

Management Discussion & Analysis

Macro Environment

The global economic landscape in 2025 is characterised by fragmentation, realignment, and strategic recalibration. Major economies, particularly the United States and China, have adopted protectionist policies, including tariffs and non-tariff barriers, mostly driven by concerns over national security, technological autonomy, and supply chain resilience. These measures have disrupted established trade patterns and prompted companies to reassess global manufacturing and logistics strategies. While this shift poses challenges like higher costs and extended lead times, it also presents opportunities for emerging markets poised to absorb new demand.

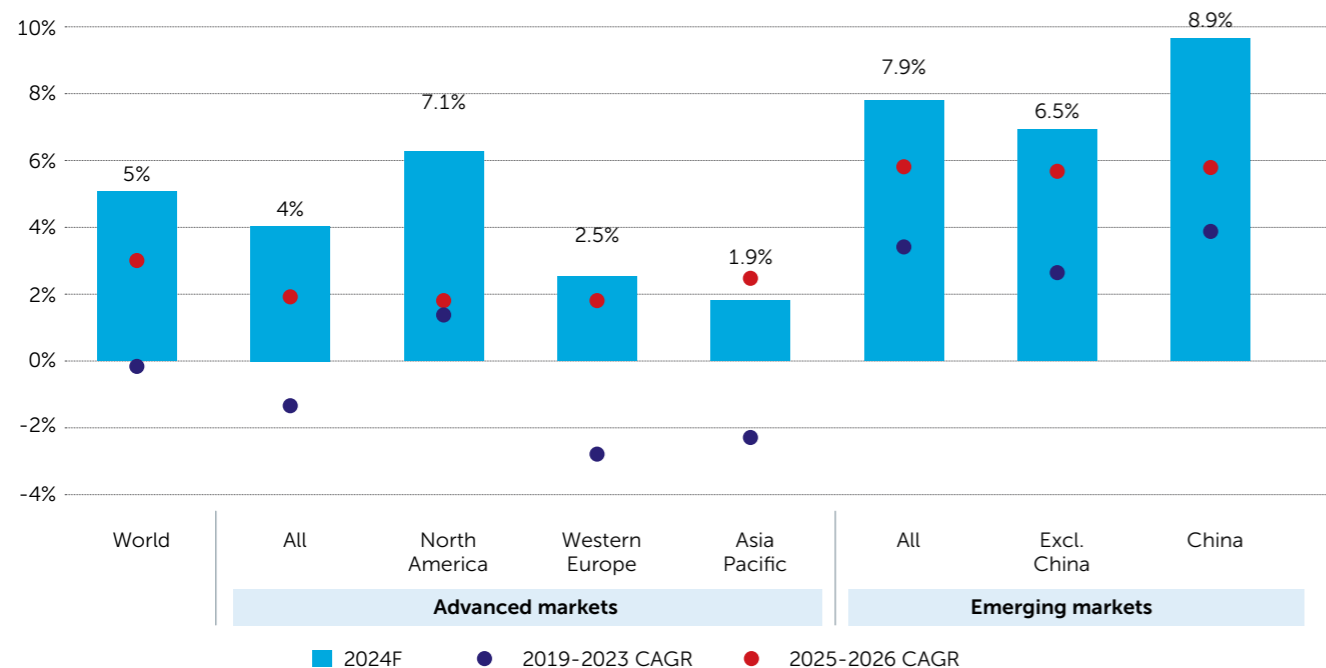
Global Economic Landscape

For countries like India, this evolving global order presents a strategic advantage. With competitive labour costs, improving infrastructure, and a stable regulatory framework, India is positioning itself as a credible alternative in global

supply chains. The government's "Make in India" initiative and other ongoing reforms to attract foreign direct investment (FDI) further reinforce this position.

Growth trajectories across economies remain uneven. The United States is experiencing a slowdown due to extended monetary tightening, which has curbed investment and consumer spending. China is grappling with structural headwinds, including demographic shifts, tighter regulations, and an ongoing transition from investment-led to consumption-driven growth. In contrast, economies such as Japan and the United Kingdom are benefiting from fiscal stimulus and easing inflation, enabling central banks to pivot toward accommodative monetary policies. Despite these divergences, the global life insurance sector has demonstrated resilience. According to Swiss Reinsurance Company (Swiss Re), an international reinsurance provider, global real premium growth is projected to reach 3% in 2025-26.

Global life insurance premiums, real terms growth rates



Source: Swiss Re Institute

These trends underpin this sector's profitability, although insurers face intensifying competition from InsurTechs — that use technology to innovate and improve the insurance sector — and increasing regulatory scrutiny around transparency and consumer protection. Technological

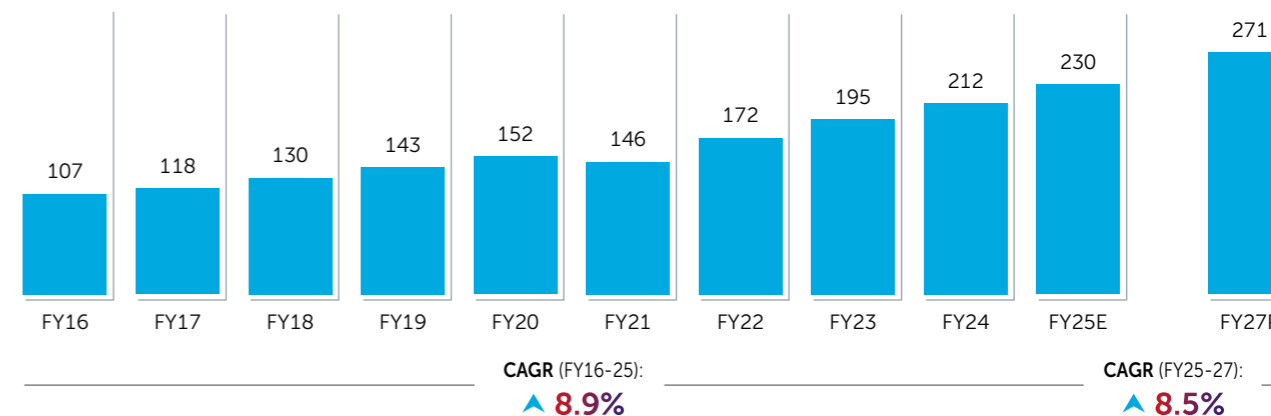
advances — particularly in AI, data analytics, and digital platforms — are transforming underwriting, customer engagement, and operational efficiency. The global insurance landscape is evolving toward a hybrid model combining scale, innovation, and personalised services.

India's Fiscal Consolidation

India's position within the global context is increasingly prominent. As one of the fastest-growing major economies, India offers a stable and expanding market amid global uncertainties. Robust foreign exchange reserves, a manageable current account deficit, and improvements in the ease of doing business have made India an attractive investment destination, particularly in financial services and insurance.

India's economic performance in FY25 and its outlook for FY26 reflect a balanced mix of momentum, resilience, and reform. With a projected GDP growth of 6.3%¹ in FY26, well above the global average, and in contrast to slowing growth in advanced economies, India's trajectory underscores its robust macroeconomic fundamentals, policy consistency, and strong sectoral performance.

India's nominal GDP per capita (₹ 000)



Source: Ministry of Statistics and Program Implementation (MoSPI), IME Crisil Intelligence

Note: E - Estimated; P - projected. (A) Per capita nominal GDP as per First Advance Estimates of National Income, 2024-25

India's fiscal deficit is projected to decline from 4.8% of GDP in FY25 to 4.4% in FY26², reflecting improved fiscal discipline and stronger tax revenue mobilisation. This consolidation enhances investor confidence and reflects the government's commitment to sustainable public finance. Concurrently, inflation has eased significantly, with the Consumer Price Index (CPI) at 3.3%³ and the Wholesale Price Index (WPI) at 2.1%⁴ as of March 2025, creating room for a more accommodative monetary policy.

approximately USD 500⁶ billion by 2030, highlighting India's transition toward a green economy and its commitment to climate goals.

A cornerstone of growth is the government's continued emphasis on capital expenditure, which is set to rise by 10% year-on-year to USD 134.5 billion⁵ in FY26. These infrastructure investments are designed to enhance productivity and employment while bridging critical gaps in transportation, logistics, and energy. The associated multiplier effects are expected to significantly boost manufacturing, logistics, and rural development.

Recent tax reforms have provided an additional boost to household spending and consumption. The revision of income tax slabs and increase in the rebate threshold from ₹ 7 lakhs to ₹ 12 lakhs under the new regime have enhanced disposable incomes, particularly among the middle class, thereby stimulating demand and consumption growth in FY26 and beyond.

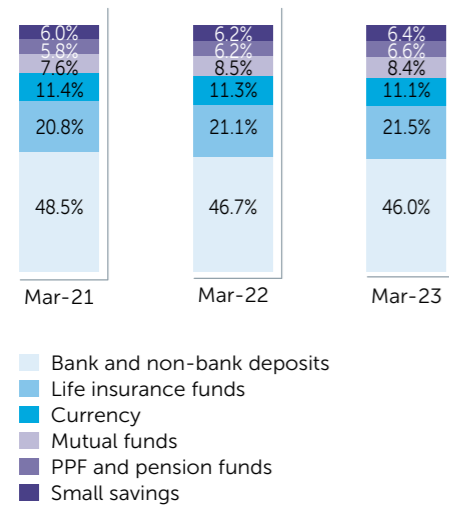
Technology and sustainability have emerged as key economic growth drivers. India is now the third most attractive global destination for technological investments, supported by a strong talent base and digital infrastructure. The cleantech sector alone is projected to generate

Rural consumption, a critical component of India's domestic demand story, is gaining traction, buoyed by a favourable monsoon outlook, rising farm incomes, and expanded government schemes. India's medium-term growth is expected to stabilise around 6.7%⁷, driven by sustained capital investment, efficiency gains, and a diversifying economic base encompassing manufacturing, services, and digital industries. Supported by low external vulnerabilities and strong macroeconomic buffers, India is well-positioned to become the world's third-largest economy by the end of the decade.

1. EIU database
2. 1st Advanced Estimates, PIB, 1 February 2025
3. Provisional Consumer price index numbers on base 2012=100 for rural, urban and combined for the month of March 2025 PIB, 15 April 2025

4. Provisional Index Numbers of Wholesale Price in India for the month of March 2025 (Base year: 2011-12), PIB, 15 April 2025
5. IBEF, 3 February 2025
6. IBEF, 07 June 2024
7. Crisil Report, Mar 2025

Trend in constituents of net financial savings of households in India



Source: Reserve Bank of India (RBI), Crisil Intelligence

Life Insurance Industry Overview

India's insurance sector is undergoing a significant transformation, witnessing robust growth driven by rising income levels, increasing financial awareness, supportive regulations, and rapid digital adoption. At the forefront of this evolution is the life insurance industry, which plays a pivotal role in promoting financial inclusion, encouraging long-term savings, and supporting capital formation. Over the past two decades, the life insurance industry in India has grown at a compound annual growth rate (CAGR) of 17%, and is projected to reach ₹ 19.3 lakhs⁸ crore (USD 222 billion) by FY26. Life insurance remains central to India's financial ecosystem, accounting for nearly 74%⁹ of total insurance premiums collected in the country.

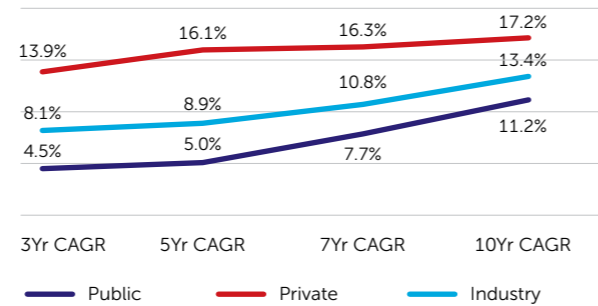
A favourable regulatory environment reforms and proactive government initiatives have supported industry growth. Notably, the increase in the Foreign Direct Investment (FDI) limit from 74% to 100%, permitting complete foreign ownership of insurance companies, has enabled the infusion of global capital and international best practices, thereby strengthening the sustainability and competitiveness of this capital-intensive sector. Additionally, the government's broader economic and policy focus on macroeconomic stability, education, and skill development supports the development of a sustainable and profitable insurance ecosystem.

The Insurance Regulatory and Development Authority of India (IRDAI) is steering this growth through its long-term strategy, Vision 2047, which aims to achieve "Insurance for All" by ensuring comprehensive coverage for every citizen and enterprise. The initiative prioritises the development of innovative products tailored to meet the diverse needs of India's population, with simplified business processes and efficient grievance redressal mechanisms that build trust and promote customer engagement, alongside the alignment of regulations with dynamic market conditions. IRDAI is also encouraging the shift toward a principle-based regulatory approach, with technology integration to foster innovation and competitiveness within the sector.

Technology has emerged as a major enabler in transforming the life insurance landscape. The pandemic that accelerated the adoption of digital tools also led to the creation of end-to-end digital experiences for the customer, from policy comparisons and purchases to onboarding and servicing. Artificial intelligence (AI)-powered underwriting, behavioural analytics, and integration with fintech ecosystems have significantly enhanced customer engagement and operational efficiency. InsurTech startups continue to innovatively disrupt traditional insurance models and play a pivotal role in expanding access to insurance and improving service delivery. These advances streamline internal operations, enable swifter claim settlements, and create more transparent and customer-friendly experiences.

A. Growth

- The Life Insurance industry in India continued its growth trajectory in FY25, with consistent premium growth. During FY25, the industry recorded total new business premium income of ₹ 3.97 lakhs crore, registering a 5.1% year-on-year growth.
- Private sector life insurers led the expansion, recording a growth of 9.8% in new premium collections, while the public sector life insurer reported a more modest increase of 1.9% in premiums. Market share of private industry increased to 43.0% in FY25 from 33.8% in FY21. In recent years, private life insurance companies in India have also demonstrated robust growth by increasingly capturing market share through a strategic focus on individual policies and digital transformation. These trends reflect the growing diversification of the market and increased customer preference for tailored, digitally accessible products.
- The industry recorded an overall CAGR growth of 8.9% between FY20 and FY25. While private life insurance players recorded a CAGR growth of 16.1%, public life insurers recorded a CAGR growth of 5.0% for the said period as depicted below.



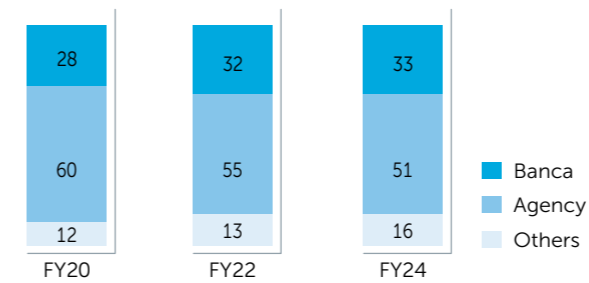
(Source: Life Council Report)

- While public insurers maintain a strong presence owing to their large legacy customer bases and high levels of brand trust, private life insurers have often outperformed in terms of growth, due to their nimble, innovative, customer-focused strategies and multi-channel distribution models. However, public insurers still dominate overall size and reach, particularly in rural and underpenetrated markets.

B. Development

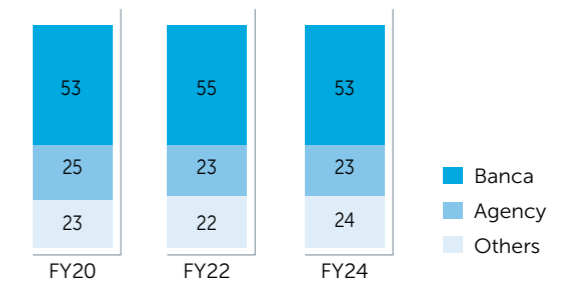
The life insurance distribution landscape has undergone a significant transformation, shifting over the years from a predominantly agent-driven model to a more diversified approach that includes bancassurance, digital, and direct sales.

**Channel Mix¹
Industry (%)**



¹ Based on Public disclosure

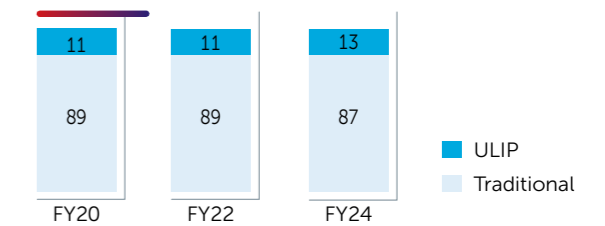
Private Players (%)



- While individual agents — the large sales force affiliated to the public insurer — continue to dominate the distribution landscape in terms of policy sales, private insurers have gained a higher share through the bancassurance channel, that offers benefits of exclusive and integrated access to large banking networks.
- Going forward, multi-channel and digital hybrid models like bancassurance and digital platforms are likely to gain traction, particularly among the urban demographic and younger customers. After the COVID-19 pandemic, the adoption of digital channels has accelerated, especially for term and savings plans, enhancing transparency and consumer choice through features like real-time, personalised premium calculators and instant policy issuance.

- Despite modern products like Unit Linked Insurance Plans (ULIPs) gaining traction, traditional products continue to hold a significant market share due to their long-standing presence and alignment with customers' financial goals focused on disciplined savings and inheritance planning

Industry (%)



Source - Based on Public Disclosure

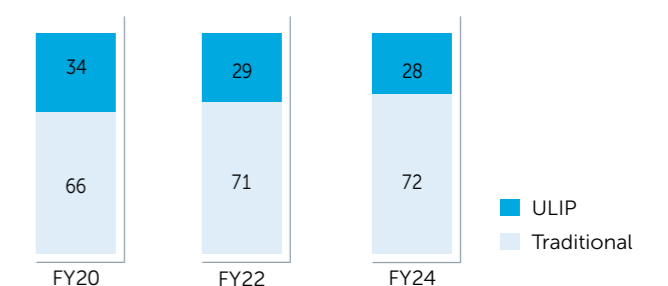
Product Mix

India's life insurance product mix primarily consists of protection plans, savings/investment-linked plans, pension products, group insurance, and specialised products. Traditional life insurance products, such as endowment plans, whole life policies, and money-back plans, have historically dominated the life insurance market.

- These products, which combine life cover with guaranteed savings and fixed returns, appeal to risk-averse customers seeking financial security and predictable outcomes. Their popularity is deeply rooted in the cultural preference for assured maturity benefits and capital protection, making them a trusted choice for conservative investors

- Private life insurers in India have a notably higher share of Unit Linked Insurance Plans (ULIPs) in their product portfolio than public sector players. Known for their product innovation, aggressive marketing, and customer-centric approach, private insurers have successfully positioned ULIPs as transparent, flexible investment solutions combining protection with market-linked returns

Private Players (%)



Source - Bases on Public Disclosures

- However, changes introduced under the Finance Act, 2021, alongside recent amendments in the Union Budget 2025, have significantly altered the tax landscape for ULIPs. Policies issued on or after February 1, 2021, with annual premiums exceeding ₹ 2.5 lakh, are now subject to capital gains tax, aligning with mutual fund taxation. Further changes were introduced in Finance Act, 2023 wherein Non ULIP policies (except Pure Term, Annuity and Pension) issued on or after April 1, 2023, with annual premium exceeding ₹ 5 lakhs, is taxable.
- Tax planning thus becomes essential for structuring retirement portfolios. Insurers are expected to respond by redesigning products to optimise post-tax returns, offering more tax-efficient insurance products, or bundling investment benefits with policy features to enhance customer value.

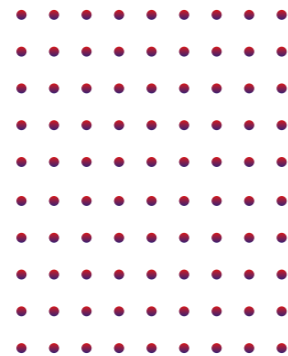
C. Outlook

The outlook for the life insurance sector remains promising, underpinned by ongoing reforms in the regulatory framework, which are expected to reshape how insurers operate and engage with customers. Key growth drivers include a growing middle class, increased awareness about the importance of insurance, and digital advancements, besides increasing life expectancy, favourable savings trends, and expanding private sector employment — all of which are likely to boost demand for life and pension products. Looking ahead, the Indian life insurance sector is poised to outpace global growth. According to Swiss Re, India’s market is projected to expand at a significantly higher rate of 6.9% between 2025 and 2029.

India’s GDP growth is expected to remain among the highest globally, averaging 6–7% annually. This economic momentum, coupled with an expanding middle class, higher disposable incomes, and growing financial literacy, has helped broaden the life insurance customer base for both protection and savings. However, life insurance penetration in India remains low at around 3.2% of GDP (2023), significantly lower than the global average of ~7%. A substantial portion of the population, particularly in rural and semi-urban areas, is either uninsured or underinsured, presenting considerable headroom for growth through increasing coverage with basic term plans and micro-insurance products.

Despite this positive outlook, significant challenges persist, particularly low penetration levels. Key constraints include limited awareness, affordability barriers, complex product structures, and underdeveloped distribution networks that impact reach. India’s vast demographic and geographic diversity requires a comprehensive and inclusive approach to bridge the protection gap. The success of IRDAI’s Vision 2047 will depend heavily on stakeholder collaboration, continual product innovation, and a sharp focus on delivering customer-centric solutions that are both affordable and accessible.

In conclusion, the Indian life insurance industry stands at a pivotal inflection point, propelled by strong economic fundamentals, demographic advantages, forward-looking policy reforms, and transformative digital technologies. As India advances toward becoming a global economic powerhouse, the life insurance sector will remain integral to building financial resilience, mobilising long-term capital, and fostering inclusive and sustainable growth for all segments of society.

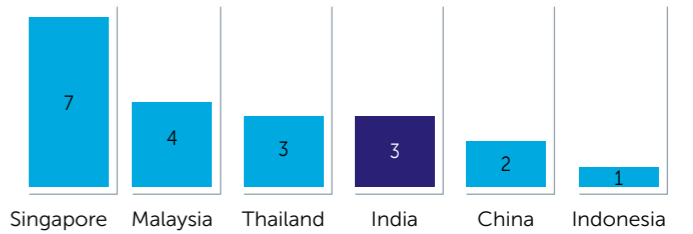


01 Focus Area
Increasing insurance penetration

Life insurance penetration in India, showing a moderate improvement over the years but still below the global average. While this indicates growing awareness and demand for insurance in India, the country continues to lag behind several developed and emerging economies. This comparison highlights the significant untapped potential in the Indian market, particularly given its large young population and rising income levels.

Opportunity/Risk
Opportunity

Life Insurance Penetration
(Premium as % of GDP)



Source - Swiss re sigma No.3/2024

How/why an opportunity

Demographic Profile

- Population size** - India has become the most populous country in the world, with its population estimated at around 1.46 billion. With a large working-age population, India has substantial economic potential.
- Age distribution** - Aligning products, to meet evolving age-specific needs — driving both penetration and retention across lifecycle stages.
- Urbanisation** - Urbanisation is a powerful catalyst for life insurance growth in India — driving awareness, adoption, and product demand. For insurers, the opportunity lies in delivering digital, data-driven, and tailor-made solutions for urban consumers.
- Middle class awareness** - India’s middle class holds immense potential in expanding life insurance coverage by giving access to affordable, easy-to-understand products and clear literacy efforts.

Strategy

- By proactively integrating traditional channels with digital platforms, and reinforcing them with training, company is successfully expanding its footprint across geographies and customer segments.
- Leveraging SBI’s extensive branch network (22,000+ branches) for insurance distribution through activation.
- Company has been actively working to raise awareness about life insurance among India’s growing middle class, recognising this segment’s increasing financial responsibilities and aspiration for security, through targeted advertising campaigns, financial literacy programmes, and digital outreach.
- The company strengthening its urban outreach through digital platforms, enabling seamless policy purchases, renewals, and customer service via mobile apps and web portals. Furthermore, it tailors marketing campaigns that resonate with urban lifestyles, promoting the importance of financial planning.

[For ongoing Initiatives refer to Integrated reporting section on External Environment; Page No. 28](#)

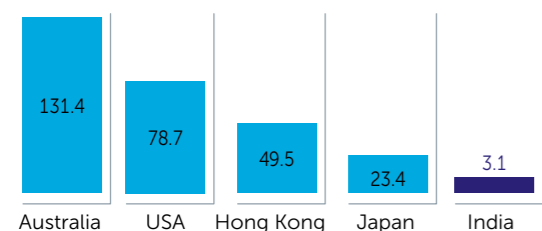
02 Focus Area
Evolving Financial landscape

India has one of the highest mortality protection gaps globally, reflecting a significant shortfall between the life insurance coverage required and what households actually hold. At the same time, with increasing awareness of financial planning, rising disposable incomes, and favourable demographics, it provides opportunity to capture untapped demand across urban, semi-urban, and rural markets.

How/why an opportunity

- 1. Protection Gap** - A significant portion of the Indian population remains underinsured or uninsured, largely due to affordability concerns, lack of financial literacy, and limited access to suitable insurance products, particularly in rural and semi-urban areas.
- 2. Increase Financial Savings** - By aligning life insurance planning with a person's income growth and evolving life stage needs, making it both accessible and sustainable over the long term.
- 3. Higher Insurance Awareness** - Increased awareness helps individuals recognise the need for adequate financial protection against uncertainties such as premature death, disability, or critical illnesses. When people are more informed, they are better equipped to assess their coverage needs, compare products, and make informed decisions. This often leads to higher insurance penetration and reduces the protection gap.
- 4. Demand For Retirement Products** - The demand for retirement products in India is witnessing a significant rise, driven by increasing life expectancy, and a growing awareness of the need for long-term financial security. With India's elderly population projected to nearly double by 2050, the demand for robust and reliable retirement products is expected to accelerate further.

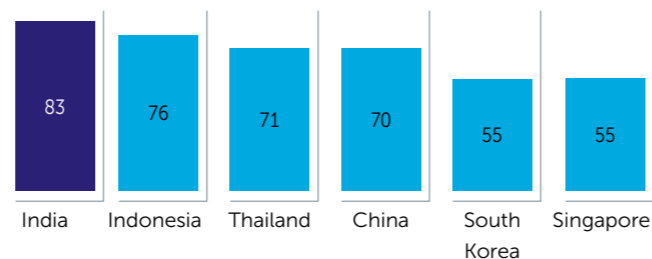
Pension Assets/GDP ratio (2022)
(%)



Source – OECD Data, 2022

Opportunity/Risk
Opportunity

Protection gap
(%)



Source - Swiss Re, "Closing Asia's Mortality Protection Gap 2020"

Strategy

- Adopting a multi-dimensional approach to reduce the life insurance protection gap by focusing on affordability and accessibility by offering low-cost term insurance plans that provide high coverage at minimal premiums, especially suited for first-time buyers and middle-income groups.
- Offering multiple annuity options (immediate, deferred, with or without return of purchase price) to suit different retirement income preferences, also by allowing gradual shifting from equity to debt allocations in ULIP-based retirement plans as the policyholder ages, helping manage market risks closer to retirement.
- By running marketing campaigns which highlight real-life scenarios that emphasise the importance of life insurance for family security. Also, through financial literacy programmes to educate people on the role of life insurance in long-term financial planning.
- Giving options to policyholder to upgrade their coverage – either by purchasing top-up plans, increasing of sum assured automatically at fixed interval, or shifting to more comprehensive plans at specific milestone (like marriage or childbirth) that include savings or investment components.

[For ongoing Initiatives refer to Integrated reporting section on External Environment: Page No. 28](#)

03 Focus Area
Digitalisation & Insurtech Innovation

India's digital economy is on a fast track to become a trillion dollar industry by 2029, contributing over 20% to the national income by 2030. This growth trajectory signals an economic transformation where technology will play a central role in addressing cyber security and need for large scale reskilling initiatives.

How/why an opportunity

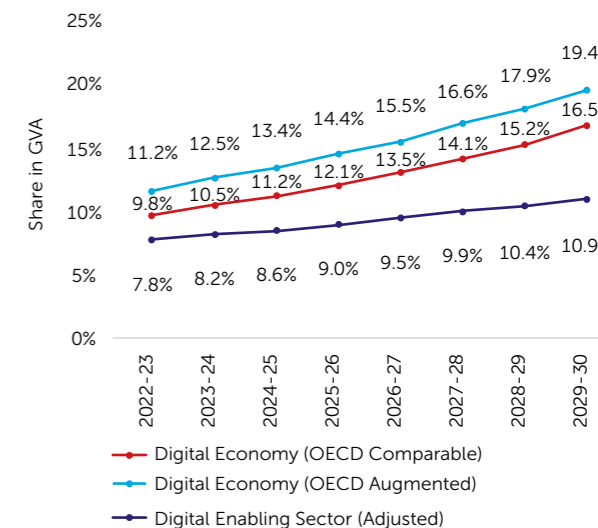
India is entering a **transformative era** in financial digitalisation, driven by:

- Mobile Subscription** - As of early 2025, India has around 1.16 billion wireless subscribers, driven mainly by rural growth where tele-density exceeds 59%, while urban tele-density is above 131% (TRAI Report, 2025).
- 5G Deployment** - India has about 290 million 5G users, ranking among the largest global markets. The 5G market is expected to reach USD 159.1 billion by 2030, supported by strong mobile data consumption and government initiatives across key sectors (GlobeNewswire, 2025).
- Internet Traffic** - With nearly 975 million broadband connections (900 million wireless), India is the world's second-largest internet market by scale and consumption as of early 2025 (IAMAI Report, 2025).
- Digital Payments** - In FY2024-25, India recorded ~222 billion digital transactions – a 35% YoY increase – valued at ₹ 2,862 trillion. UPI dominates with 83–84% of retail digital transactions (~186 billion), accounting for 48.5% of global real-time payment volume. UPI transaction volume and value grew 41–42% and ~30%, respectively (NPCI, 2025).

[For Regulatory Updates and Developments refer Page No. 120 of the Directors' Report](#)

Opportunity/Risk
Opportunity

Protected growth of India's Digital Economy



Source - Ministry of Electronics and Information Technology

Strategy

- 1. Mobile-First Insurance Products:** Launch easy-to-understand micro and term insurance plans optimised for mobile users, focusing on rural markets where penetration is growing.
- 2. Digital Agent Enablement:** Equip SBI Life's extensive agent network with mobile-based tools for seamless policy issuance, digital KYC, and real-time customer support, especially in rural and semi-urban areas.
- 3. Enhanced Customer Experience using AI:** Implement virtual consultations and claims assistance leveraging video calls and AR/VR technology for immersive policy explanations and onboarding.
- 4. Faster Claims & Underwriting :** Real-time claim assessments through high-definition video submissions and AI-based risk evaluation.
- 5. Digital-First Distribution:** Strengthen SBI Life's digital platforms (web/app) with AI-powered personalised product recommendations and multilingual support to cater to diverse Indian demographics.
- 6. Rural Digital Access:** Deploy Progressive Web Apps (PWA) and collaborate with Common Service Centres (CSCs) to provide insurance services in low-bandwidth regions.
- 7. Seamless UPI Integration:** Enable premium payments, renewals, and claims disbursement via UPI and UPI Autopay to enhance customer convenience and reduce payment drop-offs.

[For ongoing Initiatives refer to Integrated reporting section on External Environment: Page No. 28](#)

04

Focus Area
Evolving Customer Needs

Customer needs in life insurance are rapidly evolving, with growing demand for personalised, flexible, and goal-oriented solutions. Today's customers seek more than just protection they expect products that align with their life stage, lifestyle, and long-term financial aspirations, creating new opportunities for customer-centric innovation.

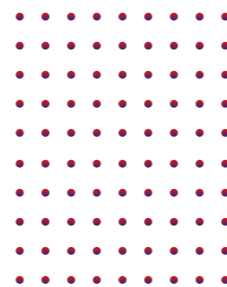
How/why an opportunity

- 1. Defense Segment:** Provide flexible, protection insurance solutions tailored to the unique lifestyle and service conditions of defense personnel.
- 2. Women (Working Professionals and Homemakers):** Empower women with customised insurance plans that support financial independence, family protection and future planning.
- 3. Children Segment:** Child-focused insurance products that secure education and life milestones.
- 4. Micro insurance:** Powerful opportunity to tap into underserved low-income and rural segments by offering affordable, need-based coverage.
- 5. High Net-Worth Individuals (HNIs):** Opportunity to position life insurance as a strategic tool for wealth preservation & financial planning.
- 6. Millennials and Gen Z:** Rapidly rising digital adoption creates a massive opportunity to anchor insurance products as flexible, tech-driven tools for financial and lifestyle planning.

Opportunity/Risk
Opportunity

Strategy

1. Create specialised, portable insurance plans with high-risk coverage and dedicated servicing aimed at defense segment.
2. Develop women-centric insurance products with flexible savings and protection focused features. Also, introduce goal-based child plans with milestone payouts and premium waivers to ensure uninterrupted financial support.
3. Design, provide enhanced and exclusive products for health and rider to new and existing customers.
4. Develop simple, low-premium, digitally distributed micro insurance products tailored to specific risks and accessible through local channels.
5. Offer personalised, investment-oriented insurance solutions with dedicated wealth advisory services catering to HNIs.
6. Design and distribute modular, transparent and digitally accessible policies like short-tenure term plans with health add-ons and seamless digital onboarding amplified through lesser clicks.



Business Overview

SBI Life has successfully concluded the financial year with a continued strategic focus on new business growth. A wide distribution network and customer-centric product portfolio have enabled the Company to capitalise on the significant opportunities in the Indian insurance market. The Company's focus on digitalisation is aimed at delivering high-quality, value-driven products and services to our customers.

Segment-wise business performance

The life insurance sector can be broadly categorised into three product segments: participating, non-linked

and unit-linked products. Non-linked products include traditional products that provide savings with protection benefits or purely savings or protection products. Non-linked products are further classified into participating products – that offer variable returns linked to the insurer's performance – and non-participating products that provide fixed benefits. Unit-linked products (ULIPs) offer returns, directly tied to the performance of underlying debt and equity market investments.

New business performance of the Company can be analysed based on the following segments: –

(₹ billion)						
Sr. No.	Segments	FY25	FY24	Product Mix (FY25)	Y-o-Y Growth	CAGR (FY20 – FY25)
1.	Participating Segment	7.54	7.96	2.1%	(5.3%)	(8.2%)
2.	Non-Participating Segment					
	- Individual Savings	86.13	83.04	24.2%	3.7%	41.7%
	- Group Savings	56.67	111.11	15.9%	(49.0%)	8.5%
	- Individual Protection	7.93	9.51	2.2%	(16.6%)	8.4%
	- Group Protection	33.02	32.14	9.3%	2.7%	16.3%
3.	Linked Segment	164.48	138.62	46.3%	18.7%	15.3%
	Total NBP	355.77	382.38	100.0%	(7.0%)	16.5%

A brief description of the segments is given below:

1. Participating Segment

Participating life insurance products are savings-oriented protection plans where policyholders are entitled to a share in the surplus generated from the participating segment during the term of the policy contract. These products offer a guaranteed sum assured along with potential long-term returns through surplus distribution, if any, subject to the fund's performance. Policyholders receive at least a 90% share of the surplus, while the remaining is allocated to shareholders. The Company offers a range of participating insurance products designed to meet diverse customer needs, including whole life insurance that provides lifelong coverage and endowment life insurance products that provide benefits over a defined term.

New business premium from participating segments accounted for almost 2.1% of the total new business premium during FY25.

2. Non-Participating Segment

The Non-Participating segment comprises individual savings, group savings and protection segments. These product offerings provide defined benefits over a fixed period and do not entitle the insured to a share in the fund surplus. Any surplus arising in the case of non-participating business is transferred to the shareholders' account, on the recommendation of the appointed actuary.

i) Individual Savings

The individual savings segment comprises endowment products, variable insurance plans and immediate annuity products.

Endowment Products: An endowment plan pays the sum assured to the beneficiary either on maturity or on the occurrence of a covered event during the specified term.

Variable Insurance Plan: Under a variable insurance plan, the benefits are linked, partially or wholly, to the performance of an approved external index or benchmark.

Immediate Annuity Products: An immediate annuity plan guarantees a defined lifelong income, commonly known as a pension, beginning immediately after purchase, thereby addressing the longevity risk.

New business premium from the individual savings segment constituted 24.2% of the total new business premium for FY25, registering a growth of 3.7%, rising from ₹ 83.04 billion in FY24 to ₹ 86.13 billion in FY25.

ii) Group Savings

Group savings solutions comprise group fund-based insurance products and immediate annuity offerings.

Fund-based group insurance products cater to the needs of employers seeking financial solutions to fund their employees' benefit schemes including gratuity, superannuation and leave encashment.

Group immediate annuity products are primarily meant for corporate clients (employer-employee groups) and other informal groups, seeking to fulfil annuity obligations for their members' annuity liability.

iii) Protection

The protection segment includes both individual and group products.

Individual protection products offer fixed benefits during the policy term, upon the occurrence of specific insured events, typically the death of the insured, but may also include permanent disability or critical illness. These products expire if the designated event does not occur. This segment also includes health insurance products which provide cover against expenses arising due to medical emergencies requiring hospitalisation, and critical illnesses.

The Group protection segment includes credit life insurance products which cover the

outstanding loan liabilities of banks and financial institutions in the event of death or disability of the insured members of the group.

The group protection segment also includes products which provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member's nominee. These products are usually structured as employee-employer schemes where the employer holds the master policy and employees are the insured members.

3. Linked Segment

Linked products offer a combination of insurance protection and market-linked investment opportunities. Returns are directly linked to the performance of the underlying funds, with a transparent and pre-defined charge structure. The investment risk on these products is borne entirely by the policyholder. This segment also includes fund based group solutions for gratuity, superannuation and leave encashment tailored for employers' needs.

New business premium from the linked segment constituted 46.3% of the total new business premium for FY25, amounting to ₹ 164.48 billion, reflecting a robust growth of 18.7% over the previous year.

I. Analysis of Financial Statements

A. Revenue Account

The summary of Revenue Account of the Company for FY25, along with comparative and detailed analysis, is given below:

Particulars	FY25	FY24	% Growth
(₹ in billion)			
Income			
Gross written premium	849.85	814.31	4.4
Reinsurance ceded	(9.25)	(8.44)	9.6
Net earned premium	840.60	805.87	4.3
Income from investments ¹	317.26	503.88	(37.0)
Contribution from the Shareholders' Account	13.46	16.28	(17.3)
Other miscellaneous income	(0.01)	0.50	(102.3)
Total Income	1,171.31	1,326.53	(11.7)
Expenses			
Commissions	37.39	32.55	14.9
Operating expenses relating to insurance business ²	44.92	39.84	12.7
Provision for taxation	1.98	1.36	45.9
Goods and Services Tax	11.06	9.48	16.7
Benefits paid (net) ³	489.02	431.07	13.4
Change in valuation of liability in respect of life policies	557.00	784.31	(29.0)
Total Expenses	1,141.37	1,298.61	(12.1)
Surplus/(Deficit)	29.94	27.92	7.3
Transfer to Shareholders' Account	27.40	25.98	5.5
Balance being Funds for Future Appropriations	2.54	1.94	31.5

¹ Net of Provision for diminution in the value of investment and provision for standard assets

² Includes provision for doubtful debt (including write-off)

³ Includes Interim and Terminal Bonus

i. Premium Income

The summary of premium income is as follows:

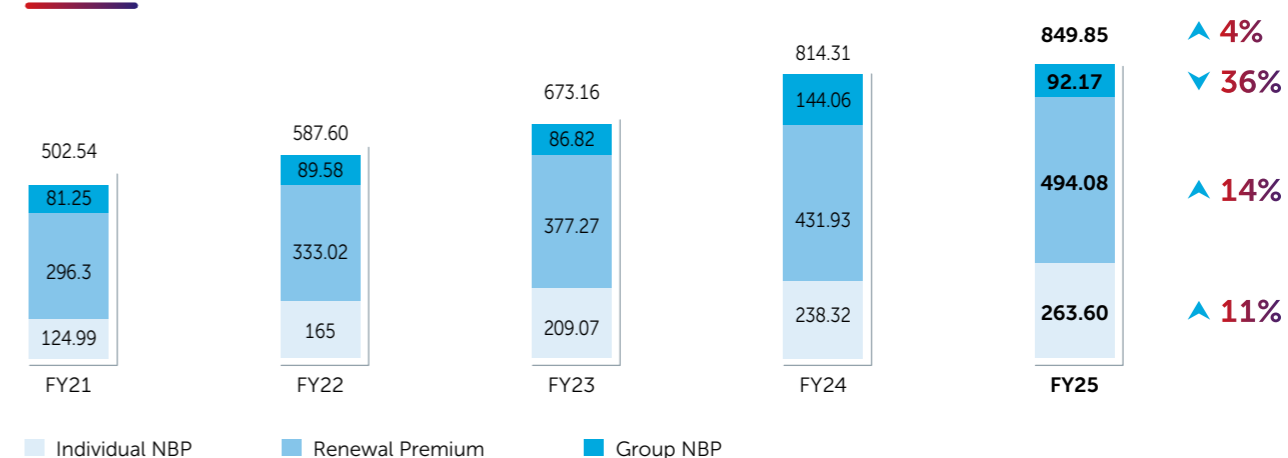
(₹ in billion)

Particulars	FY25				FY24			
	Par	Non Par	Linked	Total	Par	Non Par	Linked	Total
New Business Premium	7.54	183.75	164.48	355.77	7.96	235.80	138.62	382.38
Individual	7.54	94.05	162.01	263.60	7.96	92.55	137.81	238.32
Group	-	89.70	2.47	92.17	-	143.25	0.81	144.06
Renewal Premium	61.19	132.06	300.83	494.08	63.16	101.11	267.66	431.93
Gross Written Premium	68.73	315.81	465.31	849.85	71.12	336.91	406.28	814.31
Less: Reinsurance ceded	(0.01)	(9.00)	(0.24)	(9.25)	(0.01)	(8.21)	(0.22)	(8.44)
Net Premium	68.72	306.81	465.07	840.60	71.11	328.70	406.06	805.87

- Gross written premium has increased by 4.4% from ₹ 814.31 billion in FY24 to ₹ 849.85 billion in FY25, mainly due to strong growth in renewal premium by 14.4%.
- Individual new business premium has increased by 10.6% from ₹ 238.32 billion in FY24 to ₹ 263.60 billion in FY25 due to increase in new business premium from Non-Par savings and Unit Linked Life segment.
- The renewal business has increased by 14.4% from ₹ 431.93 billion in FY24 to ₹ 494.08 billion in FY25, mainly due to an increase in individual renewal business from the Linked Life and Non-Par life segments.
- The group's new business premium decreased by 36.0% from ₹ 144.06 billion in FY24 to ₹ 92.17 billion in FY25.

The following chart depicts the growth in Company's total premium over the years

Gross Written Premium (₹ in billion)



ii. Investment Income

The summary of investment income is as follows:

(₹ in billion)

Particulars	FY25				FY24			
	Par	Non Par	Linked	Total	Par	Non Par	Linked	Total
Interest and Dividend ¹	37.19	78.99	78.12	194.30	34.32	65.22	70.85	170.39
Profit/ (Loss) on sale of investments	11.86	4.58	89.98	106.42	10.23	3.90	71.10	85.23
Change in fair value		(0.71)	17.13	16.42		(1.58)	249.63	248.05
Provision for diminution, standard assets	0.06	0.06	-	0.12	0.27	(0.06)	-	0.21
Total	49.11	82.92	185.23	317.26	44.82	67.49	391.57	503.88

1. Interest and Dividend includes net of Accretion of discount / (Amortisation of premium)

Total income from investment at ₹ 317.26 billion in FY25 comprised ₹ 185.23 billion under the unit-linked portfolio and ₹ 132.03 billion under the traditional portfolio. Total investment income has decreased by ₹ 186.62 billion from ₹ 503.88 billion in FY24 to ₹ 317.26 billion in FY25, mainly due to a decrease in the change in fair value on account of the valuation of the equity portfolio under the Unit Linked segment.

Traditional Portfolio (Par and Non-Par):

Total investment income under the traditional portfolio has increased by ₹ 19.72 billion from ₹ 112.31 billion in FY24 to ₹ 132.03 billion in FY25, majorly due to the following:

- a. Interest income under the traditional portfolio increased by ₹ 13.27 billion from ₹ 90.48 billion in

FY24 to ₹ 103.75 billion in FY25 due to an increase in investment in debt securities by 14.7% under the traditional portfolio.

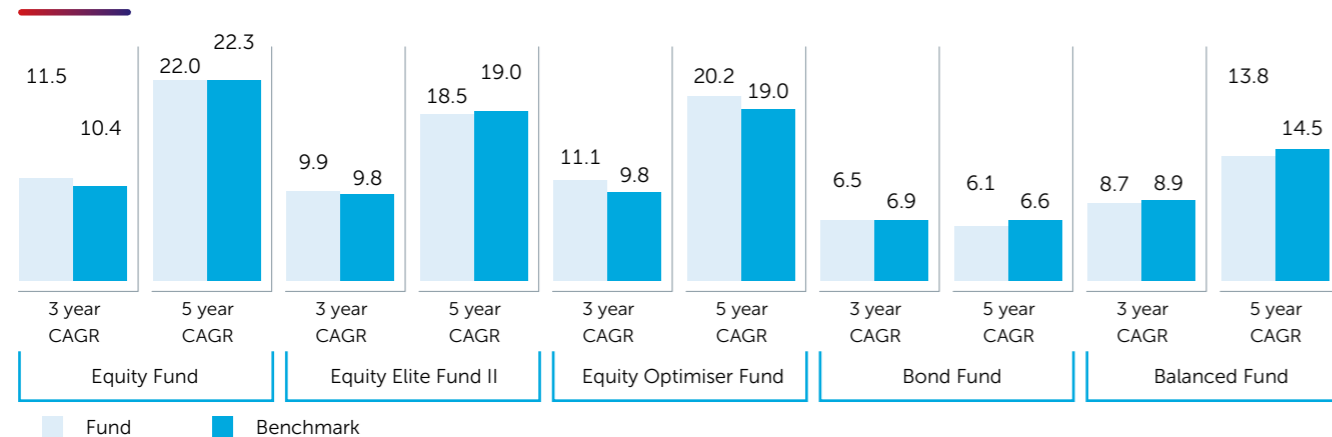
- b. Dividend income has increased by ₹ 0.70 billion from ₹ 1.62 billion in FY24 to ₹ 2.32 billion in FY25.

Unit Linked Portfolio:

Total investment income under unit linked portfolio has decreased by ₹ 206.34 billion from ₹ 391.57 billion in FY24 to ₹ 185.23 billion in FY25 mainly due to fair value change. Fair value change has decreased by ₹ 232.50 billion from ₹ 249.63 billion in FY24 to ₹ 17.13 billion in FY25 primarily due to mark to market in the unit linked segment in FY25 as compared to previous year. During FY25, Nifty has increased by 5.3% as compared to 28.6% in FY24.

The performance of the fund vis-à-vis the benchmark as on March 31, 2025, is given below:

Fund Performance (%)



iii. Commission

The summary of commission expenses is as follows:

Particulars	(₹ in billion)					
	Individual		Group		Total	
	FY25	FY24	FY25	FY24	FY25	FY24
Premium						
First year premiums	185.75	165.01	7.96	9.75	193.72	174.76
Renewal premiums	471.92	414.91	22.16	17.02	494.08	431.93
Single premiums	77.85	73.31	84.20	134.31	162.05	207.62
Total	735.52	653.23	114.32	161.08	849.85	814.31
Commission on						
First year premiums	19.87	18.30	0.06	0.17	19.93	18.47
Renewal premiums	11.90	10.34	0.10	0.07	12.00	10.41
Single premiums	0.95	1.00	1.30	1.17	2.25	2.17
Total	32.72	29.64	1.46	1.41	34.18	31.05
Commission % of Premium						
First year premiums	10.7%	11.1%	0.7%	1.8%	10.3%	10.6%
Renewal premiums	2.5%	2.5%	0.4%	0.4%	2.4%	2.4%
Single premiums	1.2%	1.4%	1.6%	0.9%	1.4%	1.0%
Total	4.4%	4.5%	1.3%	0.9%	4.0%	3.8%



Commission expense majorly pertains to individual business. The commission expense increased by 10.1% from ₹ 31.05 billion in FY24 to ₹ 34.18 billion in FY25, mainly due to the following:

- a. First year commission for Individual Business has increased from ₹ 18.30 billion in FY24 to ₹ 19.87 billion in FY25.
- b. Renewal commission from Individual Business has increased by 15.0% from ₹ 10.34 billion in FY24 to ₹ 11.90 billion in FY25 on account of higher renewal premium collection.

iv. Operating expenses related to Insurance business

The summary of operating expenses is as follows – (₹ billion)

Particulars	FY25	FY24
Employees remuneration and welfare expenses	27.29	23.98
Travel, conveyance and vehicle running expenses	1.51	1.42
Advertisement, publicity and marketing	1.97	1.31
Legal and professional expenses	2.33	1.86
Others	11.81	11.25
Total Operating Expenses	44.91	39.82

Operating expenses related to the insurance business increased by 12.8% from ₹ 39.82 billion in FY24 to ₹ 44.91 billion in FY25. The Employees' remuneration increased by 13.8% from ₹ 23.98 billion in FY24 to ₹ 27.29 billion in FY25 due to annual increments and an increase in the number of employees to support expanded business operations. Increase in advertisement, publicity and marketing expenses from ₹ 1.31 billion in FY24 to ₹ 1.97 billion in FY25 reflects higher investment in digital marketing campaigns conducted by the Company to enhance brand visibility and customer engagement.

v. Goods and Services Tax on charges

Goods and services tax on charges has increased by 16.7% from ₹ 9.48 billion in FY24 to ₹ 11.06 billion in FY25 due to increase in linked income charges namely fund management charges, premium allocation charges, etc.

vi. Benefits paid (net) and interim and terminal bonus paid

The summary of benefits paid is as follows:

(₹ in billion)

Particulars	FY25	FY24
Death claims	48.34	36.97
Maturity claims	94.38	99.35
Annuities/Pension payments	14.28	10.98
Survival benefits	13.09	14.71
Surrenders	163.08	137.60
Discontinuance/Lapsed termination	43.74	41.50
Withdrawals	113.05	90.69
Others	0.58	0.69
Total benefits	490.54	432.49
Less: Reinsurance on claims	(7.25)	(5.25)
Net benefits paid	483.29	427.24
Interim & terminal bonus	5.72	3.83

Net claims and benefits payout increased by 13.1%, rising from ₹ 427.24 billion in FY24 to ₹ 483.29 billion in FY25, primarily on account of an increase in surrenders that rose by ₹ 25.48 billion and withdrawals, which increased by ₹ 22.36 billion during FY25.

vii. Change in Actuarial Liability

The summary of change in actuarial liability is as follows:

(₹ in billion)

Particulars	FY25	FY24
Policy Liabilities (Non-unit/Mathematical reserves) (Gross)	243.22	258.45
Amount ceded in reinsurance	(2.02)	(0.23)
Fund Reserve	287.84	509.82
Funds for Discontinued policies	27.96	16.27
Change in Actuarial Liability	557.00	784.31

Change in Actuarial Liability decreased from ₹ 784.31 billion in FY24 to ₹ 557.00 billion in FY25, reflecting shifts across key components of policyholder reserves.

- a. Fund Reserve, which represents the liability for units held by Unit-Linked policyholders, has decreased subsequently from ₹ 509.82 billion in FY24 to ₹ 287.84 billion in FY25.
- b. Traditional policyholders' liability (including non-unit liabilities) decreased from ₹ 258.45 billion in FY24 to ₹ 243.22 billion in FY25.
- c. Funds for discontinued policies increased by 71.9%, from ₹ 16.27 billion in FY24 to ₹ 27.96 billion in FY25, indicating a higher volume of policies moving into the discontinued category.

viii. **Surplus (Revenue Account), Transfer to Shareholders' Account (Profit and Loss Account) and Funds for Future Appropriation (FFA)**

a. **Surplus (Revenue Account)**

As a result of the above changes in income and expenses, the surplus in the Revenue Account increased from ₹ 27.92 billion in FY24 to ₹ 29.94 billion in FY25.

Segment-wise breakup of Surplus is as under:

(₹ in billion)

Particulars	FY25	FY24
Participating segment	3.93	4.41
Non-Participating segment	(3.12)	(4.33)
Unit-Linked segment	15.68	11.55
Surplus (net of Contribution from Shareholders)	16.48	11.64
Add: Contribution from Shareholders	13.46	16.28
Surplus	29.94	27.92

b. **Transfer to Shareholders' Account (Profit and Loss Account)**

The surplus generated in the Revenue Account after setting aside Funds for Future Appropriation is transferred to the Profit and Loss Account (Shareholders' Account) based on the recommendation of the Appointed Actuary. Transfer to Shareholders' Account increased by 5.5% from ₹ 25.98 billion in FY24 to ₹ 27.40 billion in FY25. The remaining surplus of ₹ 2.54 billion was retained as Funds for Future Appropriation.

Participating segment: Profits in the participating business are driven by the total bonuses declared to policyholders on an annual basis. Currently, as per the regulatory norms, one-ninth of the bonus declared for policyholders, is transferred to shareholders. Bonus declared as per regulatory provisions has increased from ₹ 22.26 billion in FY24 to ₹ 25.40 billion in FY25. The amount transferred to shareholders increased to ₹ 2.82 billion in FY25 from ₹ 2.47 billion in FY24.

Non-Participating segment: Profits from the non-participating business, are primarily derived from premium and investment income net of expenses, claims and policyholder liabilities. Loss in non-participating segment has decreased from ₹ (4.33) billion in FY24 to ₹ (3.12) billion in FY25.

Unit-Linked (ULIP) segment: In the unit-linked business, profit arises exclusively from charges (net of expenses) levied on policyholders. Under unit linked business, Assets under Management (AUM) increased by 14.6% on account of better market performance and increase in total business by 14.5%.

c. **Funds for Future Appropriations (FFA)**

Funds for Future Appropriations represent surplus funds that remain unallocated to either policyholders

or shareholders as of the valuation date. During the year, a sum of ₹ 2.54 billion was transferred to Funds for Future Appropriation.

B. **Profit and Loss Account (Shareholders' Account)**

(₹ in billion)

Particulars	FY25	FY24	% Growth
Amounts transferred from Policyholders' Account	27.40	25.98	5.5
Income from investments and other income ¹	11.34	10.23	10.9
Expenses other than those directly related to the insurance business	0.34	0.51	(33.5)
Contribution to Policyholders' Account	13.46	16.28	(17.3)
Profit before Tax	24.94	19.42	28.5
Provision for Taxation	0.81	0.48	68.4
Profit after Tax	24.13	18.94	27.4
Profit at the beginning of the year	134.89	118.65	13.7
Total profit available for appropriation	159.02	137.59	15.6
Interim dividend	2.71	2.70	0.1
Profit carried to the balance sheet	156.31	134.89	15.9

¹. Net of provision for diminution

i. **Income from Investments and Other Income**

Investment income and other income under the shareholders portfolio increased from ₹ 10.23 billion in FY24 to ₹ 11.34 billion in FY25 primarily due to higher interest and dividend income.

ii. **Expenses other than those Directly Related to the Insurance Business**

Non-insurance business expenses declined from ₹ 0.51 billion in FY24 to ₹ 0.34 billion in FY25, reflecting improved operational efficiency and cost rationalisation measures..

iii. **Contribution to Policyholders' Account**

Contribution to Policyholders' Account represents the amount transferred to the policyholders' account to cover the deficits in certain business segments. During the current year, Non-Par Individual Life, Annuity, Health and Unit-Linked Group Life segments incurred a loss of ₹ 13.38 billion. Additionally, an amount of ₹ 0.08 billion was contributed to the policy holders' account on account of annual remuneration to key managerial personnel exceeding the specified regulatory limit.

iv. **Profit after Tax**

Profit before tax increased from ₹ 19.42 billion in FY24 to ₹ 24.94 billion in FY25. Tax expense for shareholders increased from ₹ 0.48 billion in FY24 to ₹ 0.81 billion in FY25. Profit after tax increased by 27.4% from ₹ 18.94 billion in FY24 to ₹ 24.13 billion in FY25.

v. **Interim Dividend**

The Board of directors declared an interim dividend of 27% (₹ 2.70 per equity share of face value of ₹ 10) at its meeting held on February 28, 2025. Profit carried to Balance Sheet stands at ₹ 156.31 billion in FY25.

C. **Financial Position / Balance Sheet**

(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Sources of Funds:		
Equity Capital and Reserves (including change in fair value)	169.85	149.09
Policyholders' Funds/Policy Liabilities	4,323.47	3,765.38
Funds for Future Appropriations	15.91	13.37
Total	4,509.23	3,927.84
Application of Funds:		
Investments		
- Shareholders'	146.04	130.36
- Policyholders'	1,852.27	1,565.44
Assets held to cover Linked Liabilities	2,476.36	2,160.10
Loans	4.82	3.89
Fixed Assets	5.90	5.57
Current Assets and Advances (A)	85.56	117.42
Current Liabilities and Provisions (B)	61.72	54.94
Net Current Assets (A) – (B)	23.84	62.48
Total	4,509.23	3,927.84

Sources of Funds

i. **Equity Capital and Reserves/Shareholders' Fund**

The breakup of capital and reserves is as follows –

(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Share Capital	10.02	10.01
Share application money pending allotment	0.00	0.01
Reserves and Surplus	157.91	135.90
Credit/ (Debit) Fair Value Change Account	1.92	3.17
Equity Capital and Reserves/ Shareholders' Fund	169.85	149.09

a. **Equity Share Capital**

Equity Share Capital of the Company comprises 1,002,135,083 equity shares of face value of ₹ 10 each (1,001,465,465 equity shares as at March 31, 2024). Out of the total equity share capital, 555,000,000 (55.38%) equity shares are held by the State Bank of India (555,000,000 (55.42%) as at March 31, 2024).

The Equity Shares of the Company were listed on National Stock Exchange Limited ('NSE') and Bombay Stock Exchange Limited ('BSE') on October 03, 2017.

b. **Reserves and Surplus**

Increase in Reserves and Surplus is on account of profit earned during the year and the increase in securities premium arising from issue of stock options.

c. **Fair Value Change Account**

Fair Value Change Account represents net unrealised gains (net of unrealised losses) on equity and mutual fund investments held in the shareholders' portfolio as on the respective Balance Sheet dates. The decline in fair value change is primarily due to mark to market adjustments on equity and mutual fund holdings in response to market fluctuations.

ii. **Policyholders' Funds**

The summary of Policyholders' Funds is as follows –
(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Policyholders' Traditional Liabilities	1,847.11	1,605.28
Credit/(Debit) Fair Value Change Account	48.28	47.19
Policy Liabilities	1,798.83	1,558.09
Policyholders' Linked Liabilities	2,476.36	2,160.10
Linked Liabilities	1,938.12	1,667.41
Credit/(Debit) Fair Value Change Account	395.47	378.34
Funds for Discontinued Policies	142.77	114.35
Total Policyholders' Funds	4,323.47	3,765.38

Policyholders' Traditional Liabilities

Fair Value Change account represents: -

- Unrealised gains (net of unrealised losses) on equity and mutual fund holdings in Non-Linked Policyholders' investments as on the respective Balance Sheet dates and
- Effective portion of Fair Value Gain/Loss on the interest rate derivatives i.e. "Hedge Fluctuation Reserve" or HFR

The movement in policy liabilities is a consequence of multiple factors such as premium inflows (both new business and renewal), surrenders, claims, actuarial assumptions and other factors varying on a product to product basis.

The reserves on traditional policies are estimated by using prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, inflation, mortality, morbidity and expense.

Policyholders' Linked Liabilities

The Policyholders' Linked Liabilities represents the unit liabilities in respect of Linked business. These are

valued as the aggregate of units allocated to policy holders, measured using the Net Asset Value (NAV) as of the valuation date.

iii. Funds for Future Appropriation

Funds for Future Appropriation amounting to ₹ 14.48 billion and shown in the participating segment, represent surplus funds, the allocation of which, either to Participating Policyholders' or to Shareholders', has not been determined as of the Balance Sheet date.

Additionally, funds for future appropriation (FFA) amounting to ₹ 1.43 billion held in the unit-linked funds, represent discontinuance charges deducted from the discontinued policies that are unlikely to be revived.

Application of Funds

i. Investments

The summary of investments as on Balance Sheet dates is as follows:

(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments		
- Shareholders'	146.04	130.36
- Policyholders' (Non-Linked)	1,852.27	1,565.44
Assets held to cover Linked Liabilities	2,476.36	2,160.10
Total	4,474.67	3,855.90

Total investments grew by ₹ 618.77 billion from ₹ 3,855.90 billion as of March 31, 2024 to ₹ 4,474.67 billion as of March 31, 2025. Equity investment portfolio constitutes 39% and debt portfolio constitutes 61% of the total AUM as of March 31, 2025. For detailed category-wise breakup of investments, refer Schedule 8, 8A and 8B of the financial statements.

Shareholder's portfolio grew by 12.0%, Non-Linked Policyholder's investment grew by 18.3% and Unit-Linked assets grew by 14.6% as compared to previous year ended March 31, 2024.

Increase in Policyholders' portfolio is attributable to increase in premium and investment income offset by net outgo due to operating expenses and claims.

The Company's investment philosophy is centred on maximising long-term returns while maintaining an optimal level of risk. This objective is pursued through investments in high quality securities, which are suitably matched to the duration of the Company's liabilities. The Company makes these investments strictly in compliance with the regulatory framework prescribed by IRDAI. Further, the Company has implemented sound and robust investment risk management systems and processes to ensure prudent portfolio management and governance.

ii. Loans

The Loans portfolio, which comprises both loan against policy and corporate loans stood at ₹ 4.82 billion in FY25, reflecting a growth of 23.89% over the previous year. Loans disclosed in the balance sheet are net of provision for standard assets made in accordance with IRDAI investment regulations and Master circular on Actuarial, Finance and Investment Functions of Insurer (IRDAI AFI circular 2024). The Company has no NPAs as on March 31, 2025.

iii. Fixed Assets

Fixed Assets (net of depreciation) increased from ₹ 5.57 billion to ₹ 5.90 billion. There is no major capital expenditure incurred during the year.

iv. Net Current Assets

Net Current Assets declined by 61.8% from ₹ 62.48 billion to ₹ 23.84 billion. Current assets have decreased by 27.1% from ₹ 117.42 billion to ₹ 85.56 billion and Current liabilities have increased by 12.3% from ₹ 54.94 billion to ₹ 61.72 billion.

Current Assets and Advances

The summary of Current Assets and Advances is as follows –

(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and bank balances	18.47	47.46
Advances		
- Prepayments	0.97	0.87
- Advance to suppliers and employees	0.28	0.24
- GST/ST advance and unutilised credit	2.98	2.03
Other Assets		
- Income accrued on investments	34.72	39.22
- Outstanding premiums	6.50	5.88
- Due from reinsurers	1.12	0.59
- Security deposit	1.72	3.16
- Assets held for unclaimed amounts (including income accrued)	0.35	2.03
- Other Receivables (incl. Agent balance)	18.45	15.94
Total Current Assets	85.56	117.42

Some of the key components impacting current assets and advances are explained below:

- Cash and bank balances represent premium collected during the last few days of the financial year including fixed deposits held with banks, cheques on hand and cheques deposited but not cleared.
- Income accrued on investments represents interest income accrued, but not due as at March 31, 2025. It is mainly on Government Securities, Debentures and Fixed Deposits.

iii. Outstanding premium represents the premium due but not received on traditional products as of March 31, 2025 and which are within the grace period.

iv. Due from reinsurers represents amounts to be received from reinsurers regarding claims admitted by the Company. This amount is net of premium ceded to reinsurers.

v. Security Deposits represent deposits placed for premises taken on lease for setting up branches as well as for leased accommodations for employees, electricity deposits, telephone, legal deposits and other utility deposits. It also includes margin money kept with Clearing Corporation of India Ltd (CCIL) and stock exchanges for trading in Government securities, equities and derivative contracts respectively.

vi. GST and Service tax advance and unutilised credit represents CENVAT credit which will be utilised in the future for set off against payment of GST liabilities.

vii. Pursuant to IRDAI circular on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies of policyholders with effect from April 1, 2016. Amount standing in the segregated fund for unclaimed amounts is ₹ 0.35 billion as of March 31, 2025.

viii. Other receivables represent the sales proceeds pending to be received (but not overdue) on sale of investment securities, dividend receivable and amount receivable from unit linked funds etc.

Current Liabilities and Provisions

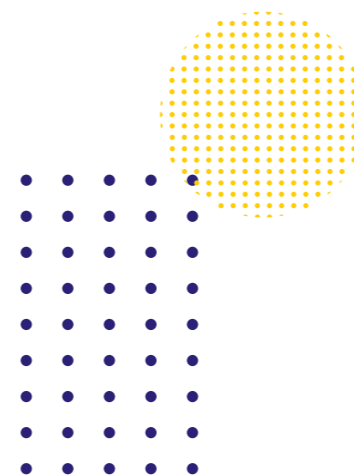
The summary of Current Liabilities and Provisions is as follows –

(₹ in billion)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Liabilities		
- Agents' balances	1.55	1.33
- Balance due to other insurance companies (including reinsurers)	0.11	0.24
- Premium received in advance	0.57	0.45
- Unallocated Premium and other deposits	3.48	3.41
- Sundry creditors	18.77	15.05
- Due to subsidiaries/holding companies	0.50	0.32
- Claims outstanding and annuities due	3.72	4.30
- Unclaimed amounts of policyholders	0.35	2.03
- Others	28.85	24.82
Provisions		
- Provision for tax	2.02	1.45
- Provision for employee benefits	1.80	1.54
Total Current Liabilities and Provisions	61.72	54.94

Some of the key items impacting Current Liabilities and Provisions are explained below:

- Agents' balances represent amounts payable to insurance advisors towards commission as on the Balance Sheet date. Amount outstanding is mainly attributable to business sourced during the last month of the financial year.
- Premium received in advance represents premium paid in advance by policyholders which will be recognised as premium income on the due date of the policy.
- Unallocated Premium and other deposits are primarily attributable to monies received from policyholders but pending to be allocated on issuance of insurance policy. It mainly includes amounts received during the last few days where policy could not be issued due to underwriting requirements or pending documents.
- Sundry creditors represent amounts payable to various service providers towards goods and services availed by the Company including provisions for the services availed or goods received, where invoices are yet to be received.



- v. Policyholders' claims outstanding represents amounts payable to policyholders for various types of claims viz. death, survival, surrenders, annuity, etc. that have been intimated to the Company but are outstanding or not settled as on date either due to ongoing investigations as part of the standard claim process or pending documentation from policyholders.
- vi. Other liabilities include amount to be paid for securities purchased including brokerage, GST and TDS payable and amount payable to unit linked funds etc.
- vii. Provision for tax is shown net of advance tax paid by the Company.
- viii. Provision for employee benefits represents Company's liability towards gratuity, leave encashment, long-term service award & COVID ex-gratia scheme computed as per the requirements of Accounting Standard 15 (Revised) on Employee Benefits.
- ix. The Board of Directors at its meeting held on February 28, 2025 declared an Interim Dividend of ₹ 2.7 per share amounting to ₹ 2.71 billion for the year ended March 31, 2025 (previous year ended March 31, 2024: ₹ 2.7 per share amounting to ₹ 2.70 billion). Accordingly, the Company has made dividend payment of ₹ 2.71 billion during the year ended March 31, 2025 (previous year ended March 31, 2024: ₹ 2.70 billion).

D. Cash Flow Statement

The summary of Cash Flow Statement is given below –
(₹ in billion)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net cash generated from/(for) Operating activities	255.47	291.22
Net cash generated from/(for) Investing activities	(217.89)	(312.21)
Net cash generated from/(for) Financing activities	(2.15)	(2.27)

Cash Flows from Operating Activities

Net cash flows generated from Operating activities decreased from ₹ 291.22 billion in FY24 to ₹ 255.47 billion in FY25, primarily due to an increase in claims & operating expenses which is partially off-set by increase in premium.

Cash Flows from Investing Activities

Net cash out flows in Investing activities decreased from ₹ 312.21 billion in FY24 to ₹ 217.89 billion in FY25.

Cash Flows from Financing Activities

Net cash flows for financing activities decreased from ₹ (2.27) billion in FY24 to ₹ (2.15) billion in FY24.

II. Key performance indicators

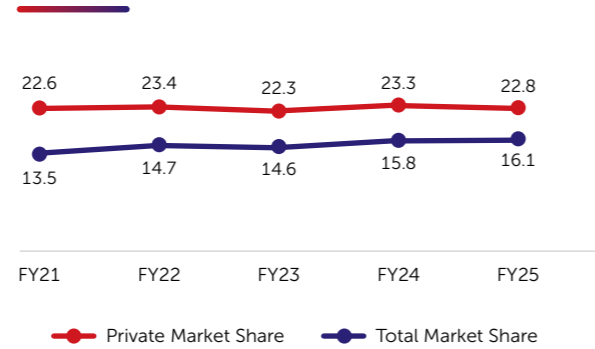
Following are the key parameters on which performance of the Company is measured

i. Market Share, Product Mix and Distribution Mix

Market Share
The Company's Individual Rated Premium has increased from ₹ 172.34 billion in FY24 to ₹ 193.54 billion in FY25.

The Company's market share in Individual Rated Premium has increased over the years on account of growth in Individual Regular New Business Premium. Individual New Business Premium has increased by 10.6% from ₹ 238.32 billion in FY24 to ₹ 263.60 billion in FY25.

IRP Market Share (%)

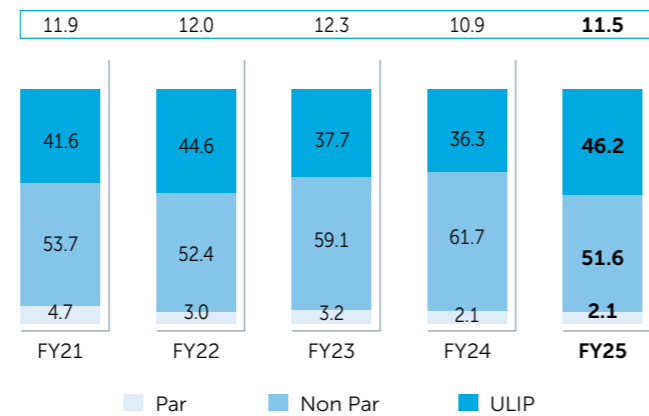


Product Mix

The Company has maintained a balanced product portfolio over the years.

NBP Product Mix (%)

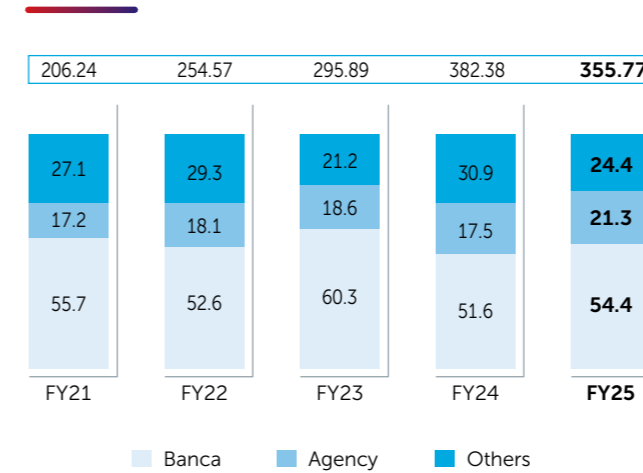
Share of protection (%)



Distribution Mix

The Company remains focused on the diversification and strengthening of its distribution network. All key distribution channels of the Company have demonstrated consistent growth over the years. For FY25, the Banca channel accounted for 54.4% share of the total business. Apart from Agency and Bancassurance channel, other distribution channels include the Company's Corporate Agents, Brokers, Micro Agents and Common Service Centre (CSC), Insurance Marketing Firm (IMF) and Direct Business. These channels collectively contribute to enhancing market reach and supporting the Company's long-term growth strategy.

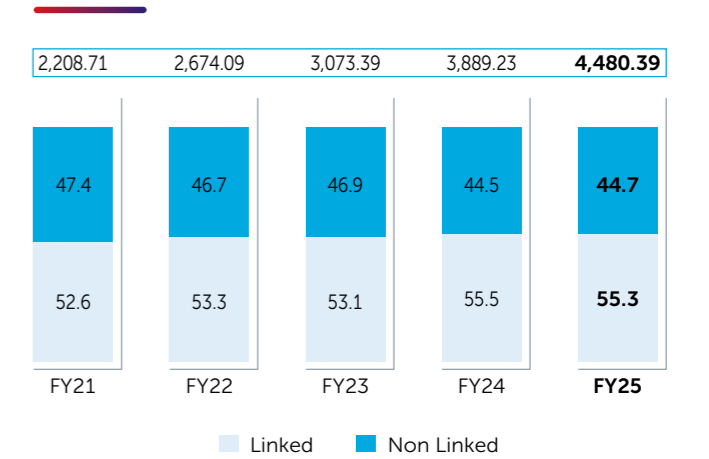
NBP Channel Mix (%)
(₹ in billion)



ii. Assets under Management

The Assets Under Management have significantly grown over the years due to increasing premium inflows. The Company has registered a growth of 15.2% from ₹ 3,889.23 billion in FY24 to ₹ 4,480.39 billion in FY25. The Company has a consistent Debt-Equity mix of 61:39 and over 93% of the debt investments are in AAA rated and sovereign instruments as on March 31, 2025.

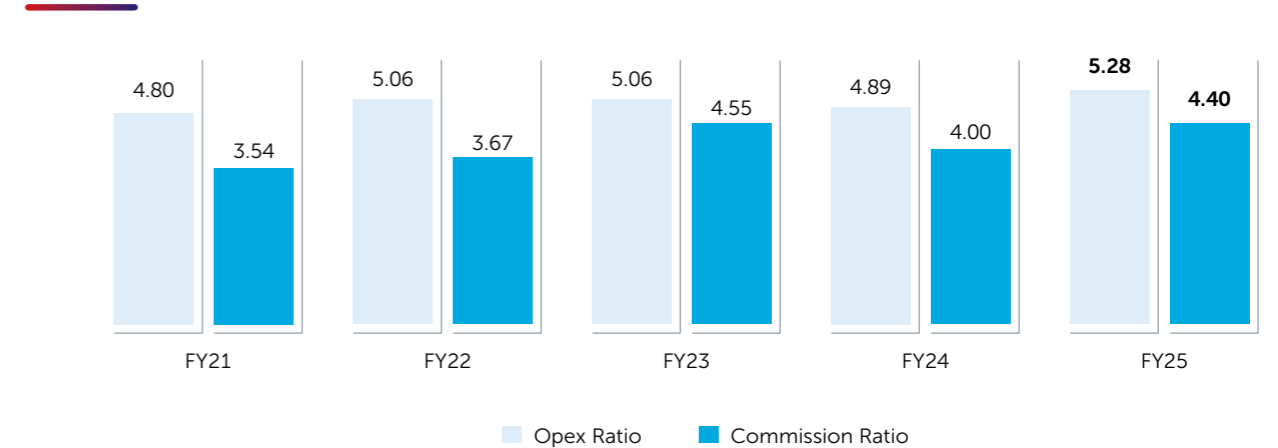
Assets under Management (%)
(₹ in billion)



iii. Cost Efficiency

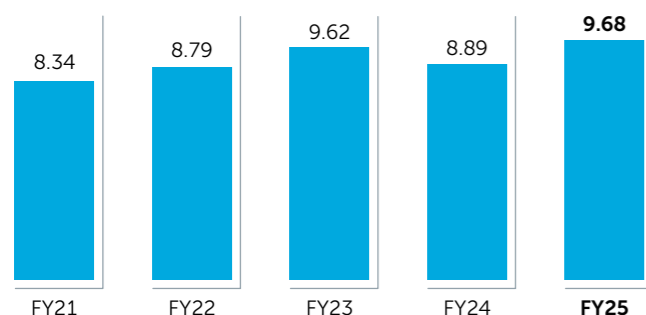
The Company is continually focusing on cost containment measures to reduce operating expenses. The Company's 'Operating Expense to Gross written Premium (GWP) Ratio' has consistently been one of the lowest amongst private life insurance players.

Opex and Commission Ratio
(%)



* Commission includes rewards

Total Cost Ratio (%)

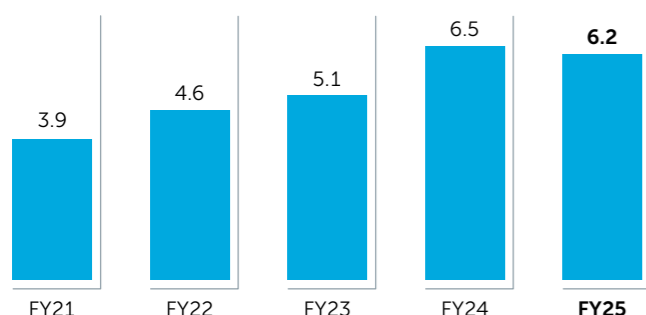


Total cost ratio = (Operating expenses+Commission+ Provision for Doubtful debts+Bad debts written off)/ Gross written premium)

iv. Customer Satisfaction

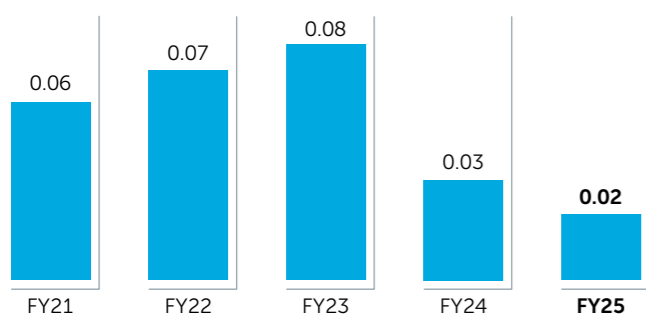
The Company promotes ethical sales practices and is committed to enhancing the overall customer experience. Through sustained customer engagement initiatives and awareness campaigns, the Company has reduced instances of mis-selling complaints and lowered the surrender ratio, reflecting improved customer trust and retention.

Surrender Ratio (%)



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

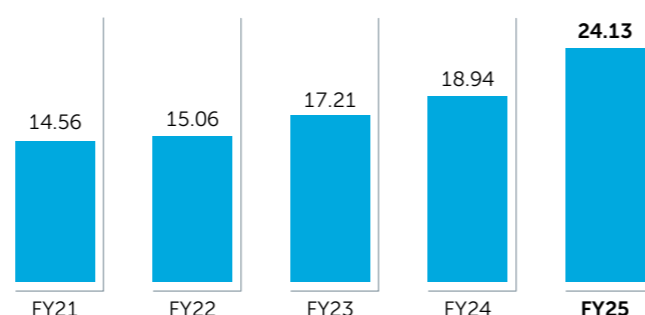
Unfair Business Practices (%)



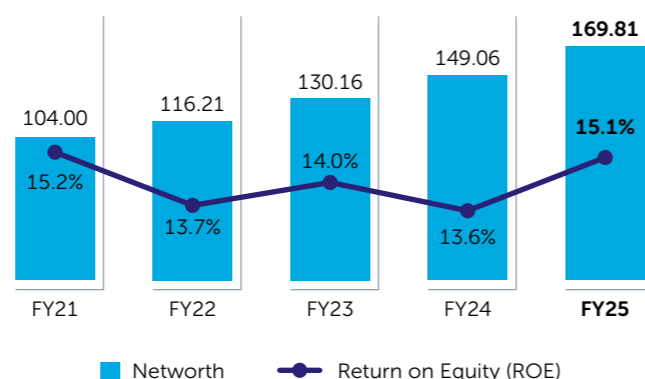
v. Profitability and Network

Profits have witnessed an increase of 27.4% from ₹ 18.94 billion in FY24 to ₹ 24.13 billion in FY25. Net-worth of the Company has also consistently increased from ₹ 104.00 billion in FY21 to ₹ 169.81 billion in FY25.

Profit after Tax (₹ in billion)



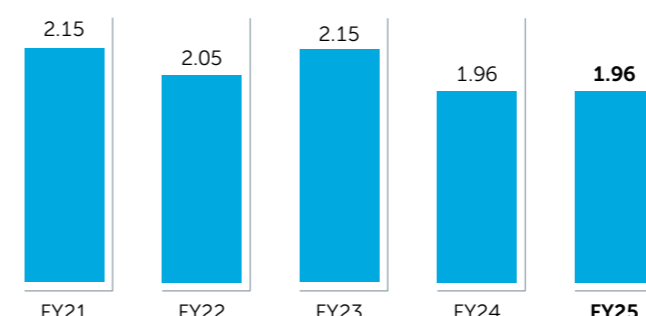
Network (₹ in billion)



vi. Solvency

Solvency is a regulatory measure of capital adequacy. It is expressed as a ratio of available capital and required capital. It is critical in determining the Company's ability to meet future contingencies and fund growth plans. As on March 31, 2025, the Company has a solvency of 1.96 against the mandatory requirement of 1.50. There has been no capital infusion by the promoters in the Company after FY08.

Solvency Ratio



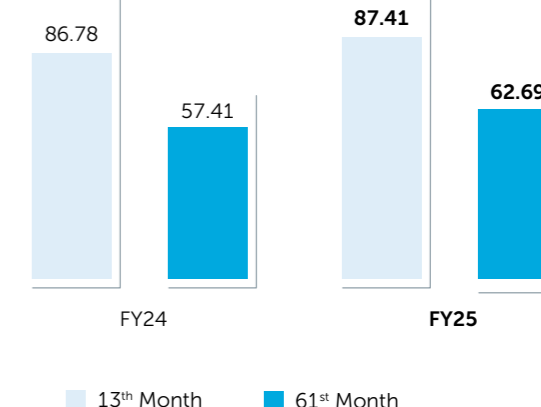
vii. Persistency

Persistency is a key performance metric for insurance companies. It measures the proportion of policyholders who continue their policies beyond specific time intervals. It serves as an indicator of the Company's customer retention capabilities and the quality of business sourced. High persistency levels are critical as they ensure a steady stream of renewal premium income, contributing to long-term financial stability.

Persistency ratio based on Regular Premium/Limited Premium Payment under Individual category for 13th Month & 61st Month stands at 87.41% and 62.69% respectively for FY25.

13th month persistency for Agency channel has improved from 89.8% in FY24 to 90.8% in FY25 and for Bancassurance channel has increased from 86.1% in FY24 to 86.6% in FY25.

Persistency (%)

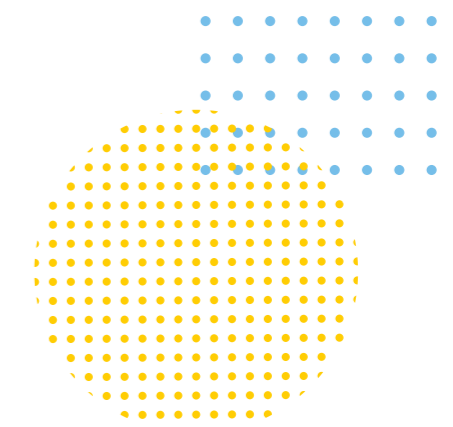
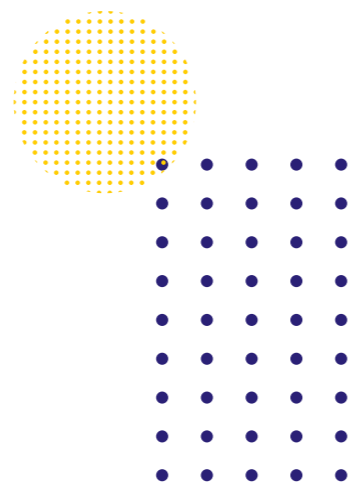


Note: The persistency ratios are calculated as per IRDAI circular IRDAI/NL/MSTCIR/RT/93/6/2024 dated June 14, 2024. Regular Premium and Limited Premium Paying Term policies of only Individual Segment are considered in above calculation. Persistency Ratios are calculated using policies issued between 1st March to February end of the relevant years.

viii. Embedded Value and Value of New Business (VoNB) Margin analysis

- Embedded value (EV) of the Company as on March 31, 2025 increased to ₹ 702.50 billion from ₹ 582.59 billion on March 31, 2024, demonstrating a growth of 20.6%
- Value of New Business (VoNB) has increased from ₹ 55.48 billion in FY24 to ₹ 59.54 billion in FY25, registering a growth of 7.3%
- VoNB margin in FY25 stands at 27.8%

Embedded Value increased on account of value of new business added. Improvement in persistency contributed to increase in New Business Margin.



Analysis of Movement in IEV

(₹ in billion)

**Sensitivity Analysis**

Scenario	Change in EV%	Change in VoNB%
Reference Rate +100 bps	(3.2%)	(0.5%)
Reference Rate -100 bps	3.4%	0.5%
Decrease in Equity Value 10%	(2.1%)	(0.4%)
Proportionate change in lapse rate +10%	(1.0%)	(4.5%)
Proportionate change in lapse rate -10%	1.0%	4.8%
Mortality / Morbidity +10%	(2.1%)	(6.1%)
Mortality / Morbidity -10%	2.1%	6.1%
Maintenance Expense +10%	(0.6%)	(1.8%)
Maintenance Expense -10%	0.6%	1.8%
Mass Lapse for ULIPs in the year after the surrender penalty period of 25% *	(2.6%)	(9.1%)
Mass Lapse for ULIPs in the year after the surrender penalty period of 50% *	(5.7%)	(19.6%)
Tax Rate Change to 25% on Normal tax rate basis	(5.4%)	(8.9%)

* Mass lapse sensitivity (of 25% or 50%) for ULIP business is applied at the end of surrender penalty period as defined by APS 10.

Material Developments in Human Resources

At SBI Life, we believe that our employees are our most valuable assets. We are committed to fostering a dynamic and nurturing work environment where every individual can thrive, unlock their full potential, and make a meaningful impact. We invest in our people's continuous growth through targeted development programmes and cultivate an inclusive culture where everyone feels valued, respected and empowered. To promote work-life balance and agility, we also offer flexible work arrangements.

Attracting, engaging, and retaining top talent continues to be our foremost priority. We have implemented a comprehensive range of initiatives aimed at attracting quality talent, enhancing their skills, and fostering a culture of high performance and excellence.

Our rewards and recognition programmes are anchored in the principle of meritocracy, promoting a culture of excellence through fair and competitive compensation that motivates employees to achieve superior results. Through LEAP (Leading through Excellence & Performance), our comprehensive performance management system, we recognise and reward achievements aligned with individual, team and organisational goals. To support career growth, we also provide cross-functional opportunities via our Internal Job Posting system.

This year, we have implemented HR One, a new HR Management system, which will help in enhancing the employee experience by further streamlining HR processes and empowering employees. This cloud-based, user-friendly platform enables seamless employee life cycle

management such as leave, attendance, performance and other HR services and can be accessed through web as well as mobile devices to enable employees with the easy access of their HR data. This digital shift will make every day HR interactions simpler and more transparent.

We are fully committed to promoting diversity and inclusion by cultivating a respectful environment where every employee has equal opportunities for growth and is free from bias. Our Diversity, Equity, and Inclusion Policy encourages open communication, collaboration, and flexible work practices that supports the diverse needs of our workforce.

Reflecting on our commitment to gender diversity, initiatives such as "Project Shakti", "Graduate Sales Trainee Program" and "Business Associate Model" have been launched to increase the participation of women and young talent across the organisation. These initiatives have significantly improved our gender ratio over the years.

We understand that an engaged and motivated workforce is essential for long-term success and sustainability. This year, we have further strengthened our employee engagement and well-being initiatives to nurture a healthy, connected and motivated workforce. To promote holistic health, we organised informative Health Awareness sessions with leading medical experts and celebrated International Yoga Day with rejuvenating yoga sessions, encouraging our employees to embrace a balanced and mindful lifestyle. Beyond wellness, we foster a sense of camaraderie and team spirit through various employee engagement events, including off-site retreats, team dinners, and our annual celebration 'Sangam'. This special event unites employees and their families in a joyful celebration, strengthening our culture of togetherness, belonging, and shared success.

Our employee benefits closely reflect our brand promise, Apne Liye, Apno Ke Liye — empowering employees to fulfil their own needs while securing the needs of their loved ones. Under our Group Medclaim policy, employees get the flexibility to include dependents such as parents and parents-in-law, with various top-up options for enhanced coverage. We also offer free annual health check-ups for employees, along with discounted rates extended to their family members. This year, we introduced a special integrated health screening and evaluation check-up exclusively for all women employees, reinforcing our commitment towards health and wellness of our employees. The check-up covers a range of tests including TFT (Thyroid function test), LFT (Liver function test), Consultation with Gynaecologist, etc.

We support our employees throughout key life events with progressive policies such as sabbatical leave, flexi time, and paternity leave, helping them to effectively balance personal and professional commitments. To cultivate a culture of continuous learning, we have enhanced incentives for employees pursuing insurance-specific certifications, enabling upskilling and reskilling to stay ahead of evolving industry trends, regulations, and technologies.

Internal Control Systems and their Adequacy

The Company has established its internal financial control system in alignment with the requirements of the Companies Act, 2013, and in accordance with globally recognised risk-based frameworks such as that issued by the Committee of Sponsoring Organizations (COSO). This framework is designed to enhance transparency and accountability in the Company's internal control environment by guiding the design, implementation, and maintenance of effective controls.

As part of this framework, the Company systematically identifies and analyses key risks and develops appropriate response strategies. A comprehensive internal financial control framework has been successfully implemented and is periodically assessed to ensure its continued effectiveness.

The Company follows the 'Three Lines of Defence' model to ensure robust governance and risk management. Clearly defined Standard Operating Procedures (SOPs) and policies govern day-to-day operations, supported by a well-structured delegation of authority that specifies approval limits for both revenue and capital expenditures.

The control environment is regularly tested and validated through a structured audit mechanism comprising Statutory, Concurrent, and Internal Auditors. In addition, the Company has appointed a Chief Audit Officer who leads a dedicated internal audit team, appropriately scaled to the size, nature, and complexity of the Company's operations.

The internal audit plan includes a comprehensive coverage of Information System Audits, process audits, and transaction-based audits conducted across the Head Office, Regional Offices, and various branch locations. The audit approach emphasises adherence to regulatory requirements and evaluation of operational and system-related controls, ensuring continuous improvement and compliance across the organisation.