

News Release
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Performance for the quarter ended June 30, 2021

- 52% growth in Value of New Business (VoNB)* to ₹ 3.9 billion
- VoNB Margin* improved by 400 bps to 24.1%
- Private Market leadership in Individual Rated Premium (IRP) of ₹13.9 bn with 18.9% market share
- Strong growth in Protection NBP by 46% to ₹ 4.3 billion with 320 bps increase in protection share
- Strong growth in Individual New Business Premium of 37% to ₹ 18.4 billion
- 13th month persistency ratio^{\$} improved by 295 bps to 84.50%
- Robust Solvency ratio of 2.15
- Assets under Management (AuM) grew by 32% to ₹ 2.3 trillion

Key measures of performance

(₹ in billion)

Particulars	Q1 FY 2022	Q1 FY 2021	YoY
Revenue Parameters			
New Business Premium (NBP)	33.5	30.6	9%
Renewal Premium (RP)	50.3	45.8	10%
Gross Written Premium (GWP)	83.8	76.4	10%
Individual New Business Premium	18.4	13.4	37%
Individual Rated Premium (IRP)	13.9	10.5	33%
Annualized Premium Equivalent (APE)	16.2	12.7	27%
Total Protection NBP (Individual + Group)	4.3	2.9	46%
Total Protection NBP Share	12.8%	9.6%	-
Private Market Share based on IRP ¹	18.9%	18.0%	-
NBP Product mix (%) (Par/Non Par/ULIP)	4/59/37	4/70/26	-
NBP Channel mix (%) (Banca/Agency/others)	45/19/36	41/14/45	-
Financial Parameters			
Profit after Tax (PAT)	2.2	3.9	-43%
Net Worth	105.8	93.1	14%
Assets under Management (AuM)	2,315.6	1,753.5	32%

* On Effective Tax Rate basis

\$ On Premium basis

Particulars	Q1 FY 2022	Q1 FY 2021	YoY
VoNB and VoNB Margin²			
Value of New Business (VoNB)	3.4	2.4	45%
New Business Margin (VoNB Margin)	21.2%	18.7%	-
VoNB and VoNB Margin using effective tax rate^{2 & 7}			
Value of New Business (VoNB)	3.9	2.6	52%
New Business Margin (VoNB Margin)	24.1%	20.1%	-
Key Financial Ratios			
Operating expense ratio ³	7.2%	7.0%	-
Commission ratio ⁴	3.2%	3.1%	-
Total cost ratio ⁵	10.5%	10.1%	-
Persistency Ratios (based on premium)⁶			
13 th month persistency	84.50%	81.55%	-
25 th month persistency	76.74%	75.95%	-
37 th month persistency	73.07%	68.88%	-
49 th month persistency	67.04%	63.79%	-
61 st month persistency	60.88%	63.14%	-
Solvency Ratio	2.15	2.39	-
Return on Equity (RoE)	8.5%	17.3%	-

1. Source: Life insurance council

2. VoNB and VoNB margin for Q1 FY22 and Q1 FY21 are based on management estimates

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/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 June 30, 2021 and June 30, 2020 are 'For the Quarter' Persistency Ratios are calculated using policies issued in March to May 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 unaudited financial results for the quarter ended June 30, 2021, following its meeting on Monday, July 26, 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 ₹ 13.9 billion with private market share of 18.9% in Q1 FY 2022.
- Strong growth in Individual New Business Premium by 37% to ₹ 18.4 billion in Q1 FY 2022.
- New Business Premium (NBP) has grown by 9% to ₹ 33.4 billion in Q1 FY 2022 with 29% growth in First year premium.
- Protection New Business Premium has increased by 46% from ₹ 2.9 billion in Q1 FY 2021 to ₹ 4.3 billion in Q1 FY 2022 due to 75% y-o-y growth in individual protection business to ₹ 1.3 billion and 36% y-o-y growth in group protection business to ₹ 3.0 billion in Q1 FY 2022.
- Gross Written Premium (GWP) has grown by 10% to ₹ 83.8 billion in Q1 FY 2022 mainly due to 29% growth in First Year Premium (FYP) and 10% growth in Renewal Premium (RP) in Q1 FY 2022.

Cost Efficiency

- Total Cost ratio for Q1 FY 2022 is 10.5% vis-à-vis 10.1% for Q1 FY 2021
 - Commission ratio for Q1 FY 2022 is 3.2% vis-à-vis 3.1% for Q1 FY 2021
 - Operating Expense for Q1 FY 2022 is 7.2% vis-à-vis 7.0% in Q1 FY 2021.

Profitability

- Profit after Tax (PAT) stands at ₹ 2.2 billion for Q1 FY 2022.
- Value of New Business (VoNB) increased by 45% to ₹ 3.4 billion in Q1 FY 2022.
- VoNB margin increased by 250 bps from 18.7% in Q1 FY2021 to 21.2% in Q1FY 2022.
- VoNB increased by 52% to ₹ 3.9 billion for Q1 FY 2022 (with effective tax rate).
- VoNB margin increased by 400 bps to 24.1% in Q1 FY 2022 (with effective tax rate).
- Additional reserve of ₹ 4.4 billion towards COVID-19 pandemic has been provided as at June 30, 2021.

Persistency

Strong growth in 13th month persistency by 295 bps to 84.50% for Q1 FY 2022 as compared to 81.55% in Q1 FY 2021 due to focus on improving the quality of business and customer retention. Further, 61st month persistency for Q1 FY 2022 stands at 60.88%.

Assets under Management

AuM has grown by 32% from ₹ 1,753.5 billion as on June 30, 2020 to ₹ 2,315.6 billion as on June 30, 2021 with debt-equity mix of 72:28. Over 90% of the debt investments are in AAA and Sovereign instruments.

Financial position

- The Company's net worth increased by 14% from ₹ 93.1 billion as on June 30, 2020 to ₹ 105.8 billion as on June 30, 2021.
- Strong solvency ratio as on June 30, 2021 of 2.15 as against the regulatory requirement of 1.50.

Distribution network

- The Company has strong distribution network of 212,821 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 Q1 FY 2022 is bancassurance channel 45%, agency channel 19%, and other channels 36%.

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, 17,333 employees, a large and productive individual agent network of about 157,792 agents, 58 corporate agents, a widespread bancassurance network of 14 partners, more than 29,000 partner branches, 107 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 ₹ 2,315.6 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 quarter ended June 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)