



Directors' Report

To,
The Members of
SBI Life Insurance Company Limited

The Directors are pleased to present the 25th 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, 2025.

This year marks momentous milestone in the journey of SBI Life Insurance, as we celebrate 25 years of excellence, resilience, and growth. We have witnessed significant transformation—not just within our organization, but across the insurance industry itself. From introducing life insurance to a relatively untapped market to becoming a household name with a comprehensive suite of products, SBI Life has consistently evolved into a trusted brand. Our ability to adapt, innovate, and respond to the changing needs of our customers has been key to this journey. This milestone stands as a testament to the enduring trust of our customers and the dedication of our people, who deliver on our promise of protection and peace of mind every day.

The Company have once again delivered enduring performance in this year as well and we continue to be market leader across individual and total business. The Company remains committed to delivering long-term value to its stakeholders while upholding highest standard of governance and customer service.

1. Financial Performance and State of Company's Affairs

The Company witnessed a growth and consistent performance in FY 2025. The key parameters of the Company are as follows:

	(₹ billion)	
Business Performance	FY 2025	FY 2024
Gross Written Premium (GWP)	849.85	814.31
- New Business Premium (NBP)	355.77	382.38
- Renewal Premium (RP)	494.08	431.93
Annualized Premium Equivalent (APE)	214.17	197.23
Individual Rated Premium (IRP)	193.54	172.34
Total Protection NBP (Individual + Group)	40.95	41.65

The Company has maintained its private market leadership in New Business Premium (NBP) and Individual NBP with private market share of 20.8% and 25.3% respectively.

Individual Rated premium (IRP) has increased by 12% to ₹ 193.54 billion and APE has increased by 9% to ₹ 214.17 billion.

	(₹ billion)	
Profitability and Financial Performance	FY 2025	FY 2024
Assets under Management (AUM)	4,480.39	3,889.23
Net worth	169.81	149.06
Indian Embedded Value (IEV)	702.50	582.59
Value of New Business (VoNB)	59.54	55.48
New Business Margin (VoNB Margin)	27.8%	28.1%
Profit / (Loss) after taxation (PAT)	24.13	18.94
Earnings per equity share (EPS) Basic/ Diluted (in ₹)	24.09/ 24.07	18.92 / 18.90

- Assets under Management grew by 15% ₹ 4.48 trillion with debt-equity mix of 61:39.
- The Company's profit after tax has increased by 27% to ₹ 24.13 billion.
- Indian Embedded Value stands at ₹ 702.50 billion with growth of 21%.
- Value of New Business grew by 7% to ₹ 59.54 billion and Value of New Business Margin is at 27.8%.

Key ratios	FY 2025	FY 2024
Operating expense ratio	5.3%	4.9%
Commission ratio [§]	4.4%	4.0%
Total cost ratio*	9.7%	8.9%
Death Claim Settlement ratio (Individual)	98.34%	98.25%
Death Claim Settlement ratio (Total)	99.40%	99.17%
Solvency ratio	1.96	1.96
Persistency ratio (premium basis) [^]		
13 th month	87.41%	86.78%
25 th month	77.68%	77.28%
61 st month	62.69%	57.41%
Return on equity	15.1%	13.6%

[§]Commission 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 13% and GWP has increased by 4% resulting an increase in operating expense ratio (Operating Expense to GWP) from 4.9% to 5.3%.
- The commission ratio has increased from 4.0% to 4.4% mainly due to change in new business mix.
- Improvement in individual death claim settlement ratio from 98.25% to 98.34% and overall death claim settlement ratio from 99.17% to 99.40%.
- 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 87.41% with growth of 63 bps. Further, the 37th month and 61st month persistency (based on premium considering Regular Premium/ Limited Premium payment under individual category) has shown strong growth of 107 bps and 528 bps respectively due to our focus on improving the quality of business and customer retention.

• Distribution network

The distribution network refers to the extent and variety of channel through which the Company sells its products and services to the customers. The robust distribution network plays pivotal role in success of the Company as it 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, 2025, the Company has 1,110 offices, 2,40,304 Insurance Advisors (IAs) and

59,815 Certified Insurance Facilitators (CIFs) across the country.

• Distribution Mix

During the year, the Company has collected NBP of ₹ 355.77 billion, comprising of ₹ 193.37 billion from 'Bancassurance' which represents company's largest distribution network, ₹ 75.66 billion from Retail Agency and ₹ 86.74 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. As of FY 2025, the global insurance industry is projected to experience moderate growth, with total premiums (both life and non-life) expected to increase by approximately 2.6% annually in real terms. 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 insurers should benefit from a rise in pension, annuity and savings product sales. High interest rates will support industry profits via improved investment returns.

The insurance industry is currently navigating a complex landscape, marked by economic challenges such as prolonged inflation, rising interest rates, and rapidly evolving consumer preferences regarding products and purchasing channels. Nevertheless, emerging economies are still optimally placed for long term growth. With their expanding middle-class population, improving financial awareness, and relatively low insurance penetration, these markets present significant opportunities for insurers to expand their footprint, diversify offerings, and support

long-term industry 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 2024 to 2028. This growth is driven by increasing demand for term life coverage among the middle class and the country's young population, alongside the adoption of Insurtech solutions. 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

- 1. 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.
- 2. Cyber Security and Data Privacy:** With increased digitalization, insurers face rising cyber threats targeting sensitive customer and financial data. We need robust cybersecurity frameworks to protect against breaches and ransomware attacks. Insurers must build resilience through continuous monitoring, employee training, and secure technology investments to maintain trust and regulatory compliance.
- 3. 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.
- 4. 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:

Master Circular on Life Insurance Products – Key highlights

- Policy to acquire surrender value after completion of first policy year, provided 1 full year premium is received.
- Methodology of calculating special surrender value factor has been prescribed.
- Non-linked savings products offering surrender shall have the facility of providing loan, basis the eligible surrender value.
- Customer Information Sheet (CIS) to be provided with every insurance policy and be made available in local language, if the policyholder so desires.
- Board approved Advertisement Policy to be put in place and Advertisement committee shall be constituted.
- Accidental death benefit rider sum assured is limited to a maximum of three times of base sum assured.
- Partial withdrawal allowed in case of pension products during deferment period, post completion of 3 years from the date of commencement of policy.

Bima-ASBA

- Insurers can offer one-time mandate facility for blocking certain amount through Unified Payment Interface (UPI) in the bank account of the concerned prospect called "Bima Application Supported by Blocked Amount (Bima - ASBA)"

for transfer of money from the prospect to the Insurer, only when Insurance policy is issued.

- Amount towards insurance premium will be debited only after Insurer decided to accept the proposal.
- Amount shall be unblocked automatically after expiry of 14 days from the date of initial blocking or within one working day from the date of non-acceptance of proposal.
- Insurer shall release the blocked amount within one day from the day of request received for cancellation of the proposal form submitted by the prospect.
- Risk shall commence from the date of acceptance of the proposal irrespective of the debit from the account of the prospect, in case Bima-ASBA is utilised.
- Bima-ASBA mechanism to be used for blocking of premium upto the limit specified by NPCI.
- This facility is extended to the Individual Policyholder.

Guidelines on Hedging Through Equity Derivatives

- Insurer permitted to use equity derivatives for hedging their existing equity exposures.
- Allowed to take below positions to the extent of existing holding of underlying equities in the respective funds:
 - Short position in Stock and Index Futures
 - Buy only put options of stocks and indices
- Following funds permitted to use equity derivatives:
 - Unit Linked funds: for the new funds
 - Life Fund
 - Pension, Annuity and Group Fund;
 - Investment Assets of General or Health Insurers
- IRDAI had specified the exposure & position limits.
- Corporate Governance measures have been prescribed.
- Disclosure requirements for sales brochures and Financial Statements has been prescribed.

Exposure to Forward Contracts in Government Securities

Permitted insurers to undertake transactions in Bond Forwards as users for hedging purpose, subject to the following conditions:

- Undertake only long positions in Bond Forwards. Bond Forwards are not permitted for ULIP business.

- Insurers shall comply with provisions pertaining to regulatory exposure and prudential norms, etc.
- Insurers shall report the transactions in the bond forwards on quarterly basis.
- Insurers shall comply with RBI directions issued for bond forwards and operational guidelines issued by Fixed Income Money Market and Dealers Association of India (FIMMDA).

3. Dividend and Reserves

The Board of Directors of the Company at its meeting held on February 28, 2025 has declared an interim dividend of ₹ 2.70 per equity share with face value of ₹ 10 each (previous year ended March 31, 2024, interim dividend of ₹ 2.70 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, 2025 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 ₹ 10.02 billion respectively. The shareholding pattern during the year under review is in compliance with the statutory requirement. The shareholding pattern is provided as a part of Form No. MGT-9 which is annexed to this Report and under Schedule – 5A which forms part of the Financial Statement.

During the year, the Company has allotted 669,618 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 "Best AI-Powered Conversational Analytics Platform" at the 2nd Edition of Data Analytics and AI Show 2025
- Won the "Best Life Insurance Company – India" at the ICC Emerging Asia Conclave & Awards 2025
- SBI Life has been recognised among India's Top 500 Value Creators 2024, organised by Dun & Bradstreet
- Won India CSR Leadership Awards 2024- Large Impact' for a project - 'Holistic Development of Children & Employability Enhancement of Young Adults Affected by Leprosy or Belonging to Leprosy Affected Families in West Bengal'.

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/riders catering to various customer needs in the life, health, pension & micro-insurance segments. These products/riders are customer centric, simple to understand and have competitive features.

During the last financial year, all Linked and Non-linked savings insurance products, including TROP (term with return of premium) were modified to comply with IRDAI (Insurance Products) Regulations, 2024 and Master Circular issued by the Authority.

The Company has successfully relaunched 20 products as on October 1, 2024, in the process of implementation of the new product regulation.

In addition, 13 new products were also launched to strengthen the product offerings by the company

- 1) SBI Life - eShield Insta
- 2) SBI Life - Smart Fortune Builder
- 3) SBI Life - Smart Privilege Plus
- 4) SBI Life - Smart Scholar Plus
- 5) SBI Life - Smart Shield Premier
- 6) SBI Life - Smart Elite Plus
- 7) SBI Life - eWealth Plus
- 8) SBI Life - Smart Swadhan Neo
- 9) SBI Life - Smart Annuity Income
- 10) SBI Life - Smart Bachat Plus
- 11) SBI Life - Smart Platina Supreme
- 12) SBI Life - Smart Future Star
- 13) SBI Life - Smart Platina Young Achiever

SBI Life eShield Insta, is a customized product exclusive for YONO platform and SBI Life Smart Shield Premier is a pure term insurance product specially designed for High-Net-worth individuals. With introduction of these two products, a good growth is seen in protection segment.

The Company has launched two new child products, SBI Life Smart Platina Young Achiever (Non-participating) and SBI Life Smart Future star (Participating), exclusively for the child segment.

Further, a new immediate annuity product, SBI Life Smart Annuity Income has been launched, which is an exclusive product designed for NPS subscribers. Interest rate movements are being continuously monitored and interest rate sensitive products including annuity products are being re-priced, if required.

Further the following two new riders were also launched during this Financial Year.

- 1) SBI Life -Accident Benefit Rider
- 2) SBI Life -Accident Benefit Rider - Linked

Also, a new Bluechip fund, to be offered as fund option under Unit-Linked Products, was launched.

The attachment rate for both the riders and the new fund is quite encouraging.

8. Processes refinement and optimization

At SBI Life, we view excellence as a continuous journey rather than a final destination. Our unwavering focus on improvement drives our passion for innovation, enabling us to adapt swiftly and thoughtfully to the ever-changing business environment. As we advance, we recognize the vital role of technology and digital tools in boosting efficiency, enhancing performance, and creating outstanding customer experiences. In today's interconnected world, digital empowerment of our organization, customers, and stakeholders is not merely a choice—it is a strategic necessity for long-term success.

SBI Life's approach to business transformation revolves around building resilient and agile work systems through a combination of continuous process refinement, digitization, and automation. With the integration of cutting-edge technologies such as Robotic Process Automation (RPA) and Artificial Intelligence (AI), we have significantly enhanced operational efficiencies, reduced costs, and maximized value creation for our customers and stakeholders.

Our commitment extends beyond business growth. We recognize the importance of preserving the environment for future generations. In line with our sustainability goals, we have adopted various initiatives to minimize our carbon footprint. The digital-first approach not only streamlines operations but also

contributes to a greener, more sustainable future, showcasing our dedication to optimizing both our business processes and environmental impact.

a) Enhancing Operational Capabilities & Process Efficiency

FY 2025 witnessed highest transaction volumes across New Business, Renewals, Policy Servicing & Living Benefits handled with utmost efficiency.

- More than 22 Lakhs Individual Policies issued and more than 2.3 Lakh Group new lives added in FY 2025.
- Benefits paid (net) of more than ₹ 48,000 Cr was paid to more than 36 lakhs policyholders/claimants in FY 2025.
- Over 15.70 Lakh Inbound calls were handled on the Customer Care Toll free number in FY 25 with 7.85% increase in calls received over the last year.
- Renewal Premium collection of more than ₹ 49,000 Cr with 14% growth over the last year. Further, 13M Persistency has increased from 86.78% in FY 2024 to 87.41% in FY 2025 and 61M Persistency has increased from 57.41% in FY 2024 to 62.69% in FY 2025.
- Individual policy issuance Non-Medical TAT (days) has reduced from 2.42 days in FY 2023 to 1.68 days in FY 2025 Whereas medical TAT for individual policies has reduced from 9.89 days in FY 2023 to 8.24 days in FY 2025.
- Death Claim Settlement ratio (individual and group) has increased from 98.39% in FY 2023 to 99.40% in FY 2025.
- Mis-selling ratio has reduced from 0.08% in FY 2023 to 0.02% in FY 2025.
- Net Promoter Score (NPS) has improved significantly from 59 in FY 2023 to 82 in FY 2025.

b) Customer Engagement, Retention & Persistency Management

Customer retention and renewals is crucial for long-term profitability of the Company. The same is measured through persistency ratios which refers to the percentage of policies that remain active and in force over a specific period. High persistency indicates customer satisfaction and trust, while low persistency can signal issues with product design, servicing, or customer engagement. The Company employs various strategies to improve customer retention,

including product innovation, personalized service, and proactive communication.

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

1. Customer Engagement
2. Renewal premium collections and persistency
3. Controlling exits through surrender and lapse control

Customer Engagement

The Company has undertaken various initiatives to ensure a long-term engagement with our esteemed customers. Multiple new mechanisms are also devised to enhance the overall customer experience such as Customer Communication Dashboard, Personalized Product Videos containing policy details, ongoing engagement call around key policy milestone, Customer Awareness Campaigns through a mix of communication channels such as emailers, SMS, IVR, Social Media, branch outreach, video content etc. The customer awareness initiatives are undertaken to educate policyholders on key policy-related aspects and servicing norms, encourage self-service adoption and build customer confidence and trust.

Renewal collections & Persistency Management

In FY 2025, the renewal premium collection under individual policies stands at ₹ 471.92 billion with a growth of 14%. The growth in renewal premium collection has led to increase the 13th Month persistency (regular Premium) by 63 bps to 87.41% and the 61st Month persistency (regular premium) by 528 bps to 62.69% 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 65% of the new policies issued during the year. Over 97% of the premium collections were made through a bouquet of collection modes and digital payment methods. The various measures undertaken to ensure high renewal collection and persistency management includes SMS with auto debit mandate registration link, Aadhar based and UPI based mandate registration, mandate registration through our smart care app etc.

The retention of policies is tracked continuously with an aim to prevent exits at any stage during the policy term by follow-up through call

centres, revival campaign, communication to policyholders with respect to losing benefits in case of policy surrender or lapsation, Personalized Communications sent to customers with calls-to-action highlighting policy benefits expected returns, and losses from non-payment of premiums, Intermediary Assisted Servicing through enhanced Smart Advisor app etc. These initiatives reflect a robust strategy to increase renewal premium collection efficiency, improve customer retention, and leverage technology to streamline processes.

Controlling exits through surrender and lapse control

The Surrender Retention activity has been augmented in order to reduce surrenders. The surrender prevention tool is used to provides information on key aspects influencing the decision to surrender such as comparison of returns realized, projected returns over different periods and expected benefits to assist in a well-informed decision. The surrender retention has improved to 33% in FY 25 as compared to 31% in last year.

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:

- A new service desk for Senior Citizen at contact centre
- The Voice Bot replacing the traditional key-press IVR system.
- Self-service option such as Missed Call Services, 'Smart Care' Customer Servicing Application, WhatsApp services, Chatbot (RIA) for our customers

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. The process quality includes monitoring key financial transactions, operational and automated processes, data quality, development of automated and tech tools to improve the efficiency, effectiveness and scalability of the quality monitoring processes. The key initiatives involves automated system for realtime validation of benefit payments independent check on the quality and accuracy of the payouts made to

customers to mitigate risk, prevent financial loss & improve compliance and automated UAT for faster product launches and improved operational efficiency.

e) Grievance Redressal

Grievance handling is not just about resolving complaints; it is about building trust, reinforcing our brand promise, and demonstrating our commitment to every policyholder. Each interaction is an opportunity to turn a dissatisfied customer into a brand advocate provided we respond with empathy, efficiency, and accountability.

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 robust Customer Relationship Management (CRM) system, designed to streamline the entire grievance lifecycle, integration of CRM with the 'Bima Bharosa' Portal (IRDAI) on real time basis. Through these initiatives, we continue to strengthen our service delivery with a focus on responsiveness, compliance, and customer-centricity.

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 "82" in FY 25 as compared to "72" in FY 24.

The ratio of customer grievances to new policies issued has remained constant at 0.13% from FY24 to FY25. Additionally, the mis-selling complaints ratio has improved to 0.02% in FY25, compared to 0.03% in FY24.

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 the authority limits for Regional Underwriting Units (RUU) with and aim to empower the underwriters for decision making authority and ensure faster processing of proposals, Updation of CPC

surrogate Underwriting guidelines and enhancement for auto-underwriting, as well as for RUU and CPC underwriters.

Intelligent Document Processing solution has been deployed and integrated with Vahan API for Insured Declared Value calculation.

ii. New Business & On boarding

The key initiatives in new business and on-boarding process are as below:

- Introduction to Video Call Process in PIWC:
- Dashboard for Peer group on Insta PIV
- Tracking mechanism of Life cycle of Insta PIV journey (through Dynatrace tool Speed Post - National Account Facility (NAF) services availed
- Integration with New Partners for smoother on-boarding
- Utilisation of RPA in NB processes

iii. 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.

iv. Customer Grievance

To enhance process efficiency and improve customer satisfaction, several recent advancements have been introduced to our CRM grievance handling system. These changes are aimed at streamlining processes, ensuring seamless coordination, and delivering a superior customer experience. The enhancements in CRM are as below:

- Customer Grievance Dashboard for Insights which includes features such as Grievance Tracking, Geographical Analysis and Performance Trends.
- Additional Fields such as reason for Grievance Acceptance or Rejection, User Category and Subcategory

and Source in CRM for Enhanced Grievance Analysis.

- Mandatory Fields Pop-Ups, Sync Button, and Escalation Remarks in Service Request Layout.
- Auto Service Request (SR) Creation via Email Syndication which results in elimination of manual data entry, instant logging, historical data tracking and trend analysis.

v. Group operations

The following initiatives were undertaken to focus on Digitization, support continuous Process improvements & Enhanced Customer Experience.

- Enhancement in Smart Group Care to view and download Master Policy Document, Premium Receipt, Endorsements & Credit notes.
- RPA process implemented under GTI to enhance process efficiency, accuracy & Customer servicing
- Group Product integrated with CRM Next

vi. 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.

- 345+ 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 15,000+ man-hours of work and handled over 440 Million+ transactions
- The automation using RPA has been performed in various business processes such as new business, underwriting, renewals, policy servicing, group operations claims etc.

9. Information Technology

SBI Life is continuously implementing the latest technologies which are relevant for Life Insurance Industry, in addition to various requirements of Regulators from time to time. Cyber Security is the top most priority for the company. Also, the footprints in the area of AI (Artificial Intelligence) for the customer service and distributors use cases are being expanded.

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

Security Initiatives

Protection against spam, virus and other sophisticated threats for inbound and outbound emails. DMARC (Domain-based Message Authentication, Reporting, and Conformance) in reject mode to avoid spoofing and protect brand reputation.

Expansion of Virtualisation environment

90% of the servers are virtualised for energy efficiency resulting in power and space saving with optimum use of compute and storage.

Capacity augmentation of application infrastructure

Added over 3.5 Petabytes space to storage to augment storage capacity

Added more than 410+ Servers for new application and to boost existing application performance and to build redundancy.

Process Area - The key initiatives in process area are as below:

- Transitioned from current Human Resource Management System (HRMS) to Darwin box's cloud-based Software as a Service (SaaS) platform with advance functionalities
- Introduction of AI based Voice IVR in regional language
- Implementation of Computer Telephony Integration
- Complete digitisation of distributors on-boarding journey
- Introduction of Omni Channel Support Desk for the distributors
- Cloud Based 'SaaS' solution for Human Resource Management
- Enhancements in Customer Relationship Management (CRM)
- Enhancements in Channel Management System (CMS)
- Introduction of Priority Services for Sr. Citizens, NRI and HNIs

The list of digital enhancements are as below:

- Face match AI functionality in Revival Workflow
- eKYC using Facial Authentication
- Online Death Claim intimation process on Corporate Website
- Express issuance for Insta policies
- Suitability Assessment in Online selling
- ESG Microsite
- Robotic Process Automation

10. Investments

Indian Equity markets delivered marginal returns in FY 25. Nifty ended FY2025 with gains of 5.3%. The Mid and the small cap indices also ended with returns of 7.5% and 5.40% respectively.

Yield on 10-year Government of India Bond fell by 48 bps in the year from 7.06% to 6.58%. Markets reacted to the monetary policy easing assumptions amidst falling inflation and steady growth. The US like many other economies started cutting interest rates in a hurry with easing inflation being the common theme. Consolidation of fiscal deficit, softer inflation and moderation of domestic growth became ingredients for a rally in bonds.

The Assets under Management (AuM) of the Company has increased by 15% from ₹ 3,889.23 billion as on March 31, 2024 to ₹ 4,480.39 billion as on March 31, 2025. The debt equity mix of the AuM as on March 31, 2025 is 61:39. The AuM was made up of ₹ 2,004.03 billion of traditional funds (including shareholders') and ₹ 2,476.36 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 2025, the Company has witnessed 14% growth in Renewal Premium collection at ₹ 494.08 billion, which contributed to 58% 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 63 bps to 87.41% and improvement in 61st month regular premium persistency by 528 bps to 62.69% 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, one of the most trusted private Life insurance brands has completed 24 years of Operations and has entered into the 'Silver Jubilee Year'. At SBI Life, we strongly believe that our employees are our most invaluable resources. In order to maintain our competitive advantage in the industry, we take proactive steps to align ourselves with the creation of a progressive work environment marked by adaptability, collaboration, and inclusivity. We are committed to consistently enhance our workplace, cultivating a robust and enduring work culture to attract, engage, upskill and retain top talent.

Our commitment to providing an outstanding working environment remains pivotal in retaining and engaging our key talent. We have undertaken various initiatives aimed at boosting employee satisfaction. Our dedicated endeavours include enhancing employee well-being, providing opportunities for upskilling and reskilling, and recognizing the valuable contribution of our employees.

The employee strength of the company has increased by 10.3% i.e. from 23893 as on 31st March 2024 to 26355 as on 31st March 2025. The average age of employees at SBI Life is around 36 years and 4 months and the average tenure is 5 years. The dynamic mix of youthful energy and seasoned expertise empowers us to excel through effective guidance and mentorship from our experienced team members.

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, 2025 the NRC has approved the grant of 6,75,400 Employee Stock Options ('Options or ESOPs') 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, 2025, 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 2025, 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 2025 under review, 24 sexual harassment cases were filed. 20 cases were disposed-off during the year including 3 cases



of previous year and appropriate actions were taken within timelines in FY 2025, remaining 7 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 27001:2022 (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.

SBI Life Risk Management has won the following accolades and awards:

1. 'SBI Life recognised as " Best Risk Management Strategy of India " by ICC in 5th Emerging Asia Insurance Awards 2025
2. SBI Life Insurance Best Risk Management Strategy of the Year' (2nd Runner) by the Indian Chambers of Commerce (ICC), 2023
3. 'Recognition' under the category of "Risk Management Team of the Year" at 4th CRO Leadership Summit and Awards, 2022
4. "CRO of the Year" award at 4th CRO Leadership Summit and Awards, 2022.
5. 'Most Innovative Risk Management Strategy of the Year" award at 4th CRO Leadership Summit and Awards, 2022
6. 'Golden Peacock Award for Risk Management for the year 2021.' This is the third time that the Company has won this prestigious award.

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 Internal Audit Department (IAD) 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, 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.

IAD 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 for various processes. 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, 2025.

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. A. John Moris & Co., Chartered Accountants, reviewed the related party transactions for the year ended March 31, 2025 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 44 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 Ministry of Corporate Affairs (MCA) has notified the Ind AS 117 on Insurance Contracts on August 12, 2024. 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. The Authority has issued an approach note along with format for submission of Proforma Ind AS financial statement for FY 2023-24 and FY 2024-25 by June 30, 2025 and December 31, 2025 respectively.

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 Company is in the process of finalisation of position paper, IT system etc.

The Company has prepared and submitted to the Authority Ind AS proforma Financial Statements for the year ended March 31, 2024 within the stipulated timelines. The Audit Committee and Board of Directors have been updated regularly with respect to the progress of Ind AS implementation.

20. Board of Directors and Key Management Personnel's

Change in Directors and Key Managerial Personnel's* (KMPs) during the year 2024-25:

Name of the Director / KMPs	Nature of change	With effect from
Mr. Veeraraghavan Srinivasan	Ceased as Deputy Chief Executive Officer	May 24, 2024
Ms. Usha Sangwan	Re-appointment as Independent Director	August 24, 2024
Mr. Dinesh Kumar Khara	Ceased as Chairman and Nominee Director of State Bank of India	August 27, 2024
Mr. Challa Sreenivasulu Setty	Appointed as Chairman and Nominee Director of State Bank of India	November 12, 2024
Mr. Dorababu Daparti	Appointed as Deputy Chief Executive Officer	February 24, 2025
Mr. Venugopal Bhaskaran Nayar	Appointed as Independent Director	February 28, 2025

* Key Management Persons as per IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers, 2024

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 IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers, 2024 ("IRDAI Corporate Governance Regulations") 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 24, 2025. 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 IRDAI (Corporate Governance for Insurers) Regulations, 2024 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 by 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, ten 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 thereat, forms part of the Corporate Governance Report, which is annexed to this Directors' Report.



Secretarial Standards

During the FY 2025, 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, IRDAI Corporate Governance Regulations 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.

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

The Company has issued 29.62% policies in the rural sector which affirms the Company's approach towards life insurance inclusion. Further, 39,27,225 new lives covered (10.35% of total new lives covered in preceding year) by the Company are from the underprivileged social sector. Further, the Company has been allotted 2,529 Gram Panchayats (GPs) for covering rural population. The Company has covered 10,13,843 lives in these GPs.

26. Management Report

Pursuant to the Regulation 10 of Schedule II, Part I of the Insurance Regulatory and Development Authority (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, 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 M/s. K.S.Aiyar & Co. Chartered Accountants and M/s. A. John Moris & Co., Chartered Accountants, as joint statutory auditors of the Company for FY 2025.

Statutory Audit and other fees paid to Joint Statutory Auditors for FY 2025 as below:

Particulars	Amount
Joint Statutory Audit Fees	103.00
Other Certification Fees	5.35

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 FY2025.

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, 2025. The C&AG vide their report no. GA/ CA-I /Accounts /SBI Life Insurance Co. Ltd./ 2024-25 / 61 dated July 18, 2025 have stated that there is nothing significant which would give rise to any comment upon or supplement to Statutory Auditors' Report. The Report of 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 Aashish K. Bhatt & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the FY 2025.

The Auditor has not made any qualification, reservation or adverse remark or disclaimer in his report for FY 2025. The Report of the Secretarial Auditor for the FY 2025 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, 2025 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 2025, 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;

- in the preparation of the annual accounts for the year ended March 31, 2025, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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, 2025 and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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, 2025 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	SBI Life is carrying out usage Artificial Intelligence (AI) and Generative Artificial Intelligence (GenAI) in its operation for providing better services to policyholders
2.	Benefits derived as a result of the above R&D	The 'AI' based Voice IVR currently supports English, Hindi and Hinglish. Its has been enhanced to address customer queries in 10 additional Regional Languages – Bengali, Telugu, Marathi, Tamil, Gujarati, Kannada, Odiya, Malayalam, Punjabi and Assamese
		Gen AI Integration in chatbots for products related queries. This Gen AI model can accurately answer product related queries related to any Individual products
3.	Future plan of action	Centre of Excellence for Artificial Intelligence (AI) and Analytics is planned to be build which will work on cutting edge technology. 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	Adoption of Artificial Intelligence (AI) technology enables processes to be more efficient while providing improved servicing to customers at various stages of the insurance lifecycle from onboarding to claims.
2.	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	It is helping us to improving processes, solving specific problems and delivering unique solutions
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:

Particulars	(₹ billion)	
	FY 2025	FY 2024
Foreign Exchange Earnings	0.03	0.04
Foreign Exchange Outgo	0.26	0.17

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. Proceeding under Insolvency and Bankruptcy Code, 2016

The Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2024-25.

41. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.

The Company has not made any one-time settlement with the banks or financial institutions, therefore, the same is not applicable.

42. Integrated Reporting

The Company has prepared Integrated Report for FY 2025 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.

43. 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, 2025.

44. Other Information

A. Economic Capital:

The annual assessment of Economic Capital of SBI Life was carried out as on March 31, 2025. 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, 2025, Solvency ratio on Economic Basis is 3.16. 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 (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024. The Company has a strong solvency ratio of 1.96 as on March 31, 2025 (Previous year ended March 31, 2024: 1.96) as against the Regulatory requirement of 1.50.

C. IRDAI Directions and Orders

- 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 ₹ 27,529 Lakh (previous year ended March 31, 2024: ₹ 27,529 Lakh) 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 ₹ 8,432 Lakh 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 ₹ 8,432 Lakh plus applicable interest as per IRDAI order dated January 11, 2017. As at March 31, 2025, out of the total provision amount, the Company has refunded administrative fees of ₹ 5,665 Lakh along with interest of ₹ 2,299 Lakh (As at March 31, 2024 administrative fees of ₹ 5,587 Lakh and interest of ₹ 2,249 Lakh) to the members of group insurance policy.
- c) IRDAI vide its order dated September 06, 2024 had issued an advisory and levied a penalty amounting to Rs. One crore on violation of certain provisions of IRDAI (Insurance Web Aggregators) Regulation, 2017 and IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017.

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 for Insurers) Regulations, 2024 and circular issued thereunder by Compliance Officer, is enclosed and forms part of the Corporate Governance Report.

45. Acknowledgements

The Board of Directors would like to express its sincere thanks for the co-operation, support and advice received from 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). The Directors also take this opportunity to express their gratitude for timely and valuable assistance and support received from State Bank of India (SBI) & to the valued customers and shareholders for their trust and patronage.

The Directors also express their gratitude for the advice, guidance and support received from time to time, from the auditors, and statutory authorities. The Directors expresses their deep sense of appreciation to all the employees, insurance advisors, corporate agents and brokers, distributors, re-insurers, bankers and the Registrars who continue to display outstanding professionalism and commitment, enabling the organization to retain market leadership in its business operations. The Directors also wish to express their gratitude to all stakeholders for their continued support and trust.

For and on behalf of the Board of Directors

Challa Sreenivasulu Setty

Chairman

DIN: 08335249

Place: Mumbai

Date: July 24, 2025