



Directors' Report

To,
The Members of
SBI Life Insurance Company Limited

The Directors are pleased to present the 24th Annual Report of SBI Life Insurance Company Limited ("SBI Life" or "the Company") along with the audited financial statements for the financial year ended March 31, 2024.

The Company have successfully maintained the new business thrust and have again delivered enduring performance in this year as well and we continue to be market leader across individual and total business. We have sourced highest number of policies, this aligns with regulator's objective of "Insurance for All" and our goal of broadening our customer reach through our customer centric product offering. The performance of the Company demonstrates our distribution strength and expansive outreach to customers in cost efficient manner. Our Commitment is to deliver sustainable long-term returns and a holistic growth for all our stakeholders.

1. Financial Performance and State of Company's Affairs

The Company witnessed a growth and consistent performance in FY 2024. The key parameters of the Company are as follows:

	(₹ in billion)	
Business Performance	FY 2024	FY 2023
Gross Written Premium (GWP)	814.31	673.16
- New Business Premium (NBP)	382.38	295.89
- Renewal Premium (RP)	431.93	377.27
Annualized Premium Equivalent (APE)	197.23	168.15
Individual Rated Premium (IRP)	172.34	152.19
Total Protection NBP (Individual + Group)	41.65	36.36

The Company has maintained its private market leadership in New Business Premium (NBP) and Individual NBP with private market share of 24.6% and 25.8% respectively. The Gross Written Premium (GWP) has increased by 21% to ₹ 814.31 billion due to increase in NBP by 29% to ₹ 382.38 billion and Renewal Premium by 14% to ₹ 431.93 billion.

Individual Rated premium (IRP) has increased by 13% to ₹ 172.34 billion and APE has increased by 17% to ₹ 197.23 billion.

The Protection New Business Premium has increased by 15% to ₹ 41.65 billion due to increase in group term and credit life business by 22% to ₹ 32.14 billion.

	(₹ in billion)	
Profitability and Financial Performance	FY 2024	FY 2023
Assets under Management (AUM)	3,889.23	3,073.39
Net worth	149.06	130.16
Indian Embedded Value (IEV)	582.59	460.44
Value of New Business (VoNB)	55.48	50.67
New Business Margin (VoNB Margin)	28.1%	30.1%
Profit / (Loss) after taxation (PAT)	18.94	17.21
Earnings per equity share (EPS) Basic/ Diluted (in ₹)	18.92 / 18.90	17.19 / 17.18

- Assets under Management grew by 27% ₹ 3.9 trillion with debt-equity mix of 64:36.
- The Company's profit after tax has increased by 10% to ₹ 18.94 billion
- Indian Embedded Value stands at ₹ 582.59 billion with growth of 27%
- Value of New Business grew by 9% to ₹ 55.48 billion and value of new business margin is at 28.1%.

Key ratios	FY 2024	FY 2023
Operating expense ratio	4.9%	5.1%
Commission ratio ⁵	4.0%	4.5%
Total cost ratio*	8.9%	9.6%
Death Claim Settlement ratio (Individual)	98.25%	97.05%
Death Claim Settlement ratio (Total)	99.17%	98.39%
Solvency ratio	1.96	2.15
Persistency ratio (premium basis)^		
13 th month	86.78%	85.52%
25 th month	77.38%	75.55%
61 st month	58.55%	55.60%
Return on equity	13.6%	14.0%

⁵Commission ratio = Commission (including rewards) / Gross Written Premium (GWP).

*Total Cost = Operating expenses + Commission + Provision for doubtful debt + Bad debts written off.

^Persistency ratio based on regular premium/limited premium payment under Individual category.

- The operating expense has increased by 17% and GWP has increased by 21% resulting into decline in operating expense ratio (Operating Expense to GWP) from 5.1% to 4.9%.
- The commission ratio has declined from 4.5% to 4.0% mainly due to change in business mix.
- Improvement in individual death claim settlement ratio from 97.05% to 98.25% and overall death claim settlement ratio from 98.39% to 99.17%.
- Solvency ratio of the Company stands at 1.96 as against the regulatory requirement of 1.50 indicating the strong and stable financial health of the Company.
- 13th month persistency ratio stands at 86.78% with growth of 126 bps. Further, the 25th month and 61st month persistency (based on premium considering Regular Premium/ Limited Premium payment under individual category) has shown strong growth of 182 bps and 295 bps respectively due to our focus on improving the quality of business and customer retention.

Distribution reach

The robust distribution network is key to success of the Company which ensures that products and services provided by the Company reaches target customers in the cost-efficient manner. The Company aims to strike optimum balance among various distribution channels and we expect to grow by leveraging these multiple drivers and further strengthen our distribution network.

The Company aims at targeting underpenetrated market through expansion of its distribution reach by opening up of new offices, quality recruitments and new business partnerships.

As at March 31, 2024, the Company has 1,040 offices, 246,078 Insurance Advisors (IAs) and 59,638 Certified Insurance Facilitators (CIFs) across the country.

Distribution Mix

During the year, the Company has collected NBP of ₹ 382.38 billion, comprising of ₹ 197.12 billion from Bancassurance which represents company's largest distribution network, ₹ 67.07 billion from Retail Agency and ₹ 118.19 billion from other distribution channel which includes direct sales, sales by corporate agents, brokers, micro agents, common service centres (CSC), insurance marketing firms (IMFs), Point of Sale Person (POSPs) and Web aggregators.

The Company's direct sales primarily comprise sale of group products, as well as standardised individual products sold through online offerings.

2. Industry and Company Outlook

At global level, Persistent inflation remains the top risk for insurers. Economic slowdown has drag on the market, with total global premiums (non-life and life) forecast to grow at a below-trend at 1.7% in real terms in 2024. However, it was expected insurers to prove resilient against any further financial instability like that experienced earlier this year, given very strong solvency ratios and balance sheets. Life insurance should benefit from a rise in pension, annuity and savings product sales. High interest rates will support industry profits via improved investment returns.

Though industry is poised with many challenges ranging from economic hurdles such as the potential for sustained inflation, rising interest rates, to rapidly evolving consumer product and purchase preferences. But the emerging economies are well placed and have potential for higher growth and host of opportunities, which will drive growth and promote insurance growth. As per recent Swiss Re report, India is one of the fastest growing insurance markets in the world. It is forecasted that India will grow at an average annual real GDP growth of 6.7% between 2022 and 2032. In terms of total life insurance premium volumes, it was the 9th largest globally in 2021. It is forecasted that premiums will grow by an average 9% per annum (in real terms) over the next decade.



Further, India is one of the fastest growing insurance markets in the world. It is the 9th largest country globally in terms of life premium volume and is expected to be 5th largest by 2032 as per latest Swiss Re report. So, we can expect life insurance industry to perform well and with strong geographical reach, distribution network and well diversified product basket we are expecting to grow at better than the industry rates.

Key Areas on which Insurers needs focus as they prepare to future-ready

- **Technological Transformation:** Insurers are increasingly adopting advanced technologies like generative AI, cloud computing, and data analytics to enhance their customer-centric approaches and operational efficiency. This transformation aims to break down silos, improve collaboration, and deliver more personalized services to customers. The integration of these technologies is crucial for staying competitive and meeting evolving customer expectations.
- **Sustainability and Climate Change:** The industry is placing a stronger emphasis on sustainability and climate resilience. Insurers should not only be focusing on providing financial safety nets but also on preventing and mitigating risks associated with climate change. This includes developing products and services that promote environmental sustainability and working with clients to implement climate solutions.
- **Customer-Centric Business Models:** There is a significant shift towards customer-centric business models. Insurers must focus on enhancing customer experiences and building trust by providing more holistic, relationship-based services rather than purely transactional interactions. This involves using technology to better understand and anticipate customer needs, thus improving satisfaction and loyalty.

Overall, the insurance industry is poised for significant transformation, driven by technological advancements, a focus on sustainability and a shift towards more customer-focused business models. These changes aim to enhance resilience, growth, and societal impact in the face of evolving global risks.

Thus the future of life insurance seems promising, and as a Company, we are prepared to seize the opportunities that lie ahead. Our vision encompasses leveraging innovative technologies, expanding our digital capabilities, and offering tailored solutions to meet the evolving needs of our customers.

Regulatory update:

Modification to the Master Circular: Unclaimed Amounts of Policyholders dated 17th November, 2020

IRDAI had prescribed host of measures that Insurers need to undertake for reduction of existing unclaimed amounts and to contain future accumulation of unclaimed amounts and had modified the manner in which the unclaimed amount shall be classified.

IRDAI (Protection of Policyholders Interests, Operations and Allied Matters of Insurers) Regulations, 2024

- Regulation on matters pertaining to manner of receipt of premium, places of business, fees for registering cancellation or change of nomination, assignment, issuance of e-insurance policies, outsourcing, protection of policyholder's interest, Insurance advertisement stands repealed and are subsumed and consolidated by this Regulation.
- Board approved Policy on Protection of Policyholder's Interests to include inclusivity and accessibility to persons with disability, process efficiencies through technological changes, expeditious settlement of claims, etc.
- Customer information sheet to be provided along with Policy document in the manner to be specified by IRDAI.
- Insurance policies to be issued only in the electronic form.
- Insurance policies shall provide a free look period of 30 days beginning from the date of receipt of policy document.
- Prior approval of IRDAI is not required for opening new offices, subject to the conditions specified.
- Closure of place of business shall be pre-approved by Board appointed Policyholders' Protection, Grievance Redressal & Claims Monitoring Committee.

IRDAI (Bima Vahak) Guidelines, 2023

- Insurer can appoint Corporate Bima Vahaks or Individual Bima Vahaks for sell and service of Bima Vistaar product, who shall work with only 1 Life Insurer, 1 General Insurer and 1 Health Insurer.

3. Dividend and Reserves

The Board of Directors of the Company at its meeting held on March 10, 2024 has declared an interim dividend of ₹ 2.70 per equity share with face value of ₹ 10 each (previous year ended March 31, 2023, interim dividend of ₹ 2.50 per equity share with face value of ₹ 10 each). The total interim dividend pay-out amounts to ₹ 2.70 billion. No final dividend is recommended for the year ended March 31, 2024 and the said interim dividend declared is to be confirmed as final dividend.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy of the Company is disclosed on the website <https://www.sbilife.co.in/en/about-us/investor-relations>

The Company has uploaded the details of unpaid and unclaimed dividend on the Company's website: <https://www.sbilife.co.in/en/about-us/investor-relations>

4. Capital and Shareholding

During the year there was no fresh capital infusion by the promoters in the Company. The authorized share capital and paid up share capital of the Company stands at ₹ 20.00 billion and ₹ 10.01 billion respectively. The shareholding pattern during the year under review is in compliance with the statutory requirement. The shareholding pattern is provided in **Annexure IV** which is annexed to this Report and under Schedule – 5A which forms part of the Financial Statement.

During the year, the Company has allotted 570,706 Equity shares on exercise of certain stock options granted under SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018').

5. Deposits

During the year under review, the Company has not accepted any deposits from the public as per Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

6. Awards & Recognitions

The Company has received various awards during the year across brand management, technology, CSR initiatives etc. Brief highlight of some of the major awards are mentioned below:

- Won the 'Insurer of the Year- Life category' at FICCI Insurance Industry Awards 2023
- Won Special Award for 'Best Insurance Spreading- Private Sector Company – India by Indian Chambers of Commerce (ICC)
- Won an award under the 'Highest Growth' category at the ASSOCHAM's 15th Global Insurance Summit & Awards 2023
- Won 'Amiable Insurer-Large Category' at the ETNow Insurance Summit & Awards 2023
- Won the Global Performance Excellence Award (GPEA) 2023 under the 'World Class' category
- Recognised as #35 Most Valuable Indian Brand by Kantar Brandz 2023

- Awarded MQH (Making Quality Happen) Trophy by IMC under Strategy category for the project of "Customer Centricity in Evolving Digital Paradigm"
- Won 'Golden Peacock Innovative Product/Service Award' for the year 2024 by Golden Peacock Awards (Hello SBI Life Project)
- Won a 'Silver' at the Adgully DIGIXX Awards 2023 under the category Programmatic & Performance marketing
- Won award for the campaign 'The Most Ignored Rider' in the category Best use of Celebrity/Influencer at e4m Health & Wellness Marketing Awards 2023
- Won award for Excellence in CSR Activities at the Navabharat CSR Awards 2023
- Won award for the campaign 'The Most Ignored Rider' in the category Best CSR Initiative/ Public Awareness at e4m Health & Wellness Marketing Awards 2023
- Bagged GUINNESS WORLD RECORDS title for Most Pledges received for passion campaign in 24 hours

The awards demonstrate the Company's commitment to achieve excellence, across all spheres of its activities and operations.

7. Products

SBI Life has a wide range of products catering to various customer needs in the life, health, annuity, pension & micro-insurance segments. These products are customer centric, simple to understand and have competitive features.

Considering the business requirement, Company launched two new Term with Return of Premium products, SBI Life – Saral Swadhan Supreme and SBI Life – Smart Swadhan Supreme. The products cater the need for Term with return of premium products for customers with flexibility in terms of underwriting.

SBI Life – Saral Swadhan Supreme is a Tele-Medical and Non-Medical underwritten product, while SBI Life – Smart Swadhan Supreme is a Medically underwritten product.

To maintain its competitive edge in the market, the existing products (individual and group) were reviewed and modified.

The products, SBI Life – Retire Smart, SBI Life – New Smart Samridhi and SBI Life – Smart Platina Assure were modified to expand the scope of coverage by altering boundary conditions.



New distribution channel was added in view of market demand under SBI Life – Smart Swadhan Plus, SBI Life – Smart Scholar, SBI Life – Saral Pension and SBI Life – Saral Jeevan Bima which will help the Company to explore new avenues of distribution.

Both Individual and Group Annuity products, SBI Life – Smart Annuity Plus & SBI Life – Swarna Jeevan Plus along with the products with guaranteed return, SBI Life – Smart Platina Assure, SBI Life – Smart Platina Plus and SBI Life – New Smart Samridhi, were modified in view of changing economic scenario.

8. Operations process refinement & optimization for enhanced customer experience

Our commitment for continuous improvement and relentless pursuit of excellence drives us to explore innovative ideas for performance enhancement and journey customization in this ever-changing business landscape. We maintain a strong focus on building resilient work systems with continuous process refinement alongside digitization and automation. This aids in enhancing our customer experience, improve efficiencies, reduce costs, and maximize value for all stakeholders.

The integration of technologies like Robotics Process Automation (RPA) & Artificial Intelligence (AI) has revolutionized process automation, specifically activities with extensive multi-source data and repetitive tasks. This implementation has significantly streamlined our processing time & minimized manual workload.

a) Enhancing Operational Capabilities & Process Efficiency

FY 2024 witnessed highest transaction volumes across New Business, Renewals, Policy Servicing & Living Benefits handled with utmost efficiency.

- 22.61 Lakhs Individual Policies issued and 2.37 Lakh Group Credit Life new lives added in FY 2024.
- Benefits paid (net) of ₹ 42,724 Cr to more than 33 lakhs policyholders/ claimants in FY 2024.
- 14.54 Lakh incoming telephonic interactions and 18.51 Lakh customer queries handled in the year.
- Individual policy issuance Non-Medical TAT (days) has reduced from 2.81 days in FY 2022 to 2.04 days in FY 2024.
- Death Claim Settlement ratio (individual and group) has increased from 97.20% in FY2022 to 99.17% in FY 2024.
- Mis-selling ratio has reduced from 0.07% in FY 2022 to 0.03% in FY 2024.
- Net Promoter Score (NPS) has improved significantly from 37 in FY 2022 to 72 in FY 2024.

b) Customer Engagement, Retention & Persistency Management

The key indicator of financial strength and stability in Insurance Company is the strength of its renewals. Improvement in collection reflects our customers' trust on our Brand. Higher Customer retention leads to continued growth & profitability.

All 3 key facets which help improve customer stickiness, loyalty and persistency are focused upon:

- Customer Engagement
- Renewal premium collections and persistency
- Controlling exits through surrender and lapse control

Customer Engagement

Many initiatives have been taken to ensure a long-term engagement with our esteemed customers. Multiple new mechanisms are also devised to enhance the overall customer experience such as Personalized Product Videos, ongoing engagement call around key policy milestone, Customer Awareness Campaigns on Email, SMS and Social Media.

Renewal collections & Persistency Management

In FY 2024, the renewal premium collection under individual policies stands at ₹ 414.91 billion with a growth of 14%. The growth in renewal premium collection has led to increase the 13th Month persistency (regular Premium) by 126 bps to 86.78% and the 61st Month persistency (regular premium) by 295 bps to 58.55% for individual policies thus establishing the efficacy of our customer engagement and retention interventions during the policy journey.

In order to improve renewal collection and persistency management, auto debit instructions for payment of renewal premium payment have registered in upto 63% of the new policies issued during the year. Over 96% of the premium collections were made through a bouquet of collection modes and digital payment methods. The retention of policies is tracked continuously and very closely with an aim to prevent exits at any stage during the policy term by follow-up through Call Centres, revival campaign etc.

Controlling exits through surrender and lapse control

In order to reduce surrenders, the Surrender Retention activity has been intensified. One of the major initiatives was the launch of Surrender Prevention Tool. The surrender retention has

improved to 31% in FY 24 as compared to 29% in last year. New products were added in the Surrender Prevention Tool. Currently, we have 14 products & 7 versions integrated in the tool. This provides a coverage of 88% to the surrendered policy base in FY 24.

c) Customer Support & Service Delivery

Our servicing touch-points such as inbound contact centre, self-service channel and intermediary assisted servicing have been optimized to cater to the increasing call volumes. List of few initiatives are as below:

- Extension of customer contact centre timings to 24X7 all days of a year.
- NRI Helpline was introduced for our callers calling from abroad.
- Missed Call Services, WhatsApp services, Chatbot (RIA) for our customers
- 'Smart Care' Customer Servicing Application
- Intermediary Assisted Servicing

d) Process Quality Excellence & Risk Mitigation

Robust Quality assurance framework has been put in place to monitor the quality of data and processes across the spectrum of functions and transactional systems to ensure accuracy alongside mitigating operational risks.

e) Grievance Redressal

Improvement of the effectiveness and efficiency of the grievance redressal mechanism has been a constant focus for us. Ensuring approachability and quick, fair, equitable & satisfactory resolution of customer queries and complaints has been an ongoing endeavour.

We have taken multiple steps to enhance our systems and empower the employees to improve the quality of resolutions of customer's grievances. The key initiatives undertaken includes CRM (Customer Relationship Management) System having an automated workflow for registration and resolution of customer's grievances, integration of CRM with the 'Bima Bharosa' Portal (IRDAI) on real time basis, integration of CRM Parivartan Module with SBI CRM, so that the customer's grievances can be captured at the SBI.

The Net Promoter Score (NPS) is one of our key measures of customer satisfaction and improving the overall response rates and effective looping of the feedbacks to address the process gaps is our key focus area. We have improved our overall NPS Score to "72" in FY 2023-2024 as compared to "59" in FY 2022-23.

The ratio of customer grievances to new policy issued has reduced from 0.20% in FY23 to 0.13% in FY24. Also, Mis-selling Complaints ratio has improved to 0.03% in FY24 as compared to 0.08% in FY23.

f) Continual Process Improvement

Many process improvements and simplifications were rolled out to improve their efficiency and effectiveness as well as to mitigate risks and costs over the year as part of our continual improvement cycle of constantly looking outside our boundaries & at the external competition and continuously benchmark ourselves to improve and innovate.

Some important changes made during the financial year are highlighted below:

i. Underwriting

Revision in Underwriting Authority Limits at CPC with an aim to empower the underwriters for decision making authority and ensure faster processing of proposals.

ii. New Business & On boarding

The digital on-boarding journey not only encompassing multiple services internal to SBI Life but also integration with external eco systems thereby providing a holistic end-to-end digital ecosystem for both internal and external customers. The key initiatives are as below:

- Launch of Intelligent M. Connect
- Realtime Policy Bond Tracking
- Reduction in dispatch TAT of Policy
- Integration with CSC (Common Service Centres)
- Voice BOT calling for Insta PIV
- Increased adoption of e Insurance Accounts (eIA)

iii. Pay-out Processing

Several policy pay-outs were integrated into the workflow systems to ensure smooth and faster settlements with efficiency and accuracy. Further, existing Pay-out modules have been enhanced to handle the Risk Mitigation aspects in a Pay-out. This has helped us to manage increased volumes with accuracy.

Few of the key initiatives are as below:

- Workflow module for Policy Loan Pay-outs
- Integrated Unclaimed Module for processing of Unclaimed pay-outs



- Enhancement in ePravaah for handling living benefits pay out of new products
- CMI module enhancement for Loan Repayment cashing.

iv. Renewal Collection Management

Process enhancements in payment/premium accounting from Alternate mode has resulted in high efficiency and considerable reduction in man hours, faster accounting coupled with all the risk control measures put in place.

Personalized videos with revival quote and payment link are being sent to the policyholders targeted in revival campaign explaining the policy benefits, revival process and providing the revival quote as well as embedded links to submit online revival request. This has helped improve the revival campaign conversion rates significantly.

v. Digitization and Automation

Intelligent Automation powered by AI BOTs

- Email Bot

At contact center, in addition to telephone queries we also receive e-mail queries from Policy holders at info@sbilife.co.in

In order to automate the email response, we have deployed an AI enabled Email Bot which has capacity to read customer emails, categorize and prepare a suggested response and submit to the agent for a quick review and closure.

- Conversational AI driven Voice BOTs for Renewal Due Intimations

Voice bots have been deployed to handle renewal intimation and reminder calls. These bots come with conversational capabilities in multiple languages and have been trained to capture consent to converse, call back requests, intent to pay, likely date of payment and schedule call backs.

Apart from renewal reminders, voice bot with its unique feature of speech recognition & natural language processing is put in service

- To receive re-debit consent for auto debit failure cases.
- To get consent for auto debit registration of future dues.

The voice bots have helped to handle the increasing volume effectively and

also aided optimal utilization of human agents for handling more specialized and complex calls.

- Robotic Process Automation

We are leveraging the power of Robotic process automation (RPA) to build capacity, reduce errors and processing times by automating high-volume and repetitive tasks.

- 270+ Processes have been automated using RPA freeing up critical manpower for engaged in more productive work.
- During the year, RPA Bots did a total of 22,300+ manhours of work and handled over 200 Mn+ transactions

- Intelligent Document Processing (IDP)

To pave the way for intelligent automation and expand the existing RPA capabilities to handling of structured and unstructured document processing, intelligent document processing solution has been acquired and is being deployed to aid with document/image identification, classification and data extraction through ICR.

Major deployment areas identified are-

1. Intelligent document processing for image identification, classification and data extraction through OCR etc.
2. Medical document digitization and health data analysis

IDP solution deployed for online research and document processing of Investment team, medical and non-medical underwriting & claims process.

vi. Process Digitization

Integration with Account Aggregator framework

The Company has become one of the first participants in the account aggregator framework as both a Financial Information User (FIU) and Financial Information Provider (FIP). We are now able to fetch financial information directly from the participating FIPs in a secured manner based on customer consent. This has helped get detailed and accurate information for underwriting of proposals and eliminated the risk of tampering or fudging of data.

Claim Investigation Portal (CLIP)

Claim Investigation Portal or CLIP has been launched for system-based allocation of investigation cases. This has enabled auto sharing of requisite claims documents to claims investigators.

Group Smart Care

SBI Life 'Smart Group Care' is developed as a comprehensive digital platform which empowers our Group Master Policyholders and its members to access the policy information with Secured OTP Based Login.

Leveraging Big Data Analytics

SBI Life has been leveraging Analytics to help mitigate and control Risks in various business functions. The outcomes of the various models are helping the respective functions to take more informed decisions and helps in creating more efficient business processes.

Big Data analytics (Artificial intelligence and machine learning models) deployed to assist in proper risk selection, study of customer behaviour to optimize premium persistency and prevention of fraudulent claims by predicting likely fraud based on study on past trends, and behaviour frequency of claims.

9. Information Technology

As per the recent trend, FY24 has also seen major enhancements in the Digital footprints, Information Security, Data Protection, Resiliency, Scalability and improved agility in the IT landscape. Some of the highlights include the Voice BOT for renewal calling, RPA, Upgrade of CRM Next, Relaunch of 'Smart Care' for efficiency as well as multi layered secure network architecture, very high performing compute, fastest SAN storage, quickest application control infra (ACI) datacentre switching technology and Software Defined Wide Area Network to extend best in class performance and to support ever growing business volumes.

The improved digital tools and intuitive customizations have played a significant role in enhancing the experience of, both, our internal and external customers. We have progressively enhanced the capacity and capabilities of our technology infrastructure that has consistently improved the availability of systems and applications for the business.

Some of the improvements implemented during the year under review are listed below:

A. Infrastructure

• Security Initiatives

Data Classification Tool and Data Loss Prevention:

Data Classification tool is integrated with Data Loss Prevention tools to increase efficacy of securing customer data through various auto classification of documents and protection of inadvertent loss of data.

Endpoint Protection and Remediation:

Antivirus, endpoint detection and threat response, website whitelist and device control policies are configured to safe guard company information asset.

Advanced Servers Protections:

Advanced technique to detect zero day attacks, early detection & remediation, virtual patching, enhanced security to servers through XDR (Extended Detection and Response)

• Data Centre (DC), Disaster Recovery (DR) and Wide Area Network (WAN)

Management of our DC/DR/WAN infrastructure to ensure that our Head office, CPC, branches and customer facing applications are adequately supported to handle the business volumes and to provide quality service to our customers.

• Capacity augmentation of application infrastructure

- Replaced old technology servers with latest high end Blades Servers with latest processor, memory and NVMe storage device to fuel compute capacity.
- Added over 2.8 Petabytes space to storage to augment storage capacity
- Added more than 400 Servers for new application and to boost existing application performance and to build redundancy.

B. Process Area

The key initiatives in process area are as below:

- Introduction of AI based Voice IVR
- WhatsApp BOT Enhancements
- Introduction of Omni Channel Support Desk for the distributors
- Cloud Based 'SaaS' solution for Human Resource Management
- Launch of Cash Management Interface
- Enhancements in Customer Relationship Management (CRM)
- Enhancements in Channel Management System (CMS)



The list of Enhanced Solutions is as below:

- eKYC Integration for online selling
- Online Death Claim intimation process on Corporate Website
- IDP (Intelligent Document Processing)
- AI Based Document Reader for Online Sales
- Robotic Process Automation
- Need Analysis & Suitability Analysis (NASA)

C. Business Intelligence and Reporting

SBI Life has various reporting and analytics platforms for strategic decision making and actionable for a wide range of users, both internal and external. These platforms include reporting tools like AARAM Nxt, Crystal SAP BO, Banca Online, Agency Online, Analytics & BI platforms AASAN, self-servicing platform-PolicyOne. The key implementations are as below:

- FMT (FuzzyMatch Tool) is an in-house developed utility used for comparing two strings to give a proximity score. This is currently implemented in Underwriting module for comparing the customer name that is received from NSDL based on the PAN input with the name entered in the proposal form. This has helped the underwriters to reduce the processing time as well as reduced the manual errors, financial implication, thus making customer on-boarding process towards first time right with reduced TAT.
- Reporting & Dashboards consisting of Real time underwriter performance dashboard, Paise Genie dashboard etc.

D. Resilient Operations

To increase the resiliency of the Company below initiatives were taken to support the applications and to ensure performance, continuity and uptime

- Upgraded ESB – Enterprise service bus platform to latest technology for robust security, performance boost and scalability.
- DR drill automation of first phase of critical applications is taken up for automation.
- Migration of DB's to the supported stable version is in progress for Oracle and for MSSQL has been completed.
- Centralised application monitoring system along with dashboards has been setup for additional applications like CRMNxt, ePolicy and corporate website.

- Devised and ran control reports to ensure the systems are functioning as per requirements.
- Migrated the critical production databases to NVMe (Non Volatile Memory Express) storage to give high performances.
- Automation for testing of products with minimum code changes has been developed. AI based test scenario and test cases generation also developed to increase the reliability of the products developed.
- Performance testing and Customer experience testing done for all issues resolved for smart care application.

10. Investments

Indian Equity markets continued to rally during the year as Nifty touched "all time high" milestone during the year. However, we saw some cool off happening in mid and small cap segments as regulators voiced some concerns regarding that segment. Sensex and Nifty gave returns of 24.9% and 28.6% for the Financial Year 2024. CNX Midcap and CNX Small Cap gave phenomenal returns of 60.9% and 69.8% during the same period.

Uncertainty in equity markets came with Federal Reserve rate cuts, the number and timing INR weakened by 1.6% to 83.4 owing to a stronger dollar as the Federal Reserve continued on its path of monetary policy hikes and sustained pause.

Yield on 10-year Government of India Bond fell by 26 bps in the year from 7.31% to 7.06%. Markets reacted to the monetary policy easing assumptions amidst falling inflation and steady growth. The inclusion of Indian Sovereign Bonds in the JP Morgan Global EM Bond Index boosted demand amongst FPIs.

The Assets under Management (AuM) of the Company has increased by 27% from ₹ 3,073.39 billion as on March 31, 2023 to ₹ 3,889.23 billion as at March 31, 2024. The debt equity mix of the AuM as on March 31, 2024 is 64:36.

The AuM was made up of ₹ 1,729.13 billion of traditional funds (including shareholders') and ₹ 2,160.10 billion of unit linked funds. The unit linked portfolio majorly comprises of equity funds, bond funds and NAV guaranteed funds..

11. Persistency

Persistency is a critical indicator of business viability and brand success. During the FY 2024, the Company has witnessed 14% growth in Renewal Premium collection at ₹ 431.93 billion, which contributed to 53% of Gross Written Premium. The Company has continued to focus on renewals and has undertaken initiatives to improve persistency of its existing

policies. The collection efficiency has helped improve the 13th month regular premium persistency by 126 bps to 86.78% and improvement in 61st month regular premium persistency by 295 bps to 58.55% for Individual policies thus establishing the efficacy of our customer engagement and retention interventions. The independent Renewal Vertical is focusing on collection of renewal premiums and servicing policyholders. We shall continue to accord prime importance to this area.

12. Particulars of Employees

SBI Life is one of the most trusted private Life insurance brand with more than 23 years of business operations. SBI Life family has grown from 20,787 employees as on March 31, 2023 to 23,893 employees as on March 31, 2024 which depicts a growth of 15%. While the average age of employees is 36 years, the average tenure is 4 years 11 months.

In terms of Section 136(1) of Companies Act, 2013 the Report and the Accounts are sent to the Members excluding the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement containing aforesaid details may be obtained by the Members by writing to the Company Secretary at the Registered Office of the Company.

13. Employees Stock Option Scheme

The SBI Life Employee Stock Option Plan 2018 ('ESOP 2018') and SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018') has been approved by the shareholders of the Company in the Annual General Meeting (AGM) held on September 27, 2018 based on the recommendation of the Board Nomination & Remuneration Committee ('NRC') and Board of Directors ('Board') in their meetings held on August 31, 2018.

The maximum number of stock options granted to eligible employees in accordance with ESOP 2018 shall not exceed 30,000,000 shares. During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. Further, the maximum number of Options in aggregate granted to an employee under this Plan shall not exceed 1,00,00,000 Options. The Exercise Price shall be determined by the Board Nomination & Remuneration Committee in concurrence with the Board of Directors of the Company on the date the Options are granted and provided in the letter of grant.

During the year ended March 31, 2024 the NRC in its meeting held on July 25, 2023 has approved the grant of 725,900 Employee Stock Options ('Options') to the eligible employees under ESOS 2018.

No employee was granted options during one year amounting to five percent or more of options granted during that year. Similarly, no employee was granted options during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant.

During the year ended March 31, 2024, the Company has not granted any loan to its employees for purchasing shares of the Company.

The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Further, there are no changes in the scheme. The disclosures pursuant to the SEBI SBEB Regulations have been placed on website of the Company at <https://www.sbilife.co.in/en/about-us/investor-relations>.

The disclosures pursuant to SEBI SBEB Regulations, Guidance Note on accounting for employee share based payments, disclosure of diluted EPS in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standard have been disclosed in the Notes to Accounts which form part of financial statements in the Annual Report.

14. Prevention of Sexual Harassment of Women at the Workplace

The Company has an Internal Complaints Committee to investigate and inquire into sexual harassment complaints in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has in place a policy for Prevention of Sexual Harassment, which purports the Company's zero-tolerance towards any form of prejudice, gender bias and sexual harassment at the workplace.

For FY 2024, the Company had undertaken training on e-Shiksha empowered, our digital platform, on awareness and sensitization with respect to sexual harassment at workplace. The Company organized workshop and awareness program for the members of ICC to equip them for effectively dealing with investigation, inquiry and disciplinary proceedings in connection with sexual harassment complaints as per policy and also to develop skills necessary for enquiries and documentation procedures while dealing with such cases. Further, the Company's Policy on Prevention of Sexual Harassment of Women at Workplace along with the details of Internal Complaints Committee at each Region



is accessible to all employees on the Company's intranet, e-bandhan. During the year FY 2024 under review, 19 sexual harassment cases were filed. Out of which 16 cases were disposed-off during the year and appropriate actions were taken within timelines in FY 2024, remaining 3 cases are in review with the ICC. Having an adept POSH policy has enabled us in employer branding by creating employee value proposition, permeating a sense of safety amongst employees, retaining vital talent and promoting inclusively.

The details are mentioned in the Business Responsibility and Sustainability Report, which is hosted on the Company's web-link: <https://www.sbilife.co.in/en/about-us/investor-relations>.

15. Risk Management

SBI Life has implemented robust Corporate Governance structure and has a strong risk aware culture by which the company is directed and controlled in the interest of shareholders and other stakeholders to sustain and enhance the value. Risk Management at SBI Life is an integral part of the responsibilities of management and covers all aspects, including strategic planning. Risk Strategy and Risk Vision of the Company is outlined in the Risk Management Policy. The Risk Management policy specifies the process for identification, assessment, and analysis of the Company's risk exposures; develop risk mitigation strategies and its monitoring.

Risk appetite statements at the corporate level are reviewed and monitored by the Risk Management Committee of the Board. Further assessment of Key Risks of the Company is conducted annually and submitted to the Risk Management Committee of the Board.

SBI Life has robust enterprise risk management framework which includes Operational Risk Management, Fraud Monitoring, Data Governance, Information Security, Business Continuity and Regional Risk Unit to drive the enhanced risk culture across the organisation.

The Company also carries out an ICAAP (Internal Capital Adequacy Assessment Process) activity, which details the assessment of material risks, estimation of capital requirement and adequacy for maintaining solvency requirements.

Risk Management at SBI Life is certified / aligned with the following ISO Standards:

1. Enterprise Risk Management - ISO 31000:2018 (Statement of Compliance)
2. Business Continuity Management System (BCMS) - ISO 22301:2019 (Certified)

3. Information Security Management System (ISMS) - ISO 27001:2013 (Certified)

Sound risk management practices and business continuity management practises followed by the Company enables it to continue core business operations at an acceptable level in case of any crisis.

More information on the risk management practices adopted by the Company is available in the 'Enterprise Risk Management' section appended to this report and 'Management Report' section of the Annual report.

16. Internal Audit and Compliance Framework

Internal Audit:

The Company has in place a robust internal audit framework. The Inspection and Audit (I&A) Department undertakes risk based audit approach and it commensurate with the nature of the business and the size of its operations. The internal audit plan covers Information System Audit, Third Party Vendor audits, Master Policy Holders Audit, different process audit as well as transaction based audits at the Head office and Regional Offices, administrative aspects across various branches of the Company.

The audits are carried out by the internal audit team of the Company and also by the outsourced audit firms. The approach of the audit is to verify compliance with the regulatory, operational and system related controls. Key audit observation and recommendations are reported to the Board Audit Committee of the Company. Implementation of the recommendations is actively monitored.

I&A has designed offsite monitoring system (OMS) with an objective to identify deviations at an early stage and sharing the same with concerned process owners for immediate corrective action. Exception reports are developed and operational for around 100 scenarios. The frequency to extract and analyse a particular set of data through these exception reports is based on the criticality of the process. Frequency is defined as Quarterly, half yearly and yearly. The OMS review enables the process owners to identify gaps, if any, at an early stage, ensuring timely resolution of the issues. The utility is also shared with the users on need basis for a proactive and real time assessment at user level, itself.

The branch inspection checklist was rationalized to match with the scope of current roles of Branches. The policy transactions with critical functions such as New Business Quality is reviewed at quarterly frequency, underwriting process and policy service transactions are reviewed at half yearly frequency, through offsite data analytics.

Concurrent Audit:

In accordance with Insurance Regulatory and Development Authority of India (Investment) Regulations, the Company has also engaged professional chartered accountants firm to carry out concurrent audit of investment operation as per IRDAI investment regulations / guidelines and guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India (ICAI). Any significant findings in the concurrent audit are presented to the Audit Committee and reviewed by Board Investment Sub-Committee and Board Investment Committee.

Compliance:

The Board Audit Committee of the Company has laid down governing principles to oversee the compliance framework of the Company. The Committee discusses the level of compliance in the Company and any associated risks and reports the same to the Board. The Company has also formulated various internal policies and procedures to define framework for the working of various functions to ensure compliance. The Compliance function identifies and communicates regulatory requirements to relevant functions in a timely manner and monitors critical compliance risks based on suitable monitoring mechanism. The Compliance function works in liaison with the regulators and provides clarifications to various functions on applicable laws, regulations and circulars issued by the regulatory authorities. A compliance certificate signed by the Managing Director & CEO is placed at the Board Audit Committee on a quarterly basis.

The Company has also formulated various internal policies and procedures relating to working of various functions to ensure compliance.

17. Internal Financial Controls

The Companies Act, 2013 requires the Board of Directors, to lay down adequate and effective internal financial controls with reference to the Financial Statements and include it in the Board report. Further, regulation 17 (8) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires, the chief executive officer and the chief financial officer to provide the compliance certificate to the board of directors with respect to internal control over financial reporting.

The Company has aligned its internal financial control system with the requirements of the Companies Act 2013, on lines of globally accepted risk based framework as issued by Committee of Sponsoring Organizations (COSO). The internal control framework is intended to increase transparency and accountability in an organization's process of designing and implementing

a system of internal control. The framework requires the Company to identify and analyse risks and manage appropriate responses. The key components of the internal financial control framework include:

Entity level controls:

Entity Level Controls (ELCs) operates at an organisation level. The Company has defined a set of entity level policies and controls. The ELCs set up by the Company includes various policies and procedure in place such as Anti Money Laundering and Counter-Financing of Terrorism policy, Business Continuity Management policy, IT and Information Security policy, Risk Management Policy, Whistle blower Policy etc.

Process level controls:

The Company has defined a set of process level controls across its business and support functions such as premium, reinsurance, claims management, agency management, fixed assets etc. The control type covers key operating controls, financial reporting controls & IT controls have been done to ensure compliance with COSO framework.

Review controls:

The Company's internal financial control framework is based on 'three lines of defence model'. The Company has laid down standard operation procedures and policies to guide the business operations. The Company has a well-defined delegation of power with authority limits for approving revenue and capital expenditure. Statutory, Concurrent and Internal Auditors including internal audit department of the Company undertake rigorous testing of the control environment of the Company.

The Company has a Chief Audit Officer with a dedicated internal audit team which is commensurate with the size, nature & complexity of operations of the Company.

The Company also undergoes an independent internal /concurrent audit by specialised third party professional consultants to review function specific regulatory compliances as well as internal controls.

The Audit Committee reviews reports submitted by the Management and audit reports submitted by the internal auditors and statutory auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective actions. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations, if any periodically.

The Company has complied with internal financial controls (IFC) as per section 134(5) of Companies Act, 2013 and regulation 17(8) of the Securities and Exchange Board of India (SEBI) (Listing Obligations



and Disclosure Requirements) Regulations, 2015 in terms of internal controls over financial reporting.

Auditor’s Report

There were no qualifications, reservations, adverse, remarks or disclaimers on Internal Financial Controls made by the Statutory Auditors in their report for the financial year ended March 31, 2024.

18. Related Party Transactions

The Company has Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions to regulate the transactions with its related parties. As per the policy, all related party transactions require approval of the Board Audit Committee. Further, as per Rule 6A of the Companies (Meeting of Boards and its Powers) Rules 2014, the Audit Committee may grant omnibus approval for related party transaction proposed to be entered into by the Company subject to terms and conditions mentioned in the said Rule.

All the Related Party Transactions entered during the financial year were on arm’s length basis and in ordinary course of business. All related party transactions are placed before the Audit Committee of the Board for its approval. During the year, there were no material contracts or arrangements or transactions with related parties that need to be disclosed as per Section 188(1) of the Companies Act, 2013.

M/s. S.K. Patodia & Associates LLP, Chartered Accountants, reviewed the related party transactions for the year ended March 31, 2024 and their certificate is placed at the meeting of the Board Audit Committee, along with details of such transactions.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in Note

43 of Schedule 16(C) – Notes to Accounts of the Financial Statements of the Company.

The policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, has been hosted on the website of the Company can be viewed at <https://www.sbilife.co.in/en/about-us/investor-relations>

19. Ind AS Implementation

International Accounting Standard Board (‘IASB’) has notified the amended IFRS 17, with global date of implementation starting from January 1, 2023. The Institute of Chartered Accountants of India (‘ICAI’) has issued exposure draft of amendments in Ind AS 117 on 8th February, 2022. The amended Ind AS 117 is under process of notification. The IRDAI (the Authority) vide its communication dated July 14, 2022 on Ind AS implementation in Insurance Sector has conveyed its broad approach on Ind AS implementation and necessary steps to be initiated by the insurers. The authority advised insurers to set up steering committee for Ind AS implementation. Further, the authority is having interactions with the insurance companies to discuss the matters relating to implementation of Ind AS.

As per the directions of Authority, the Company has constituted Steering Committee headed by President & CFO and members from cross-functional areas such as actuarial, investment, information technology. The Company has engaged knowledge partner for Ind AS implementation. The Ind AS Gap and impact assessment is completed. The process of designing accounting policies and solutions to achieve data, system and process requirements is in progress. The Audit Committee and Board of Directors have been updated regularly on status update of Ind AS implementation.

Key Managerial Personnel’s

Mr. Amit Jhingran, Managing Director & Chief Executive Officer; Mr. Sangramjit Sarangi, President & Chief Financial Officer and Mr. Girish Manik, Company Secretary are designated as “Key Managerial Personnel” of the Company, under the provisions of Section 203 of the Companies Act, 2013.

Further, in accordance with Corporate Governance Guidelines (“CG Guidelines”) issued by IRDAI the Company has Fourteen (14) Key Management Persons including above mentioned Key Managerial Personnel.

Declaration by Directors

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16 of the Listing Regulations. The Company has also received declarations from all its Directors as per Section 164 of the Companies Act, 2013, confirming they are not disqualified from being appointed as Directors of the Company. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors have confirmed that their names have been added in the data bank maintained by the Indian Institute of Corporate Affairs for Independent Directors, in accordance with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Pursuant to Rule 6 of the said Rules, every Independent Director whose name is included in the data bank shall pass an online proficiency self-assessment test. However, the Director who has fulfilled the criteria prescribed in Rule 6(4) of the said Rules, is exempted from passing the online proficiency self-assessment test. In view of the same, none of the Independent Directors were required to take the proficiency self-assessment test.

The said declarations along with annual disclosures were noted by the Board of Directors at its Meeting held on April 26, 2024. Further, based on these disclosures and confirmations, the Board is of the opinion that the Directors of the Company are distinguished persons with integrity and have necessary expertise and experience to continue to discharge their responsibilities as the Director of the Company.

‘Fit and Proper’ criteria

In accordance with Guidelines for Corporate Governance issued by IRDAI, the Directors of insurers have to meet the ‘Fit and Proper’ criteria. Accordingly, all the Directors of the Company have confirmed compliance with the ‘Fit and Proper’ criteria, prescribed under the Corporate Governance Guidelines issued by the IRDAI.

Directors & Officers Liability Insurance

Regulation 25 (10) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations 2015 requires the Companies to take Directors & Officers Liability Insurance (D & O Insurance) for all its Independent Directors. The Company has taken D & O Insurance for all its Board of Directors and Members of the Senior Management Team for such quantum and risks as determined by the Board.

Common Directorships

Pursuant to Section 48A of the Insurance Act, 1938, the Company has obtained the necessary approval from IRDAI for Directors having common directorship with State Bank of India (being corporate agent of the Company). The provision of section 48A is exempt in case of director appointed as a nominee of a promoter of the Insurer.

Meetings

During the year, twelve Board Meetings were convened and held, the details of which are given in the report on Corporate Governance, which is forming a part of this Board Report. The intervening gap between the said Board Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board and Committee Meetings, and the attendance of Directors there at, forms part of the Corporate Governance Report, which is annexed to this Directors’ Report.

Secretarial Standards

During the FY 2024, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Remuneration Policy

The Company has adopted a Remuneration Policy for the Directors, KMPs and employees in Senior Management, pursuant to the provisions of Section 178 of the Companies Act, 2013, Guidelines on Remuneration of Directors and Key Managerial Persons of Insurer and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Remuneration Policy was approved by the Board of Directors on the recommendations of the Board Nomination & Remuneration Committee. The detail of the said policy is annexed as **Annexure I** which forms part of this Report.

20. Board of Directors and Key Management Personnel’s

Change in Directors and Key Managerial Personnel’s (KMPs) during the year 2023-24:

Name of the Director / KMPs	Nature of change	With effect from
Mr. Swaminathan Janakiraman	Ceased as Nominee Director, State Bank of India	June 26, 2023
Mr. Dharmendra Gupta	Ceased as Chief Audit Officer	August 03, 2023
Ms. Hema B.	Appointed as Chief Audit Officer	August 04, 2023
Mr. Deepak Amin	Ceased as an Independent Director	September 06, 2023
Mr. Mahesh Kumar Sharma	Ceased as Managing Director & Chief Executive Officer	September 30, 2023
Mr. Amit Jhingran	Appointed as Managing Director & Chief Executive Officer	October 01, 2023
Mr. Ashwini Kumar Tewari	Appointed as Nominee Director, State Bank of India	January 06, 2024
Mr. Vinod Koyande	Ceased as Company Secretary	January 29, 2024
Mr. AVS Sivaramakrishna	Superannuated as President – Marketing (Zone 2)	January 31, 2024
Mr. Girish Manik	Appointed as Company Secretary	February 13, 2024
Mr. Ravi Krishnamurthy	Superannuated as President- Operations & Information Technology	February 29, 2024
Mr. G Durgadas	Appointed as President- Operations & Information Technology	March 01, 2024

*Key Management Persons as per Corporate Governance Guidelines for Insurers in India, 2016.

21. Corporate Governance

The Corporate Governance philosophy of the Company is to comply with not only the statutory requirements but also to voluntarily formulate and adhere to a strong set of Corporate Governance practices which includes code of business conduct, corporate ethics, values, risk management, etc.



Through governance mechanism, the Board along with its Committee discharge its fiduciary responsibilities towards all its stakeholders by ensuring transparency, accountability, fairness and independence in its decision making.

The Report on Corporate Governance is annexed and forms part of this Annual Report.

22. Corporate Social Responsibility

The Company constituted the Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility) Rules 2014, which drives the CSR program of the Company.

The CSR Committee of the Board confirms that, the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

The brief outline of CSR Policy, including overview of the program proposed to be undertaken, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the financial year have been disclosed in **Annexure II** to this report, as mandated under the said Rules. Further, the Corporate Social Responsibility Policy of the Company as approved by the Board has been hosted on the website of the Company at <https://www.sbilife.co.in/en/about-us/corporate-social-responsibility>

23. Particulars of Loans, Guarantees or Investment

In line with the clarification given by the Ministry of Corporate Affairs under the Removal of Difficulty Order dated 13 February 2015, the provisions of Section 186 of the Companies Act 2013 relating to loans, guarantees and investments do not apply to the Company.

24. Subsidiary, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint Ventures or Associate Company.

25. Rural and Social Sector Obligations

As per the regulatory requirements, the Company has met its Rural and Social Sector obligations for FY 2024. As against the minimum requirement of 20%, the Company has issued 30.78% policies in the rural sector which affirms the Company's approach towards life insurance inclusion. Further, 15,045,944 new lives covered (72.92% of total new lives covered

in preceding year) by the Company are from the underprivileged social sector as against the regulatory requirement of at least 5% of total lives covered in preceding year. Consequently, the Company has met the minimum social and rural regulatory norms.

26. Management Report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management Report is placed separately and forms part of the Annual Report.

27. Statutory Auditors

In view of the applicability of Section 139 of the Companies Act 2013, Comptroller and Auditor General of India (C&AG) appoints Statutory Auditors of the Company. Accordingly, C&AG appointed S.K. Patodia & Associates, LLP Chartered Accountants and S A R C & Associates, Chartered Accountants, as joint statutory auditors of the Company for FY 2024.

Statutory Audit and other fees paid to Joint Statutory Auditors for FY 2024 as below:

(₹ in 000's)	
Particulars	Amount
Joint Statutory Audit Fees	8,800
Other Certification Fees	1,475

28. Statutory Auditors' Report

The Statutory Auditors' Report (including annexure thereof) to the Members does not contain any qualification, reservation, adverse remark, or disclaimer hence do not call for any further comments u/s 134 (3) (f) of the Companies Act 2013. There were no reportable frauds identified by the statutory auditors during the FY2024.

29. Comments of the Comptroller and Auditor General of India on the accounts of the Company

The Comptroller & Auditor General of India (C&AG) have conducted a supplementary audit u/s 143(6) (b) of the Companies Act, 2013 of the accounts of the Company for the year ended March 31, 2024. The comments of C&AG vide their report no. GA/ CA-I /Accounts /SBI Life Insurance Co. Ltd. / 2023-24/ 57 dated July 26, 2024 for the year ended March 31, 2024 along with the Management response thereto are enclosed as 'Annexure – VIII'. The comments of the Comptroller and Auditor General of India (C&AG) is being placed with the report of Statutory Auditors of the Company.

30. Secretarial Auditors' Report

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has with the recommendations of Board Audit Committee and approval of Board of Directors appointed M/s N. L. Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the FY 2024.

The Auditor has not made any qualification, reservation or adverse remark or disclaimer in his report for FY 2024. The Report of the Secretarial Auditor for the FY 2024 is enclosed as **Annexure III** to the Board Report.

31. Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company as the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for the services rendered by the Company.

32. Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act 2013 (as amended by the Companies (Amendment) Act, 2017), read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for Financial Year ended on 31st March, 2024 is hosted on the website of the Company and can be viewed at <https://www.sbilife.co.in/en/about-us/investor-relations> with the information available up to the date of this report, and shall be further updated as soon as possible but no later than sixty days from the date of the Annual General Meeting.

33. Material Events, Changes and Commitment affecting Financial Position of the Company

No material events, changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

34. Other Events

Insurance Regulatory and Development Authority of India ('IRDAI') vide its order dated June 2, 2023 ('IRDAI order') passed in terms of section 52B (2) of the Insurance Act, 1938 has directed to transfer the life insurance business of Sahara India Life Insurance Company Limited ('SILIC') involving policy liabilities and policyholders' investment/ assets to SBI Life Insurance Company Limited ('SBI Life' or 'the Company'). On appeal filed by SILIC against the said IRDAI order, the Securities Appellate Tribunal ('SAT'

or 'Tribunal') vide its order dated June 13, 2023 has granted stay on the effect and operation of the said IRDAI order. Subsequently, the IRDAI has filed an appeal with Hon'ble Supreme Court against the stay order passed by SAT. The Hon'ble Supreme Court in its hearing held on July 17, 2023 has set aside Securities Appellate Tribunal's (SAT) stay and directed the SAT to hear the case and decide it afresh. Subsequently, SAT has initiated the hearing of the case which is yet to be adjudicated upon.

35. Significant and Material Orders Passed by Regulators or Courts or Tribunals impacting the Going Concern Status and Operations of the Company

In FY 2024, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

36. Director's Responsibility Statement

In terms of Section 134(3) (c) read with 134(5) of the Companies Act, 2013 and the Corporate Governance Guidelines, your Directors confirm that;

- a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and other applicable regulation for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the accounts for the current financial year ended March 31, 2024 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



37. Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of Energy

In view of the nature of business activity of the Company, the information relating to the conservation of energy, as required under Section 134 (3) and Rule 8 (3) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

B. Technology Absorption

Sr. No.	Particulars	Remarks
Research & Development (R&D)		
1.	Specific areas in which R & D carried out by the Company	MConnect deployment on latest angular framework to more agility Gen AI integration in chatbot- ML integration in RIA chatbot in queries and response will be fetched from documents. This will help to avoid manual integration of static FAQs. Open Layers for Mapping provides functionalities akin to Google Maps, offering advanced mapping features. It allows for detailed geographical visualization, overlays, and customization, empowering developers to integrate dynamic maps into their applications with versatility and precision, akin to Google Maps but with additional capabilities. SBI Life's Liferverse offers simulations for insurance products, providing insights into product details and premium information. Through interactive tools and calculators, users can simulate various insurance scenarios, enabling informed decision-making by understanding policy features and associated costs before making a purchase. Automated test case generation using ML: Audio based call analysis using AI-ML That will enable QA team to crate automated several teat cases based on CR BRD documents, That will reduced testing TAT and delivery time of final work product.
2.	Benefits derived as a result of the above R&D	In the year under review, we have been able to roll out a number of initiatives based on the R&D done in Digilab. A few noted ones are provided below: - PWA is implemented in Smart Care and Smart Advisor and is in progress for mConnect. Benefits of GEN AI: Users benefit on multiple fronts as they receive accurate answers to their queries, alleviating the burden on call centres. This efficiency leads to higher customer retention rates, enhancing overall satisfaction and loyalty by providing swift and effective support services
3.	Future plan of action	We will continue to work with the new technologies available and find ways to improve the experience for our stakeholders in technology area.
4.	Expenditure on R & D: (a) Capital (b) Recurring (c) Total (d) Total R & D expenditure as a percentage of total turnover	In-house development
Technology absorption, adaption and innovation		
1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	Video based PIVC and Face Matching: For High Risk Profile Proposal, Video based consent is enabled in Insta PIVC Screen. The customers are required to smile in the video on this system for validation.
2.	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Key benefits are system as ensured that customer is alive at the time of taking the policy in order to avoid fraudulent business.

Sr. No.	Particulars	Remarks
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology imported (b) Year of import (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	Nil

C. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo required under above Rules are as under:

₹ in billion)		
Particulars	FY 2024	FY 2023
Foreign Exchange Earnings	0.04	0.13
Foreign Exchange Outgo	0.17	0.13

38. Investor relations

The Company has always valued its customer relationships and it is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.sbilife.co.in) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company publishes financials results on a quarterly basis. The financial results of the Company are prepared and posted on the website of the Company for the current as well as previous years. Further, the quarterly results and earnings update are also posted on the website of the Company. Every quarter, the Managing Director & CEO along with the senior management officials of the Company participate on a call with the analysts / shareholders. The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released through as per regulatory requirements.

39. Business Responsibility and Sustainability Report

Business Responsibility & Sustainability Report as stipulated under Regulation 34 of the Listing Regulations form part of the Annual Report and has been hosted on the website of the Company <https://www.sbilife.co.in/en/about-us/investor-relations/annual-reports>

40. Integrated Reporting

The Company has prepared Integrated Report for FY 2024 which forms part of this Annual Report. The said report encompasses both financial and non-financial information to enable various stakeholders to have a more holistic understanding of the Company's long-term perspective.

41. IRDAI License

The Insurance Regulatory and Development Authority of India (IRDAI) have renewed the annual license of the Company to continue the Life Insurance Business. The license is in force as on March 31, 2024.

42. Other Information

A. Economic Capital:

The annual assessment of Economic Capital of SBI Life was carried out as on March 31, 2024. As part of this exercise, we have quantified the capital requirements relating to various risks such as Insurance Risks (Mortality risk, Morbidity Risk, Longevity Risk, Persistency Risk, Expense Risk, Catastrophe Risk) and Non- Insurance Risks (Market Risk, Operational Risk, Default Risk). As at March 31, 2024, Solvency ratio on Economic Basis is 3.06. The Solvency Ratio on Economic Basis has been estimated as, the ratio of excess of economic assets over economic liability to Total Economic Capital Requirement.



B. Solvency Margin:

The Directors are pleased to report that the assets of the Company are higher than the liabilities of the Company and the assets are more than sufficient to meet the minimum solvency margin level of 1.50 times, as specified in section 64 VA of the Insurance Act, 1938 read with the IRDAI (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016. The Company has a strong solvency ratio of 1.96 as on March 31, 2024 (Previous year ended March 31, 2023: 2.15) as against the Regulatory requirement of 1.50.

C. IRDAI Directions

- a) The IRDAI directions issued under section 34 (1) of the Insurance Act, 1938 to refund allegedly excess commission paid to corporate agents to the members or the beneficiaries amounting to ₹ 2,752,948 thousands (previous year ended March 31, 2023: ₹ 2,752,948 thousands) vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014 has been set aside by Securities Appellate Tribunal (SAT) vide its order dated 29 January 2020. The SAT has remitted the matter to IRDAI to recalculate the interest earned on advance premium collected. The IRDAI recalculation, if any, has not been received by the Company. The IRDAI and SBI Life both, have challenged SAT order dated 29 January 2020 before the Hon'ble Supreme Court of India in Civil Appeal Nos. 254-255 of 2021 and Civil Appeal No. 2497-2498 of 2021 respectively, which is yet to be adjudicated upon.
- b) IRDAI has issued directions under section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to master policyholders amounting to ₹ 843,174 thousands vide its order no. IRDA/Life/ORD/MISC/228/10/2012 dated October 5, 2012 and subsequent order no. IRDA/Life/ORD/ MISC/009/01/2017 dated January 11, 2017. The Securities Appellate Tribunal (SAT) vide its order dated April 7, 2021 has dismissed the appeal filed by the Company against the IRDAI order.

Subsequently, the Hon'ble Supreme Court vide its order dated September 22, 2021 has dismissed petition filed by the Company against the SAT order. Accordingly, in FY 2022, the Company has made provision in the Profit and Loss Account (Shareholders' Account) for refund of administrative charges paid to group master policy holders amounting to ₹ 843,174 thousands plus applicable interest as per IRDAI order dated January 11, 2017. As at March 31, 2024, out of the total provision amount, the Company has refunded administrative fees of ₹ 558,721 thousands and interest of ₹ 224,878 thousands (As at March 31, 2023 administrative fees of ₹ 524,227 thousands and interest of ₹ 205,792 thousands) to the members of group insurance policy.

D. Appointed Actuary's Certificate

The certificate of the Appointed Actuary on valuation and actuarial assumptions is enclosed in the financial statements.

E. Certificate from Compliance Officer (under the IRDAI Corporate Governance Guidelines)

A Compliance Certificate, for complying with IRDAI Corporate Governance Guidelines, issued by the Company Secretary, designated as the Compliance officer under the IRDAI Corporate Governance Guidelines, is enclosed and forms part of the Corporate Governance Report.

43. Acknowledgements

The Directors are grateful to the Insurance Regulatory and Development Authority of India (IRDAI), Reserve Bank of India (RBI), Comptroller and Auditor General of India (C&AG), Securities and Exchange Board of India (SEBI) and Government of India (GOI) for their continued co-operation, support and advice. The Directors would also like to take this opportunity to express their sincere thanks all the policyholders, shareholders, customers, employees, re-insurers, bankers and distributors for reposing their trust and confidence in the Company. The Directors also express their gratitude for the advice, guidance and support received from time to time, from the auditors, and statutory authorities.

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN: 06737041

Place : Mumbai
Date : August 03, 2024

Corporate Governance Report



Introduction

Our Company is explicitly committed to creating value for all its stakeholders – policyholders, employees, investors, vendors and the community. Fairness in words, actions and deeds with all stakeholders form the base of the Company's Corporate Governance philosophy. Corporate Governance enables the Company to perform efficiently and ethically towards the long-term wealth and create value for all its stakeholders.

The imperative need to have good governance surfaced to demarcate the division between its ownership and its management. Concept of corporate governance rests on the fulcrum of transparency behind all decisions taken, accountability for the said decisions and safeguarding the interests of stakeholders. It helps to adopt sound and prudent principles and practices for the governance of the Company.

Company continues to lay great emphasis on the highest standards of Corporate Governance which are an integral part of all Company activities to ensure efficient conduct of the affairs of the Company, without compromising its core values. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.



Company's Philosophy on Corporate Governance

Company's philosophy on Corporate Governance is laid on a foundation of Integrity, Excellence and Ethical values, which have been in practice since its inception. Strong leadership and effective corporate governance practices have been the Company's inherited values from the SBI culture and ethos. The Board is committed to meet expectation of all the stakeholders and strive hard to fulfill them. SBI Life, in this pursuit, places emphasis in the philosophy of Corporate Governance by embedding values like transparency, humility, integrity, innovation & sustainability in the Company Structure. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values.

The Company believes in adopting and adhering to the best standards of corporate governance. Certain tenets of our Corporate Governance Philosophy are:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties.

- Transparency and independence in the functions of the Board.
- Maximum disclosure of information to the Board and its Committees for focused and meaningful discussions in the meetings.
- Operating in a sound system of internal control and risk management with a thrust on integrity and accountability.
- Independent verification and assured integrity of financial reporting.
- Timely and adequate disclosure of all material information to all stakeholders.
- Compliance of applicable laws, rules, regulations & guidelines.
- Fair and equitable treatment of all its stakeholders including employees, vendors, policyholders and shareholders.

The Company complies with the Corporate Governance Guidelines issued by the IRDAI. Further, the Company also complies with the Corporate Governance provisions prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as amended thereto.

(I) Board of Directors ('Board')

The Board of Directors of the Company, being the highest governance authority within the Management structure of the Company, is at the core of our Corporate Governance practices. The Board exercises its fiduciary responsibilities to foster sound standards of Corporate Governance within the Company thus providing direction and independence to the Management to achieve its objectives for value creation as well as protecting long-term interests of all stakeholders.

The composition of the Board of Directors of the Company is governed by the provisions of Companies Act, 2013, Listing Regulations issued by SEBI and Corporate Governance Guidelines, 2016 issued by IRDAI ('IRDAI Corporate Governance Guidelines').

The role of the Board is that of trusteeship, to protect and enhance the shareholder value through strategic direction to the Company. The role of the Chairman and the Chief Executive Officer are distinct and separate. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company and the responsibility of Chief Executive Officer is to execute the corporate strategy in consultation with the Board.

The Board of Directors comprises of Executive director, Non-Executive Non-Independent directors as well as