

# SBI LIFE INSURANCE

Performance Update – September 2021



F I N A N C I A L I M M U N I T Y

# AGENDA

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# Resilient business model creating long term value

Well positioned to maintain steady growth and long term consistent returns

Geographically diverse  
distribution network – **947** own  
offices



**2 lacs+** trained insurance personnel  
addressing customer insurance needs



Sustainable Value Accretion  
₹ **12.22** billion - value of new business



Usage of technology for simplification  
of processes – **99.3%** of applications  
are submitted digitally

Covering **4.6 million** + lives with  
total sum assured of about  
₹ **2,224 billion**



Stable and Consistently  
managed Balance Sheet  
– Solvency of **2.12**

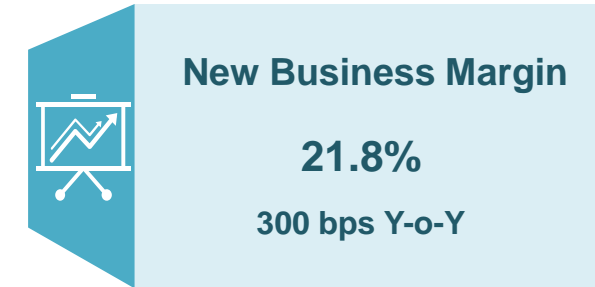
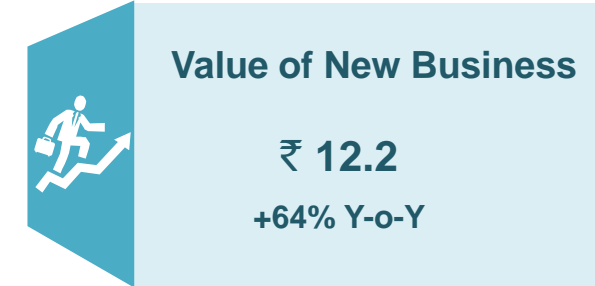


**Driven by strong brand, solid governance and committed employees**

# Delivered strong performance

Overall business grew steadily

₹ in billion



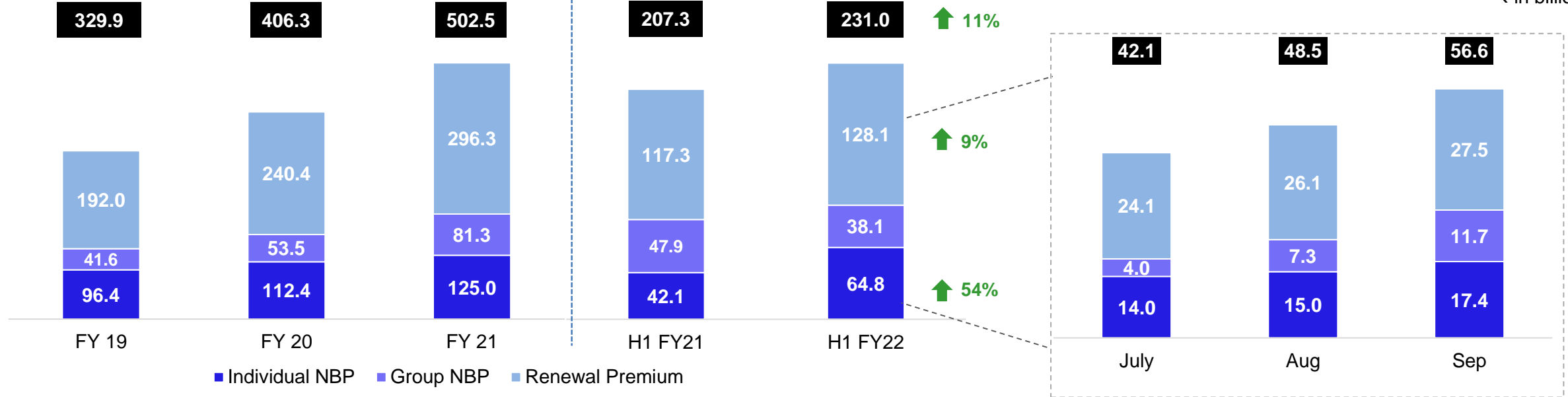
1. Value of New Business and New Business Margin is based on actual tax rate. On Effective tax rate basis, VoNB and VoNB margin is ₹ 14.2 billion & 25.3% respectively for H1 FY 22.
  2. Indian Embedded Value on Effective tax rate basis is ₹ 384.9 billion for H1 FY 22. 3. The methodology, assumptions and the results have been reviewed by Willis Towers Watson Actuarial Advisory LLP.
- The CAGR numbers are calculated for a period of 5 years from H1 FY 17 to H1 FY 22. Numbers are rounded off to nearest one decimal.

# Capturing growth in a rapidly changing environment

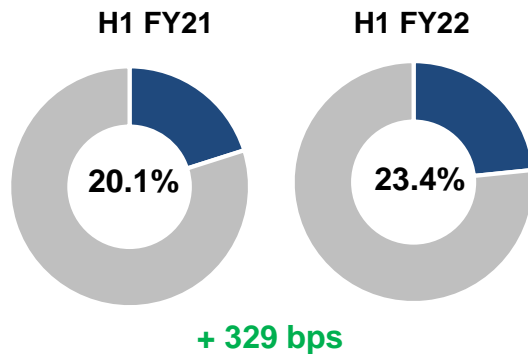
Consistent and sustainable growth in New Business and Renewal Collection

₹ in billion

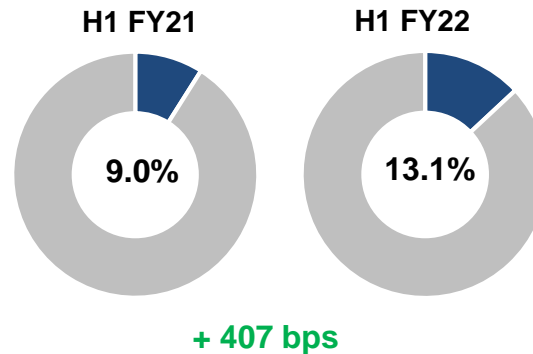
GWP



Individual NBP –  
Private Market share<sup>1</sup>



Individual NBP –  
Total Market share<sup>1</sup>

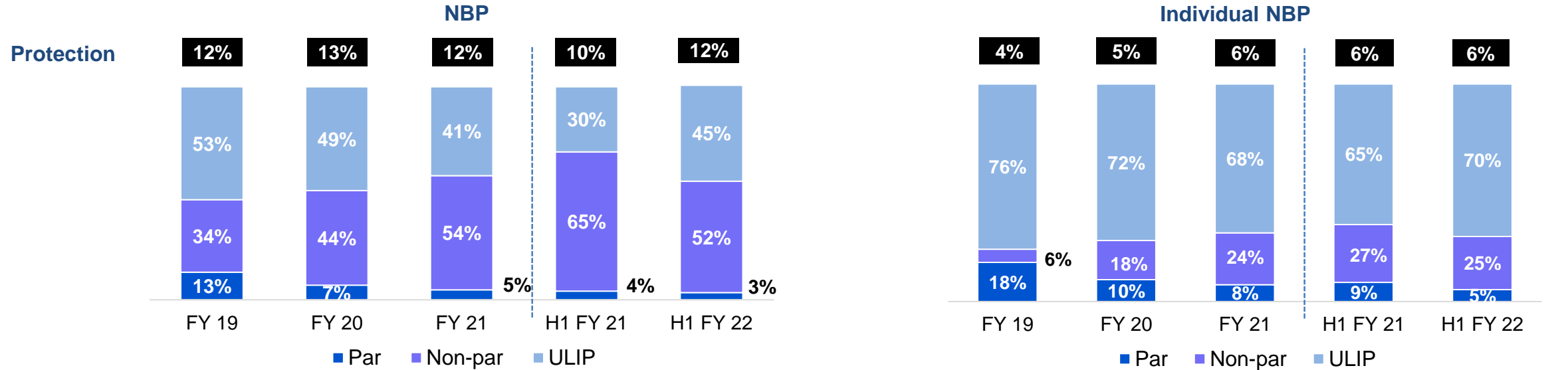


- ✓ Strong recovery after impact of second wave of COVID on Q1-FY22 business
- ✓ Increase in Individual Rated Premium Private Market Share by 289 bps
- ✓ Individual APE grew by 52%
- ✓ Strong growth of 29% in number of Individual New Policies
- ✓ Consistent growth in Renewal Premium
- ✓ 28% growth in Individual Sum Assured on a Y-o-Y basis

# Product portfolio

Gained momentum across all segments

₹ in billion



⇒ Growth in Protection APE - 25%      ⇒ Individual Annuity NBP Growth - 52%      ⇒ NBP growth of 51% excl. group savings

| Product Mix <sup>1</sup> | FY 19        | FY 20        | FY 21        | H1 FY21     | H1 FY 22     | Y-o-Y Growth | Mix (H1 FY22) |
|--------------------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
| <b>Savings</b>           | <b>90.7</b>  | <b>98.4</b>  | <b>105.7</b> | <b>34.9</b> | <b>54.2</b>  | <b>55%</b>   | <b>53%</b>    |
| - Par                    | 17.6         | 11.6         | 9.7          | 3.7         | 3.5          | (4%)         | 3%            |
| - Non Par                | 0.2          | 6.3          | 10.5         | 4.0         | 5.3          | 32%          | 5%            |
| - ULIP                   | 72.8         | 80.5         | 85.5         | 27.2        | 45.4         | 67%          | 44%           |
| <b>Protection</b>        | <b>16.4</b>  | <b>20.8</b>  | <b>24.6</b>  | <b>9.1</b>  | <b>12.1</b>  | <b>33%</b>   | <b>12%</b>    |
| - Individual             | 3.7          | 5.3          | 7.4          | 2.7         | 3.7          | 38%          | 4%            |
| - Group                  | 12.7         | 15.5         | 17.2         | 6.4         | 8.4          | 31%          | 8%            |
| <b>Annuity</b>           | <b>2.8</b>   | <b>11.3</b>  | <b>30.2</b>  | <b>15.7</b> | <b>14.2</b>  | <b>(9%)</b>  | <b>14%</b>    |
| <b>Group Savings</b>     | <b>28.1</b>  | <b>35.4</b>  | <b>45.7</b>  | <b>30.3</b> | <b>22.4</b>  | <b>(26%)</b> | <b>22%</b>    |
| <b>Total NBP</b>         | <b>137.9</b> | <b>165.9</b> | <b>206.2</b> | <b>90.0</b> | <b>102.9</b> | <b>14%</b>   |               |

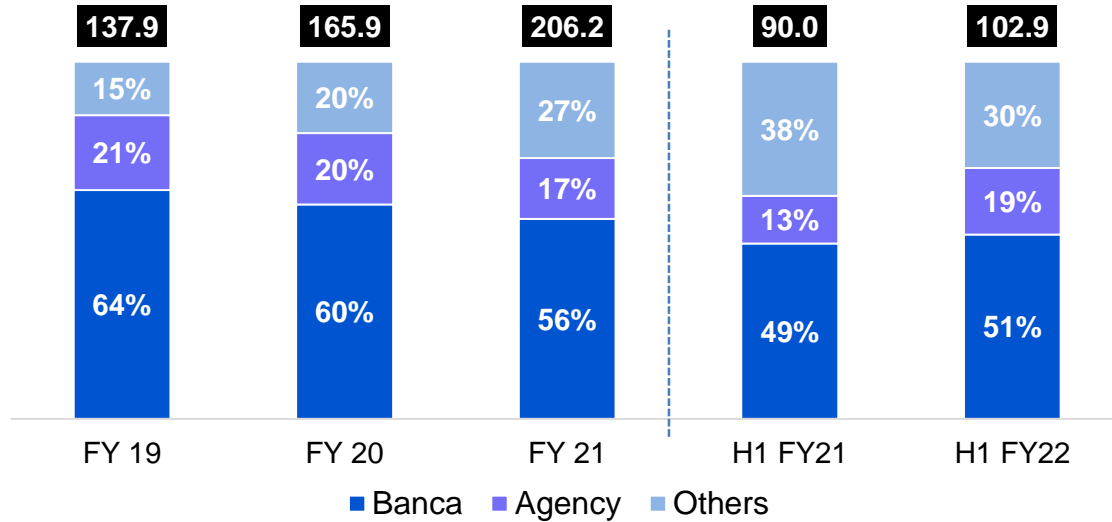
1. New business premium basis  
Components may not add up to total due to rounding-off

# Robust growth across all channels

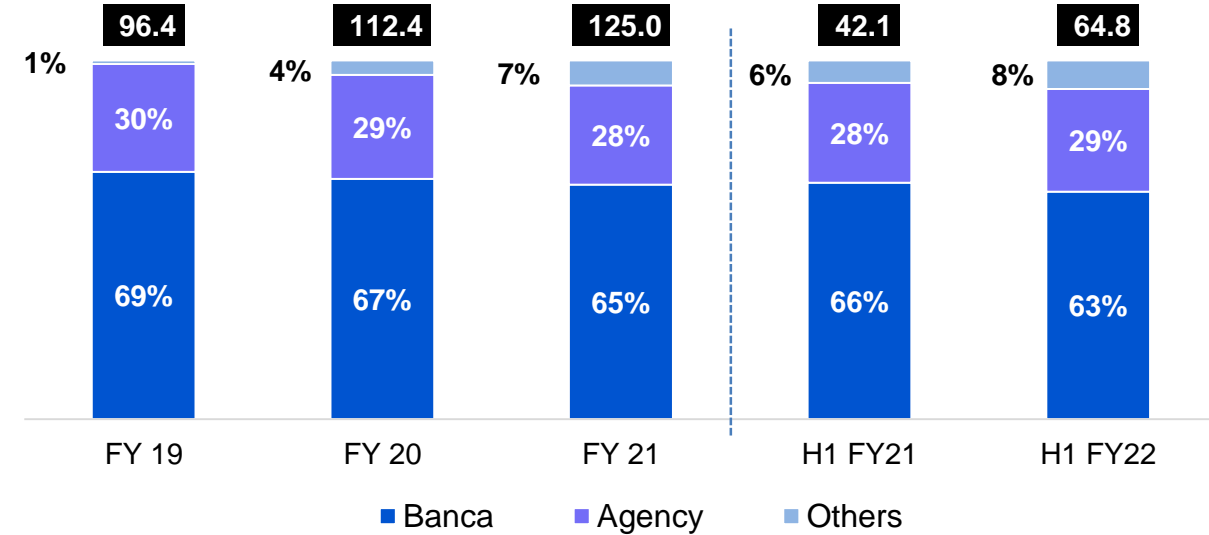
Prominent value creation capability

₹ in billion

## NBP



## Individual NBP



**Diversified network of Traditional + Alternative channels enabling to maintain business continuity during Covid-19**

**Unrivalled distribution network registered strong growth in Individual NBP**

**Banca – 48%**  
**Agency – 58%**

**NBP from Key Corporate Agents grew by 57%**

**Online Channel grew by 66%**

**Annuity plans through NPS subscribers**

**2.2x growth in new business premium**

**Vast distribution network supported by strong, agile & analytics driven technology platform**

# Unparalleled distribution reach

Quality and scale of multichannel distribution platforms enabling wider presence



## Bancassurance

### NBP – Protection Share

**18%**  
(16%)

### Productivity per branch<sup>1</sup>

**37 lacs**

### Ticket size<sup>2</sup>

**91k**  
(79k)



## Agency

### NBP – Protection Share

**3%**  
(4%)

### Productivity per agent

**2.4 lacs**

### Ticket size<sup>1</sup>

**71k**  
(54k)



## Others

### No. of policies

**59k**  
(31k)

### No. of protection policies

**27k**  
(7k)

### NBP – Annuity Share

**35%**  
(38%)

**22,000+**

**143,000+**

**60**

**108**

**12,500+**

**SBI branches**

**Agents**

**Corporate  
Agents**

**Brokers**

**Other bank  
partner branches**

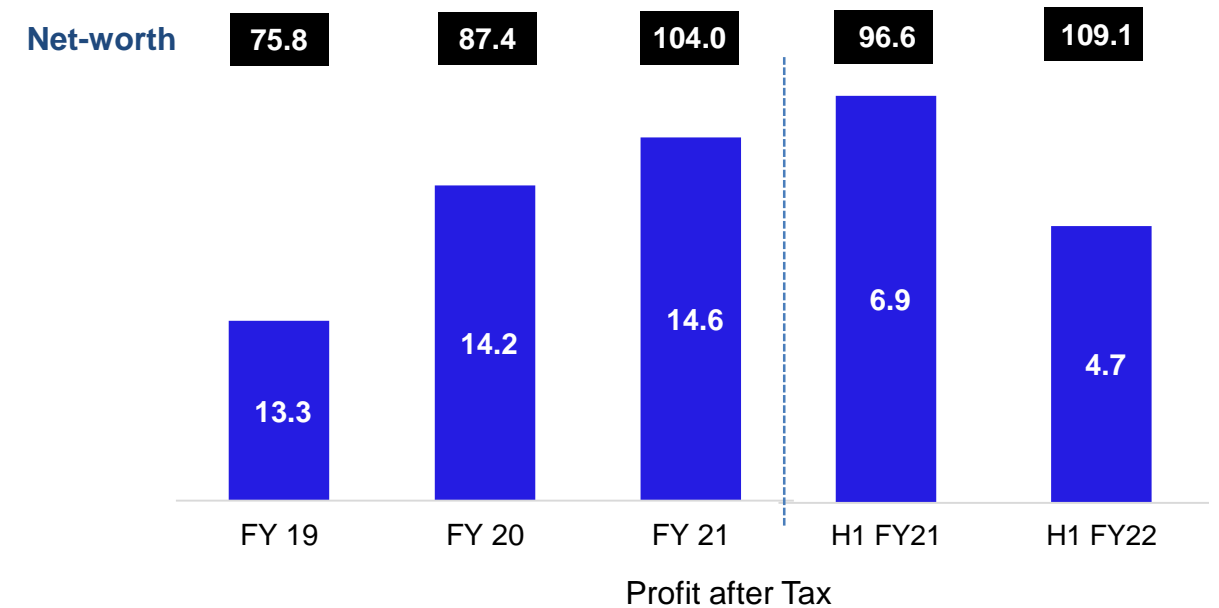
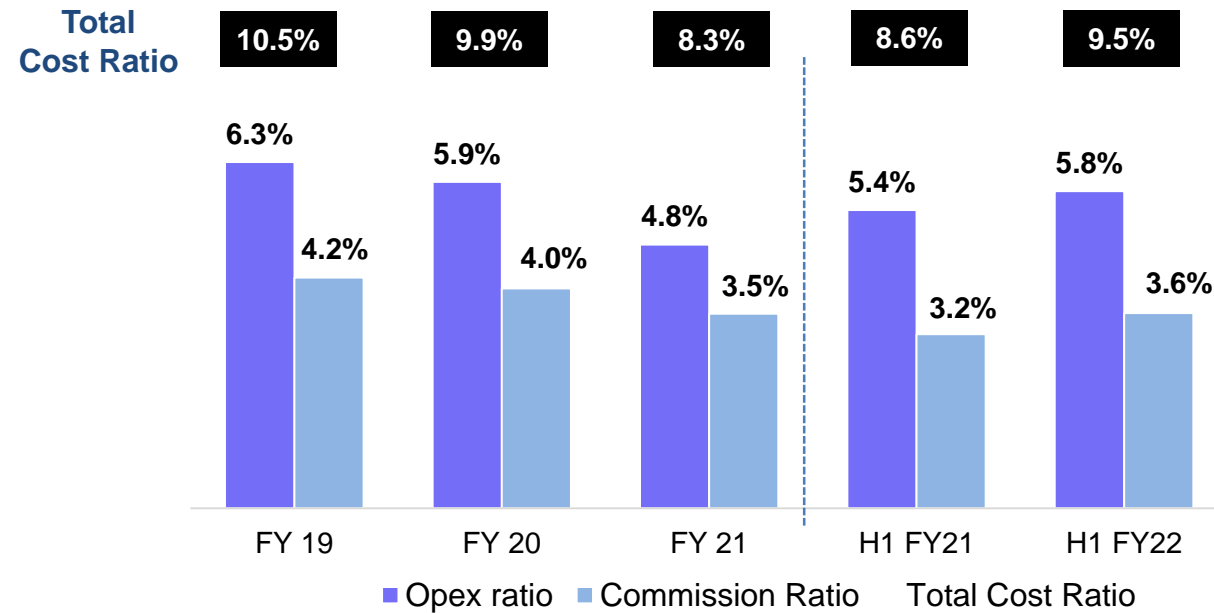




# Cost efficiency and profitability

Maintaining high levels of cost efficiencies to maintain profitability

₹ in billion



Increasing adoption of technology like robotics, block chain & cloud computing driving efficiencies

Stable profitability supported by strong back book surplus

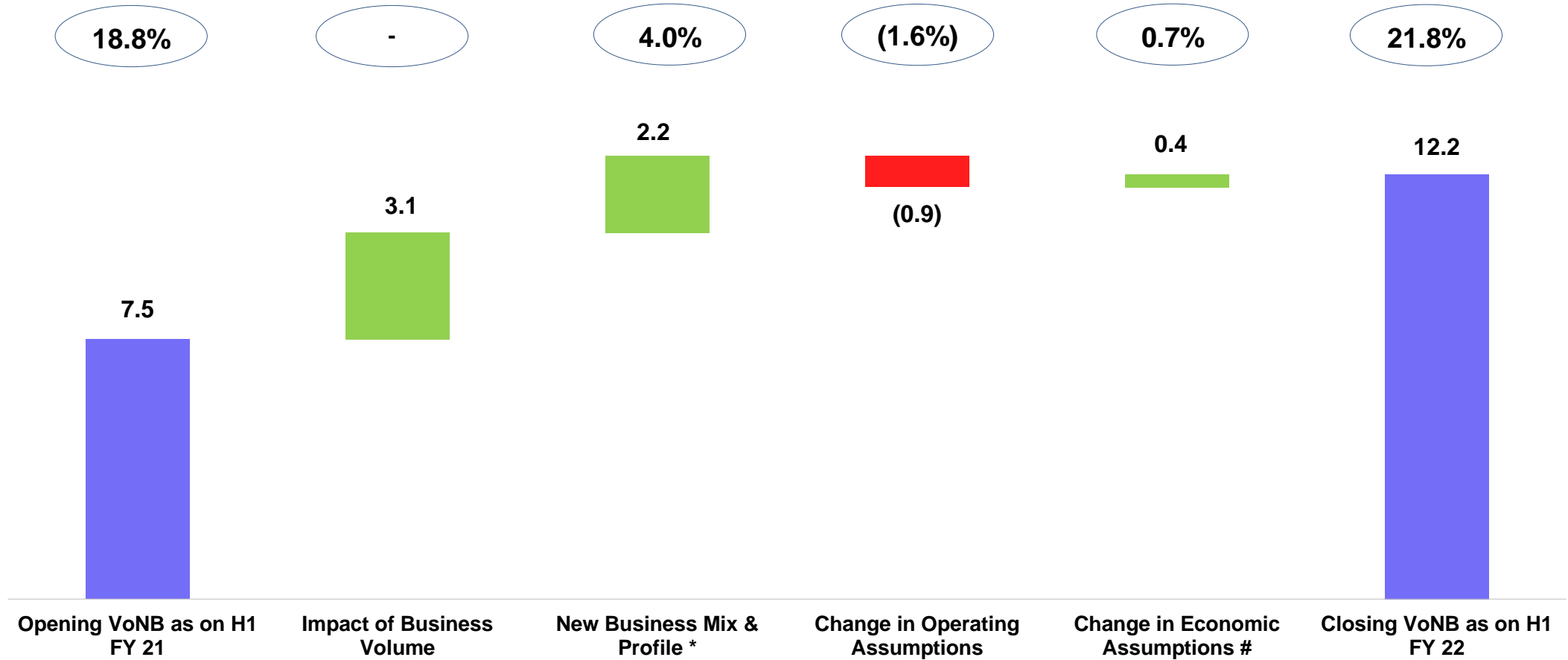
Healthy solvency ratio of 2.12 against regulatory mandate of 1.50

# Value of New Business (VoNB) Movement

₹ in billion

**VoNB margin growth of 300 bps from 18.8% to 21.8%**

**VoNB  
Margin<sup>1</sup>**



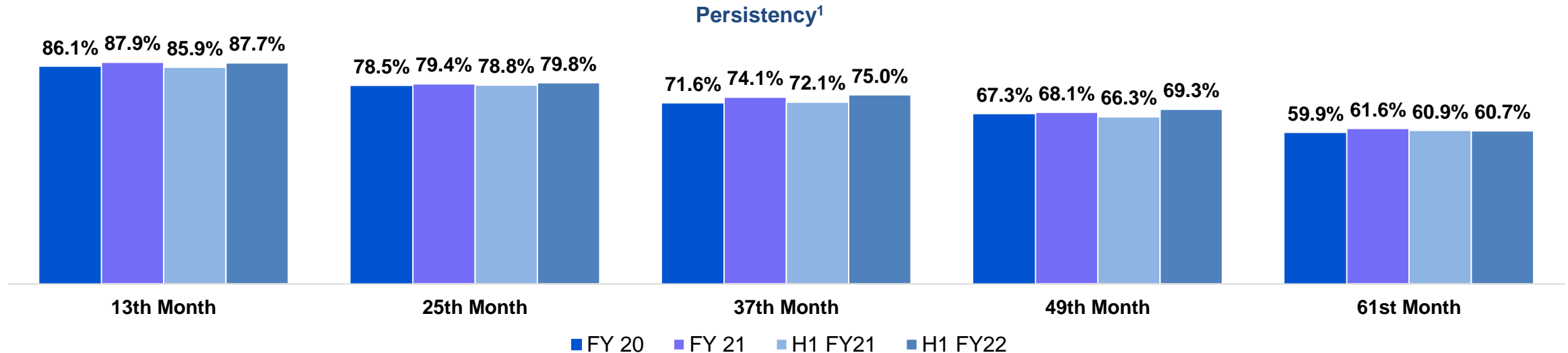
1. VoNB and VoNB Margin are based on actual tax rate basis.

Based on Internal Company Analysis

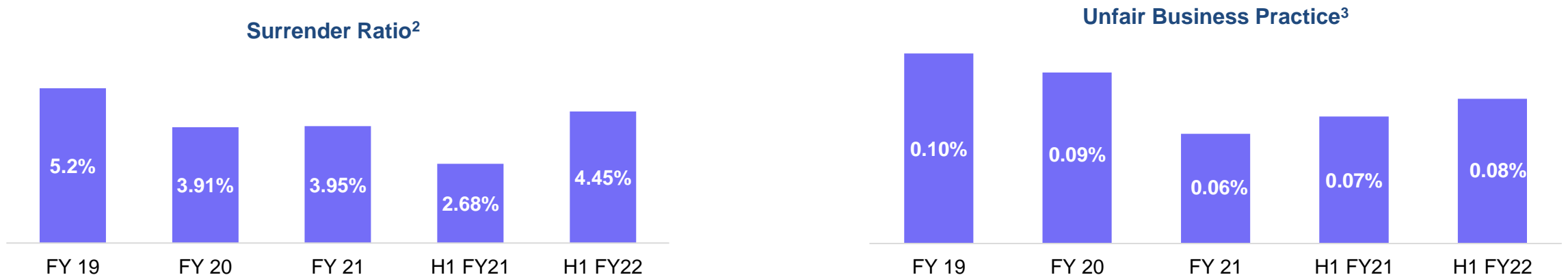
\* Impact of change mainly in Business mix and profile (Age, Term, Channel etc.) # Risk free rate change

# Strong focus on customer service

Deeper relationship with customers through quality underwriting and strong sales ethos



## Customer satisfaction metrics



**Quality underwriting resulting in higher persistency and customer satisfaction**

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

The Persistency Ratios are calculated using policies issued in September to August period of the relevant years.

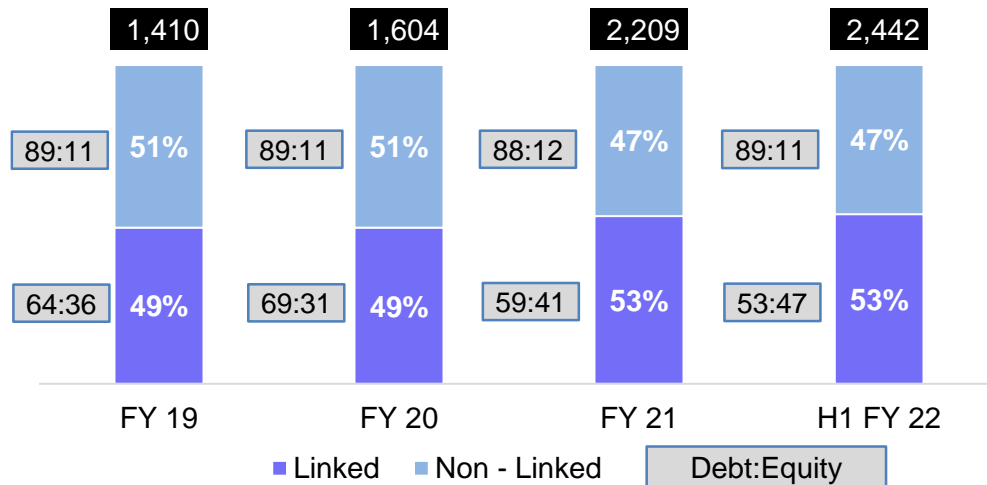
2. Surrender ratio-individual linked products (Surrender/Average AuM).

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

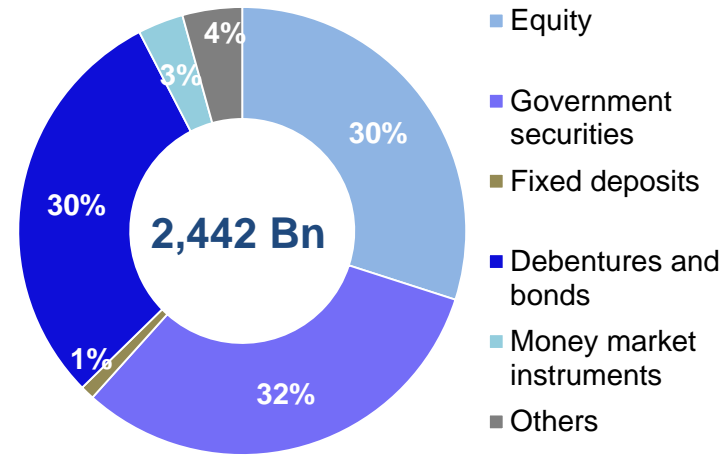
Continue to be one of the top private player in terms of AUM

## AuM – Linked | Non Linked



## Composition of Asset under Management

₹ in billion



Growth of 31% in AUM vis-à-vis H1 FY21

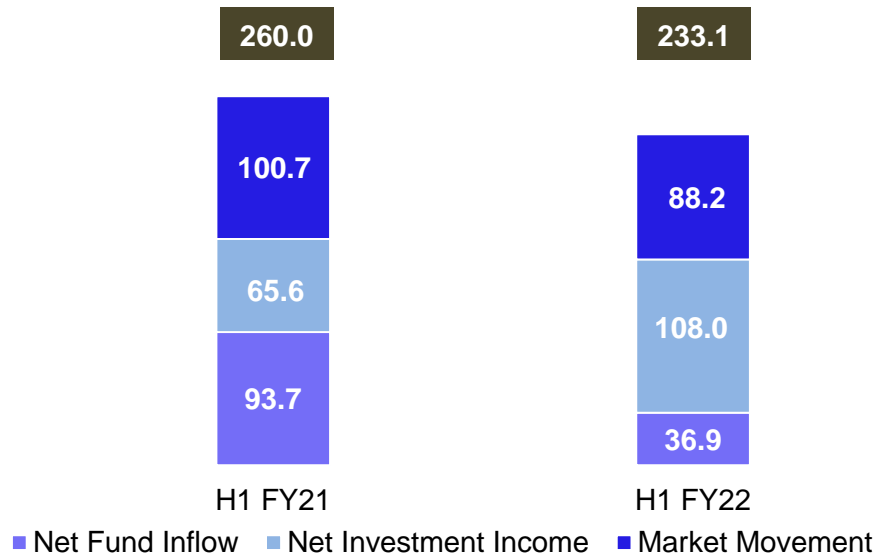


>95% of the debt investments are in AAA & Sovereign instrument

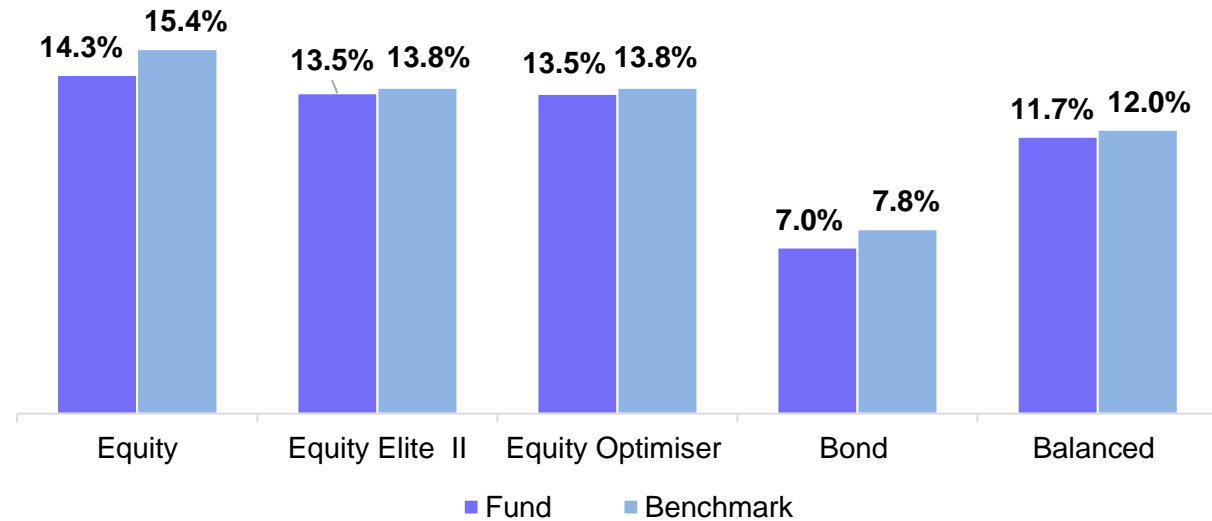


Debt Equity Ratio of 70:30

## Change in AUM

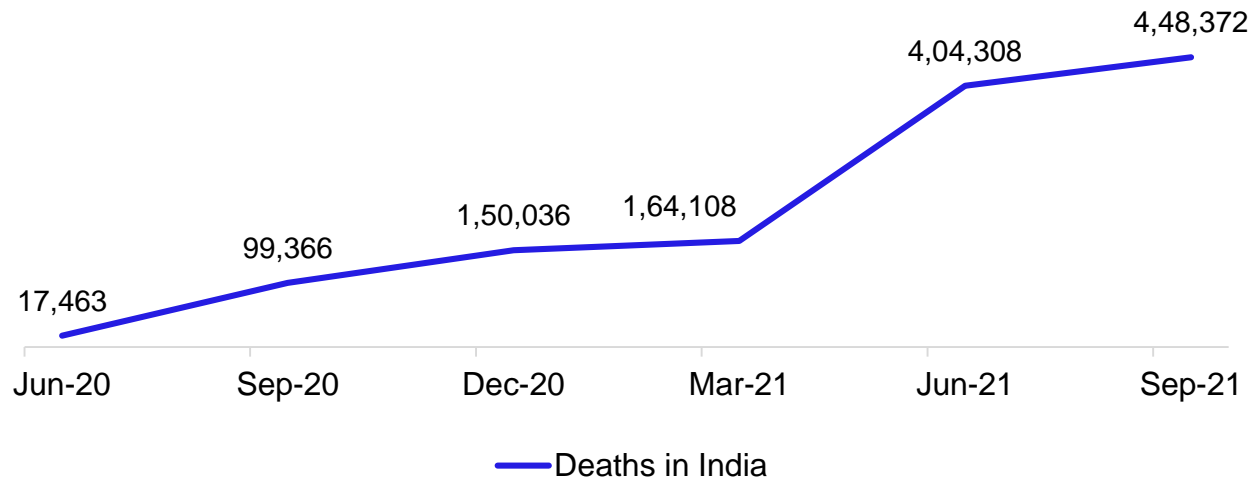


## Investment performance<sup>1</sup>



1. 5 year CAGR as on September 30, 2021  
Components may not add up to total due to rounding-off.

### COVID Death Trend



### Vaccination Drive

|   |          |
|---|----------|
| Total doses administered                          | ~ 102 Cr |
| Population Fully vaccinated                       | ~ 31 Cr  |
| ~ 52% of population received 1 <sup>st</sup> dose |          |
| ~ 22% of population fully vaccinated              |          |

- ❑ 82% decrease in number of deaths in India from Q1-FY22 to Q2-FY22
- ❑ 1.49x increase in number of claims reported from Q1-FY22 to Q2-FY22
- ❑ Total number of COVID Claims in H1-FY22 - 22,606
- ❑ COVID-19 Claims net of reinsurance of ₹ 13.4 billion
- ❑ Mortality experience is in line with the assumptions
- ❑ Additional COVID reserves made of ₹ 2.66 billion for future claims

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## Disciplined Business Focus

Enhancing the core -  
Widespread distribution  
network & product suite  
to cater different needs

- **947 offices** (36% in rural & semi urban areas) & **40k+** branches of distributors
- **32 individual & 7 group products** to cater different needs of the customer
- **7.6 lacs+** policies issued
- **2.2 lacs+** individual protection policies sold digitally



## Customer Engagement

Use of analytics -  
enabling better  
customer engagement

- **821,040** Pre-issuance welcome calls
- Hyper **personalized** communication for building awareness
- Over **7.9 lacs customers** opted for WhatsApp communication
- Customer Grievances - **18** per 10,000 policies



## Operational Efficiencies

Leveraging Best in  
class cost ratio  
benefits

- One of the **lowest** cost ratios in the industry
- **93%** Renewal Premium - collected through Digital Mode
- **Video MER** – reducing risk of impersonation & accuracy in examination
- **63K+** Death Claims settled – ease to customers for document submissions in lockdown



## Digital Capabilities

Harnessing technology  
in strengthening  
business

- **OCR technology** for faster digital onboarding
- **Digital submission** of Claims documents, e-MHR
- **Machine Learning and AI** helping identify prospective customers
- **60 + API** platforms for quick on-boarding of partners & faster system integration

## Business Process – Simple and Intuitive Experience

### E-Submission

- ❑ Need based analysis – product recommendation
- ❑ E-questionnaires based on health declarations
- ❑ E-sign process & E-KYC
- ❑ In-built Underwriting rules



### E-Payment

- ❑ Multiple payment options
- ❑ Online Bank Account verification
- ❑ Debit mandates enrolments
- ❑ Instant Confirmations
- ❑ Secure pay modes



### E-Verification

- ❑ Video based verification process (Insta PIWC)
- ❑ Financial Surrogates/UW ease – Credit scores, NSDL, CRIF, IIBI
- ❑ Geo tagging, OCR technology validations



### E-Policy

- ❑ E-policy on Registered mobile
- ❑ Demat A/c – Insurance repositories
- ❑ Policies available on customer portals
- ❑ Dashboard for monitoring status



Simplified workflow processes



Automation with AI



Supported by

Data Analytics



Real time updates



Strong backend assurance

45%

Automated underwriting

27%

Reduction in non-medical  
issuance TAT

20%

Reduction in medical  
issuance TAT

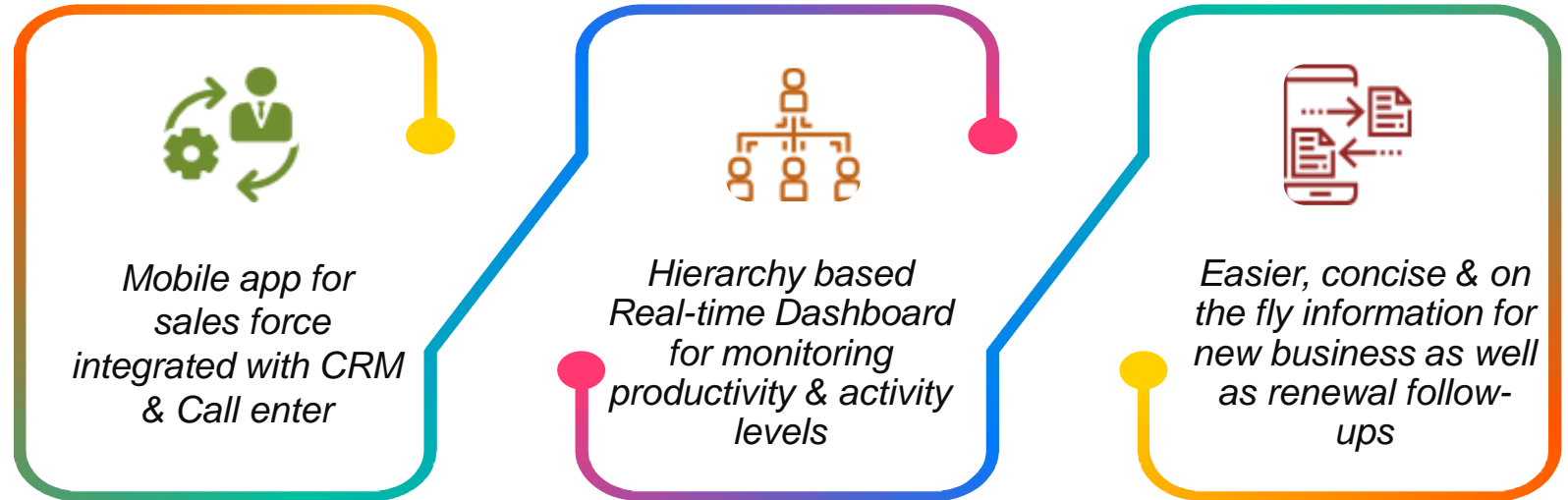
<10  
mins

Customer On-Boarding  
process

99%

Digital Adoption





## Online Trainings – Scaling Quality



Interactive Courses



Refreshers Courses



Gamified micro modules



Skill Assessment Programs

✓ Online Courses undertaken by more than 1.4lacs distributors

> 97,000 distributors undertaken more than 5 online modules

✓ 98% of employees have taken undertaken online courses

> 15,000 employees undertaken more than 10 online modules

## Online Recruitment – Scaling Capacity

❑ Digital Submission of Distributors documents

❑ Screening of documents

❑ Online tracking of applications

❑ > 98000 distributors on-boarded

## Instant Connect – Self service options

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Buy Online Products  | <input checked="" type="checkbox"/> Revival Requests                 | <input checked="" type="checkbox"/> Fund Switches                |
| <input checked="" type="checkbox"/> Query and Complaints | <input checked="" type="checkbox"/> Renewal premium payment          | <input checked="" type="checkbox"/> Product Corner               |
| <input checked="" type="checkbox"/> Premium Calculators  | <input checked="" type="checkbox"/> e-COE (Certificate of Existence) | <input checked="" type="checkbox"/> Updation of personal details |
| <input checked="" type="checkbox"/> Need Analysis        | <input checked="" type="checkbox"/> Premium payment certificates     | <input checked="" type="checkbox"/> Withdrawal requests          |



Nudge tools



Propensity model



Conversational bots



Intuitive IVR



Device agnostic

**~0.73 mn**

Queries handled by  
Call center/IVR

**~0.8 mn**

Customers opted for  
Whatsapp services

**~1.0 mn**

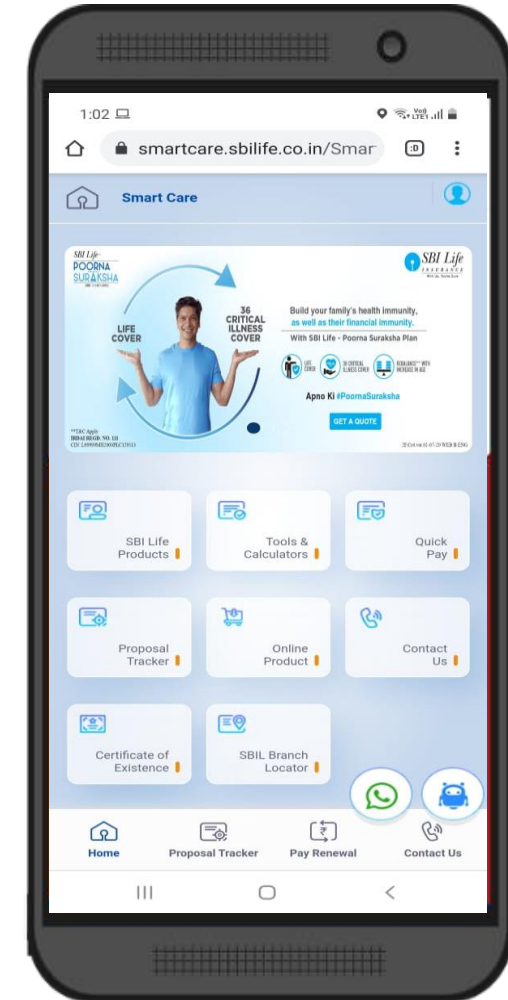
Queries handled  
through bots

**~5.1 lacs**

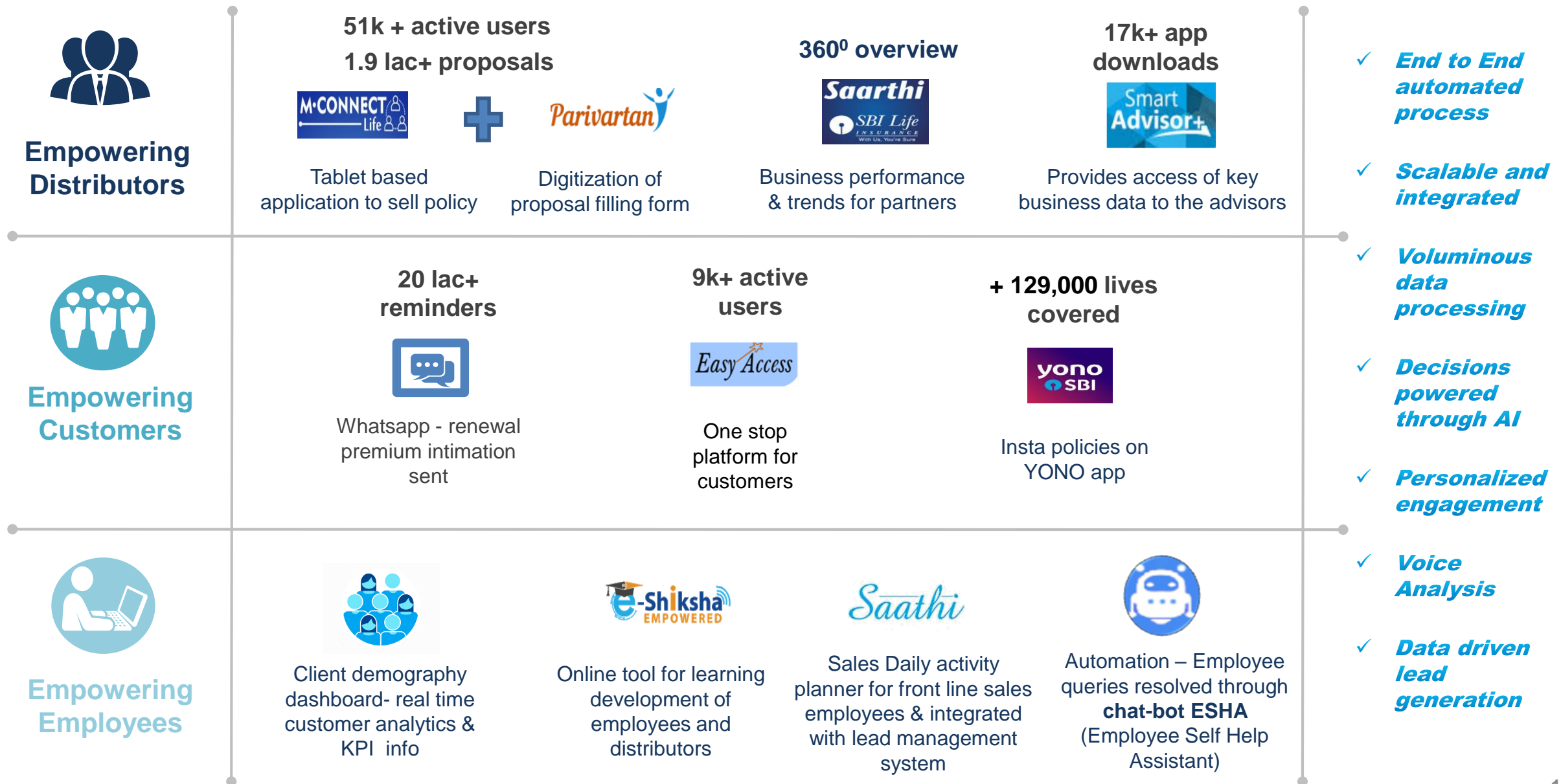
Short URL(bitly) business  
service generated

**~1.8 lacs**

Cross-sell leads  
generated



# Digital Quotient: Leading to greater shared outcomes



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**Industry overview**

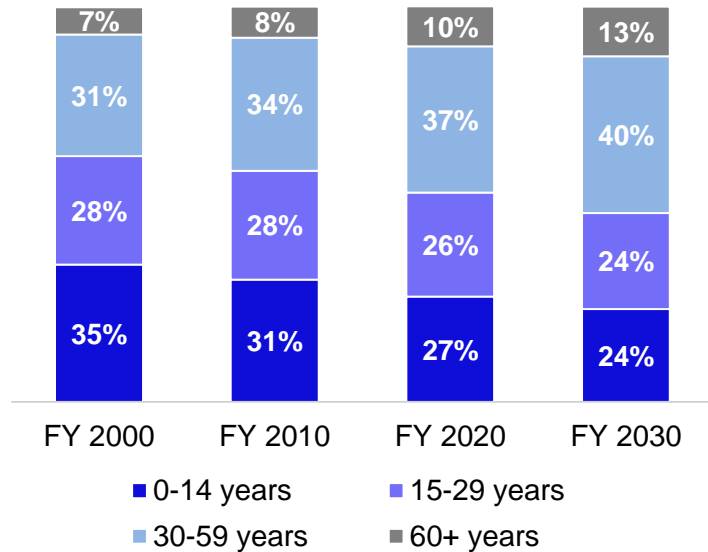
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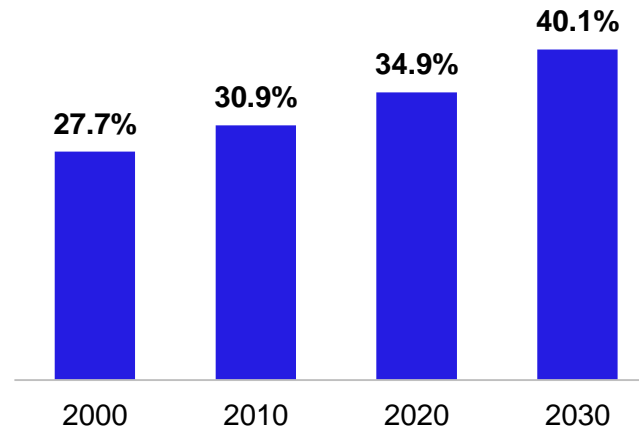
# India Life Insurance - Structural Growth Drivers in Place

## Strong Demographic Tailwinds Supporting India Growth Story

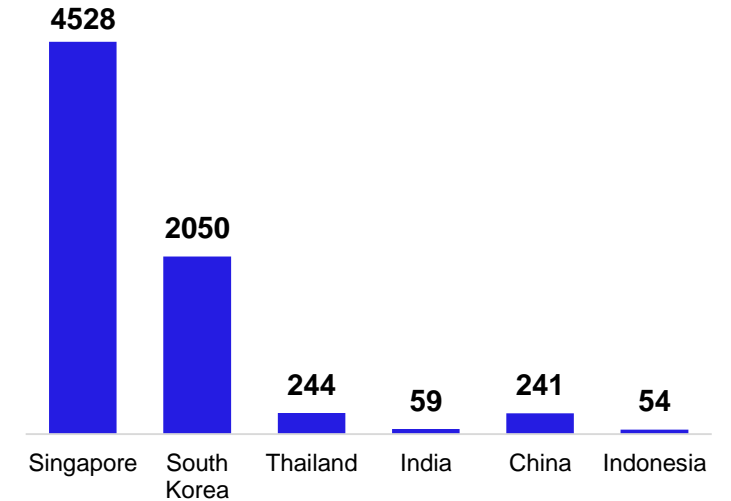
Composition of Population<sup>2</sup>



Share of urban population<sup>3</sup>



Life Insurance Density US\$<sup>3</sup>



### Advantage India

- 5<sup>th</sup> largest economy in the world in terms of GDP
- 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

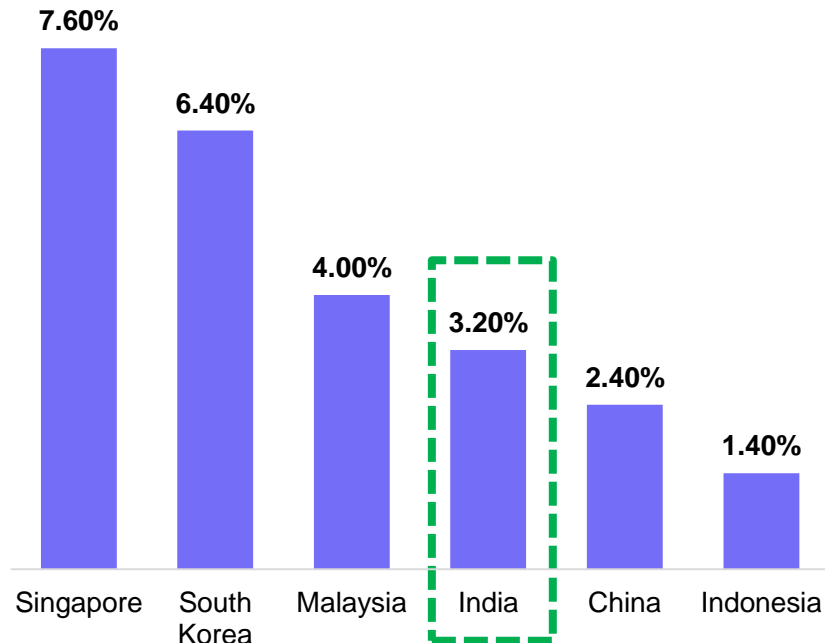
**Combination of a high share of working population, rapid urbanization, rising affluence and focus on financial inclusion to propel the growth of Indian life insurance sector**

# Life Insurance – Significant Under Penetration versus other Markets

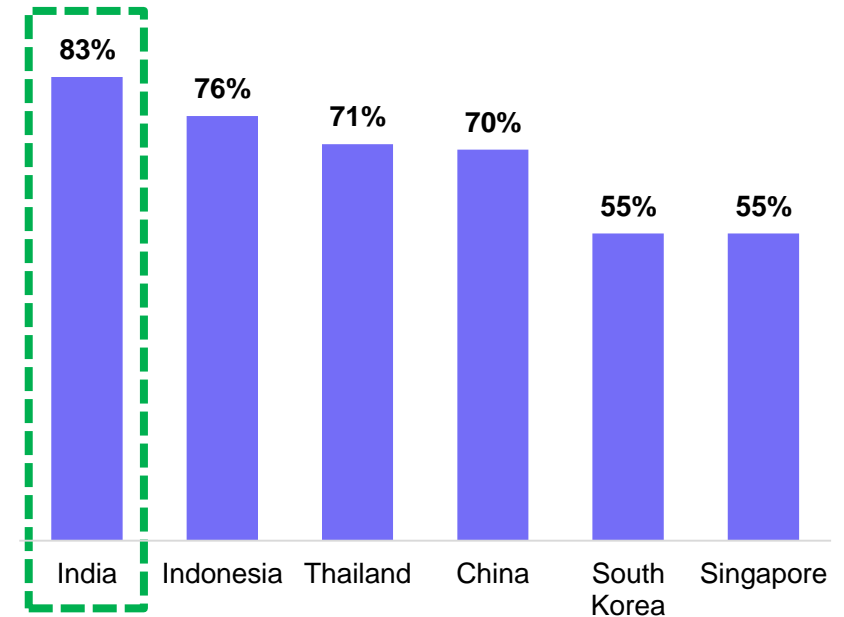
Share of Life Insurance in Savings expected to Rise

## Underpenetrated Insurance Market

Premium as % of GDP – 2020<sup>1</sup>



Protection gap highest amongst peers<sup>2</sup>



- 10<sup>th</sup> largest life insurance market worldwide and 5<sup>th</sup> 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 China, Thailand and Korea.

1. Swiss Re, sigma No 3/2021

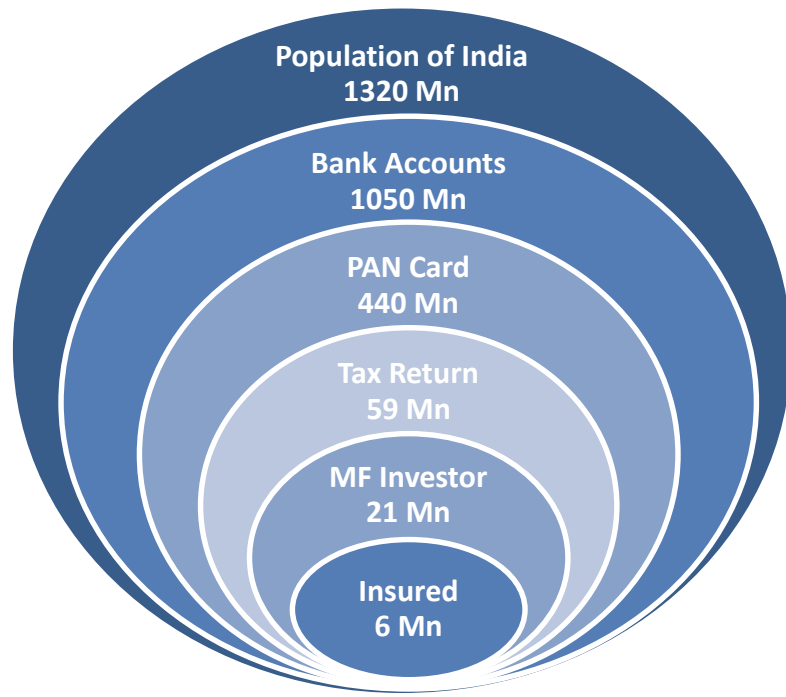
2. Swiss Re, "Closing Asia's Mortality Protection Gap 2020"

# Protection – the next growth driver

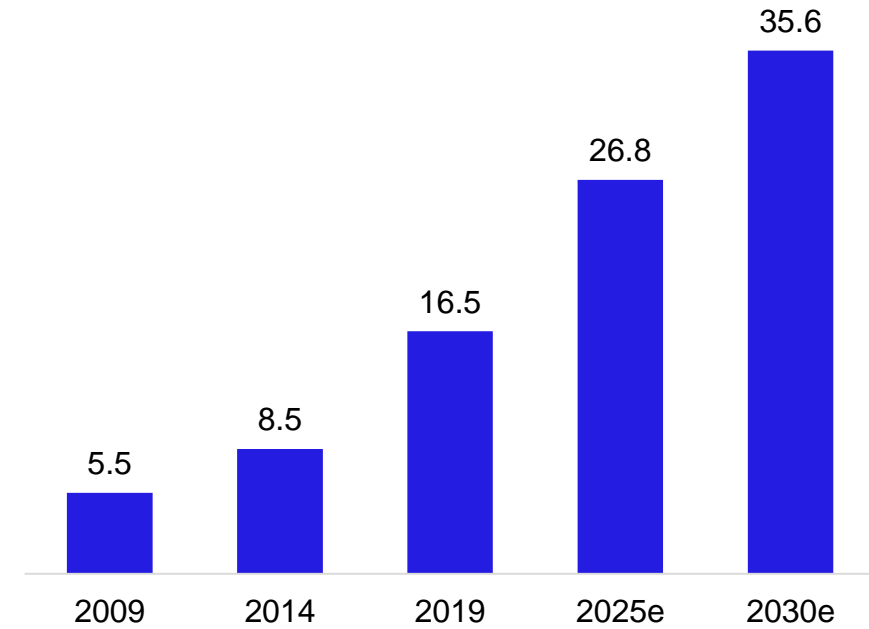
Share of Protection in Life Insurance business is expected to Rise

## Scope of Protection business

Addressable Population<sup>1</sup>



Mortality Protection Gap (in US\$ trillion)<sup>1</sup>



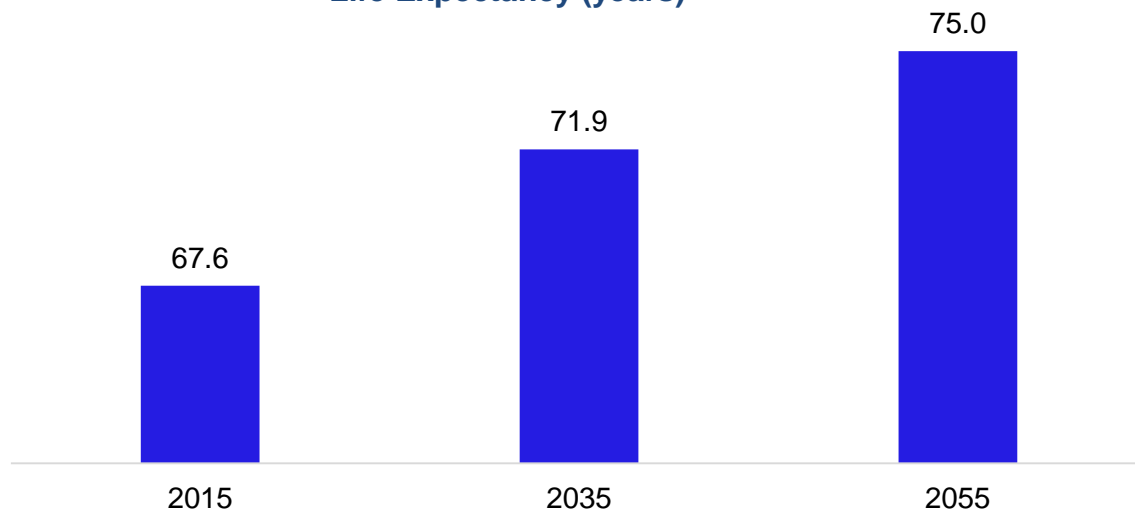
- Low penetration levels as compared to the addressable population.
- Increase in disposable income coupled with pandemic-induced awareness of protection products will increase penetration level.
- Swiss Re estimates protection gap to rise from US\$ 16.5 trillion in 2019 to US\$ 35.6 trillion in 2030.

# Retirement solutions - Annuities

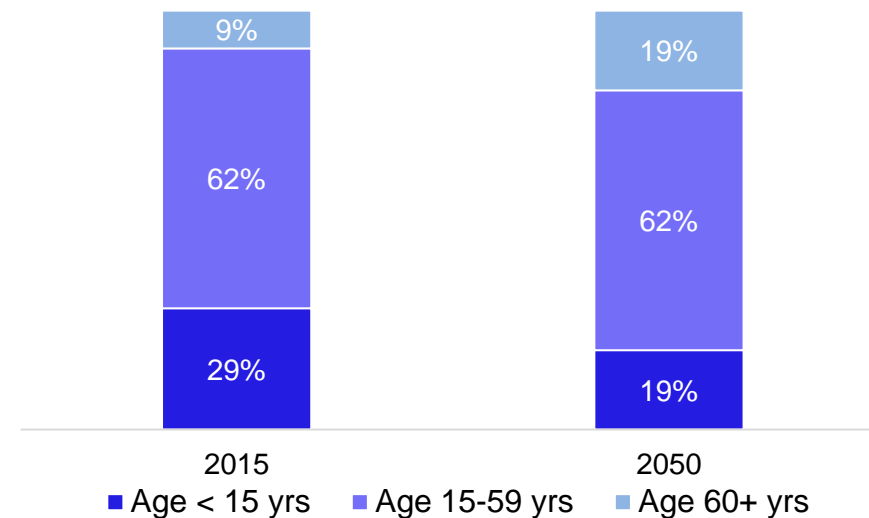
Share of 60+ population to increase significantly by 2050

## Scope of Annuities business

Life Expectancy (years)<sup>1</sup>



Ageing Population<sup>1</sup>



- With the advancement of medical science, life expectancy has improved rapidly over the last few decades and demand for pension based products will increase with the rise in life expectancy.
- Regulatory tailwinds like increase in commutation of pension corpus from 33.3% earlier to 60% will only benefit insurance sector.
- NPS contributes a significant portion of the retirement corpus in India and they are on track for a period of consistent high growth over the next decade.

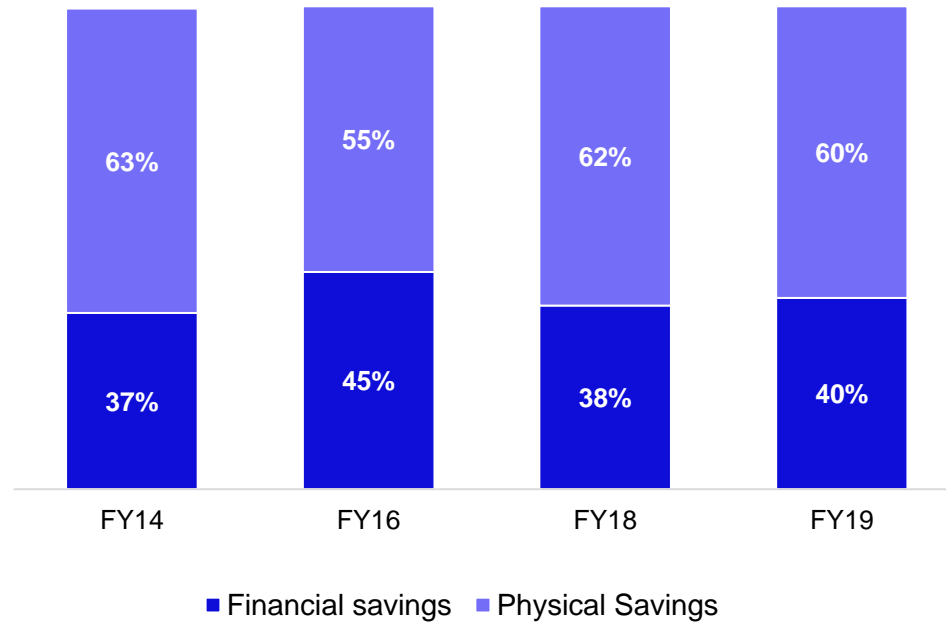


# Financialisation of Savings

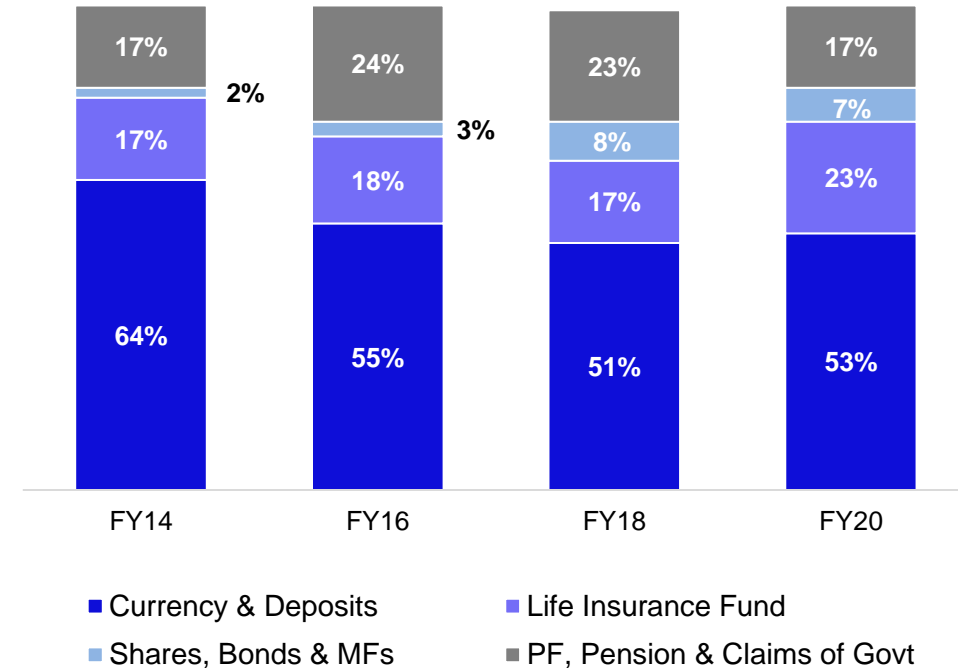
Share of Life Insurance in Household Savings expected to Rise

## Increasing in Financial Savings

Household Savings Composition<sup>1</sup>



Share of Insurance in Financial Savings<sup>1</sup>

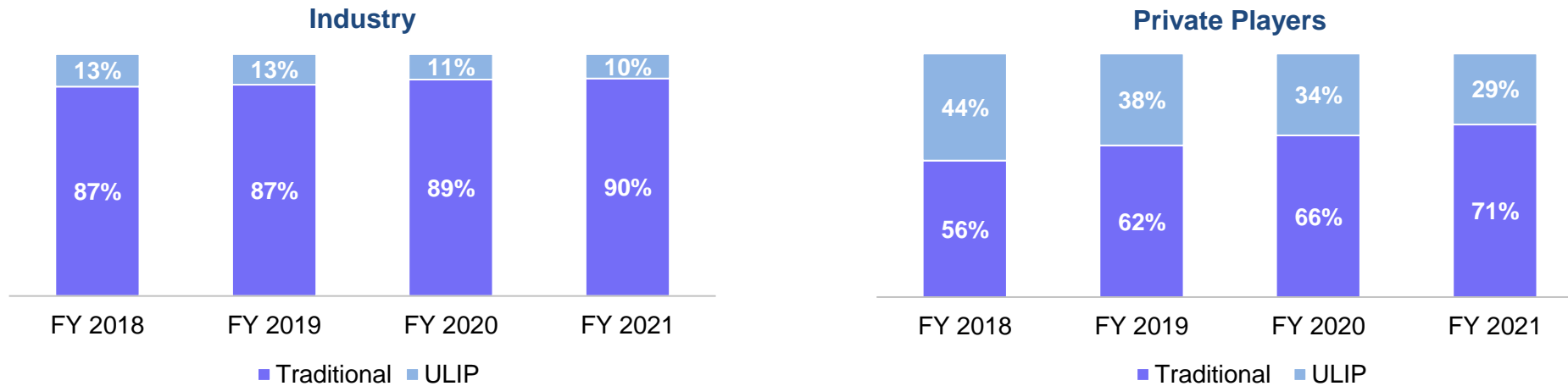


- Household financial saving has improved to 7.6% of GNDI in 2019-20, after touching the low of 6.4% in 2018-19.
- Increase in share of insurance as a percentage of Financial Savings is expected to drive growth in life insurance sector.

# Industry Composition

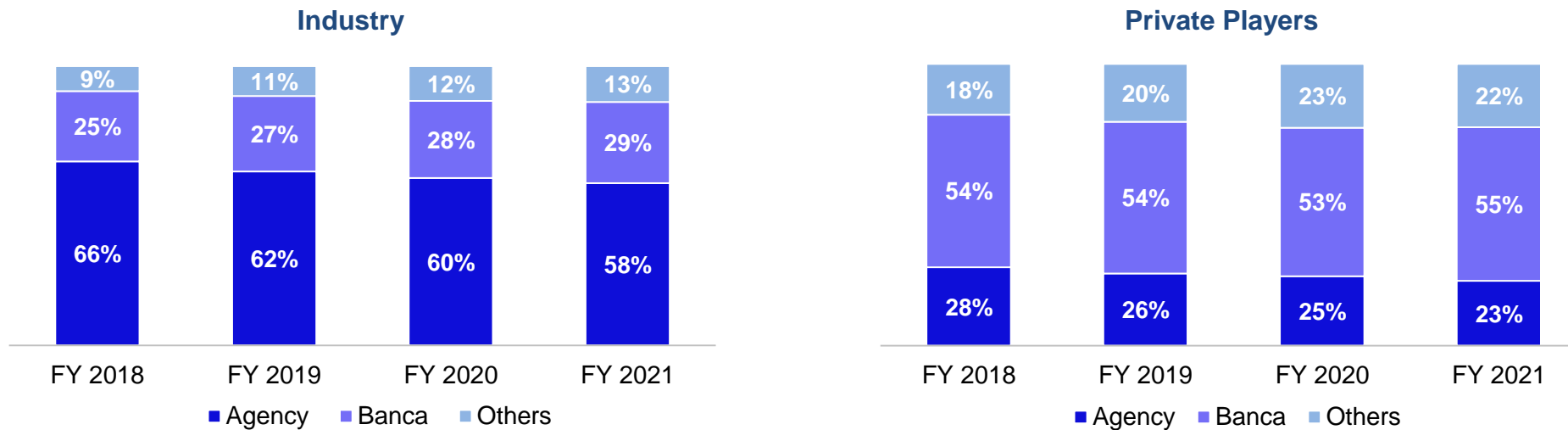
## Product mix and Channel mix

### Product portfolio<sup>1</sup>



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

### Channel mix<sup>2</sup>



Banca channel continues to be the largest contributor for private players although Direct channel has gained momentum in the past years

1. New business premium basis

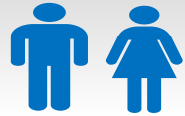
2. Individual new business premium basis

Source: Life Insurance Council, Public disclosures

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

# Financial Immunity

Understanding Consumer's attitude towards financial security<sup>1</sup>



75% 25%

Gender

55 %

25-35  
years

45 %

36-45  
years

Age



75%



87%



67%

Durable ownership

20

School/ College

42

Graduates

38

Post Graduates

Level of Education

Consumer profile

Average monthly personal  
income ~ 62k

Personal Monthly Income



## 1 Increased emphasis on physical immunity

**76%** - strongly agree that maintaining physical/ mental health helps to have a better financial immunity

**50%** - urban population is not sufficiently prepared to face the financial setback arising out of the family chief's earner succumbing to any unfortunate event



## 2 Financial Security = Financial Immunity

**62%** - safeguarding financial security and stability of the family lies at the core of Financial Immunity

**32%** - to fulfill future responsibilities/ goals for self and family



## 3 Life Insurance = safeguarding the family's future

**80%** - associate Life Insurance with 'safeguarding family's future'

**77%** - associate health Insurance for the same cause



## 4 Term insurance along with critical illness cover

**61%** - safeguarding from rising cost of treatment of critical illness becoming financial burden on the family

**75%** - intend to buy critical illness cover/policy over next few months



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# Annualised Premium Equivalent (APE)

## APE Product mix and Channel mix

₹ in billion

### Product portfolio

| Segment                   | FY 19       | FY 20        | FY 21        | H1 FY 21    | H1 FY 22    | Y-o-Y Growth | Mix (H1 FY 22) |
|---------------------------|-------------|--------------|--------------|-------------|-------------|--------------|----------------|
| <b>Individual Savings</b> | <b>87.0</b> | <b>93.0</b>  | <b>94.6</b>  | <b>30.0</b> | <b>46.0</b> | <b>53%</b>   | <b>82%</b>     |
| - Par                     | 18.1        | 11.7         | 9.7          | 3.5         | 3.3         | (6%)         | 6%             |
| - Non Par                 | 0.2         | 6.5          | 10.7         | 4.2         | 5.3         | 27%          | 9%             |
| - ULIP                    | 68.6        | 74.8         | 74.2         | 22.3        | 37.3        | 67%          | 67%            |
| <b>Protection</b>         | <b>6.6</b>  | <b>9.5</b>   | <b>12.0</b>  | <b>5.0</b>  | <b>6.3</b>  | <b>25%</b>   | <b>11%</b>     |
| - Individual              | 3.7         | 5.1          | 7.3          | 2.6         | 3.6         | 38%          | 6%             |
| - Group                   | 2.9         | 4.5          | 4.7          | 2.4         | 2.7         | 11%          | 5%             |
| <b>Annuity</b>            | <b>0.3</b>  | <b>1.1</b>   | <b>3.0</b>   | <b>1.6</b>  | <b>1.4</b>  | <b>(9%)</b>  | <b>3%</b>      |
| <b>Group Savings</b>      | <b>3.1</b>  | <b>3.7</b>   | <b>4.9</b>   | <b>3.1</b>  | <b>2.4</b>  | <b>(24%)</b> | <b>4%</b>      |
| <b>Total APE</b>          | <b>97.0</b> | <b>107.4</b> | <b>114.5</b> | <b>39.8</b> | <b>56.0</b> | <b>41%</b>   |                |

### Channel mix

| Channel          | FY 19       | FY 20        | FY 21        | H1 FY 21    | H1 FY 22    | Y-o-Y Growth | Mix (H1 FY 22) |
|------------------|-------------|--------------|--------------|-------------|-------------|--------------|----------------|
| Banca            | 64.8        | 69.8         | 72.3         | 24.3        | 34.5        | 42%          | 62%            |
| Agency           | 27.7        | 29.8         | 30.3         | 9.5         | 15.3        | 60%          | 27%            |
| Others           | 4.5         | 7.9          | 11.9         | 6.0         | 6.2         | 4%           | 11%            |
| <b>Total APE</b> | <b>97.0</b> | <b>107.4</b> | <b>114.5</b> | <b>39.8</b> | <b>56.0</b> |              |                |

# Individual Annualised Premium Equivalent (APE)

Individual APE – Channel Mix Segment wise

₹ in billion

| Channel       | Segment           | FY 19       | FY 20       | FY 21       | H1 FY21     | H1 FY22     | Y-o-Y Growth | Mix (H1 FY22) |
|---------------|-------------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------|
| Bancassurance | Participating     | 9.9         | 4.6         | 2.8         | 1.0         | 0.9         | (15%)        | 2%            |
|               | Non Participating | 3.5         | 9.1         | 13.7        | 5.0         | 6.8         | 35%          | 13%           |
|               | Unit Linked       | 49.0        | 53.4        | 52.6        | 16.4        | 25.5        | 55%          | 51%           |
|               | <b>Total</b>      | <b>62.4</b> | <b>67.1</b> | <b>69.1</b> | <b>22.5</b> | <b>33.2</b> | <b>48%</b>   | <b>66%</b>    |
| Agency        | Participating     | 7.8         | 6.5         | 5.9         | 2.2         | 2.1         | (7%)         | 4%            |
|               | Non Participating | 0.5         | 2.6         | 3.7         | 1.7         | 1.9         | 12%          | 4%            |
|               | Unit Linked       | 19.3        | 20.6        | 20.6        | 5.6         | 11.3        | 102%         | 22%           |
|               | <b>Total</b>      | <b>27.6</b> | <b>29.7</b> | <b>30.2</b> | <b>9.5</b>  | <b>15.2</b> | <b>60%</b>   | <b>30%</b>    |
| Others        | Participating     | 0.4         | 0.6         | 1.0         | 0.3         | 0.4         | 36%          | 1%            |
|               | Non Participating | 0.2         | 0.8         | 1.8         | 0.6         | 1.0         | 73%          | 2%            |
|               | Unit Linked       | 0.3         | 0.8         | 1.0         | 0.3         | 0.5         | 81%          | 1%            |
|               | <b>Total</b>      | <b>0.9</b>  | <b>2.2</b>  | <b>3.8</b>  | <b>1.2</b>  | <b>1.9</b>  | <b>65%</b>   | <b>4%</b>     |

# Sensitivity Analysis

| Scenario  | Change in EV % | Change in VoNB % |
|---|----------------|------------------|
| Reference Rate +100 bps   | (3.0%)         | (1.0%)           |
| Reference Rate -100 bps   | 3.1%           | 0.9%             |
| Decrease in Equity Value 10%  | (1.6%)         | (0.2%)           |
| Proportionate change in lapse rate +10%   | (1.1%)         | (3.8%)           |
| Proportionate change in lapse rate -10%   | 1.4%           | 4.9%             |
| Mortality / Morbidity +10%  | (1.8%)         | (5.5%)           |
| Mortality / Morbidity -10%  | 1.8%           | 5.5%             |
| Maintenance Expense +10%  | (0.6%)         | (1.6%)           |
| Maintenance Expense -10%  | 0.6%           | 1.6%             |
| Mass Lapse for ULIPs in the year after the surrender penalty period of 25% <sup>1</sup> | (2.8%)         | (7.6%)           |
| Mass Lapse for ULIPs in the year after the surrender penalty period of 50% <sup>1</sup> | (6.4%)         | (17.3%)          |
| Tax Rate Change to 25% on Normal Tax rate basis   | (8.8%)         | (13.1%)          |

**On effective  
tax rate basis**

**IEV  
₹ 384.9 bn**

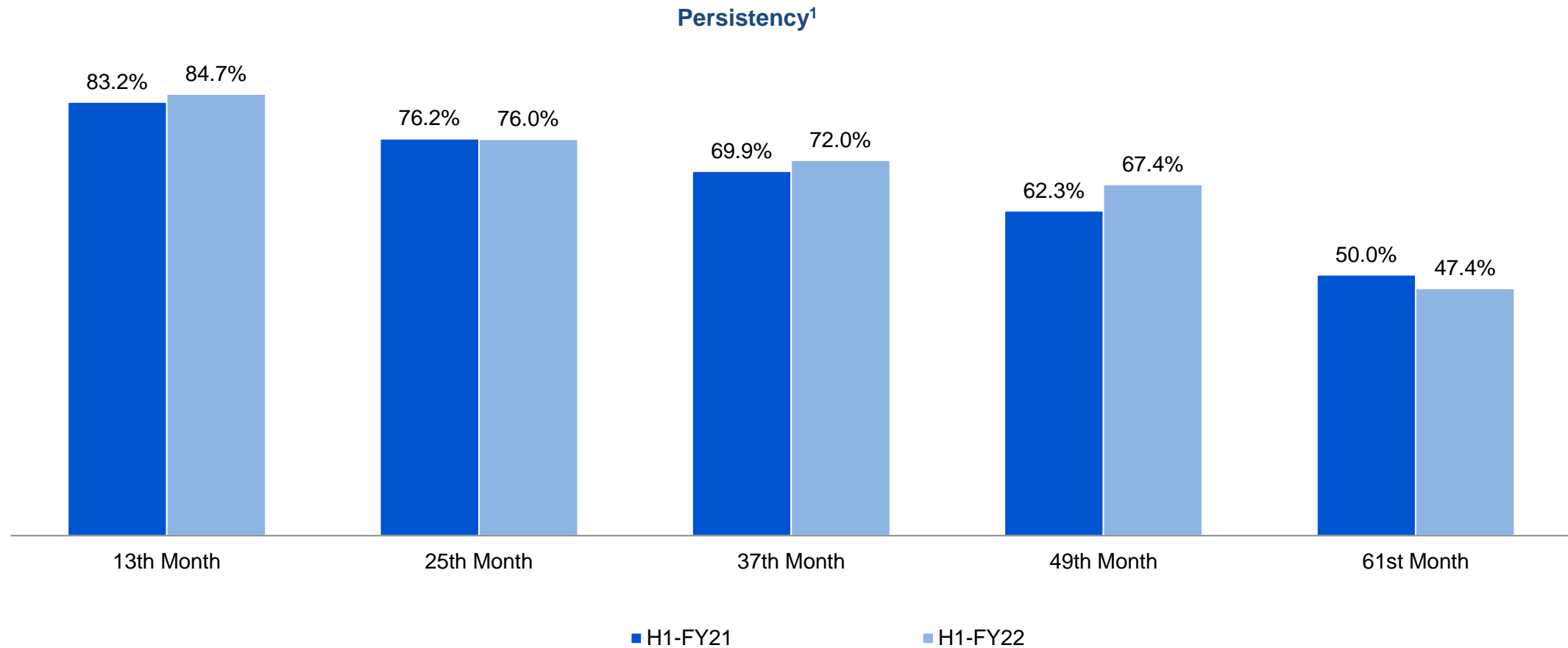
**VoNB  
₹ 14.2 bn**

**VoNB Margin  
25.3%**

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. 2. VoNB sensitivity: New Business sensitivities assume that the scenario arises after the point of sale; and consider impacts on both new business liability cash-flows and the asset backing the reserves at the respective month ends. 3. The sensitivities are calculated without any lag from Q3 FY21.

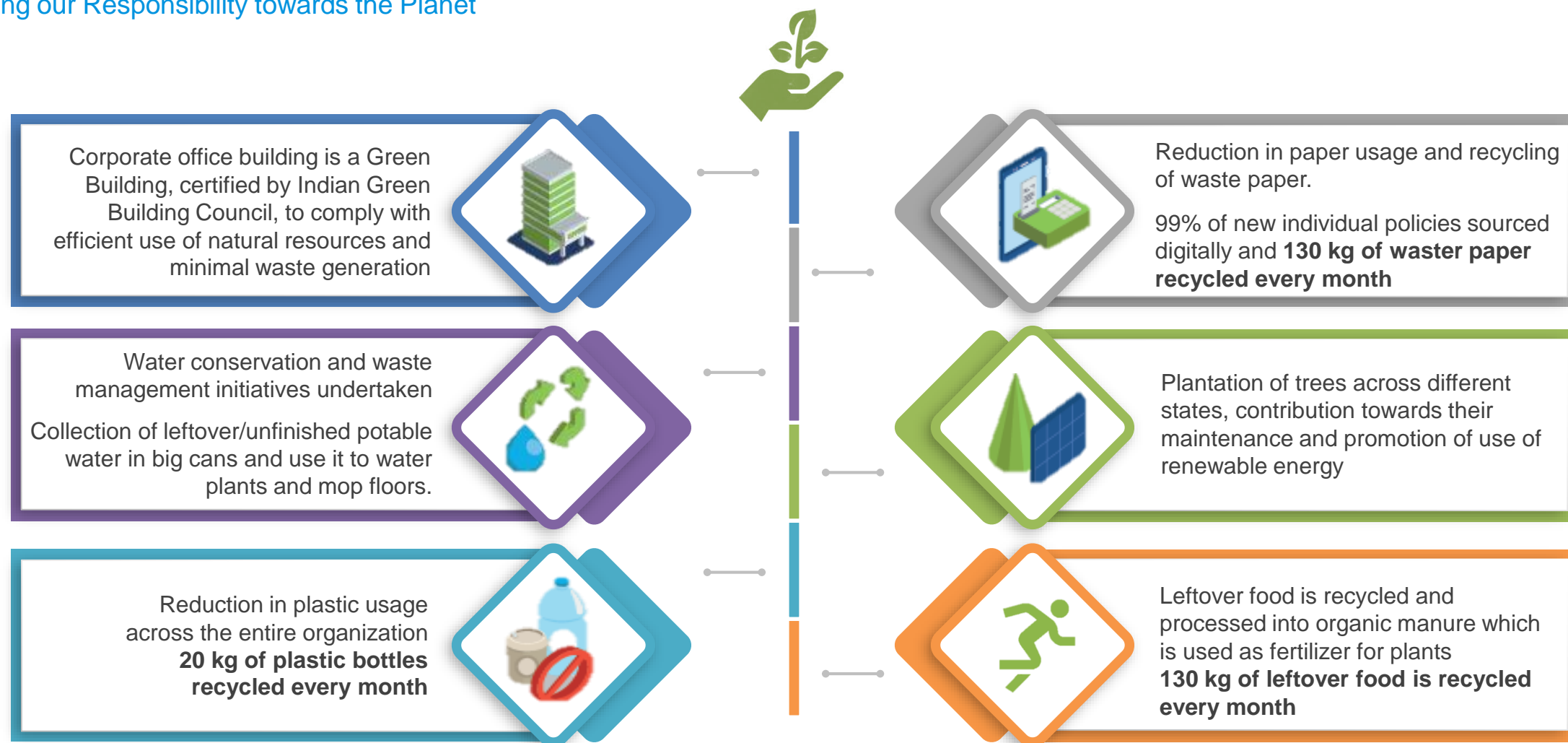
# Persistency - Regular Premium

Quality Underwriting and Customer Retention

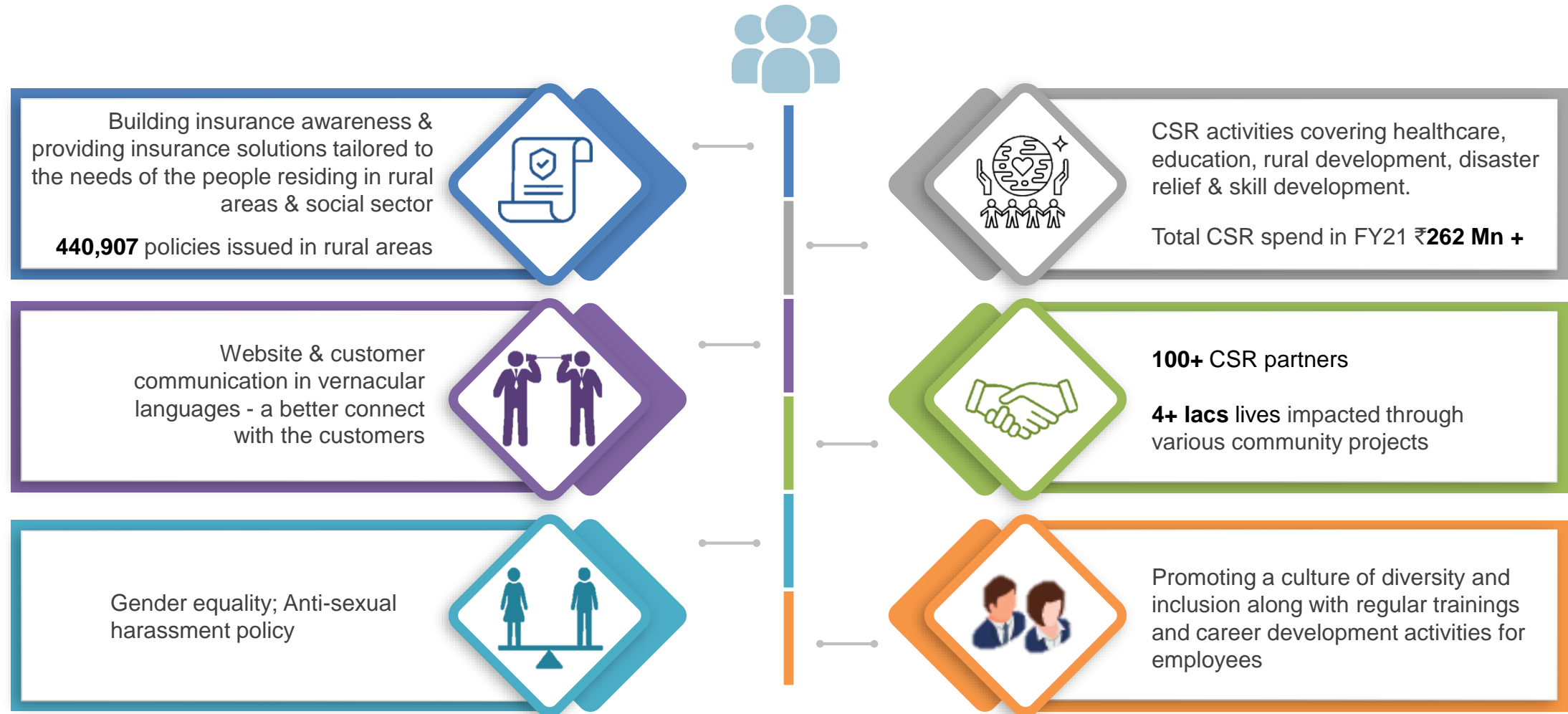


1. The persistency ratios are calculated as per IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021. Regular Premium and Limited Premium Paying Term policies of only Individual Segment are considered in above calculation. Group Business is not considered. Ratios are calculated using policies issued from September to August period of the relevant year.

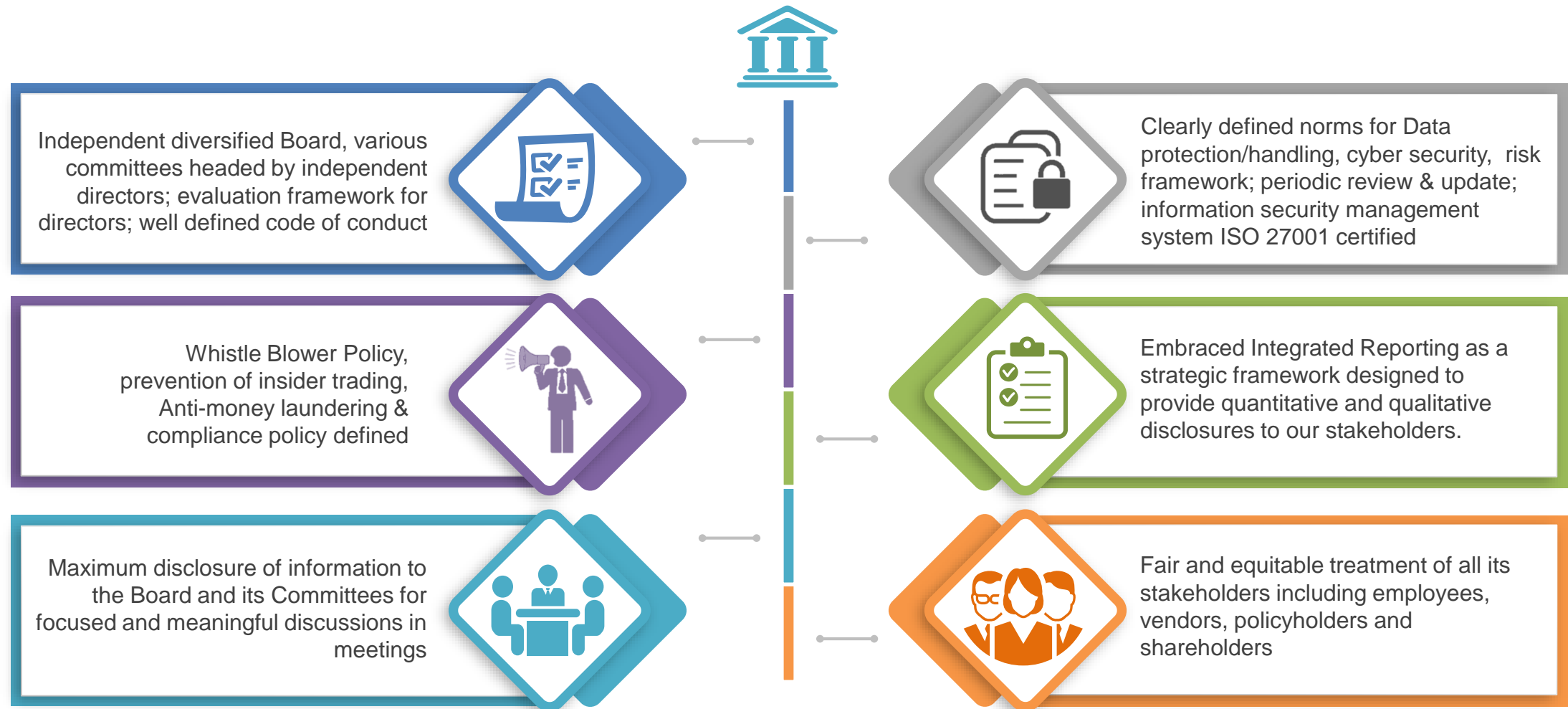




**Committed to minimising our environmental footprint**



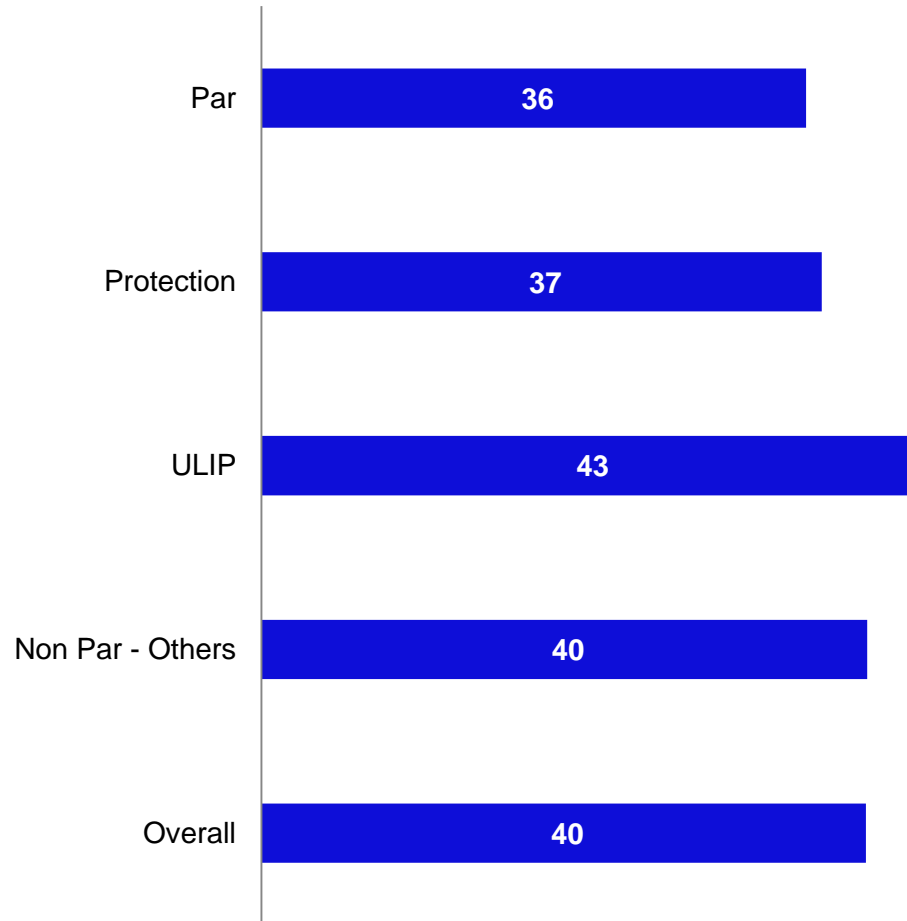
**Empowering communities around us and providing bespoke insurance solutions to unorganised sector**



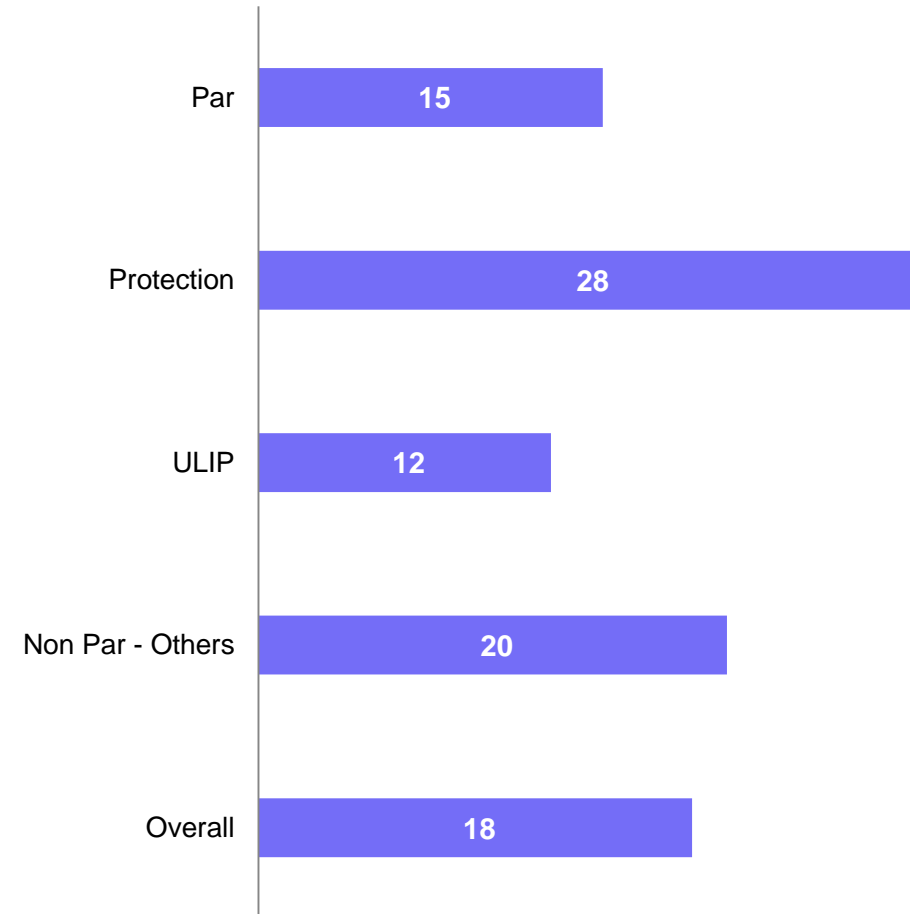
**Integrity, Excellence and Ethics – Three pillars of our Corporate Governance philosophy**

# Customer Age and Policy Term<sup>1</sup>

Average customer age in years



Average policy term in years



# Revenue and Profit & Loss A/c

₹ in billion

| Particulars                                | FY 20        | FY 21        | H1 FY 21     | H1 FY 22     |
|--|--------------|--------------|--------------|--------------|
| Premium earned                             | 406.3        | 502.5        | 207.3        | 231.0        |
| Premium on reinsurance ceded               | (3.1)        | (4.9)        | (2.9)        | (1.2)        |
| <b>Net premium earned</b>                  | <b>403.2</b> | <b>497.7</b> | <b>204.5</b> | <b>229.7</b> |
| Investment income <sup>1</sup>             | 33.4         | 323.4        | 145.9        | 187.2        |
| Other income                               | 0.5          | 0.4          | 0.2          | 0.3          |
| <b>Total income (A)</b>                    | <b>437.2</b> | <b>821.5</b> | <b>350.5</b> | <b>417.2</b> |
| Commission paid                            | 16.2         | 17.8         | 6.6          | 8.2          |
| Operating and other expenses <sup>2</sup>  | 30.2         | 30.9         | 14.3         | 18.2         |
| Provision for tax – policyholders'         | 3.8          | 1.0          | 1.5          | 0.7          |
| Claims/benefits paid (net) <sup>3</sup>    | 162.5        | 215.8        | 92.8         | 174.9        |
| Change in actuarial liability <sup>4</sup> | 210.4        | 540.6        | 228.5        | 210.3        |
| <b>Total expenses (B)</b>                  | <b>423.0</b> | <b>806.1</b> | <b>343.6</b> | <b>412.4</b> |
| <b>Profit before tax (A-B)</b>             | <b>14.1</b>  | <b>15.4</b>  | <b>6.9</b>   | <b>4.9</b>   |
| Provision for tax – shareholders'          | (0.1)        | 0.9          | 0.0          | 0.2          |
| <b>Profit after tax</b>                    | <b>14.2</b>  | <b>14.6</b>  | <b>6.9</b>   | <b>4.7</b>   |

1. Net of Provision for diminution in the value of investment and provision for standard and non-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                              | FY 20          | FY 21          | H1 FY 22       |
|--|----------------|----------------|----------------|
| <b>SOURCES OF FUNDS</b>                  |                |                |                |
| Share Capital                            | 10.0           | 10.0           | 10.0           |
| Reserves and Surplus                     | 78.8           | 90.9           | 95.7           |
| Credit/(Debit) Fair Value Change Account | (1.4)          | 3.1            | 3.4            |
| <b>Sub-Total</b>                         | <b>87.4</b>    | <b>104.0</b>   | <b>109.1</b>   |
| Credit/(Debit) Fair Value Change Account | (15.9)         | 27.3           | 37.2           |
| Policy Liabilities                       | 761.2          | 924.1          | 993.6          |
| Provision for Linked Liabilities         | 763.0          | 965.5          | 1,013.6        |
| Fair Value Change Account (Linked)       | (28.6)         | 126.5          | 203.9          |
| Funds for Discontinued Policies          | 51.3           | 70.1           | 82.6           |
| Funds for Future Appropriation           | 7.1            | 8.4            | 11.2           |
| <b>Total Liabilities</b>                 | <b>1,625.6</b> | <b>2,225.9</b> | <b>2,451.2</b> |
| <b>APPLICATION OF FUNDS</b>              |                |                |                |
| Investments                              |                |                |                |
| -Shareholders                            | 68.3           | 86.0           | 100.3          |
| -Policyholders                           | 734.2          | 939.4          | 1,018.0        |
| -Assets held to cover Linked Liabilities | 785.7          | 1,162.2        | 1,300.1        |
| Loans                                    | 3.6            | 3.6            | 3.4            |
| Fixed assets                             | 5.8            | 5.7            | 5.5            |
| Net Current Assets                       | 28.0           | 29.1           | 23.9           |
| <b>Total Assets</b>                      | <b>1,625.6</b> | <b>2,225.9</b> | <b>2,451.2</b> |

| Term           | Description                   | Term                       | Description                               |
|----------------|-------------------------------|----------------------------|---|
| <b>GWP</b>     | Gross Written Premium         | <b>Opex</b>                | Operating Expenses (excluding commission) |
| <b>NBP</b>     | New Business Premium          | <b>CAGR</b>                | Compounded Annual Growth Rate             |
| <b>NOP</b>     | Number of Policies            | <b>GDP</b>                 | Gross Domestic Product                    |
| <b>APE</b>     | Annualized Premium Equivalent | <b>INR (₹)</b>             | Indian Rupees                             |
| <b>IRP</b>     | Individual Rated Premium      | <b>USD (\$)</b>            | United States' Currency                   |
| <b>AuM</b>     | Assets Under Management       | <b>TAT</b>                 | Turn Around Time                          |
| <b>Banca</b>   | Bancassurance                 | <b>Traditional Segment</b> | Other than Unit Linked Insurance Plan     |
| <b>ULIP</b>    | Unit Linked Insurance Plan    | <b>Traditional Channel</b> | Bancassurance + Agency                    |
| <b>PAR</b>     | Participating                 | <b>VoNB</b>                | Value of New Business                     |
| <b>NON PAR</b> | Non-Participating             | <b>VoNB Margin</b>         | Value of New Business Margin              |

- **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.
- **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.



*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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