

Management Discussion & Analysis

Macroeconomic Environment

Overview of the Global Economic Environment and Key Trends Influencing Financial Markets

A) Global Economic Growth Outlook

According to the International Monetary Fund (IMF), global economic growth is expected to remain stable but below long-term historical averages. Global output is projected to grow at around ~3.3% over the next two years.

Growth in advanced economies is expected to remain modest at approximately 1.5%, reflecting slower productivity growth and tighter financial conditions. In contrast, emerging and developing economies are projected to grow at over 4%, supported by stronger domestic demand, favourable demographics and structural reforms.

B) Inflation Trends and Monetary Policy Environment

Global inflationary pressures have moderated compared to post-pandemic highs. The IMF projects global headline inflation to decline from about 4.1% in 2025 to 3.8% in 2026, while the OECD expects inflation across G20 economies to be around 4.0% in 2026. However, core inflation in some advanced economies remains above central bank targets due to persistent services inflation and energy price volatility.

Central banks have therefore maintained a cautious monetary policy stance, with interest rates in many advanced economies remaining above pre-pandemic levels. As inflation gradually moderates, policy may shift toward a more balanced stance, influencing global liquidity, borrowing costs and investment flows.

C) Financial Market and Emerging Market Developments

Global financial markets have experienced intermittent volatility due to evolving macroeconomic conditions, geopolitical developments and changing interest rate expectations. However, equity markets in both developed and emerging economies have remained relatively resilient, supported by corporate earnings growth and continued investment in technology, digital transformation and artificial intelligence, while bond markets reflect shifting monetary policy expectations.

Emerging markets continue to show relatively stronger growth supported by domestic consumption, infrastructure investment and policy reforms, though they remain sensitive to global financial conditions such as capital flow volatility, currency movements and changes in global liquidity.

At the same time, structural trends including digital transformation and artificial intelligence are influencing global investment patterns. Nevertheless, risks such as geopolitical tensions, energy price volatility, trade fragmentation and rising global debt levels may continue to affect market sentiment.

Macroeconomic developments in India & Impact on savings behaviour, household financial assets and long-term insurance demand

A) Economic Growth Supported by Strong Domestic Demand

India's economy continues to exhibit strong growth momentum supported by resilient domestic demand, favourable demographics and stable macroeconomic fundamentals. Robust private consumption, sustained government capital expenditure and increasing investment activity remain key drivers of economic expansion.

Real Gross Domestic Product (GDP) growth has remained strong, with real GDP growth of 7.7% in FY26, reinforcing India's position among the fastest-growing major economies globally. At current prices, nominal GDP is projected to expand by around 8.0%, reflecting sustained economic activity.

A strong growth environment typically supports higher household incomes, improved employment prospects and greater financial awareness. These factors contribute to increased demand for life insurance protection, savings and retirement products. Rising disposable incomes also enhance the capacity of households to allocate a larger share of savings towards long-term financial protection and investment products offered by life insurers.

B) Indian Financial Market & Household Savings Outlook

India's financial markets are strengthening, underpinned by moderating inflation, easing interest rates and increasing household participation in financial assets. Inflation has moderated, with CPI falling from 6.7% in FY22 to average 4.6% in FY25 and projected near the 4% target in FY27. Correspondingly, the RBI reduced the policy repo rate by a cumulative 125 basis points during 2025, from 6.50% at the start of the year to 5.25% by December 2025, supporting investment, consumption and household financial planning.

Household savings are increasingly shifting from traditional instruments to market-linked products, reflected in the rapid expansion of the mutual fund industry, whose AUM grew from USD 425.9 billion in FY21 to USD 864.0 billion in FY26 and is projected to reach USD 1.2 trillion by 2030. This trend supports growth in Unit Linked Insurance Plans (ULIPs), offering both investment and protection benefits.

At the same time, India's credit environment remains supportive, with bank credit expected to be around 12-13% in FY26, enabling broader household access to formal financial products. The NBFC sector is also expanding rapidly, with AUM projected at ₹ 50 lakh crore by FY27, improving financial inclusion in semi-urban and rural areas. Structural shifts in banking deposits, including moderation in the CASA ratio, further reflect evolving household savings behaviour and deeper financial penetration.

Global Insurance Industry Outlook and Developments in India

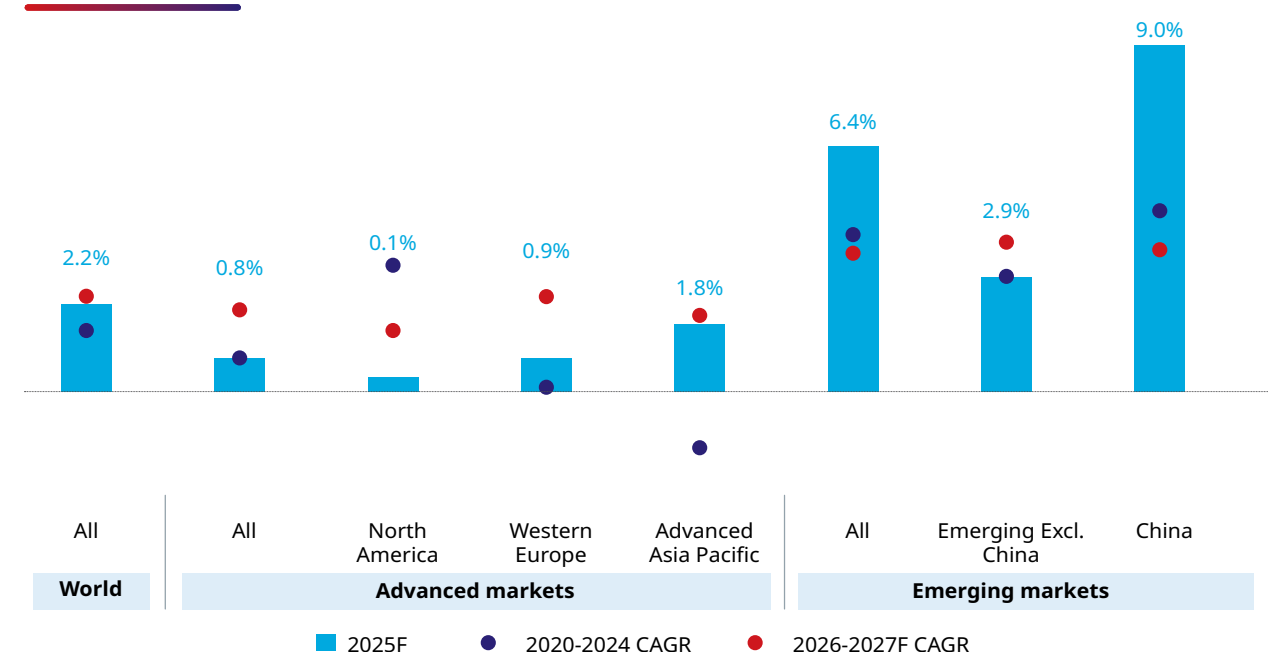
World Life Insurance Market

Global life insurance premium growth is expected to re-accelerate after a moderation in 2025 as the interest rate-driven surge witnessed during 2023-2024 normalises. According to Swiss Re, global life premiums are projected to grow at an average CAGR of around 2.5% in real terms during 2026-2027, compared with an estimated 2.2% in 2025.

Emerging markets are expected to outpace advanced economies, with premium growth projected at around 3.8% CAGR during 2026-2027, supported by rising incomes, improving financial inclusion and the continued expansion of bancassurance distribution. Demand in these markets continues to be driven by risk protection and savings-linked products.

In advanced markets, life premium growth is expected to remain steady at around 2.1% annually during 2026-2027, compared with a modest CAGR of 0.8% during 2020-2024. Regional growth is projected at approximately 1.6% for North America, 2.4% for Western Europe and around 2% for advanced Asia-Pacific markets. In emerging Asia, savings premium growth in China is expected to moderate following strong expansion during 2023-2025. However, excluding China, emerging markets are expected to maintain healthy momentum, with premiums projected to grow at around 3.9% annually, supported by steady demand and expanding retail distribution.

Global life insurance premiums, real terms growth rates

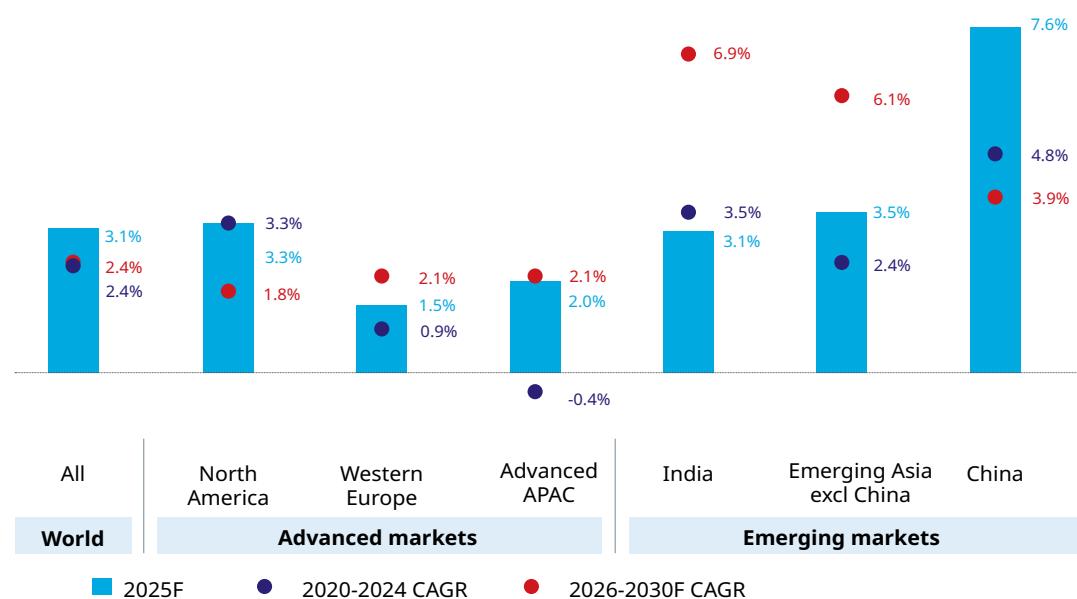


Source: Swiss Re Institute

The outlook for India remains positive. India is the second-largest life insurance market among emerging economies, accounting for around 11% of emerging market premiums and about 3% of global life premiums, indicating significant long-term growth potential. According to Swiss Re, life insurance premiums in India are expected to grow by around 3.5% in 2025-26 and at a CAGR of about 6.9% during 2026-2030 in real terms, supported by regulatory reforms and favourable demographics. The life insurance penetration rate stood at around 2.6% in 2025, higher than the emerging markets average of approximately 1.9%.

India will be one of the fastest growing insurance markets in the medium term

We forecast that India's insurance market will grow in real terms at a 6.9% compound annual growth rate over 2026 to 2030, higher than major emerging and advanced insurance markets.



F= forecasts; CAGR= compound annual growth rate

Source: Swiss Re Institute

Indian Life insurance Industry

The Indian insurance sector continues to demonstrate strong growth potential, driven by rising incomes, increasing financial awareness and favourable demographics. Life insurance remains the dominant segment with a growing focus on protection, savings and retirement solutions. Industry penetration, however, remains low relative to global benchmarks, indicating significant room for expansion.

Regulatory Environment

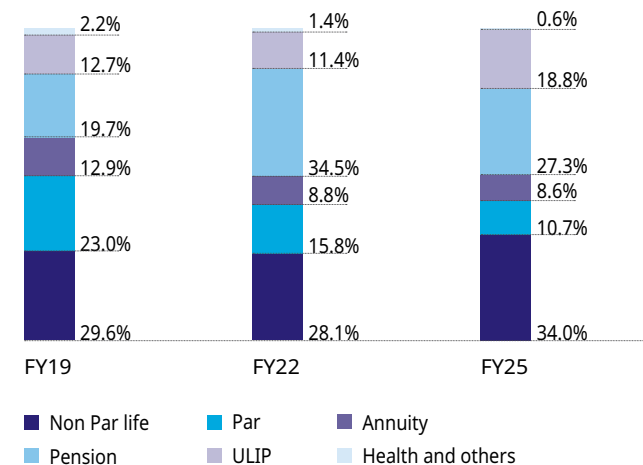
The sector's growth is supported by a proactive regulatory framework under Insurance Regulatory and Development Authority of India (IRDAI). Key initiatives include:

- 'Insurance for All' by 2047, targeting universal coverage for citizens and enterprises
- FDI limit increased to 100% and NOF requirement for Foreign Reinsurance Branches reduced from ₹ 50 billion to ₹ 10 billion, supporting capital inflows, solvency and product innovation
- Notifications under Sabka Bima, Sabki Raksha to advance the vision of universal coverage and strengthen insurance penetration across the country
- Enhanced consumer protection, including the extension of the free-look period from 15 to 30 days

Product Mix

The industry has witnessed a gradual shift in product preferences between FY19 and FY25:

Industry NBP Segment mix (%)



- Non-Par products increased from 30% to 34%, reflecting demand for guaranteed and protection-oriented solutions.
- Participating (Par) products declined from 23% to 11% as customers preferred transparent return structures.
- Pension products rose from 20% to 27%, highlighting retirement planning awareness.
- ULIPs increased from 13% to 19%, driven by market-linked investment interest.
- Annuity products remained stable at ~9%.

Technology & Innovation

The adoption of Robotic Process Automation (RPA), Artificial Intelligence (AI) and Internet of Things (IoT) devices is transforming insurance operations, risk assessment and personalised offerings. IoT-enabled insurance, including wearable health trackers and connected vehicles, is projected to grow rapidly, with the market expected to reach ₹ 1,83,120 crore (USD 21.4 billion) by 2033.

Outlook

Supported by regulatory reforms, expanding distribution channels, technology adoption and rising consumer awareness, the Indian insurance sector is expected to sustain robust growth in FY26. Insurance penetration is projected to rise from 3.5% in 2025 to above 4% by 2036, while product innovation and market-linked solutions continue to reshape customer preferences.

Note: Components may not add up to total due to rounding off

A) Market Trend - Segment

Private Players

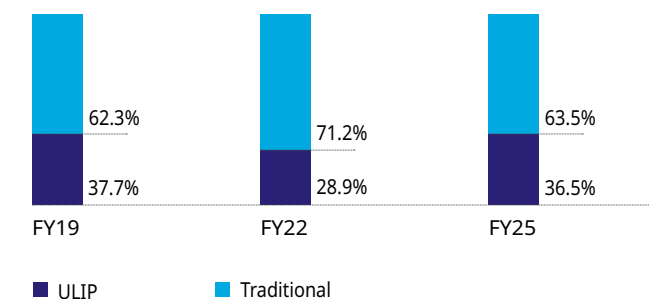
At the private insurer level, traditional products continue to dominate the portfolio, although Unit Linked Insurance Plans (ULIPs) maintain a strong presence.

The share of ULIPs declined from 38% in FY19 to 29% in FY22 amid market volatility and a shift towards guaranteed products but recovered to 36% in FY25 following improved equity market performance.

Correspondingly, the share of traditional products increased from 62% in FY19 to 71% in FY22 before moderating to 64% in FY25 as ULIPs regained momentum.

Private life insurers in India typically have a higher share of ULIPs in their portfolios compared with public sector players, driven by greater product innovation, targeted marketing strategies and a focus on offering transparent, flexible investment solutions that combine protection with market-linked returns.

Private (%)

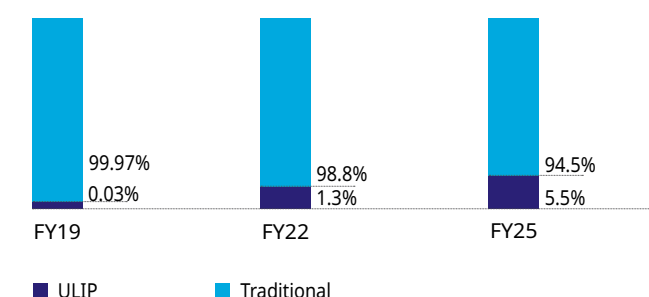


Public Player

In the public sector, the product mix remains heavily dominated by traditional life insurance products. These accounted for 100% of the portfolio in FY19 and although their share declined slightly to 95% by FY25, they still form the core offering.

ULIPs have only recently gained traction, increasing gradually from 0.03% in FY19 to 5% in FY25, reflecting a gradual switch from traditional products to market-linked solutions.

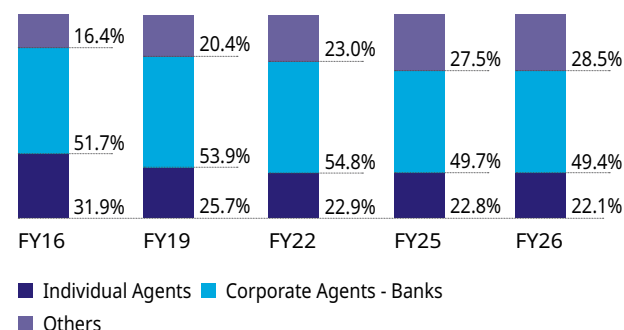
Public (%)



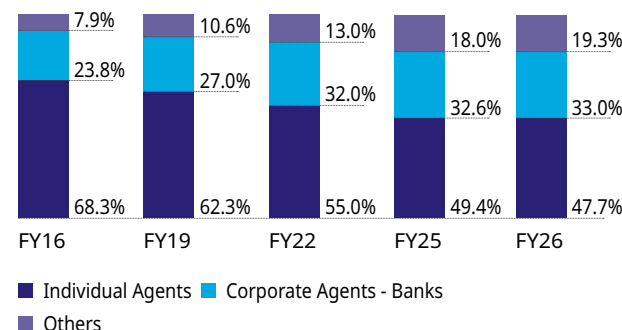
B) Distribution evolution and customer preferences

The life insurance distribution landscape has evolved significantly over time, transitioning from a largely agent-driven model to a more diversified framework that now includes bancassurance, digital platforms and direct sales channels.

Private (Individual NBP)



Industry (Individual NBP)

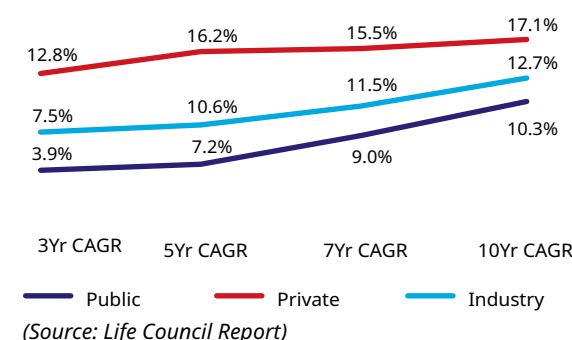


Looking ahead, multi-channel and hybrid digital distribution models, including bancassurance and online platforms, are expected to gain further traction, especially among urban and younger customers. The adoption of digital channels accelerated significantly after the COVID-19 pandemic, particularly for term and savings products. This shift has improved transparency and customer convenience through features such as real-time personalised premium calculators and instant policy issuance.

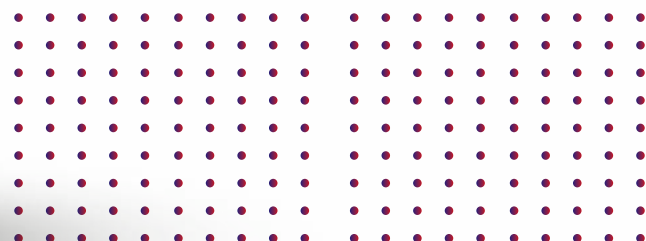
Other channel such Direct Business – Company Website, IMF, Insurance Marketing Firm, Micro Agents, Online, Referral and Web Aggregators are getting quite popular and thus gaining market share in private and overall industry.

C) Growth (NBP basis)

The industry recorded an overall CAGR growth of 10.6% between FY21 and FY26. While private life insurance players recorded a CAGR growth of 16.2%, public life insurers recorded a CAGR growth of 7.2% for the said period as depicted below.



Public insurer continue to hold a strong position due to their large existing customer base and strong brand trust. However, private life insurers have often grown faster because of their innovative products, customer-focused approach and diversified distribution channels. Despite this faster growth, public insurers still lead in overall scale and reach, especially in rural and less-penetrated markets.

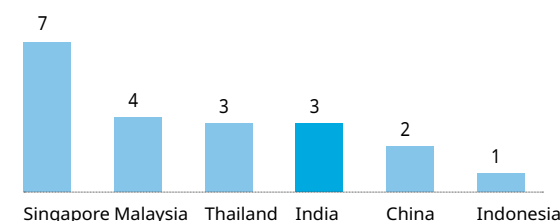


Opportunities

1) Low Insurance Penetration in India

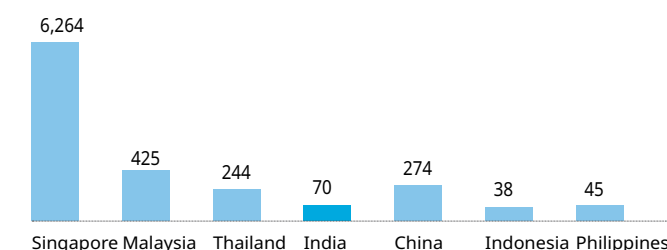
Life insurance penetration in India remains relatively low, providing significant long-term growth potential for insurers expanding coverage.

Life Insurance Penetration¹ (Premium as % of GDP)



1. Swiss RE Sigma No.3/2024

Life Insurance Density¹ (USD)



How/Why an opportunity?

1. Large Untapped Customer Base

India's insurance penetration remains relatively low at ~3.7% of GDP in FY25, with life insurance penetration at ~2.7%, compared with the global average of ~3%. This indicates a large, underinsured population and significant scope for expanding life insurance coverage as financial inclusion deepens. (IRDAI Annual Report 2024-25)

2. Low Penetration in Rural & Underserved Markets

Insurance coverage in rural areas remains limited despite a large population base, offering strong growth potential through targeted products, digital distribution and awareness initiatives.

3. Rising Awareness & Supportive Policy Environment

Life insurance premiums reached ₹ 8.8 lakh crore in FY25 (IRDAI Annual Report 2024-25), reflecting steady industry growth. Post-pandemic awareness of financial protection, government-led financial inclusion initiatives and regulatory reforms supporting the "Insurance for All by 2047" vision by IRDAI is expected to further accelerate insurance adoption.

Strategies

1. Expand Access in Underserved Markets

Leveraging its network of 2.8+ lakh agents and 13,000+ partner branches, SBI Life can deepen penetration in Tier-2, Tier-3 and rural markets through affordable and simplified protection products, addressing the large uninsured population.

2. Scale Digital Distribution

Integration with the YONO platform and the ecosystem of SBI enables seamless customer access. With ~99.7% processes digitally-enabled and SBI targeting ~20 crore mobile banking users, digital channels present a significant growth opportunity.

3. Strengthen Financial Literacy and Awareness

Targeted awareness campaigns, employer partnerships and community outreach can improve understanding of life insurance and support the broader insurance inclusion agenda led by government and regulator.

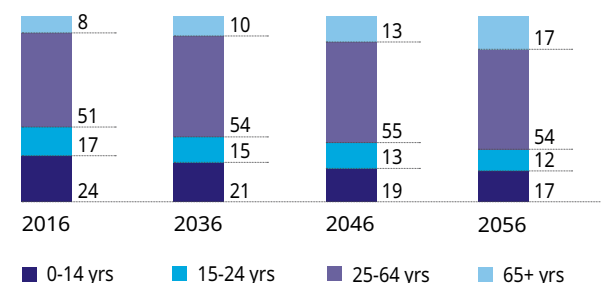


Opportunities

2) Favourable Demographics & Rising Middle Class

Increasing disposable income, a growing workforce and expanding middle-class population are expected to drive demand for protection and savings products.

Composition of Population¹ (%)



1. United Nations, Department of Economic and Social Affairs, World Population Prospects 2024.

How/Why an opportunity?

1. Young and Expanding Workforce

With ~68% of India's population aged 15-64, a steady stream of first-time insurance buyers is entering the workforce, driving long-term demand for protection and savings products.

(World Bank / WDI (2024) / Sample Registration System (SRS) Statistical Report, 2023)

2. Rising Middle Class and Income Levels

The addition of ~140 million middle-income households by 2030 and increasing disposable incomes are expanding affordability, boosting demand for protection, retirement and investment-linked solutions.

(Bain & Company / World Economic Forum)

3. Greater Financial Awareness and Planning

Growing focus on long-term goals such as retirement, children's education and wealth creation is increasing adoption of life insurance products with long policy tenures and savings components.

Strategies

1. Target Young Professionals with Affordable, Flexible Plans

Design protection + savings products tailored for early-career customers, focusing on affordability and long-term wealth creation.

2. Expand Digital & Goal-Based Offerings

Promote insurance products aligned with goals like child education and retirement, while strengthening digital channels to reach tech-savvy middle-class customers.

3) Strong Distribution Network

The partnership with banks provides access to thousands of bank branches and a large customer base, along with massive Agency network, enabling strong distribution reach and premium growth

How/Why an opportunity?

1. Access to Large Customer Base

Partnership with SBI and other Banks, provides access to a vast and diversified customer base through more than ~40,500 branches, enabling scalable distribution and deeper market penetration.

2. Nationwide, High-Productivity Channel

Vast branch presence and massive agency network across urban, semi-urban and rural areas enables deeper insurance penetration and wider market reach.

3. Faster Customer Onboarding & Conversion

Pre-existing KYC, financial data and in-branch assistance enable quicker onboarding and higher conversion rates.

4. High Trust & Cross-Selling Potential

Strong brand credibility increases customer trust, while relationships through salary accounts, savings accounts and home loans create significant cross-selling opportunities.

Strategies

1. Leverage Distribution Network

Drive bancassurance growth by enhancing branch engagement, training, incentives and digital tools to improve cross-selling and productivity.

2. Integrate Insurance with Agency, Banking & Digital Ecosystem

Embed insurance offerings within product suite (e.g., home loans, savings accounts) and digital platforms (such as YONO) to enable seamless, data-driven and contextual cross-selling.

3. Strengthen Sales Capability

Enhance productivity through continuous training, digital enablement to improve need-based selling and customer conversion.

Opportunities

4) Digital Transformation & Insurtech Adoption

Increased use of AI, analytics and digital platforms enhances customer experience, risk assessment and operational efficiency.

How/Why an opportunity?

1. Enhanced Customer Experience

Digital platforms enable faster policy issuance and claims servicing, aligned with India's 950M+ internet users, driving higher adoption of online insurance. ('Internet in India Report 2025' released by Internet and Mobile Association of India (IAMAI))

2. Data-Driven Underwriting & Personalisation

Advanced analytics and AI improve risk selection and enable targeted offerings, supporting better conversion and underwriting efficiency.

3. Lower Costs & Scalable Reach

Automation reduces servicing costs, while digital channels provide pan-India reach beyond physical networks, supporting scalable growth.

Strategies

1. Invest in AI & Advanced Analytics

Deploy AI/ML for faster underwriting, fraud detection and claims automation to improve turnaround times and underwriting accuracy.

2. Strengthen End-to-End Digital Sales Platforms

Enhance web and mobile platforms to enable seamless policy purchase, e-KYC onboarding and servicing, supporting scalable growth through digital channels.

3. Leverage Data & Insurtech Partnerships

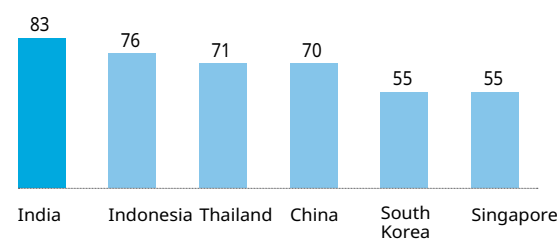
Use customer data for personalised offerings and collaborate with Insurtech firms to adopt technologies like chatbots and digital advisory tools.

Opportunities

5) Growing Demand for Protection & Retirement Products

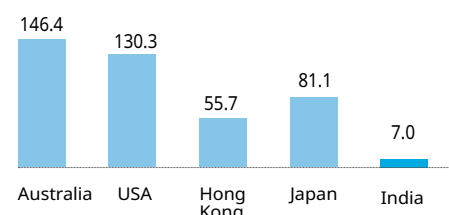
Rising life expectancy and awareness about financial security are increasing demand for protection and retirement planning solutions.

Protection gap highest amongst peers (%)¹



1. Swiss Re, "Closing Asia's Mortality Protection Gap 2020";
2. Ministry of Statistics and Program Implementation, Crisil, PFRDA, Census of India

Pension Assets / GDP Ratio (%)³



3. Global Pension Assets Study, 2025

How/Why an opportunity?

1. Rising Life Expectancy Driving Retirement Planning

Increasing life expectancy in India (~71 years, UN 2023) is driving demand for long-term retirement income, creating growth potential for pension and annuity products. (UN Population Division, 2023; World Bank/Statista, 2025)

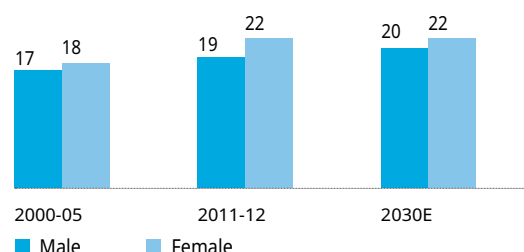
2. Limited Social Security Coverage

A large portion of the workforce lacks formal government pension coverage, highlighting the need for private retirement and protection solutions.

3. Growing Awareness of Financial Protection

Rising awareness of income loss and family financial security is boosting demand for life protection and long-term savings products. With life insurance penetration at only 2.7% of GDP, the market remains highly under-penetrated, indicating significant growth potential.

Life Expectancy at 60²



Strategies

1. Expand Retirement & Pension Solutions

Strengthen offerings that provide guaranteed income and long-term financial security for retirees, addressing the protection gap.

2. Target Mid-Career Professionals

Design products for individuals in their 30s-40s actively planning for retirement, combining protection and savings.

3. Drive Early Adoption through Advisory & Awareness

Promote financial planning and retirement-readiness through campaigns, digital advisory and personalised guidance, encouraging early adoption of protection and pension plans.

Opportunities

6) Financial Inclusion & Rural Market Expansion

Expanding insurance coverage in rural and underserved markets provides significant growth opportunities.

How/Why an opportunity?

1. Large Untapped Rural Population with Insurance Needs

Rural India (~68.8% of the population) remains significantly under insured, highlighting strong unmet demand for protection and long-term products. (Census of India, 2011)

2. Strong Government Push for Financial Inclusion

Government schemes such as PMJJBY have enrolled 27.1+ crore people with low cost life cover, demonstrating latent insurance uptake potential in underserved segments. (Press Release, Ministry of Finance)

3. Growing Rural Incomes & Structural Gaps

Rising rural incomes combined with persistently low insurance penetration create a significant opportunity to expand first time insurance adoption and build long term customer relationships.

Strategies

1. Develop Affordable Protection and Micro-Insurance Products

Expand affordable protection and micro-insurance offerings through low-premium products and government-backed schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) to increase insurance penetration, promote financial inclusion and strengthen presence in rural and underserved markets.

2. Strengthen Agent & Advisor Networks

Recruit and train community-based agents and advisors to build trust, educate customers on product benefits and drive rural distribution.

3. Promote Awareness & Financial Literacy

Conduct targeted village-level campaigns and collaborate with local groups to raise awareness of insurance benefits and financial planning, especially in underserved regions.

Opportunities

7) Tax and Reforms Increasing Insurance Demand

Lower taxation on life insurance products and government initiatives to expand insurance coverage can support premium growth.

How/Why an opportunity?

1. GST & Tax Measures Improving Affordability

Government reforms, including the GST exemption on individual life insurance premiums, are making protection products more affordable and contributing to increased consumer interest in pure protection plans.

2. Industry Push for Enhanced Income Tax Incentives

Industry bodies and research reports are advocating for additional tax deductions for life and health premiums, which could further boost adoption and reduce cost barriers.

Strategies

1. Position Insurance as Core Financial Security

Emphasise life and long-term protection products as essential tools for financial security and disciplined savings, beyond just tax considerations.

2. Promote Insurance as a Holistic Financial Planning Tool

Educate customers on how our products support wealth creation, retirement planning and protection for dependents, building financial resilience and disciplined savings habits.

Opportunities

Risks

1) Macroeconomic Volatility & Market Fluctuations

Equity market volatility can impact investment income and demand for market-linked products

How/Why a risk?

1. Impact on Investment Returns

Volatility in equity and bond markets affects insurer portfolios, with insurers typically allocating majority of investments in fixed income instruments, making returns sensitive to interest rate movements and yield fluctuations.

2. Demand Slowdown & Persistency Risk

Economic uncertainty may lower investments in market-linked products (ULIPs) and increase policy surrenders or delayed premium payments.

3. Asset-Liability Mismatch Risk

Interest rate volatility creates challenges in matching long-term liabilities with assets, impacting solvency and margin stability.

Strategies

1. Diversified Portfolio & Risk Management

Maintain a balanced asset mix across fixed income and equities, with robust ALM frameworks and hedging to manage interest rate and market risks.

2. Shift Towards Protection & Guaranteed Products

Increase focus on protection and non-linked products to reduce sensitivity to market volatility and stabilise earnings.

3. Strengthen Persistency through Customer Engagement

Drive awareness of long-term benefits and use digital engagement to reduce surrenders and improve renewal premium collections.

2) Persistency & Customer Retention Risk

Lower renewal rates or poor persistency could impact long-term profitability.

How/Why a risk?

1. Impact on Long-Term Profitability and Cost Efficiency

Lower policy persistency reduces renewal premium inflows, which adversely affects long-term profitability. Although SBI Life maintains healthy persistency levels (around 85-87% in the 13th month and 58-60% in the 61st month), sustaining policyholder retention remains critical for stable earnings. At the same time, lower renewal rates increase reliance on acquiring new customers, leading to higher acquisition and distribution costs. This raises the overall cost of doing business and reduces operational efficiency, thereby putting additional pressure on profitability.

2. Reduced Customer Lifetime Value

Poor persistency limits cross-sell and upsell opportunities, reducing customer lifetime value and long-term revenue potential.

3. Reputation & Customer Experience Risk

Higher lapse rates may indicate gaps in customer experience, potentially affecting brand trust and market perception.

Strategies

1. Implement Customer Engagement Programs

Regular communication, policy reminders and value-added services can enhance customer loyalty and encourage timely renewals.

2. Offer Flexible and Customised Products

Design policies with flexible premium payment options and rider benefits that suit changing customer needs to improve retention.

3. Digital Enablement for Retention

Use mobile apps, email and SMS notifications to track policy status, offer personalised advice and simplify renewals.

Business Overview

SBI Life has successfully concluded the financial year with a continued strategic focus on new business growth. A wide distribution network and customer-centric product portfolio have enabled the Company to capitalise on the significant opportunities in the Indian insurance market. The Company's focus on digitalisation is aimed at delivering high-quality, value-driven products and services to our customers.

Segment-wise business performance

The life insurance sector can be broadly categorised into three product segments: participating, non-linked and unit-linked products. Non-linked products include traditional products that provide savings with protection benefits or purely savings or protection products. Non-linked products are further classified into participating products – that offer variable returns linked to the insurer's performance – and non-participating products that provide fixed benefits. Unit-linked products (ULIPs) offer returns, directly tied to the performance of underlying debt and equity market investments.

New business performance of the Company can be analysed based on the following segments: –

(₹ in billion)

Sr. No.	Segments	FY26	FY25	Product Mix (FY26)	Y-o-Y Growth	CAGR (FY21 – FY26)
1.	Participating Segment	16.67	7.54	3.92%	121.15%	11.53%
2.	Non-Participating Segment					
	- Individual Savings	106.46	86.13	25.02%	23.61%	36.62%
	- Group Savings	78.66	56.67	18.49%	38.79%	4.30%
	- Individual Protection	9.73	7.93	2.29%	22.69%	5.57%
	- Group Protection	36.49	33.02	8.58%	10.51%	16.27%
3.	Linked Segment	177.50	164.48	41.71%	7.92%	15.62%
	Total NBP	425.51	355.77	100.00%	19.60%	15.59%

A brief description of the segments is given below:

1. Participating Segment

Participating life insurance products are savings-oriented protection plans where policyholders are entitled to a share in the surplus generated from the participating segment during the term of the policy contract. These products offer a guaranteed sum assured along with potential long-term returns through surplus distribution, if any, subject to the fund's performance. Policyholders receive at least a 90% share of the surplus, while the remaining is allocated to shareholders. The Company offers a range of participating insurance products designed to meet diverse customer needs, including whole life insurance that provides lifelong coverage, endowment life insurance products that provide benefits over a defined term and child plans that helps secure a child's future financial needs through planned savings and protection benefits.

New business premium from participating segments accounted for almost 3.92% of the total new business premium during FY26.

2. Non-Participating Segment

The Non-Participating segment comprises individual savings, group savings and protection segments. These product offerings provide defined benefits over a fixed period and do not entitle the insured to

a share in the fund surplus. Any surplus arising in the case of non-participating business is transferred to the shareholders' account, on the recommendation of the appointed actuary.

i) Individual Savings

The individual savings segment comprises endowment products, guaranteed benefit plans and immediate annuity products.

Endowment Products: An endowment plan pays the sum assured to the beneficiary either on maturity or on the occurrence of a covered event during the specified term.

Immediate Annuity and Deferred Annuity Products: An immediate annuity plan guarantees a defined lifelong income, commonly known as a pension, beginning immediately after purchase, thereby addressing the longevity risk. A deferred annuity plan helps customers accumulate a retirement corpus during the policy term, with pension payouts commencing at a future date after the deferment period, thereby supporting long-term retirement planning and income security.

New business premium from the individual non-par savings segment constituted 25.02% of the total new business premium for FY26, registering a growth of 23.61%, rising from ₹ 86.13 billion in FY25 to ₹ 106.46 billion in FY26.

ii) Group Savings

Group savings solutions comprise group fund-based insurance products and immediate annuity offerings.

Fund-based group insurance products cater to the needs of employers seeking financial solutions to fund their employees' benefit schemes including gratuity, superannuation and leave encashment.

Group immediate annuity products are primarily meant for corporate clients (employer-employee groups) and other informal groups, seeking to fulfil annuity obligations for their members' annuity liability.

iii) Protection

The protection segment includes both individual and group products.

Individual protection products offer fixed benefits during the policy term, upon the occurrence of specific insured events, typically the death of the insured, but may also include permanent disability or critical illness. These products expire if the designated event does not occur. This segment also includes health insurance products which provide cover against expenses arising due to medical emergencies requiring hospitalisation and critical illnesses.

The Group protection segment includes credit life insurance products which cover the outstanding loan liabilities of banks and financial institutions

in the event of death or disability of the insured members of the group.

The group protection segment also includes products which provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member's nominee. These products are usually structured as employee-employer schemes where the employer holds the master policy and employees are the insured members. In addition, the segment includes social security schemes such as the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) providing affordable life insurance coverage to eligible account holders.

3. Linked Segment

Linked products offer a combination of insurance protection and market-linked investment opportunities. Returns are directly linked to the performance of the underlying funds, with a transparent and pre-defined charge structure. The investment risk on these products is borne entirely by the policyholder. This segment also includes fund-based group solutions for gratuity, superannuation and leave encashment tailored for employers' needs.

New business premium from the linked segment constituted 41.71% of the total new business premium for FY26, amounting to ₹ 177.50 billion, reflecting a robust growth of 7.92% over the previous year.

I. Analysis of Financial Statements

A. Revenue Account

The summary of Revenue Account of the Company for FY26, along with comparative and detailed analysis, is given below:

Particulars	FY26	FY25	% Growth
Income			
Gross written premium	1,012.86	849.85	19.18%
Reinsurance ceded	(13.30)	(9.25)	43.83%
Net earned premium	999.56	840.60	18.91%
Income from investments ¹	110.54	317.26	(65.16%)
Contribution from the Shareholders' Account - Towards remuneration of MD/CEO/WTG/Other KMPs [^]	0.09	0.08	15.44%
Other miscellaneous income	0.74	(0.01)	6,491.78%
Total Income	1,110.93	1,157.93	(4.06%)
Expenses			
Commissions	44.96	37.39	20.25%
Operating expenses relating to insurance business ²	62.26	44.92	38.61%
Provision for taxation	1.59	1.98	(19.44%)
Goods and Services Tax	5.25	11.06	(52.50%)
Benefits paid (net) ³	543.23	489.02	11.09%
Change in valuation of liability in respect of life policies	439.38	557.00	(21.12%)
Total Expenses	1,096.69	1,141.36	(3.91%)
Surplus/(Deficit)	14.24	16.56	(14.00%)
Amount transferred from Shareholders' Account	18.65	13.38	39.37%
Transfer to Shareholders' Account	31.60	27.40	15.35%
Balance being Funds for Future Appropriations	1.29	2.55	(49.26%)

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

2. Includes provision for doubtful debt (including write-off)

3. Includes Interim and Terminal Bonus

[^] Remuneration of KMPs in excess of specified limit

i. Premium Income

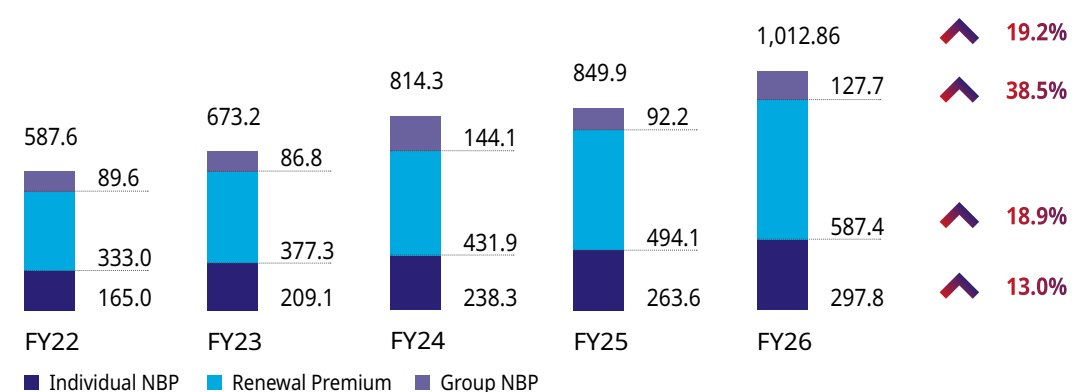
The summary of premium income is as follows:

(₹ in billion)

Particulars	FY26				FY25			
	Par	Non Par	Linked	Total	Par	Non Par	Linked	Total
New Business Premium	16.67	231.34	177.50	425.51	7.54	183.75	164.48	355.77
Individual	16.67	116.19	164.97	297.83	7.54	94.06	162.01	263.60
Group	-	115.15	12.53	127.68	-	89.70	2.47	92.17
Renewal Premium	61.17	161.24	364.93	587.35	61.19	132.05	300.83	494.08
Gross Written Premium	77.85	392.59	542.43	1,012.86	68.73	315.81	465.31	849.85
Less: Reinsurance ceded	(0.02)	(12.93)	(0.36)	(13.30)	(0.01)	(8.99)	(0.24)	(9.25)
Net Premium	77.83	379.66	542.07	999.56	68.72	306.81	465.07	840.60

- Gross written premium has increased by 19.18% from ₹ 849.85 billion in FY25 to ₹ 1,012.86 billion in FY26, due to strong growth in new business premium by 19.60%.
- Individual new business premiums have increased by 12.99% from ₹ 263.60 billion in FY25 to ₹ 297.83 billion in FY26 due to increase in new business premium from Par savings and Pure Protection segment.
- The renewal business has increased by 18.88% from ₹ 494.08 billion in FY25 to ₹ 587.35 billion in FY26, mainly due to an increase in individual renewal business from the Linked Life and Non-Par life segments.
- The group's new business premium increased by 38.53% from ₹ 92.17 billion in FY25 to ₹ 127.68 billion in FY26.

The following chart depicts the growth in Company's total premium over the years



ii. Investment Income

The summary of investment income is as follows:

(₹ in billion)

Particulars	FY26				FY25			
	Par	Non Par	Linked	Total	Par	Non Par	Linked	Total
Interest and Dividend¹	39.04	93.17	79.41	211.62	37.19	78.99	78.12	194.30
Profit/ (Loss) on sale of investments	11.20	7.48	83.07	101.74	11.87	4.58	89.98	106.42
Change in fair value	-	(5.22)	(197.51)	(202.74)		(0.71)	17.13	16.42
Provision for diminution, standard assets	(0.02)	0.10	-	0.08	(0.06)	(0.06)	-	(0.12)
Total	50.26	95.32	(35.03)	110.54	49.12	82.92	185.23	317.26

1. Interest and Dividend includes net of Accretion of discount / (Amortisation of premium)

Total income from investment at ₹ 110.54 billion in FY26 comprised ₹ (35.03) billion under the unit-linked portfolio and ₹ 145.58 billion under the traditional portfolio. Total investment income has decreased by ₹ 206.72 billion from ₹ 317.26 billion in FY25 to ₹ 110.54 billion in FY26, mainly due to a decrease in the change in fair value on account of the valuation of the equity portfolio under the Unit Linked segment.

Traditional Portfolio (Par and Non-Par):

Total investment income under the traditional portfolio has increased by ₹ 13.54 billion from ₹ 132.04 billion in FY25 to ₹ 145.58 billion in FY26, majorly due to the following:

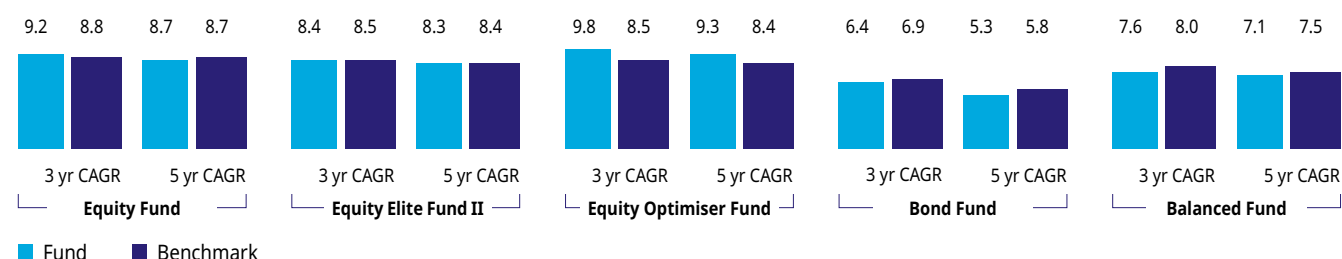
- Interest income under the traditional portfolio increased by ₹ 12.76 billion from ₹ 103.75 billion in FY25 to ₹ 116.51 billion in FY26 due to an increase in investment in debt securities by 12.30% under the traditional portfolio.
- Dividend income has increased by ₹ 0.67 billion from ₹ 2.32 billion in FY25 to ₹ 2.98 billion in FY26.

Unit Linked Portfolio:

Total investment income under unit-linked portfolio has decreased by ₹ 220.26 billion from ₹ 185.23 billion in FY25 to ₹ (35.03) billion in FY26 mainly due to fair value change. Fair value change has decreased by ₹ 214.64 billion from ₹ 17.13 billion in FY25 to ₹ (197.51) billion in FY26 primarily due to mark-to-market in the unit linked segment in FY26 as compared to previous year. During FY26, Nifty decreased by 5.05% as compared to a growth of 5.34% in FY25.

The performance of the fund vis-à-vis the benchmark as on March 31, 2026, is given below:

Fund Performance (%)



iii. Commission

The summary of commission expenses is as follows:

Particulars	Individual		Group		Total	
	FY26	FY25	FY26	FY25	FY26	FY25
Premium						
First year premiums	210.22	185.75	8.19	7.96	218.41	193.72
Renewal premiums	563.01	471.92	24.34	22.16	587.35	494.08
Single premiums	87.61	77.85	119.49	84.20	207.10	162.05
Total	860.84	735.52	152.02	114.32	1,012.86	849.85
Commission on						
First year premiums	24.09	19.87	0.04	0.06	24.12	19.93
Renewal premiums	14.40	11.90	0.13	0.10	14.52	12.00
Single premiums	0.88	0.95	1.47	1.31	2.35	2.26
Total	39.37	32.72	1.63	1.46	41.00	34.18
Commission % of Premium						
First year premiums	11.46%	10.70%	0.44%	0.71%	11.05%	10.29%
Renewal premiums	2.56%	2.52%	0.52%	0.45%	2.47%	2.43%
Single premiums	1.01%	1.22%	1.23%	1.55%	1.14%	1.39%
Total	4.57%	4.45%	1.07%	1.28%	4.05%	4.02%

Commission expenses majorly pertain to individual business. The commission expense increased by 19.94% from ₹ 34.18 billion in FY25 to ₹ 41.00 billion in FY26, mainly due to the following:

- First year commission for Individual Business has increased by 21.04% from ₹ 19.87 billion in FY25 to ₹ 24.09 billion in FY26.
- Renewal commission from Individual Business has increased by 21.07% from ₹ 11.90 billion in FY25 to ₹ 14.40 billion in FY26 on account of higher renewal premium collection.

iv. Operating expenses related to Insurance business

The summary of operating expenses is as follows –
(₹ in billion)

Particulars	FY26	FY25
Employees remuneration and welfare expenses	32.52	27.29
Travel, conveyance and vehicle running expenses	1.55	1.51
Advertisement, publicity and marketing	2.38	1.97
Legal and professional expenses	2.62	2.33
Others	23.18	11.81
Total Operating Expenses	62.25	44.91

Operating expenses related to the insurance business increased by 38.63% from ₹ 44.91 billion in FY25 to ₹ 62.25 billion in FY26. The Employees' remuneration increased by 19.16% from ₹ 27.29 billion in FY25 to ₹ 32.52 billion in FY26 due to annual increments and an increase in the number of employees to support expanded business operations. Increase in advertisement, publicity and marketing expenses from ₹ 1.97 billion in FY25 to ₹ 2.38 billion in FY26 reflects higher investment in digital marketing campaigns conducted by the Company to enhance brand visibility and customer engagement.

v. Goods and Services Tax on charges

Goods and services tax on charges has decreased by 52.50% from ₹ 11.06 billion in FY25 to ₹ 5.25 billion in FY26 due to increase in linked income charges namely fund management charges, premium allocation charges, etc.

vi. Benefits paid (net) and interim and terminal bonus paid

The summary of benefits paid is as follows:

(₹ in billion)		
Particulars	FY26	FY25
Death claims	59.93	48.34
Maturity claims	114.31	94.38
Annuities/Pension payments	17.56	14.28
Survival benefits	10.76	13.09
Surrenders	197.02	163.08
Discontinuance/Lapsed termination	52.41	43.74
Withdrawals	95.92	113.05
Others	0.45	0.58
Total benefits	548.36	490.55
Less: Reinsurance on claims	(12.16)	(7.25)
Net benefits paid	536.20	483.30
Interim & terminal bonus	7.03	5.72

Net claims and benefits payout increased by 10.95%, rising from ₹ 483.29 billion in FY25 to ₹ 536.20 billion in FY26, primarily on account of an increase in surrenders that rose by ₹ 33.94 billion and withdrawals, which decreased by ₹ 17.13 billion during FY26.

vii. Change in Actuarial Liability

The summary of change in actuarial liability is as follows:

(₹ in billion)		
Particulars	FY26	FY25
Policy Liabilities (Non-unit/ Mathematical reserves) (Gross)	330.58	243.22
Amount ceded in reinsurance	(4.29)	(2.02)
Fund Reserve	92.08	287.84
Funds for Discontinued policies	21.00	27.96
Change in Actuarial Liability	439.38	557.00

Change in Actuarial Liability decreased from ₹ 557.00 billion in FY25 to ₹ 439.38 billion in FY26, reflecting shifts across key components of policyholder reserves.

- Fund Reserve, which represents the liability for units held by Unit-Linked policyholders, has decreased subsequently from ₹ 287.84 billion in FY25 to ₹ 92.08 billion in FY26.
- Traditional policyholders' liability (including non-unit liabilities) increased from ₹ 243.22 billion in FY25 to ₹ 330.58 billion in FY26.
- Funds for discontinued policies decreased by 24.88%, from ₹ 27.96 billion in FY25 to ₹ 21.00 billion in FY26.

viii. Surplus (Revenue Account), Transfer to Shareholders' Account (Profit and Loss Account) and Funds for Future Appropriation (FFA)

a. Surplus (Revenue Account)

As a result of the above changes in income and expenses, the surplus in the Revenue Account increased from ₹ 29.94 billion in FY25 to ₹ 32.89 billion in FY26.

Segment-wise breakup of Surplus is as under:

(₹ in billion)		
Particulars	FY26	FY25
Participating segment	4.32	3.93
Non-Participating segment	(7.24)	(3.12)
Unit-Linked segment	17.08	15.68
Surplus (net of Contribution from Shareholders)	14.15	16.49
Add: Contribution from Shareholders	18.74	13.46
Surplus	32.89	29.94

b. Transfer to Shareholders' Account (Profit and Loss Account)

The surplus generated in the Revenue Account after setting aside Funds for Future Appropriation is transferred to the Profit and Loss Account (Shareholders Account) based on the recommendation of the Appointed Actuary. Transfer to Shareholders' Account increased by 15.35% from ₹ 27.40 billion in FY25 to ₹ 31.60 billion

in FY26. The remaining surplus of ₹ 1.29 billion was retained as Funds for Future Appropriation.

Participating segment: Profits in the participating business are driven by the total bonuses declared to policyholders on an annual basis. Currently, as per the regulatory norms, one-ninth of the bonus declared for policyholders, is transferred to shareholders. Bonus declared as per regulatory provisions has increased from ₹ 25.40 billion in FY25 to ₹ 27.64 billion in FY26. The amount transferred to shareholders increased to ₹ 3.07 billion in FY26 from ₹ 2.82 billion in FY25.

Non-Participating segment: Profits from the non-participating business are primarily derived from premium and investment income net of expenses, claims and policyholder liabilities. Loss in non-participating segment has increased from ₹ (3.12) billion in FY25 to ₹ (7.24) billion in FY26.

Unit-Linked (ULIP) segment: In the unit-linked business, profit arises exclusively from charges (net of expenses) levied on policyholders. Under unit linked business, Assets under Management (AUM) increased by 4.57% on account of better market performance and increase in total business by 16.6%.

c. Funds for Future Appropriations (FFA)

Funds for Future Appropriations represent surplus funds that remain unallocated to either policyholders or shareholders as of the valuation date. During the year, a sum of ₹ 1.29 billion was transferred to Funds for Future Appropriation.

B. Profit and Loss Account (Shareholders' Account)

(₹ in billion)

Particulars	FY26	FY25	% Growth
Amounts transferred from Policyholders' Account	31.60	27.40	15.35%
Income from investments and other income ¹	12.81	11.35	12.85%
Expenses other than those directly related to the insurance business	0.30	0.34	(13.00%)
Contribution to Policyholders' Account	18.74	13.46	39.23%
Profit before Tax	25.37	24.95	1.71%
Provision for Taxation	0.67	0.81	(17.54%)
Profit after Tax	24.70	24.13	2.36%
Profit at the beginning of the year	156.31	134.88	15.89%
Total profit available for appropriation	181.01	159.01	13.83%
Interim dividend	2.71	2.71	0.09%
Profit carried to the balance sheet	178.30	156.31	14.07%

1. Net of provision for diminution

i. Income from Investments and Other Income

Investment income and other income under the shareholders portfolio increased from ₹ 11.35 billion in FY25 to ₹ 12.81 billion in FY26 primarily due to higher interest and dividend income.

ii. Expenses other than those Directly Related to the Insurance Business

Non-insurance business expenses declined from ₹ 0.34 billion in FY25 to ₹ 0.30 billion in FY26, reflecting improved operational efficiency and cost rationalisation measures.

iii. Contribution to Policyholders' Account

Contribution to Policyholders' Account represents the amount transferred to the policyholders' account to cover the deficits in certain business segments. During the current year, Non-Par Individual Life, Annuity and Unit-Linked Group Life segments incurred a loss of ₹ 18.65 billion. Additionally, an amount of ₹ 0.09 billion was contributed to the policy holders' account on account of annual remuneration to key managerial personnel exceeding the specified regulatory limit.

iv. Profit after Tax

Profit before tax increased from ₹ 24.95 billion in FY25 to ₹ 25.37 billion in FY26. Tax expense for shareholders decreased from ₹ 0.81 billion in FY25 to ₹ 0.67 billion in FY26. Profit after tax increased by 2.36% from ₹ 24.13 billion in FY25 to ₹ 24.70 billion in FY26.

v. Interim Dividend

The Board of Directors declared an interim dividend of 27% (₹ 2.70 per equity share of face value of ₹ 10) at its meeting held on February 25, 2026. Profit carried to Balance Sheet stands at ₹ 178.30 billion in FY26.

C. Financial Position / Balance Sheet

(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Sources of Funds:		
Equity Capital and Reserves (including change in fair value)	190.86	169.85
Policyholders' Funds/Policy Liabilities	4,712.47	4,323.46
Funds for Future Appropriations	17.21	15.91
Total	4,920.53	4,509.23
Application of Funds:		
Investments		
- Shareholders'	167.10	146.04
- Policyholders'	2,107.13	1,852.27
Assets held to cover Linked Liabilities	2,589.44	2,476.36
Loans	6.05	4.82
Fixed Assets	6.88	5.90
Current Assets and Advances (A)	123.86	85.57
Current Liabilities and Provisions (B)	79.93	61.72
Net Current Assets (A) - (B)	43.93	23.84
Total	4,920.53	4,509.23

Sources of Funds

- i. **Equity Capital and Reserves/Shareholders' Fund**
The breakup of capital and reserves is as follows –
(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Share Capital	10.03	10.02
Share application money pending allotment	0.01	0.001
Reserves and Surplus	180.83	157.91
Credit/ (Debit) Fair Value Change Account	(0.01)	1.92
Equity Capital and Reserves/ Shareholders' Fund	190.86	169.85

a. Equity Share Capital

Equity Share Capital of the Company comprises 1,00,30,92,121 equity shares of face value of ₹ 10 each (1,00,21,35,083 equity shares as at March 31, 2025). Out of the total equity share capital, 55,50,00,000 (55.33%) equity shares are held by the State Bank of India (55,50,00,000 (55.38%) as at March 31, 2025).

The Equity Shares of the Company were listed on National Stock Exchange Limited ('NSE') and Bombay Stock Exchange Limited ('BSE') on October 03, 2017.

b. Reserves and Surplus

Increase in Reserves and Surplus is on account of profit earned during the year and the increase in securities premium arising from issue of stock options.

c. Fair Value Change Account

Fair Value Change Account represents net unrealised gains (net of unrealised losses) on equity and mutual fund investments held in the shareholders' portfolio as on the respective Balance Sheet dates. The decline in fair value change is primarily due to mark to market adjustments on equity and mutual fund holdings in response to market fluctuations.

ii. Policyholders' Funds

The summary of Policyholders' Funds is as follows –
(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Policyholders' Traditional Liabilities	2,123.02	1,847.11
Credit/(Debit) Fair Value Change Account	(2.10)	48.28
Policy Liabilities	2,125.13	1,798.83
Policyholders' Linked Liabilities	2,589.44	2,476.36
Linked Liabilities	2,227.71	1,938.12
Credit/(Debit) Fair Value Change Account	197.95	395.46
Funds for Discontinued Policies : (i) on account of non-payment of premium	158.23	138.15
(ii) Others	5.55	4.62
Total Policyholders' Funds	4,712.47	4,323.46

Policyholders' Traditional Liabilities

Fair Value Change account represents: -

- Unrealised gains (net of unrealised losses) on equity and mutual fund holdings in Non-Linked Policyholders' investments as on the respective Balance Sheet dates and
- Effective portion of Fair Value Gain/Loss on the interest rate derivatives i.e. "Hedge Fluctuation Reserve" or HFR

The movement in policy liabilities is a consequence of multiple factors such as premium inflows (both new business and renewal), surrenders, claims, actuarial assumptions and other factors varying on a product to product basis.

The reserves on traditional policies are estimated by using prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, inflation, mortality, morbidity and expense.

Policyholders' Linked Liabilities

The Policyholders' Linked Liabilities represents the unit liabilities in respect of Linked business. These are valued as the aggregate of units allocated to policy holders, measured using the Net Asset Value (NAV) as on the valuation date.

iii. Funds for Future Appropriation

Funds for Future Appropriation amounting to ₹ 15.74 billion and shown in the participating segment, represent surplus funds, the allocation of which, either to Participating Policyholders' or to Shareholders', has not been determined as of the Balance Sheet date.

Additionally, funds for future appropriation (FFA) amounting to ₹ 1.46 billion held in the unit-linked funds, represent discontinuance charges deducted from the discontinued policies that are unlikely to be revived.

Application of Funds

i. Investments

The summary of investments as on Balance Sheet dates is as follows:

(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments		
- Shareholders'	167.10	146.04
- Policyholders' (Non-Linked)	2,107.13	1,852.27
Assets held to cover Linked Liabilities	2,589.44	2,476.36
Total	4,863.67	4,474.67

Total investments grew by ₹ 389.01 billion from ₹ 4,474.67 billion as of March 31, 2025 to ₹ 4,863.67 billion as of March 31, 2026. Equity investment portfolio constitutes 38% and debt portfolio constitutes 62% of the total AUM as of March 31, 2026. For detailed category-wise breakup of investments, refer Schedule 8, 8A and 8B of the financial statements.

Shareholder's portfolio grew by 14.42%, Non-Linked Policyholder's investment grew by 13.76% and Unit-Linked assets grew by 4.57% as compared to previous year ended March 31, 2025.

Increase in Policyholders' portfolio is attributable to increase in premium and investment income offset by net outgo due to operating expenses and claims.

The Company's investment philosophy is centered on maximising long-term returns while maintaining an optimal level of risk. This objective is pursued through investments in high quality securities, which are suitably matched to the duration of the Company's liabilities. The Company makes these investments strictly in compliance with the regulatory framework prescribed by IRDAI. Further, the Company has implemented sound and robust investment risk management systems and processes to ensure prudent portfolio management and governance.

ii. Loans

The Loans portfolio, which comprises both loan against policy and corporate loans stood at ₹ 6.05 billion in FY26, reflecting a growth of 25.63% over the previous year. Loans disclosed in the balance sheet are net of provision for standard assets made in accordance with IRDAI investment regulations and Master circular on Actuarial, Finance and Investment Functions of Insurer (IRDAI AFI circular 2024). The Company has no NPAs as on March 31, 2026.

iii. Fixed Assets

Fixed Assets (net of depreciation) increased from ₹ 5.90 billion to ₹ 6.88 billion. There is no major capital expenditure incurred during the year.

iv. Net Current Assets

Net Current Assets increased by 84.25% from ₹ 23.84 billion to ₹ 43.93 billion. Current assets have increased by 44.75% from ₹ 85.57 billion to ₹ 123.86 billion and Current liabilities have increased by 29.49% from ₹ 61.72 billion to ₹ 79.93 billion.

Current Assets and Advances

The summary of Current Assets and Advances is as follows –

(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and bank balances	32.08	18.47
Advances		
- Prepayments	1.50	0.97
- Advance to suppliers and employees	0.39	0.28
- GST/ST advance and unutilised credit	1.54	2.98
Other Assets		
- Income accrued on investments	40.11	34.72
- Outstanding premiums	6.82	6.50
- Due from reinsurers	2.71	1.12
- Security deposit	23.41	1.72
- Assets held for unclaimed amounts (including income accrued)	0.31	0.35
- Other Receivables (incl. Agent balance)	14.98	18.47
Total Current Assets	123.86	85.57

Some of the key components impacting current assets and advances are explained below:

- Cash and bank balances represent premium collected during the last few days of the financial year including fixed deposits held with banks, cheques on hand and cheques deposited but not cleared.
- GST and Service tax advance and unutilised credit represents CENVAT credit which will be utilised in the future for set off against payment of GST liabilities.
- Income accrued on investments represents interest income accrued, but not due as at March 31, 2026. It is mainly on Government Securities, Debentures and Fixed Deposits.
- Outstanding premium represents the premium due but not received on traditional products as of March 31, 2026 and which are within the grace period.
- Due from reinsurers represents amounts to be received from reinsurers regarding claims admitted by the Company. This amount is net of premium ceded to reinsurers.
- Security Deposits represent deposits placed for premises taken on lease for setting up branches as well as for leased accommodations for employees, electricity deposits, telephone, legal deposits and other utility deposits. It also includes margin money kept with Clearing Corporation of India Ltd (CCIL) and stock exchanges for trading in Government securities, equities and derivative contracts respectively.

- Pursuant to IRDAI circular on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies of policyholders with effect from April 1, 2016. Amount standing in the segregated fund for unclaimed amounts is ₹ 0.31 billion as of March 31, 2026.

- Other receivables represent the sales proceeds pending to be received (but not overdue) on sale of investment securities, dividend receivable and amount receivable from unit linked funds etc.

Current Liabilities and Provisions

The summary of Current Liabilities and Provisions is as follows –

(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Current Liabilities		
- Agents' balances	1.51	1.55
- Balance due to other insurance companies (including reinsurers)	0.42	0.11
- Premium received in advance	0.58	0.57
- Unallocated Premium and other deposits	4.04	3.48
- Sundry creditors	22.92	18.77
- Due to subsidiaries/holding companies	0.38	0.50
- Claims outstanding and annuities due	4.24	3.72
- Unclaimed amounts of policyholders	0.31	0.35
- Others	40.68	28.87
Provisions		
- Provision for tax	1.52	2.02
- Provision for employee benefits	3.32	1.80
Total Current Liabilities and Provisions	79.93	61.72

Some of the key items impacting Current Liabilities and Provisions are explained below:

- Agents' balances represent amounts payable to insurance advisors towards commission as on the Balance Sheet date. Amount outstanding is mainly attributable to business sourced during the last month of the financial year.
- Premium received in advance represents premium paid in advance by policyholders which will be recognised as premium income on the due date of the policy.
- Unallocated Premium and other deposits are primarily attributable to monies received from policyholders but pending to be allocated on

issuance of insurance policy. It mainly includes amounts received during the last few days where policy could not be issued due to underwriting requirements or pending documents.

- Sundry creditors represent amounts payable to various service providers towards goods and services availed by the Company including provisions for the services availed or goods received, where invoices are yet to be received.
- Policyholders' claims outstanding represents amounts payable to policyholders for various types of claims viz. death, survival, surrenders, annuity, etc. that have been intimated to the Company but are outstanding or not settled as on date either due to ongoing investigations as part of the standard claim process or pending documentation from policyholders.
- Other liabilities include amount to be paid for securities purchased including brokerage, GST and TDS payable and amount payable to unit linked funds etc.
- Provision for tax is shown net of advance tax paid by the Company.
- Provision for employee benefits represents Company's liability towards gratuity, leave encashment, long-term service award & COVID ex-gratia scheme computed as per the requirements of Accounting Standard 15 (Revised) on Employee Benefits.
- The Board of Directors at its meeting held on February 25, 2026 declared an Interim Dividend of ₹ 2.7 per share amounting to ₹ 2.71 billion for the year ended March 31, 2026 (previous year ended March 31, 2025: ₹ 2.7 per share amounting to ₹ 2.71 billion). Accordingly, the Company has made dividend payment of ₹ 2.71 billion during the year ended March 31, 2026 (previous year ended March 31, 2025: ₹ 2.71 billion).

D. Cash Flow Statement

The summary of Cash Flow Statement is given below –

(₹ in billion)

Particulars	As at March 31, 2026	As at March 31, 2025
Net cash generated from/(for) Operating activities	345.23	255.47
Net cash generated from/(for) Investing activities	(353.18)	(217.89)
Net cash generated from/(for) Financing activities	(1.79)	(2.15)

Cash Flows from Operating Activities

Net cash flows generated from Operating activities increased from ₹ 255.47 billion in FY25 to ₹ 345.23 billion in FY26, primarily due to an increase in premium.

Cash Flows from Investing Activities

Net cash out flows in Investing activities increased from ₹ (217.89) billion in FY25 to ₹ (353.18) billion in FY26.

Cash Flows from Financing Activities

Net cash flows for financing activities decreased from ₹ (2.15) billion in FY25 to ₹ (1.79) billion in FY26.

II. Key performance indicators

Following are the key parameters on which performance of the Company is measured

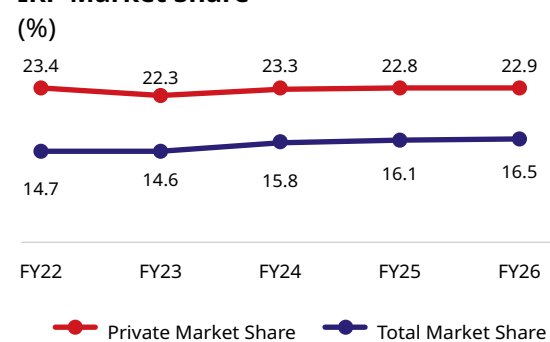
i. Market Share, Product Mix and Distribution Mix

Market Share

The Company's Individual Rated Premium has increased from ₹ 193.54 billion in FY25 to ₹ 218.98 billion in FY26.

The Company's market share in Individual Rated Premium has increased over the years on account of growth in Individual Regular New Business Premium. Individual New Business Premium has increased by 12.99% from ₹ 263.60 billion in FY25 to ₹ 297.83 billion in FY26.

IRP Market Share

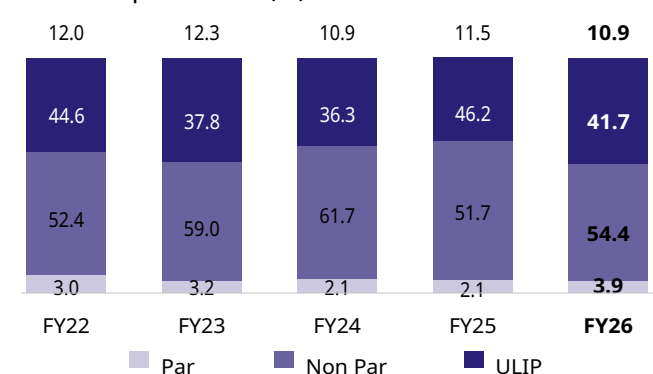


Product Mix

The Company has maintained a balanced product portfolio over the years.

NBP Product Mix (%)

Share of protection (%)

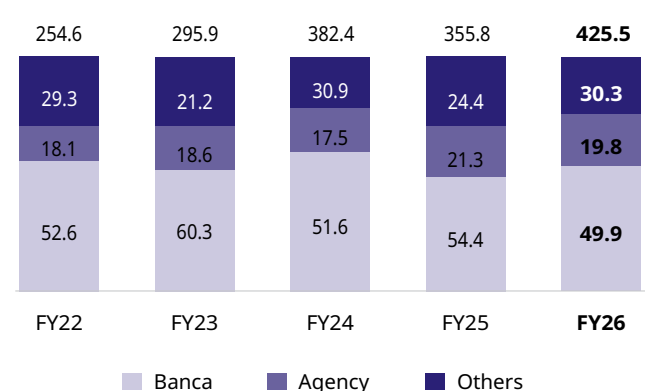


Distribution Mix

The Company remains focused on the diversification and strengthening of its distribution network. All key distribution channels of the Company have demonstrated consistent growth over the years. For FY26, the Banca channel accounted for 49.88% share of the total business. Apart from Agency and Bancassurance channel, other distribution channels include the Company's Corporate Agents, Brokers, Micro Agents and Common Service Centre (CSC), Insurance Marketing Firm (IMF) and Direct Business. These channels collectively contribute to enhancing market reach and supporting the Company's long-term growth strategy.

NBP Channel Mix (%)

(₹ in billion)

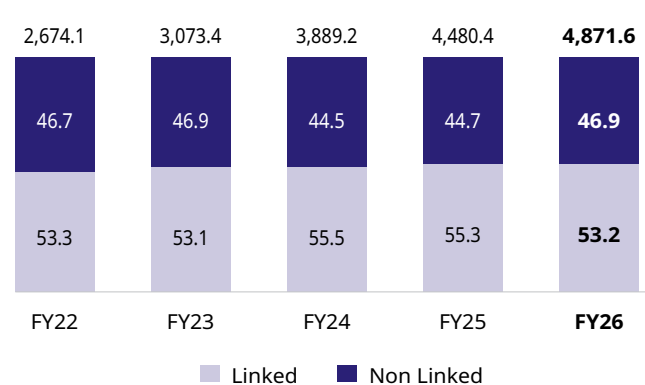


ii. Assets under Management

The Assets Under Management have significantly grown over the years due to increasing premium inflows. The Company has registered a growth of 8.73% from ₹ 4,480.39 billion in FY25 to ₹ 4,871.63 billion in FY26. The Company has a consistent Debt-Equity mix of 62:38 and over 94% of the debt investments are in AAA rated and sovereign instruments as on March 31, 2026.

Assets under Management (%)

(₹ in billion)

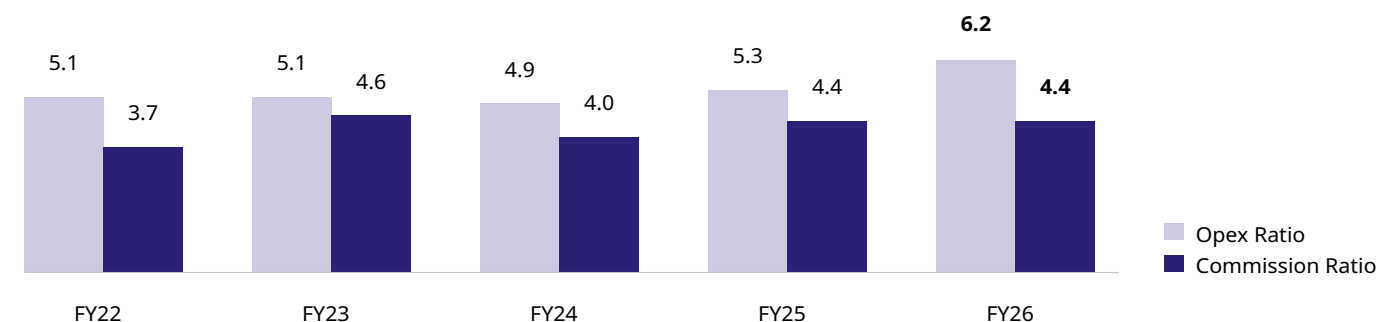


iii. Cost Efficiency

The Company is continually focusing on cost containment measures to reduce operating expenses. The Company's 'Operating Expense to Gross written Premium (GWP) Ratio' has consistently been one of the lowest amongst private life insurance players.

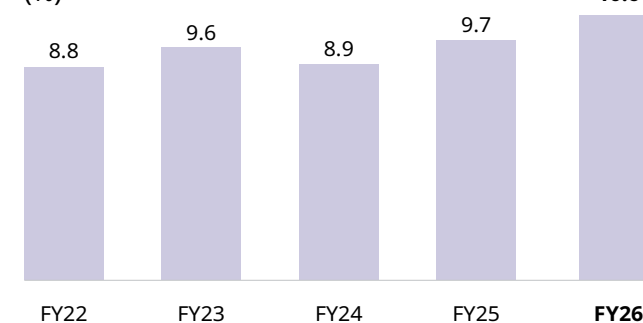
Opex and Commission Ratio

(%)



Total Cost Ratio

(%)



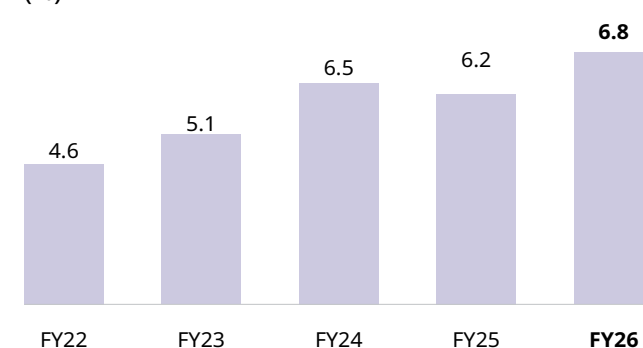
Total cost ratio = (Operating expenses+Commission+ Provision for Doubtful debts+Bad debts written off)/ Gross written premium)

iv. Customer Satisfaction

The Company promotes ethical sales practices and is committed to enhancing the overall customer experience. Through sustained customer engagement initiatives and awareness campaigns, the Company has reduced instances of mis-selling complaints and lowered the surrender ratio, reflecting improved customer trust and retention.

Surrender Ratio

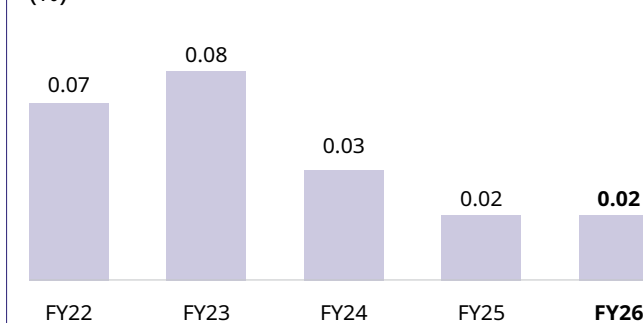
(%)



Surrender Ratio - Individual linked products (Surrender/Average AuM)

Unfair Business Practices

(%)

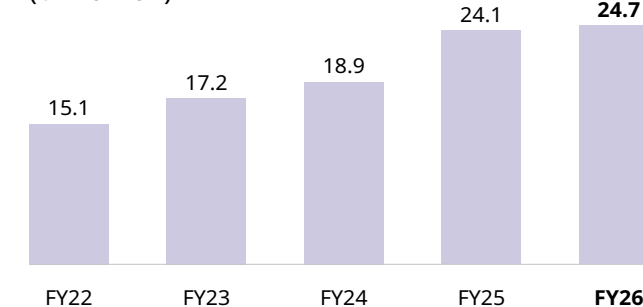


v. Profitability and Network

Profits have witnessed an increase of 2.36% from ₹ 24.13 billion in FY25 to ₹ 24.70 billion in FY26. Net-worth of the Company has also consistently increased from ₹ 116.21 billion in FY22 to ₹ 190.80 billion in FY26.

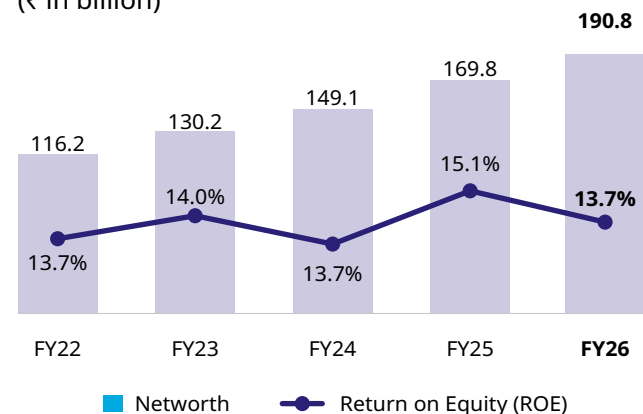
Profit after Tax

(₹ in billion)



Network

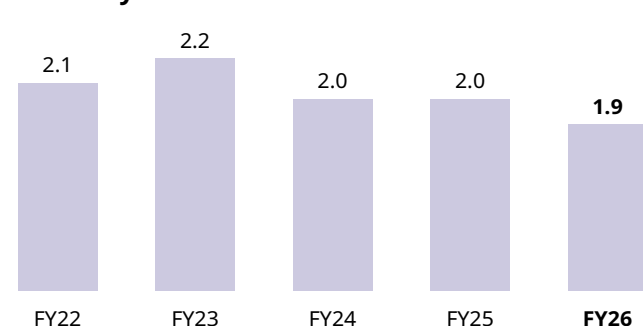
(₹ in billion)



vi. Solvency

Solvency is a regulatory measure of capital adequacy. It is expressed as a ratio of available capital and required capital. It is critical in determining the Company's ability to meet future contingencies and fund growth plans. As on March 31, 2026, the Company has a solvency of 1.90 against the mandatory requirement of 1.50. There has been no capital infusion by the promoters in the Company after FY08.

Solvency Ratio



vii. Persistency

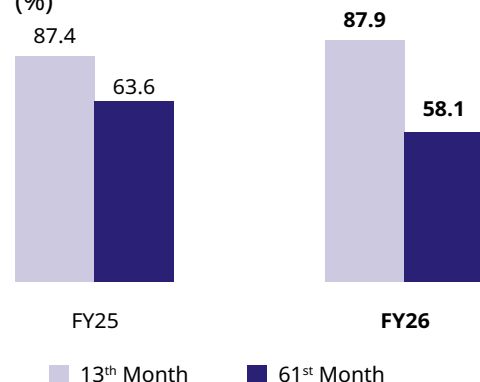
Persistency is a key performance-metric for insurance companies. It measures the proportion of policyholders who continue their policies beyond specific time intervals. It serves as an indicator of the Company's customer retention capabilities and the quality of business sourced. High persistency levels are critical as they ensure a steady stream of renewal premium income, contributing to long-term financial stability.

Persistency ratio based on Regular Premium/Limited Premium Payment under Individual category for 13th Month & 61st Month stands at 87.94% and 58.12% respectively for FY26.

13th month persistency based on Regular Premium for Agency channel has improved from 89.80% in FY25 to 90.56% in FY26 and for Bancassurance channel has increased from 86.08% in FY25 to 87.19% in FY26.

Persistency

(%)



Note: The persistency ratios are calculated as per IRDAI circular IRDAI/NL/MSTCIR/RT/93/6/2024 dated June 14, 2024. Regular Premium and Limited Premium Paying Term policies of only Individual Segment are considered in above calculation. Persistency Ratios are calculated using policies issued between 1st March to February end of the relevant years.

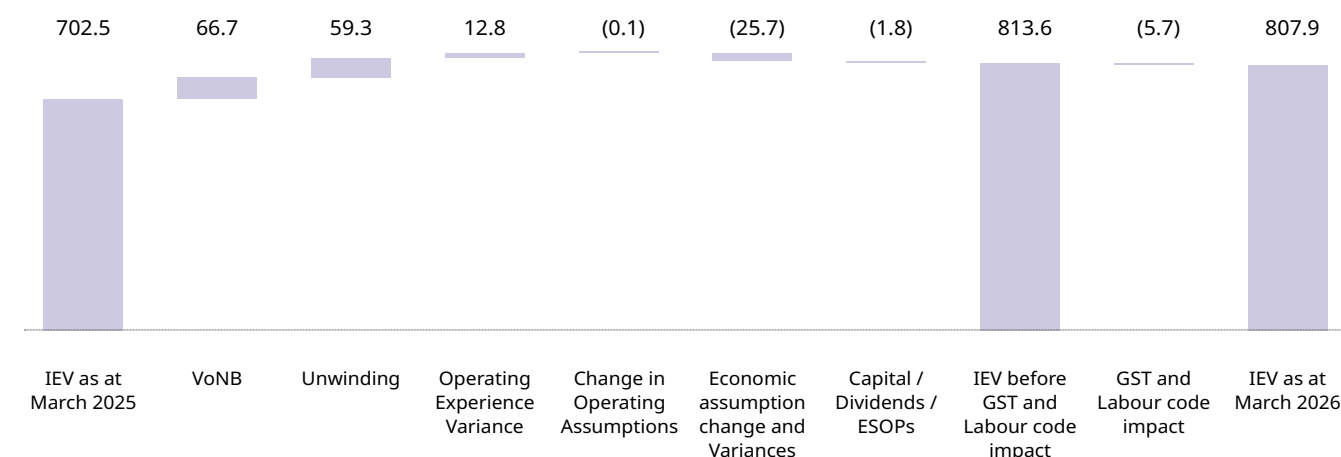
viii. Embedded Value and Value of New Business (VoNB) Margin analysis

- Embedded value (EV) of the Company as on March 31, 2026 increased to ₹ 807.91 billion from ₹ 702.50 billion on March 31, 2025, demonstrating a growth of 15.00%
- Value of New Business (VoNB) has increased from ₹ 59.54 billion in FY25 to ₹ 66.67 billion in FY26, registering a growth of 11.98%
- VoNB margin in FY26 stands at 27.48%

Analysis of Movement in IEV

(₹ in billion)

EVOP ₹ 138.6 billion
ROEV 19.7%



Sensitivity Analysis

Scenario	Change in VoNB%	Change in IEV%
Reference Rate +100 bps	(0.4%)	(2.4%)
Reference Rate -100 bps	0.1%	2.6%
Decrease in Equity Value 10%	(0.5%)	(2.3%)
Proportionate change in lapse rate +10%	(5.2%)	(1.2%)
Proportionate change in lapse rate -10%	5.5%	1.3%
Mortality / Morbidity +10%	(5.9%)	(2.1%)
Mortality / Morbidity -10%	5.9%	2.2%
Maintenance Expense +10%	(2.1%)	(0.7%)
Maintenance Expense -10%	2.1%	0.7%
Mass Lapse for ULIPs in the year after the surrender penalty period of 25%	(9.0%)	(2.5%)
Mass Lapse for ULIPs in the year after the surrender penalty period of 50%	(19.6%)	(5.5%)
Tax Rate Change to 25% on Normal Tax basis	(9.5%)	(5.7%)

* Mass lapse sensitivity (of 25% or 50%) for ULIP business is applied at the end of surrender penalty period as defined by APS 10.

Material Developments in Human Resources

At SBI Life, we believe that our employees are our most valuable assets. We are committed to fostering a dynamic and nurturing work environment where every individual can thrive, unlock their full potential and make a meaningful impact. We invest in our people's continuous growth through targeted development programmes and cultivate an inclusive culture where everyone feels valued, respected and empowered. To promote work-life balance and agility, we also offer flexible work arrangements.

Attracting, engaging and retaining top talent continues to be our foremost priority. We have implemented a comprehensive range of initiatives aimed at attracting quality talent, enhancing their skills and fostering a culture of high performance and excellence.

Our rewards and recognition programmes are anchored in the principle of meritocracy, promoting

a culture of excellence through fair and competitive compensation that motivates employees to achieve superior results. Through LEAP (Leading through Excellence & Performance), our comprehensive performance management system, we recognise and reward achievements aligned with individual, team and organisational goals. To support career growth, we also provide cross-functional opportunities via our Internal Job Posting system.

This year, we have implemented HR One, a new HR Management system, which will help in enhancing the employee experience by further streamlining HR processes and empowering employees. This cloud-based, user-friendly platform enables seamless employee life cycle management such as leave, attendance, performance and other HR services and can be accessed through web as well as mobile devices to enable employees with the easy access of their HR data.



This digital shift will make every day HR interactions simpler and more transparent.

We are fully committed to promoting diversity and inclusion by cultivating a respectful environment where every employee has equal opportunities for growth and is free from bias. Our Diversity, Equity and Inclusion Policy encourages open communication, collaboration and flexible work practices that supports the diverse needs of our workforce.

Reflecting on our commitment to gender diversity, initiatives such as "Project Shakti", "Graduate Sales Trainee Program" and "Business Associate Model" have been launched to increase the participation of women and young talent across the organisation. These initiatives have significantly improved our gender ratio over the years.

We understand that an engaged and motivated workforce is essential for long-term success and sustainability. This year, we have further strengthened our employee engagement and well-being initiatives to nurture a healthy, connected and motivated workforce. To promote holistic health, we organised informative Health Awareness sessions with leading medical experts, encouraging our employees to embrace a balanced and mindful lifestyle. Beyond wellness, we foster a sense of camaraderie and team spirit through various employee engagement events, including off-site retreats, team dinners and our annual celebration 'Sangam'. This special event unites employees and their families in a joyful celebration, strengthening our culture of togetherness, belonging and shared success.

Our employee benefits closely reflect our brand promise, Apne Liye, Apno Ke Liye – empowering employees to fulfil their own needs while securing the needs of their loved ones. Under our Group Medclaim policy, employees get the flexibility to include dependents such as parents and parents-in-law, with various top-up options for enhanced coverage. We also offer free annual health check-ups for employees. This year, we introduced a special integrated health screening and evaluation check-up exclusively for all women employees, reinforcing our commitment towards health and wellness of our employees. The check-up covers a range of tests including TFT (Thyroid function test), LFT (Liver function test), Consultation with Gynaecologist, etc.

We support our employees throughout key life events with progressive policies such as sabbatical leave, flexi time and paternity leave, helping them to effectively balance personal and professional commitments. To cultivate a culture of continuous learning, we have enhanced incentives for employees pursuing insurance-specific certifications, enabling upskilling and reskilling to stay ahead of evolving industry trends, regulations and technologies.

Internal Control Systems and their Adequacy

The Company has established its internal financial control system in alignment with the requirements of the Companies Act, 2013 and in accordance with globally recognised risk-based frameworks such as that issued by the Committee of Sponsoring Organizations (COSO). This framework is designed to enhance transparency and accountability in the Company's internal control environment by guiding the design, implementation and maintenance of effective controls.

As part of this framework, the Company systematically identifies and analyses key risks and develops appropriate response strategies. A comprehensive internal financial control framework has been successfully implemented and is periodically assessed to ensure its continued effectiveness.

The Company follows the 'Three Lines of Defence' model to ensure robust governance and risk management. Clearly-defined Standard Operating Procedures (SOPs) and policies govern day-to-day operations, supported by a well-structured delegation of authority that specifies approval limits for both revenue and capital expenditures.

The control environment is regularly tested and validated through a structured audit mechanism comprising Statutory, Concurrent and Internal Auditors. In addition, the Company has appointed a Chief Audit Officer who leads a dedicated internal audit team, appropriately scaled to the size, nature and complexity of the Company's operations.

The internal audit plan includes a comprehensive coverage of Information System Audits, process audits and transaction-based audits conducted across the Head Office, Regional Offices and various branch locations. The audit approach emphasises adherence to regulatory requirements, evaluation of operational and system-related controls, ensuring continuous improvement and compliance across the organisation.