November 03, 2026

SBIL/CS/NSE-BSE/2627/137

Vice President
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NSE Symbol: SBILIFE

General Manager
Listing Department,
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BSE Scrip Code: 540719

Dear Sir / Madam,

Subject: Transcript of Earnings Conference call for Q2 of FY 2026-27

This is in continuation to our intimation letter SBIL/CS/NSE-BSE/2627/131 dated October 22, 2026 and in compliance with the provision of Regulation 30 read with Schedule III (Part A) (Para A) (15) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose transcript of the earnings conference call held on Tuesday, October 27, 2026.

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

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

Girish Mahesh Manik

Digitally signed by Girish Mahesh Manik
Date: 2026.11.03 18:07:59 +05'30'

Girish Manik
Company Secretary
ACS No. 26391

Encl: A/a

“SBI Life Insurance Company Limited

Q2 FY27 Earnings Conference Call”

October 27, 2026

Management:

Mr. Amit Jhingran – Managing Director and Chief Executive Officer

Mr. Sangramjit Sarangi – President and Chief Financial Officer

Mr. Subhendu Bal – President and Chief Risk Officer

Mr. Prithesh Chaubey – President and Appointed Actuary

Mr. Santosh Chacko – President, Business Strategy

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

Moderator: Ladies and gentlemen, good day and welcome to the SBI Life Insurance Company Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Jhingran, Managing Director and CEO, SBI Life Insurance Company Limited. Thank you, and over to you, sir.

Amit Jhingran: Good evening, everyone. It is our privilege to welcome you to the SBI Life Insurance Results Update Call for the period ended September 30, 2026. We sincerely appreciate your time and efforts in analyzing our performance and thank you for participating in today's earnings call. Updates on our financial results are available on our website as well as on the websites of both the stock exchanges.

Along with me, Mr. Sangramjit Sarangi, President and CFO; Mr. Subhendu Bal, President and CRO; Mr. Prithesh Chaubey, President and Appointed Actuary; Mr. Santosh Chacko, President, Business Strategy and Mrs. Smita Verma, Executive Vice President, Finance and Investor Relations are present.

India's resilient economy supported by strong underlying fundamentals, rising household aspirations and evolving customer needs provides a sound foundation for the life insurance sector's long-term growth.

Given the long-term nature of life insurance, short-term market volatility is unlikely to materially alter the sector's underlying growth drivers, although it may influence customer preferences across products. Demand for guaranteed saving products and ULIPs is expected to be shaped by customers' differing needs for financial certainty and long-term market-linked wealth creation. We remain well positioned to capitalize on these opportunities through customer-centric solutions, a diversified product portfolio and a strong distribution network.

Recent IRDAI's consultation papers on recalibrating economics of insurance distribution is a constructive step towards strengthening the insurance ecosystem with a continued focus on policyholder interest, transparency and improved customer outcomes. This is consistent with the broader direction of recent regulatory reforms, including the GST exemption revised surrender value framework, which reinforces the importance of policyholder protection.

While the final guidelines are awaited, we look forward to engaging constructively with the regulators. A balanced and sustainable distribution ecosystem remains essential for expanding insurance awareness, deepening penetration and advancing insurance for all by 2047. SBI Life's existing structure is broadly aligned with the proposed framework. Therefore, we expect limited impact. We remain confident in our ability to adapt while creating value for customers and distributors and delivering sustainable profitable growth.

During H1 FY27, SBI Life pursued sustainable, profitable growth by strengthening distribution, expanding insurance penetration and offering customer-centric protection-led solutions across a diversified portfolio.

Now let me give you some key highlights of the period ended 30th September 2026:

New business premium stands at INR202.6 billion with a growth of 10% and private market share of 20%. Individual rated new business premium stands at INR97.2 billion with a growth of 12% and private market share of 22.6%.

Gross written premium stands at INR484 billion with a growth of 13%. Profit after tax stood at INR12.7 billion, registering a strong growth of 17% over the corresponding period last year. Value of new business stands at INR32.7 billion with a growth of 19%. VoNB margin stands at 27.9%.

Embedded value as on September 30, 2026 stands at INR873.5 billion with a growth of 15%. Our assets under management stand at INR5.3 trillion with a growth of 9% over the corresponding period last year. We will now update you on each of the key parameters in detail. Individual rated premium stands at INR97.2 billion with a year-on-year growth of 12%, while retaining our leadership position with a 22.6% private market share and 16% total market share. The company's 3-year CAGR of IRP stands at 11%. Individual APE stood at INR97.7 billion, growing by 11% year-on-year.

Total new business premium is INR202.6 billion with private market share of 20% and total market share of 8.2%. Group new business premium stands at INR65.3 billion with contribution of 32% in new business premium and year-on-year growth of 6%. APE stands at INR117.5 billion, registering a growth of 18%. Out of this, individual APE stands at INR97.7 billion with a growth of 11%.

Renewal premium grew by 15% to INR281.5 billion, which accounts for 58% of the gross written premium. To sum up, gross written premium stands at INR484 billion with a growth of 13% over corresponding period of last year.

During the period, a total of 9.78 lakh new policies were sold, covering 1.43 crore lives.

The growth in sum assured reflects strong consumer confidence and increasing awareness of financial protection. Individual and group new business sum assured grew by 36% and 78%, respectively, year-on-year, while rider sum assured continued to expand, now accounting for 40% of individual sum assured.

Let me give you detail about the product mix. The company continues to strengthen its product portfolio through focused and customer-centric initiatives. During the quarter, the company launched riders to enhance product propositions, provide comprehensive coverage and address evolving customer protection needs.

Individual APE for participating products stand at INR5.1 billion with a growth of 9%. The Par segment also witnessed a considerable growth of 40% in sum assured during the period. For the period ended September 2026, guaranteed non-par savings have garnered business of INR24.7 billion with a growth of 27%.

ULIP share stands at INR60.2 billion, contributing 62% of product mix compared with 65% in H1 FY26, reflecting a gradual shift towards non-ULIP products. Individual protection APE is at INR4.3 billion with a growth of 16% as compared to the corresponding period ended September 2025.

The pure protection category registered a growth of 26% on an individual APE basis, reflecting rising awareness and demand for comprehensive financial protection, while the individual sum assured in the protection segment grew by 29%.

Rider attachment continued to gain momentum, reaching nearly 49% of eligible individual policies. Including riders, individual protection APE grew by 30%. Group protection APE stood at INR16 billion, registering a growth of 134% over the corresponding period last year.

Retirement plans assist customers in building a substantial corpus of funds to maintain the desired lifestyle and manage expenses in their golden years. Total annuity and pension new business underwritten by the company is INR46.2 billion.

Moving to update on our distribution partners. With strength of more than 64,000 CIFs, the bancassurance business of SBI and RRB contributes 53% of the total APE basis. On an individual APE basis, it stands at INR59.9 billion, reflecting growth of 10%. SBI branch productivity on individual APE terms stands at INR5 million for the period ended September 2026.

As on September 2026, agency individual APE stood at INR32 billion, registering a growth of 12% Y-o-Y with average agent productivity of around INR2 lakhs. The channel's product mix improved with the non-ULIP share increasing from 39% to 47%, supported by a robust 50% growth in agency individual sum assured.

During the period, the company added over 72,000 agents on a gross basis and opened 14 new branches. The other channels, direct, corporate agents and other banks, brokers, online and web aggregators grew by 67% and contributed 19% of total APE.

Coming to updates on profitability. The profit after tax for the period ended 30th September 2026 stands at INR12.7 billion with a growth of 17%. The GST impact for the period is INR5.3 billion. Excluding this impact, the profit after tax stands at INR16.9 billion, a growth of 39%. Our solvency remained strong at 1.97 as against regulatory requirement of 1.50.

Value of new business stands at INR32.7 billion, reflecting 19% growth, driven by both volume growth and favorable shift in product mix. We have sustained a healthy margin of 27.9% for the period ended 30th September 2026 and for the quarter margin is 29.3%.

Excluding GST impact, VoNB would have been INR33.8 billion, representing 19.4% growth with a VoNB margin of 28.8% and for the quarter at 30%. Embedded value as on September 30, 2026 stands at INR873.5 billion with a growth of 15% over September 2025. The operating return on embedded value is 18.8%.

Coming to operational efficiency, opex ratio stands at 6.9% and total cost ratio stands at 11.7% for the period ended September 30, 2026 as compared to 6.2% and 10.9%, respectively, for the corresponding period ended September 30, 2025. Excluding the GST impact, the opex ratio is in line with the last year and stands at 5.8%.

With respect to individual regular premium persistency, we continue to record healthy improvement across key cohorts. The 13th, 25th and 49-month

persistency ratio stood at 87.6%, 78.4% and 69.3%, respectively, improving by 44, 110 and 40 basis points year-on-year. This consistent progress reflects the quality of our business, stronger customer engagement and our continued focus on appropriate product offerings and long-term policyholder retention.

As mentioned in my opening remarks, asset under management stands at INR5.3 trillion as at September 30, 2026, having growth of 9%. Death claim settlement ratio stands at 99.1% for the period ended September 30, 2026. Our misselling ratio stands at 0.035%.

We continue to leverage technology to simplify processes and enhance operating efficiency. Nearly all individual proposals, 99.9% are submitted digitally while 71% are processed through automated underwriting, supporting faster and more seamless onboarding.

In conclusion, we are building scale and investing in future growth by strengthening our key channels and fostering a culture of resilience and continuous improvement. Frictionless onboarding, adopting AI-led underwriting and autonomous workflows will help further optimize the costs, improve customer experience and broaden access to financial protection.

As technology reshapes insurance, we regard trust as a vital asset built through responsible deployment of technology, transparency and consistent positive customer outcomes. Our focus remains on delivering high-quality profitable new business growth with attractive investment economics, positioning us for sustainable long-term growth.

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

Moderator: Thank you very much, Sir. We will now begin the question-and-answer session. The first question is from the line of Avinash Singh from Emkay Global.

Avinash Singh: Congrats on good set of numbers. Two questions I would have. The first one is if I were to focus on IRP growth, I mean, it is close to 10%, 11% in the first half. And as you also highlighted over the last 3 years, the CAGR has been close to 11%.

Now in a relative context, it may appear good, but from your own aspirational guidance typically that your IRP growth you want to kind of deliver around 13%, 14%, 15%. And also for you over the last many years, things have been pretty

stable. I mean you have a very exclusive banca channel, you have been investing in agency.

So now are you sort of satisfied with this growth or do you see certain things missing, I mean growth is not properly firing. So I mean I wanted your sort of thoughts on growth and going forward, how this is going to shape up given particularly changing regulatory landscape now onwards.

The second question is on if I try to look at the EV walk and VNB walk. On the EV walk side, I mean, you have a positive benefit from operating experience variance and that has been typically the case for many years. But if I were to look at the VNB walk, still there is kind of a negative impact in operating adjustment changes.

So in reality basis your past assumption, your experience continues to turn better, what are these kind of operating adjustment changes that you have made this year that is leading to some minor negative variance in VNB margin?

Management: So thank you, Avinash. Regarding IRP growth, yes, first half, we are growing at around 12%. But at the start of the financial year, we had given a guidance that we'll be growing for the year at around 14% to 15% and we are sticking to our guidance for the entire financial year, notwithstanding the quarter-to-quarter or month-to-month variation, we are very sure that for the financial year, we will be closing with 14% to 15% as we had guided for.

What makes us kind of satisfied with the growth is that the growth, as we had already told in our earlier commentary will be better than the industry growth, and we are happy that we are at the same level as the industry growth has been in the first half year. So that was regarding your question on IRP.

I will ask Mr. Prithesh to tell you about the operating variance, etc.

Management: Thanks for the question. I think you're right that operating variance we have the positive and always having because our objective is to keep the long-term sustainable assumption. That's the reason we always outperform on the EV side. When you look at the VoNB, just to clarify that we have not made any assumption change during this period. The impact that we are looking into is the assumption that we refined in the March 2026 as a part of our normal refinement.

And that includes a minor refinement in terms of mortality, persistency, expense and all that. And because comparing this VoNB walk from the

previous September to this September, March came in between. So that's reflected. Otherwise, we have all positive variance and we do expect to maintain this positive variance and better ROEV going forward.

Moderator: Avinash, does this answer your question?

Avinash Singh: Yes, it does.

Moderator: Next question is from the line of Shreya Shivani from Nomura.

Shreya Shivani: My first question is to do with the trajectory of the banca channel. So usually, the banca channel does quite well for us in third quarter. The trajectory starts in September month itself. However, this time, the September month was slightly affected impacted. How has been the performance so far in October? It's been 27 days.

Any details that you can give around that would be useful. My second question is on the non-par saving product and the annuity product, which has grown quite well. So are we making these products available across all SBI branches or as data shows, most of this growth is coming from agency channel? Yes, that will be my second question?

Management: So, you are right, Shivani, that the third quarter usually is good for SBI Life as a whole. And our growth rate in quarter 3 has normally been higher, and that is what we are expecting this year also. But notwithstanding quarter-on-quarter or month-on-month growth figures, as I already said in response to the first question, what we look for is the long-term trend.

And for the year, we had guided for a growth of 14% to 15%. First quarter, we had a growth of 15% plus and second quarter was slightly subdued. But overall trend, I will still maintain, is for a 14% to 15% growth in IRP for the entire year. Regarding the products, all our products are available across all channels and across all distributors.

So the products which you are talking about are available to both banca channel as well as agency channel. The uptick from the agency channel has been slightly better than the banca channel, but we are trying to improve the sales performance of these products through banca channel also in the coming quarter and coming half year.

Shreya Shivani: Right. Sir, just a follow-up on the product uptick being better in agency channel versus banca channel. And in general, the way the movement in the benchmark rates have taken place, have we revised our guaranteed IRR on

our non-par product? And I'm assuming it's the same offering, same pricing or same IRR offering across all channels, right? There will be no differentiation as such?

Management: No. All our products are uniformly priced across channels. And we, from time to time, keep looking at the rates being offered depending on the yield movement in the market.

Management: And in this quarter, Q2, we did revise the return to the customer and pass on some benefit to that as well.

Moderator: Next question is from the line of Prayesh Jain from Motilal Oswal.

Prayesh Jain: Congrats on a good set of numbers. Firstly, just wanted to understand on the non-par and the margin front that we've got margins in this quarter. One, obviously, is because of the product mix shift that we've seen.

But also did we get an advantage of the yield movement that happened during the quarter and possibly some delay in terms of passing on the benefits to the customer. So possibly the product level margins would have improved and that can kind of go down in the next quarter? Just trying to understand the margin movement.

Second is on the regulatory environment, right? We have seen the consultation paper and there are certain elements which kind of talks about bancassurance, talks about credit life, which is an important product for us. How do you see this kind of impacting the business or how is the parent bank thinking about these elements? Those would be my 2 questions?

Management: So I will take your second question first regarding the regulatory paper on the recalibration of the distribution framework. We have already gone on record and said that it is conceptually and directionally a very good step on part of the regulator, and this is going to play an important role in the vision of the regulator as well as of the government of insurance for all by 2047.

It is a further continuance of earlier reforms like GST exemption or the surrender value regulation, which all are towards taking better care of the customers. As far as the impact is concerned, you are aware that SBI Life is going to be one of the least impacted company because of this. And maybe this will also open up some opportunities for SBI Life in coming times.

So I am sure that as the final guidelines come in and kick in, we will definitely be able to adapt to these new conditions in a much, much better way. I will ask Mr. Chaubey to talk about the margins and effect of the yield on that.

Management: On the margin, you are right that the margins movement happened over this quarter, particularly on account of the better product mix. As far as yield is concerned, our endeavour is to pass on the benefit to the customer as much possible with the objective to optimize the value.

And when I say optimize the value, it is optimize the return to the customer as well as optimize the margin as well. So there might be a slight delay might happen, but this is an ongoing process, and we don't see that there will be much impact going forward will happen because we continue to refine our products to offer optimized value on that perspective. So we don't see there will be any adverse impact will happen in the next quarter.

Prayesh Jain: Just a follow-up on the margin front. Do we used to guide about 26% to 28% VNB margins. And we are obviously clocking above that and third quarter is a much stronger quarter for us. Do we now think about VNB margins in a much higher range as compared to what we are getting today?

Management: So our objective is to optimize the VoNB, so enhance the VoNB. And that prospect, we continue to maintain this range and that range will help us to optimize as and when required, we can price that and do that.

Management: So we will stick to our guidance of 26% to 28%, and we'll see that how things pan out in the current half year, I mean.

Moderator: Next question is from the line of Samant Singh from PhillipCapital.

Samant Singh: So just coming back on the non-par pricing. So in terms, I think in June, you raised customer IRR on guaranteed non-par products as yield rose and then non-par savings has performed very strongly in this quarter.

So my question is in terms of when yields rise, how do you sort of split the benefit between a higher guaranteed return for the customer that is reflected in volumes and a wider spread for SBI Life, so margin thing. So did you reprice again in second quarter? And how much of the Q2 margin gain is from the non-par contribution?

Management: As I mentioned, we continue to reprice our product even going forward, even the Q3 and Q4 as well, which is a part of our strategy that we optimize the value. So that has happened. And we don't disclose how much margin coming

from the particular line of business for this quarter. But definitely, the change in the mix that reflected has helped us to enhance our margin for this quarter.

Samant Singh: Sure. And then just on annuity, you also suggested previously that you're planning to launch this regular pay deferred annuity. So is it launched? Or what volumes and margin do you expect from it? Any color on that?

Management: So we will be launching soon this deferred annuity and the margin will be similar to or maybe higher than the company margin that we are looking for. So objective is to get the return to the customer. And this is one segment where we see a lot of potential on the demographic of the country perspective. So there is a lot of potential for deferred annuity as well as a margin accretive product. So we will be launching that. And we hope this will help to grow our number share as well as enhance our margin.

Samant Singh: So sometime in this quarter only.

Management: Yes, hopefully.

Samant Singh: Just one more or two question, if it's okay. On this IFRS or Ind AS thing, so if I can ask like which transition approach will you use for the in-force book? Will it be like full retrospective for these cohorts or fair value of modified retrospective for the older ones? So any color on that?

And the point I'm more sort of interested in knowing is that what share of the opening CSM would come from each? So if you can sort of provide some color on that? And also additionally -- yes, sorry.

Management: Mr. Sarangi will be replying to that.

Management: See, we are following exactly what is the mandate from the regulator. And at this moment, as you know, we are under forbearance period under the IRDAI. So we evaluate accordingly what is the best options available for the company to adopt.

And once we go towards the end of this financial year, by the end of March, we will finalize and then move towards the June 30, 2027 for the adoption. So by the time, we will take an appropriate call that what is best for the company as far as IFRS adoption is concerned.

Samant Singh: So will we have any Investor Day sort of educating investors before that?

Management: Yes, yes, we will do that. We will definitely do that. We'll definitely do that. So by the time we will come towards the end of this financial year, we'll accordingly plan it out.

Samant Singh: And just last question, if I can squeeze in. It's just on ULIP thing because that is a significant portion of your mix. So ULIP CSM will be released on sum insured basis or will it be like fund value?

Management: We will come back to you. We'll come back to you when we'll start discussing about the IFRS. Once this is done, then we will come back to you and accordingly guide you.

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

Sanketh Godha: Sir, if I look at your VNB walk for first quarter, you had a negative 60 bps impact because of the product mix change. Now if I look at 1H, it is positive 80 bps. So this delta change from minus 60 to plus 80 is predominantly because of the reduction in the GTL contribution or even non-par or annuity played a role to improve? If you can give a bit of color how this minus 60 to 80 has moved because of the annuity and non-par and how much because of the reduction in the GTL business?

Management: So see, first thing, I will clarify that the comparison from minus 60 to plus 80 is not really comparable because when you show the walk in June, that was from the last June to this June. When we are showing here is from the last September to this September H1 versus H1. So not exactly comparable on that part.

And then the positive variance coming from the last year H1 to this year is on account of the entire product mix, including there is some impact of the GTI, there is some positive impact on account of the annuity as well nonpar. This is a combined impact of the product mix that we are reflecting here.

Sanketh Godha: Sir, I understand that it is not comparable. I mean it's difficult to compare, but just wanted to understand the color that it was largely because of the share contribution coming down or it is largely because of the contribution of non-par and directionally I wanted to understand that point?

Management: So I will say that when we explained in the Q1, it will be on account of higher share of the GTI in the quarter.

Moderator: I'm sorry to interrupt, sir. We are not able to hear you properly. It's cracking, sir.

Management: What I'm saying that when you compare in the Q1, that was more on account of the higher share of group business, GTI business. That's negative. When we look into this positive is more on the positive movement towards the non-par and annuity business. So that's positive coming from.

Sanketh Godha: Understood, sir. And sir, in annuity business, last time also I asked this question, whether this growth of 28% in second quarter is because of the launch of the new plan, which you were planning to do deferred annuity or it's a natural still the single premium product, which is driving the growth?

Management: No. Actually, it is the existing product portfolio only. The new product is yet to be launched. We are looking forward maybe in the third quarter, sometime we will be launching that product.

Sanketh Godha: Understood. Understood. And sir, one more question was that agency channel in 1Q was pretty strong, around 23%, 24% growth. But suddenly, it just grew by 6-odd percentage while Banca still grew in the range of 9% to 10%. So anything to read why agency suddenly looked a little weaker in the current quarter compared to 1Q what we experienced as a strong growth or is it just a share base effect?

Management: No. So as I already said that instead of looking on month-to-month or quarter-to-quarter variation, we look at the overall trend, and I am very sure that whatever target and whatever guidance we have taken for FY27, we are going to stick to that. The agency channel will come back to its normal growth in next couple of months.

Sanketh Godha: Understood, sir. And lastly, on individual protection, just wanted to get a color because our growth as highlighted in the past also, looks softer compared to the peers. I believe because of the sheer product mix change towards pure term. So can you give a color of how the 16% growth in APE for first half is broken down into pure term growth and ROP growth or if you can give a color on the mix of pure term and ROP will be useful, sir.

Management: Yes. Sangram will be answering that.

Management: So the overall growth in the protection on the individual APE is 16% in H1. And the contribution is actually mostly coming from the pure protection. So pure protection is growing faster than the return of premium. But as far as our mix is concerned between ROP and non-ROP, it has been actually moved towards now 58% to 42%. 58% is ROP and 42% non-ROP, including the rider premium

So the pure protection has moved from 90-10 to now 58-42. So the major growth is coming from pure protection. But at the same time, ROP also is quite attractive proposition for our customers. We'll continue to do that.

Management: So you can see that the sum assured growth in case of our company is very, very strong. In fact, it is the highest in the industry. And that is because the pure protection growth is much higher as compared to return of premium growth, which used to be company's forte in the earlier years. So because of that, the overall growth is looking a bit softer, but the sum assured growth is much higher.

Sanketh Godha: Yes. Got it. And last one, sir, credit life, just wanted to understand how do we sell it, whether we bundle it along with the loan, the premium amount or we sell it as a separate product where the payout is made by the insurer. Just wanted to understand because the new paper, distribution paper clearly speaks about it to be paid separately. So just wanted to understand whether it is bundled or it is collected separately from the loan?

Management: So first of all, there is a difference between these 2 things. So bundled, I will not say that the product is bundled because it is optional for the customer. And as I shared earlier also that our attachment rate in the portfolio, bank portfolio is around 50%, less than 50%. So it is optional for the customers to opt for this product. But as of now, most of the customers are paying this premium by availing a loan from the bank. Going forward, as the guidelines change, we will adapt to the new guidelines as per the situation.

Moderator: Next question is from the line of Madhukar Ladha from JPMorgan.

Madhukar Ladha: Congratulations on an excellent set of numbers. Just a couple of questions from me. Sir, can you break down the individual APE growth target that you have of about 14%, 15% for the year? Which channels will contribute how much in that?

So Banca I see has grown about 9% in the first half and agency about 12%. So if you could split between banca, agency, others, how much would each segment sort of contribute to individual APE growth? That's the first question.

Second, the others channel is doing quite well. So can you give some sort of color on what is really driving this? Have we added some new partners? And for how long is this sort of growth sustainable because if we've added some new partners, they're ramping up. Some color around that will be helpful?

Third, on the margins part, I know that you revise your assumptions at March end every year and then carry forward those assumptions. I just wanted to be clear whether then do you also keep the interest rate assumption constant as of March or do you keep revising the interest rate assumption as you sort of see how the yield curve is evolving during the year?

And this strong margin performance and 29% plus margin that we're seeing in this quarter, how much of that is because of higher yield curve? And have we like fully hedged? What portion is hedged? Some color around that as well?

Management: Yes. Okay. So first question was regarding IRP breakdown for the different channels. So we don't divulge these details, and it depends on the market conditions and channel's response to various products, etc. But what I will assure you is that the guidance of 14% to 15% overall company, that we are going to stick to.

Regarding your other observation of very high growth in other segments where other bank partners, corporate agents, etc., including our direct channel, emerging business channel, etc., is there. There, the base is pretty low and the growth rates are high because we are getting good response on our direct channel also.

In addition to that, we keep adding the partners and in the last quarter also, we have added a new banca partner by way of J&K Bank, which has started selling our products. Margin and interest, Mr. Prithesh Chaubey will be responding to.

Management: Your question on assumptions of interest rate yield curve. So prevailing yield has been used for this only the operating assumptions change in the March. Economics also keep changing. As far as the impact of the yield curve concerned it's difficult to quantify that how much contributed to this quarter...

Moderator: I'm really sorry sir, we cannot hear you. Your voice is breaking a lot, sir.

Management: So Madhukar, on your question on yield curve and interest rate assumption, just to clarify that we use the current yield curve on the month-on-month basis when the business has been done. Only the operating assumption that we change only in the year-end.

Now your second question is to quantify how much for this quarter is contributed by the yield curve is difficult because we keep reprice the product some product has been repriced.

However, if you look at our walk, when you compare from the H1 last year to this year, there we have qualified that 70 basis point margin coming on account of the yield curve movement on that part. So I think this will clarify your question.

There was another question that you asked about the hedging. So we do hedge 80% of the premium as per the policy. And that objective, we try to optimize our hedging ratio and that at current point of time, 80% is optimal value as far as hedging is concerned.

Moderator: Next question is from the line of Dipanjan Ghosh from Goldman Sachs.

Dipanjan Ghosh: A few questions from my side. First, this non-par and annuity growth that you're seeing, just wanted to get some color on the underlying customer and the product type. I mean, would this be more towards onetime lump sum payout endowment-based products or these would be like more long-term regular payout products?

And how that mix has been changing maybe in the last 6 to 12 months? And second, on the customer side, I mean, are these like people who are 50-plus or you're also seeing younger customers adopting this particular asset class? So just some color on the product and the customer type would be useful?

My second question is on the agency channel, institution alliances. So we see a very strong growth in the non-par category in the particular segment for some quarters now. Just wanted to get understanding of 2 things. One is what would be the contribution of banks within this portion as a non-SBI bank?

And second would be how would the margin profile be without putting the numbers, how would be the margin profile of every product category in this channel relative to agency or SBI? And 1 or 2 data keeping questions. First is, if you can break the operating variance for the first half into the various baskets. And second, if you can give the credit life APE for the first half?

Management: As far as your question about non-par annuity growth is concerned, all options are open to the customer, and it is the customer's choice and his financial current condition and his financial goals that are used by the customer to decide about the product portfolio.

But let me tell you that most of the growth is coming from our regular premium business and single premium contribution is very low in this non-par and

current growth that is coming in. Agency channel growth what was the question about?

Dipanjan Ghosh: The question was on the non-par growth that we see?

Management: Yes. Institutional alliances growth, most of these banks are public sector banks and some private sector banks also. And we are seeing very good growth of 30% plus in this other bank channel segment. The growth in this segment is particularly coming in from the non-par segment.

And the margins you were talking about, so let me tell you that we pay uniform commission to all our distributors, be it the agency channel or Banca or other bank channels. So since the commission rates are uniform, so the margin from all the channels is also uniform. Regarding operating variance, I will ask Mr. Chaubey to.

Management: We don't disclose on this operating variance bifurcation and nothing. But just to confirm that each operating variance be it the mortality, persistency and expenses is the 3 key operating variance, we have the positive variance. So there is nothing which has denting out this operating variance.

Dipanjan Ghosh: Sir, if you can give the credit life APE for the first half?

Management: See, credit life is almost kind of flattish as far as the H1 is concerned. So overall from the group protection, we have done almost kind of INR140 crores of credit life in this half year, APE.

Moderator: Next question is from the line of Shobhit Sharma from Elara Securities.

Shobhit Sharma: Congratulations on great set of numbers. So I have a couple of questions. Sir, firstly is on the product mix. If I look at H2, the product mix is very strong on non-par side. Usually, we see because of the seasonality on H2, your ULIP mix starts inching up. So should we expect that trend to continue going forward?

And looking from a long-term perspective, if I look at the non-par saving mix, which is at 25% for H1 and even higher for the second quarter, how much non-par mix are we comfortable to operate at? And if you want to look at what should be our ULIP to traditional mix going forward, let's say, 3 years down the line? So any such guidance on that part would be really helpful.

And lastly, sir, you mentioned that we currently don't have a differential pricing or differential IRR across the distribution channels. We expect that we'll have

to relook at this approach because the distribution report, which has just come out. It has just suggested that the benefit of the cost need to be shared with the policyholder. So if you can share your thoughts around that, that would also be helpful?

Management: Regarding the product mix, as you already know, last financial year, we closed with 66% of ULIP and 34% of non-ULIP products. This year, we have taken a budget of reducing the ULIP contribution to around 63% by improving the non-par and par and protection products. And our product launches have also been in that category to provide more solutions, more choices to the customer and the market and our distributors have responded well to that.

And first half, we have closed at around 62% of ULIP and 38% of non-ULIP products. So as we move to the second half, we have that cushion of 1% there, and we expect that broadly, we will be able to move into our direction, our direction that was set at the start of the financial year.

Shobhit Sharma: Sir, just a small follow-up on this. If I look at your par and annuity mix, still we have some gaps over there. Still we need to cover the mix on that side. So how are we planning to cover that gap so that we can have a much more balanced product mix going forward?

Management: So we look at the ULIP and non-ULIP segment broadly. And within those segments, we go more by the customer choice that where the customer preferences lie and don't do too much of micro segmentation kind of thing. We offer all kind of product solution to the customer.

Shobhit Sharma: And sir, lastly, on the approach with regards to the differential IRR and the differential pricing, if you can give your comments around that?

Management: So as I told earlier also that SBI Life is best placed as far as the new distribution norms that are proposed to come in. As and when they move in, we will be changing our products and our opex or commission structure in line with the regulators guidelines. But let me assure you that we are best positioned and it is going to open up maybe more opportunities for the company in coming times.

Moderator: Ladies and gentlemen, we will take the last question from the line of Vinod Rajamani from Nirmal Bang Securities.

Vinod Rajamani: So I had 2 questions. One is on this conservation ratio. So the persistency has improved across most cohorts, but the conservation ratio has fallen to around

82% from 84% in Q2. The big sharp fall is in the linked pension. So I just want to know what is driving this. That is question number one.

Number two so again, this is on the forward-looking regulation. So you said that SBI Life could be among the least affected and may gain some opportunities under the new commission guidelines. So just wanted to know what share of credit currently from non-SBI lenders. And say for example, the regulations stay as they are, do you expect to kind of win mandates once this lender commission is capped around 2% or 2.5%? So these are the 2 questions I have?

Management: See, as far as the conservation ratio you have mentioned, it is 2 aspect to that. One is that our persistency for 13 months and 25 months are very good and it is improving as compared to the previous quarters and previous. And the renewal collections are also growing, which is also at the higher double digit.

As far as our credit life is concerned, we don't have much partnership with other than SBI. So at this moment, we don't see any challenge. But let us see first how in what shape the consultation paper will come as a regulation, then we can decide. But at this moment, it doesn't impact SBI Life.

Vinod Rajamani: Yes. Sir, on this conservation ratio, it has fallen to 82%. So despite strong persistency. So any reason for that?

Management: While there has been a marginal decline in the conservation ratio, the movement is not significant or a cause for concern. Overall, we do not see any material challenges in the conservation of our linked pension portfolio, and the trend remains manageable.

Moderator: Ladies and gentlemen, that concludes our question-and-answer session. I now hand the conference over to Mr. Amit Jhingran for his closing comments. Over to you, sir.

Amit Jhingran: Thank you very much for your time and queries. You may get in touch with our Investor Relations team in case you have any follow-up questions. Thank you, and good night.

Moderator: Thank you very much, sir. On behalf of SBI Life Insurance Company, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

Safe harbour: Please note that this transcript has been slightly edited for the purpose of clarity. Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', ‘indicating’, ‘expected to’ etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These statements by the Company and its management are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions and are not guarantees of future performance. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control, and actual results could differ materially from those presented in the forward-looking statements.