

## Performance for the nine months ended December 31, 2020

- New Business Margin increased by 100 bps to 19.3%
- Assets under Management (AuM) crosses ₹ 2.0 trillion mark
- Private market leadership in NBP with 23.7% market share
- Private market leadership in Individual Rated Premium (IRP) with 23.4% market share
- Renewal Premium grew by 27% with 13<sup>th</sup> month persistency at 86.17%
- Operating expense ratio reduced from 6.0% to 5.1%

### Key measures of performance

Particulars	(₹ in billion)			
	9M FY 2021	9M FY 2020	Y-o-Y Growth	H1 FY 2021
<b>Revenue Parameters</b>				
New Business Premium (NBP)	144.4	127.9	13%	90.0
Renewal Premium (RP)	201.7	159.1	27%	117.3
<b>Gross Written Premium (GWP)</b>	<b>346.1</b>	<b>287.0</b>	<b>21%</b>	<b>207.3</b>
Individual New Business Premium	81.3	83.9	-3%	42.1
Individual Rated Premium (IRP)	65.8	72.8	-10%	33.2
New Business Annualized Premium Equivalent (APE)	74.8	80.5	-7%	39.8
Total Protection NBP (Individual + Group)	16.2	14.4	12%	9.1
Total Protection NBP Share	11.2%	11.3%	-	10.1%
Private Market Share based on IRP <sup>1</sup>	23.4%	24.4%	-	20.7%
NBP Product mix (%) (Par/Non Par/ULIP)	5/58/38	7/46/47	-	4/65/31
NBP Channel mix (%) (Banca/Agency/others)	55/15/30	60/19/21	-	49/13/38
<b>Financial Parameters</b>				
Profit after Tax (PAT)	9.2	8.9	4%	6.9
Net Worth	101.3	84.8	19%	96.6
Assets under Management (AuM)	2,095.0	1,641.9	28%	1,863.6
<b>IEV, VoNB and VoNB Margin</b>				
Indian Embedded Value (IEV) <sup>2</sup>	NA	NA	-	298.6
IEV per Share (in ₹) (IEV / Number of Shares)	NA	NA	-	298.6
Value of New Business (VoNB) <sup>2</sup>	14.5	14.7	-2%	7.5
VoNB per Share (in ₹) (VoNB / Number of Shares)	14.5	14.7	-	7.5
New Business Margin (VoNB Margin) <sup>2</sup>	19.3%	18.3%	-	18.8%

Particulars	9M FY 2021	9M FY 2020	Y-o-Y Growth	H1 FY 2021
<b>IEV, VoNB and VoNB Margin using effective tax rate<sup>6</sup></b>				
Indian Embedded Value (IEV) <sup>2</sup>	NA	NA	-	312.7
IEV per Share (in ₹) (IEV / Number of Shares)	NA	NA	-	312.7
Value of New Business (VoNB) <sup>2</sup>	15.6	16.5	-5%	8.0
VoNB per Share (in ₹) (VoNB / Number of Shares)	15.6	16.5	-	8.0
New Business Margin (VoNB Margin) <sup>2</sup>	20.8%	20.5%	-	20.2%
<b>Key Financial Ratios</b>				
Operating expense ratio <sup>3</sup>	5.1%	6.0%	-	5.4%
Commission ratio	3.4%	4.0%	-	3.2%
Total cost ratio <sup>4</sup>	8.5%	10.0%	-	8.6%
<b>Persistency Ratios (based on premium)<sup>5</sup></b>				
13 <sup>th</sup> month persistency	86.17%	85.71%	-	85.92%
25 <sup>th</sup> month persistency	79.03%	77.70%	-	78.83%
37 <sup>th</sup> month persistency	72.86%	71.06%	-	72.12%
49 <sup>th</sup> month persistency	66.90%	67.35%	-	66.27%
61 <sup>st</sup> month persistency	61.69%	58.53%	-	60.87%
Solvency Ratio	2.34	2.30	-	2.45
Return on Equity (RoE - Annualised)	13.0%	14.8%	-	15.0%

1. Source: Life insurance council

2. VoNB and VoNB margin for 9M FY21 and 9M FY20 are based on management estimates. IEV, VoNB and VoNB Margin for H1 FY21 have been reviewed by Independent Actuary

3. Operating expense ratio = Operating expenses / Gross Written Premium (GWP)

4. Total cost ratio = (Operating expenses + Commission + Provision for doubtful debt and bad debt written off) / GWP

5. The persistency ratios are calculated as per IRDA/ACT/CIR/MISC/035/01/2014 circular dated 23rd January 2014. Single Premium and Fully Paid-Up policies are considered in above calculation. Group Business where persistency is measurable is included. Persistency Ratios for the period ended December 31, 2020 and December 31, 2019 are 'Up to the Quarter' Persistency Ratios are calculated using policies issued in December to November period of the relevant years.

6. Effective tax rate assumes that a proportion of the projected profits are tax exempt on account of tax deductions available on income from dividends and tax free bonds.

7. NA – Not available

N.B: Refer the section on definitions, abbreviations and explanatory notes

**The Board of Directors of SBI Life Insurance Company Limited approved and adopted its unaudited financial results for the quarter and nine months ended December 31, 2020, following its meeting on Friday, January 22, 2021 in Mumbai. The disclosure of financial results submitted to exchanges is annexed to this release.**

### **Business growth and market share**

- New Business Premium (NBP) has increased by 13% from ₹ 127.9 billion in 9M FY 2020 to ₹ 144.4 billion in 9M FY 2021.
- The Company has achieved market leadership in Total NBP of ₹ 144.4 billion with 23.7% private market share in 9M FY 2021.
- NBP from Non- par segment has increased by 42% to ₹ 83.2 billion in 9M FY 2021.
- Increase in GWP by 21% to ₹ 346.1 billion in 9M FY 2021 mainly due to strong growth in RP by 27% from ₹ 159.1 billion in 9M FY 2020 to ₹ 201.7 billion 9M FY 2021.

### **Cost Efficiency**

- Total Cost ratio has decreased to 8.5% in 9M FY 2021, from 10.0% in 9M FY 2020.
  - Commission ratio has decreased to 3.4% in 9M FY 2021, from 4.0% in 9M FY 2020.
  - Operating Expense has decreased to 5.1% in 9M FY 2021, from 6.0% in 9M FY 2020.

### **Profitability**

- Value of New Business (VoNB) decreased marginally by 2% to ₹ 14.5 billion in 9M FY 2021.
- VoNB margin increased by 100 bps from 18.3% in 9M FY 2020 to 19.3% in 9M FY 2021.
- Value of New Business (VoNB) decreased marginally by 5% to ₹ 15.6 billion for 9M FY 2021 (with effective tax rate).
- Profit after Tax (PAT) grew by 4% in 9M FY 2021 to ₹9.2 billion from ₹8.9 billion in 9M FY 2020.

### **Persistence**

- Strong 37<sup>th</sup> month persistency of 72.86% in 9M FY 2021 as compared to 71.06% in 9M FY 2020.
- 61<sup>st</sup> month persistency has improved to 61.69% in 9M FY 2021 as compared to 58.53% in 9M FY 2020.

### **Assets under Management**

AuM has grown by 28% from ₹ 1,641.9 billion as on December 31, 2019 to ₹ 2,095.0 billion as on December 31, 2020 with debt-equity mix of 73:27 and more than 90% of the debt investments are in AAA and Sovereign instruments.

### **Financial position**

- The Company's net worth increased by 19% from ₹ 84.8 billion as on December 31, 2019 to ₹ 101.3 billion as on December 31, 2020.
- The solvency ratio as on December 31, 2020 was at 2.34 as against the regulatory requirement of 1.50.

### **Distribution network**

- The Company has strong distribution network of 224,223 trained insurance professional and widespread operations with 947 offices across country.
- The Company has diversified distribution network comprising of strong bancassurance channel, agency channel and others comprising of corporate agents, brokers, micro agents, common service centers, insurance marketing firms, web aggregators and direct business. NBP channel mix for 9M FY 2021 is bancassurance channel 55%, agency channel 15%, and other channels 30%.

**Definitions, abbreviations and explanatory notes**

- **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
- **New Business Annualized Premium Equivalent (APE):** The sum of annualized first year premiums on regular premium policies, and 10% of single premiums, written by the Company during the fiscal year from both retail and group customers
- **Individual New Business Premium:** Insurance premium that is due in the first policy year of an individual life insurance contract
- **Individual Rated Premium (IRP):** New business premiums written by the Company under individual products and weighted at the rate of 10% for single premiums
- **Renewal Premium:** Life insurance premiums falling due in the years subsequent to the first year of the policy
- **Value of New Business (VoNB):** VoNB 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.
- **Value of New Business Margin / 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
- **Net worth:** Net worth represents the shareholders' funds and is computed as sum of share capital and reserves including share premium, share application money and fair value change account net of debit balance in profit and loss account

## **About SBI Life Insurance**

SBI Life Insurance ('SBI Life' / 'The Company'), one of the most trusted life insurance companies in India, was incorporated in October 2000 and is registered with the Insurance Regulatory and Development Authority of India (IRDAI) in March 2001.

Serving millions of families across India, SBI Life's diverse range of products caters to individuals as well as group customers through Protection, Pension, Savings and Health solutions.

Driven by 'Customer-First' approach, SBI Life places great emphasis on maintaining world class operating efficiency and providing hassle-free claim settlement experience to its customers by following high ethical standards of service. Additionally, SBI Life is committed to enhance digital experiences for its customers, distributors and employees alike.

SBI Life strives to make insurance accessible to all, with its extensive presence across the country through its 947 offices, 17,466 employees, a large and productive individual agent network of about 169,006 agents, 57 corporate agents, a widespread bancassurance network of 14 partners, more than 28,000 partner branches, 111 brokers and other insurance marketing firms.

In addition to doing what's right for the customers, the company is also committed to provide a healthy and flexible work environment for its employees to excel personally and professionally.

SBI Life strongly encourages a culture of giving back to the society and has made substantial contribution in the areas of child education, healthcare, disaster relief and environmental upgrade. In 2019-20, the Company touched over 1.14 lakh direct beneficiaries through various CSR interventions.

Listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'), the company has an authorized capital of Rs. 20.0 billion and a paid up capital of Rs. 10.0 billion. The AuM is Rs. 2,095.0 billion.

For more information, please visit our website-[www.sbilife.co.in](http://www.sbilife.co.in) and connect with us on Facebook, Twitter, YouTube, Instagram, and LinkedIn.

(Numbers & data mentioned above are for the period up to December 31, 2020)

## **Disclaimer**

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', '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, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for insurance and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology our exploration of merger and acquisition opportunities, our ability to integrate mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our growth and expansion in domestic and overseas markets, technological changes, our ability to market new products, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in insurance regulations and other regulatory

changes in India and other jurisdictions on us. SBI Life Insurance Company Limited undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.

This release does not constitute an offer of securities.

For investor queries please call Sangramjit Sarangi at + 91 22 6191 0281 or email [investorrelations@sbilife.co.in](mailto:investorrelations@sbilife.co.in)

For further press queries please call Santosh Setty at +91-22-6191 0034 / Minakshi Mishra at +91-22-6191 0140 or email [santosh.setty@sbilife.co.in](mailto:santosh.setty@sbilife.co.in) / [minakshi.mishra@sbilife.co.in](mailto:minakshi.mishra@sbilife.co.in)

(₹1 billion = ₹ 100 crore)