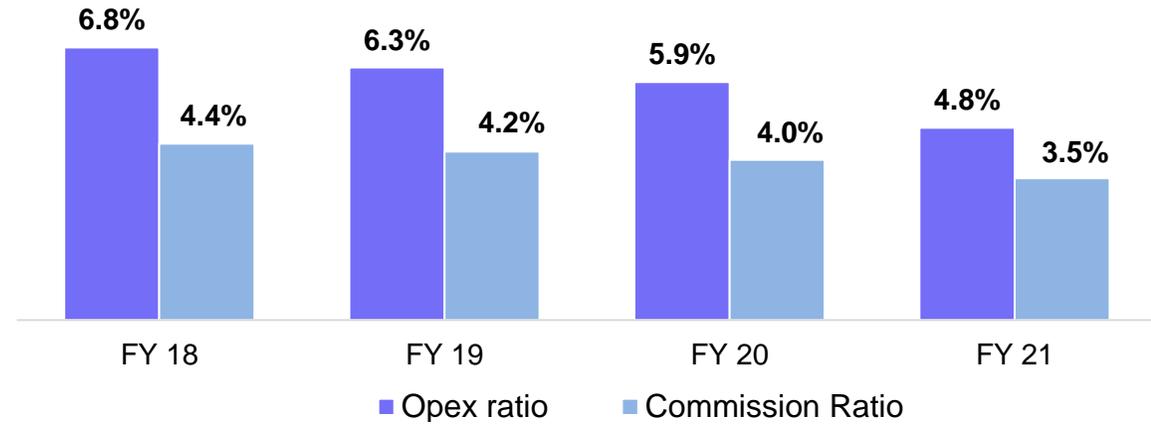
Cost Ratio

11.2%

10.5%

9.9%

8.3%



Profit after Tax

Net-worth

65.3

75.8

87.4

104.0



Opex ratio is operating expenses (excluding commission) divided by Gross Written Premium.

Commission ratio is commission expenses (including rewards) divided by Gross Written Premium.

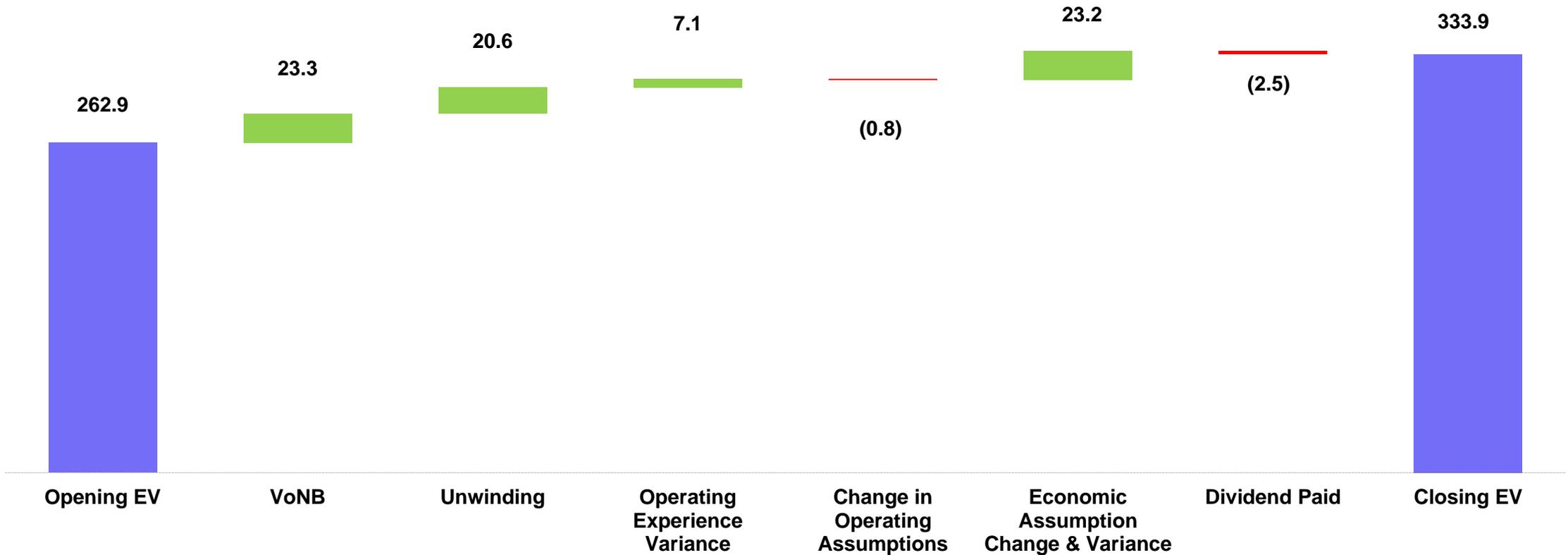
Total cost ratio is operating expenses including commission, provision for doubtful debts and bad debts written off divided by Gross Written Premium.

Components may not add up to total due to rounding-off.

# Analysis of movement in IEV

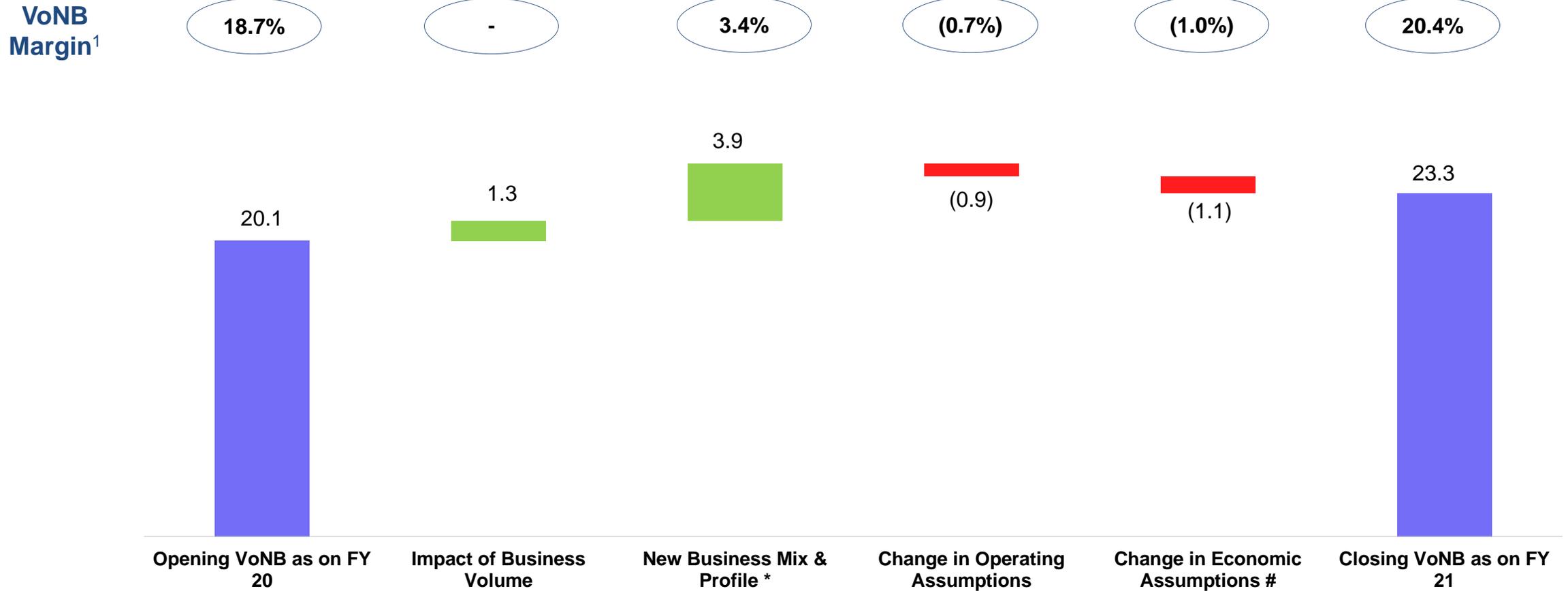
₹ in billion

**EV growth of 27% from ₹ 262.9 billion to ₹ 333.9 billion**  
**Operating Return on Embedded Value: 19.1%**



# Value of New Business (VoNB) Movement

**VoNB margin growth of 170 bps from 18.7% to 20.4%**



1. VoNB and VoNB Margin are based on actual tax rate basis.

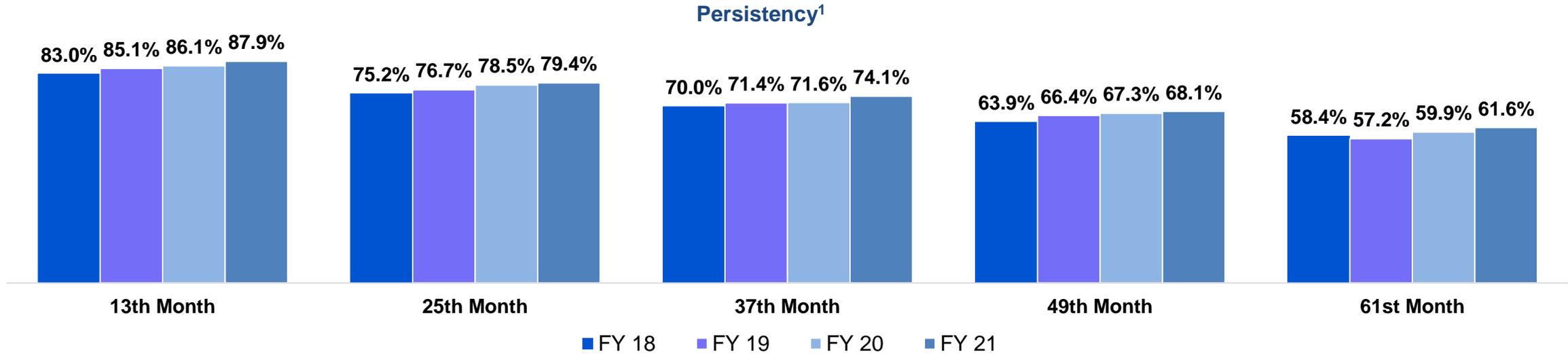
Based on Internal Company Analysis

\* Impact of change mainly in Business mix and profile (Age, Term, Channel etc.)

# Risk free rate change

# Strong focus on customer service

Deeper relationship with customers through quality underwriting and strong sales ethos



## Customer satisfaction metrics



**Need based value proposition and strong customer engagement**

1. The persistency ratios are calculated as per IRDAI circular dated 23rd January 2014. Single premium and fully paid-up policies are considered. Group Business where persistency is measurable, is included. Ratios are calculated based on premium.

The Persistency Ratios are calculated using policies issued in March to February period of the relevant years.

2. Surrender ratio-individual linked products (Surrender/Average AuM).

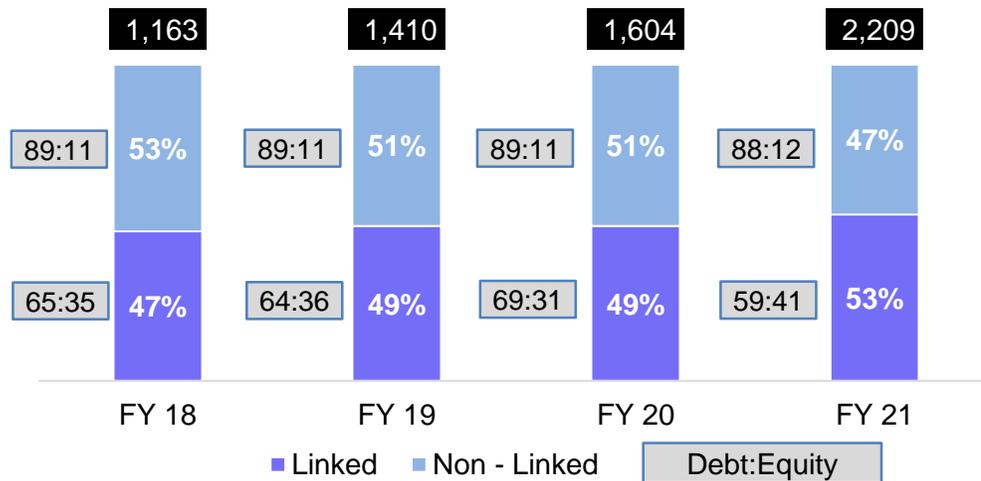
3. Number of grievances with respect to unfair business practice that are reported to the Company divided by policies issued by the Company in the same period.

# Asset under Management

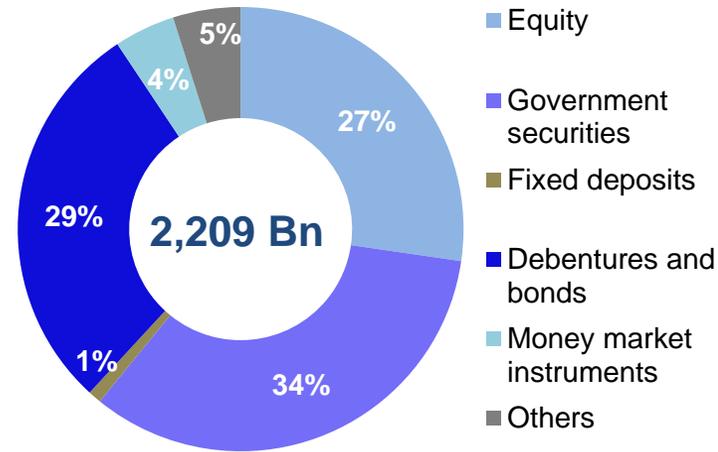
Continue to be one of the top private player in terms of AUM

₹ in billion

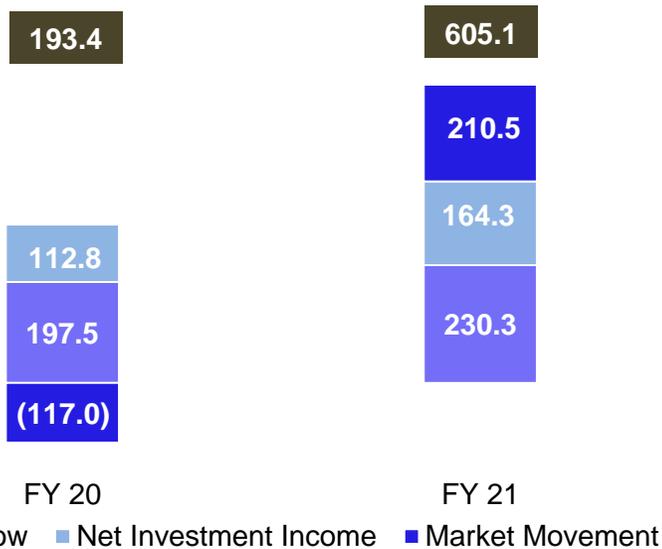
## AuM – Linked | Non Linked



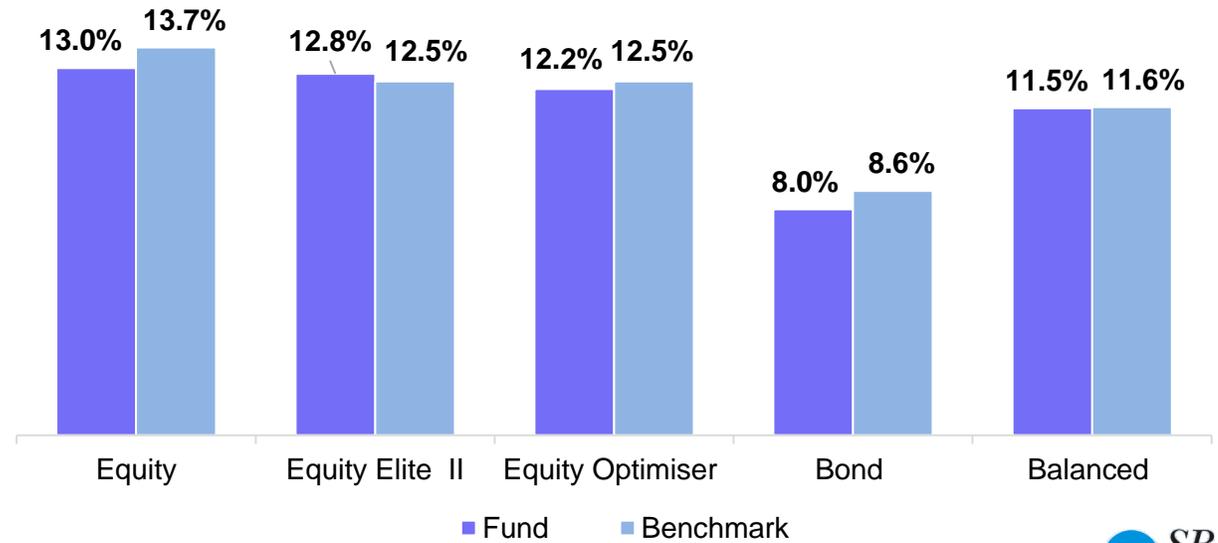
## Composition of Asset under Management



## Change in AUM



## Investment performance<sup>1</sup>



1. 5 year CAGR as on March 31, 2021  
Components may not add up to total due to rounding-off.

- I Performance update
- II Focus areas and initiatives**
- III Industry overview
- IV Annexure



## Disciplined Business Focus

Enhancing the core -  
Widespread distribution network & product suite to cater different needs

- **947 offices** (36% in rural & semi urban areas) & **40k+** branches of distributors
- **32 individual & 7 group products** to cater different needs of the customer
- **16.5 lacs+** policies issued
- **4.5 lacs +** individual protection policies sold digitally



## Customer Engagement

Use of analytics -  
enabling better customer engagement

- **643,608** Pre-issuance welcome calls
- Hyper **personalized** communication for building awareness
- Over **23 lacs customers** opted for WhatsApp communication
- Reduction in grievances from **26 to 17** per 10,000 policies



## Operational Efficiencies

Leveraging Best in class cost ratio benefits

- One of the **lowest** cost ratios in the industry
- **90%** Renewal Premium - collected through Digital Mode
- **Video MER** – reducing risk of impersonation & accuracy in examination
- **67K +** Death Claims settled – ease to customers for document submissions in lockdown



## Digital Capabilities

Harnessing technology in strengthening business

- **OCR technology** for faster digital onboarding
- **Digital submission** of Claims documents, e-MHR
- **Machine Learning and AI** helping identify prospective customers
- **60 + API** platforms for quick on-boarding of partners & faster system integration

## New Business Process – Simple and Intuitive Experience

### E-Submission

- ❑ Need based analysis – product recommendation
- ❑ E-questionnaires based on health declarations
- ❑ E-sign process & E-KYC
- ❑ In-built Underwriting rules



### E-Payment

- ❑ Multiple payment options
- ❑ Online Bank Account verification
- ❑ Debit mandates enrolments
- ❑ Instant Confirmations
- ❑ Secure pay modes



### E-Verification

- ❑ Video based verification process (Insta PIWC)
- ❑ Financial Surrogates/UW ease – Credit scores, NSDL, CRIF, IIBI
- ❑ Geo tagging, OCR technology validations

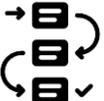


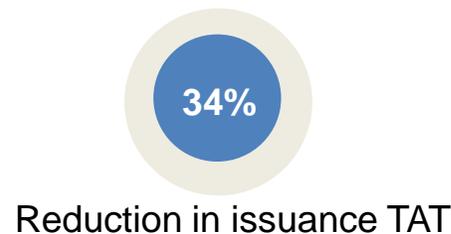
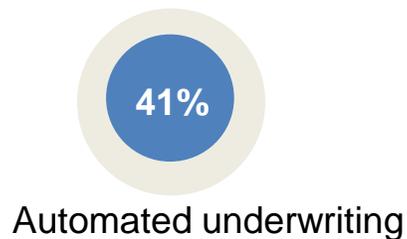
### E-Policy

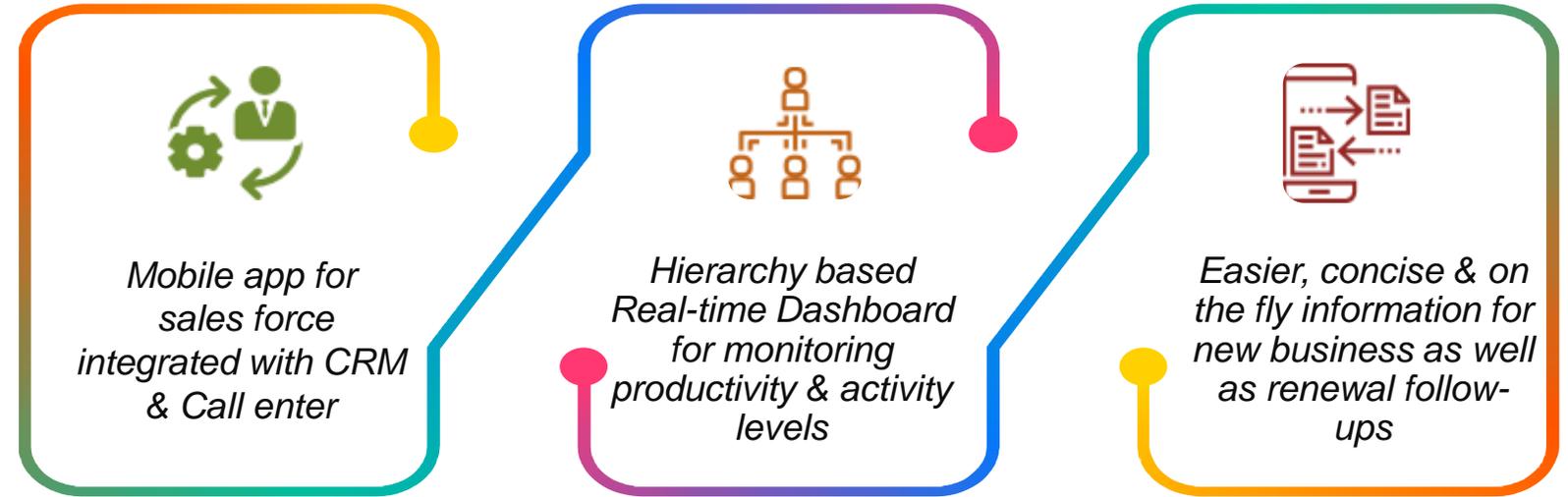
- ❑ E-policy on Registered mobile
- ❑ Demat A/c – Insurance repositories
- ❑ Policies available on customer portals
- ❑ Dashboard for monitoring status



Supported by

-  Simplified workflow processes
-  Automation with AI
-  Data Analytics
-  Real time updates
-  Strong backend assurance





## Online Trainings – Scaling Quality

-  Interactive Courses
-  Gamified micro modules
-  Refreshers Courses
-  Skill Assessment Programs

✓ Online Courses undertaken by more than 1.4lacs distributors

> 97,000 distributors undertaken more than 5 online modules

✓ 98% of employees have taken undertaken online courses

> 15,000 employees undertaken more than 10 online modules

## Online Recruitment – Scaling Capacity

- Digital Submission of Distributors documents
- Screening of documents
- Online tracking of applications
- > 98000 distributors on-boarded

## Instant Connect – Self service options

- ✓ Buy Online Products
- ✓ Revival Requests
- ✓ Fund Switches
- ✓ Query and Complaints
- ✓ Renewal premium payment
- ✓ Product Corner
- ✓ Premium Calculators
- ✓ e-COE (Certificate of Existence)
- ✓ Updation of personal details
- ✓ Need Analysis
- ✓ Premium payment certificates
- ✓ Withdrawal requests



Nudge tools

~2 mn

Queries handled by Call center/IVR



Propensity model

~1.3 mn

Self transactions done by customers



Conversational bots

~2.3 mn

Customers opted for Whatsapp services



Intuitive IVR

~2 mn

Queries handled through bots



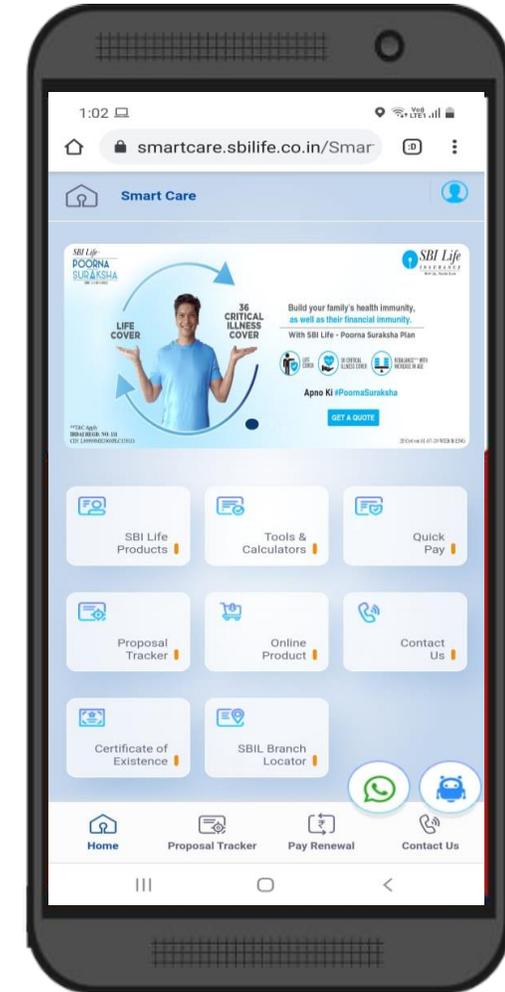
Device agnostic

~2.4 lacs

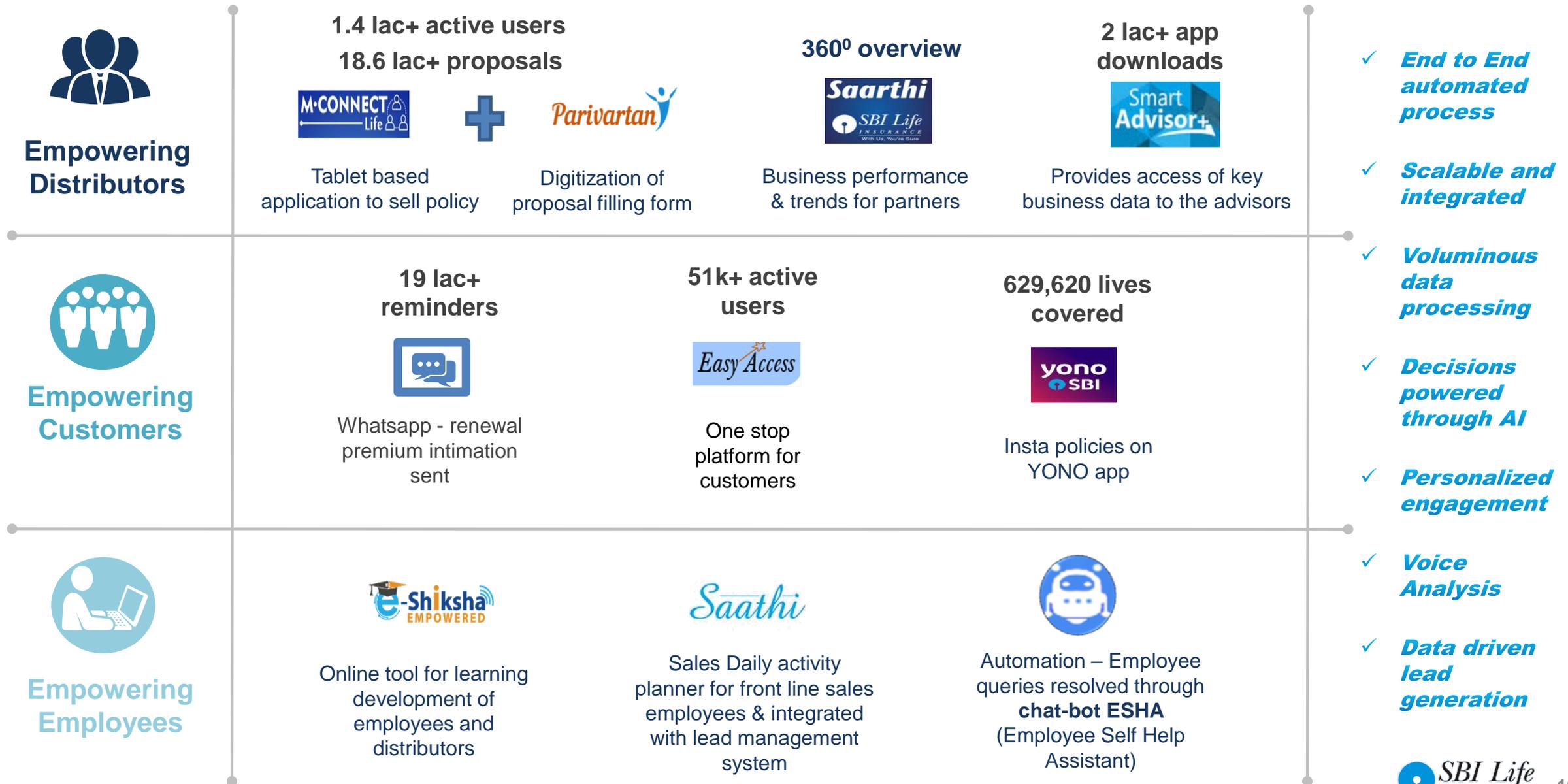
Short URL(bitly) business service generated

~2 lacs

Cross-sell leads generated



# Digital Quotient: Leading to greater shared outcomes



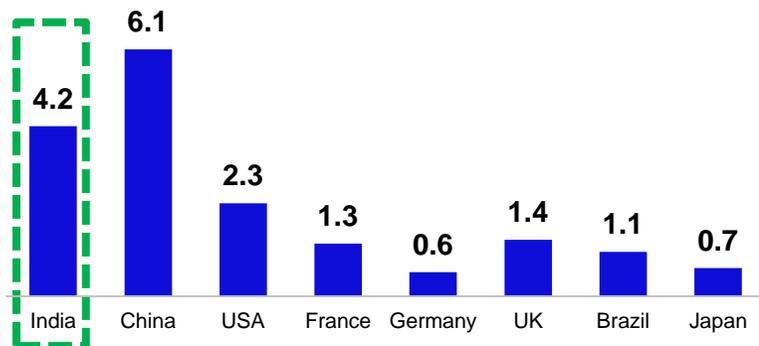
# Agenda

- I Performance update
- II Focus areas and initiatives
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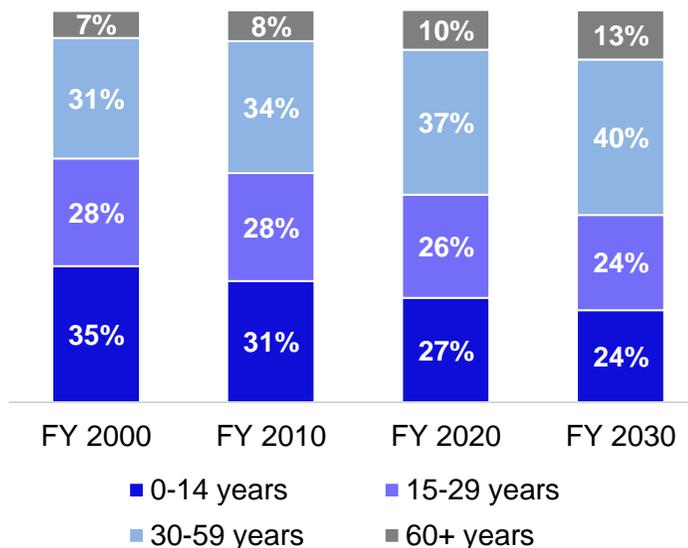
# India Life Insurance - Structural Growth Drivers in Place

Strong Demographic Tailwinds Supporting India Growth Story

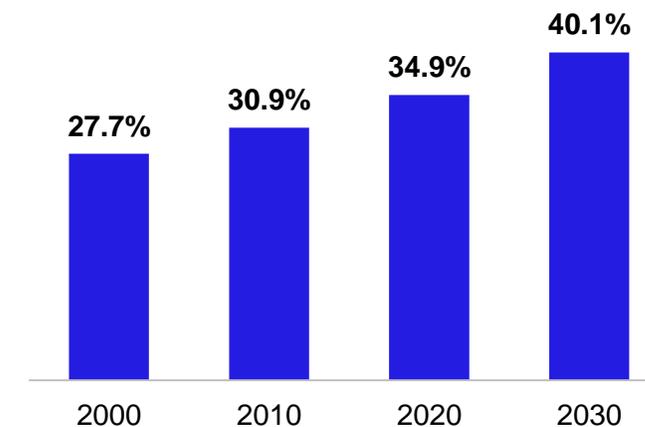
**World GDP Growth<sup>1</sup> (2019 %)**



**Composition of Population<sup>2</sup>**



**Share of urban population<sup>3</sup>**



## Advantage India

- 5<sup>th</sup> largest economy in the world in terms of GDP
- One of the highest young population nations with median age of 28 years
- Rising share of urbanisation – Growth in urban population at 2.4% CAGR between FY 15 and FY 20

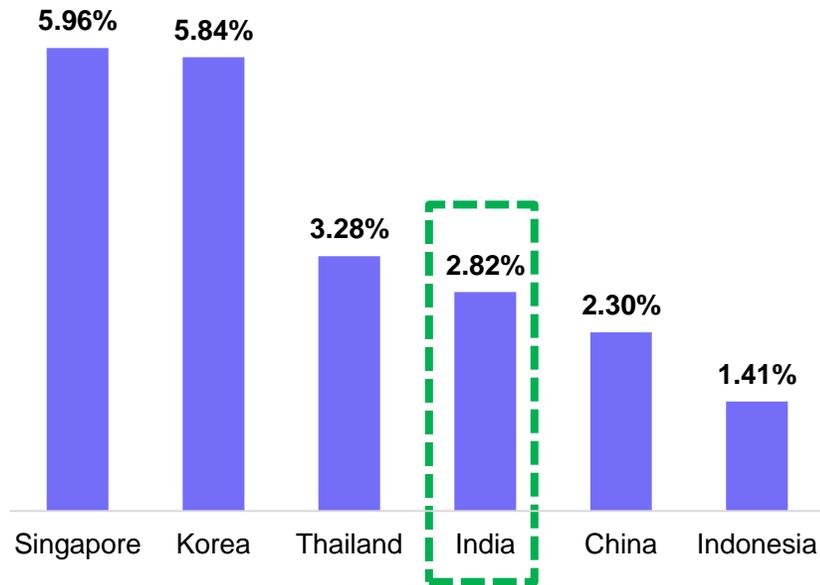
**Combination of a high share of working population, rapid urbanization, rising affluence and focus on financial inclusion to propel the growth of Indian life insurance sector**

# Life Insurance – Significant Under Penetration versus other Markets

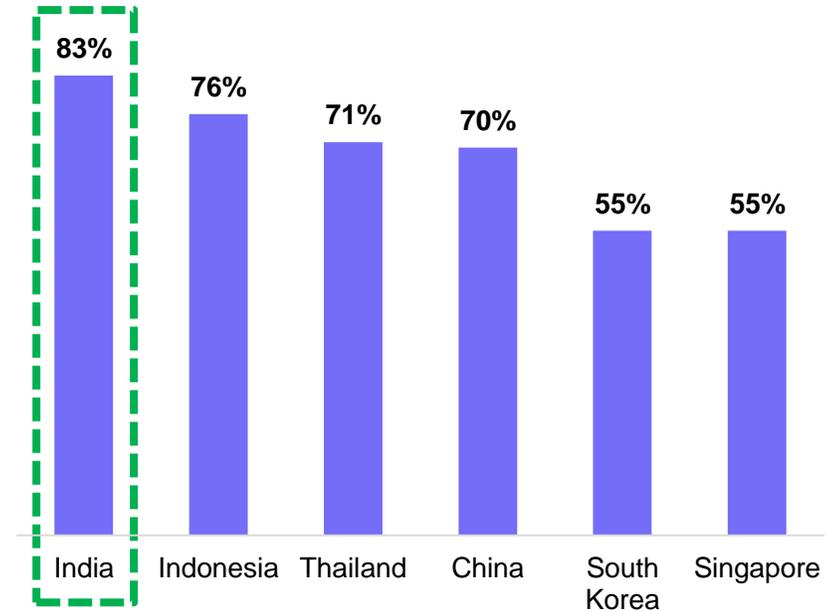
Share of Life Insurance in Savings expected to Rise

## Underpenetrated Insurance Market

Premium as % of GDP – 2019<sup>1</sup>



Protection gap highest amongst peers<sup>2</sup>



- 10<sup>th</sup> largest life insurance market worldwide and 5<sup>th</sup> largest in Asia with ` 4.6 trillion in total premium business.
- Total premium grew at CAGR of 17% between FY01– FY18.
- India continues to be under penetrated as compared to countries like China, Thailand and Korea.

1. Swiss Re, sigma No 4/2020

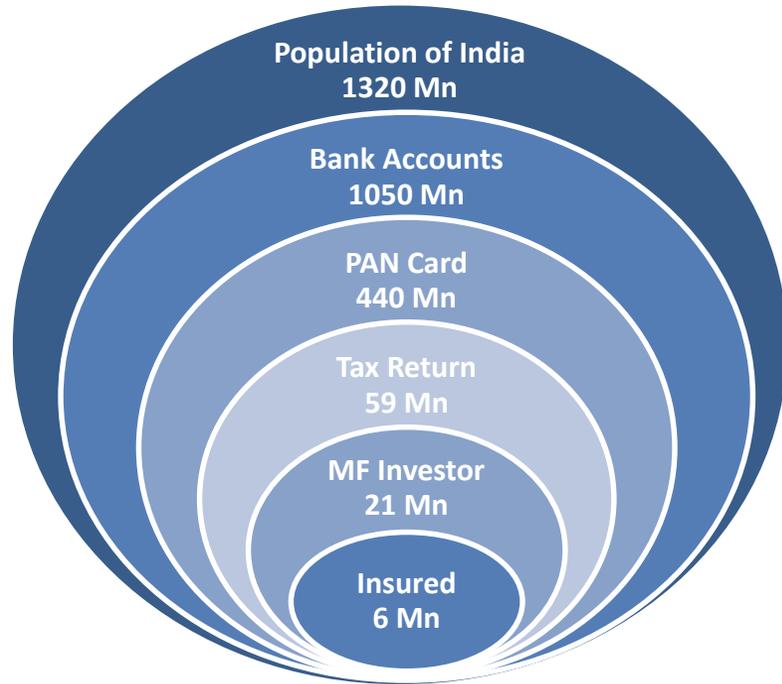
2. Swiss Re, "Closing Asia's Mortality Protection Gap 2020"

# Protection – the next growth driver

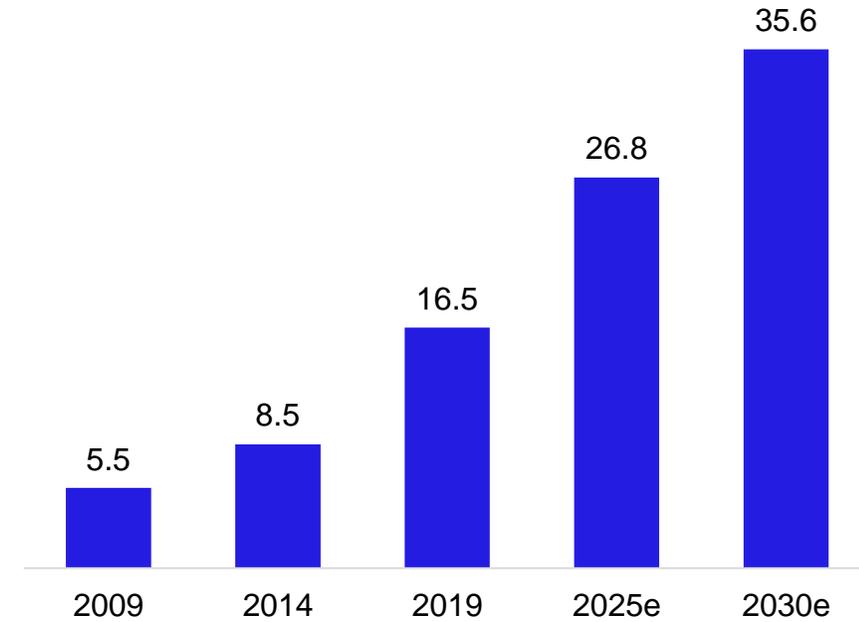
Share of Protection in Life Insurance business is expected to Rise

## Scope of Protection business

Addressable Population<sup>1</sup>



Mortality Protection Gap (in US\$ trillion)<sup>1</sup>



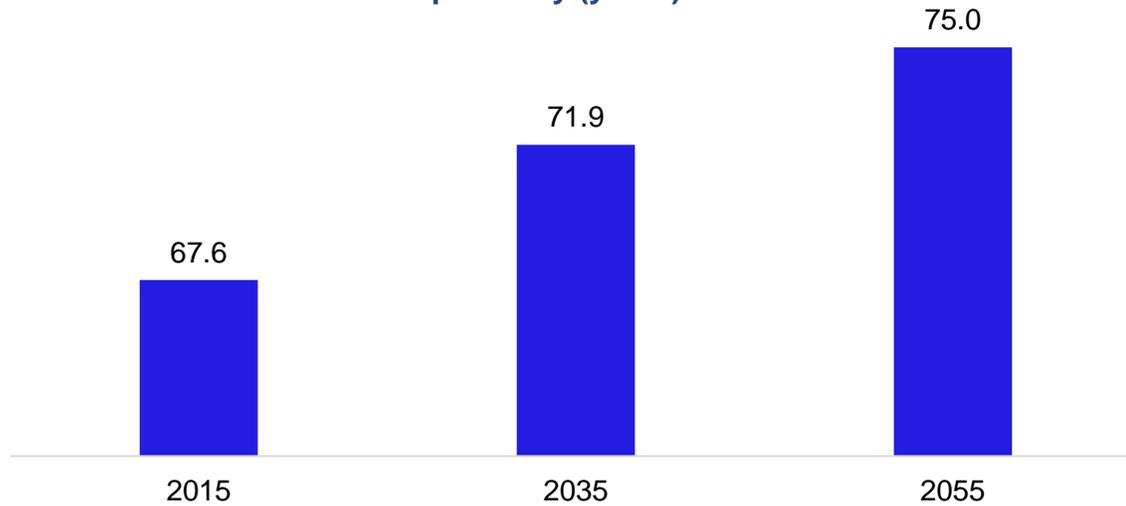
- Low penetration levels as compared to the addressable population.
- Increase in disposable income coupled with pandemic-induced awareness of protection products will increase penetration level.
- Swiss Re estimates protection gap to rise from US\$ 16.5 trillion in 2019 to US\$ 35.6 trillion in 2030.

# Retirement solutions - Annuities

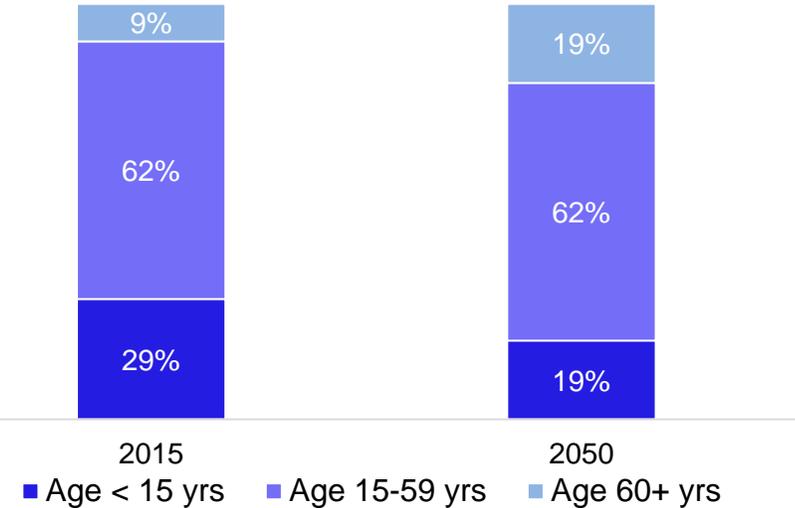
Share of 60+ population to increase significantly by 2050

## Scope of Annuities business

Life Expectancy (years)<sup>1</sup>



Ageing Population<sup>1</sup>



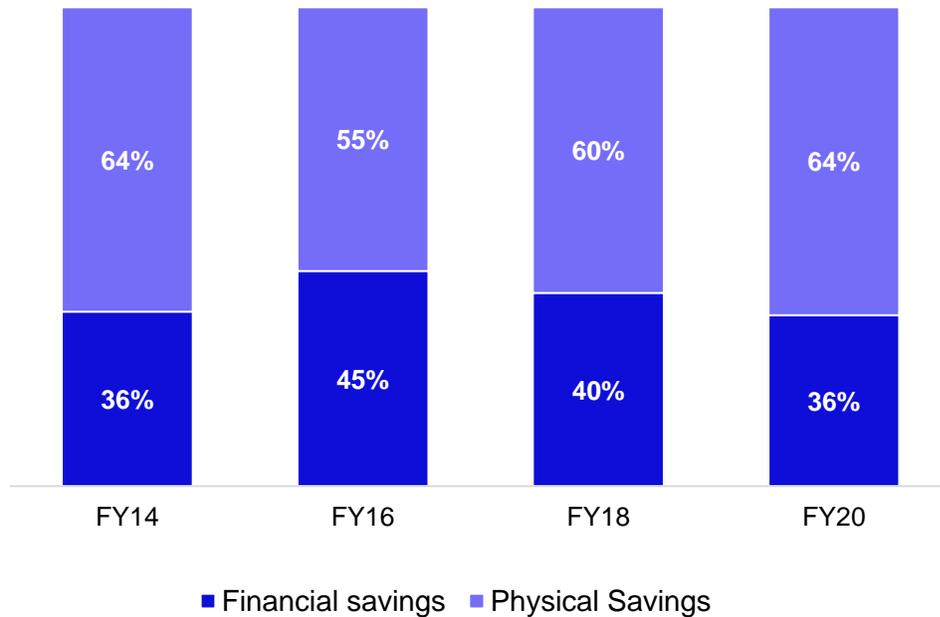
- With the advancement of medical science, life expectancy has improved rapidly over the last few decades and demand for pension based products will increase with the rise in life expectancy.
- Regulatory tailwinds like increase in commutation of pension corpus from 33.3% earlier to 60% will only benefit insurance sector.
- NPS contributes a significant portion of the retirement corpus in India and they are on track for a period of consistent high growth over the next decade.

# Financialisation of Savings

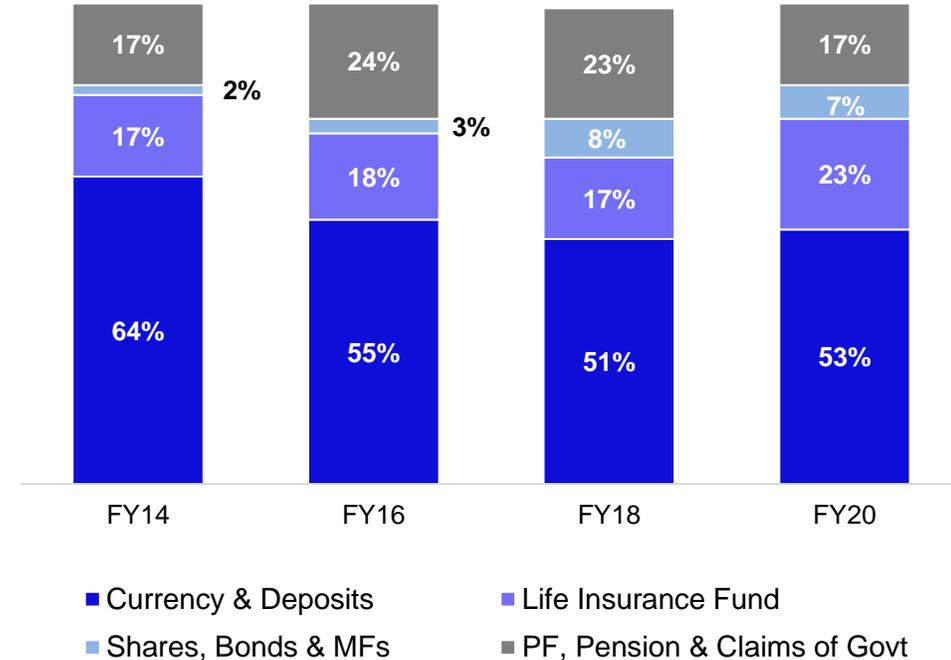
Share of Life Insurance in Household Savings expected to Rise

## Increasing in Financial Savings

Household Savings Composition<sup>1</sup>



Share of Insurance in Financial Savings<sup>1</sup>

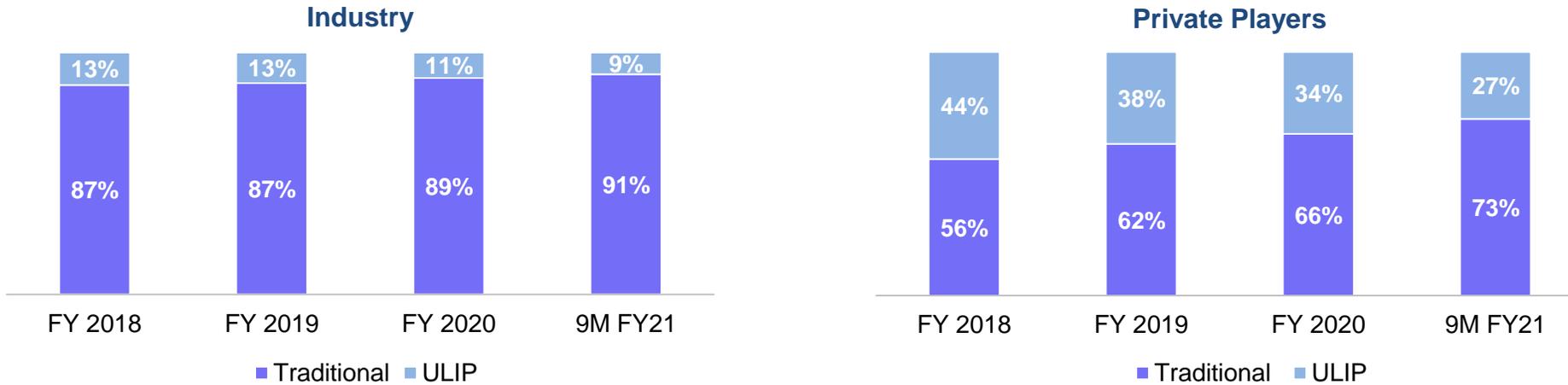


- Household financial saving has improved to 7.6% of GNDI in 2019-20, after touching the low of 6.4% in 2018-19.
- Increase in share of insurance as a percentage of Financial Savings is expected to drive growth in life insurance sector.

# Industry Composition

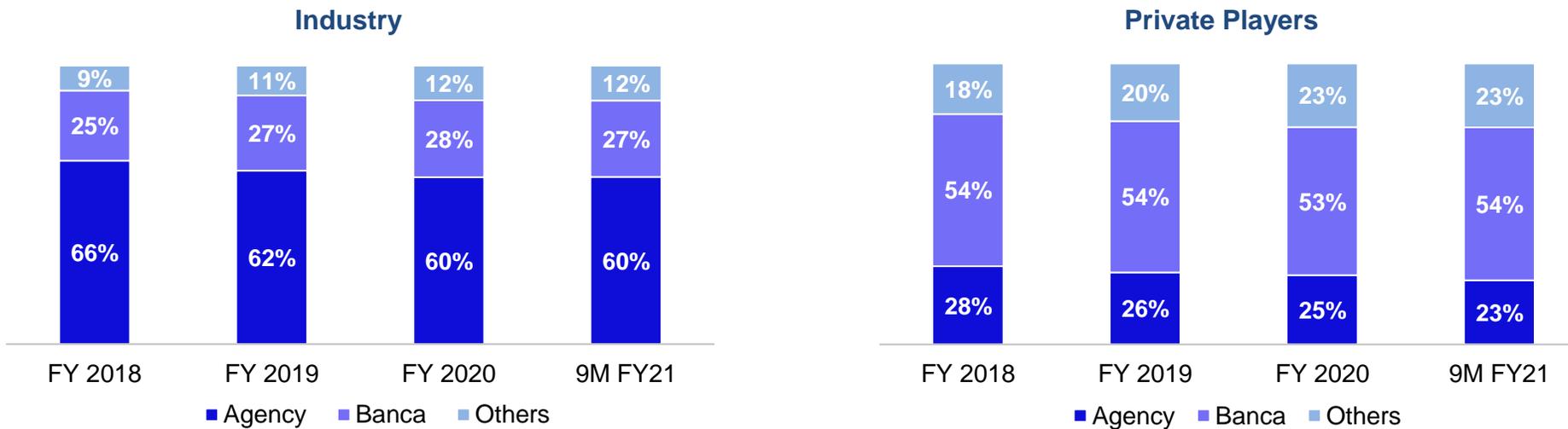
## Product mix and Channel mix

### Product portfolio<sup>1</sup>



Higher ULIP contribution among private players, though traditional products forms the major share of new business

### Channel mix<sup>2</sup>



Banca channel continues to be the largest contributor for private players although Direct channel has gained momentum in the past years

1. New business premium basis

2. Individual new business premium basis

Source: Life Insurance Council, Public disclosures

Components may not add up to total due to rounding-off.

# Financial Immunity

Understanding Consumer's attitude towards financial security<sup>1</sup>



## 1 Increased emphasis on physical immunity

**76%** - strongly agree that maintaining physical/ mental health helps to have a better financial immunity

**50%** - urban population is not sufficiently prepared to face the financial setback arising out of the family chief's earner succumbing to any unfortunate event



## 2 Financial Security = Financial Immunity

**62%** - safeguarding financial security and stability of the family lies at the core of Financial Immunity

**32%** - to fulfill future responsibilities/ goals for self and family



## 3 Life Insurance = safeguarding the family's future

**80%** - associate Life Insurance with 'safeguarding family's future'

**77%** - associate health Insurance for the same cause



## 4 Term insurance along with critical illness cover

**61%** - safeguarding from rising cost of treatment of critical illness becoming financial burden on the family

**75%** - intend to buy critical illness cover/policy over next few months



# Agenda

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# Annualised Premium Equivalent (APE)

## APE Product mix and Channel mix

### Product portfolio

Segment	FY18	FY 19	FY 20	FY 21	Y-o-Y Growth	Mix (FY 21)
<b>Individual Savings</b>	<b>78.3</b>	<b>87.0</b>	<b>93.0</b>	<b>94.6</b>	<b>2%</b>	<b>83%</b>
- Par	20.9	18.1	11.7	9.7	(17%)	8%
- Non Par	0.6	0.2	6.5	10.7	64%	9%
- ULIP	56.9	68.6	74.8	74.2	(1%)	65%
<b>Protection</b>	<b>4.6</b>	<b>6.6</b>	<b>9.5</b>	<b>12.0</b>	<b>26%</b>	<b>10%</b>
- Individual	0.6	3.7	5.1	7.3	44%	6%
- Group	4.0	2.9	4.5	4.7	6%	4%
<b>Annuity</b>	<b>0.2</b>	<b>0.3</b>	<b>1.1</b>	<b>3.0</b>	<b>169%</b>	<b>3%</b>
<b>Group Savings</b>	<b>2.3</b>	<b>3.1</b>	<b>3.7</b>	<b>4.9</b>	<b>32%</b>	<b>4%</b>
<b>Total APE</b>	<b>85.4</b>	<b>97.0</b>	<b>107.4</b>	<b>114.5</b>	<b>7%</b>	

### Channel mix

Channel	FY18	FY 19	FY 20	FY 21	Y-o-Y Growth	Mix (FY 21)
Banca	55.9	64.8	69.8	72.3	4%	63%
Agency	25.6	27.7	29.8	30.3	2%	26%
Others	3.9	4.5	7.9	11.9	52%	11%
<b>Total APE</b>	<b>85.4</b>	<b>97.0</b>	<b>107.4</b>	<b>114.5</b>		

# Individual Annualised Premium Equivalent (APE)

## Individual APE – Channel Mix Segment wise

Channel	Segment	FY18	FY 19	FY 20	FY 21	Y-o-Y Growth	Mix (FY21)
Bancassurance	Participating	13.2	9.9	4.6	2.8	(39%)	3%
	Non Participating	0.9	3.5	9.1	13.7	51%	13%
	Unit Linked	38.9	49.0	53.4	52.6	(2%)	51%
	<b>Total</b>	<b>53.0</b>	<b>62.4</b>	<b>67.1</b>	<b>69.1</b>	<b>3%</b>	<b>67%</b>
Agency	Participating	7.5	7.8	6.5	5.9	(9%)	6%
	Non Participating	0.2	0.5	2.6	3.7	42%	4%
	Unit Linked	17.7	19.3	20.6	20.6	0%	20%
	<b>Total</b>	<b>25.4</b>	<b>27.6</b>	<b>29.7</b>	<b>30.2</b>	<b>2%</b>	<b>29%</b>
Others	Participating	0.3	0.4	0.6	1.0	65%	1%
	Non Participating	0.1	0.2	0.8	1.8	131%	2%
	Unit Linked	0.3	0.3	0.8	1.0	25%	1%
	<b>Total</b>	<b>0.7</b>	<b>0.9</b>	<b>2.2</b>	<b>3.8</b>	<b>73%</b>	<b>4%</b>

# Analysis of movement in IEV

## IEV Movement Analysis - Components

	FY 21
<b>Opening IEV</b>	<b>262.9</b>
Expected return on existing business	
At Reference Rate	12.1
At expected real-world return in excess of reference rate	8.5
Operating Assumptions Change	(0.8)
VoNB added during the period	23.3
Operating Experience Variance - Persistency	3.2
Operating Experience Variance - Expenses	0.3
Operating Experience Variance - Mortality and Morbidity	(0.2)
Operating Experience Variance - Others	3.8
<b>IEV Operating Earnings (EVOP)</b>	<b>50.2</b>
Economic Assumption Changes and Investment Variances	23.2
<b>IEV Total Earnings</b>	<b>73.4</b>
Capital Contributions / Dividends paid out	(2.5)
<b>Closing IEV</b>	<b>333.9</b>

On effective  
tax rate basis

IEV

₹ 364.0 bn

↑ 32%

VoNB

₹ 26.6 bn

↑ 20%

VoNB Margin

23.2%

↑ 250 bps

# Sensitivity Analysis

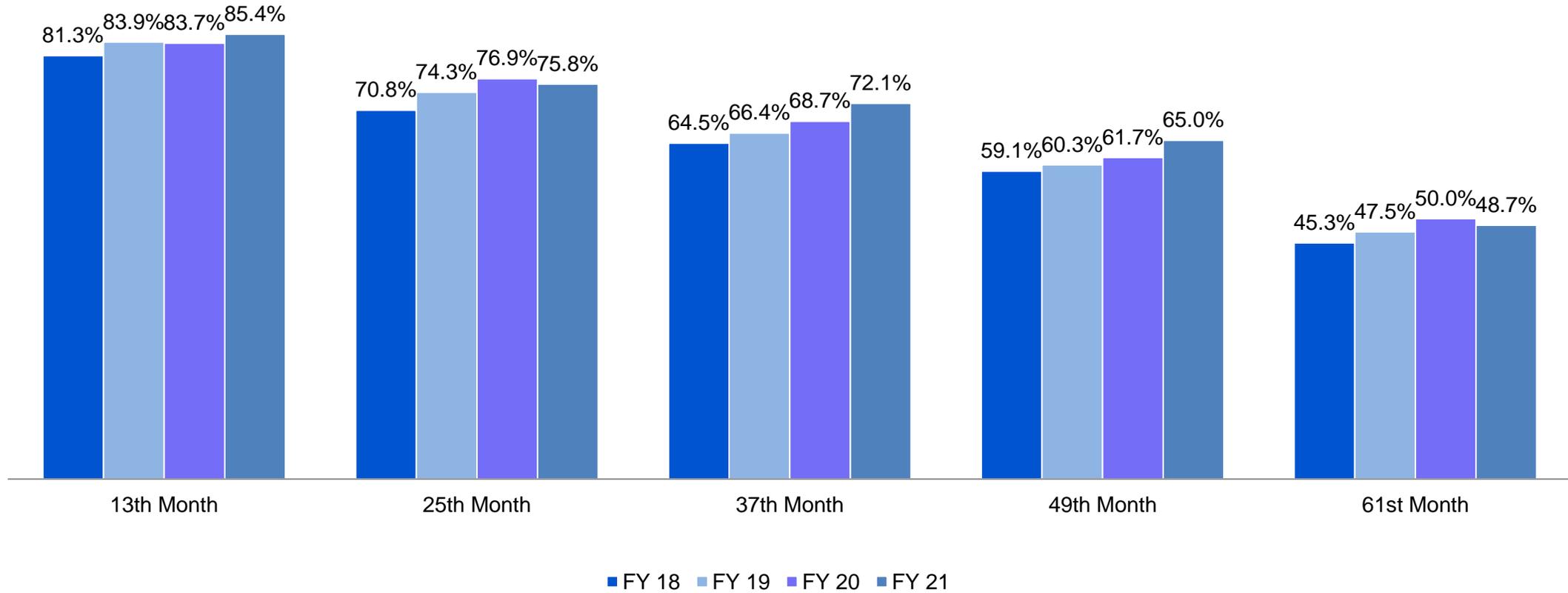
Scenario	Change in EV %	Change in VoNB %
Reference Rate +100 bps	(2.4%)	(0.6%)
Reference Rate -100 bps	2.7%	0.1%
Decrease in Equity Value 10%	(1.5%)	(0.3%)
Proportionate change in lapse rate +10%	(1.1%)	(4.1%)
Proportionate change in lapse rate -10%	1.4%	5.3%
Mortality / Morbidity +10%	(1.7%)	(6.2%)
Mortality / Morbidity -10%	1.7%	6.2%
Maintenance Expense +10%	(0.6%)	(2.0%)
Maintenance Expense -10%	0.6%	2.0%
Mass Lapse for ULIPs in the year after the surrender penalty period of 25% <sup>1</sup>	(2.7%)	(8.7%)
Mass Lapse for ULIPs in the year after the surrender penalty period of 50% <sup>1</sup>	(6.3%)	(19.8%)
Tax Rate Change to 25% on Normal Tax rate basis	(8.6%)	(12.7%)

1. Mass lapse sensitivity (of 25% or 50%) for ULIP business is applied at the end of surrender penalty period as defined by APS 10, which is taken to be the beginning of 5th policy year for current generation of our ULIP products. 2. VoNB sensitivity: New Business sensitivities assume that the scenario arises after the point of sale; and consider impacts on both new business liability cash-flows and the asset backing the reserves at the respective month ends. 3. The sensitivities are being calculated without any lag from Q3 FY21.

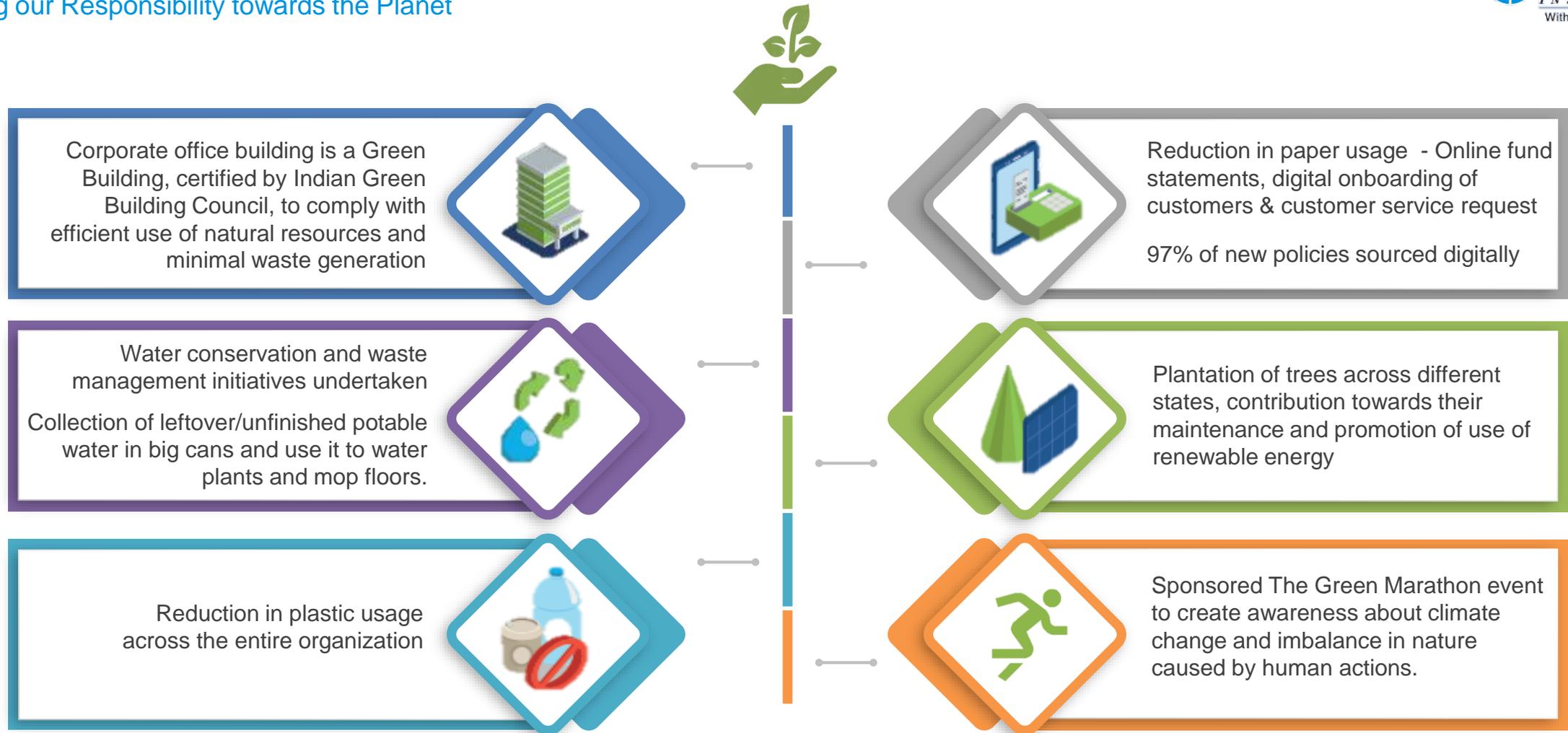
# Persistency - Regular Premium

Quality Underwriting and Customer Retention

Persistency<sup>1</sup>

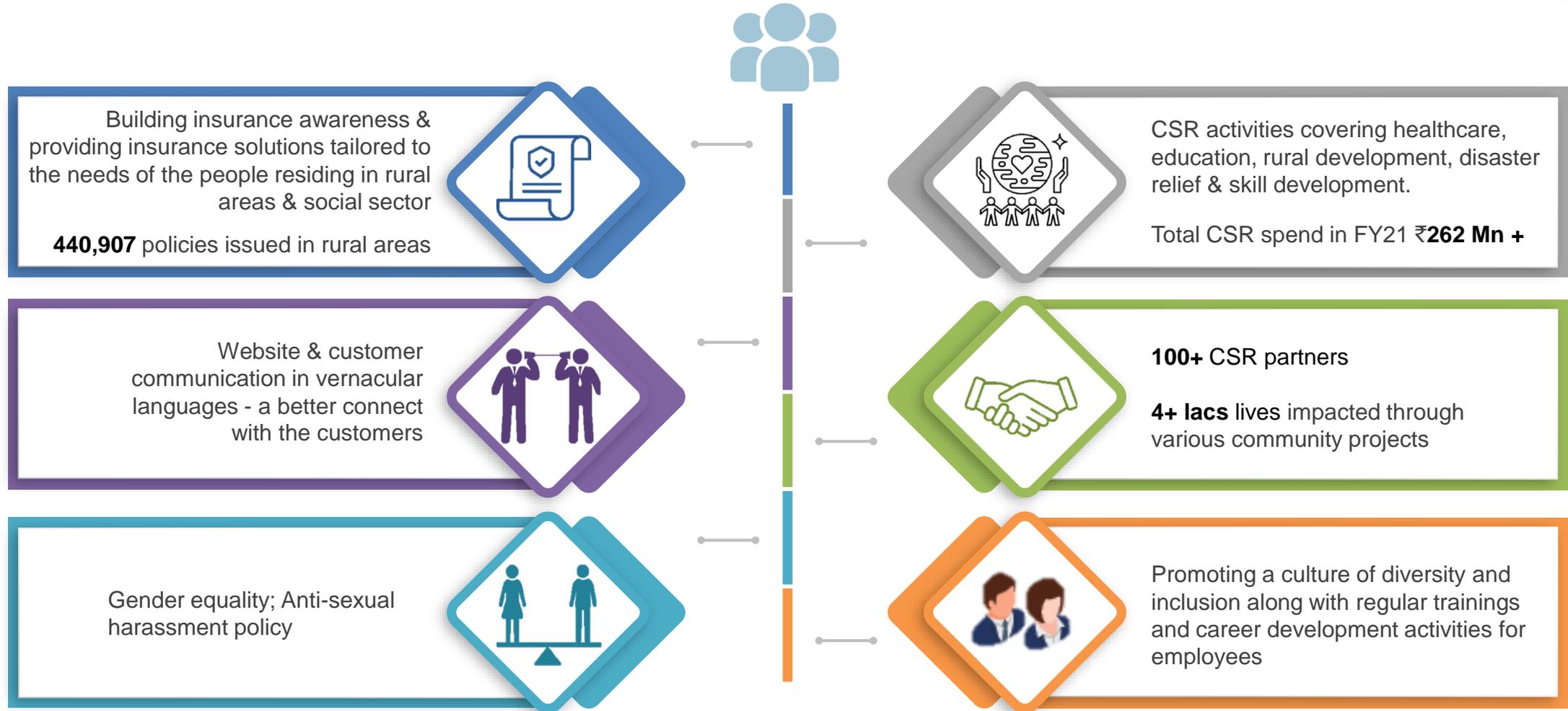


1. The persistency ratios are calculated as per IRDAI circular dated 23rd January 2014. Ratios are calculated based on regular premium

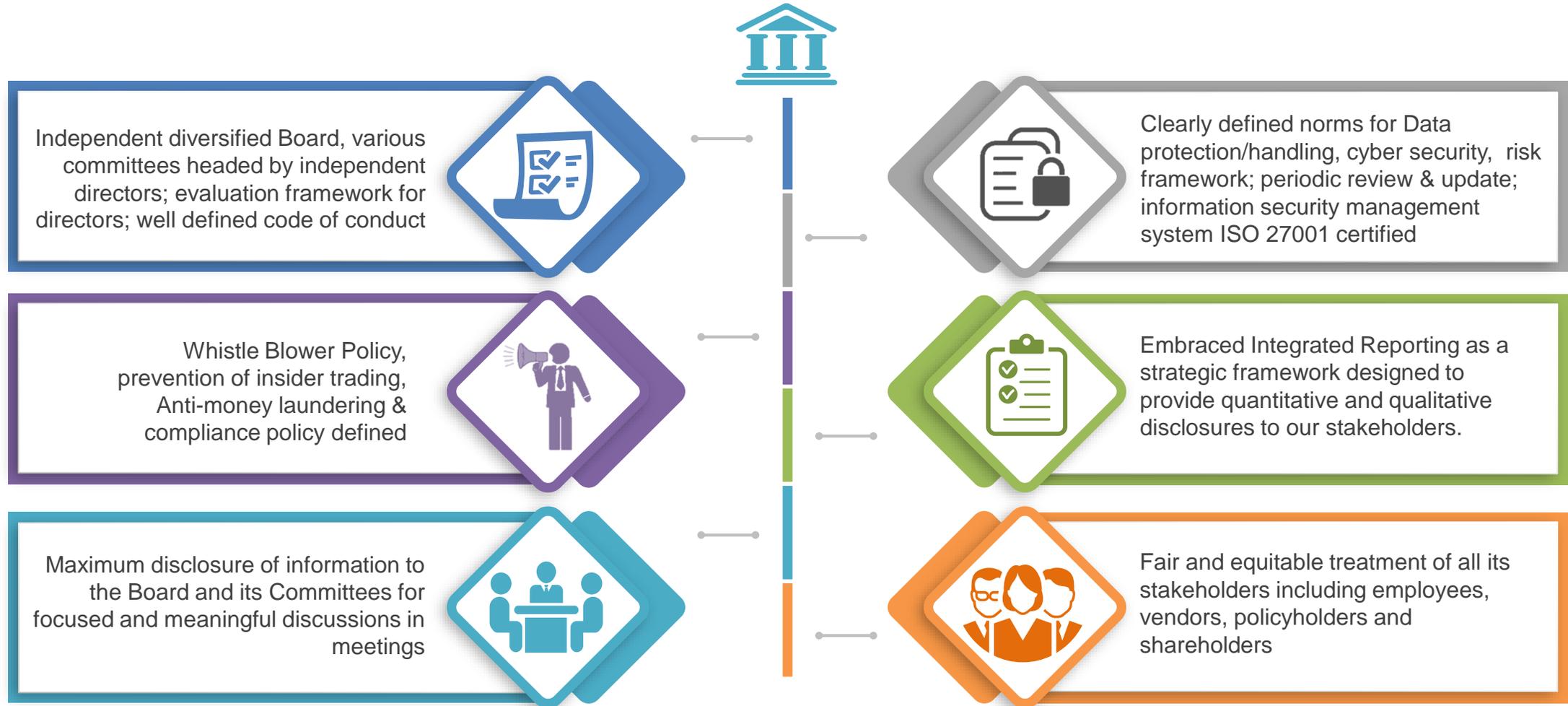


**Committed to minimising our environmental footprint**

The data pertains to FY 20.



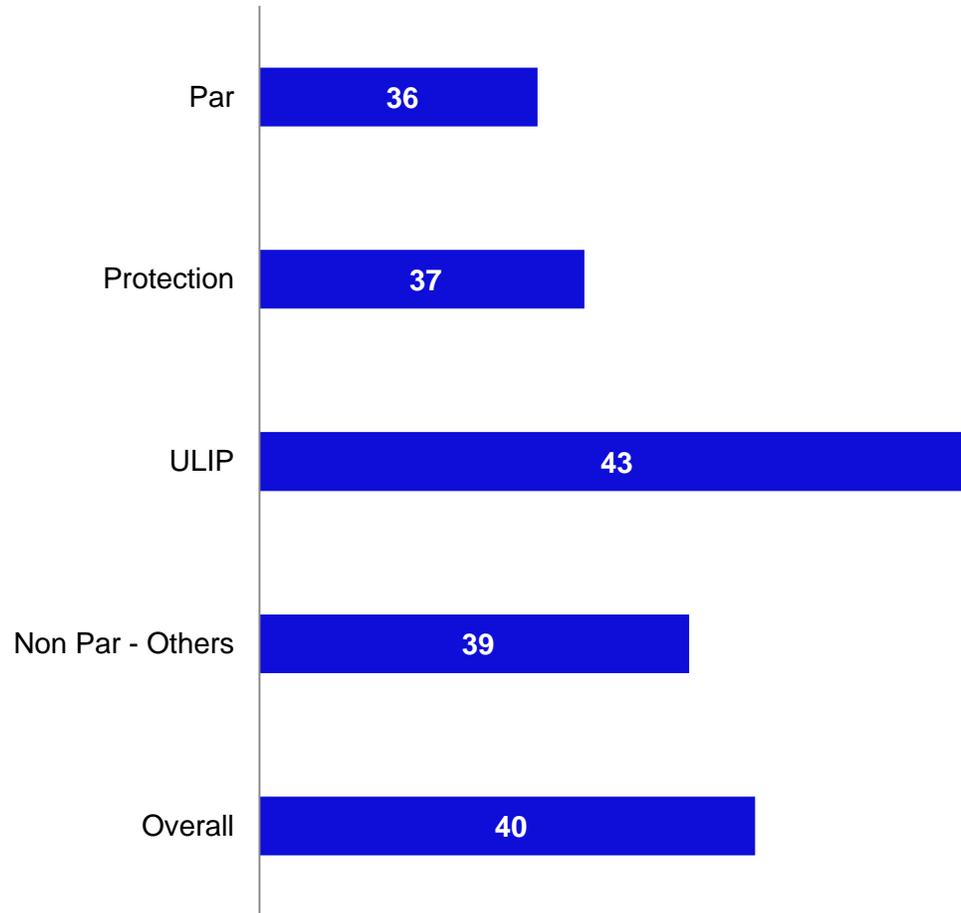
**Empowering communities around us and providing bespoke insurance solutions to unorganised sector**



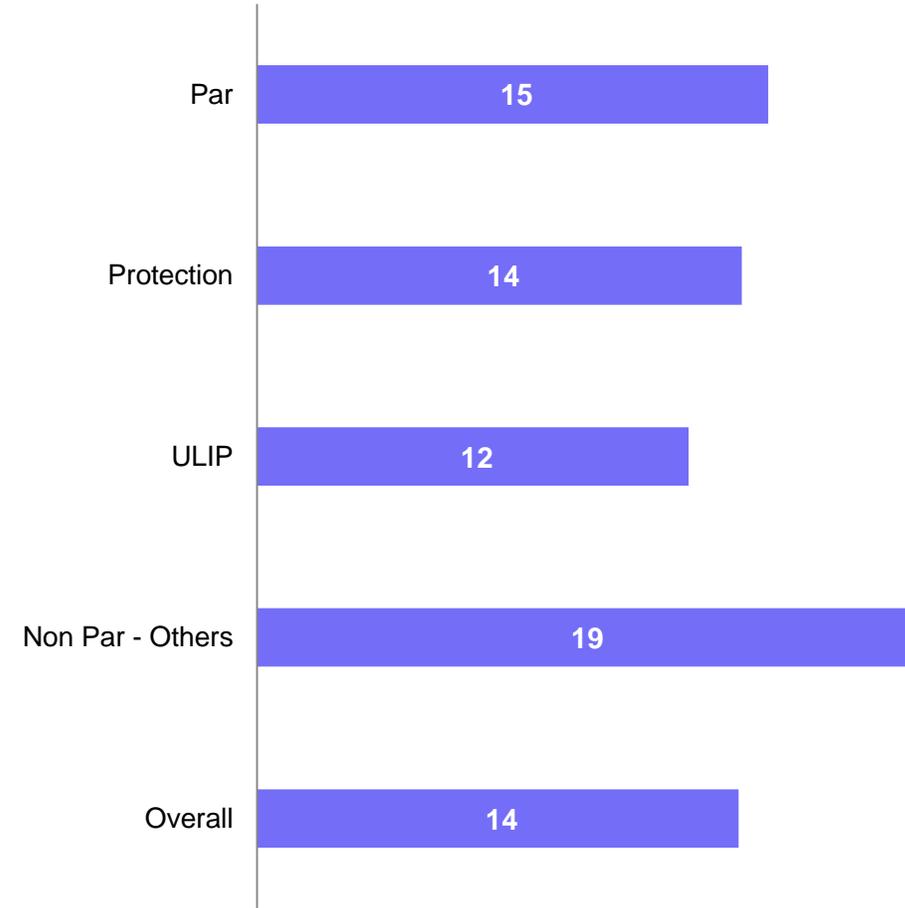
**Integrity, Excellence and Ethics – Three pillars of our Corporate Governance philosophy**

# Customer Age and Policy Term<sup>1</sup>

## Average customer age in years



## Average policy term in years



1. Age and term for individual products for FY 21.

# Revenue and Profit & Loss A/c

₹ in billion

Particulars	FY 19	FY 20	FY 21
Premium earned	329.9	406.3	502.5
Premium on reinsurance ceded	(1.0)	(3.1)	(4.9)
<b>Net premium earned</b>	<b>328.9</b>	<b>403.2</b>	<b>497.7</b>
Investment income <sup>1</sup>	116.0	33.4	323.4
Other income	0.8	0.5	0.4
<b>Total income (A)</b>	<b>445.7</b>	<b>437.2</b>	<b>821.5</b>
Commission paid	13.8	16.2	17.8
Operating and other expenses <sup>2</sup>	25.8	30.2	30.9
Provision for tax – policyholders'	2.7	3.8	1.0
Claims/benefits paid (net) <sup>3</sup>	152.9	162.5	215.8
Change in actuarial liability <sup>4</sup>	236.8	210.4	540.6
<b>Total expenses (B)</b>	<b>432.0</b>	<b>423.0</b>	<b>806.1</b>
<b>Profit before tax (A-B)</b>	<b>13.7</b>	<b>14.1</b>	<b>15.4</b>
Provision for tax – shareholders'	0.5	(0.1)	0.9
<b>Profit after tax</b>	<b>13.3</b>	<b>14.2</b>	<b>14.6</b>

1. Net of Provision for diminution in the value of investment and provision for standard and non-standard assets.

2. Includes provision for doubtful debts (including write off) and service tax/GST on charges.

3. Inclusive of interim bonus and terminal bonus.

4. Includes movement in fund for future appropriation.

Components may not add up to total due to rounding-off.

# Balance Sheet

Particulars	FY 19	FY 20	FY 21
<b>SOURCES OF FUNDS</b>			
Share Capital	10.0	10.0	10.0
Reserves and Surplus	64.6	78.8	90.9
Credit/(Debit) Fair Value Change Account	1.2	(1.4)	3.1
<b>Sub-Total</b>	<b>75.8</b>	<b>87.4</b>	<b>104.0</b>
Credit/(Debit) Fair Value Change Account	10.6	(15.9)	27.3
Policy Liabilities	649.5	761.2	924.1
Provision for Linked Liabilities	605.9	763.0	965.5
Fair Value Change Account (Linked)	51.6	(28.6)	126.5
Funds for Discontinued Policies	33.8	51.3	70.1
Funds for Future Appropriation	2.8	7.1	8.4
<b>Total Liabilities</b>	<b>1,430.0</b>	<b>1,625.6</b>	<b>2,225.9</b>
<b>APPLICATION OF FUNDS</b>			
Investments			
-Shareholders	57.2	68.3	86.0
-Policyholders	644.7	734.2	939.4
-Assets held to cover Linked Liabilities	691.3	785.7	1,162.2
Loans	1.7	3.6	3.6
Fixed assets	6.0	5.8	5.7
Net Current Assets	29.1	28.0	29.1
<b>Total Assets</b>	<b>1,430.0</b>	<b>1,625.6</b>	<b>2,225.9</b>

# Abbreviations

Term	Description	Term	Description
<b>GWP</b>	Gross Written Premium	<b>Opex</b>	Operating Expenses (excluding commission)
<b>NBP</b>	New Business Premium	<b>CAGR</b>	Compounded Annual Growth Rate
<b>NOP</b>	Number of Policies	<b>GDP</b>	Gross Domestic Product
<b>APE</b>	Annualized Premium Equivalent	<b>INR (₹)</b>	Indian Rupees
<b>IRP</b>	Individual Rated Premium	<b>USD (\$)</b>	United States' Currency
<b>AuM</b>	Assets Under Management	<b>TAT</b>	Turn Around Time
<b>Banca</b>	Bancassurance	<b>Traditional Segment</b>	Other than Unit Linked Insurance Plan
<b>ULIP</b>	Unit Linked Insurance Plan	<b>Traditional Channel</b>	Bancassurance + Agency
<b>PAR</b>	Participating	<b>VoNB</b>	Value of New Business
<b>NON PAR</b>	Non-Participating	<b>IEV</b>	Indian Embedded Value

- **New Business APE:** The sum of annualized first year premiums on regular premium policies, and 10.00% of single premiums, written by the Company during the fiscal year from both retail and group customers.
- **New Business Premium (NBP):** Insurance premium that is due in the first policy year of a life insurance contract or a single lump sum payment from the policyholder.
- **Individual Rated Premium (IRP):** New business premiums written by the Company under individual products and weighted at the rate of 10.00% for single premiums.
- **Renewal Premium:** Life insurance premiums falling due in the years subsequent to the first year of the policy.
- **Embedded Value:** Embedded Value is the measure of the consolidated value of shareholders' interest in the covered life insurance business, which is all life insurance business written by the Company since inception and in-force as on the valuation date (including lapsed business which have the potential of getting revived). The Embedded Value of the Company has been determined on the basis of the Indian Embedded Value (IEV) Methodology calculated as per APS 10 set forth by the Institute of Actuaries of India (IAI).
- **Time Value of Financial Options & Guarantees (TVFOG):** This reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business.
- **Frictional Cost of Capital (FCRC):** FCRC reflects the investment management expenses and taxation costs associated with holding the required capital.
- **Cost of Residual Non-Hedgeable Risks:** Cost of Residual Non Hedgeable Risks is an allowance for risks to shareholder value to the extent that these are not already allowed for in the Time Value of Options and Guarantees or in the present value of future profits.
- **Gross Written Premium (GWP):** The total premium written by the Company before deductions for reinsurance ceded.
- **Value of New Business (VoNB):** Value of New Business is the present value of expected future earnings from new policies written during a specified period and it reflects the additional value to shareholders expected to be generated through the activity of writing new policies during a specified period.
- **VoNB Margin:** VoNB Margin is the ratio of VoNB to New Business Annualized Premium Equivalent for a specified period and is a measure of the expected profitability of new business.
- **Solvency Ratio:** Solvency ratio means ratio of the amount of Available Solvency Margin to the amount of Required Solvency Margin as specified in form-KT-3 of IRDAI Actuarial Report and Abstracts for Life Insurance Business Regulations.

*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 by State Bank 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 company'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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