

News Release

October 31, 2017

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Performance for the half year ended September 30, 2017

- New business Annualized Premium Equivalent (APE) increased by 37.4%
- Individual rated new business premium increased by 48.1%
- Profit after tax increased by 25.9%

Key measures of performance

(` in million)

Particulars	H1 FY 2018	H1 FY 2017	Growth Y-o-Y	FY 2017
New Business Annualized Premium Equivalent (APE)	33,756	24,568	37.4%	67,273
New Business Individual Rated Premium (IRP)	30,644	20,690	48.1%	59,361
Renewal Premium	49,596	37,147	33.5%	108,713
Private Market Share based on IRP ¹	21.8%	20.1%	-	20.7%
Persistency Ratios (based on premium) ²				
13 th month persistency	81.33%	81.13%	-	81.07%
37 th month persistency	67.79%	67.22%	-	67.36%
61 st month persistency	62.08%	70.80%	-	67.18%
Solvency Ratio	2.09	2.14	-	2.04
Total cost ratio ³	13.3%	12.9%	-	11.6%
Operating expense ratio ⁴	8.6%	9.4%	-	7.8%
Value of New business (VNB) ^{5,6}	5,251	NA	-	10,368
VNB Margin (%) ^{5,6}	15.6%	NA	-	15.4%
Indian embedded value (IEV) ^{5,6}	180,821	NA	-	165,379
Profit after Tax (PAT)	5,389	4,282	25.9%	9,547
Net Worth	61,823	51,713	19.5%	55,521
Assets under Management (AuM)	1,050,666	871,084	20.6%	977,366

1. Source : Life insurance council

2. The persistency ratios are calculated as per IRDA/ACT/CIR/MISC/035/01/2014 circular dated 23rd January 2014. Single Premium & Fully Paid-Up policies are considered, Group Business where persistency is measurable is included.

3. Total cost ratio = (Operating expenses + Commission + Provision for doubtful debt and bad debt written off) / Gross Written Premium

4. Operating expense ratio = Operating expenses / Gross Written Premium

5. VNB/VNB Margin & IEV has been reviewed by Independent Actuary for FY2017. H1FY2018 numbers are based on Management estimates

6. VNB/VNB Margin & IEV for H1 FY 2017 are not available as half yearly computation started from H1 FY 2018

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

The Board of Directors of SBI Life Insurance Company Limited approved its audited financial results for the half year ended September 30, 2017, following its meeting on Tuesday, October 31, 2017 in Mumbai. The disclosure of financial results submitted to exchanges is annexed to this release.

New business growth and market share

- New Business APE increased by 37.4% in H1 FY 2018 to ` 33,756 million from ` 24,568 million for the same period last year
- Individual rated NBP (IRP) has increased by 48.1% in H1 FY 2018 to ` 30,644 million from ` 20,690 million for the same period last year
- Private market share based on IRP increased from 20.1% in H1 FY 2017 to 21.8 % in H1 FY 2018. While the overall market share based on IRP has increased from 10.3% in H1 FY 2017 to 12.2% in H1 FY 2018

Quality of business

- 13th month persistency stood at 81.33% for H1 FY2018 as compared to 81.13% for H1 FY 2017
- Renewal premium grew at 33.5% to ` 49,596 million in H1 FY 2018

Profitability

- Value of New Business (VNB) stood at ` 5,251 million for H1 FY2018
- VNB margin of 15.6% for H1 FY2018 as compared to 15.4% for FY2017
- PAT increased by 25.9% from ` 4,282 million in H1 FY 2017 to ` 5,389 million in H1 FY 2018

Cost Efficiency

- Operating Expense ratio has decreased to 8.6% in H1 FY 2018, from 9.4% in H1 FY 2017

Assets under Management

- AuM has grown by 20.6% to ` 1,050,666 million as of September 30, 2017, from ` 871,084 million as of September 30, 2016

Net worth and capital position

- The Company's net worth increased by 19.5% from ` 51,713 million as at September 30, 2016 to ` 61,823 million as at September 30, 2017. The solvency ratio was at 2.09 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
- **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 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 (VNB):** VNB 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 / VNB Margin:** VNB Margin is the ratio of VNB 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 Company Limited ("SBI Life"/ "the Company"), established in 2001, is a joint venture between State Bank of India and BNP Paribas Cardif S.A. and is one of the leading life Insurance companies in India. SBI Life has an authorized capital of ` 20,000 million and a paid up capital of ` 10,000 million.

SBI Life offers a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer service and world class operating efficiency. The Company offers individual and group products which include savings and protection plans to address the insurance needs of diverse customer segments.

SBI Life has a multi-channel distribution network comprising of an expansive Bancassurance channel with SBI, which has an unrivalled strength of over 24,000 branches across the country. SBI Life also has a large and productive agent network comprising of 96,126 agents, as on September 30, 2017. The Company's other distribution channels include direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. As on September 30, 2017, the Company has a widespread network of 808 branches across the Country to address customer needs effectively and efficiently. The Company had an AuM of ` 1,050,666 million as of September 30, 2017.

The Company is listed on National Stock Exchange ("NSE") and The Bombay Stock Exchange ("BSE").

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 million = 10 lakhs