



*We Can
We Will*

With our collective strength WE CAN, WE WILL ! Protect India



Performance Update – FY20

Agenda

Performance update

Focus areas and initiatives

Industry overview

Annexure

Unrivalled distribution strength

186,495

Trained insurance personnel

Consistent growth in lives covered

89 lakhs +

Lives covered

Strong VoNB growth

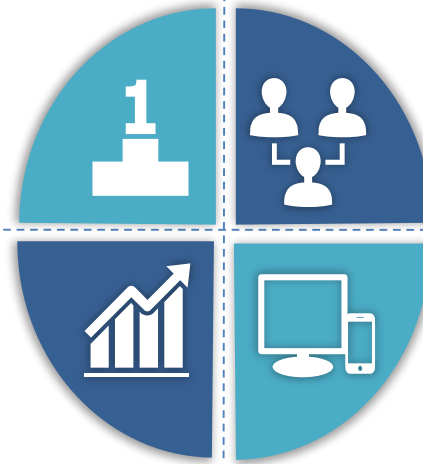
17%

Y-o-Y growth in VoNB

Customer Retention and Satisfaction

96%

of total individual applications submitted digitally



Key Performance Indicators

Consistent performance as a result of disciplined strategy execution

₹ in billion

Growth in Revenue



New Business Premium

₹ 165.9 (20% Y-o-Y)
CAGR 23%



Renewal Premium

₹ 240.4 (25% Y-o-Y)
CAGR 29%



New Business APE

₹ 107.4 (11% Y-o-Y)
CAGR 12%

Gross Written Premium

₹ 406.3 (23% Y-o-Y)
CAGR 27%



Individual Rated Premium

₹ 97.7 (9% Y-o-Y)
CAGR 12%



Protection & Annuity share

19%
541 bps Y-o-Y

Growth in Profitability



Value of New Business

₹ 20.1
(17% Y-o-Y)



New Business Margin

18.7%
102 bps Y-o-Y



Indian Embedded Value

₹ 262.9
17% Y-o-Y

1. Value of New Business, New Business Margin and Indian Embedded Value is based on actual tax rate. 2. On Effective tax rate basis, VoNB and VoNB margin is ₹ 22.2 billion & 20.7% respectively for FY 20. 3. Indian Embedded Value on Effective tax rate basis is ₹ 276.4 billion for FY 20. 4. Effective tax rate assumes that a proportion of the projected profits are tax exempt on account of tax deductions available on income from dividends and tax free bonds. 5. 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 3 years from FY 18 to FY 20. Numbers are rounded off to nearest one decimal.

Premium

Consistent growth in new business and renewal premium

₹ in billion

GWP

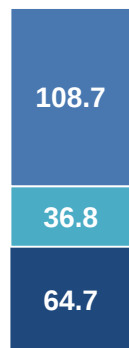
210.2

253.5

329.9

406.3

↑ 23%



↑ 25%

↑ 29%

↑ 17%

■ Individual NBP ■ Group NBP ■ Renewal Premium

Focus on individual premium - regular premium grew by 8% & renewal premium by 27%

Growth in IRP by 9% while private industry has grown by 5% and industry has grown by 6%

Market Share - IRP¹

Year	Private	Industry
FY 17	20.7%	11.2%
FY 18	21.8%	12.3%
FY 19	22.3%	12.9%
FY 20	23.2%	13.3%

↑ 93 bps

↑ 36 bps

Market Share - NBP¹

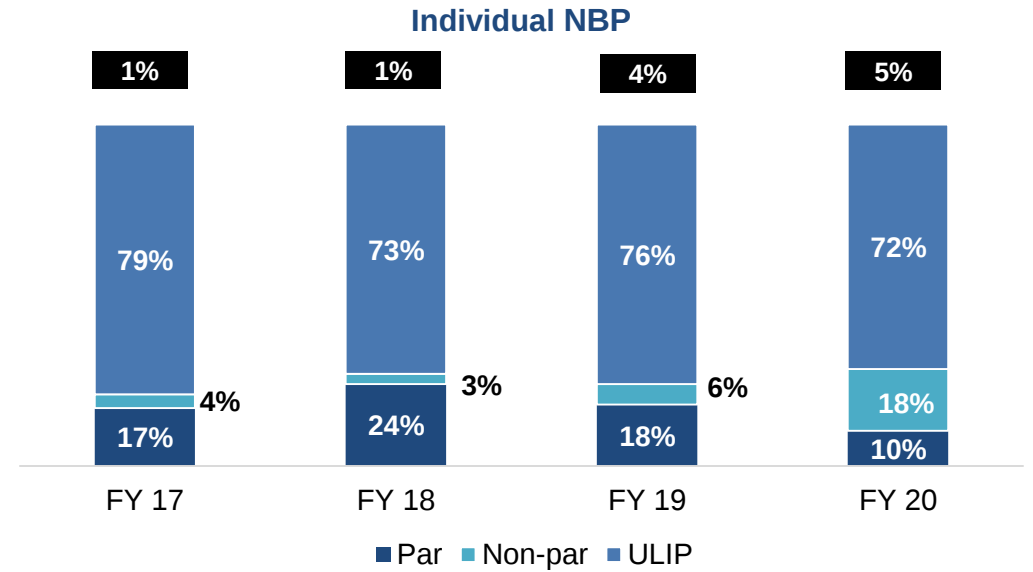
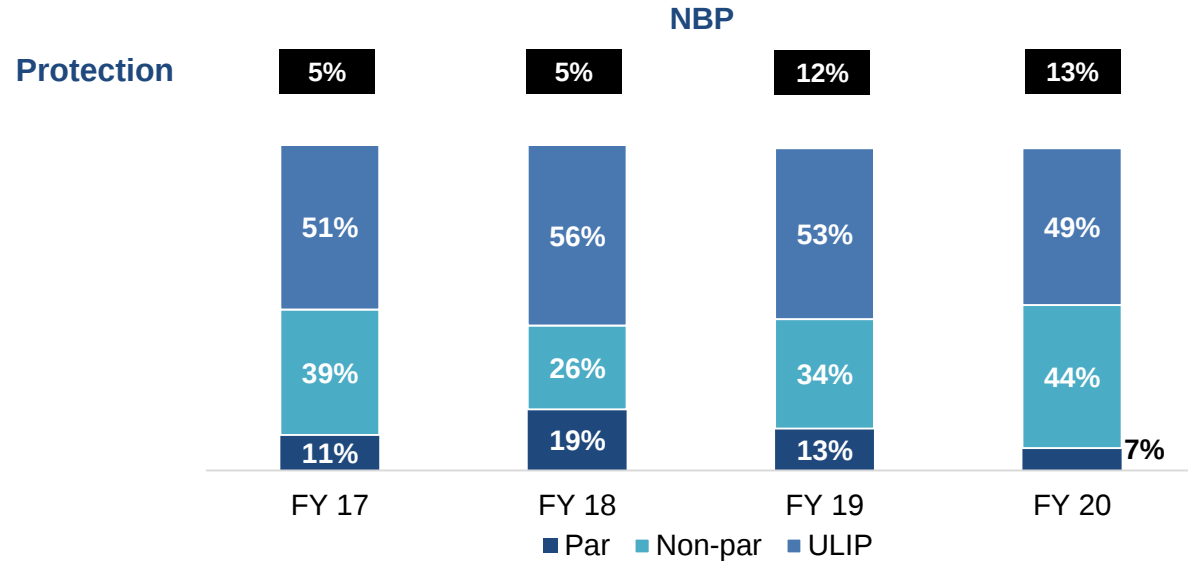
Year	Private	Industry
FY 17	20.0%	5.8%
FY 18	18.5%	5.7%
FY 19	19.0%	6.4%
FY 20	20.5%	6.4%

↑ 147 bps

Product portfolio

Continued progress across all key customer segments

₹ in billion



Growth in Individual Protection NBP by 42%



Share of annuity in individual NBP stands at 8%

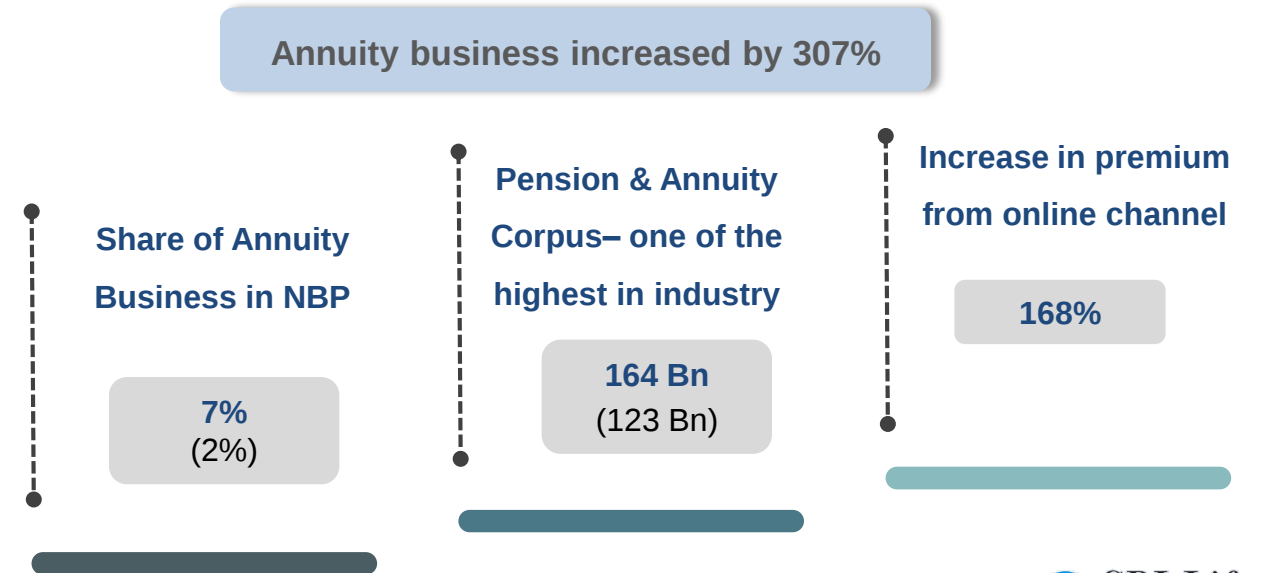
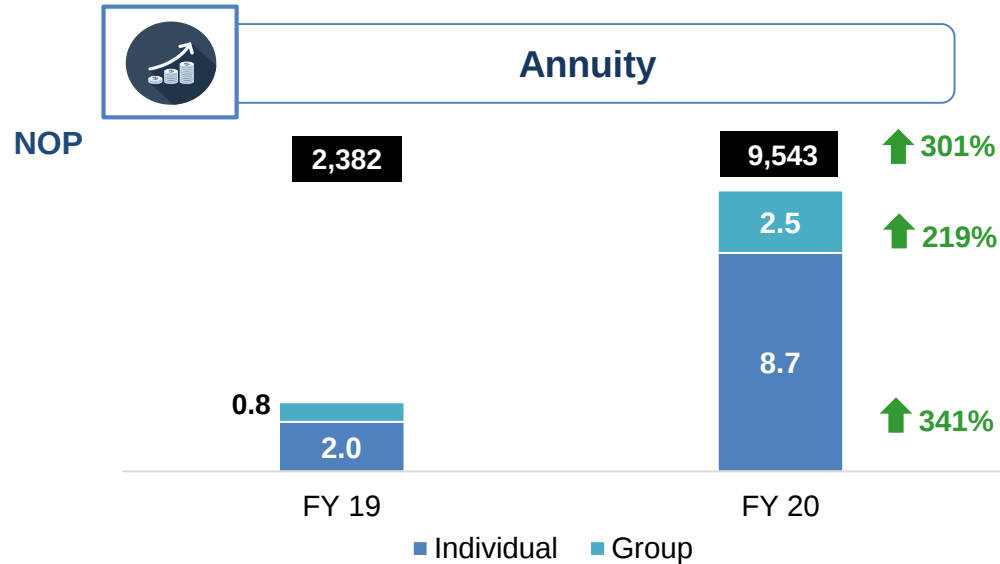
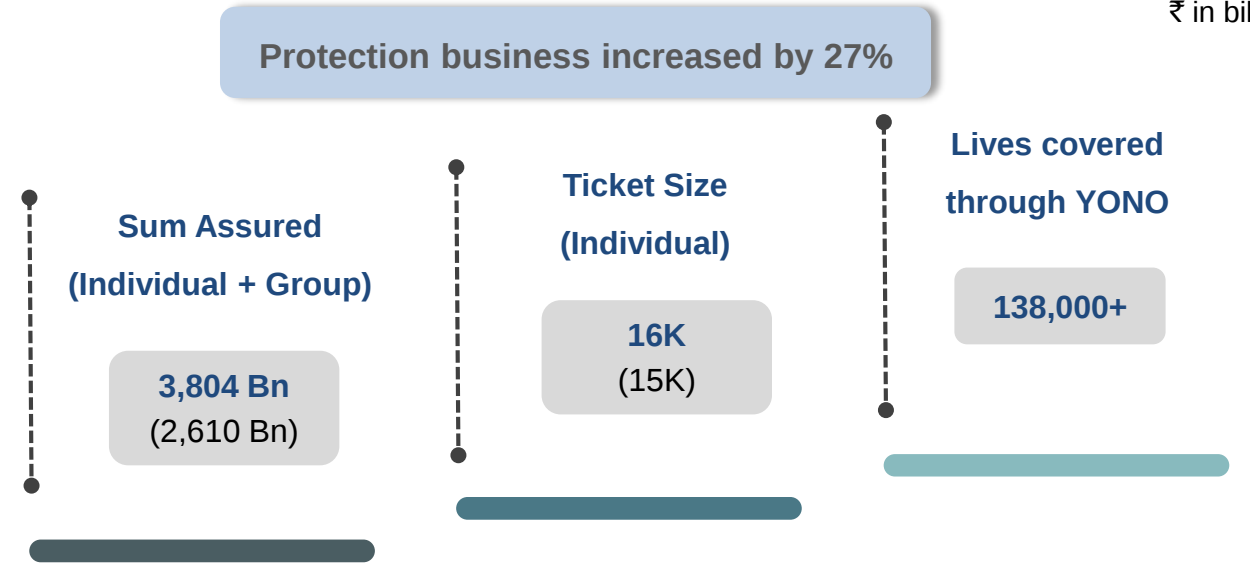
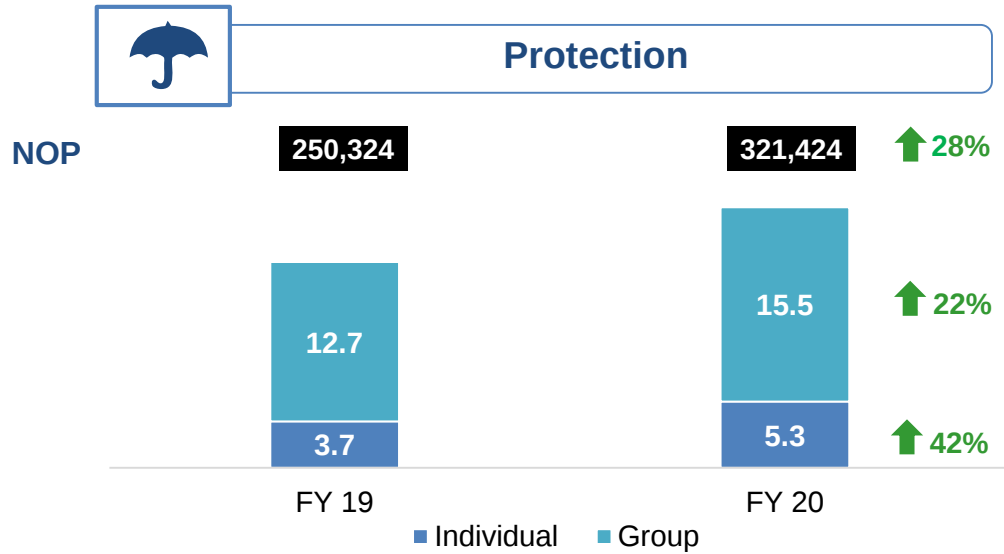
Product Mix ¹	FY17	FY18	FY 19	FY 20	Y-o-Y Growth	Mix (FY 20)
Individual Savings	63.7	83.5	92.7	107.2	16%	65%
- Par	10.9	20.3	17.6	11.6	(34%)	7%
- Non Par	1.7	2.1	2.2	15.1	577%	9%
- ULIP	51.1	61.0	72.8	80.5	11%	49%
Group Savings	32.8	20.2	28.8	37.9	32%	23%
Protection	4.9	6.0	16.4	20.8	27%	13%
- Individual Protection	1.0	0.6	3.7	5.3	42%	3%
- Group Protection	3.9	5.4	12.7	15.5	22%	9%
Total NBP	101.4	109.7	137.9	165.9	20%	

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

Tapping profitable opportunities

Strong steering of business towards protection and annuity

₹ in billion

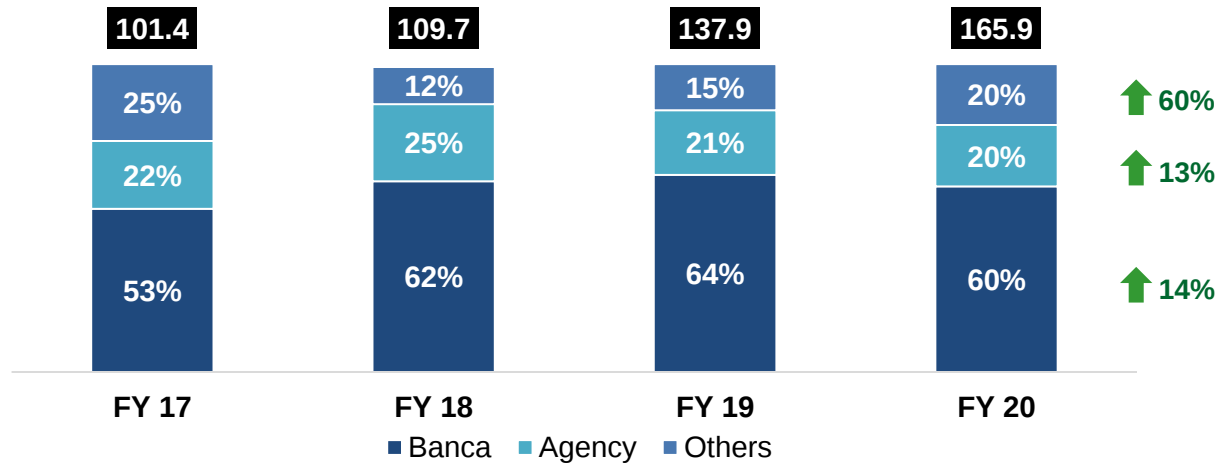


Figures on new business premium basis
Policy count on Individual basis
Figures in brackets represent 9M FY 19 numbers. All growth/drop numbers are with respect to FY 20 over FY 19.

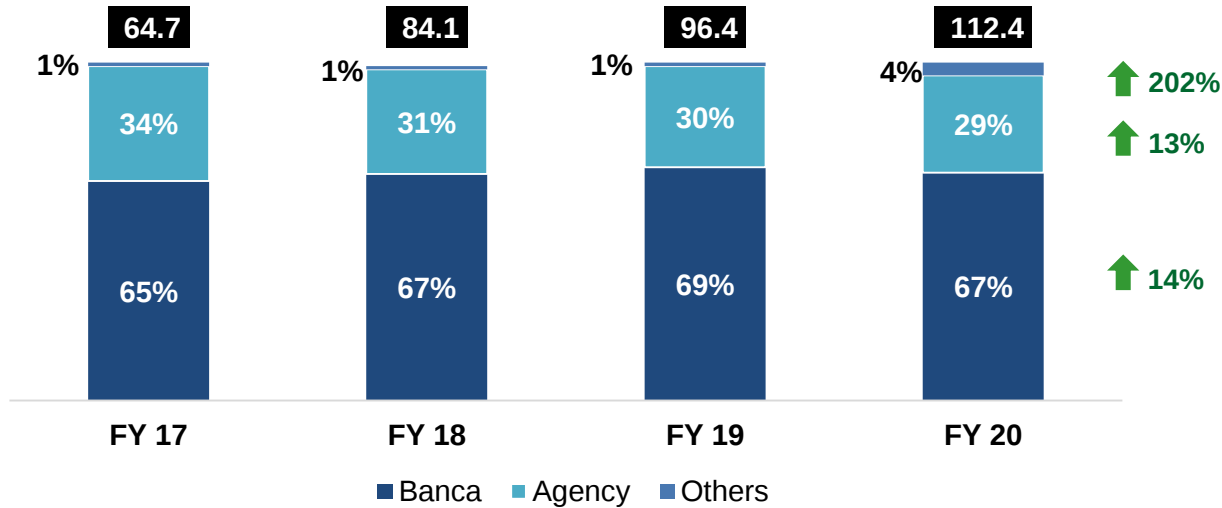
Distribution strength

Quality and scale of multichannel distribution platforms enabling wider presence

NBP



Individual NBP



Bancassurance

Productivity per Branch ¹	35 lacs (30 lacs)
NBP – Protection Share	18% (17%)
NBP – Annuity Share	5% (1%)
Ticket Size ²	82k (71k)



Agency

Productivity per Agent ¹	2.6 lacs (2.5 lacs)
NBP – Protection Share	2% (2%)
NBP – Annuity Share	4% (1%)
Ticket Size ²	57k (51k)



Others

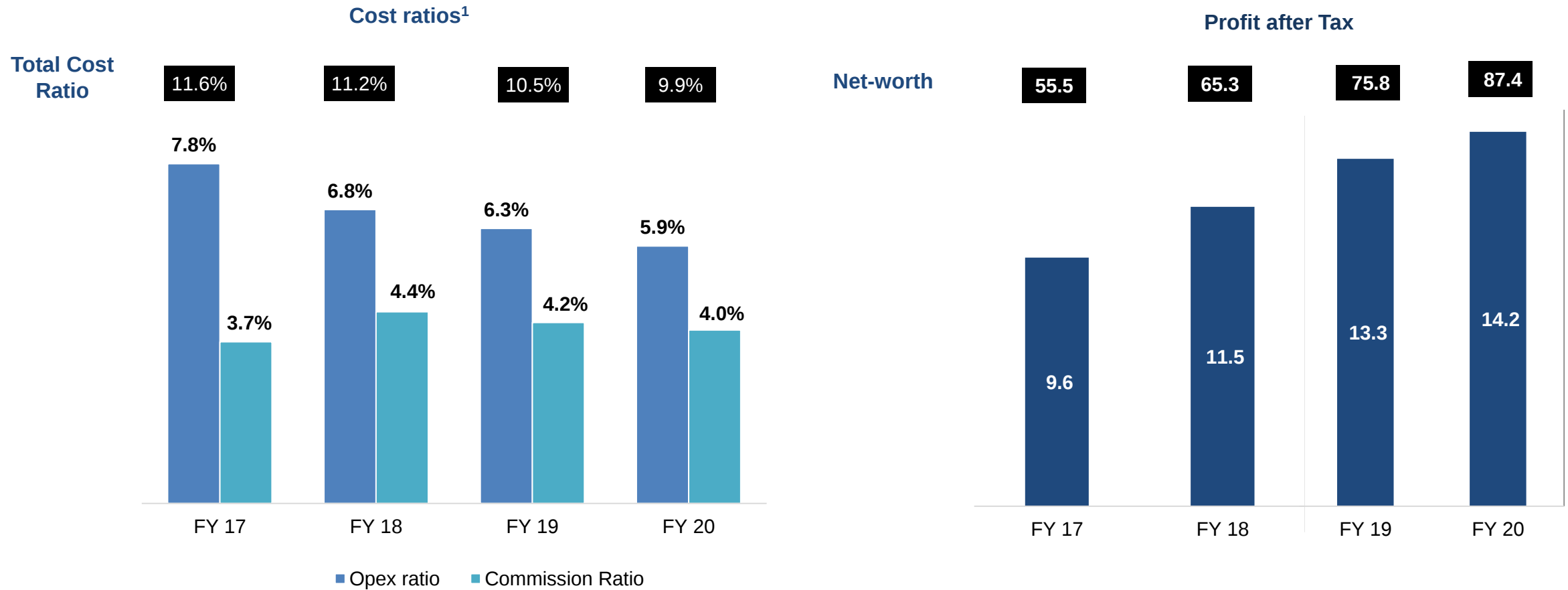
No. of policies	51k (30k)
No of Protection policies	10K+
NBP – Annuity Share	14% (7%)

₹ in billion

Cost efficiency and profitability

Maintaining high levels of cost efficiencies leading to growing profitability

₹ in billion



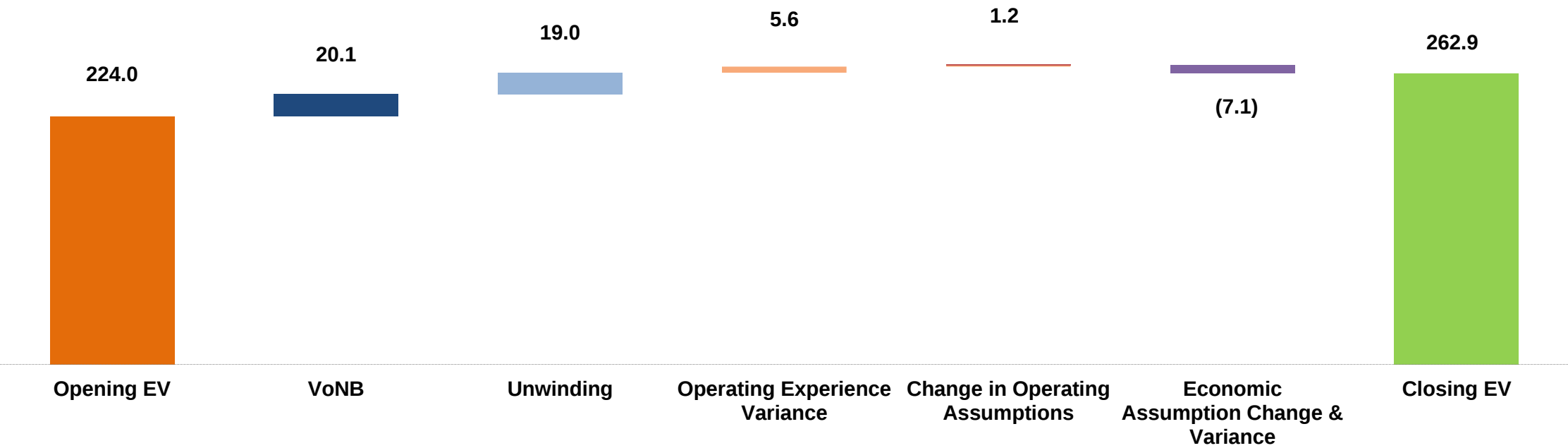
Healthy solvency ratio of 1.95 against regulatory mandate of 1.50

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

Analysis of movement in IEV

₹ in billion

EV growth of 17% from ₹ 224.0 billion to ₹ 262.9 billion
EV Operating Earnings: ₹ 45.9 billion
Operating Return on Embedded Value: 20.5%

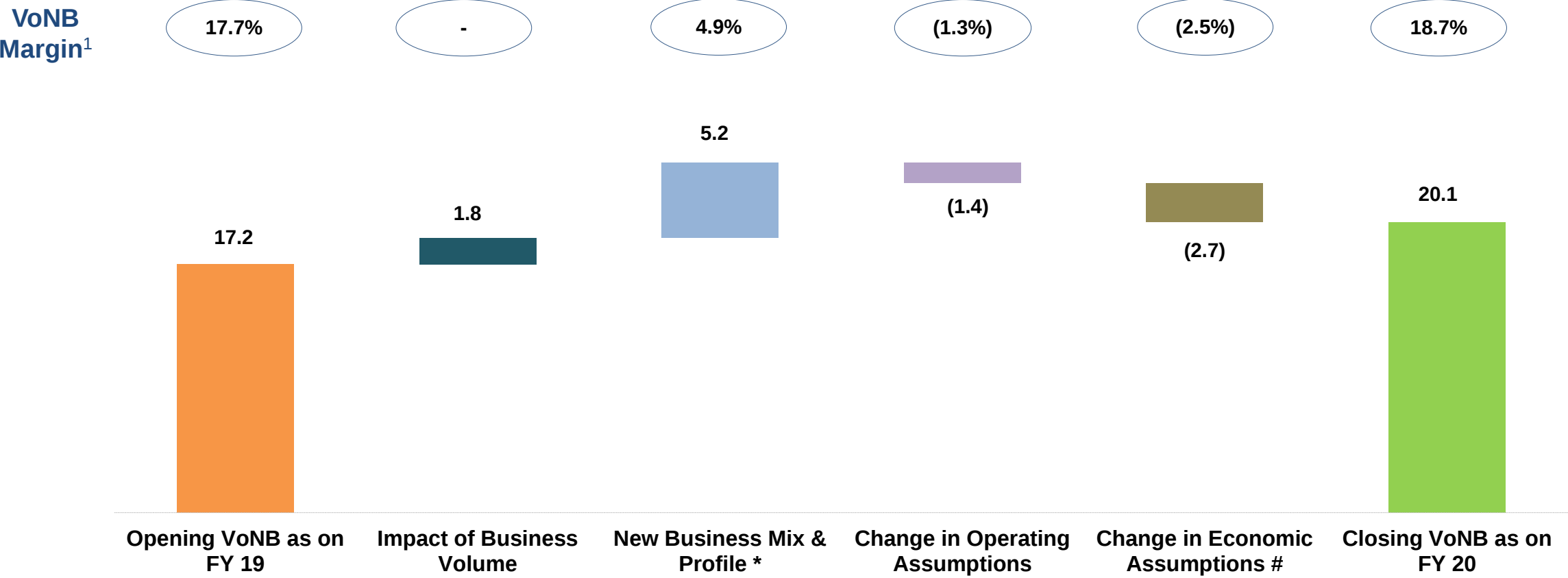


IEV & VoNB is based on actual tax rate basis.
Components may not add up to total due to rounding-off

Value of New Business (VoNB) Movement

₹ in billion

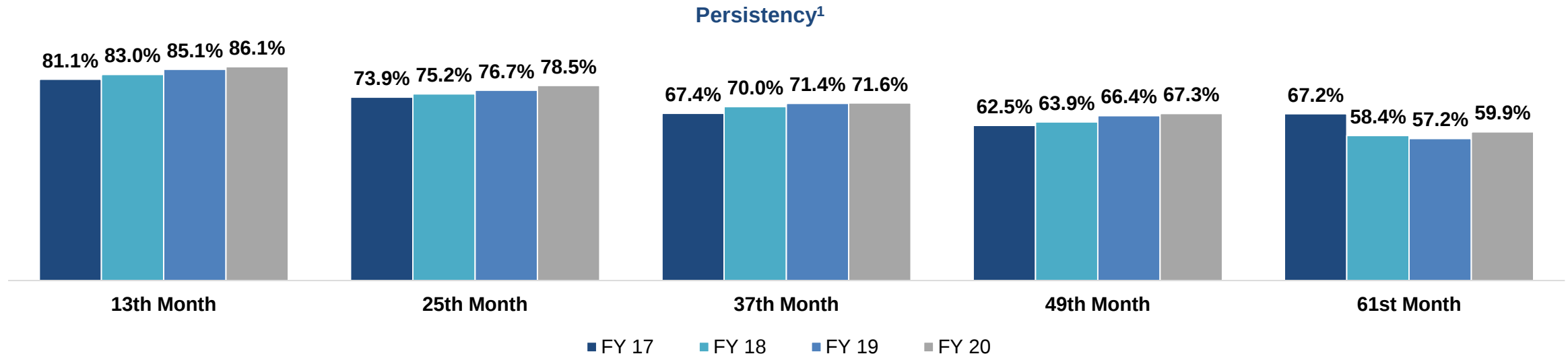
Robust VoNB growth of 17% from ₹ 17.2 billion to ₹ 20.1 billion¹



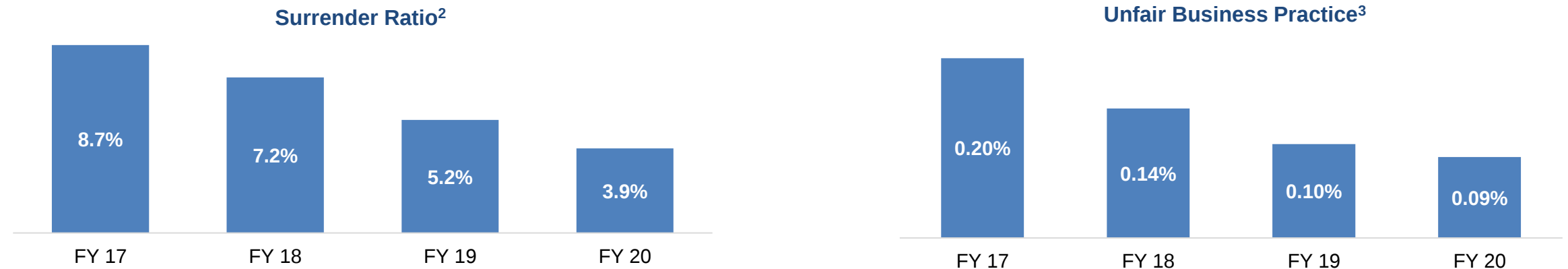
1. VoNB and VoNB Margin are based on actual tax rate basis.
Based on Internal Company analysis.
* Impact of change mainly in Business mix and profile (Age,Term, Channel etc.)
Risk free rate change

Customer retention and satisfaction

Deeper relationship with customers through quality underwriting and strong sales ethos



Customer satisfaction metrics



Need based value proposition and strong customer engagement

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.

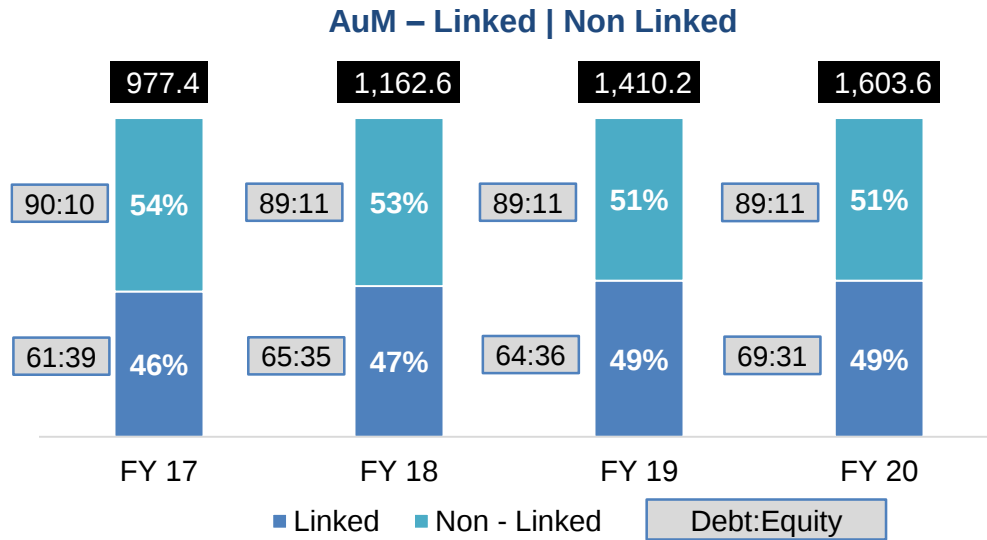
The Persistency Ratios are calculated using policies issued in March to February period for every year.

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

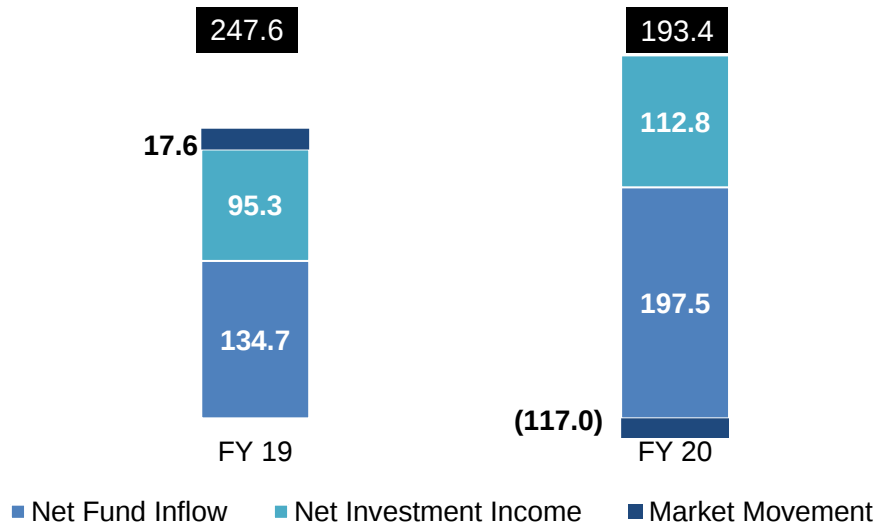
3. Number of grievances with respect to unfair business practice that are reported to the Company divided by policies issued by the Company in the same period.

Asset under Management

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

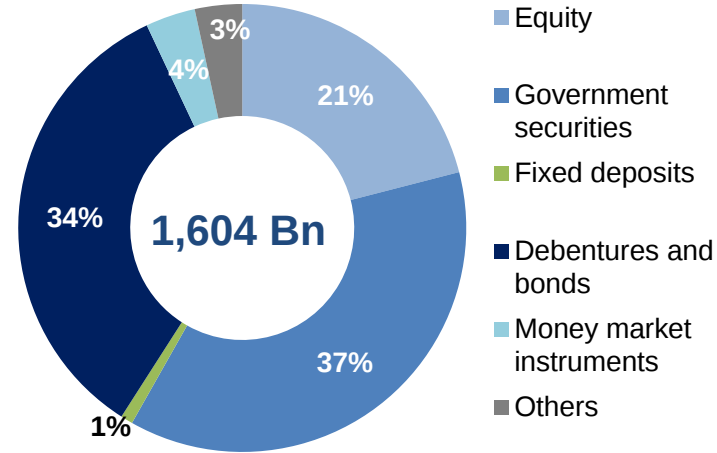


Change in AUM



Composition of Asset under Management

₹ in billion



Growth of 14% in AUM vis-à-vis FY 19

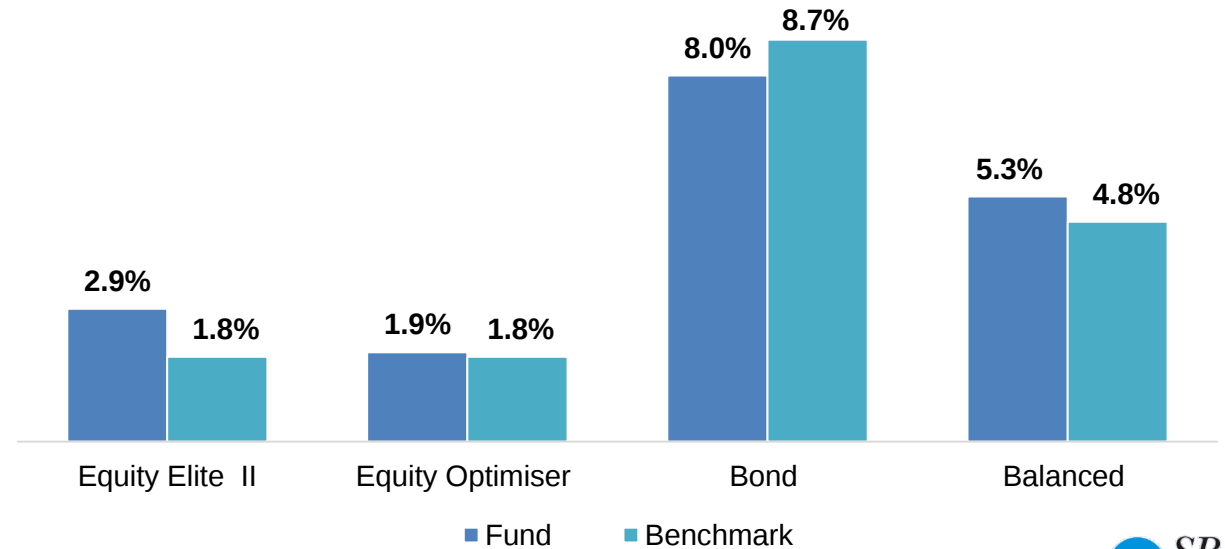


90% of the debt investments are in AAA and Sovereign instrument



Debt Equity Ratio of 79:21

Investment performance¹



1. 5 year CAGR as on March 31, 2020
Components may not add up to total due to rounding-off.

Agenda

- I ► Performance update
- II ► Focus areas and initiatives**
- III ► Industry overview
- IV ► Annexure

Responding to COVID-19



Leaving no stone unturned in keeping our promise for 'Protection for Life'

Responding to COVID-19

Measures Taken

Alternate Sales Process for New business

Created an entirely new process for concluding a new sale remotely by modifying the mobile application

Remote submission of policy details under Group business

Option provided to customers to submit the settlement option remotely

Introduced Covid-19 questionnaire submission for new policies

Telephony application enabled to divert customer calls to select staff

Activities during lockdown

1 lakh+

Customer servicing requests on digital platforms

93,203

Company initiated payouts processed

11,420

Customers registered on MyPolicy Portal

28,041

New business proposals sourced over mConnect

2,202

Work from home enabled over VPN & VDI

Among the first insurers to have a working contact centre in place to address customer requests

Key Focus Areas

Pan India presence

Widespread network of distributors and collaboration with new partners

- **937 offices** (35% in rural & semi urban areas)
- **186,495** trained insurance personnel
- **15 lakhs+** policies issued



Customer Engagement

Use of analytics to understand customer preferences enabling better customer engagement

- **15,56,576** Pre-issuance welcome calls
- **48K +** Death Claims settled
- Reduction in grievances from **27 to 26** per 10,000 policies



Operational Efficiencies

Improving persistency leading to one of the lowest Opex to GWP ratios

- Automated underwriting - **37%** individual proposals
- **71%** Renewal Premium - collected through Digital Mode
- Opex Ratio (NBP basis) reduces from **6.3% to 5.9%** on a Y-o-Y basis



Digital Capabilities

Providing seamless end-to-end customer journey through digital enablement

- **3 lacs+** individual protection policies sold digitally
- **Digital submission** of Certificate of Existence for Annuitants
- **Machine Learning and AI** helping identify prospective customers



Digital Quotient: Where do we stand?

 Empowering Distributors	17 lac+ active users  Tablet based application to sell policy	17 lac+ proposals  Digitization of proposal filling form	360^o overview  Business performance & trends for partners	1 lac+ active users  Provides access to key business data to the advisors
 Empowering Customers	8 lac+ queries resolved  Chat-bot RIA; Whatsapp -18 lac+ renewal premium reminders sent	2.7 lac+ active users  One stop platform for customers	11 lacs+ queries resolved  Call centers to solve customer queires	138,652 lives covered  Insta policies on YONO app
 Empowering Employees	 Online tool for learning development of employees and distributors	 Sales Daily activity planner for front line sales employees & integrated with lead management system	 Automation – Employee queries resolved through chat-bot ESHA (Employee Self Help Assistant)	



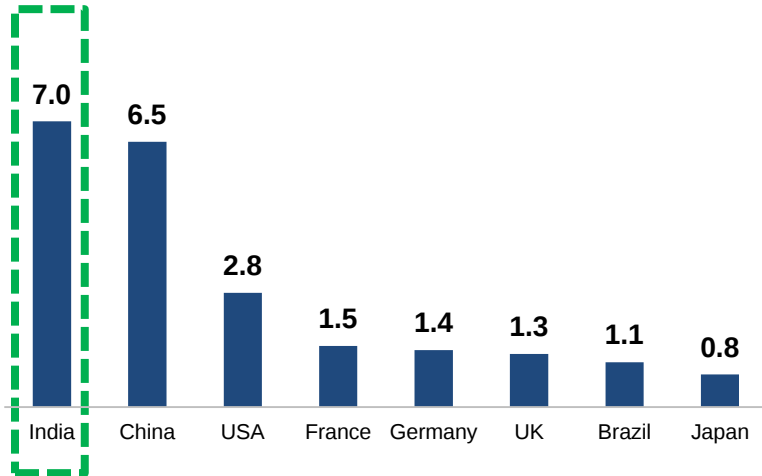
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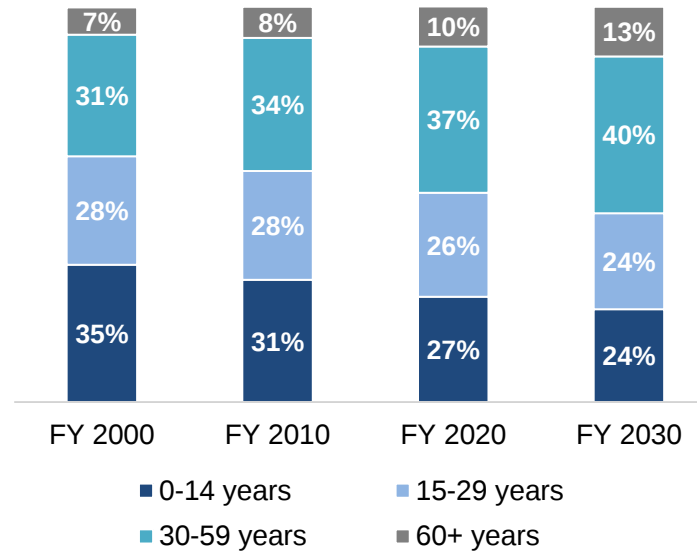
India Life Insurance - Structural Growth Drivers in Place

Strong Demographic Tailwinds Supporting India Growth Story

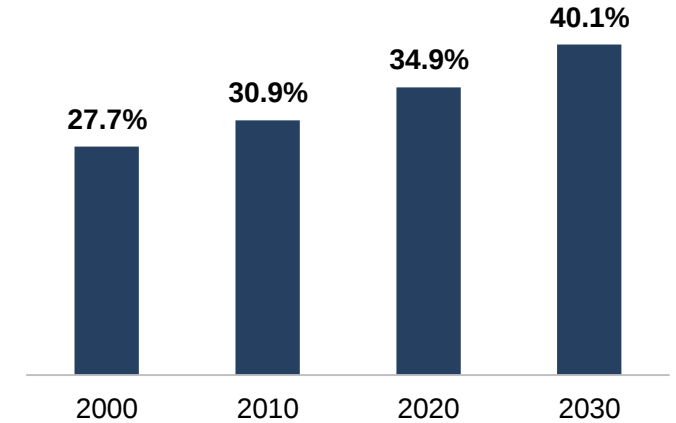
World GDP Growth¹ (2018 %)



Composition of Population²



Share of urban population³



Advantage India

- 5th 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

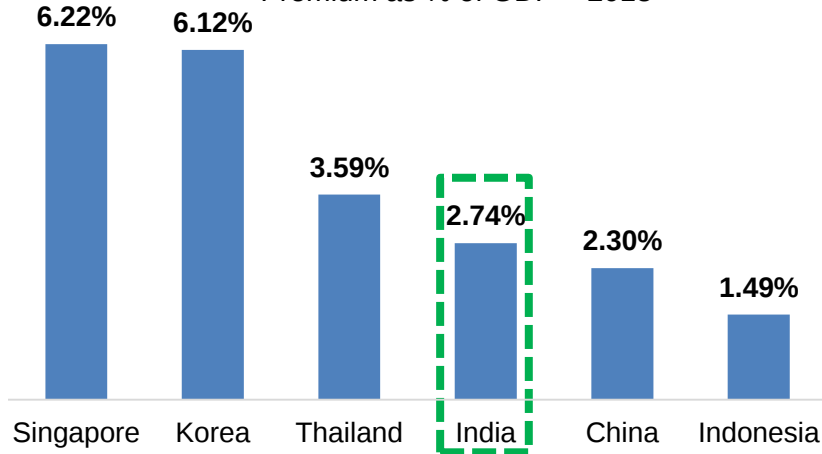
Combination of a high share of working population, rapid urbanization, rising affluence and focus on financial inclusion to propel the growth of Indian life insurance sector

Life Insurance – Significant Under Penetration versus other Markets

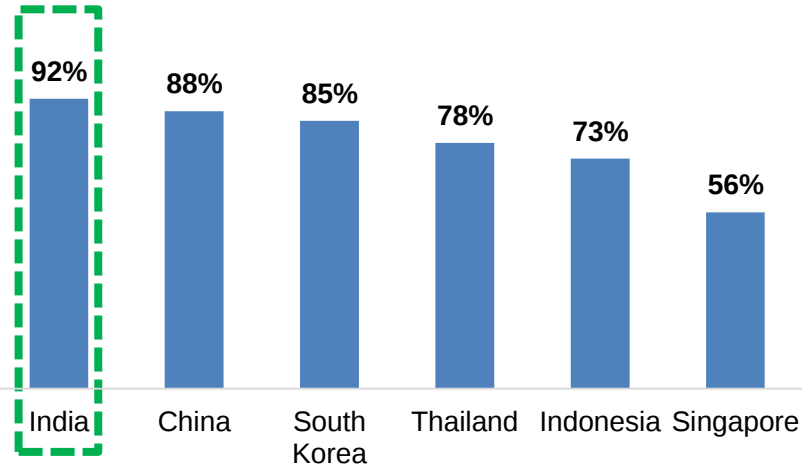
Share of Life Insurance in Savings expected to Rise

Underpenetrated Insurance Market

Premium as % of GDP – 2018¹



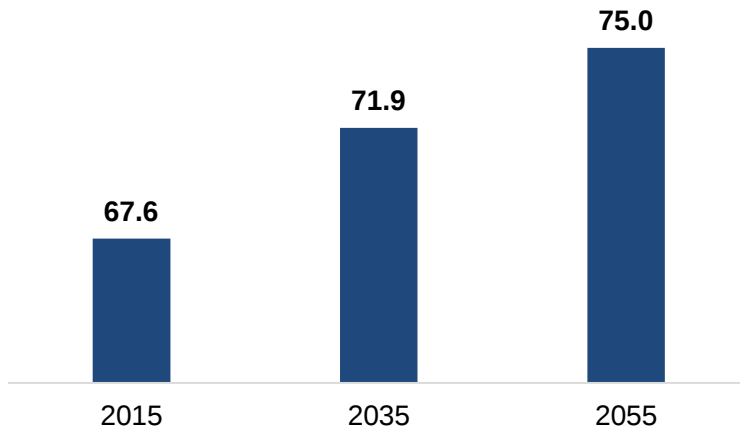
Protection gap highest amongst peers²



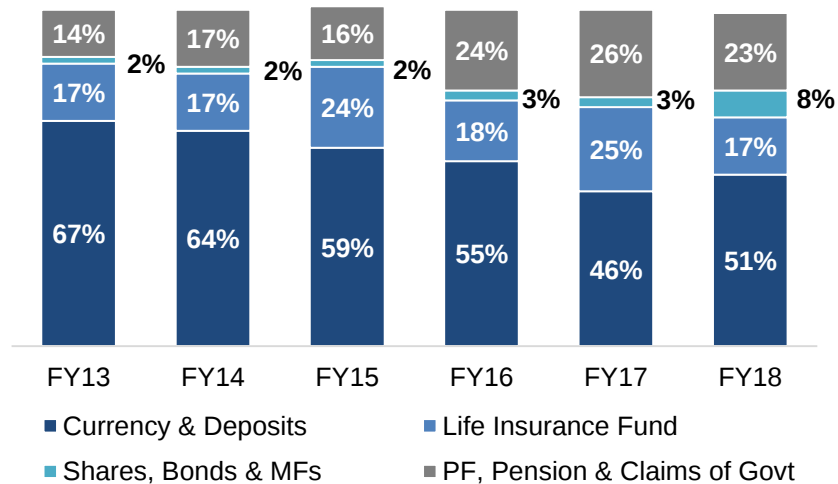
- 10th largest life insurance market worldwide and 5th largest in Asia with ₹ 4.6 trillion in total premium business.
- Total premium grew at CAGR of 17% between FY01– FY18.
- India continues to be under penetrated as compared to countries like Japan, Thailand and Korea.

Increasing Life Expectancy and Financial Savings

Life Expectancy (years)³



Share of Insurance in Financial Savings⁴



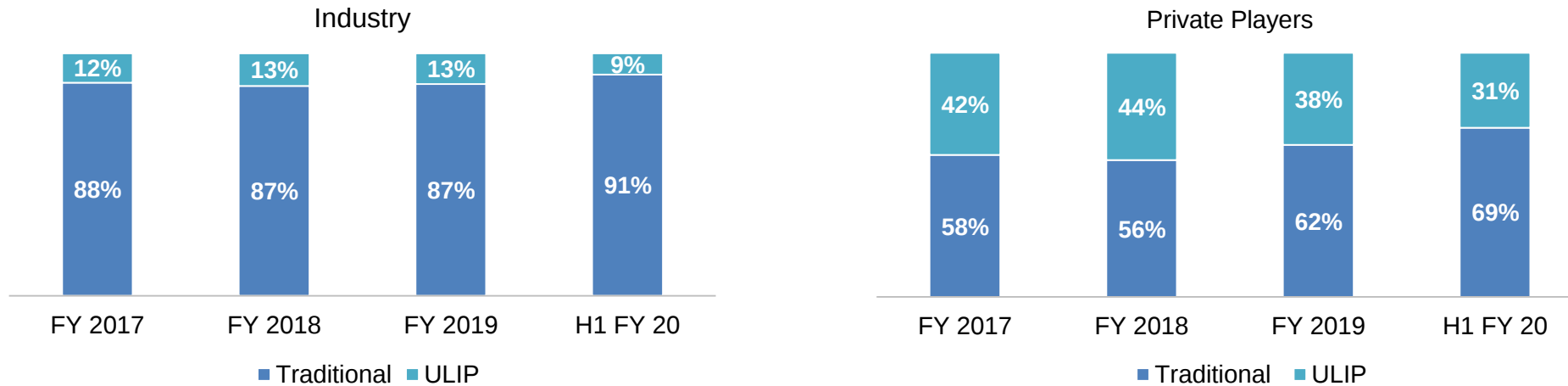
- Increase in share of insurance as a percentage of Financial Savings is expected to drive growth in life insurance sector.
- Also the demand for pension based products will increase with the rise in life expectancy.

1. Swiss Re, sigma No 3/2019
2. Swiss Re, Economic Research & Consulting "Mortality Protection Gap Asia-Pacific 2015"
3. UN World Population Report 2017.
4. CSO, Reserve Bank of India, Handbook of Statistics on Indian Economy

Industry Composition

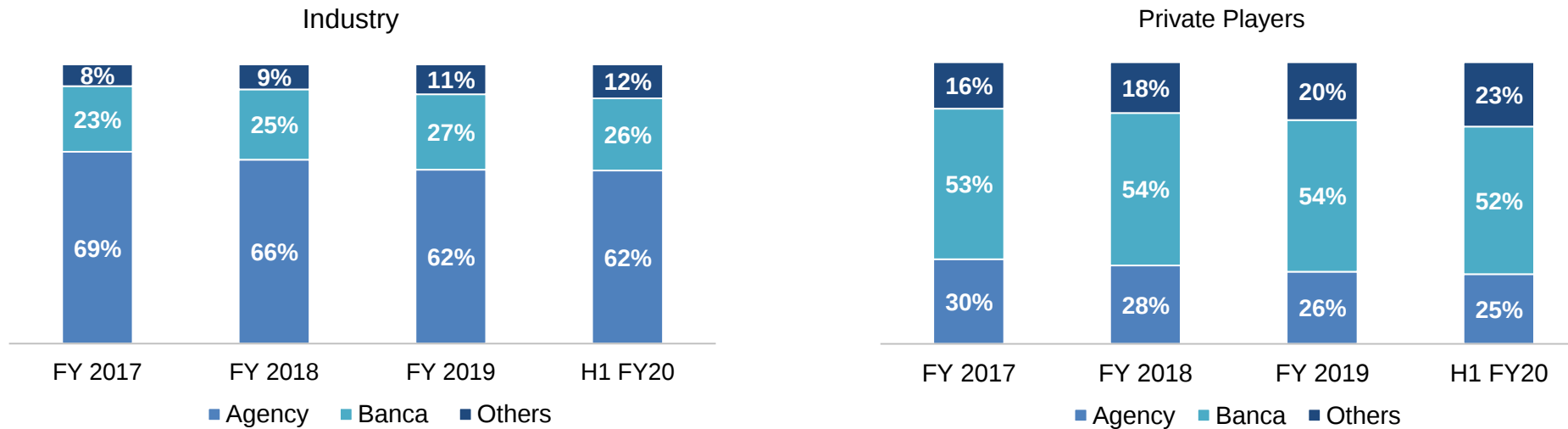
Product mix and Channel mix

Product portfolio¹



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

Channel mix²



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

1. New business premium basis

2. Individual new business premium basis

Source: Life Insurance Council, Public disclosures

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

Agenda



Performance update



Focus areas and initiatives



Industry overview



Annexure

Annualised Premium Equivalent (APE)

APE Product mix and Channel mix

₹ in billion

Product portfolio

Segment	FY17	FY18	FY 19	FY 20	Y-o-Y Growth	Mix (FY 20)
Individual Savings	59.4	78.5	87.2	93.9	7%	87%
- Par	11.2	20.9	18.1	11.7	(35%)	11%
- Non Par	0.5	0.7	0.4	7.4	1555%	7%
- ULIP	47.7	56.9	68.6	74.8	9%	70%
Individual Protection	0.8	0.6	3.7	5.1	36%	5%
Group Protection	3.4	4.0	2.9	4.5	52%	4%
Group Savings	3.7	2.4	3.2	4.0	24%	4%
Total APE	67.3	85.4	97.0	107.4	11%	

Channel mix

Channel	FY17	FY18	FY 19	FY 20	Y-o-Y Growth	Mix (FY 20)
Banca	40.4	55.9	64.8	69.8	8%	65%
Agency	20.9	25.6	27.7	29.8	8%	28%
Others	6.0	3.9	4.5	7.9	73%	7%
Total APE	67.3	85.4	97.0	107.4	11%	

Individual Annualised Premium Equivalent (APE)

Individual APE – Channel Mix Segment wise

₹ in billion

Channel	Segment	FY18	FY 19	FY 20	Y-o-Y Growth	Mix (FY 20)
Bancassurance	Participating	13.2	9.9	4.6	(54%)	5%
	Non Participating	0.9	3.5	9.1	161%	9%
	Unit Linked	38.9	49.0	53.4	9%	54%
	Total	53.0	62.4	67.1	7%	68%
Agency	Participating	7.5	7.8	6.5	(16%)	7%
	Non Participating	0.2	0.5	2.6	432%	3%
	Unit Linked	17.7	19.3	20.6	7%	21%
	Total	25.4	27.6	29.7	8%	30%
Others	Participating	0.3	0.4	0.6	47%	1%
	Non Participating	0.1	0.2	0.8	312%	1%
	Unit Linked	0.3	0.3	0.8	180%	1%
	Total	0.7	0.9	2.2	146%	2%

Analysis of movement in IEV

₹ in billion

IEV Movement Analysis - Components

FY 20

Opening IEV	224.0
Expected return on existing business	
At Reference Rate	13.4
At expected real-world return in excess of reference rate	5.6
Operating Assumptions Change	1.2
VoNB added during the period	20.1
Operating Experience Variance - Persistency	2.4
Operating Experience Variance - Expenses	0.1
Operating Experience Variance - Mortality and Morbidity	1.1
Operating Experience Variance - Others	1.9
IEV Operating Earnings (EVOP)	45.9
Economic Assumption Changes and Investment Variances	(7.1)
IEV Total Earnings	38.9
Capital Contributions / Dividends paid out	0.0
Closing IEV	262.9

Sensitivity Analysis

Scenario	Change in EV %	Change in VoNB %
Reference Rate +100 bps	(3.4%)	1.7%
Reference Rate -100 bps	3.6%	(1.8%)
Decrease in Equity Value 10%	(1.4%)	0.0%
Proportionate change in lapse rate +10%	(1.3%)	(5.8%)
Proportionate change in lapse rate -10%	1.3%	5.7%
Mortality / Morbidity +10%	(2.3%)	(8.9%)
Mortality / Morbidity -10%	2.3%	8.9%
Maintenance Expense +10%	(0.6%)	(2.2%)
Maintenance Expense -10%	0.6%	2.2%
Mass Lapse for ULIPs in the year after the surrender penalty period of 25% ¹	(2.2%)	(7.7%)
Mass Lapse for ULIPs in the year after the surrender penalty period of 50% ¹	(5.3%)	(18.5%)
Tax Rate Change to 25% on Normal Tax rate basis	(8.4%)	(15.6%)
Tax Rate Change to 25% on Effective Tax rate basis	NA	NA

On effective
tax rate basis

IEV

₹ 276.4 bn

↑ 16%

VoNB

₹ 22.2 bn

↑ 16%

VoNB Margin

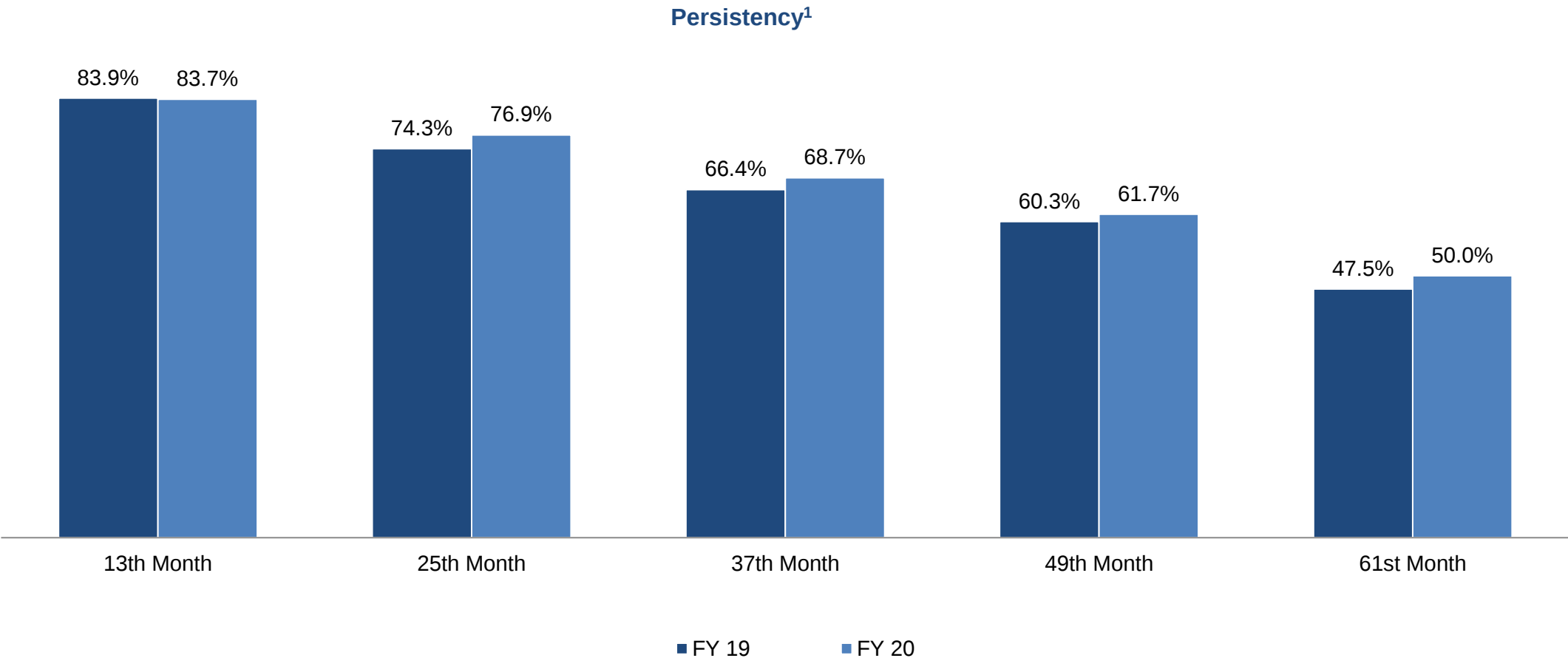
20.7%

↑ 95 bps

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 assessment: The Value of New Business is calculated as at the end of the reporting period i.e. as on the valuation date rather than at the point of sale. Accumulation from point of sale up to end of reporting period is done using the respective monthly reference rates. 3. 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. 'Nil' interest rate VoNB sensitivity is applied for annuity products. 4. The sensitivities are being calculated with a lag of one quarter of a year, starting from the Q3FY19 disclosure.

Persistency - Regular Premium

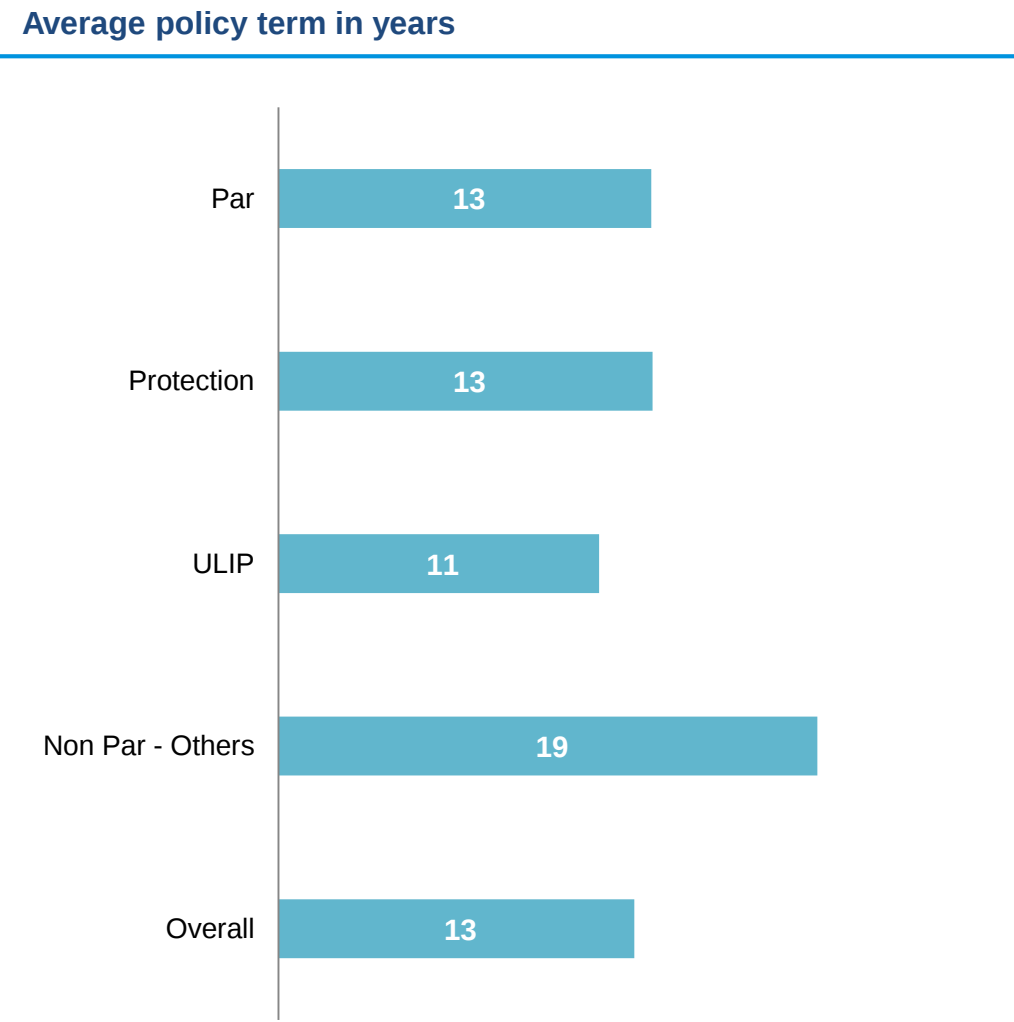
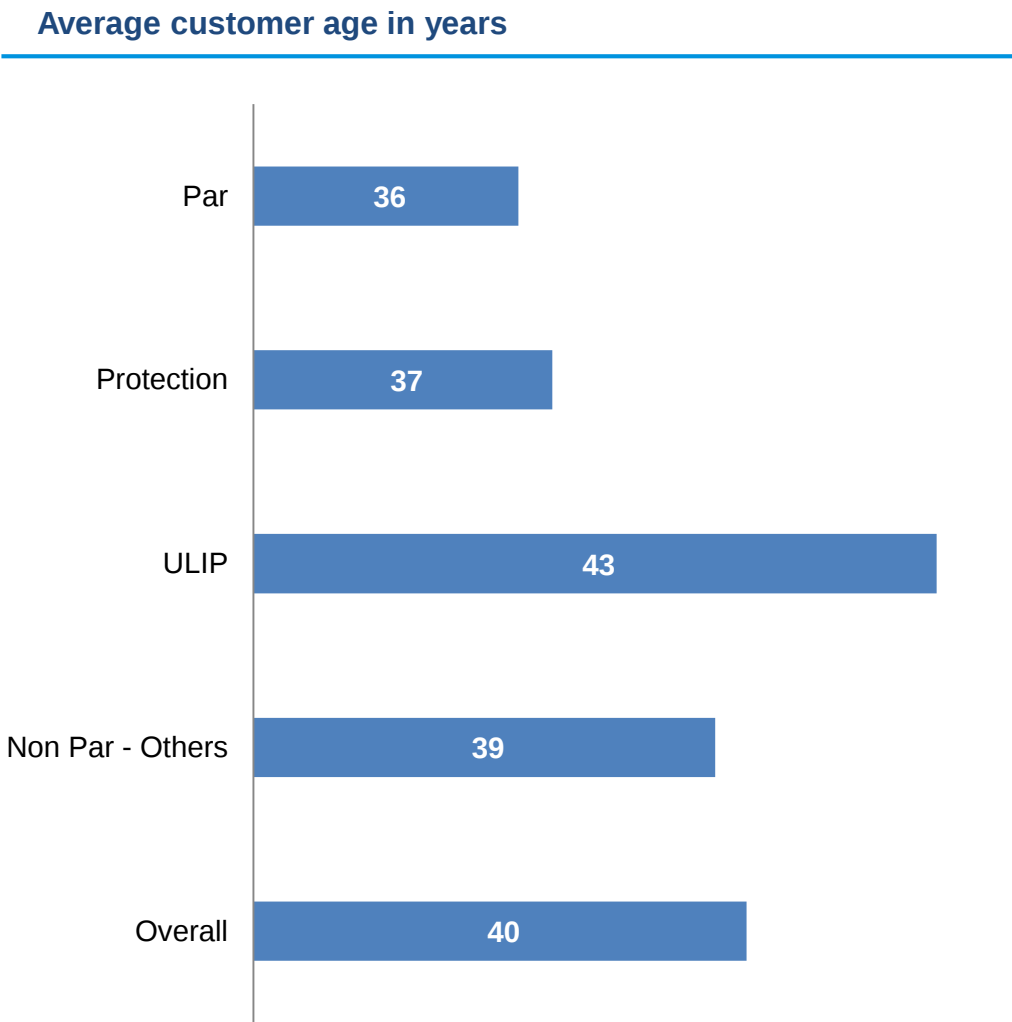
Quality Underwriting and Customer Retention



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

Customer Age and Policy Term¹

Long policy term as a result of long term insurance solutions



1. Age and term for individual products for FY 20.

Revenue and Profit & Loss A/c

₹ in billion

Particulars	FY 18	FY 19	FY 20
Premium earned	253.5	329.9	406.3
Premium on reinsurance ceded	(1.9)	(1.0)	(3.1)
Net premium earned	251.6	328.9	403.2
Investment income ¹	89.0	116.0	33.4
Other income	0.8	0.8	0.5
Total income (A)	341.4	445.7	437.2
Commission paid	11.2	13.5	16.2
Operating and other expenses ²	21.0	26.1	30.2
Provision for tax – policyholders'	2.4	2.7	3.8
Claims/benefits paid (net) ³	117.1	152.9	162.5
Change in actuarial liability ⁴	177.9	236.8	210.4
Total expenses (B)	329.6	432.0	423.0
Profit before tax (A-B)	11.8	13.7	14.1
Provision for tax – shareholders'	0.3	0.5	(0.1)
Profit after tax	11.5	13.3	14.2

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	FY18	FY 19	FY 20
SOURCES OF FUNDS			
Share Capital	10.0	10.0	10.0
Reserves and Surplus	53.7	64.6	78.8
Credit/(Debit) Fair Value Change Account	1.5	1.2	(1.4)
Sub-Total	65.3	75.8	87.4
Credit/(Debit) Fair Value Change Account	9.4	10.6	(15.9)
Policy Liabilities	555.6	649.5	761.2
Provision for Linked Liabilities	495.6	605.9	763.0
Fair Value Change Account (Linked)	31.1	51.6	(28.6)
Funds for Discontinued Policies	22.7	33.8	51.3
Funds for Future Appropriation	1.9	2.8	7.1
Total Liabilities	1,181.6	1,430.0	1,625.6
APPLICATION OF FUNDS			
Investments			
-Shareholders	50.1	57.2	68.3
-Policyholders	544.9	644.7	734.2
-Assets held to cover Linked Liabilities	549.4	691.3	785.7
Loans	1.7	1.7	3.6
Fixed assets	5.8	6.0	5.8
Net Current Assets	29.7	29.1	28.0
Total Assets	1,181.6	1,430.0	1,625.6

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

Abbreviations

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

Glossary

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