



Max Financial Services Investor Release

February 2018

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- 1 } **Max Financial to raise upto Rs. 5,000 Cr. through preferential issue/ qualified institutional placement to drive growth through acquisition opportunities**
- 2 } **Max Life's Assets under management has for the first time has crossed Rs 50,000 Cr milestone as at Dec'17 and stood at Rs 50,333 Cr, grows by 23% y-o-y**
- 3 } **9MFY18 Group revenue* at Rs 9,667 Cr, grows 12% y-o-y**
- 4 } **9MFY18 Group PBT at Rs 328 Cr, down 35%y-o-y, due to one-off gains from investment income and reserve release in last year**
- 5 } **Q3FY18 Group revenue* at Rs 3,666 Cr, grows 10% y-o-y ; Group PBT at Rs 131 Cr, down 31%y-o-y, due to one-off gains from investment income in last year**
- 6 } **Max Life : 9MFY18 Individual Adjusted sales (FYP) grows by 18% to Rs 1,876 Cr**

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Industry & Economic Overview

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Max Life Overview

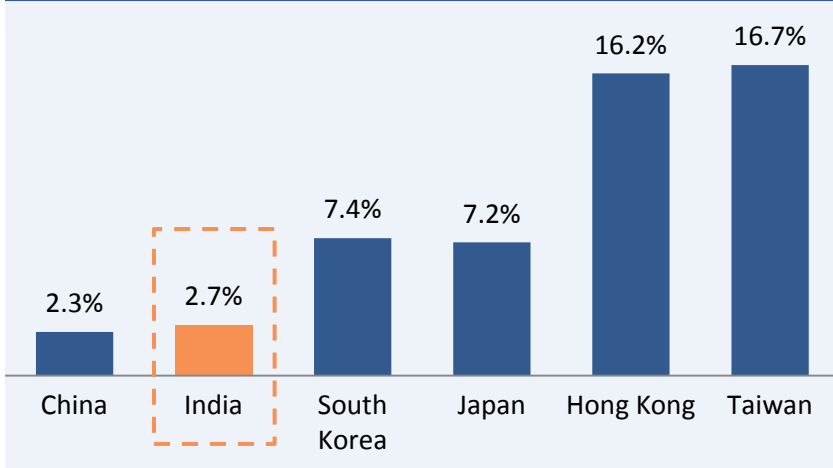
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Financial Performance

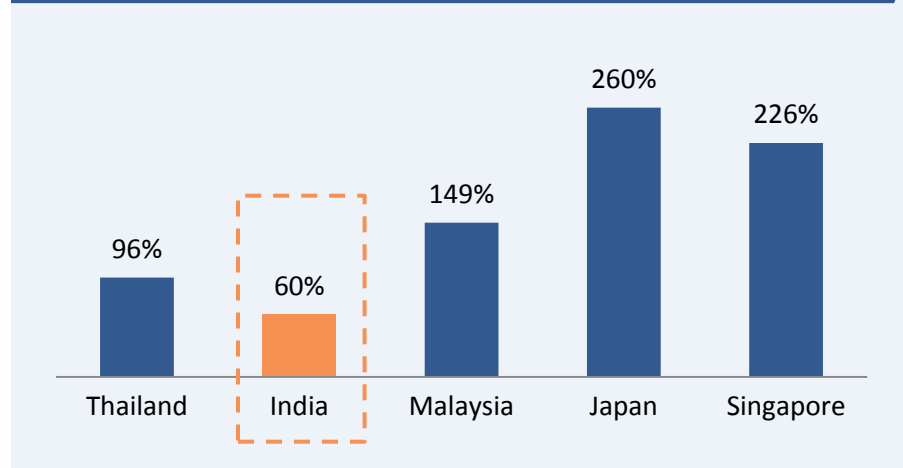
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Awards and Accolades

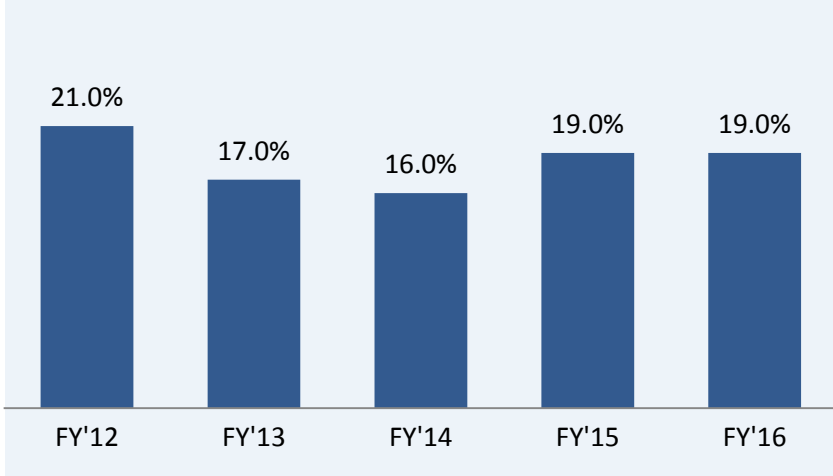
Life Insurance Penetration (Premium as % of GDP), 2016



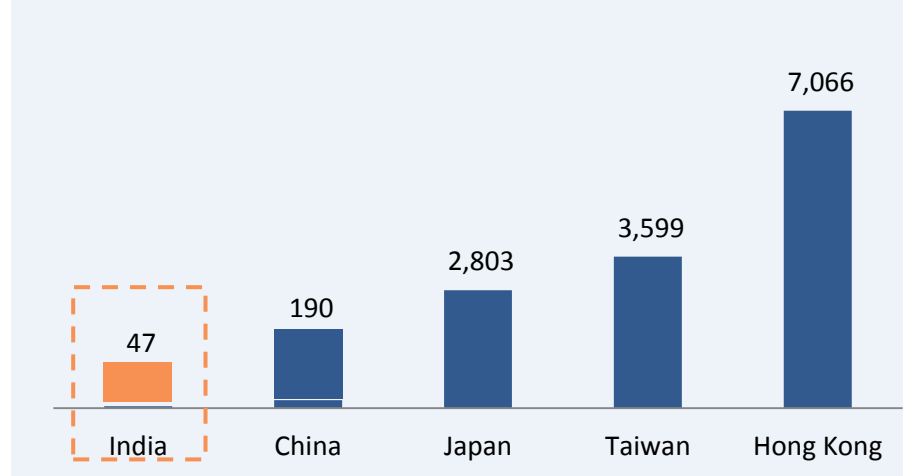
Level of Protection (Sum Assured as % of GDP), 2015



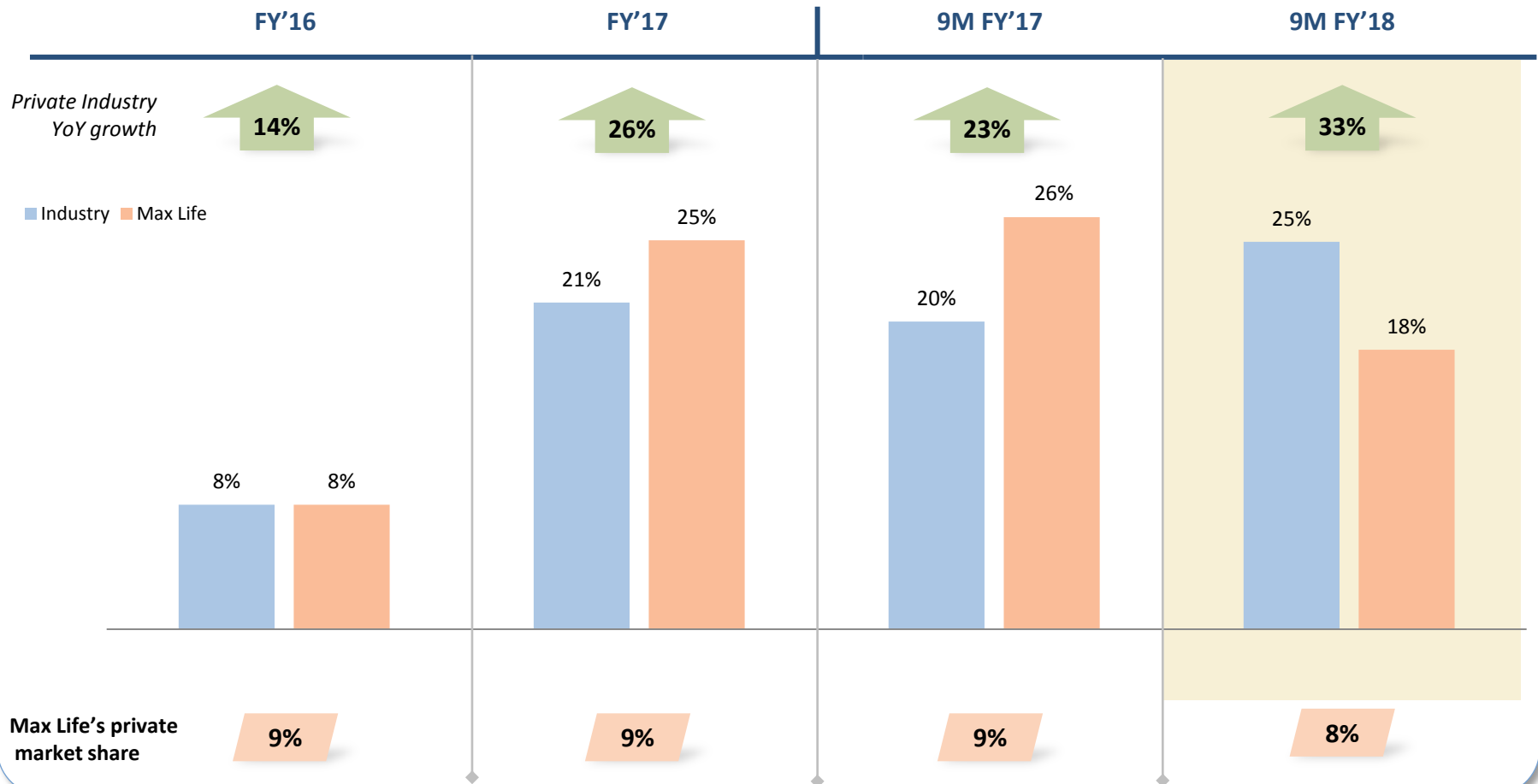
% of Life Insurance in household savings- India



Life Insurance Density (Premium per capita – USD), 2016



YoY growth Individual Adjusted FYP



Significant proportion of the private industry's growth driven by higher ULIP contribution. In Q3, private industry has delivered growth at 27% lower than 37% in H1 FY18 due to high base last year because of demonetization.

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Awards and Accolades

1

Continue to chase profitable growth

- Superior financial performance with profitable growth
- Balanced product mix with focus on long term saving and protection proposition
- Superior customer outcomes and retention

2

Comprehensive multi-channel distribution model

- Comprehensive multi-channel distribution model with highly efficient and productive agency channel and strong Banca relationships
- Proprietary channel of the future will work towards driving efficiencies of existing assets and variablizing costs by leveraging technology

3

Strong digital footprints

- Using digital technologies to harness data and analytics for more efficient sales processes and better customer experience
- Digitization of backend infrastructure for driving operational efficiencies

Supported by eminent Board, strong management team and robust governance framework

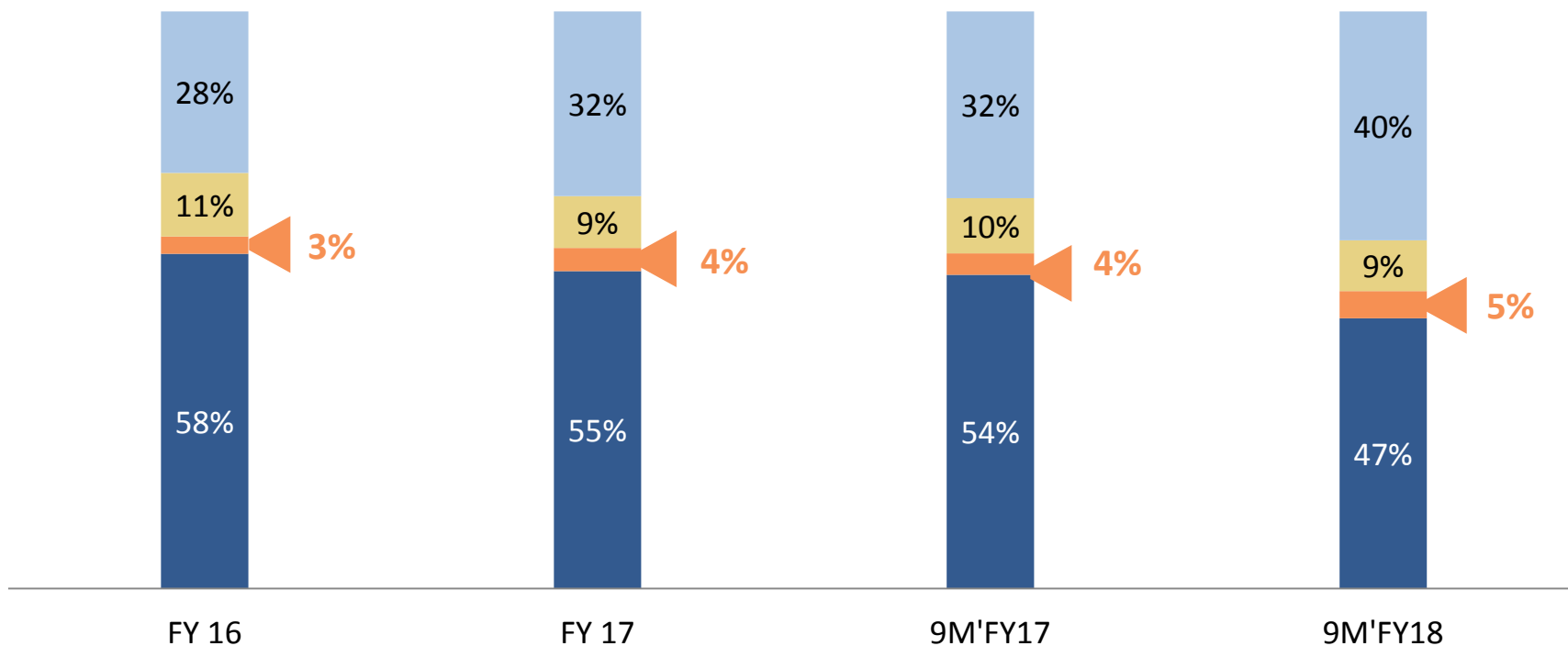
Market Share 8% [9%] <div style="float: right;"> 101 bps </div>	Individual Adj. Sales Rs 1,876 Cr [Rs 1,590 Cr] <div style="float: right;"> 18% </div>	Gross Written Premium Rs 7,852 Cr [Rs 6,993 Cr] <div style="float: right;"> 12% </div>	AUM Rs 50,333 Cr [Rs 40,920 Cr] <div style="float: right;"> 23% </div>
Profit Before tax* Rs 390 Cr [Rs 549 Cr] <div style="float: right;"> 29% </div>	Net Worth Rs 2,502 Cr [Rs 2,310 Cr] <div style="float: right;"> 8% </div>	Share Capital 1,919 [1,919] <div style="float: right;"> </div>	Policyholder Cost to Gross Premium Ratio[^] 21.6% [23.8%] <div style="float: right;"> 220 bps </div>
Sum Assured 4,69,067 Cr [3,68,353 Cr] <div style="float: right;"> 27% </div>	Policies in force (Individual in Lakhs) 39.71 [38.05] <div style="float: right;"> 4% </div>	Solvency Ratio 280% [330%] <div style="float: right;"> Abs. 50% </div>	Case Size 51,994 [50,794] <div style="float: right;"> 2% </div>
No. of Employees 9,934 [9,140] <div style="float: right;"> 9% </div>	No. of Agents 54,405 [51,236] <div style="float: right;"> 6% </div>	Claim Settlement Ratio 96.01% [95.54%] <div style="float: right;"> 47 bps </div>	Protection Mix 5% [4%] <div style="float: right;"> 1% </div>

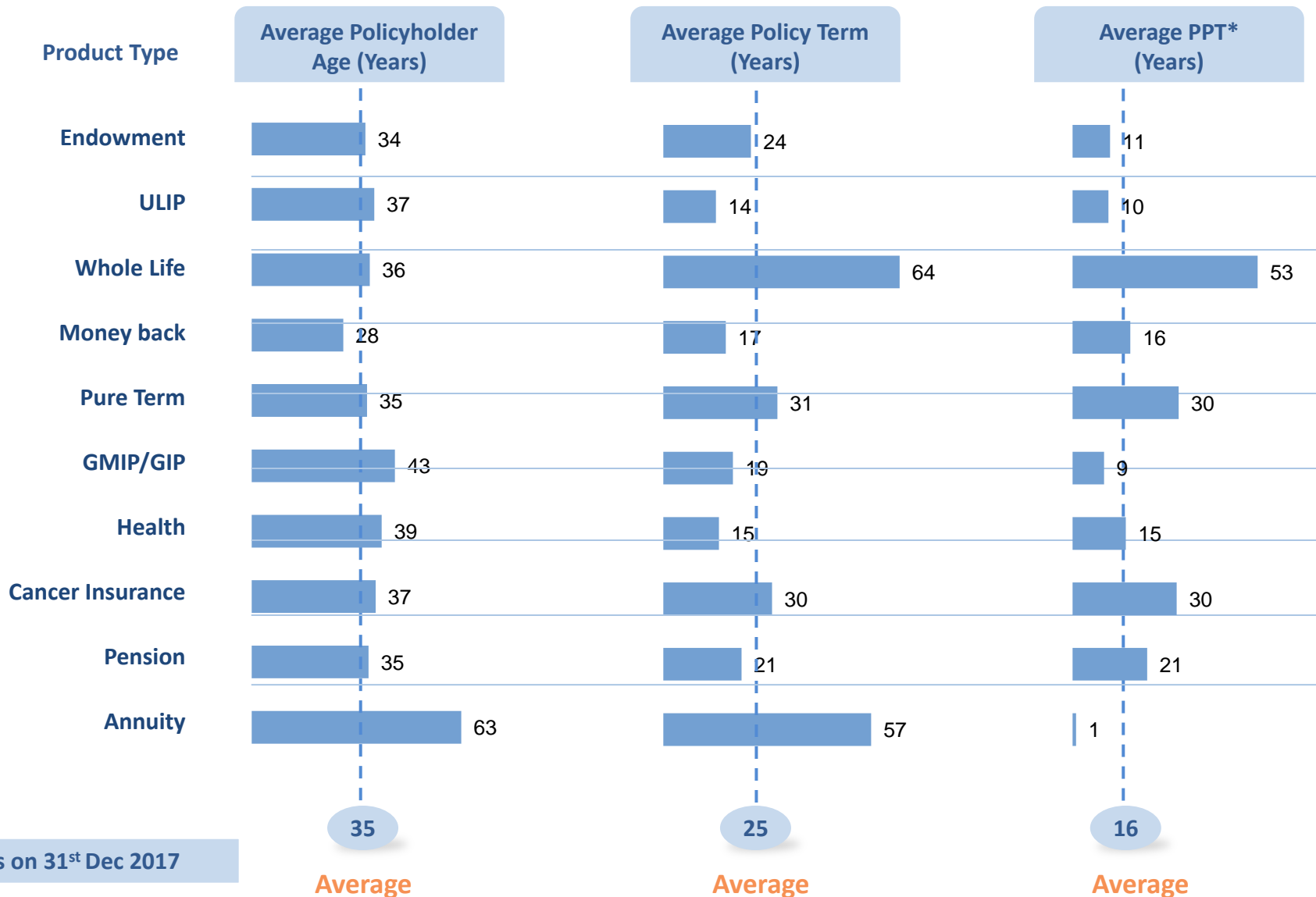
Figures in [brackets] are for previous year numbers (9M'FY17)

*Profit before tax for 9M'FY17 was higher due to one-time non operating gains realization primarily from investment income

[^]Policyholder cost includes policyholder expenses and commission. Policyholder expense ratio is 14.7% for 9M'FY18

■ PAR ■ Non PAR- Protection ■ Non PAR- Savings ■ ULIP



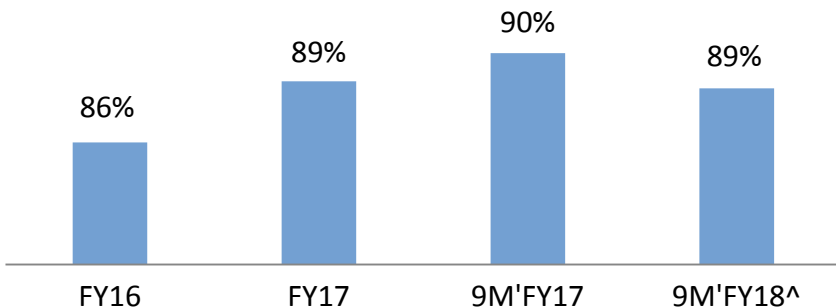


As on 31st Dec 2017

*PPT: Premium Payment Term

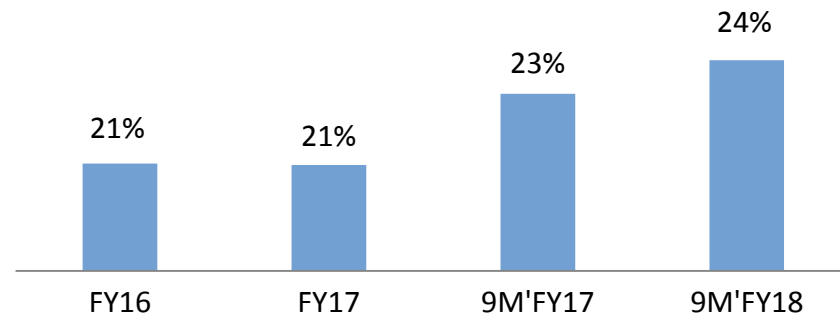
High quality business franchise

Conservation Ratio*

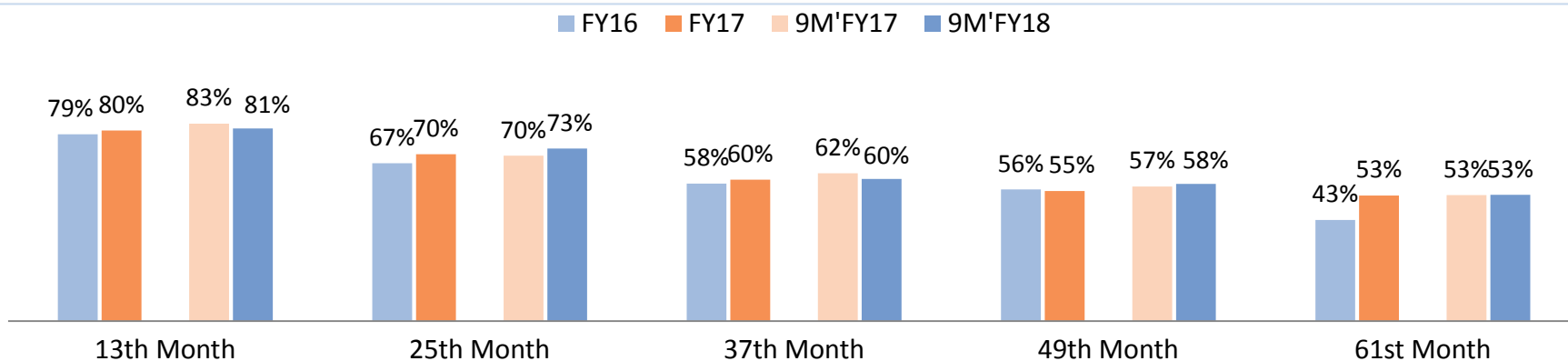


Steady retention capabilities

Surrender to GWP



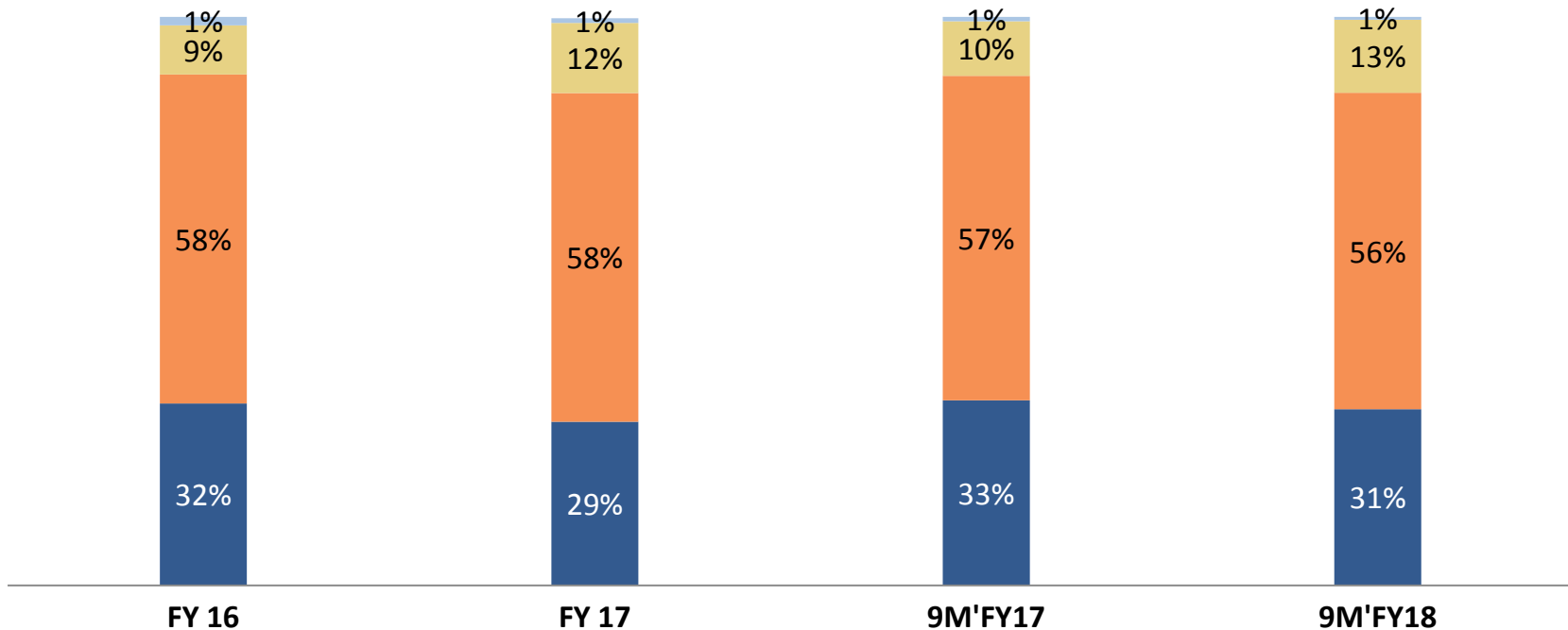
Continuous improvement in persistency^



***Conservation Ratio** : Current year total renewal premium(excluding Group)/(total first year individual regular premium of previous year+ renewal premium (excluding group) of previous year-previous year premium from term completed policies, matured policies and policies which has ceased to exist due to death)

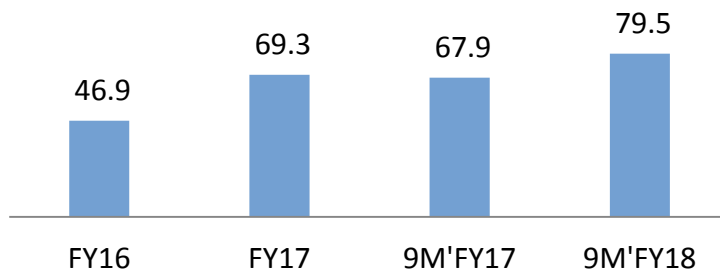
^9M'FY18 conservation ratio and persistency lower due to one time impact of demonetisation in FY 17 and subsequent IRDAI notification for extending grace period.

■ Proprietary ■ Axis Bank ■ Other Banks ■ Others

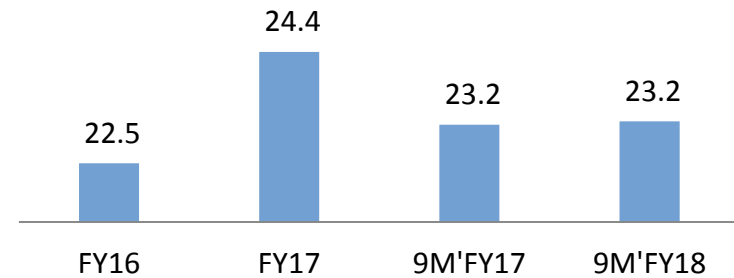


Highly efficient and productive agency channel with focus on quality of advice

Active Agent productivity (Rs '000 pm)



Branch productivity (Rs Lakhs pm)



Strong Banca relationship with consistent growth

Ind. Adj. FYP (Rs. Cr)

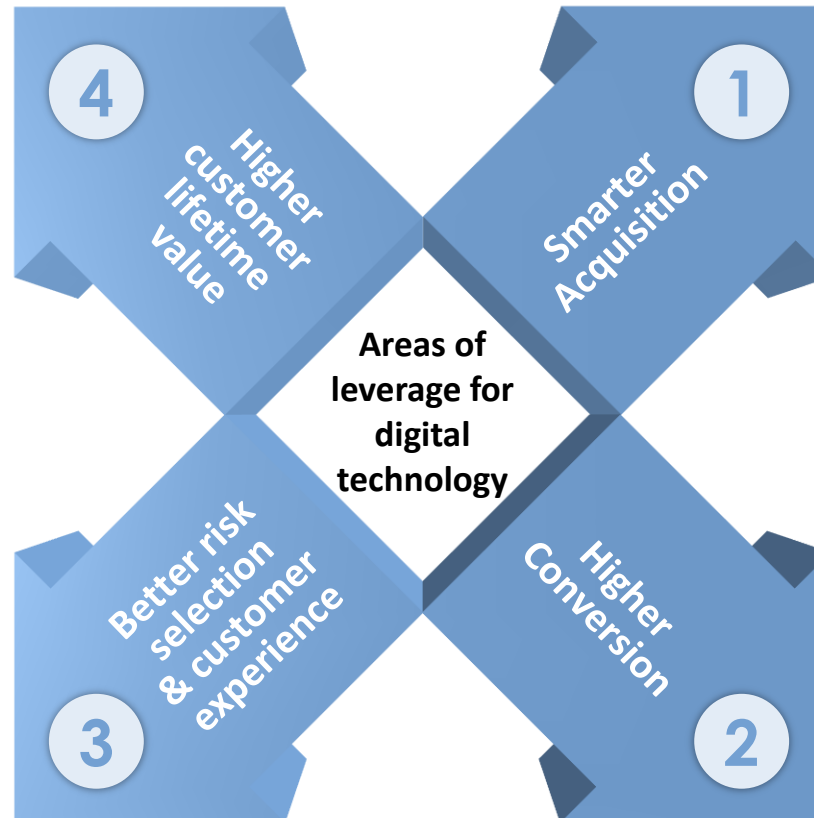


Transforming Digital Interface

- Frictionless proposals (15% cases now being processed with 0 physical documents)
- Combination of virtual & physical selling ; device mobility & voice enabled forms planned for sellers
- Max Life transitioned from 3 digital assets (Corporate website, mSite, Buyonline) to single unified digital asset

Re-imagining Fulfillment

- Predictive models to gauge insurability to provide frictionless journey
- 85% of all policies till Q3 have been applied digitally through fulfillment tool
- Turn around time for issuance has significantly improved by 40-50%



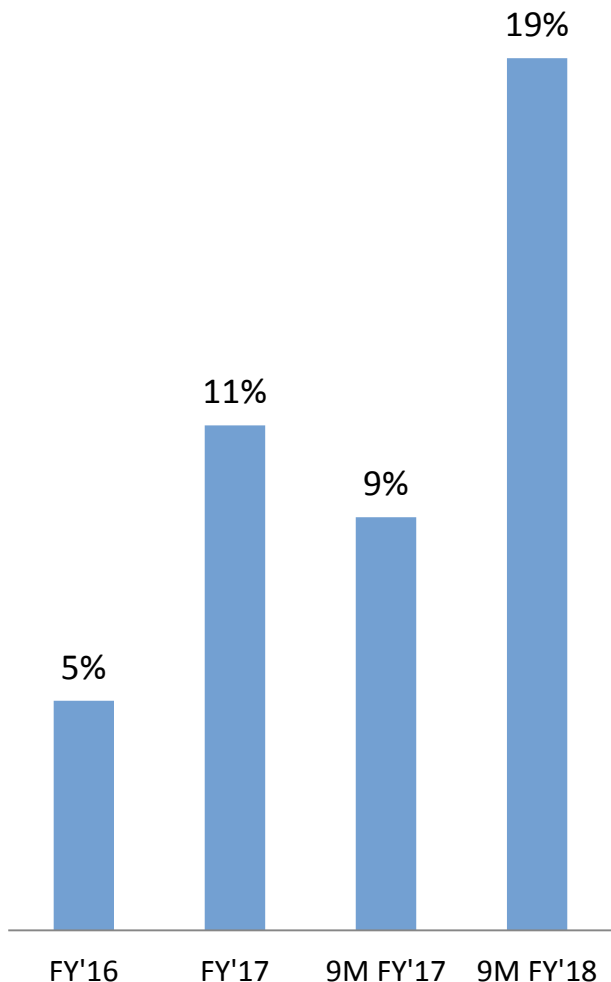
Digital Marketing and E Commerce

- E-commerce in 9M'FY 18 delivered 116% growth in YoY Annualized Premium without adjustment
- New Product launch enabled seamless offline sales
- 19% of Max Life customers entered through the digital door contributing 64% of total Sum Assured

Seller Ecosystem

- Digital Sales funnel – All active advisors enabled on mobile based tool for effective sales conversations and predictable revenues
- Augmenting seller efforts through data based insights for assistance in right solutioning
- New age unified seller and customer servicing tool (mPower) launched in Dec to increase agent productivity & customer retention

Percentage of customers through digital door



66%

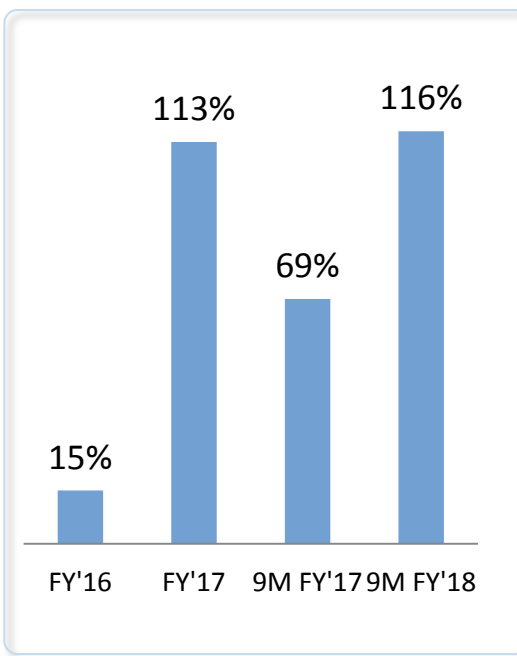
of all Renewal Premium Payment is now paperless (ECS, bank transfer & Internet)

24%

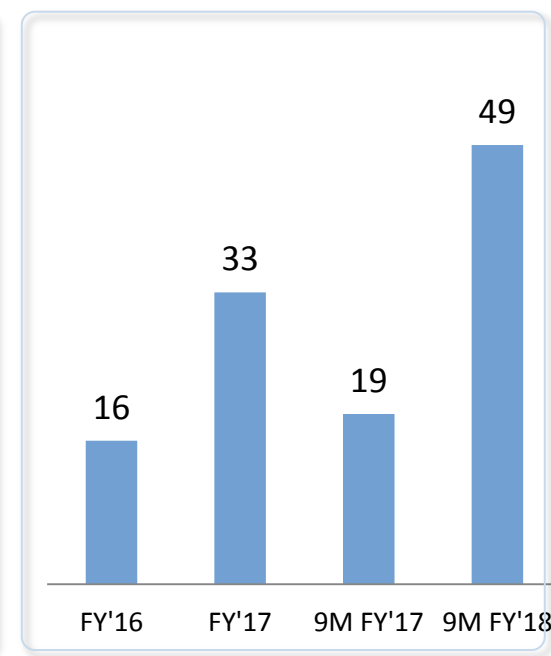
YoY growth in Online Renewal Premium

Fulfillment: Growth in direct to customer ecommerce sales

YoY Growth in Sales*



NOP's ('000)

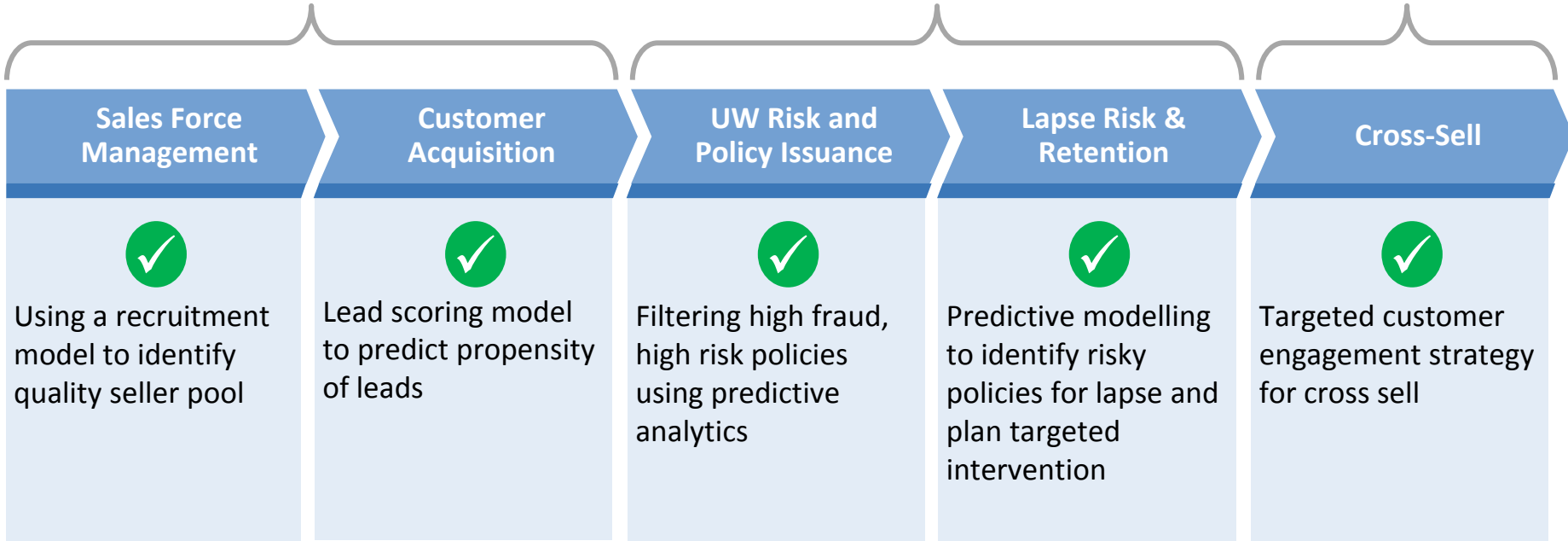


*Sales basis Ind. Annualized premium without adjustment

Revenue Enhancement

Superior Quality of Book

Revenue Enhancement



Business Impact

Improvement in quality hiring	Improvement in lead conversion from 3% (Pre-model) to 5% (Post-model)	Crude Death Rate reduction from 3.6 to 1.4	Highest conservation ratio	Analytical campaigns account for more than 10% of agency generated sales
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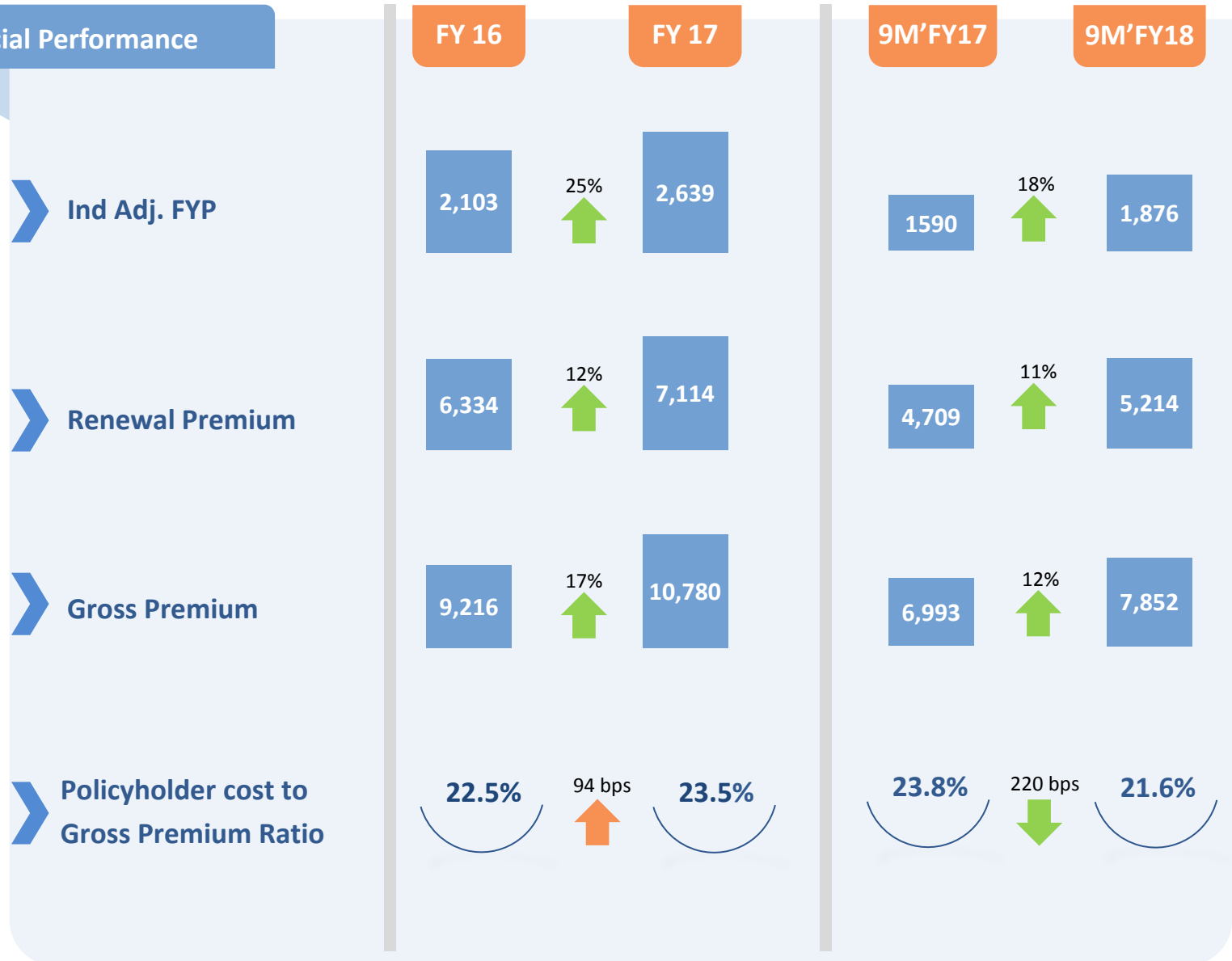
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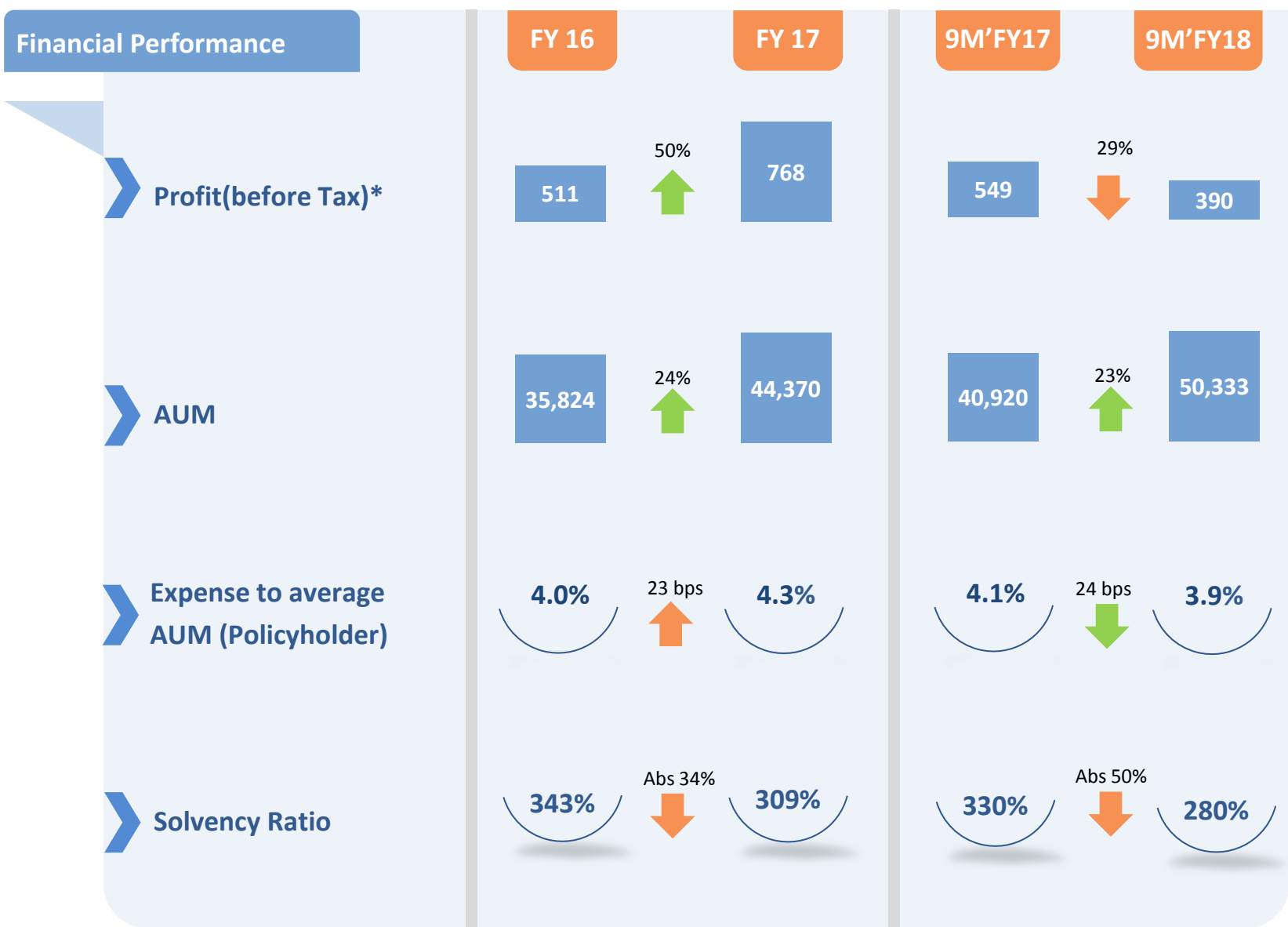
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Awards and Accolades

Financial Performance



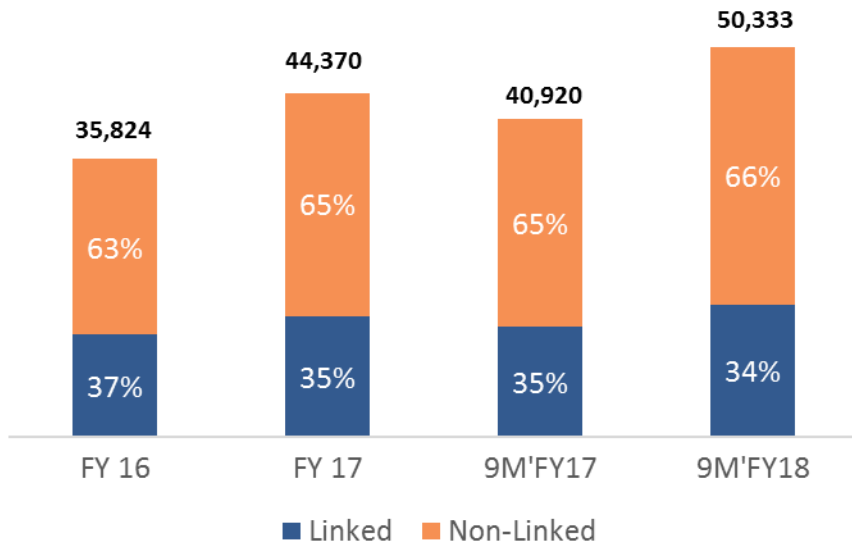
Figures in Rs. Cr



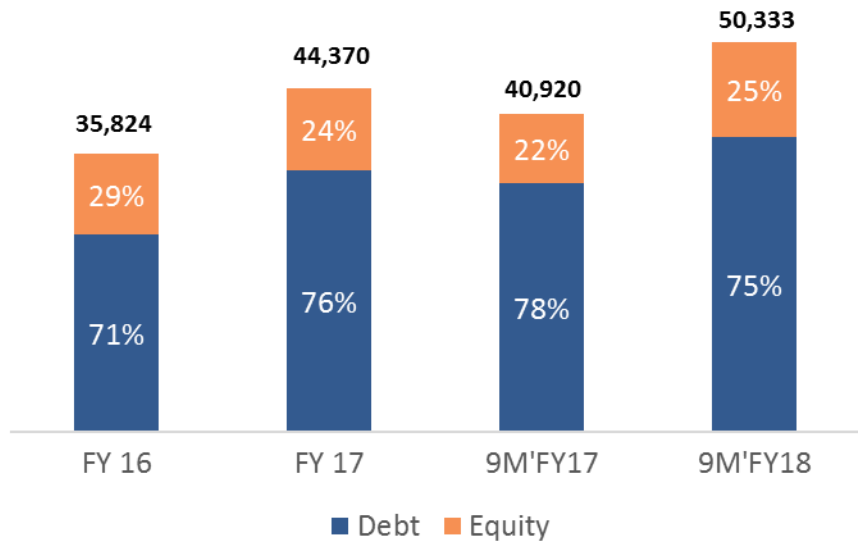
Figures in Rs. Cr.

*Higher 9M'FY17 profit is due to one-time non operating gains realization primarily from investment income

Linked fund vs Controlled fund



Debt vs Equity



Debt portfolio exposure to AAA rated debt is well above the regulatory requirement of 75%

Key Business Drivers	Unit	Quarter Ended		Q-o-Q Growth	9 months Ended		Y-o-Y Growth
		Dec'16	Dec'17		Dec'16	Dec'17	
a) Individual Adjusted Premium	Rs. Crore	654	764	17%	1,590	1,876	18%
b) Gross written premium income	Rs. Crore	2,775	3,044	10%	6,993	7,852	12%
First year premium		659	754	14%	1,591	1,853	16%
Renewal premium		1,852	1,978	7%	4,709	5,214	11%
Single premium		264	312	18%	693	785	13%
c) Shareholder Profit (Pre Tax)	Rs. Crore	205	154	-25%	549	390	-29%
d) Policy Holder Expense to Gross Premium	%	12.7%	13.5%	80 bps	15.5%	14.7%	(78) bps
e) Policy Holder Cost to Gross Premium	%	21.1%	20.6%	(57) bps	23.8%	21.6%	(220) Bps
f) Conservation ratio*	%	95.9%	84.7%	(>100) bps	90.4%	88.7%	(>100) bps
g) Average case size(Agency)	Rs.	49,944	60,688	22%	46,283	53,260	15%
h) Case rate per agent per month	No.	0.22	0.19	-13%	0.22	0.19	-16%
i) Number of agents (Agency)	No.				51,236	54,405	6%
j) Share Capital	Rs. Crore				1,919	1,919	0%
k) Individual Policies in force	No. Lacs				38.05	39.7	4%
l) Sum insured in force	Rs. Crore				368,353	469,067	27%
m) Grievance Ratio	Per Ten thousand				229	119	NA

* In Q3'FY 18 conservation ratio lower due to timing impact of demonetisation in Q3'FY 17 and subsequent IRDAI notification for extending grace period

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1 Setting higher benchmark with every award

- “ASSOCHAM award 2016” for excellence in corporate governance
- “e-Business Leader” 2017 at the ‘Finteleket Insurance Awards 2017’
- Project "Instaclaims - Claims approval in 1 day" won the Best project for use of Six Sigma in Banking and Finance Industry at World Quality Congress - Global Awards and won the 1st prize in "Service category improvement" at the 29th edition of QUALTECH Prize competition held in Mumbai.
- "Enhancing “Service to Recruitment” (S2R) Business Contribution %: PAN India (Replication Project)" won 1st Prize in Service, IT and ITES category at the 11th edition of CII - National Competition on Six Sigma and in "Quality Fables competition" at the 29th edition of QUALTECH Prize Competition
- “Golden Peacock Award 2016” for excellence in corporate governance
- “ Best compliance team award 2016” at the compliance 10/10 awards organized by Legasis
- “IDC Insights award 2016” for Tech Excellence in Revenue Generation for developing innovative mobility apps
- Celent Asia award for best technology insurer
- Recognized as “Best BFSI Brand 2016” by Economic Times
- Recognized as “Best Life Insurer” 2016 by Outlook Money
- “Asia’s Most Admired Brand 2016“ in the Insurance category by White Page International, 2016
- Ranked 46th amongst India's top 100 best companies to work for 2016; featured for 5th consecutive year
- Bronze in ASQ-International Team Excellence Awards for quality project “ Reducing 7 days POS TAT”
- “Asia Pacific Quality Organization award, 2016” for global performance excellence
- “India Insurance awards 2016” in the category of E-business leader, Agency Efficiency and Claim service leader



2 “Industry First” trend setter

- First company to provide freelook period of 15 days to the customer
- First company to start toll free line for agent service
- First life insurance company in India to implement lean methodology of service excellence in service industry
- First Indian life insurance company to start service center at the regional level
- First life insurance company in India to be awarded ISO 9001:2008 certification



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