

## Performance for the half year ended September 30, 2021

- 77% growth in Value of New Business (VoNB)\* to ₹ 14.2 billion
- VoNB Margin\* improved by 510 bps to 25.3%
- Private Market leadership in Individual Rated Premium (IRP) of ₹49.9 bn with 23.6% market share
- Strong growth in Protection NBP of 33% to ₹ 12.1 billion with 166 bps increase in protection share
- Strong growth in Individual New Business Premium of 54% to ₹ 64.8 billion
- 28% growth in Individual New Business Sum Assured
- 13<sup>th</sup> month persistency ratio<sup>§</sup> improved by 155 bps to 84.72%
- Robust Solvency ratio of 2.12
- Assets under Management (AuM) grew by 31% to ₹ 2.4 trillion

### Key measures of performance

Particulars	(₹ in billion)		
	H1 FY 2022	H1 FY 2021	YoY
<b>Revenue Parameters</b>			
New Business Premium (NBP)	102.9	90.0	14%
Renewal Premium (RP)	128.1	117.3	9%
<b>Gross Written Premium (GWP)</b>	<b>231.0</b>	<b>207.3</b>	<b>11%</b>
Individual New Business Premium	64.8	42.1	54%
Individual Rated Premium (IRP)	49.9	33.2	50%
New Business Annualized Premium Equivalent (APE)	56.0	39.8	41%
Total Protection NBP (Individual + Group)	12.1	9.1	33%
Total Protection NBP Share	11.8%	10.1%	-
Private Market Share based on IRP <sup>1</sup>	23.6%	20.7%	-
NBP Product mix (%) (Par/Non Par/ULIP)	3/52/45	4/65/31	-
NBP Channel mix (%) (Banca/Agency/others)	52/19/29	49/13/38	-
<b>Financial Parameters</b>			
Profit after Tax (PAT)	4.7	6.9	-32%
Net Worth	109.1	96.6	13%
Assets under Management (AuM)	2,441.8	1,863.6	31%

\* On Effective Tax Rate basis

§ On Premium basis

Particulars	H1 FY 2022	H1 FY 2021	YoY
<b>IEV, VoNB and VoNB Margin<sup>2</sup></b>			
Indian Embedded Value (IEV)	352.9	298.6	18%
Value of New Business (VoNB)	12.2	7.5	64%
New Business Margin (VoNB Margin)	21.8%	18.8%	-
<b>VoNB and VoNB Margin using effective tax rate<sup>2 &amp; 7</sup></b>			
Indian Embedded Value (IEV)	384.9	312.7	23%
Value of New Business (VoNB)	14.2	8.0	77%
New Business Margin (VoNB Margin)	25.3%	20.2%	-
<b>Key Financial Ratios</b>			
Operating expense ratio <sup>3</sup>	5.8%	5.4%	-
Commission ratio <sup>4</sup>	3.6%	3.2%	-
Total cost ratio <sup>5</sup>	9.5%	8.6%	-
<b>Persistency Ratios - Premium Basis (Regular Premium/ Limited Premium payment under individual category)<sup>6</sup></b>			
13 <sup>th</sup> month persistency	84.72%	83.17%	-
25 <sup>th</sup> month persistency	76.03%	76.15%	-
37 <sup>th</sup> month persistency	72.03%	69.90%	-
49 <sup>th</sup> month persistency	67.37%	62.31%	-
61 <sup>st</sup> month persistency	47.41%	50.03%	-
<b>Persistency Ratios - Premium Basis (Single Premium/ Fully paid-up under individual category)<sup>6</sup></b>			
13 <sup>th</sup> month persistency	99.99%	100.00%	-
25 <sup>th</sup> month persistency	99.99%	100.00%	-
37 <sup>th</sup> month persistency	99.57%	99.97%	-
49 <sup>th</sup> month persistency	99.94%	99.72%	-
61 <sup>st</sup> month persistency	90.75%	89.57%	-
Solvency Ratio	2.12	2.45	-
Return on Equity (RoE)	8.8%	15.0%	-

1. Source: Life insurance council

2. IEV, VoNB and VoNB margin for H1 FY22 and H1 FY21 have been reviewed by Independent Actuary

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

4. Commission ratio = Commission (including rewards) / Gross Written Premium (GWP)

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

6. The persistency ratios are calculated as per IRDA/ACT/CIR/GEN/21/02/2010 circular dated February 11, 2010 and IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021.

Persistency Ratios for the period ended September 30, 2021 and September 30, 2020 are 'Up to the Quarter' Persistency Ratios are calculated using policies issued in September to August period of the relevant years.

7. 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.

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 audited financial results for the quarter and half year ended September 30, 2021, following its meeting on Wednesday, October 27, 2021 in Mumbai. The disclosure of financial results submitted to exchanges is annexed to this release.

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

- The Company has achieved private market leadership in Individual Rated Premium of ₹ 49.9 billion with 23.6% private market share in H1 FY 22.
- Strong growth in Individual New Business Premium by 54% to ₹ 64.8 billion in H1 FY 22.
- New Business Premium (NBP) has grown by 14% to ₹ 102.9 billion in H1 FY 22 driven by strong growth in regular premium business by 47%.
- Protection New Business Premium has increased by 33% from ₹ 9.1 billion in H1 FY 21 to ₹ 12.1 billion in H1 FY 22 due to 38% y-o-y growth in individual protection business to ₹ 3.7 billion and 31% y-o-y growth in group protection business to ₹ 8.4 billion in H1 FY 22.
- Gross Written Premium (GWP) has grown by 11% to ₹ 231.0 billion in H1 FY 22 mainly due to 47% growth in First Year Premium (FYP) and 9% growth in Renewal Premium (RP) in H1 FY 22.

### **Distribution network**

- The Company has strong distribution network of 200,190 trained insurance professionals consisting of agents, CIFs and SPs along with 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 H1 FY 22 is bancassurance channel 52%, agency channel 19% & other channels 29%.
- NBP of Agency channel has increased by 60% to ₹19.14 billion in H1 FY22 and NBP of Banca channel has increased by 20% to ₹53.06 billion in H1 FY22 as compared to same period last year.

### **Cost Efficiency**

- Total Cost ratio for H1 FY 22 is 9.5% vis-à-vis 8.6% for H1 FY 21
  - Commission ratio for H1 FY 22 is 3.6% vis-à-vis 3.2% for H1 FY 21
  - Operating Expense for H1 FY 22 is 5.8% vis-à-vis 5.4% in H1 FY 21

### **Profitability**

- Profit after Tax (PAT) stands at ₹ 4.7 billion for H1 FY 22.
- Value of New Business (VoNB) increased by 64% to ₹ 12.2 billion in H1 FY 22.
- VoNB margin increased by 300 bps from 18.8% in H1 FY 21 to 21.8% in H1 FY 22.
- VoNB increased by 77% to ₹ 14.2 billion for H1 FY 22 (with effective tax rate).
- VoNB margin increased by 510 bps to 25.3% in H1 FY 22 (with effective tax rate).
- Additional reserve of ₹ 2.7 billion towards COVID-19 pandemic has been kept as at September 30, 2021.
- The Company has made provision of Rs.1.16 billion (including interest) with respect IRDAI order dated January 11, 2017 directing refund of administration expenses to members of group insurance policy for Super Suraksha' product.

### **Persistence**

- 13<sup>th</sup> month persistency (based on premium considering Single Premium and Fully Paid-up policies & group business where persistency is measurable) is 87.66% in H1 FY22 vs. 85.92% in H1 FY21.
- Strong growth in 13<sup>th</sup> month persistency (based on premium considering Regular Premium/ Limited Premium payment under individual category) by 155 bps to 84.72% for H1 FY 22 vs. 83.17% in H1 FY 21 due to our focus on improving the quality of business and customer retention.

### **Assets under Management & Investment Income**

- AuM grew by 31% from ₹ 1,863.6 billion as on Sept. 30, 2020 to ₹ 2,441.8 billion as on Sept. 30, 2021 with debt-equity mix of 70:30. Over 95% of the debt investments are in AAA and Sovereign instruments.
- Total investment income (net of diminution provision and write-off) of ₹ 186.9 billion in H1FY22 comprised of ₹ 181.7 billion in Policyholders portfolio and ₹5.2 billion in Shareholders portfolio. Investment income has increased by 28% mainly due to profit on sale or redemption of investments
- The Company has written-off investment receivables of Rs. 0.29 billion for Non-Convertible Debentures (NCDs) of DHFL on settlement as per the resolution plan. The Company has already made 100% NPA provision of Rs. 0.53 billion in FY20 due to default in interest and principal repayment of DHFL NCDs.

### **Financial position**

- The Company's net worth increased by 13% from ₹ 96.6 billion as on September 30, 2020 to ₹ 109.1 billion as on September 30, 2021.
- Strong solvency ratio as on September 30, 2021 of 2.12 as against the regulatory requirement of 1.50.

### **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.
- **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.
- **Embedded Value:** The measure of the consolidated value of shareholders' interest in the covered life insurance business, which is all life insurance business written by the Company since inception and in-force as on the valuation date (including lapsed business which have the potential of getting revived). The Embedded Value of the Company has been determined on the basis of the Indian Embedded Value (IEV) Methodology calculated as per APS 10 set forth by the Institute of Actuaries of India (IAI).
- **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, 18,236 employees, a large and productive individual agent network of about 143,232 agents, 60 corporate agents, a widespread bancassurance network of 14 partners, more than 27,000 partner branches, 108 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 2020-21, the Company touched over 4.30 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 ₹ 20.0 billion and a paid up capital of ₹ 10.0 billion. The AuM is ₹ 2,441.8 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 ended September 30, 2021)

## **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.

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(₹1 billion = ₹ 100 crore)