Apne liye. Apno ke liye.

July 31, 2025

SBIL/CS/NSE-BSE/2526/62

Vice President
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza,
Plot No. C/1, G Block, BKC,
Bandra (East), Mumbai 400051
NSE Symbol: SBILIFE

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

Dear Sir / Madam,

Subject: Transcript of Earnings Conference call for Q1 of FY 2025-26

This is in continuation to our intimation letter ref. No.: SBIL/CS/NSE-BSE/2526/56 dated July 20, 2025 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 Thursday, July 24, 2025.

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: 2025.07.31 17:06:46 +05'30'

Girish Manik
Company Secretary
ACS No. 26391

Encl: A/a

"SBI Life Insurance Company Limited

Q1 FY '26 Earnings Conference Call"

July 24, 2025

Management: **Mr. Amit Jhingran – Managing Director and Chief Executive Officer**

Mr. Sangramjit Sarangi – President and Chief Financial Officer

Mr. Abhijit Gulanikar – President, Business Strategy

Mr. Subhendu Bal – Chief Actuary and Chief Risk Officer

Mr. Prithesh Chaubey – Appointed Actuary

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

Moderator: Ladies and gentlemen, good day, and welcome to the SBI Life Insurance Company Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will remain 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 the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

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

Amit Jhingran: Good afternoon, everyone. It is a pleasure to welcome you all to results update call of SBI Life Insurance for the quarter ended June 30, 2025. We appreciate and thank you wholeheartedly for your valuable time and efforts involved in analysing the results and joining our earnings call. Update on our financial results can be accessed on our website as well as on the websites of both the Stock Exchanges.

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

As we celebrate 25 remarkable years of SBI Life, we take immense pride in reflecting on our journey to becoming one of India's foremost life insurance providers. The journey has been characterized by resilience, innovation and an unwavering commitment to serving the financial protection needs of millions of our fellow citizens. This milestone is a testament to our unwavering commitment to excellence, innovation and most importantly, the trust that millions of customers have placed in us.

The first quarter of FY 2026 has set an optimistic foundation for the year ahead, successfully achieving the desired targets on various key business parameters that we have set for ourselves, all thanks to the collective efforts of our dedicated team. Our employees' productivity and commitment have been outstanding, driving enhanced operational efficiencies and customer centricity across all touch points.

The performance of this quarter reflects our focus not just to drive business, but on complete ecosystem like mix, persistency and operational indicators.

This can be witnessed through our 13th and 61st month persistency ratios, underscoring the strengthening of our customer relationships and the overall quality of our business. Additionally, we have observed a traction in our individual new business premium towards the end of the quarter.

Alongside a favourable shift in our product mix towards guaranteed non-par savings and protection solutions, reflecting evolving customer preferences and our strategic focus to shift towards balanced product portfolio. Though we still strive to maintain this shift in our mix, our endeavour is to achieve company's growth aspirations.

Despite operating on a high base from the corresponding quarter last year, our ability to maintain growth above the industry in Individual Rated New Business reaffirms the resilience of our strategy and the deep trust our customers place in us.

Our agency and bancassurance channels continue to be the pillars of our distribution strength. Notably, in this quarter, other distribution partners like broker, other bank partners, web sales have also contributed meaningfully. The integration of these channels with our broader ecosystem has significantly enhanced our market penetration and expanded our reach, allowing more customers to benefit from our comprehensive insurance solutions.

Another standout feature of this quarter has been the significant focus on protection plans, which have gained impressive traction. Notably, protection segment witnessed growth of 53% on APE basis and contributes 11.7% of total APE. As the insurance landscape evolves, the need for enhanced protection solutions becomes increasingly critical. SBI Life is committed to innovating and expanding its product portfolio to address the growing financial security needs of our customers.

As we move forward, our continued emphasis on customer trust and product portfolio will be key drivers in sustaining our growth momentum and creating long-term value for all stakeholders.

Now let me give some key highlights for the quarter ended 30th June 2025. New business premium stands at INR72.7 billion with a private market share of 21.3%. Individual rated new business premium stands at INR34.7 billion with a growth of 8% and private market share of 22.3%. Gross written premium stands at INR178.14 billion with a growth of 14%. Profit after tax grew by 14% to INR5.94 billion as compared to corresponding quarter last year. Value of new business stands at INR10.9 billion with a growth of 12%. VoNB margin stands at 27.4% for quarter ended June 30, 2025, a gain of 62 basis points.

Indian embedded value for the company as on June 30, 2025, stands at INR742.6 billion. Our AUM, the Asset Under Management stands at INR4.76 trillion with a growth of 15% over corresponding quarter last year. Solvency ratio of 1.96 as against the regulatory requirement of 1.50.

We will now update you on each of the key parameters in detail. Let me start with Premium.

On Individual rated new business, we stand at INR34.7 billion with a growth of 8% over corresponding quarter last year and maintained our leadership position with private market share of 22.3% and total market share of 15.4%. The company's 3-year CAGR of individual rated new business premium stands at 10%, outpacing industry CAGR of 9%.

Group new business premium stands at INR23.3 billion with contribution of 32% in new business premium. We have collected total new business premium of INR72.7 billion.

The company's private market share stands at 21.3% and total market share stands at 7.8%. The company's 3-year CAGR of new business premium stands at 9%, outpacing the industry CAGR of 8%.

Renewal premium grew by 24% to INR105.5 billion, which accounts for 59.2% of the gross written premium. To sum up, the gross written premium stands at INR178.14 billion with a growth of 14% over corresponding previous quarter. In terms of APE, premium stands at INR39.7 billion, registering a growth of 9%. Out of this, individual APE stands at INR35.08 billion with a growth of 6%. During the quarter ended June 30, 2025, total 4.07 lakh new policies were issued. Number of lives covered during this quarter ended June 30, 2025, is 4.4 million.

The growth in sum assured serves as a positive indicator of consumer confidence and the increasing awareness of the importance of financial protection. Individual and group new business sum assured registered a growth of 73% and 117%, respectively, compared to corresponding quarter last year.

Let me give you details about the product mix. As on June '25, our guaranteed non-par saving products are contributing 19% on individual APE basis. Amidst aggressive pricing trends across the industry, the company has remained disciplined, aligning its non-par savings product pricing with the market yields and has still achieved a steady and sustainable growth in this segment.

Individual ULIP new business is at INR27.4 billion, and it constitutes 55% of the individual new business. Individual protection new business is at INR1.7 billion. Individual protection business for Q1 FY '26 has grown by 10% on NBP basis as compared to Q1 FY '25. Traction in participating products continues and witnessed growth of 28%.

During the quarter, the company witnessed growth in all its retail products and the flagship child plans that is Smart Future Star and Smart Platina Young Achiever, which were launched in previous quarter, sold more than 24,000 policies and collected more than INR185 crores of new business premium from these 2 products.

Group protection new business stands at INR8.1 billion with a strong growth of 43%. Credit Life new business has grown by 25% and stands at INR5.9 billion. Protection business contributes 12% of APE and stands at INR4.6 billion. 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 INR15.5 billion.

Moving to update on our distribution partners. With the strength of more than 59,000 CIFs, the bancassurance business of SBI and RRB contributes 58% to the total APE basis. On an individual APE basis, it stands at INR22.4 billion, reflecting growth of 8%. SBI branch productivity on individual APE stands at INR3.8 million for the quarter, registering a growth of 7%.

Additionally, due to the recent merging of RRBs, that is regional rural banks, under the “One State, One RRB”, the total RRBs have reduced from 14 to 9, resulting in lower contribution from these banks than last year.

The agency individual rated premium stands at INR10.88 billion in Q1 of FY '26. Our agent productivity for the quarter stands at INR2.15 lakhs on individual NBP terms. Agency channel has witnessed shift in product mix, increasing its contribution from non-par segments by 722 basis points and share of ULIP stands at 59% versus 68% in corresponding period last year. It is supported by robust growth of 78% in agency individual sum assured. During Q1 of FY '26. The company added more than 31,000 agents on gross basis.

We have opened 36 new branches this year. This expansion is aligned with our vision to create infrastructure that supports the long-term development of our agency channel. Our expansion targets are carefully designed to cater not only to Tier 1 and Tier 2 cities, but also to underserved Tier 3 and Tier 4 regions. As mentioned in opening remarks, during the quarter, other channels that is direct corporate agents, brokers, online and web aggregators grew by 16% in terms of individual new business premium and contributed 14% of total APE.

Linked business through other channels registered growth of 7% on APE basis. We are investing in building our online business channel, individual rated premium through this channel has grown by 46% in the current quarter, compared to corresponding quarter of the last year, and protection business through this channel on IRP terms grew by 58% as compared to previous quarter.

Some updates on Profitability. The company's profit after tax for the quarter ended June 30, 2025, stands at INR5.94 billion with a robust growth of 14% as compared to corresponding quarter last year. Our solvency remained strong at 1.96 as against regulatory requirement of 1.50.

Value of new business stands at INR10.9 billion with a growth of 11.7% and VoNB margin stands at 27.4% for the quarter ended June 30, 2025, as compared to 26.8% in Q1 of FY25. The shift in VoNB is mainly on account of shift in product mix as compared to corresponding quarter last year. Embedded value for the company as on June 30, 2025, stands at INR742.6 billion.

Talking of operational efficiency. The opex ratio stands at 6.3%, and total cost ratio stands at 10.8% for the quarter ended June 30, 2025, as compared to 6.1% and 10.5%, respectively, for the quarter ended June 30, 2024.

With respect to persistency of individual regular premium, 13th month persistency stands at 87.12%, an improvement of 58 basis points and 61st month persistency stands at 62.8%, an improvement of 501 basis points.

As mentioned in my opening remarks, asset under management stands at INR4.76 trillion as at June 30, 2025, having growth of 15%. Death claim settlement ratio stands at 98.44% for the quarter ended June 30, 2025. Our mis-selling ratio stands at 0.02%, which is one of the lowest in the industry, and this is achieved through our consistent approach adopted to ensure right selling to the customers.

Digitalization is transforming the life insurance industry, enabling us to deliver enhanced services and a more seamless experience for our customers. As we embrace our digital transformation, we remain committed to innovation and excellence, ensuring that we stay ahead of an increasingly competitive landscape. The company continues efficient usage of technology for simplification of process with 99% of the individual proposals being submitted digitally. 62% of individual proposals are processed through automated underwriting.

To conclude, by fostering a culture of resilience and continuous improvement, supported by a clear focus of developing our agency channel along with the partner bank networks, we are confidently positioned for the future. Our commitment to provide exceptional customer service, strengthen client relationships and reinforces our status as a trusted leader in the market.

In order to maintain our leadership position, our strategy moving forward will centre on three main areas: innovation, customer centricity and sustainability. And we will achieve this by enhancing digital capabilities, expanding reach, strengthening distribution networks and product development. With a focus on long-term sustainable and profitable growth, we aim to create lasting value for our customers, shareholders and communities, paving the way for a prosperous future together.

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

Moderator: Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Avinash Singh from Emkay Global.

Avinash Singh: A couple of questions. The first one is on margin front; it's a commendable performance. But my question is that, I mean, given that now you sort of have been focusing to move more or grow more outside the bank as well. And that's where I mean, agency expansion and opening of branches has been planned. So , I mean, this opex assumption in this margin calculation.

Keeping that in mind, I mean, whatever your branch expansion and agency addition for kind of plans you have. So if you were to kind of accelerate those branch opening this year, will that have some kind of any changes in your operating expense assumption or the current margin calculation keeping sort of that part of assumption?

And second piece, again, related to agency only. Agency has been kind of a focus area, and I mean, you have a strong track record of your agency being productive. But if we look at this point in time, the growth in agency looks weak. So I mean, is there something, I mean, not clicking or is it unexpected lines, if at all by when we can expect a turnaround or other acceleration agency growth?

Management: So if you look at the industry growth figure for the agency, the growth was only at around 1%, and we grew substantially higher at 6% plus for the agency channel. Now the 6% plus comes on top of a very robust first quarter of last financial year when our agency grew by 43%. So this growth, although a little lower than what we expected is in line because this is broadly in line with our plans for the year, as you talked about increasing more number of branches.

This quarter, we added 31,000 plus agent on a gross basis. So now these branches, which we opened last year and this year also, we are opening, along with these new additional agents, we are sure that going forward, we will be getting the agency numbers also as we have planned for the current quarter.

Talking of effect on the margins because of the branch opening, so last year also, this agency, you are aware that agency 2.0, we started from the first quarter of last financial year itself. Last year also, we opened a similar number of branches, but the productivity improvement and the additional business and additional profits from these branches, taking care of any additional cost. So last year also, there was no effect on our opex margin as such, and we continue to project the same this year also.

Moderator: We take the next question from the line of Nischint Chawathe from Kotak.

Nischint Chawathe: Just a couple of questions. One was, again, if you could just remind us about your growth kind of target for the year. I believe you had in the past mentioned that you look at the agency to grow in kind of mid-teen levels. And is that kind of any change over there? And any specific cohort or segment of agency that has seen slow down?

Management: No, we continue to be bullish on agency and our plans are in place. We are going as per our plan. The number in this quarter definitely was a little lower than what we expected, but the kind of product mix that we achieved in the agency channel during the quarter is in line with the product mix that we are expecting for the company as a whole. In fact, better than that and that is taking care of slightly lower growth. But going forward, we are sure that our numbers will also come back along with the product mix that we are getting in this quarter.

Nischint Chawathe: Sure. The other one is, if I look at the margin expansion this quarter, which product has actually contributed to highest to expansion because if I understand rightly, your margins in ULIP have actually been higher than margins in the par business. So I was just curious what are the expansion drivers this quarter?

Management: See, the margin expansion happened on 2 accounts. One part is that if you see there is a shift in the product mix. So non-par has gone up, protection has gone up. Subsequently, we just mentioned that we launched the protection product, active repricing of the non-par has also contributed.

Third aspect is that we have launched a rider and rider attachment rate is almost 40%. That's also contributing. So I say that not any specific product, but the obtaining optimal product mix has help us towards this margin expansion.

Nischint Chawathe: And just one last question is on the IEV that you have reported. Is there a large capital gain during the quarter? Because if I just try to work the number backwards, it appears to be that either there is a release or a large capital gain.

Management: So nothing specific. Only you see that there is a market movement happening, on account of the equity has done better and yield has gone down. So we get MTM gain on that side that's affecting the IEV. And also if you look at our ROEV is quite healthy. So unwinding plus positive earnings during the quarter that also contributed to the IEV growth.

Nischint Chawathe: Sure. And there is no major variance, I would believe?

Management: No, no major variance.

Moderator: The next question comes from the line of Aditi Joshi from JP Morgan.

Aditi Joshi: Just a couple of questions on the product mix within the channel. So there is quite a varying growth in the particular product. For example, non-par in the banca was weak, whereas it was strong in the agency. And similarly, there was some differential within the ULIP sales as well, which was strong in the banca, but weaker on the agency. So if you can just help us understand that what is causing this variance or differential in the mix across the products, it will be helpful.

And second question is on there has been some news on the new Chairman appointment by the regulators. So if you can just comment on, what policy expectations will you have from the new Chairman? And what is the outlook or your view on those? That would be helpful.

Management: So product mix, we have a broad guideline for the company for the year, and that has been also in place for the last financial year that we want to move to a healthier product mix and by healthier, I mean, which provides a good set of margin numbers also for the company. We have been able to move the needle on the agency part as per the company's guidelines.

And there has also been a movement in the product mix on the banca side. Though it has not happened in the first quarter as we wanted to, but there is a positive shift. There is a 2% reduction in ULIP in the banca channel also, and we want to bring it further down by improving our non-par and protection business in banca further.

And I'm sure that in the remaining 3 quarters, we will be able to align the banca product mix also as per our expectation and as per our guidance set for the year. As far as new Chairman is concerned, I welcome him on my personal behalf and on the behalf of the company in his new role and we look forward to work with him constructively for betterment of the industry and all the stakeholders in the industry.

Aditi Joshi: Just a follow-up question. On the agency side, you think the mix that we had posted in the first quarter could likely be continued in the coming quarters as well?

Management: Yes, definitely. We are working on that line only. I mean our guidance and our monitoring of our field forces, our frontline managers, everybody is aligned, and we are sure that we will be able to maintain this product mix broadly with some kind of seasonal variations of this.

Moderator: The next question comes from the line of Nidhesh Jain from Investec.

Nidhesh Jain: Sir, first question is on protection growth. If you look at the monthly disclosure, our individual sum assured growth was upwards of 70%, but retail protection grew 7% Y-o-Y in APE terms. So what explains this difference?

Management: So the pure protection business has increased. The share of pure protection has increased compared to TROP. That is the only reason why sum assured has increased faster than premium.

Nidhesh Jain: So retail protection growth is 70% Y-o-Y or retail protection APE growth?

Management: No, APE growth is only 7%. But the growth has come because in TROP, the premiums are higher for same sum assured, right? Pure protection the premium growth will not be seen, when the product mix shift towards pure protection compared to TROP. And that has happened from 90-10, we are 75-25 now.

Nidhesh Jain: 75 is pure protection now or?

Management: No, no TROP.

Nidhesh Jain: TROP. Okay, okay. Second, sir, for a like-to-like basis, is it right to understand that banca margins will be better than agency margins for the same product like ULIP and same product non-par selling through banca versus agency?

Management: See, generally, we don't bifurcate between our channel-wise margins are concerned. So similar for us, both the channels are giving us good margin as far as the segments are concerned.

Nidhesh Jain: I was trying to understand if there is a distribution mix change towards agency, whether that will have a negative impact on margins or it is neutral or positive benefit on margins?

Management: See, as far as our mix is concerned, you have seen that since last year, the agency has been dominating and agency has done as compared to banca, very strongly last year. But the margin also has picked up because of the product mix and the cost structure which we drive in the market. So on similar lines in this year also, we don't anticipate any kind of deviation from our guidance as far as the margin is concern.

Nidhesh Jain: Sure, sure. And the third question is on group protection. In that product category, we have seen very strong growth. So if you can give the split of group APE in terms of group term and Credit Life, which segment has shown growth in this quarter?

Management: Both these segments have shown growth, Credit Life as well as GTI. So Credit Life has grown by 25%, and the GTI also has grown in the double digit, very significant double-digit growth. So both have shown growth.

Management: So Credit Life growth will continue. The group business, GTI is lumpy. So you may not see such high growth in future. You may, you may not see because it is lumpy. You can't really comment.

Nidhesh Jain: Sure, sir. So what is the quantum of group term GTI in this quarter in terms of APE?

Management: So we don't have the specific number per se, but both are together is giving us almost kind of 60% of our total protection number.

Nidhesh Jain: Okay. And the last question is on economic assumption change in VNB walk. What is driving that?

Management: It is just impact of the yield curve movement, nothing else.

Moderator: The next question comes from the line of Swarnabh Mukherjee from B&K Securities.

Swarnabha Mukherjee: Congrats on strong margin. I just first wanted to understand from the growth point of view. So if you could help us understand that in terms of the individual business, I mean in the month of June, we saw a sharp improvement in growth. So which channels and products are contributing for the same? Because just wondering that if it is led by, say, for example, retail protection because ticket sizes are lower there, would that be so needle moving in terms of growth?

So if you could give us a broad sense how June growth was or maybe also some comments on July that from which channels and what product mix is driving the same? And given that keeping the June growth in perspective, could we expect any upward revision to the guidance in terms of growth for the year, which you had previously given? So that is the first question, sir.

Second is, I mean, I'm estimating that our Group Term Life growth is even much stronger than the Credit Life growth. Just wanted to understand about the pricing environment in Group Term Life. Has it improved significantly compared to what it was maybe a few months back. So if you could comment on the same? And thirdly, sir, in terms of the 49-month persistency, if you could highlight what kind of impact in that number? Yes, sir, these will be my questions.

Management: If you look at the kind of growth curve that we are having and you are asking regarding the products that have contributed, our guidance in last 2, 3 quarters has been that we are moving towards a healthier product mix. And our product launches also in the last 6 to 7 months, have been in the non-par segment and protection segment where we have launched a suite of very strong products.

And thanks to our field forces and the features of the product, we are getting very good response in the non-par and protection segment products. The June growth, of course, there was a green shoot visible in the banca channel also, and that contributed positively during the June of month, adding to our quarter numbers.

We expect that going forward, this trend will continue, and we stick to our guidance of growth for the year in the mid-teens, which will definitely be at par or above the industry level, private industry level specifically. Your second question...

Swarnabha Mukherjee: Persistency.

Management: It was about the persistency in the 49 months. This is something which if you are looking tracking the numbers for last 2, 3 years, we would have seen that this cohort is moving from 13 to 25th and 37, now it has reached to 49 months. And this is a cohort, which is creating a problem in the persistency for that particular period. By the end of the year, I think this cohort will move to 61st month, and then it will like go out of the tracking. So this is a cohort where despite our best of efforts, we have not been able to recover and get those customers on board again.

Swarnabha Mukherjee: Okay. Understood, sir. I had also asked on the Group Term Life side, if you could highlight on the pricing environment?

Management: See, the pricing scenario for the group term business has continued to remain very competitive in the market as others. So there is no change as per industry pricing competitiveness is concerned. As we keep mentioning that at our company, we look into the scheme by scheme. And when we get a reasonable profitable scheme, we try to take underwrite with us.

And in this process, we're also taking certain support from the reinsurer, premium reinsurer as well as the cross-border reinsurers, and that's also helping us. So this is a lumpy business that we keep mentioning. This quarter, we get very good retail schemes and we get all profitable term conditions that we take in that. And that's the reason growth happens.

Difficult to comment what will happen in the Q2 and Q3. If we continue to get a good deal, we are more than happy to underwrite and take it in our book, because we don't have any challenge in the capital perspective. But we'll keep mentioning that we're not going to get the GTI account which will have adverse impact on the margins. We'll continue to only healthy margin.

Swarnabha Mukherjee: Understood, sir. Just a quick follow-up on the June numbers that you highlighted that banca has seen a traction. Just wanted to understand that is there any I mean, in banca ULIP picking up? Or is there a possibility that ULIP might come back slightly higher in the mix going forward? Or do we strictly control it at this current level?

Management: So as you would have noticed in response to somebody's previous question, I told that during the quarter, even the banca product mix improved by 2%. I mean, the ULIP sales contribution was 2% lesser than the previous year. So we are expecting that the product mix in banca will also move as per our expected line during the year.

Moderator: The next question comes from the line of Dipanjan Ghosh from Citigroup.

Dipanjan Ghosh: So just a few questions from my side. First, in terms of the agency, despite a shift in business mix towards more of par and non-par, the agency activation rates are up Y-o-Y. So just wanted to get some sense in case the market environment improves, and let's say, the ULIP kind of picks up, what sort of agent activity rates improvement are you really factoring in, in your overall growth estimate for the year?

Second, in terms of your overall commentary at the start of the call where you mentioned that there were green shoots towards the end of the quarter in your guaranteed return products and in terms of the overall business also. I mean, are you seeing similar trends playing out, let's say, even in July? And I mean how is the feet on street clearly kind of giving their response to it?

And last question is on the entire kind of journey of ULIP margins across the industry, we have seen pick up in the ULIP margin profile. In terms of your positioning out there, how much more scope do you see in terms of improving the margin profile across each of the product segments and more specifically ULIP?

Management: So first one is related to the agency. I think the product shift is as per the plan. And we have seen that last year, vis-a-vis this year, it has been a positive shift. But as already said, this overall productivity enhancement might also improve further in this next 9 months because the kind of targets we are aspiring for us in the agency channel, which will definitely be achieved through the productivity enhancement. And we are quite optimistic that the agency productivity will improve going forward.

As far as the third one you asked about the ULIP margin expansion, I think based on our trend of margins in the ULIP, which has always been better because of the cost structure, which we are driving in the SBI Life, so which will continue to deliver us the good margins going forward. Which was the next one. Second one, non-par guaranteed product, Prithesh, you want to add?

Management: No. I think as we mentioned that we lunched this new guaranteed product, particularly for child segment and income. We continue to see this demand in the market, particularly where interest is going down and we are able to actively price to ensure that we give the optimal return to the customer. We do see the interest of the policyholder or prospective customer will continue to be there. And we're able to drive this mix non-par to obtain our product that we're looking for.

Dipanjan Ghosh: Got it. Just on the second question, just a follow-up that my question was more in terms of the commentary that towards the second half of June, probably things picked up. You mentioned on the banca side, things are looking good. You mentioned that guaranteed return is looking good. So I just wanted to understand, is the trend continuing going into July? Or is it more of like a June end phenomenon, which probably kind of did not spill over to the second quarter?

Management: I think June is one quarter where there is no quarter-end phenomena kind of thing. So this is a result of our efforts that we have been consistently making to improve the product mix to improve the sales in various channels and all.

Moderator: We take the next question from the line of Shreya Shivani from CLSA.

Shreya Shivani: I just have one question. It's on the growth guidance for the year. So at the end of fourth quarter last year, you had mentioned that individual APE growth of about 13%, 14%, driven by 25% growth from agency channel, 10% from banca channel. Now unlike the past 6 months, when the commentary in the media about the PSU bank sales of insurance was very negative.

In the last 1 month, there have been a few media articles which suggested that government is telling the PSU banks to focus on selling insurance products, along with core banking operations as well. So with that in the background, would we be revising our guidance upward?

Is there any different outlook you're getting from your banca partner? Any commentary on that? And whether the growth guidance, you're still sticking to the same growth guidance or you're looking at a different number that will be useful, particularly for the banca channel.

Management: Same has consistently been asked for last 1 year almost. And you yourself have said that the earlier reports are in media and the new reports are also in media. We have consistently been saying that from the regulator side, there has been no indication, no formal indications or anything like that. And that is why the growth was on a continuous basis.

There was no point of time there where we faced any negative kind of growth because of such news articles or media murmur. So we will say that there will not be any effect or guidance that we provided, and we stick to the kind of guidance of mid-teens growth on an overall basis in the current financial year.

Moderator: The next question comes from the line of Prayesh Jain from Motilal Oswal Financial Services Limited.

Prayesh Jain: Just a couple of questions. Firstly, just asking that point on the growth in the month of June and so prior to June, the banca channel for us had been growing at a much slower rate. And I think you alluded to the fact that in June the banca growth has come back. What changed in the month of June that kind of allowed you to grow at a faster pace versus what was reported in the earlier months, right? That was my first question.

Second is on the cost front, where we have seen some increase in cost ratio from 6.1% to 6.3%. Is it just because of the opening of new branches and we should see this coming down going ahead? Or it should remain elevated at these levels? Those are my 2 questions.

Management: So as regard to previous question also, I said that the growth was never absent. In the current quarter also in the banca channel, April and May both have had positive growth, but June, the number was a little higher than the previous 2 months. This is basically mobilization of our field forces, and we got some good business in the month of June.

Going forward, we expect that the seasonally affected quarter usually, first quarter is slightly slower. Going forward, we expect that we will be able to achieve the numbers that we have budgeted for and that we have guided for in the next 3 quarters.

Management: And relative to the cost, as you rightly said, I don't think so we will have any surprises going forward because it will be definitely going to be stable around this rate of 6-6.5% because we are expanding our infrastructure, not only on the branches, but also on the digital assets and which will help us on the agency side.

So agency channel, which has been growing since last year. So that is requiring an investment. So which you continue to do that. But at this moment, we don't see any big spike in the opex per se for the financial year FY26.

Management: In fact, there is a slight increase in the manpower cost because we have added around 3,000 employees. In last 1 year, we have opened new branches. We have increased our IT spend. So all these are like infrastructure creation. And as we get incremental business out of these infrastructure creation, the effect on opex will be further rationalized.

Prayesh Jain: One follow-up, what will be your outlook for VoNB margins for this year?

Management: So we continue to stick to our earlier guidance of 26% to 28%. And you would have noticed that all along, we have been in this range, and we are sticking to our margin guidance with some positive bias.

Moderator: The next question comes from the line of Mohit Mangal from Centrum Broking.

Mohit Mangal: Congratulations on a good set of VNB margin numbers. My first is that you said that the growth basically in the protection business was primarily from the lumpy group business. But if I look at retail protection, I just wanted to understand 2 things. The 12% growth, I mean, how are we going to increase that? That's point number one. Point number 2, the growth in the retail protection is in Tier 1 or basically in Tier 2 and Tier 3 cities. If you could show some kind of a colour on that, that would be helpful.

Management: On the growth of retail business, you're right. So we revamp our protection product portfolio to adapt more refine the segmented approach. So 2-3 months back, we launched the product with the high ticket size, INR2 crores and above. That's also contributing. So that's the reason. And then we, again, revamping other existing term plan to make it suitable to the customer, both from underwriting perspective as well as their demographic profile to ensure that we get a margin enhancement as well.

So objective is to optimize these things. So that's also contributing. We launched that we mentioned that bank platform, we launched a very simplified product where cover has gone to INR40 lakhs. Now we are going to enhance this further. That is quite easy to sell. That is also contributing to the growth of individual protection.

And to your question that is it coming for any specific city, I will say that our production growth is coming across all the tiers because we are focusing and offering this optimization for all segments, including Tier 1, Tier 2, Tier 3 city as well. And both from the bank as well as agency.

Mohit Mangal: Understood. No, this is helpful. Lastly, in terms of the bancassurance. So basically, we have got 14,000-plus partner branches as well. So just wanted to know how much of them is activated? And perhaps how many of the non-SBI banks actually contribute to the bancassurance? So if you can just throw some light into that, it would be helpful.

Management: So in our numbers, we show non-SBI partners in others, not in our banca. I mean though they are banks, we don't deny that. So the partner-to-partner contribution varies in terms of branches that are active. But typically 10% to 20% branches are active on a monthly basis for our partners.

Our endeavour essentially is to drive higher branch activation with those partners. That is the key initiative that we want to take, to increase that business. But it will take some time. So over the next couple of years, we will hope to drive higher growth from other bank partners.

Moderator: The next question comes from the line of Supratim Datta from Ambit Capital.

Supratim Datta: My first question is on the agency side. So we have created a highly productive agency, and the recruitment numbers have also been fairly strong. But what we're seeing is the peers have also getting more aggressive on agency, both in terms of recruitment and expansion, particularly in Tier 2 and Tier 3 cities. So I wanted to understand what are you seeing from the field with respect to competition when it comes to recruitment or commissions that you have to provide?

Are you seeing any changes there? If you could throw some colour on that, that would be helpful. And my second question is, there has been rumours, media articles around extending free-look period from 1 month to 1 year or slightly longer than 1 month. I wanted to understand if that happens, what would be the margin impact on the product? That would be very helpful.

Management: So on the agency front, it was always competitive. We have faced on-ground competition for recruiting agents always. And I would say that, that intensity waxes and wanes at various points in time. This is not the first time that competition has also focused on agency.

So we have faced competition, and we are quite well equipped to handle that in the coming years because we have a good structure and support system for agency, which has paid us dividends over the last many years, and we think we'll be able to use that support structure and monitoring system in future also. And on the free-look cancellation...

Supratim Datta: Sir, I have just one follow-up on this. So if you could just elaborate what is the support structure that differentiates your agencies from that of peers?

Management: No. So there are so many things. I mean I cannot tell over a call what are the various support structures we have in place, what is the supervisory mechanism we have. The focus on though we were a banca dominant company we never closed down any agency branch ever. So there are so many other things that have come into play. I don't think I can explain all that in a call.

Management: So one thing we'll just add here is that, Supratim, the consistency on the strategy of agency growth, which is the total the differentiator between the SBI Life and the other private insurers. So we have been very consistent as far as our strategy is concerned. Even we are a banca-dominated company, we have been very strong on agency because of our structure, strategies and the kind of R&R and commissions, which we pay, that is the reason why the stickiness of our agents are with the SBI Life. And also the biggest help is the brand, which plays also a great role.

So overall, if you see from that angle, we have in any scenario, we always scatter to 1/3 of the agency business among the private insurers.

Management: I will add that not only the commission and R&R, which makes any agent stick to a company. It is the kind of policies that we have towards agents, the kind of connect that we have with them and the kind of faith they have in this brand is paying us dividends all along, and this will continue in the same way.

Management: On your question on FLC, we don't see any impact on the margin. There are 2 reasons. One reason is that when you compute the margin, we can put the policies net of free-look. So secondly, we see the free-look ratio of our company is very low and so the mis-selling ratio. So challenge will be for those companies where there saving is much higher, you see the longer free-look period will move to the more cancellation that we're not expecting in our case.

Moderator: The next question comes from the line of Shobhit Sharma from HDFC Securities Limited.

Shobhit Sharma: Sir, my question is on your rider attachment. You have mentioned that the rider attachment during the quarter was around 40-odd percentage. Can you help us understand how has this moved as compared to last year Q1 and last year, Q4 FY '25? And what would be our aspiration to take this number to? and lastly, if you can clarify whether this rider proportion of the premium is categorized in the term segment or the respective business segment?

Management: So I think our objective is to offer this the rider in term of protection to meet the need of the customer. Particularly, if you look the child segment, where the payer benefit is required or accidental benefit is required that we're offering. And we are always aspiring to achieve the better attachment ratio from the current, not just to drive the profitability, but more on the need for the customer because the rider there is no expense loading coming from.

So if a customer is buying a rider, it is much cheaper benefit the customer is deriving. So that we try to do that. And that will continue to that. We expect that our attachment ratio will be much better than what we're looking for. But again, depending on what kind of situation emerge at that point in time.

Management: Last year, we did not have any big riders at this point in time. They came later half. Second half was when the rider started ruling for our products. For ULIP, they came in last quarter, non-ULIP they came in late second quarter.

Shobhit Sharma: Okay. Okay, sir. And sir, if you can help us understand where this rider premium is classified as? Is this part of the term business segment? Or it belongs to the respective product category?

Management: Respective product category, yes.

Shobhit Sharma: And so is it right to assume that the rider premium will contribute close to 4% to 5% of the Individual APE?

Management: No, rider premium is much lesser, so not that level.

Shobhit Sharma: Also, sir, last question. Are we also driving rider attachment on our renewal policies? Or is it only for the new business policies?

Management: So now we are offering to the new policy, but our objective is to offer this rider to the existing policy customer as well because it is beneficiary to the customer. So going forward, we will provide rider to them as well.

Shobhit Sharma: Okay, sir. And sir, last question. So over the last 6 months, we have done multiple product intervention. So if you can help us understand any particular project intervention we are about to do in this current quarter or the quarters coming forward?

Management: So we are revamping our protection portfolio on the lower sum assured basis. And then also, we are working to where we might be launching in this quarter the money back plan for the par portfolio. Objective is to give the better money back -- provide liquidity to the customer. So that's the reason we are working on that side. So these are 2 things that we are immediately looking into. And maybe we further enhance our protection offering in terms of the health segment.

Moderator: We take the next question from the line of Prithvish Uppal from Elara Capital.

Prithvish Uppal: Congratulations on good results. I just have one question, which is on the competition intensity that you alluded to in the non-par segment. So I think the understanding was that post implementation of surrender regulation, there would have been a little bit less intensity here at least in terms of the pricing. So just wanted to get your thoughts on the same and your outlook for this particular product category for the year ahead?

Management: I don't think there will be much impact will happen on the competitiveness is concerned, with respect to surrender, where most companies have repriced. So intensity and the competition will continue to remain similar. What will happen that how actively and dynamically you are repricing those products with the movement in the yield curve because you see this yield is not only changing the shape, yield curve is also changing.

So we try to actively reprice those products to reflect the yield curve movement so that we're not only able to offer the return to the customer commensurate to the yield curve, but also protect our margin. So I think this phenomenon will continue. I don't see because of surrender there will be impact on the competitiveness of the non-par segment.

Moderator: We take the next question from the line of Jeet Suchak from Asian Market Securities.

Jeet Suchak: So in the current quarter, Credit Life grew by 25%, but what I'm hearing from the market so that credit disbursements are lower from the few quarters in the industry? So the growth is coming from the lower base or what is the strategy that is driving the growth? And also what is the Credit Life mix in the group protection?

Management: So Credit Life, we have changed some policies, including underwriting policy. So 25% plus growth, we think we should be able to deliver in the current year. Bank is growing 10% plus in home loan portfolio. And with better attachment rates, we should be able to deliver this 20%, 25% growth in the coming years. That is what we think we should be able to deliver. And largely of our overall business, Credit Life is 1.6% of the overall business that we are writing in the current year.

Jeet Suchak: Okay. And so 25% -- so we are basically having lower base because...

Management: The bank is expected to grow 10% to 15% in home loan. We think better attachment rates we will be able to deliver a higher growth than the bank growth rate, the home loan growth rate.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to Mr. Amit Jhingran for his closing comments.

Amit Jhingran: Thank you very much for your time and the queries, everyone. You may get in touch with our Investor Relations team in case you have any follow-up questions. All the best to all of you. God bless.

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