

Suraksha yaani
'main' se 'hum'
ka kadam



Investor Presentation – FY19

Agenda



Performance update



Strategy and initiatives



Industry overview



Annexure

Performance snapshot

Consistent growth across all parameters

					₹ in billion	
		FY17	FY 18	FY19	Growth Rate	3Yr CAGR
Scale and Growth	New Business Premium	101.4	109.7	137.9	26%	25%
	New Business APE	67.3	85.4	97.0	14%	24%
	Individual Rated Premium	59.4	77.9	89.5	15%	28%
	Renewal Premium	108.7	143.9	192.0	33%	30%
	Gross Written Premium	210.2	253.5	329.9	30%	28%
Profitability and Return	Profit after tax	9.5	11.5	13.3	15%	16%
	Indian Embedded Value	165.4	190.7	224.0	17%	21%
	Value of New Business	10.4	13.9	17.2	24%	-
	New Business Margin	15.4%	16.2%	17.7%	-	-
	Solvency	2.04	2.06	2.13	-	-
IEV & VoNB with effective tax rate ¹	Indian Embedded Value	NA	201.7	237.3	18%	-
	Value of New Business	NA	15.7	19.2	22%	-
	New Business Margin	NA	18.4%	19.8%	-	-

- Growth in Individual Business Premium continues – Profitable growth for all the stakeholders
- VoNB margin increased to 17.7% and on effective tax rate basis is at 19.8%

Embedded Value and related numbers has been reviewed by Independent Actuary

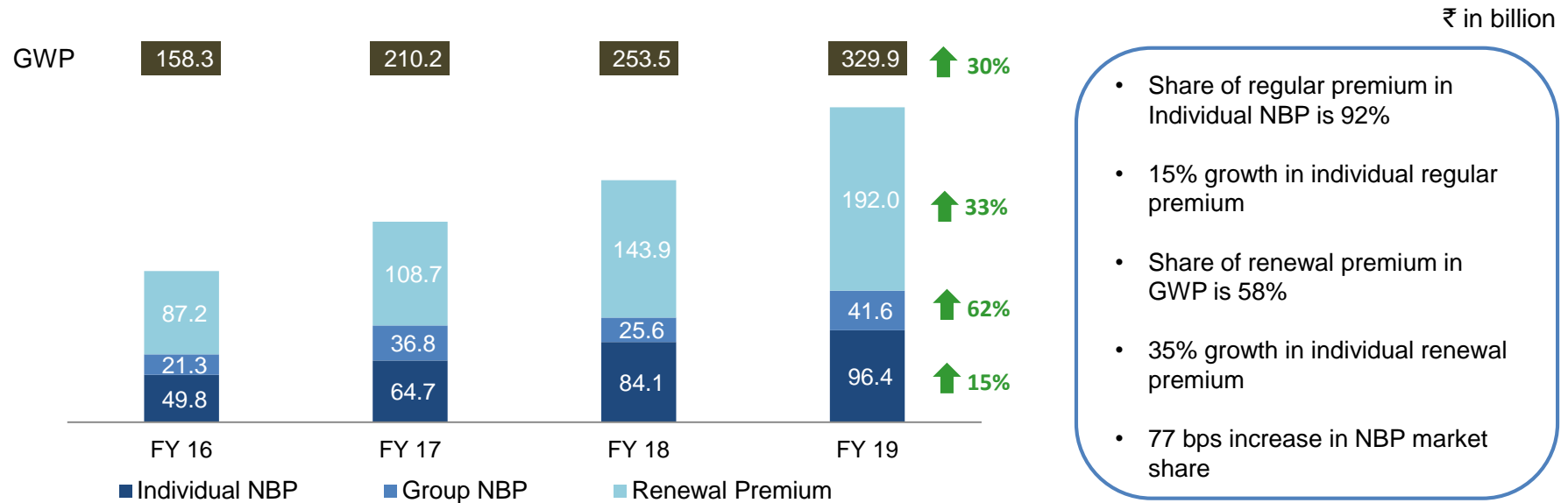
1. Effective tax rate assumes that a proportion of the projected profits are tax exempt on account of tax deductions available on income from dividends and tax free bonds

NA – Effective tax rate figures were calculated FY 18 onwards

Numbers are rounded off to nearest one decimal

Premium and market share

Continued growth in new business premium backed by strong growth in Renewal Premium

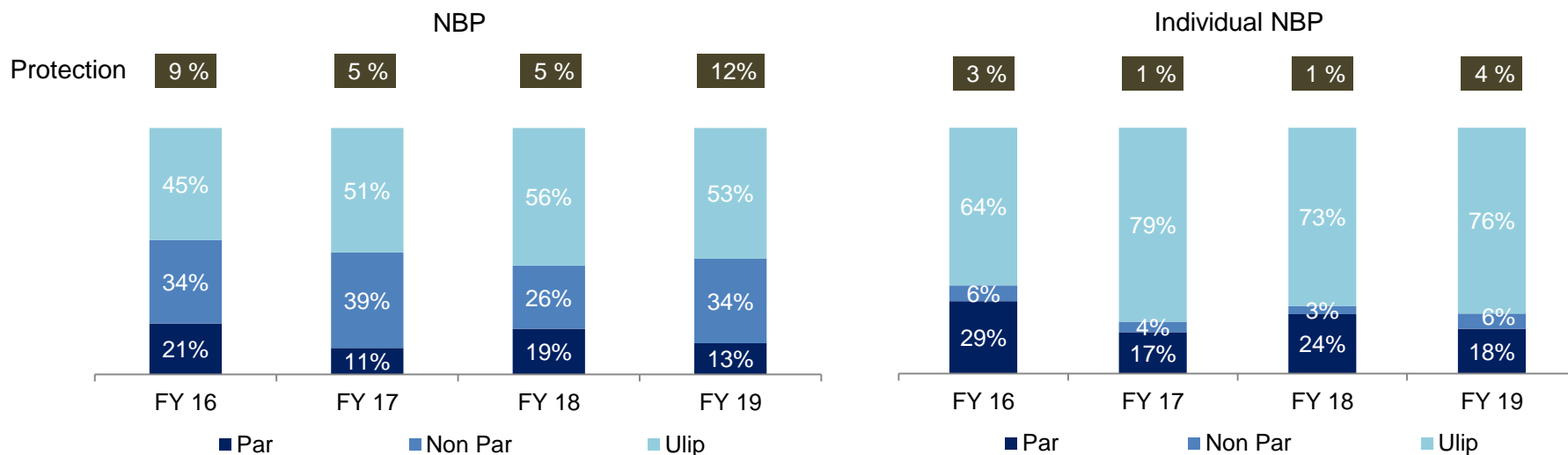


Particulars	FY 16	FY 17	FY 18	FY 19
New Business Premium (₹ billion)/ Ranking ¹	71.1 / 1	101.4 / 1	109.7 / 2	137.9 / 2
Individual Rated Premium (₹ billion)/ Ranking ¹	42.8 / 2	59.4 / 2	77.9 / 1	89.5 / 1
Market Share %				
- NBP Private/ Industry	17.3 / 5.1	20.0 / 5.8	18.5 / 5.7	19.0 / 6.4
- IRP Private/ Industry	18.8 / 9.7	20.7 / 11.2	21.8 / 12.3	22.3 / 12.9

Growth in NBP by 26% while the private industry has grown by 22% and total industry has grown by 11%

Product portfolio

Diversified product portfolio – Increase in share of protection business



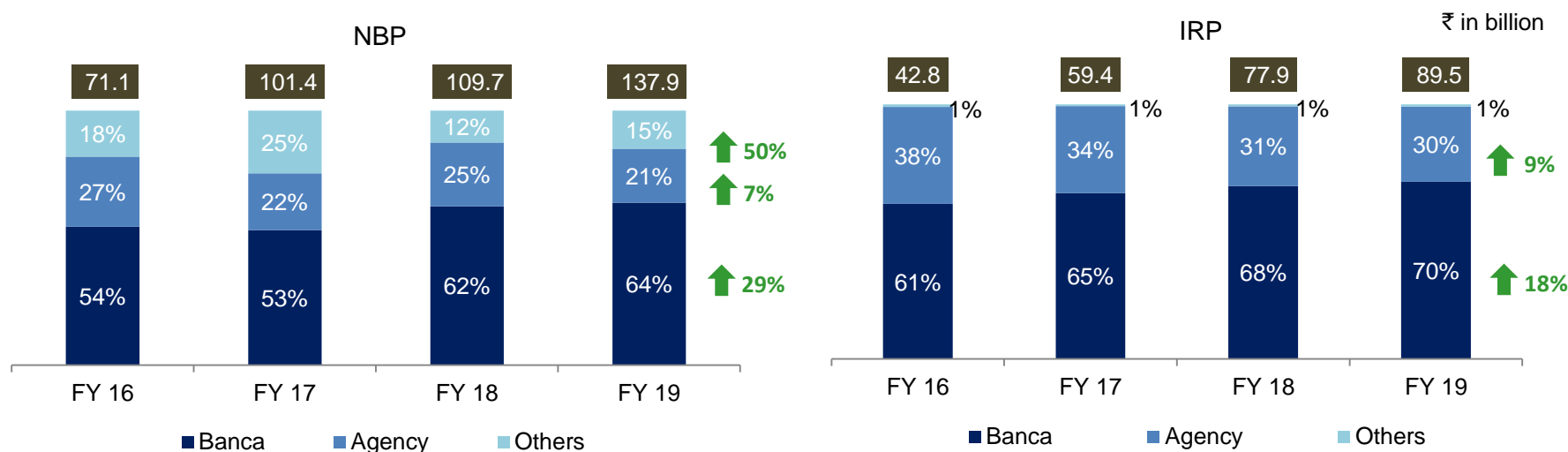
₹ in billion						
Product Mix ¹	FY16	FY17	FY18	FY 19	Y-o-Y Growth	Mix (FY 19)
Individual Savings	48.3	63.7	83.5	92.7	11%	67%
- Par	14.7	10.9	20.3	17.6	(13%)	13%
- Non Par	1.7	1.7	2.1	2.2	4%	2%
- ULIP	31.9	51.1	61.0	72.8	19%	53%
Group Savings	16.5	32.8	20.2	28.8	43%	21%
Protection	6.3	4.9	6.0	16.4	174%	12%
- Individual Protection	1.5	1.0	0.6	3.7	511%	3%
- Group Protection	4.8	3.9	5.4	12.7	136%	9%
Total NBP	71.1	101.4	109.7	137.9	26%	

15 lacs+ policies issued during the year

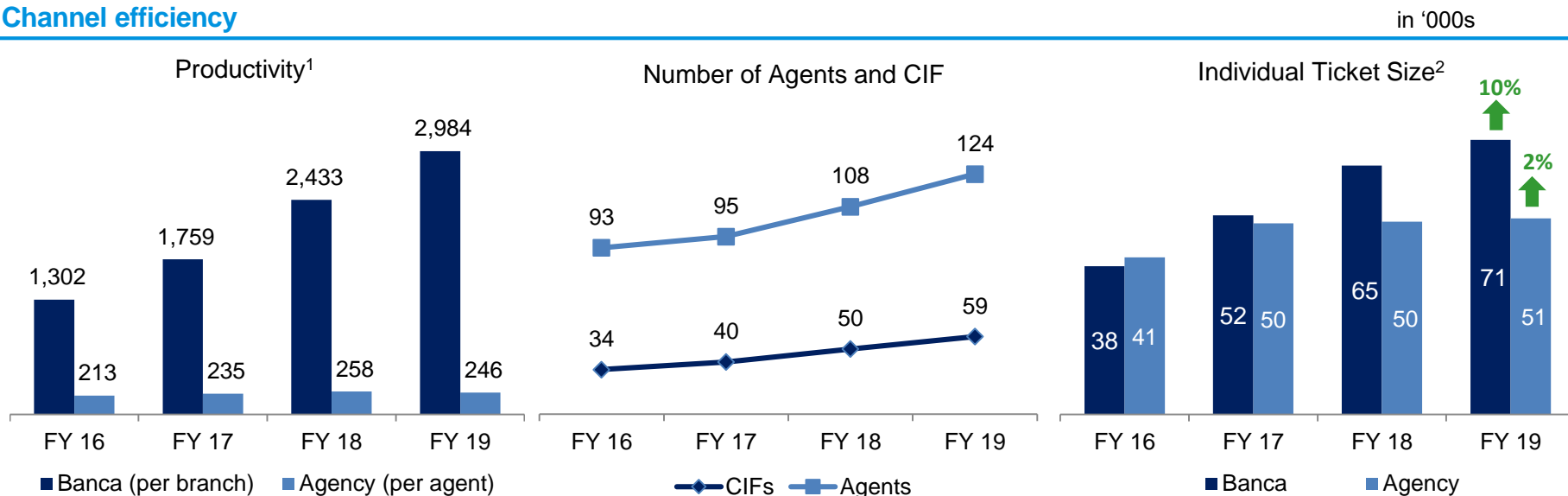
1. New business premium basis
Components may not add up to total due to rounding-off

Distribution strength

Multi Channel Distribution reach and efficiency



Channel efficiency



1. Agent Productivity is calculated as the Individual NBP of Agency Channel divided by the average number of agents
Banca branch productivity is calculated as the Individual NBP of Banca channel divided by the average number of banca branches

2. Individual ticket size is calculated as the Individual NBP of Channel divided by the number of individual policies

All growth/drop numbers are with respect to FY 19 over FY 18

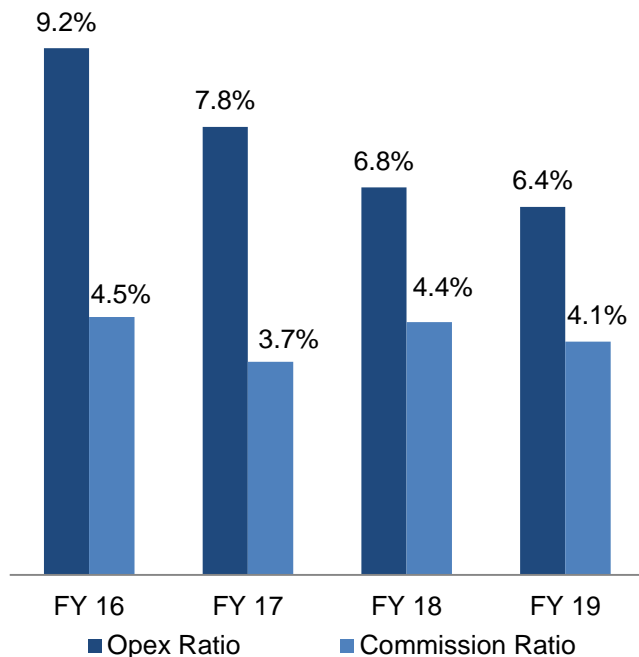
Components may not add up to total due to rounding-off

Cost efficiency and profitability

Low cost ratios and growing profitability

₹ in billion

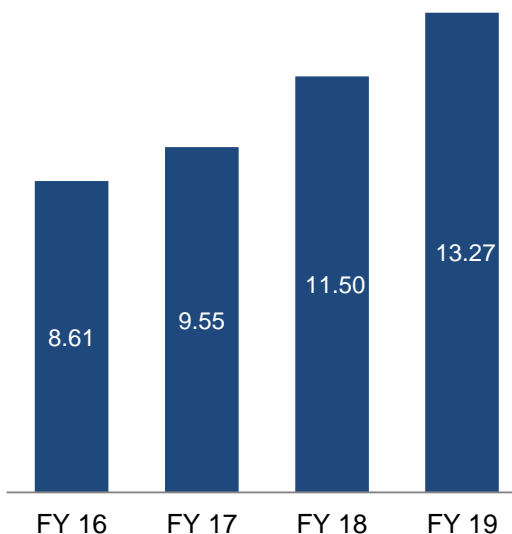
Cost ratios¹



Total Cost Ratio
10.5%

Profit after Tax

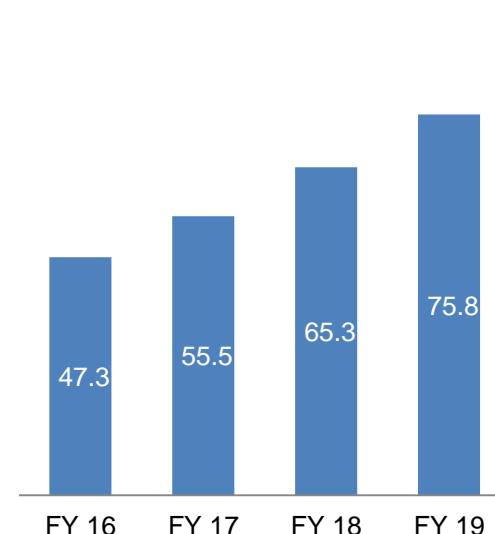
3 Yr CAGR – 16%



ROE
18.8%

Net worth

3 Yr CAGR – 17%



Solvency
2.13

Consistent Growth in Profits and Network – Adding value to Shareholders

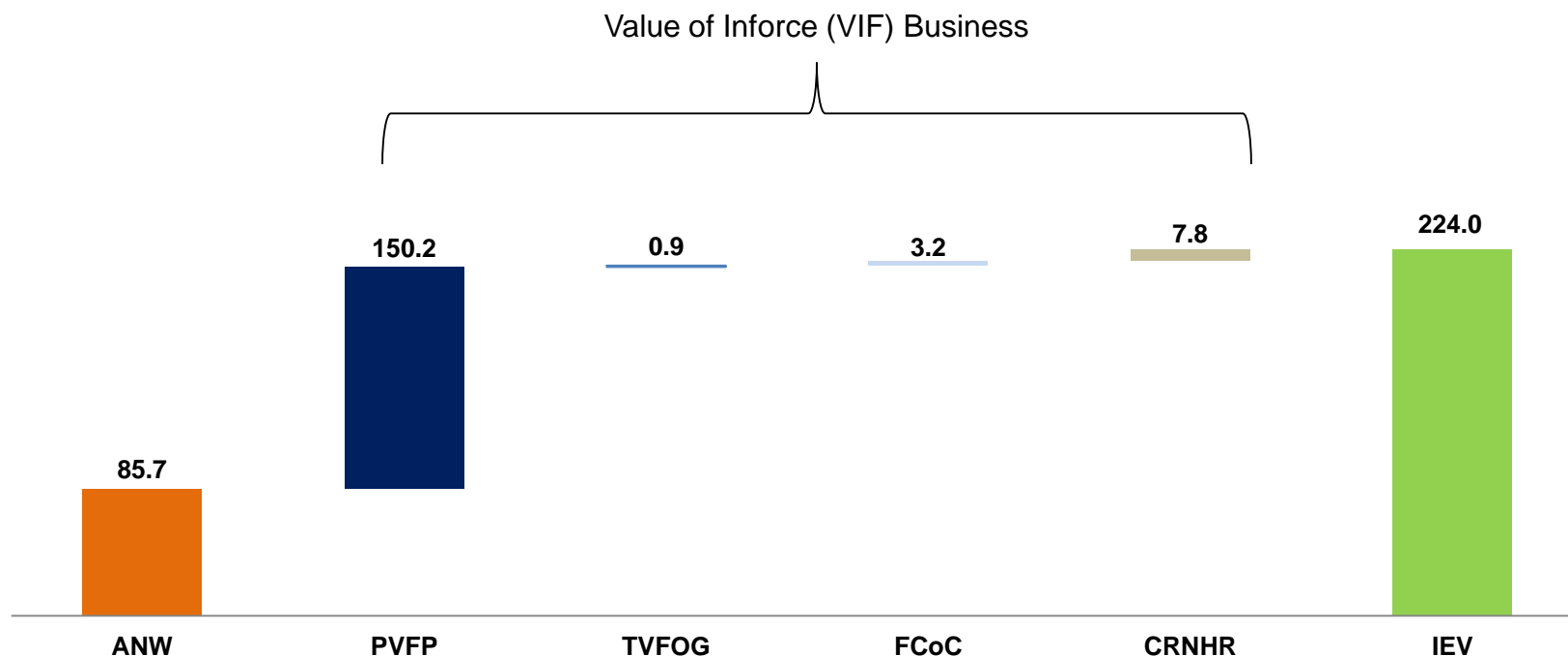
1. Opex ratio is operating expenses (excluding commission) divided by Gross Written Premium
Commission ratio is commission expenses divided by Gross Written Premium
Total cost ratio is operating expenses including commission, provision for doubtful debts and bad debts written off divided by Gross Written Premium
Components may not add up to total due to rounding-off

Components of Indian Embedded Value (IEV)

₹ in billion

Embedded Value Operating Profit (EVOP): ₹ 33.2 billion

Operating Return on Embedded Value: 17.4%

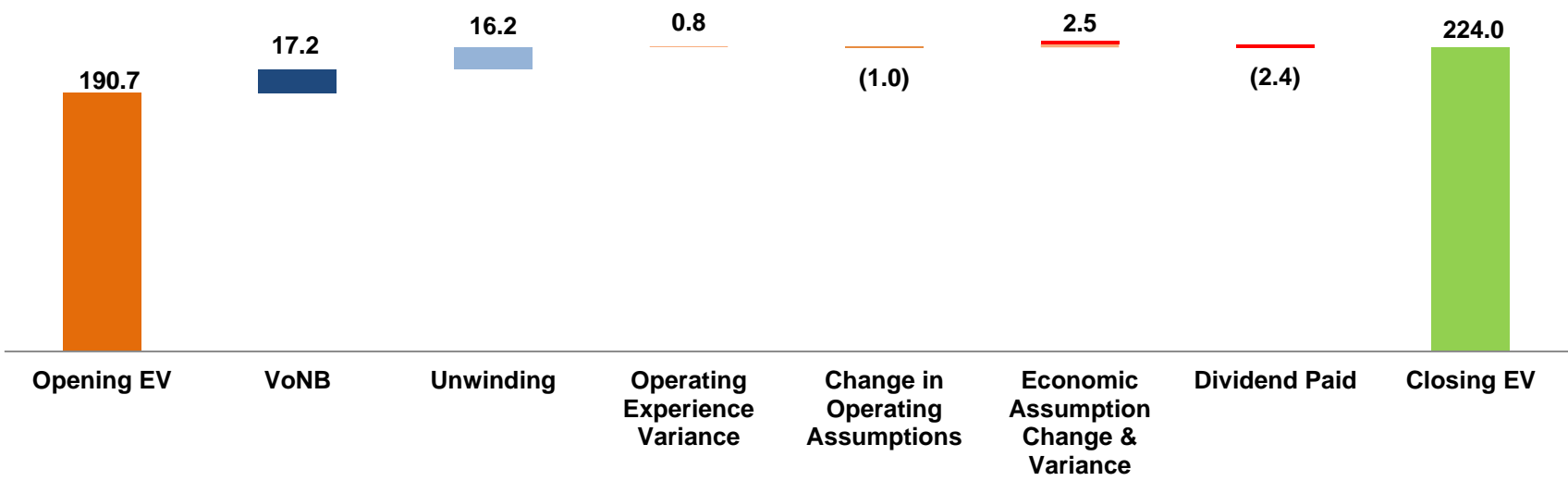


1. The rate of income tax applied to the surplus is set at 14.56%
2. Tax deductions available by way of dividend income from equity etc. is not taken into consideration. Rate of taxation applied to individual pension business is zero
3. The Required Capital is taken at 180% of the Statutory RSM, which is the internally approved norm for the company

Analysis of movement in IEV

₹ in billion

EV grown by 21% CAGR from FY16 - FY19



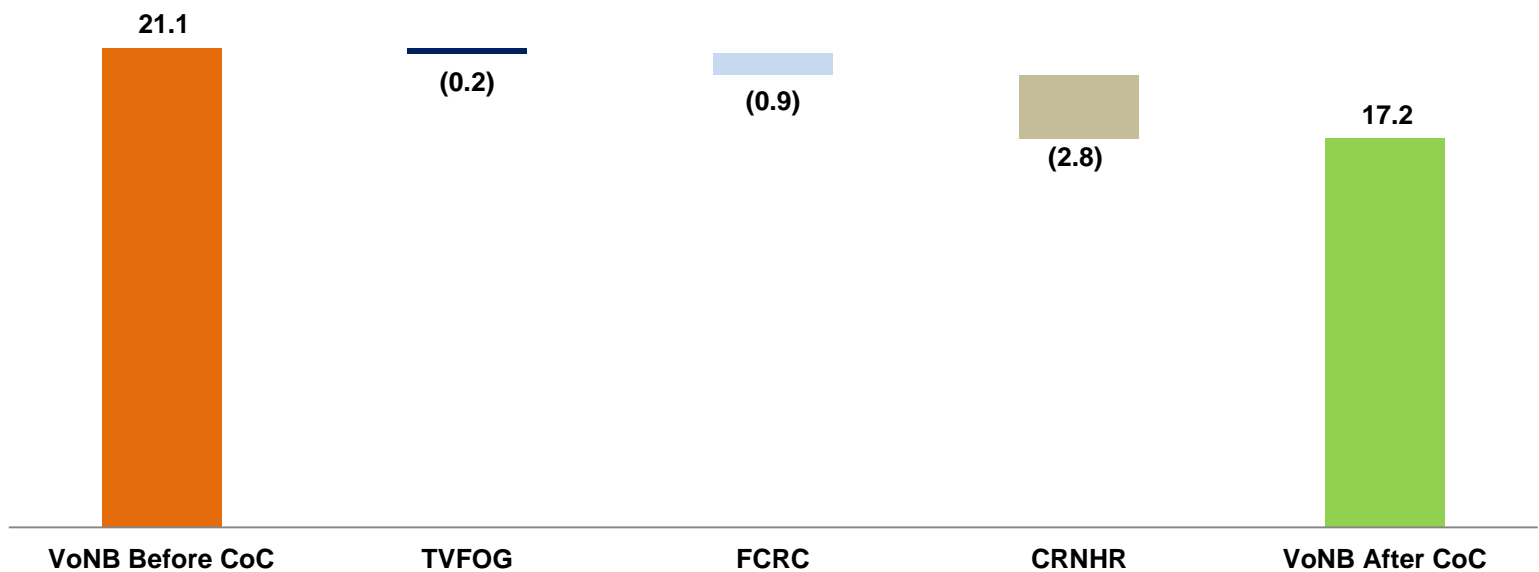
Growth of 12% in EV Operating Profits

Components may not add up to total due to rounding-off

Components of Value of New Business (VoNB)

₹ in billion

Robust VoNB growth of 24% from ₹ 13.9 billion to ₹ 17.2 billion

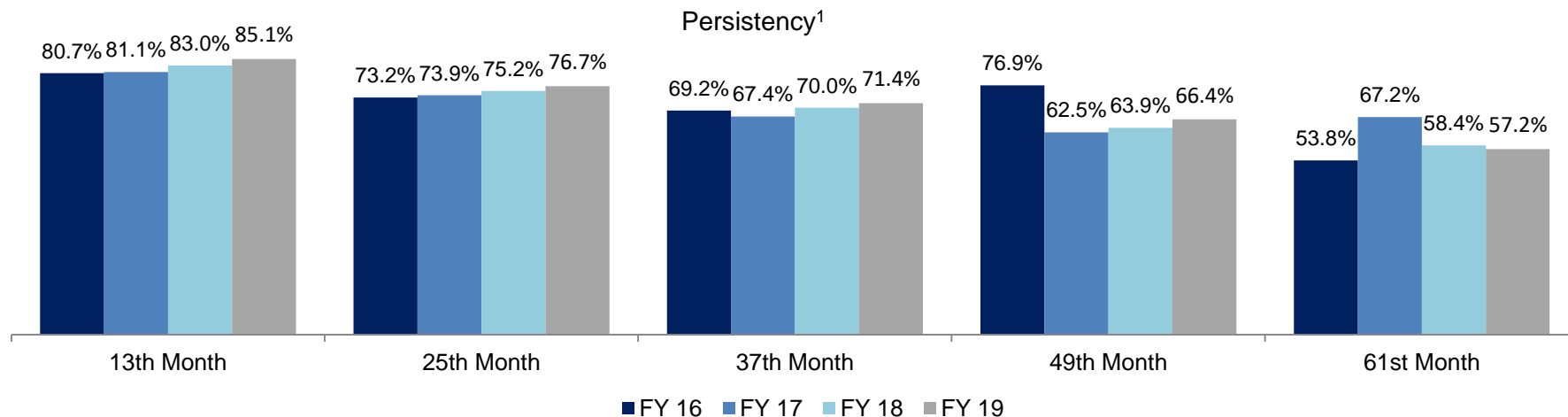


VoNB Margin increases to 17.7%

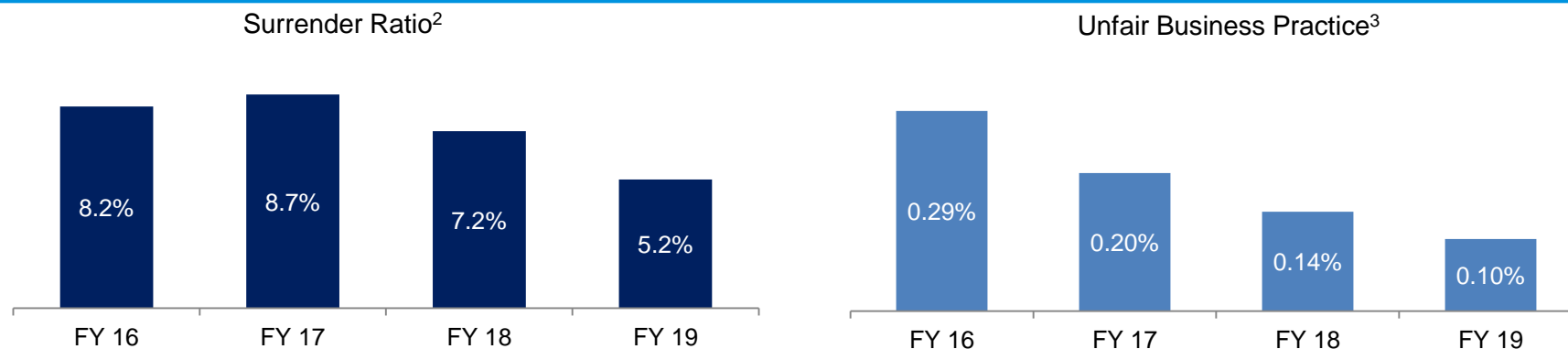
Components may not add up to total due to rounding-off

Customer retention and satisfaction

Customer retention through quality underwriting



Customer satisfaction metrics



- Strong customer service ethos resulting in consistent reduction in Unfair business practices ratio
- Customer engagement and awareness campaigns resulting in reduction in Surrender ratio

1. The persistency ratios are calculated as per IRDAI circular dated 23rd January 2014. Single premium and fully paid-up policies are considered. Ratios are calculated based on premium.

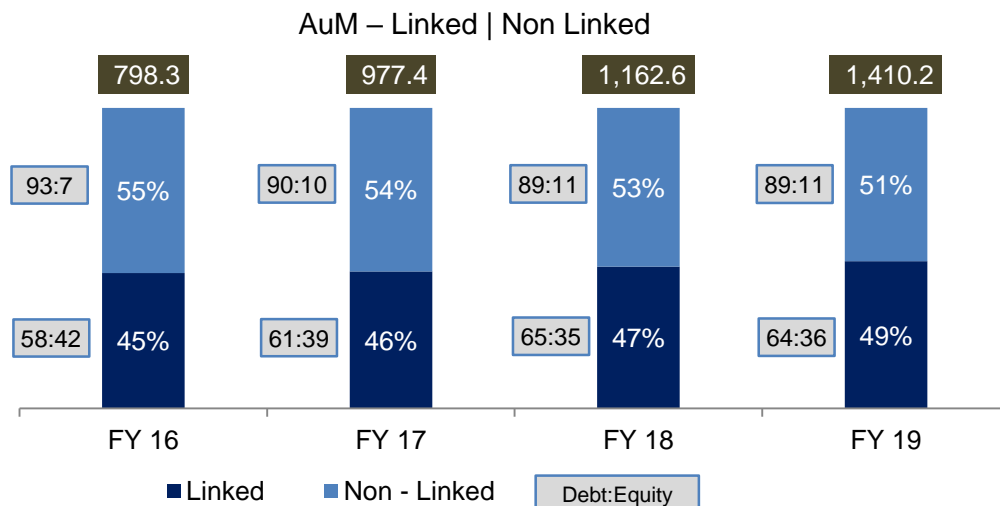
2. Surrender ratio-individual linked products (Surrender/average AuM).

3. Number of grievances with respect to unfair business practice that are reported to the Company divided by policies issued by the Company in the same period.

Asset under Management

Growing Assets under Management

₹ in billion



Growth of 21% in AUM

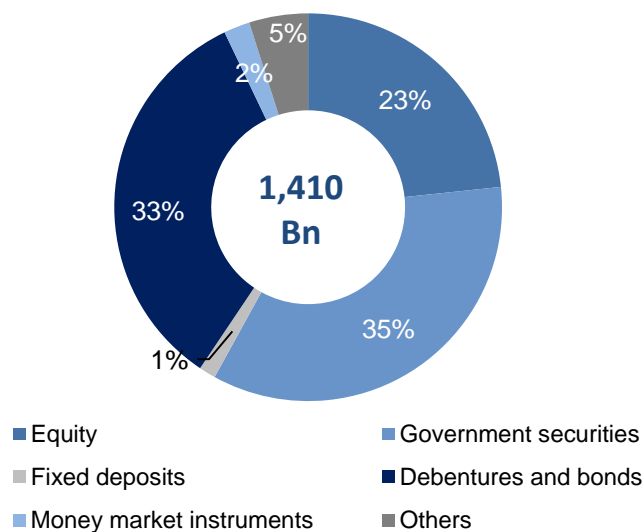


90% of the debt investments are in AAA and Sovereign instrument

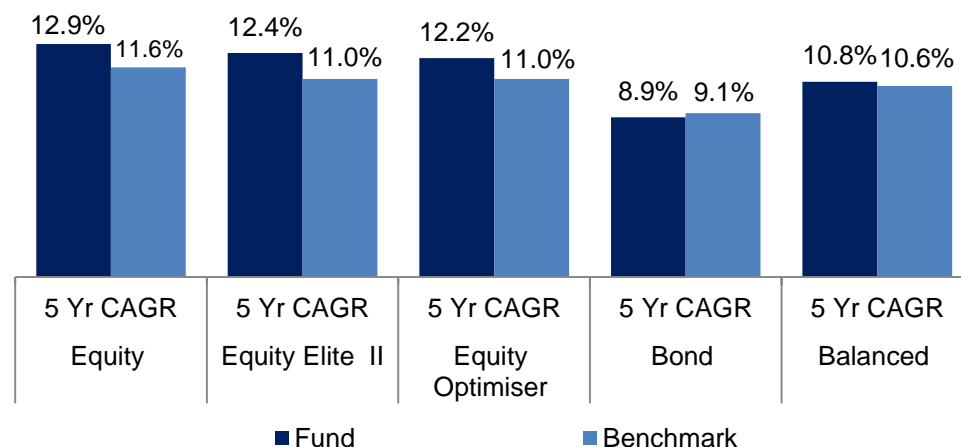


Debt Equity Ratio of 77:23

Composition of Asset under Management



Investment performance¹



1. 5 year CAGR as on March 31, 2019
Components may not add up to total due to rounding-off

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Growth Drivers

Structural Parameters



Under-penetration of Life Insurance



Increase in Affluent Class with rise in Savings



Protection Gap



Rising Healthcare Spending



Driving Digitisation

Competitive Strengths



Geographical Spread

Superior distribution performance as engine of market growth

Geographically diversified business growth

Strong distributor collaboration with engagement & communication



Embedded cost discipline

Continued disciplined approach to partnership agreements with clear focus on long term association

Risk score based underwriting model using predictive analytics



Customer First Approach

Deep customer knowledge & insights through engagement program

Listen & act on customer feedback & deliver service improvements across all touch points

Real time data & updates



Digital Transformation

Digitalize agent-customer relationship

Scale up automation & Artificial Intelligence in core operations

Increase share of end-to-end digital policies

Client 360° view & next best offer



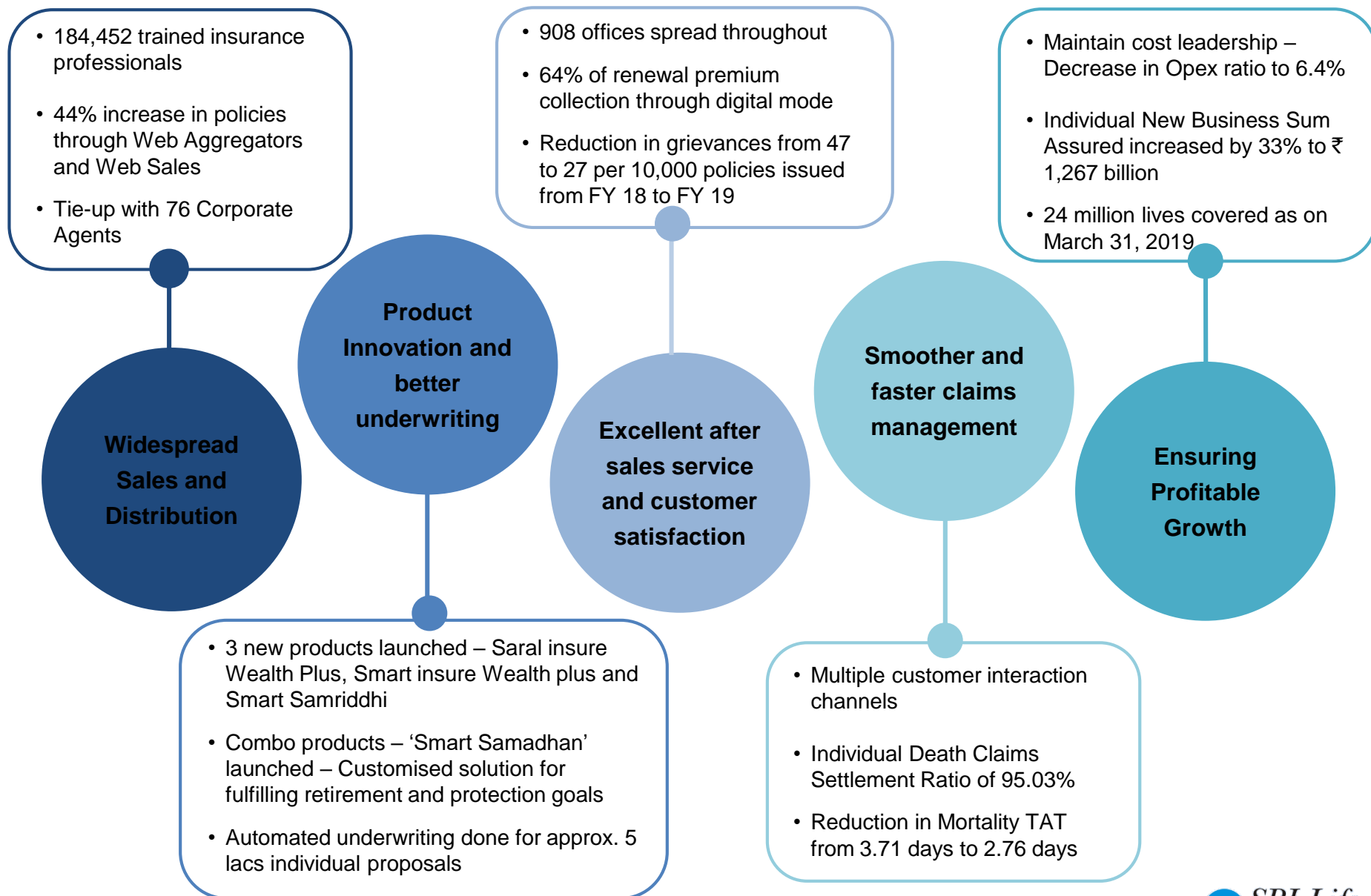
Enhanced Training

Specialized training program based on tenure & background of distributors - Product training, sales skills

Build capable in-house training team for structured and targeted training

Enabled by Strong Brand, Empowered People and Sustainability Commitment

Achievements in Target Areas



Tapping Profitable Opportunities



174%

**Growth in Protection
NBP**

16%

**Share of Protection
in Individual NOP**

176%

**Growth in Individual
Protection NOP**

Agency



- Growth in Individual protection NBP by 149%
- Agency channel has sold 66,031 individual protection policies showing an increase of 97%
- Continue to drive protection business through Agency channel through digitisation and product innovation

Bancassurance



- Individual protection NBP has increased from ₹ 38 Cr to ₹ 321 Cr
- Individual protection policies sold by Bancassurance channel increased by 242%
- Credit Loan portfolio comprises of 64% Home Loan, 28% Personal Loan, 7% Education Loan and 1% Vehicle Loan

Corporate Agents, Online



- Growth in Individual protection NBP by 49% in Online channel (including web aggregators)
- 73% increase in Individual protection policies sold through Online channel (including web aggregators)
- Tie-ups with 24 partners for Credit Loan protection business

Protection Driven, Protection Focussed

Digital Initiatives – Transforming customer experience

Customer Service



- **4 lac+** queries resolved through chatbot
- **1 lac+** unique users



295+ Crore renewal premium collected through app



10 lacs+ queries resolved by call centres



21 lacs+ queries handled by IVR



27 lacs+ fund value service requests through missed calls

Net Promoter Score – Customer satisfaction and feedback on services and products



- **2 lacs+** registered users on Whatsapp
- **1 lac+** customers sent renewal premium reminders on Whatsapp



Customer Self Service Portal - MyPolicy Login – **1lac+** users

New Business



Advisors equipped with digital tools allow them to deliver advice seamlessly and raise sales productivity

- **2 lac+** active users
- **14 lacs+** proposals uploaded



Instant protection policy issuance with YONO app - just 3 clicks – **41,954 lives** covered in 6 months

6X

Increase in digitally sourced policies



Pre-Issuance Welcome Call – **16 lacs+** customers



Easy data capture through inbuilt document upload facility - **52 lacs+** document uploaded



Premium Calculator

Application tools equipped with inbuilt premium calculators

Employees engagement and Social Media Activities



E-Shiksha – Online tool for learning development of employees and distributors



SAATHI App – Sales employees can mark attendance, track incentives and manage leads and conduct review meetings



Continuous engagement with sales force and employees through digital interactive modes



- **4.1 million+** fans across social media platforms
- **85 million+** video views across major campaigns
- Digital Marketing – “Dil Baccha toh Sab Accha”, “Real Life real Stories”, “Main Se Hum”

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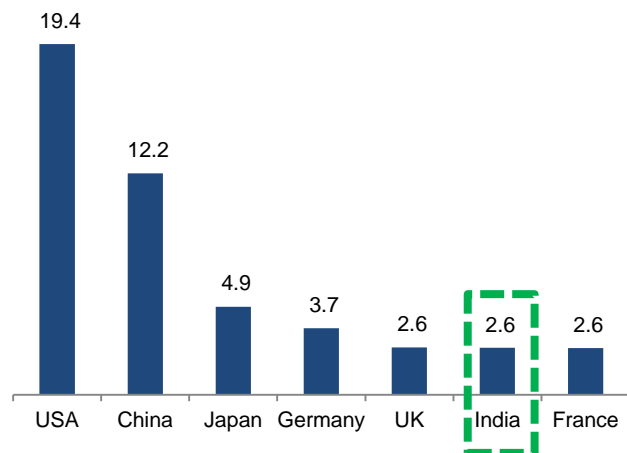
IV

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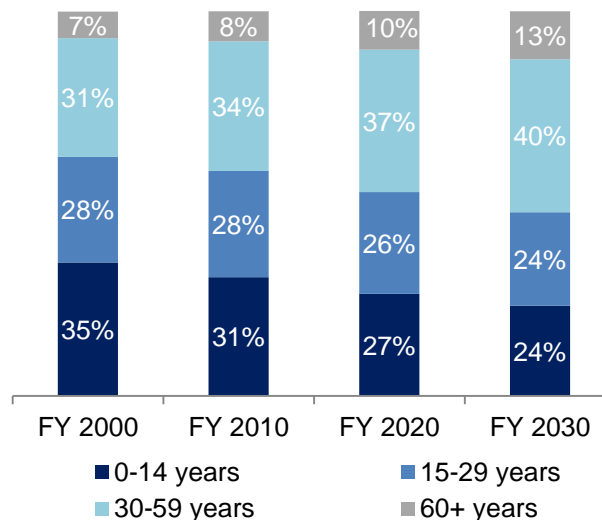
India Life Insurance - Structural Growth Drivers in Place

Strong Demographic Tailwinds Supporting India Growth Story

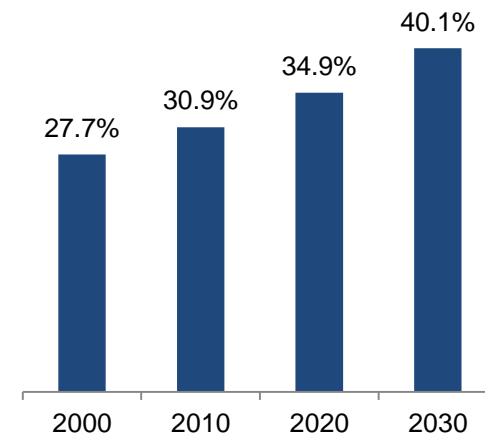
World GDP Data¹ (in USD trillion)



Composition of Population²



Share of urban population³



Advantage India

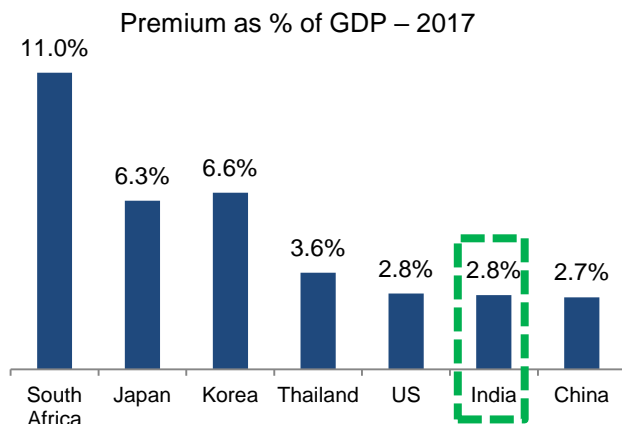
- 6th largest economy in the world
- One of the highest young population nations with median age of 28 years
- Rising share of urbanisation – Growth in urban population at 2.4% CAGR between FY 15 and FY 20

Combination of a high share of working population, rapid urbanization, rising affluence and focus on financial inclusion to propel the growth of Indian life insurance sector.

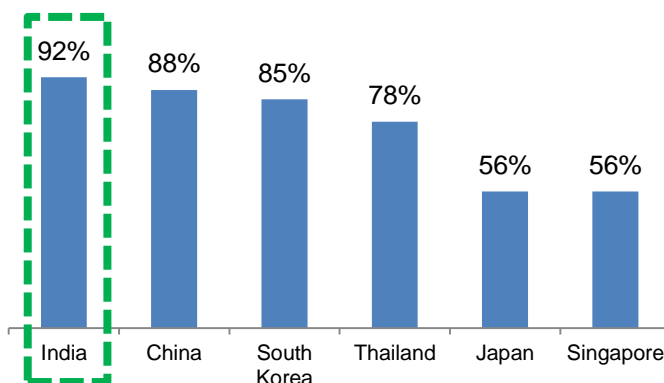
Life Insurance – Significant Under Penetration versus other Markets

Share of Life Insurance in Savings expected to Rise

Underpenetrated Insurance Market¹

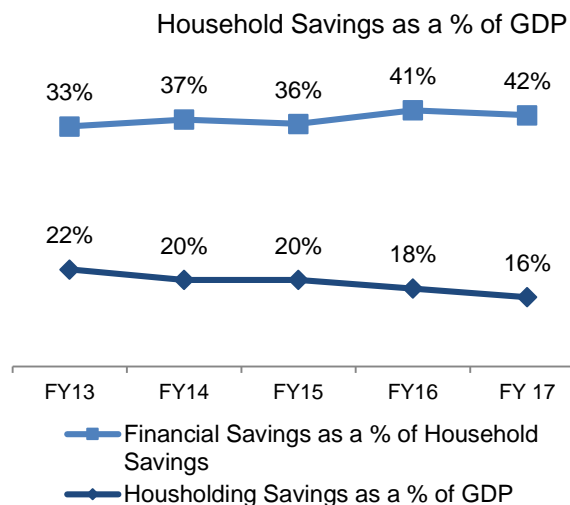


Protection margin highest amongst peers

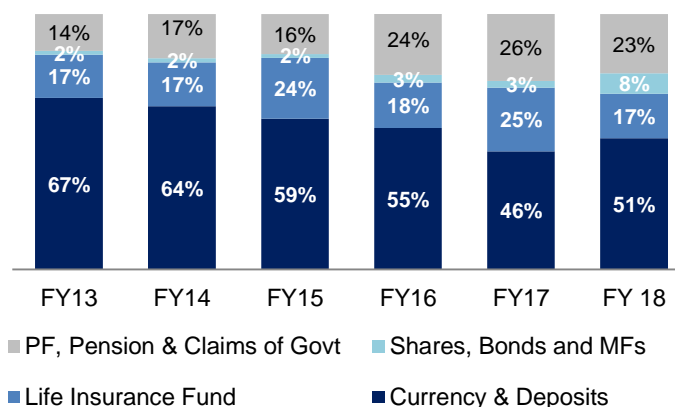


- 10th largest life insurance market worldwide and 5th largest in Asia with ₹4.6 trillion in total premium business
- Total premium grew at CAGR of 17% between FY01– FY18
- India continues to be under penetrated as compared to countries like Japan, Thailand and Korea

Financial Savings – Headed towards a Rebound²



Rising share of Insurance in Financial Savings



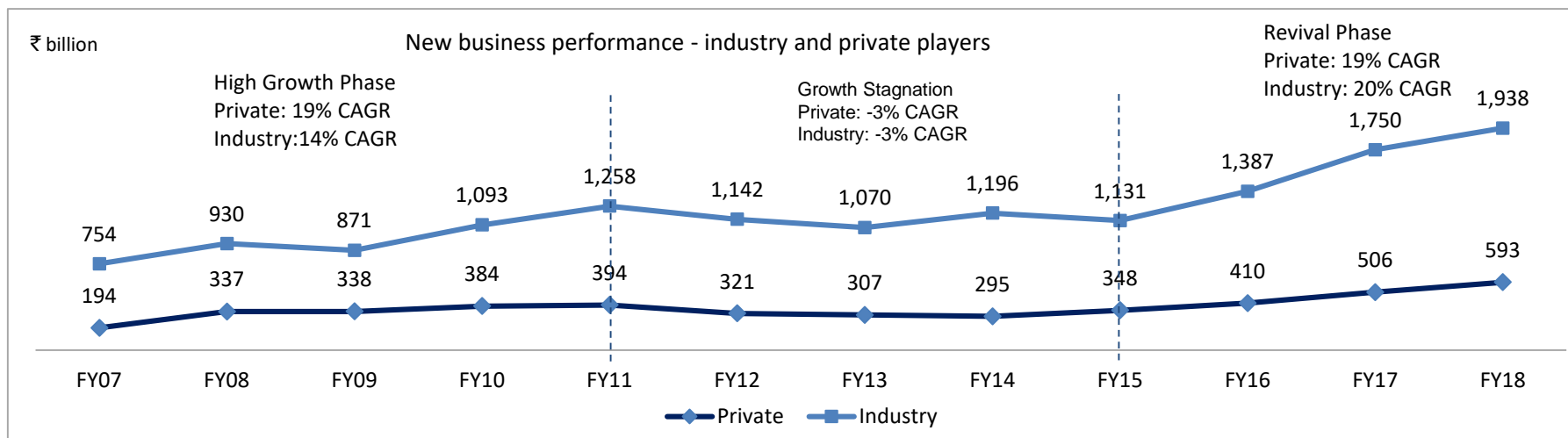
Increase in Financial Savings as a percentage of Household Savings coupled with increase in share of insurance as a percentage of Financial Savings are expected to drive growth in life insurance sector

1. Swiss Re, sigma No 3/2018

2. CSO, Reserve Bank of India, Handbook of Statistics on Indian Economy

Life insurance Industry evolution in India

Trajectory of Life Insurance Sector in India



Particulars	FY 11	FY 15	FY 17	FY 18
No. of Private players	22	23	23	23
Total Industry Premium (₹ billion)	2,916	3,281	4,181	4,583
Penetration ¹ as % of GDP	4.4%	2.6%	2.7%	2.8%
Insurance Density ² (USD)	55.7	44.0	46.5	55.0
Average individual policy ticket size – Total Industry (₹)	17,176	21,403	29,419	32,716
Average individual policy ticket size – Private Industry (₹)	27,411	39,394	50,787	58,900
No. of individual agents – Total Industry (lakhs)	26.39	20.68	20.88	20.83
No. of individual agents – Private Industry (lakhs)	13.02	9.04	9.57	9.34

Source: IRDAI, Life Council, IMF, RBI, CSO

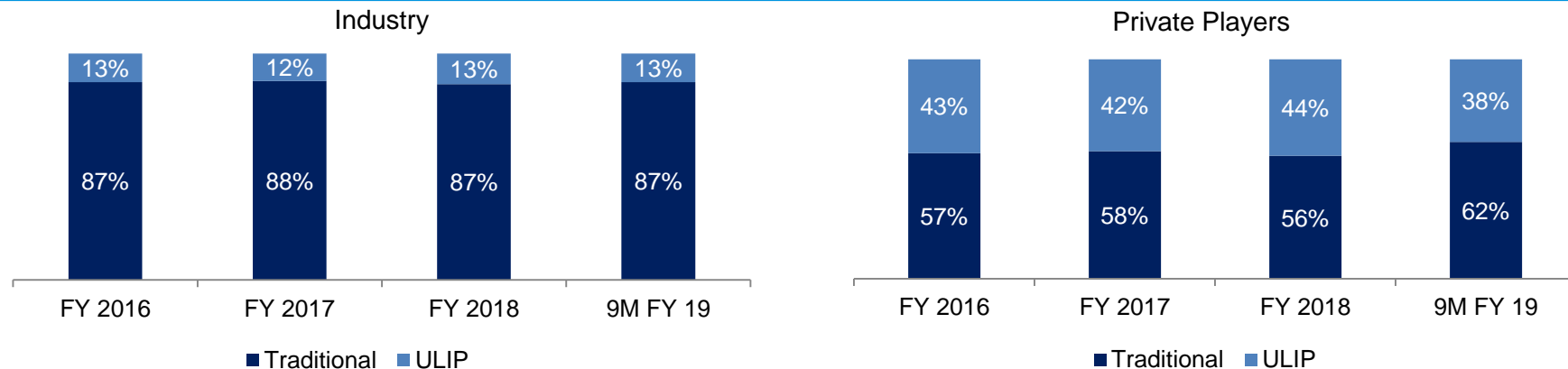
1. Insurance Premium as % of GDP

2. Premium per capita

Product portfolio and Channel mix

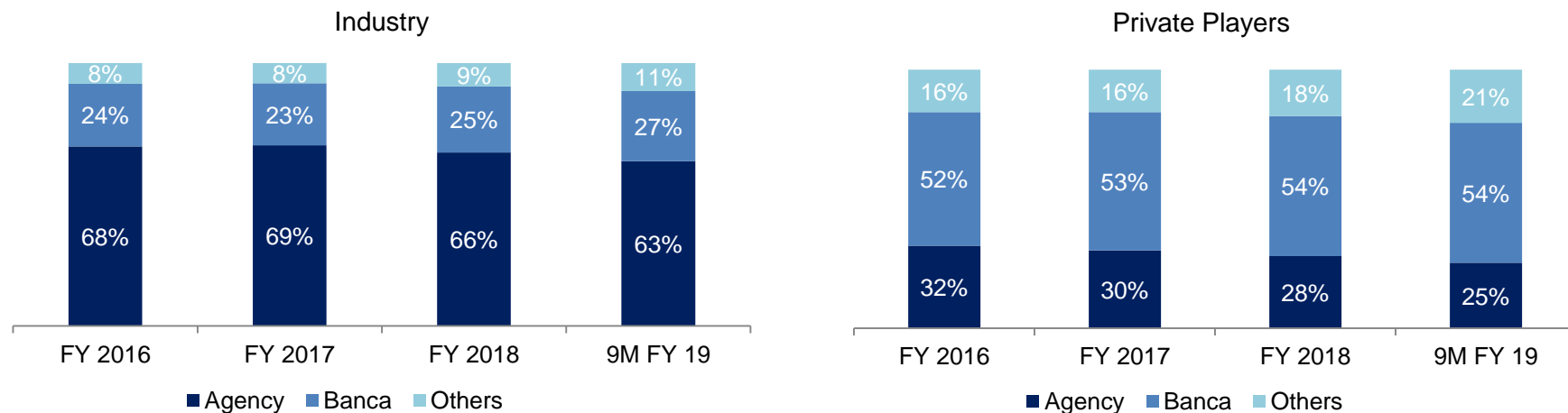
Industry Composition – Product mix and Channel mix

Product portfolio¹



Higher ULIP contribution among private players, though traditional products forms the major share of new business

Channel mix²



Banca channel has continued to be the largest channel for private players year on year

1. New business premium basis

2. Individual new business premium basis

Source: Life Insurance Council, Public disclosures

Components may not add up to total due to rounding-off

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Annualised Premium Equivalent (APE)

APE Product mix and Channel mix

Product portfolio

₹ in billion

Segment	FY16	FY17	FY18	FY 19	Y-o-Y Growth	Mix (FY 19)
Individual Savings	43.1	59.4	78.5	87.2	11%	90%
- Par	15.5	11.2	20.9	18.1	(13%)	19%
- Non Par	0.6	0.5	0.7	0.4	(40%)	0%
- ULIP	26.9	47.7	56.9	68.6	21%	71%
Individual Protection	1.1	0.8	0.6	3.7	554%	4%
Group Protection	4.1	3.4	4.0	2.9	(26%)	3%
Group Savings	2.1	3.7	2.4	3.2	35%	3%
Total APE	50.5	67.3	85.4	97.0	14%	

Channel mix

₹ in billion

Channel	FY16	FY17	FY18	FY 19	Y-o-Y Growth	Mix (FY 19)
Banca	27.8	40.4	55.9	64.8	16%	67%
Agency	17.7	20.9	25.6	27.7	8%	29%
Others	5.0	6.0	3.9	4.5	17%	5%
Total APE	50.5	67.3	85.4	97.0	14%	

Individual Annualised Premium Equivalent (APE)

Individual APE – Channel Mix Segment wise

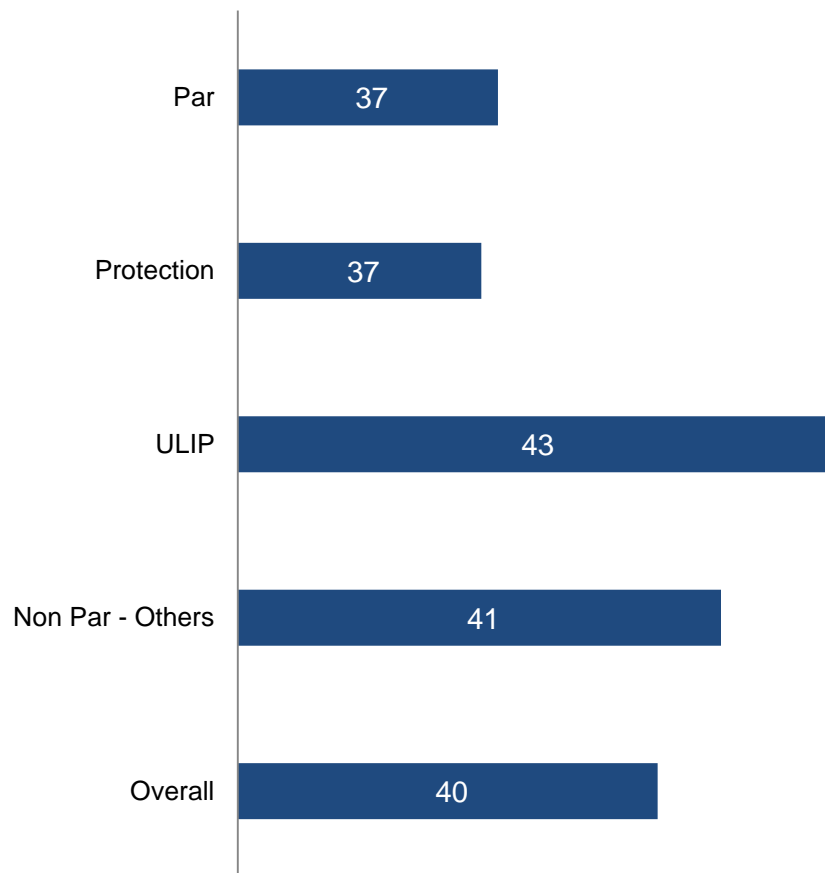
₹ in billion

Channel	Segment	FY17	FY18	FY 19	Y-o-Y Growth	Mix (FY 19)
Bancassurance	Participating	5.3	13.2	9.9	(25%)	11%
	Non Participating	1.0	0.9	3.5	267%	4%
	Unit Linked	32.4	38.9	49.0	26%	54%
	Total	38.7	53.0	62.4	18%	69%
Agency	Participating	5.5	7.5	7.8	4%	9%
	Non Participating	0.2	0.2	0.5	106%	1%
	Unit Linked	14.6	17.7	19.3	9%	21%
	Total	20.3	25.4	27.6	8%	30%
Others	Participating	0.2	0.3	0.4	60%	0%
	Non Participating	0.1	0.1	0.2	49%	0%
	Unit Linked	0.1	0.3	0.3	0%	0%
	Total	0.4	0.7	0.9	32%	1%

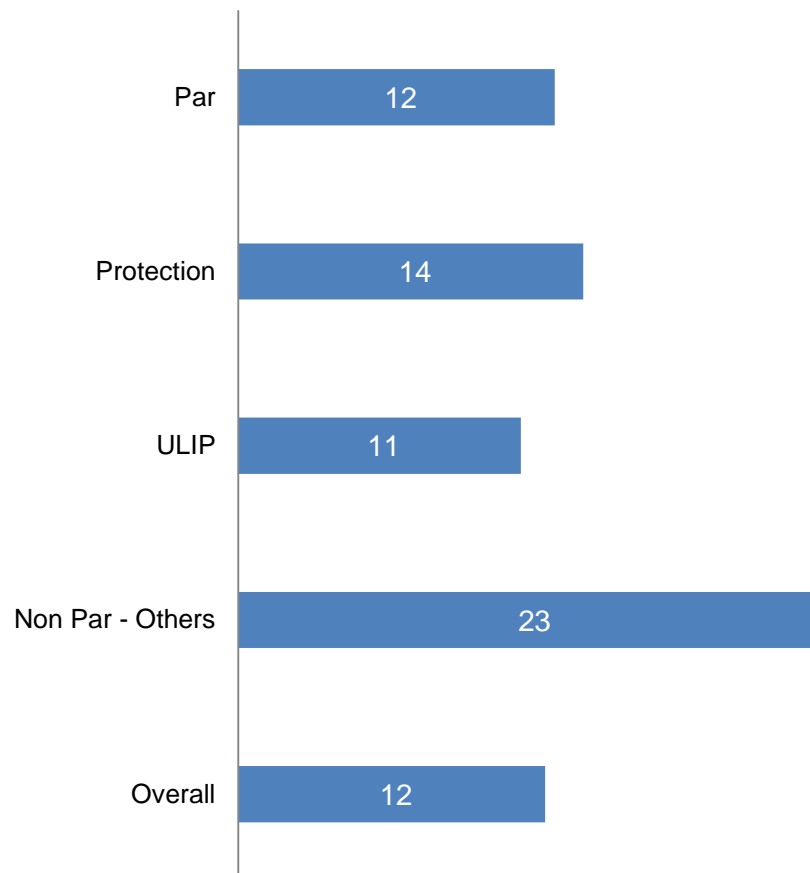
Customer Age and Policy Term¹

Customer Profile

Average customer age in years



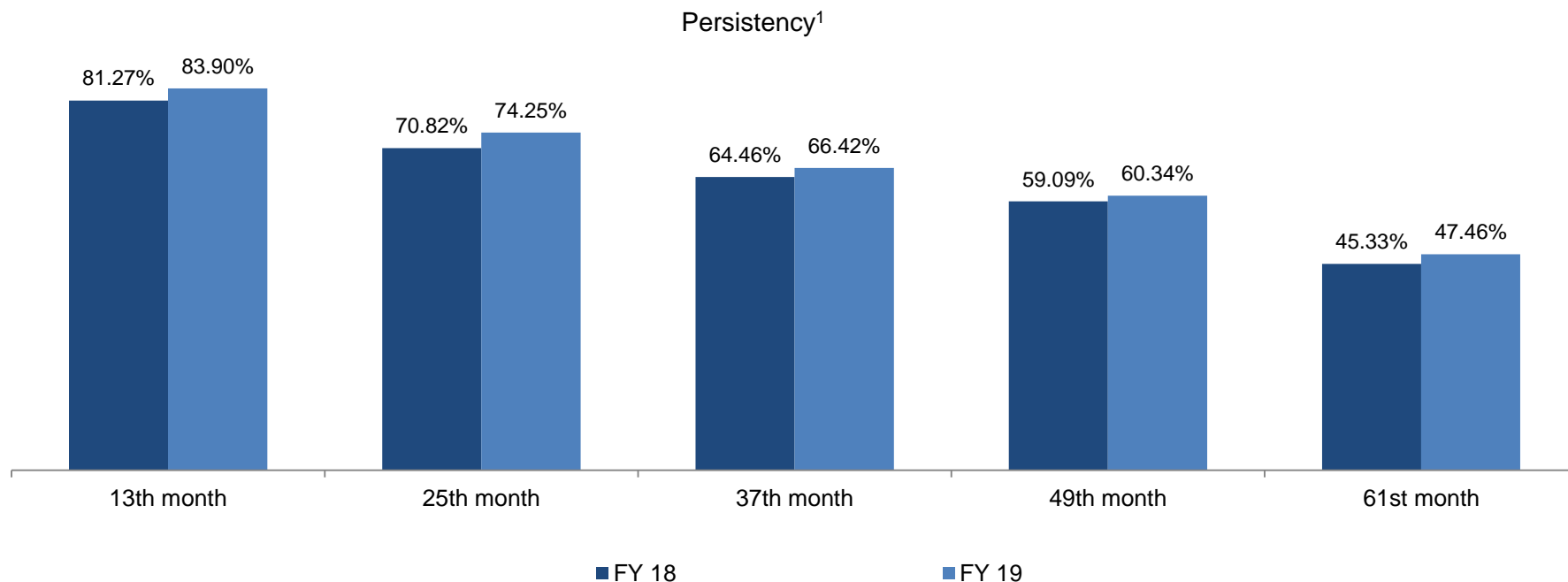
Average policy term in years



1. Age and term for individual products for FY 19

Persistency – Regular Premium

Quality Underwriting and Customer Retention



1. The persistency ratios are calculated as per IRDAI circular dated 23rd January 2014.
Ratios are calculated based on regular premium

Analysis of movement in IEV

₹ in billion

IEV Movement Analysis - Components	FY 19
Opening IEV	190.70
Expected return on existing business	
At Reference Rate	11.74
At expected real-world return in excess of reference rate	4.47
Operating Assumptions Change	(1.01)
VoNB added during the period	17.19
Operating Experience Variance - Persistency	0.05
Operating Experience Variance - Expenses	(0.02)
Operating Experience Variance - Mortality and Morbidity	0.74
Operating Experience Variance - Others	0.06
IEV Operating Earnings (EVOP)	33.23
Economic Assumption Changes and Investment Variances	2.50
IEV Total Earnings	35.73
Capital Contributions / Dividends paid out	(2.41)
Closing IEV	224.02

Growth of 17% in Embedded Value year on year

Components may not add up to total due to rounding-off

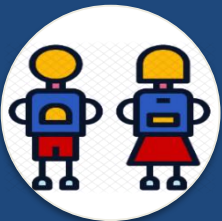
Sensitivity Analysis

Scenario	Change in EV%	Change in VoNB%
Reference Rate +100 bps	(5%)	3%
Reference Rate -100 bps	5%	(3%)
Decrease in Equity Value 10%	(1%)	-
Proportionate change in lapse rate +10%	(1%)	(6%)
Proportionate change in lapse rate -10%	1%	6%
Mortality / Morbidity +10%	(2%)	(7%)
Mortality / Morbidity -10%	2%	7%
Maintenance Expense +10%	(1%)	(2%)
Maintenance Expense -10%	1%	2%
Mass Lapse for ULIPs in the year after the surrender penalty period of 25% ¹	(2%)	(8%)
Mass Lapse for ULIPs in the year after the surrender penalty period of 50% ¹	(5%)	(18%)
Tax Rate Change to 25%	(8%)	(15%)

¹. Mass lapse sensitivity (of 25% or 50%) for ULIP business is applied at the end of surrender penalty period as defined by APS 10, which is taken to be the beginning of 5th policy year for current generation of our ULIP products.

Corporate Social Responsibility

Fulfilling our responsibility towards Society



Primary Education



Healthcare for
women and children



Literacy programs
for women and
children

SBI Life's CSR focus areas



Rural development



Environment



Healthcare



Skill development



Disaster relief

142 projects undertaken

2.4 lacs+ lives impacted

Committed to spreading smiles across society

Awards



Awarded **'Life Insurer of the Year 2018 – India'** by Insurance Asia News Awards for Excellence 2018



Winner of the **Gold Shield Award** for Excellence in Financial Reporting at ICAI Awards for Excellence in Financial Reporting 2018



Won the **'RIMS India Enterprise RISK Management (ERM) Award of Distinction 2018'**, by the Risk & Insurance Management Society (RIMS), USA



Won **'2nd Runner Up'** in the Category of Improvement & Innovation at the 30th Qualtech Prize 2018



Recognised as **'The Economic Times Best Brands 2019'** by The ET Best Brands 2019



Received the **'Smart Insurer Award in the Life Insurance - Large Category'** at the ET Insurance Summit 2018



Won **'Life Insurance Provider of the Year 2018'** in **'Silver category'** at Outlook Money Awards 2018



Won the awards for **'Best Blended Learning Program'** and **'Chief Learning Officer of the Year'** at TISS Leapvault CLO Awards 2018



Awarded Winner of **'Golden Peacock Award for Risk Management'** for the year 2018

Revenue and Profit & Loss A/c

₹ in billion

Particulars	FY 18	FY 19
Premium earned	253.5	329.9
Premium on reinsurance ceded	(1.9)	(1.0)
Net premium earned	251.6	328.9
Investment income ¹	89.0	116.0
Other income	0.8	0.8
Total income (A)	341.4	445.7
Commission paid	11.2	13.5
Operating and other expenses ²	21.0	26.1
Provision for tax – policyholders ³	2.4	2.7
Claims/benefits paid (net) ³	117.1	152.9
Change in actuarial liability ⁴	177.9	236.8
Total expenses (B)	329.6	432.0
Profit before tax (A-B)	11.8	13.7
Provision for tax – shareholders ³	0.3	0.5
Profit after tax	11.5	13.3

1. Net of Provision for diminution in the value of investment and provision for standard assets

2. Includes provision for doubtful debts (including write off) and service tax/GST on charges

3. Inclusive of interim bonus and terminal bonus

4. Includes movement in fund for future appropriation

Components may not add up to total due to rounding-off

Balance Sheet

₹ in billion

Particulars	FY18	FY 19
SOURCES OF FUNDS		
Share Capital	10.0	10.0
Reserves and Surplus	53.7	64.6
Credit/(Debit) Fair Value Change Account	1.5	1.2
Sub-Total	65.3	75.8
Credit/(Debit) Fair Value Change Account	9.4	10.6
Policy Liabilities	555.6	649.5
Provision for Linked Liabilities	495.6	605.9
Fair Value Change Account (Linked)	31.1	51.6
Funds for Discontinued Policies	22.7	33.8
Funds for Future Appropriation	1.9	2.8
Total Liabilities	1,181.6	1,430.0
APPLICATION OF FUNDS		
Investments		
-Shareholders	50.1	57.2
-Policyholders	544.9	644.7
-Assets held to cover Linked Liabilities	549.4	691.3
Loans	1.7	1.7
Fixed assets	5.8	6.0
Net Current Assets	29.7	29.1
Total Assets	1,181.6	1,430.0

Components may not add up to total due to rounding-off

IEV Methodology and Approach (1/2)

Embedded Value is a measure of the consolidated value of shareholders' interest in the covered life insurance business. The embedded value has been determined by following a market consistent methodology, as per the requirements and principles set forth by the IAI within the APS10.

Components of Embedded Value:

IEV is calculated as the sum of Adjusted Net Worth (ANW) and Value of In-Force business (VIF).

ANW comprises Free Surplus (FS) and Required Capital (RC).

VIF consists of the following components:

- Present Value of Future Profits (PVFP) expected to emerge from the covered business;
- Less Frictional Cost of Capital (FCoC);
- Less Time Value of Financial Options and Guarantees (TVFOG);
- Less Cost of Residual Non-Hedgeable Risks (CRNHR).

Components of Adjusted Net Worth (ANW):

This is the value of all assets allocated to the covered business that are not required to back the liabilities of the covered business.

Free Surplus (FS): Free Surplus represents the market value of any assets in excess of liabilities and Required Capital which is potentially distributable to shareholders immediately. Free Surplus has been calculated as the excess of ANW over the Required Capital.

Required Capital (RC): Required Capital is the amount of assets attributed to the covered business over and above that required to back liabilities for the covered business. Required Capital has been set at 180% of the RSM, based on the Company's internal capital target. RSM has been projected by applying the solvency margin factors prescribed by the IRDAI appropriate to each line of business.

IEV Methodology and Approach (2/2)

Components of Value of Inforce (VIF) business:

Present Value of Future Profits (PVFP): PVFP represents the present value of future post taxation shareholder cash-flows projected to emerge from the in-force covered business and the assets backing liabilities of the in-force covered business. The PVFP incorporates an allowance for the intrinsic value of financial options and guarantees.

Frictional Cost of Capital (FCoC): Allowance is made for the impact of taxation on investment returns and for the impact of investment expenses (after tax) on the assets backing the projected Required Capital, together with an allowance for shareholders' fund expenses.

Time Value of Financial Options and Guarantees (TVFOG): Allowance is made for asymmetric impact on shareholder value due to any financial options and guarantees within the covered business.

Cost of Residual Non-Hedgeable Risks (CRNHR): A bottom-up assessment of risks has been undertaken to allow for the cost of residual non-hedgeable risks not already allowed for elsewhere. CRNHR has been estimated using a cost of capital approach.

Assumptions used for IEV Calculation:

The expense assumptions used in the IEV (Indian Embedded Value) estimation represent the unit costs arising out of actual experience of the FY 2018/19 and makes no allowance for any productivity gains/cost efficiencies beyond what is achieved up to the valuation date.

The Required Capital is taken at 180% of the Statutory RSM, which is the internally approved norm for the company.

The rate of income tax applied to the surplus is set at 14.56%. Tax deductions available by way of dividend income from equity etc. is not taken into consideration. Rate of taxation applied to individual pension business is zero.

The zero coupon government bond yield curve published by FIMMDA was used as the assumed reference rates.

Abbreviations

Term	Description	Term	Description
GWP	Gross Written Premium	Opex	Operating Expenses (excluding commission)
NBP	New Business Premium	CAGR	Compounded Annual Growth Rate
NOP	Number of Policies	GDP	Gross Domestic Product
APE	Annualized Premium Equivalent	CIF	Certified Insurance Facilitator
IRP	Individual Rated Premium	FY	Financial Year ending 31 st March
AuM	Assets Under Management	INR (₹)	Indian Rupees
Banca	Bancassurance	USD (\$)	United States' Currency
ULIP	Unit Linked Insurance Plan	TAT	Turn Around Time
PAR	Participating	Traditional	Other than Unit Linked Insurance Plan
NON PAR	Non-Participating	ROE	Return on Equity

Glossary

- **New Business APE:** The sum of annualized first year premiums on regular premium policies, and 10.00% of single premiums, written by the Company during the fiscal year from both retail and group customers
- **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
- **Individual Rated Premium (IRP):** New business premiums written by the Company under individual products and weighted at the rate of 10.00% for single premiums
- **Renewal Premium:** Life insurance premiums falling due in the years subsequent to the first year of the policy
- **Gross Written Premium (GWP):** The total premium written by the Company before deductions for reinsurance ceded
- **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):** Value of New Business 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
- **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

Disclaimer

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as 'will', 'would', 'indicating', '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 to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by State Bank of India, our holding company. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

The assumptions, estimates and judgments used in the calculations are evaluated internally where applicable and have been externally reviewed. They represent the best estimate based on the company's experience and knowledge of relevant facts and circumstances. While the management believes that such assumptions, estimates and judgments to be reasonable; the actual experience could differ from those assumed whereby the results may be materially different from those shown herein.

Thank you

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