

News Release
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Performance for the half year ended September 30, 2022

- Private Market leadership in Ind. NBP of ₹ 84.6 billion with 31% growth and 25.3% market share
- 22% growth in APE to ₹ 68.3 billion
- 53% growth in Value of New Business (VoNB) to ₹ 21.2 billion
- VoNB Margin increased by 630 bps to 31.0%
- Strong growth in Protection NBP of 32% to ₹ 16.0 billion
- 36% growth in PAT to ₹ 6.4 billion
- Robust solvency ratio of 2.19
- Indian Embedded Value (IEV) stands at ₹ 424.1 billion

Key measures of performance

(₹ in billion)			
Particulars	H1 FY 2023	H1 FY 2022	YoY
Revenue Parameters			
New Business Premium (NBP)	130.9	102.9	27%
Renewal Premium (RP)	148.8	128.1	16%
Gross Written Premium (GWP)	279.7	231.0	21%
Individual New Business Premium	84.6	64.8	31%
Individual Rated Premium (IRP)	60.5	49.9	21%
Annualized Premium Equivalent (APE)	68.3	56.0	22%
Total Protection NBP (Individual + Group)	16.0	12.1	32%
Total Protection NBP Share	12.2%	11.8%	-
Private Market Share based on IRP ¹	23.7%	23.6%	-
APE Product mix (%) (Par/Non Par/ULIP)	6/45/49	6/27/67	-
APE Channel mix (%) (Banca/Agency/others)	63/25/12	62/27/11	-
Financial Parameters			
Profit after Tax (PAT)	6.4	4.7	36%
Net Worth	122.1	109.1	12%
Assets under Management (AuM)	2,826.3	2,441.8	16%
VoNB and VoNB Margin²			
Value of New Business (VoNB)	21.2	13.8	53%
VoNB per Share (in ₹) (VoNB / Number of Shares)	21.16	13.84	-
New Business Margin (VoNB Margin)	31.0%	24.7%	-

Particulars	H1 FY 2023	H1 FY 2022	YoY
Key Financial Ratios			
Operating expense ratio ³	5.6%	5.8%	-
Commission ratio ⁴	4.5%	3.6%	-
Total cost ratio ⁵	10.2%	9.5%	-
Persistency Ratios - Premium Basis (Regular Premium/ Limited Premium payment under individual category) ⁶			
13 th month persistency	85.17%	84.72%	-
25 th month persistency	77.53%	76.05%	-
37 th month persistency	72.91%	72.10%	-
49 th month persistency	70.28%	67.52%	-
61 st month persistency	52.45%	48.82%	-
Solvency Ratio	2.19	2.12	-
Return on Equity (RoE)	10.7%	8.8%	-

1. Source: Life insurance council

2. IEV, VoNB and VoNB Margin for H1 FY23 and H1 FY22 have been reviewed by Independent Actuary. IEV, VoNB and VoNB Margin for H1 FY22 are restated in line with the March 31, 2022 disclosures.

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, 2022 and September 30, 2021 are 'Upto the Quarter' Persistency calculated using policies issued in September to August period of the relevant years.

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, 2022, following its meeting on Friday, October 21, 2022 in Mumbai. The disclosure of financial results submitted to exchanges is annexed to this release.

Business growth and market share

- The Company has maintained its leadership position in Individual Rated Premium of ₹ 60.5 billion with 23.7% private market share in H1 FY 23.
- Strong growth in Individual New Business Premium by 31% to ₹ 84.6 billion in H1 FY 23.
- New Business Premium (NBP) has grown by 27% to ₹ 130.9 billion in H1 FY 23 driven by strong growth in single premium business by 33%.
- Protection New Business Premium has increased by 32% from ₹ 12.1 billion in H1 FY 22 to ₹ 16.0 billion in H1 FY 23 due to growth in individual protection business by 17% to ₹ 4.3 billion and growth in group protection business by 38% to ₹ 11.7 billion in H1 FY 23.

- Gross Written Premium (GWP) has grown by 21% to ₹ 279.7 billion in H1 FY 23 mainly due to 33% growth in Single Premium (SP) and 16% growth in Renewal Premium (RP) in H1 FY 23.

Distribution network

- The Company has strong distribution network of 239,456 trained insurance professionals consisting of agents, CIFs and SPs along with widespread operations with 990 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.
- APE channel mix for H1 FY 23 is bancassurance channel 63%, agency channel 25% & other channels 12%.
- NBP of Agency channel has increased by 24% to ₹ 23.8 billion in H1 FY 23 and NBP of Banca channel has increased by 41% to ₹ 74.9 billion in H1 FY 23 as compared to same period last year.

Cost Efficiency

- Total Cost ratio for H1 FY 23 is 10.2% vis-à-vis 9.5% for H1 FY 22
 - Commission ratio for H1 FY 23 is 4.5% vis-à-vis 3.6% for H1 FY 22
 - Operating Expense for H1 FY 23 is 5.6% vis-à-vis 5.8% in H1 FY 22

Profitability

- Profit after Tax (PAT) grew by 36% to ₹ 6.4 billion for H1 FY 23.
- VoNB increased by 53% to ₹ 21.2 billion for H1 FY 23.
- VoNB margin increased by 630 bps to 31.0% in H1 FY 23.
- Indian Embedded Value (IEV) stands at ₹ 424.1 billion as at September 30, 2022.
- Additional reserve of ₹ 2.9 billion is kept towards COVID-19 pandemic as at September 30, 2022.

Persistency

- Strong growth in 49th month and 61st month persistency (based on premium considering Regular Premium/ Limited Premium payment under individual category) in H1 FY 23 by 276 bps and 363 bps respectively due to our focus on improving the quality of business and customer retention.

- 13th month persistency (based on premium considering Single Premium and Fully Paid-up policies & group business where persistency is measurable) is 88.36% in H1 FY 23 vs 87.66% in H1 FY 22.
- Persistency ratio has improved in H1 FY 23 across all the cohorts.

Assets under Management

- AuM grew by 16% from ₹ 2,441.8 billion as on September 30, 2021 to ₹ 2,826.3 billion as on September 30, 2022 with debt-equity mix of 71:29. Over 96% of the debt investments are in AAA and Sovereign instruments.

Financial position

- The Company's net worth increased by 12% from ₹ 109.1 billion as on September 30, 2021 to ₹ 122.1 billion as on September 30, 2022.
- Robust solvency ratio of 2.19 as on September 30, 2022 as against the regulatory requirement of 1.50 indicating strong financial position of the Company.

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 990 offices, 19,599 employees, a large and productive network of about 178,357 agents, 58 corporate agents and 14 bancassurance partners with more than 40,000 partner branches, 127 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 2021-22, the Company touched over 2 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 ₹ 2,826.3 billion.

For more information, please visit our website-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, 2022)

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)