

April 28, 2026

SBIL/CS/NSE-BSE/2627/22

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NSE Symbol: SBILIFE

General Manager
Listing Department,
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Phiroze Jeejeebhoy Towers,
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Mumbai 400001
BSE Scrip Code: 540719

Dear Sir / Madam,

Subject: Transcript of Earnings Conference call for Q4 of FY 2025-26

This is in continuation to our intimation letter ref. No.: SBIL/CS/NSE-BSE/2627/15 dated April 16, 2026 and in compliance with the provision of Regulation 30 read with Schedule III (Part A) (Para A) (15) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose transcript of the earnings conference call held on Wednesday, April 22, 2026.

The transcript of the earnings conference call with analysts and institutional investors is also hosted on the Company's website at www.sbilife.co.in

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

Girish Manik
Company Secretary
ACS No. 26391

Encl: A/a



“SBI Life Insurance Company Limited Q4 FY '26
Earnings Conference Call”
April 22, 2026

Management:

Mr. Amit Jhingran – Managing Director and Chief Executive Officer

Mr. Sangramjit Sarangi – President and Chief Financial Officer

Mr. Subhendu Bal – President and Chief Risk Officer

Mr. Prithesh Chaubey – President and Appointed Actuary

Mr. Santosh Chacko – President, Business Strategy

Ms. Smita Verma – Senior Vice President, Finance and Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the SBI Life Insurance Company Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing the star key followed by zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Jhingran, Managing Director and CEO, SBI Life, for his opening remarks. Thank you, and over to you, sir.

Amit Jhingran: Good afternoon, everyone. It is a pleasure to welcome you all for the results update call of SBI Life Insurance for the year ended March 31, 2026. We appreciate and thank you for your valuable time and efforts in analyzing the results and participating in the earnings call. Updates on our financial results are available on our website as well as on the websites of both the stock exchanges.

Along with me, Mr. Sangramjit Sarangi, President and CFO; Mr. Santosh Chacko, President, Business Strategy; Mr. Subhendu Bal, President and Chief Risk Officer; Mr. Prithesh Chaubey, President and Appointed Actuary; and Ms. Smita Verma, Senior Vice President, Finance and Investor Relations are present here.

SBI Life delivered a strong performance during the year, demonstrating resilience in a dynamic operating environment. This was supported by a balanced approach to both product and distribution mix. The company maintained an optimal blend of protection and savings products aligned with the evolving customer needs, while leveraging a well-diversified multichannel distribution strategy, spanning bancassurance, agency and digital platforms. This enabled consistent and broad-based growth across segments.

The year marked a significant pace for the life insurance industry, driven by key regulatory developments, including GST exemptions, measures supporting long-term sectoral growth and the regulators' announcement on transitioning to the Indian Accounting Standards framework aimed at enhancing transparency and quality of financial information. The company has adopted a phased and well-governed approach to Ind AS transition and

proposes to seek regulatory forbearance for an adoption from April 1, 2027, with comprehensive preparatory measures already initiated.

Looking ahead, the company remains confident in the long-term growth potential of the life insurance sector in India and its ability to navigate the evolving landscape with continued focus on profitable and sustainable growth. Now let me give some key highlights for the year ended 31st March 2026.

New business premium stands at INR425.5 billion with a growth of 20% and private market share of 21.4%. Individual rated new business premium stands at INR219 billion, with a growth of 13% and private market share of 22.9%. Gross written premium stands at INR1,012.9 billion, with a growth of 19%.

Profit after tax for the current year grew by 2%, standing at INR24.7 billion as compared to the previous year. Value of new business stands at INR66.7 billion with a growth of 12%. VoNB margin stands at 27.5% for the year ended March 31, 2026.

Indian embedded value for the company as on March 31, 2026, stands at INR807.9 billion. Our assets under management stands at INR4.9 trillion with a growth of 9% over last year. Solvency ratio of 1.90 as against the regulatory requirement of 1.50. We will now update you on each of the key parameters in detail.

Let me start with the premium Individual rated premium stands at INR219 billion with a year-on-year growth of 13%, while retaining our leadership position with a 22.9% private market share and 16.5% total market share. It grew by 12.9%, 3-year CAGR, outperforming the industry average of 8.5%. Total new business premium is INR425.5 billion with private market share standing at 21.4% and total market share standing at 9.3%. Group new business premium stands at INR127.7 billion with a contribution of 30% in new business premium and year-on-year growth of 39%.

Renewal premium grew by 19% to INR587.3 billion, which accounts for 58% of the gross written premium. To sum up, gross written premium stands at INR1,012.9 billion with a growth of 19% over corresponding previous year. Annualized premium equivalent APE stands at INR242.7 billion, registering a growth of 13%. Out of this, individual APE stands at INR221.1 billion with a growth of 13%.

During the year, a total of 22.2 lakh new policies were sold covering 22.7 million lives. The growth in sum assured reflects strong consumer confidence and

increasing awareness of financial protection. Individual and Group new business sum assured grew by 61% and 34%, respectively, year-on-year, while rider sum assured continued to expand, now accounting for 31% of individual sum assured.

The company continues to advance its product diversification strategy through focused and well-sequenced initiatives. During the year, product launches were aligned to key customer needs across child plans, protection solution and the non-par guaranteed segment, resulting in encouraging traction. For the year ended March 2026, guaranteed non-par savings have garnered business of INR42.7 billion with a contribution of 19% on individual APE basis.

ULIP stands at INR144.2 billion, contributing 65% vis-a-vis 70% last year. Protection business contributes 9% of APE and stands at INR22.4 billion. We continue to maintain a strong focus on protection business, which remains a key pillar of our growth strategy.

The Protection segment recorded a year-on-year growth of 10% on APE basis. Individual protection APE is at INR10.3 billion with a growth of 24% as compared to the previous year ended March 2025. It is noteworthy that the pure protection category saw a strong growth of 122% on an individual APE basis, reflecting rising awareness and demand for comprehensive financial protection, while the individual sum assured in the protection segment grew by 62%.

Group protection APE stands at INR12.1 billion. Credit life APE has grown by 14% and stands at INR2.9 billion. Individual APE for participating products stands at INR17.3 billion with an exceptional growth of 133% Y-o-Y. Also, Par segment sum assured has shown a strong growth of 166%. Retirement plans assist customers in building a substantial corpus of funds to maintain the desired lifestyle and manage expenses in their golden years. Total annuity and pension new business underwritten by the company is INR86.5 billion.

Moving to update on our distribution partners. With strength of more than 59,000 CIFs, the bancassurance business of SBI and RRBs contribute 60% of the total APE business. On an individual APE basis, it stands at INR141.2 billion, reflecting growth of 11%. SBI branch productivity on individual APE terms stands at INR6.0 million for the year, registering a growth of 10%.

As on 31st March 2026, agency individual APE stood at INR68.6 billion, growing 15% with agent productivity at INR2.6 lakhs. The channel witnessed a shift in product mix. Non-ULIP share increased from 34% to 39% for FY '26,

supported by robust 76% growth in agency individuals sum assured. The company added more than 1,20,000 agents on a gross basis. We opened 120 new branches this year. This expansion is aligned with our vision to create infrastructure that supports the long-term development of our agency channel.

The other channels, direct, corporate agents, other bank brokers, online and web aggregators grew by 22% and contributed 11% of total APE. Banks other than SBI Group are also growing at 22% on total APE basis. We are investing in building our online business channel. For the current year, this channel has grown by 47% on APE basis.

Moving to updates on profitability. Our financial performance reflects the impact of GST and the revised Labour Law. Taking these factors into account, the company's profit after tax for the year ended 31st March, 2026, stands at INR24.7 billion. Excluding this impact, profit after tax for the year ended 31st March 2026 would have stood at INR31.2 billion with a growth of 29%.

Our solvency ratio remains strong at 1.90 as against regulatory requirement of 1.50. Value of new business stands at INR66.7 billion, reflecting 12% growth driven by both volume growth and favorable shift in product mix. Despite the impact of GST, we have sustained a healthy margin of 27.5% for the year ended 31st March 2026.

Excluding GST impact, VoNB would have been INR70.3 billion, representing 18% growth with a VoNB margin of 29%, an improvement of 150 basis points. Embedded value for the company as on March 31, 2026, stands at INR807.9 billion with a growth of 15% over previous year. Excluding the onetime impact, EV stands at INR813.6 billion with a growth of 16%. Return on embedded value stands at 19.7% with embedded value operating profit standing at INR138.6 billion.

Coming to operational efficiencies. Our opex ratio stands at 6.1%, and total cost ratio stands at 10.6% for the year ended March 31, 2026, as compared to 5.3% and 9.7%, respectively, for the year ended March 31, 2025. With respect to persistency of individual regular premium, 13th and 49th month persistency stands at 87.9% and 69.1%, showing an improvement of 53 and 107 basis points, respectively.

As mentioned in my opening remarks, asset under management stand at INR4.9 trillion as at March 31, having growth at 9%. Death claim settlement ratio stands at 99.4% for the year ended March 31, 2026. Our misselling ratio stands at 0.02%, which is one of the lowest in the private industry, and this is

achieved through our consistent approach adopted at the company to ensure right selling to the customers.

Digitalization is transforming the life insurance industry, enabling us to deliver enhanced services and a more seamless experience to our customers. As we embrace the digital transformation, we remain committed to innovation and excellence, ensuring that we stay ahead in an increasingly competitive landscape.

The company continues efficient usage of technology for simplification of processes with 99.7% of the individual proposals being submitted digitally. 57% of the individual policies are processed through automated underwriting. In conclusion, by embedding resilience and continuous improvement at the core of our culture, and by strategically strengthening our key channels, we are well positioned for sustained growth.

Our unwavering commitment to delivering exceptional customer service not only deepens client relationships but also enforces our reputation as a trusted and leading force in the market.

Thank you all. And now we are happy to take any questions that you may have.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Avinash Singh from Emkay Global. Please go ahead.

Avinash Singh:

Congratulations on a great set of numbers. Thanks a lot for the opportunity. A couple of questions. The first one, if I see persistency has done well across the cohort, barring 61st month where it has seen a drop, likely it would be coming out of some ULIP during the COVID time, the policies sold. And possibly, that is the explanation.

But in that context, I wanted to know, is that operating assumption changes that are kind of a negative in the VNB walk. Are they kind of leading to some bit of a reset in persistency assumptions or there are other factors behind this marginal operating changes? So that's one.

Second, again, if I look back how kind of you have delivered over the last 10 years and you have presented in the slide, I mean, in terms of your APE market share or individual APE market share or embedded value compounding. But if we were to look back those 10 years and break it into 5 and 5, possibly the first 5, of course, coming from a lower base, had a very, very strong growth on all parameters, including the kind of a margin expansion and all.

Now if we look back, when the margin is more or less stable, but expansion part is difficult. And of course, the base of growth and everything is coming into picture, the growth is also going to be measured. In this backdrop, if I kind of -
- I were to ask, I mean, what would be your experience over the next 5 years?

Again, I'm not coming off to quarterly volatility. But if I'm saying that, okay, what would be the number in terms of your retail APE growth or kind of where the VNB or margins will come down for the next 5 years, what would you have to say?

Management:

On the first question to persistency, you're right that there is a persistency drop on account of the business done in the COVID period, so we know that. As far as assumption is concerned, we always said that we keep this exceptional item separately and looking into the long-term view.

So, as we always keep mentioning that year-end, we keep refine our assumption looking to reflect the current experience. So, there are some changes in the mortality, some on the persistency. We've also seen some improvement coming on account of the long-term protection improvement on the persistency.

So that does reflect in the VNB assumption. But in this 50-basis point is not a significant point. So, I will say there's no significant change in assumption. It's a combination of all minor refinement across all the assumptions, including demographic as well as expenses and other parameters.

Management:

Coming to growth prospects, you are aware that the company 3-year CAGR is at 12.9%. And last financial year, we have grown by 13.2%. Going forward also, we intend to maintain the growth rate at around 14%, which has been our CAGR for the last 3 to 5 years. And we will continue to maintain this kind of growth rate in coming year also.

Avinash Singh:

Okay. And lastly if I can ask one more. I mean in this par, of course, in your mix it is still a smaller portion. But typically, you have been more like a ULIP protection and guaranteed non-Par. What I mean is, it is kind of intent or what is the demand factor that is kind of bringing this strong growth in par?

Management:

The par product portfolio growth of this year has come on a lower base of the last year. Last year, we had just a couple of products. This year, we launched new products in the par category and we got very good customer response in this category. That has resulted in a very robust growth in the par segment in the current year.

We have been a company which had dominant sales of ULIP in the past. But as you are aware, you have been attending these analyst meet for the last couple of years, our focus has been to improve the product mix in favor of non-ULIP products also. And if you look at the product launches in the last couple of years we have very good product launches in all three, non-par segment, par segment and also in the Protection segment. So this is our effort to improve the profitability of the company also by having a healthy product mix. And we are happy that our strategy and our product launches are helping achieve this objective.

Avinash Singh: Thank you.

Moderator: Thank you. Our next question comes from the line of Supratim Datta from Jefferies. Please go ahead.

Supratim Datta: Yes. So thanks a lot for the opportunity. My first question is on what are you seeing with respect to customer behavior over the last 2 months, given you have been typically a ULIP-heavy company and last 2 months we have seen pretty significant volatility in the equity markets. Just wanted to understand how are customers reacting to that volatility?

And how is that shaping ULIP demand? And how in this environment hence, looking into FY27, how are you thinking about the product mix and product strategy, given you have a growth aspiration of 14% like you highlighted. So that's the first question. Second, again, like you rightly pointed out at the start that you have been looking at changing the product mix for the last 2 years in favor of non-par products. Just wanted to understand what is the share of protection now within SBI Bank versus 2 years back? And what proportion of these policies overall in the SBI channel are being sourced through Yono? If you could give us some color there, that would be very helpful?

Management: So talking about the customer behavior in the last couple of months, you are aware, the geopolitical events that are taking place. And that definitely is having some impact on the market, on the performance of the equity market also and there are effects seen on the fixed income side also.

But at the same time, if you look at the equity market, there are robust inflows into the mutual funds also. And overall, people wherever they are seeing value, they are investing. That is what we have seen in the company. Our growth in February and March has been decent enough and we have been able to meet our guidance for the year despite these events.

So going forward also, we expect to continue to have good sales growth in the coming quarter and coming year as well depending, of course, upon month-to-month variation, and we do not pay much attention to month-to-month and we like to keep our focus on our yearly goals and midterm goals. So that is regarding your first question.

Management: SBI, our share is 4% for pure protection, credit life is over and above that. And broadly that number has been flat, but the mix has changed favorably from TROP towards higher proportion of pure protection. So the premium numbers are not seen as a proportion. Obviously, absolute numbers have grown, but share has remained broadly constant, but sum assured we have seen significantly higher growth in the SBI.

Management: Number of policies also.

Management: Number of policies and sum assured also basically because pure protection have significantly higher sum assured.

Supratim Datta: Understood. And if I could ask one last question. So on the ULIP side, are you selling the higher sum assured ULIPs as well, the 20x, 30x sum assured products or you're selling only the vanilla 10x cover products? If you could give us some clarity there?

Management: No, as of now, we do not have higher sum assured ULIPs.

Supratim Datta: Okay. But do you plan to launch that this year?

Management: We will look at the opportunity and decide in due course.

Supratim Datta: Got it. Thank you.

Moderator: Thank you. Our next question comes from the line of Shreya Shivani from Nomura. Please go ahead.

Shreya Shivani: Yes. Thank you for the opportunity. I had two questions. First is on the banca channel sales in the last quarter, in the fourth quarter. It's actually degrown Y-o-Y. Is it to do with the fact that March may have been slower month for us. Was it coming from that or was there any other reason?

Second question is there was a media interview by the Department of Financial Services Secretary, where he yet again raised the topic of banks should be open architecture, etcetera. Is there anything you can share with us because obviously, it's a big part of our distribution mix and also what is our strategy on

the distribution channel in case such a decision is finally taken by or mandated by the government?

Management:

First, talking about the Q4, there you would have noticed that the entire insurance sector had a sluggish kind of Q4 and that may be related to various events taking place geopolitically across the globe. And coming to our growth in Q4, as I already said that instead of looking month-to-month and quarter-to-quarter growth we like to focus on the annual numbers and we are happy that we have been able to meet more or less our annual guidance of 13%.

We have maintained our 3-year CAGR slightly higher than that, in fact. And banca channel also has been able to meet our internal budget set for the year. Regarding your other query, I would like to emphasize that SBI Life is now a 25-year-old company. And in this long journey, we have established various -- very robust system and procedure.

And we have seen various regulatory changes coming at different point of times. You will appreciate that the company has been able to navigate all these regulatory changes with ease and we have been growing at a consistent rate. We are not aware about this particular topic as of now. But we are very sure that any regulatory changes, we will be able to meet with a robust response.

Shreya Shivani:

Right. And sir, strategy on other channels. I know you've added a lot of agents and new branches. But on the other line item, what are the channels we would incrementally be focused on irrespective of what happens with the banca channel?

Management:

So agency channel, for the last 2 years we have been strengthening a lot. And in fact, the contribution of agency channel in our distribution mix has improved in last couple of years. In addition to the agency channel, where we are opening more number of branches, adding more agents, having better productivity.

We are also focusing upon our emerging business channel, although as of now, it is a small channel, but the growth rate and the investment being made in this particular channel are giving us good results. We will continue to invest in our direct channel on our website and direct channel sales. And we are sure that this is also going to be a good formidable force in coming future.

Moderator:

Thank you. Our next question comes from the line of Prayesh Jain from Motilal Oswal Financial Services. Please go ahead.

Prayesh Jain:

Yes, hi. A few questions. Firstly, just extending the previous question. Has there been any communication from RBI in any form about open architecture

or in form of offering more products at the bancassurance channel because the interview kind of stated that there has been some communication or request gone to the banks to adopt an open architecture.

Second is, if I look at your cost ratio, right, from FY24 your opex was at 4.9, has gone up to 6.1. Total was 8.9 and gone up to 10.6. And within that main thing, I think the product mix shift possibly to a certain extent, but also you have opened more branches and the agency channel has seen a really stronger growth.

So how do you see the cost ratios moving from here on, do you think that you would be capped at 10.6 or this ratio will kind of keep moving higher? And thirdly earlier, while you talk about a 14% kind of APE growth, what would be your thoughts on margins going ahead with VNB margins going ahead? Those are my three questions. Thanks.

Management:

So RBI guidelines are draft guidelines, in fact, are in public domain for last couple of months and they are supposed to come in force from 1st of July. It does not talk of open architecture. And we do not have any additional information other than what is in the public domain. As far as cost ratio is concerned, the impact on cost in this particular year, last financial year is substantially coming from the GST impact. As I already talked in my opening remarks.

The other factors regarding opening more number of branches, having higher IT spend for customer ease and the other processes and spends on training our agency force and our CIFs, etcetera. Those are the reasons which have resulted in slightly higher cost ratios. But going forward, I think these things have already panned out. And other than strengthening IT, there is no other major expense planned in the near future.

Prayesh Jain:

Sir, just extending that question. So GST is not onetime, right? GST is going to be there for some time, it's a permanent thing, right, unless we kind of really do some cost savings, which will bring down our costs, right? So from that perspective, how do you see the cost ratio? And my last question was on VNB margin trajectory going ahead?

Management:

So that is what I said that now the GST is already in this cost of 10.8%. So that has already been built in. We do not see costs going higher on account of this particular thing. Prithesh, would you like to talk about the margin?

Management: So I think the margin also, if you see we have reflected the 27.5 margin that already accounted for all the impact of GST. And last time also, we mentioned that we're working to enhance the product mix and profile mix. And we are very sure that enhancement in the profile mix will be able to absorb this impact of GST.

So even if you see the VNB walk, closely, we have offset. So the better product mix and some benefits coming from the interest movement has been able to offset this impact of GST. So that's the reason 27.5 we're reflecting into.

As MD sir also mentioned that expenses are reflected and we are looking for a better product mix from current level with a growth of 14%. So we expect that our margin will continue to be a similar range that we maintain about 26% to 28% range that we are seeing. And our endeavor is to report the margin above 27% kind of things.

Management: You will appreciate that despite the GST impact and other onetime impacts, we have been able to report VoNB margin at the higher end of the range of 26% to 28% that we had set at the start of the financial year. So we stuck to our range and we will continue to maintain that kind of margin in coming years also.

Prayesh Jain: Absolutely commendable sir there. But with all the costs and with all the onetime impacts in the margins in this year and now we're moving more favorably to move our product mix more favorably, should we shift our guidance to '27 to '29 versus '26 to '28?

Management: So I think we said '27 to '28, and we will stick to that.

Prayesh Jain: Got that. Thank you so much, sir.

Moderator: Thank you. Our next question is from the line of Madhukar Ladha from JPMorgan. Please go ahead.

Madhukar Ladha: Hi. Good evening. Congratulations on good numbers in a sort of difficult operating environment. So first question, in the EV walk, we see a very strong positive operating variance. If you can quantify how much is expenses, persistency and mortality. And if we have such a strong positive variance, then why are we strengthening our assumptions in the VNB? So I wanted to get a better sense of why are we seeing this divergence in EV and then in VNB?

And second, sir, our solvency is now at about 190%. We work at 180% solvency. So in terms of capital, what are your thoughts? Any additional need?

And how will you sort of bridge that gap if required? Yes, those would be my two questions. Thanks.

Management:

First on your question on the EV walk that we always mentioned that as a company, we set our assumption, we always have the longer term view and we ensure that it is sustainable in longer term. That always give us a very positive variance. And if you see year-on-year, we keep reporting the positive variance we have quality of businesses.

And this is not coming because we are using different conservative or prudent assumption. This is because our quality of business is reflecting much better than what we look into. So if I say most of the positive variance coming on account of mortality profit and persistency and lesser on the expenses. So that's where it's coming from.

If I link with the VNB assumption, 0.2% is not significant. And we appreciate that the products that we are currently looking in, selling in the new business. And what has been reflected in our existing book, both are significantly slightly different. It's not exactly same. So it may not be fair to correlate the assumptions in the VNB with that of operating variance in EV, generally reflective.

So there are maybe one or two product lines which we have tried to increase or promote their minor refinement we did in the assumption for VNB. And that's also, I will say, it is very emerging trends. And as a company, we always look into and adopt this assumption. So that's you see the VNB and EV.

Management:

As far as solvency is concerned, you see the company is generating good cash accruals and strengthening its capital base through internal accruals. So we have not raised any fresh capital for strengthening our margin. And this is efficient use of capital that is resulting in solvency of 1.90 against the regulatory requirement of 1.50.

Going forward, we are assessing the impact of the Ind AS and RBC also that is being discussed at the regulatory level for introduction in near future. So we are keeping a very sharp eye and we will take appropriate call at appropriate time.

Madhukar Ladha:

Just one final follow-up. Can you split the economic variance between your debt and equity?

Management:

So see, our economic variance is more or less the sensitivity that we spend in EV. So majorly, you see the equity fall, and so major share coming from the

equity and other part is coming from the bond. So if you total 3.66%, if you say around 2.15% is coming from the equity and balance is from the bond.

Moderator: Our next question is from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Sir, you said that our growth most likely will be in the range of 14-odd percentage for the next few years. But if I look at your banca growth, maybe for last 3 years, it has been stuck in the range of 9 to 11-odd percentage. So just wanted to understand if the 14% growth has to be delivered, then there should be a heavy lifting of the growth from the other channels, either agency or other relationships? Sir, just wanted to understand if you want to give a color of that 11% trend to continue in banca and it will be largely driven by the other channels in a way to drive the growth? That's my first question, sir.

Management: As already being guided for last 2 years, we have been telling that we are strengthening our agency channel by opening more number of branches, by having more agents, by improving agent's productivity, etcetera. So the clear focus is on further strengthening the agency channel and tapping all the opportunities that are available in this particular channel.

We already have a robust share of agency business in the industry, and we want to further strengthen it. We have also guided that in the distribution mix also, we would like to have greater share of agency channel, and that is already taking place if you look at the distribution mix in the last couple of years. So this 14% will be an optimum mix of the agency growth and the banca growth.

Sanketh Godha: Sir, then is it fair to say that the banca growth in that range of 10% to 11% is a realistic number going ahead for us?

Management: I mean, we do not diverge the different channels growth targets as such. But this is the kind of base that we have been growing in despite all the circumstances and all, and you can say that...

Sanketh Godha: Sir, the reason I'm asking this question is that if I assume the nominal GDP growth or inflation-led growth with the natural increase in the ticket size, that will be in the range of 8 to 10 percentage, which means that a penetration in the banca channel largely being achieved, the growth in banca will be predominantly driven by the ticket size increase. That's the reason I was asking that more realistic growth penetration being largely achieved, it's more ticket size led growth like 8 to 10 percentage or 10 to 11 percentage kind of a number?

Management: No. Our focus is also on the protection side. So I will not say that the growth is coming only from the ticket size increase. If you look at the number of policies also, the protection segment is growing, where the ticket size is very small. And there, also, we are getting substantial number of policies that has resulted in good protection growth also. So we do not look at from quarter-to-quarter and month-to-month number, but we set our annual targets and medium-term targets and go around doing business on those lines.

Management: And Sanketh, my endeavor remains to further strengthen the penetration of customer base of bank. We are not saying we have facilitated the customer base of bank.

Management: Yes, the opportunities are there and we are tapping all the available opportunities in the best possible manner.

Sanketh Godha: Understood, sir. And my second question is again on the margin. Sir, at the start of the year, you guided 26 to 28, but at the start of the year, you did not have a GST impact. But if I negate the GST impact, you actually ended up reporting 29 instead of 27.5, which means you under-guided probably on the margin. So just wanted to understand this 27 to 28, what you're trying to guide now has an upside either because of the product mix or cost levers to play out in the next year?

Management: So this is a matter of perception. You can say under-guided or you can say over-delivered. This is a matter of perception only.

Sanketh Godha: So the realistic margins may be better than 28 is what I wanted to check rather than being a little conservative in that sense.

Management: So no, it is not about the conservativeness. You see the only reason to deliver this margin despite the GST impact is, as a company, we are working to improve the product mix, right? That's the reason we are able to absorb almost the heat on the margin. Why we're giving the higher range is, as you said, with the higher base, we have tried to grow with the 14%. And at the same time, we are also trying to achieve the better product mix.

So making a combination that product mix would give a better margin and a better value, as well as maintain that 14% growth is such a high value, it's not a very easier task, and that's the range what we give, it gives us some flexibility to play around, to maintain the good growth rate as well as maintain the margin. That's the reason we are trying to do that. It's not about that we are giving a prudent or conservative guidance.

Management: So both growth and profitability, we keep a very sharp eye and we adjust accordingly.

Sanketh Godha: Understood, sir. And lastly, sir, two things. One is, in protection, can you give your premium mix or IP mix, individual protection I mean to say, broken down into pure term and RWRP, and whether RWRP as a product has seen a natural lower demand because of the GST benefit, which is available in pure term compared to RWRP? That's one thing.

And second, last time in the call, you said that you were working on deferred annuity plan. If you can give a bit of guidance or a color of how far you have come with the product, whether you are okay to launch that particular product in the current year or not?

Management: So our endeavor is to launch this deferred annuity product in this quarter itself. So we are aiming to go live by June, we should launch the deferred annuity. Otherwise, we'll go to the next quarter.

Sanketh Godha: Understood, sir. And on the protection side, sir?

Management: Protection side, the number we'll give offline to you.

Moderator: Our next question is from the line of Shobhit Sharma from HDFC Securities Limited.

Shobhit Sharma: Congrats on a great set of numbers. Sir, my first question is on your agency channel. That channel has consistently grown year-on-year for the last 2, 3 years and have provided stability to your overall growth. So what gives you the confidence? I understand you mentioned about the new agent additions and the new opening of the branches. So can you give us some color around these agents who have been recruited? Are these from the industry or are these new to the insurance business?

And secondly, if you can give us some qualitative comments about the branches, which has been opened in last 2, 3 years, what is the business contributed by them? Or if you can give some color around the contribution of these newly hired agents over the last 2, 3 years?

Management: Since we are new to the insurance industry, there is no open architecture on the agency side. So we have a very robust system of hiring and training agents, and we are happy that the agent increase is also being equally met with the agent productivity. So the good growth number is coming both from the side of increased number of agents as well as increased productivity.

So as I already said that we want to tap the opportunities available on the agency side. We are happy that today we have one of the strongest agency force in the market, in the private industry and the largest player also. A substantial portion of the industry mobilization is coming through SBI Life. We'll continue to focus on this particular channel and our training methods to our agents to further tap the opportunities that are available here.

Shobhit Sharma: Sir, any number around the business contribution from the branches which you opened in the last 2, 3 years or the contribution of agents whose vintage is less than 3 years?

Management: We do not disclose those kind of numbers. And you will appreciate that of course, any branch which is newly opened, it takes some time to breakeven. But these branches are well on track. We are satisfied with the contribution that is coming through these branches.

Shobhit Sharma: Okay, sir. And sir, second question is on your NOP count. So over the last 3 years we have not seen the NOP count growing on the individual side. We had seen a very strong growth in Q3 beyond the NOP side. But in Q4 again it has turned negative. So when can we expect our growth to be led by NOP instead of the growth in the ticket sizes? And last question is on the GST impact. So I believe that the GST impact which we have seen during this year was actually a permanent -- it was actually permanent in nature?

And we would have made changes in our actuarial assumptions. So how should we think about the impact from next year onwards? Should we see a similar kind of impact of 1.5% on our overall margins? Or it would be on a higher side because this year we had an impact for only the second half primarily.

Management: So see GST impact has already accounted for in the margin the 27.5% is reflected. Only this is for the business done after 2nd September. So maybe next another half year we'll see some impact. But I think this is more or less similar level for the 6 months. Overall and that we have adjusted. And we are working to do that product mix profile so that offset that.

So that's the reason we're saying with the GST impact considering into reflecting our cost and all we are able to deliver the margin that we've just given the guidance of 26% to 28% range. So there was no adverse impact going to be reflected on account of GST.

So that's the part. And actuarial assumption on GST basically a sense of the input cost. We are absorbing the commission -- GST payable on commission of agents and distributors. So that's already reflected in that.

Shobhit Sharma: Okay, sir. And on the NOP side?

Management: I think NOP we are giving this thing. And we are hoping that once we come with the deferred annuity product that also will help us to increase some of the NOP because we appreciate the single premium annuity. Most of the high ticket size, but when you come to the deferred regular annuity.

I think, ticket size will be much lower than single premium and more earning people will buy these things. So we expect that will help us not only to grow the annuity business, but also increase the number of annuitants who will buy the policy from us.

Shobhit Sharma: So you mean to say NOP growth next year would be driven by the annuity products, which we'll be launching in this quarter or the next quarter.

Management: No, we are not saying that. We are saying that will help us to increase the overall annuity business. Not specific that only we'll do that. I see we have the complete suite of the annuity. We have a deferred annuity in single premium. We we have the immediate annuity. And where we have the NPS annuity.

And within the annuity, we offer certain options. Now we are lagging only on the regular pay a different annuity. So by launching that annuity, we'll have a complete suite of annuity product available to the customer. And we expect that complete suite will help us to grow the base line of business.

Management: I think the confusion is he is talking about NOP not only annuity. So overall NOP will also increase through other products and protection products will especially help in increasing the number of NOP.

Moderator: Our next question is from the line of Dipanjan Ghosh from Citi.

Dipanjan Ghosh: Sir, my first question on the VNB mix. I know that you don't give the margins across channels and every channel has a different product mix. But let's say if you were to take FY23 for the last 2 years and assume a similar product mix, channel mix, cost structure. What would be the VNB contribution across some of these channels or some qualitative color in terms of divergence between APE mix and VNB mix across channels, at least qualitatively?

The second question is on the Credit Protect business for FY26. The growth seems to be a little bit on the softer side. So going into next year I just wanted to get some color on what are the attachment rates at SBI? Or what are the efforts that you're really undertaking to grow this business because it's a relatively high-margin business, I would assume.

And finally, the third question is on the operating release. Now if I look at the last 10 years, ex of COVID I mean in almost all the years, you would have delivered a positive release. So just in terms of the assumptions that you have built in the back book transition into IFRS. And I understand you are taking the forbearance.

But does this sort of robust risk management or prudent underwriting that you would have done give you any sort of benefit relative to any other company, who should have probably taken a differentiated strategy on these assumptions? And one question on the data keeping question, if you can break the operating variance into mortality, persistency and expense and others?

Management:

So I will start with the last question. I think as I explained that most of the operating variance is coming on account of the mortality and persistency and lesser is coming on the expenses. So this is the thing. Second, on your question to the channel-wise margin, I think we don't disclose that and we don't look into the specific, we don't drive particularly the product mix with the particular channel.

We offer the products to all the channels. We pay the similar commission to the different channel and do that. And that's the reason we don't disclose this and even don't look into those on a margin perspective for which channel we're driving this. Because we look into the longer term and company-level margin accretion on that.

Third question, if I remember correctly. Your actuarial assumptions and positive variance. I think that I mentioned earlier, most of the operating positive variance over the years, including the COVID periods, reflect the two set of things. One is the quality of business the company is writing and underwriting in one of the parts. So if you write a better quality of business, you expect the experience will be much better.

Secondly, also look into how you see your sustainability in the longer term. So when we set the assumption, we take a longer-term view. And each and every time, we will see that whenever we see the credible experience emerging and thus mandate to review our assumption and modify, we give that.

So even the last year we have capitalized quite a few -- particularly for the persistency side, we capitalized some of the assumption. And that's the reason this year, the persistency variance is slightly lower to that. And we will continue to do that. Our view is to report the numbers and view is to -- not only the pricing and reporting as well, keep a longer-term sustainable view on that perspective.

So this is the third question. I don't want to comment how this will play out in the IFRS 17 to us and how the others in the market. We normally avoid comparing our performance versus others. But definitely, if company is having the longer-term sustainable assumptions that will have the better place. And that will also reflect in IFRS regime as well.

Management: And the banca Credit Life, we think 14% is reasonable growth is faster than the bank's loan growth. We have increased our attachment in home loans by substantial amount.

Dipanjan Ghosh: Got it. Just one small follow-up. If I heard correctly, you mentioned that your persistency variance this year is a little lower than last year. And I think last year, you were around INR2.5 billion to INR3 billion. So that basically means that for this year you almost had like INR8 million, INR9 million of positive mortality variance. I mean, is that the right understanding?

Management: No, no. I'm not saying that. What I tried to tell you that each and every time whenever we see the credible experience and continuous positive variance coming into that will revise and do that. And when you revise you will get certain gaap on that perspective, nothing else.

Moderator: Our next question comes from the line of Neeraj Toshniwal from UBS. Please go ahead.

Neeraj Toshniwal: Yes. Hi, just a follow-up on the Credit Life. This quarter, we see a big impact on the group credit. It's largely coming from GTI. Is the right understanding or how is the Credit Life ending quarter-on-quarter and Y-o-Y this quarter?

Management: No, this quarter, the GTI business has reduced as compared to the Credit Life. So that is the reason the quarter 4 growth in the group, credit group business has actually gone up.

Neeraj Toshniwal: Okay. And do we have numbers on how much is Credit Life and how much is group?

Management: No, quarterly I don't have a number. We will give you separately.

Neeraj Toshniwal: Okay. And on the product mix, I think we have mentioned that we will be likely around 60-40; 60 ULIP and 40 for non-ULIP. I think we've only kind of achieved that. The mix will largely remain stable in terms of ULIP and non-ULIP will turn around between non-par and par is a fair understanding or we can further see ULIP in different types?

Management: No, we are driving at already in the initial remarks, MD has commented that we are driving for a right product mix in the longer run perspective. So today, we are at 66-34. So depending upon the market, depending the customer's choice, we are offering the products across geographies. So we will continue to drive the better productivity or a balanced product mix rather going forward. So we will see how the experience will evolve. But yes, we are looking into the better product mix going forward.

Neeraj Toshniwal: Okay. I was coming from APE perspective. I think it's already 59% ULIP and that's coming from non-ULIP

Management: Yes, IRP basis, it is 66%.

Management: We are talking on individual APE basis. So you are talking about the APE.

Neeraj Toshniwal: That is 66-34.

Management: Yes.

Neeraj Toshniwal: And non-par savings, are you taking or not taking any increase in IRR dependence like others have been recouping some of the GST impact or what is our strategy here because growth, while everybody has seen a decline, our decline has been a little moderate compared to peers? Any commentary here or the strategy going forward?

Management: So I think non-par, if I understand correctly your question on the non-par IRR perspective. So I think we continue to look into the interest rate movement and re-price the product. Currently, if you see there is a lot of volatility in the yield curve and this yield is not sustainable, that's holding up.

But in the meantime, we have launched a new non-par products that replace our existing non-par product and that reflects the current yield. So to some extent, we have passed some benefit to the customer by launching this new product, but we'll continue monitoring and regular monitoring that I keep saying that the company will keep doing this adopting the dynamic approach as per interest rate sensitive product is concerned. And whenever we see this is a

sustainable thing, we'll re-price and pass on to the benefit to the customer. So we try to balance between those.

Neeraj Toshniwal: Sure. Thank you. That is it and all the best.

Moderator: Thank you. The next question is from the line of Nidhesh Jain from Investec. Please go ahead.

Nidhesh Jain: Thanks for the opportunity and question is on VNB margin. So if you look at the full year VNB margin, there is a 150 basis point impact of GST. So that is for half year. So does it mean that for the full year the impact would be around 300 basis points and our starting margin, let's say, on a like-to-like basis, it's 26% if the GST would have been implemented for the full year, which means that we have to show VNB margin expansion from 26% in FY27. So that is the first question?

Management: No, this is not the case. So if you see the business written post September is much higher than the H1. Secondly, that we mentioned is that when we declared the result on September of every year, we have already incorporated the GST impact in terms of the commissions and the renewal commission for the business written prior to the 22nd September as all.

So if I summarize, I say that all the business written after 22nd September, the GST impact on commission reflected both first year commission and renewal. And for the business written prior to 22nd September, the GST impact on commission and renewal has been. Thirdly, we have incorporated the expenses, actual expenses including GST when we report these things.

So most of the part of the impact of GST in terms of renewal commission, commission of new business and expenses is included, only we are left with the first half first year commission for the business written until 22nd. So it will not be and if I remember correctly, we quantified this number. We're expecting the annual impact, maybe around 1.8, 1.9 kind of things, if GST would have been implemented from the beginning itself.

Nidhesh Jain: Sure. And second, sir, as we move towards non-banca channels over the next 2 to 3 years or the share of non-banca channel increases in our overall mix. On a Ceteris paribus basis will that have a negative impact on margins because we believe that banca would be a slightly higher margin with channel versus non-banca. So if we don't do anything on the product mix side, will that have a negative impact on our overall margins?

Management: No, I don't think and we don't think there will be any negative impact. In fact, any channel addition will bring value to the table by way of the fixed expenses get amortized and quality will happen. I think that is going to aid the value to the company and there would not be any negative impact on the margins.

Nidhesh Jain: Sure, sir. Thank you, sir. That's it from my side.

Moderator: Thank you. The next question is from the line of Harshal Mehta from Asian Market Securities. Please go ahead.

Harshal Mehta: Thank you for the opportunity. Two quick questions from my end. So firstly as you know like we are in the earlier days in those IFRS.

Management: Please, be louder.

Harshal Mehta: Yes. So my first question was that we know that we are in the initial days of IFRS, but if you can give some initial thoughts on how the KPIs will be for SBI Life under the IFRS, so that was one. And secondly, like our strategy has been to focus on additional products and within that, we have seen par growing significantly higher than non-par, but given the backdrop that we have recently launched a non-par product in Jan, how do you expect non-par as a category to move from here on?

Management: See, as far as the IFRS is concerned, we are prepared. And as you know, we have submitted the pro forma to the regulator for the last two financial years. And as already mentioned in the initial remarks we are going to have a forbearance for this fiscal. And next year onwards we will be prepared to launch into the IFRS regime.

And we don't see anything as of now to bring in on a KPI into the company's performance or to disclose at any point of time during this financial year. So we will see first how it will evolve over the next 2 to 3 years' time and then to bring in because it has got implications into the business, because we cannot just bring the KPIs to the business, which will be definitely look into different aspects as far as IFRS is concerned. Second part, you asked about product.

Management: I think if I heard you correctly how we're going to see par product, still the contribution is around 7% almost in this perspective and non-par we have launched. So we do believe that the new launch in non-par will see a lot of traction on that, that will also bring the movement in the non-par. And again, if interest rate is going to be established at current level, we will re-price and we better return. So that also help us to improve the growth of the non-par business as such.

- Harshal Mehta:** Sure, sir. Thank you.
- Moderator:** Thank you. Our next question is from the line of Samant Singh from Phillip Capital. Please go ahead.
- Samant Singh:** Yes. Thanks for the opportunity. I hope you can hear me. Am I audible?
- Management:** Sir, you are audible.
- Samant Singh:** Yes, okay. So just at the two data keeping questions. One was on online channel growth that was very strong until 9 months, so like 45% Y-o-Y basis. So anything on the discrete Q4 number or the full year number that will be helpful. And the second is on attachment rate on the Credit Life portion. So what is attachment rate on home loans? So if you can just give two data points?
- Management:** So as far as our online business, which is purely on our own website, it is almost in a similar range of 48% to 50% growth, which we have done for the full financial year and that we will continue to focus more on this channel on our road. And as far as the attachment ratio of Credit Life, I think it is going in the similar what we have been doing it for the previous years around 50% of reported year.
- Samant Singh:** Okay. Thanks.
- Moderator:** Thank you. The next question is from the line of Gaurav from MLP. Please go ahead.
- Gaurav:** Yes. Hi, sir. Good evening and thanks for the opportunity. Sir, the question was with regards to the cost ratio. So if I look at the operating expense ratio has moved up from 5.3% to 6.1% in FY26 versus last year. And you explained that this is due to GST, the impact of GST embedded in the cost now.
- So is it only from September to March the cost impact that we are looking at here? So, let's say, for FY27, given that the entire year will have GST impact. So hypothetically, I mean, is this 6.1 million only reflective of 6 months of GST or this includes the full year impact of GST?
- Management:** So this is obviously the second half of this year, half year of this fiscal impact of this GST. Next year, it will be full year. The other one-off item, I think you must have heard in the last call that it is a new item, which is the Labor Code. So that has also this year is impacting this increase in the operating expenses. But we are confident that it will not go under our radar rather in the way we are managing the expenses of the company will continue to be in that range.

Gaurav: Sure. So sir, if you can just quantify the deviation from 5.3% to 6.1% that we see, how much of that is attributable to GST? And how much of that is attributable to new Labor Code, if you can just quantify that?

Management: Yes, I can just tell you that if the Labor Code or the GST would have not been there, then the opex ratio would have been around 5.5 against 5.3.

Gaurav: Okay. Understood, sir. Got it. So safe to say that next year, it may go up slightly given that this only has 6 months of GST, but it won't go materially up from here. Is that the right thing to read it?

Management: It's not necessarily because the opex is not only a one-off item of the GST, which will impact. There are other measures which we take. So that will also help to rationalize the cost. And then we also look into the economics of the expenses where we want to do whether we want to do or not. But yes, as far as the growth is concerned, we are very focused that we will spend our money on the investments, particularly on the branches, IT infrastructure that will continue. But it will not have much impact as far as the opex is concerned for the company.

Gaurav: Understood. And sir, the next question is on the channel mix. While this year, we saw other channels contribution share improving. For next year also, do you expect the other channel contribution shares to improve? And let's say, from a 2 to 3 year perspective, what would be the, let's say, SBI contribution or any target sort of you are maintaining to reduce the contribution from SBI going forward?

Management: So we are not targeting any reduction from SBI. What we are targeting is tapping additional opportunity on the agency and the emerging business channel. And in line with that, the higher growth coming from these two segments will improve their contribution in the overall distribution mix. We are not targeting any reduction from SBI.

Gaurav: Understood. So with the effect of diversification, where would you see the overall mix, let's say, ex banca and within banca maybe ex SBI? What would be, let's say, target share of these other segments that you would want to keep?

Management: So in last 2 years, we have seen approximately 3% to 4% shift from banca to agency and emerging businesses and all. And we expect the similar trend in coming years.

Gaurav: Understood. That's all from my side. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to Mr. Amit Jhingran for closing comments. Over to you, sir.

Amit Jhingran: Thank you, everyone, for your time and queries. You may get in touch with our Investor Relations team in case you have any follow-up questions and we will be happy to respond to that. Thanks again. God bless everyone.

Moderator: Thank you. On behalf of SBI Life Insurance Company Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.



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