



August 9, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 021

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

Scrip Code: 500271

Scrip Code: MFSL

Dear Sir/Madam,

Sub: **Investor Release– Q1 FY 24**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Investor Release – Q1 FY24 being issued by the Company on the outcome of its Board meeting held on August 9, 2023.

You are requested to kindly take the aforesaid on record.

Thanking you,

Yours faithfully

for **Max Financial Services Limited**

Piyush Soni
Company Secretary & Compliance Officer

Encl: As above

MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Corporate Office: L20M, Max Towers, Plot No. C-001/A/1, Sector 16B, Noida 201301 | P 0120 4696000 | www.maxfinancialservices.com
Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

Max Financial Performance Update

Investor Release 3M FY24

August 10, 2023

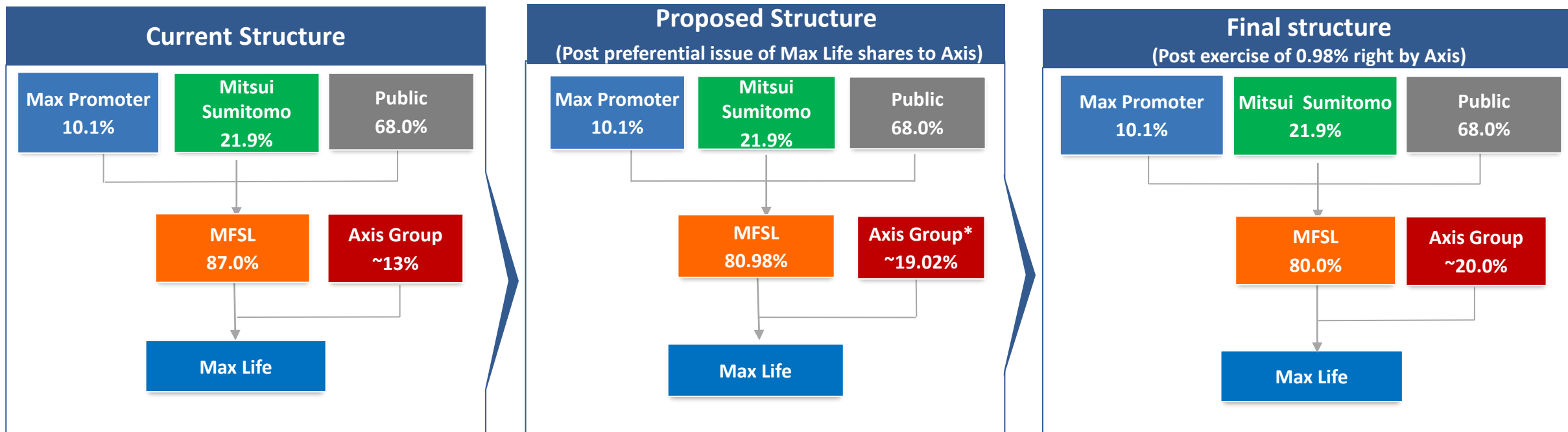




SECTION I

- ▶ Max Financial Services and Max Life Insurance :
3M FY'24 Key Highlights
- 

Transaction Update



- Pursuant to the approval of the MFSL and Max Life Boards, Axis Bank will be infusing **Rs 1,612 Cr** by subscribing to **14.26 Cr** equity shares of Max Life, at **fair market value ~ Rs 113.06 per share** (determined basis DCF methodology). Upon completion of the Proposed Infusion, Axis entities will collectively hold **19.02%** of the equity share capital of Max Life
- This capital infusion will help Max Life to support its future growth ambitions, to augment its capital position and to improve solvency margins
- Additionally, Axis Entities would have right to purchase shares of Max Life equivalent to **0.98%** from MFSL.
- Agreements previously executed between Max life shareholders have been amended which MFSL will be formally taking up with its shareholders by way of a separate postal ballot process
- The proposed transaction is subject to receipt of shareholders approval and regulatory approvals from **IRDAI, PFRDA and CCI**

Max Financial Services: 3M FY'24 Key Highlights

Revenue	Consolidated Revenue excluding investment income at Rs 4,730 Cr , grows 19% in Q1 FY24. Consolidated PAT at Rs 101 Cr , Up 48%
	In 3M FY24, New Business Premium grew by 25% to Rs 1,857 Cr
Profitability	Max Life Insurance Profit before Tax grew by 14% to 103 cr in 3M FY'24
	Margin expanded from 21.3% in 3M FY23 to 22.2% in FY23, VNB grew by 16% YoY to Rs 247 Cr . FY23 operating RoEV at 14.0% . MCEV as at June'23 end at Rs 16,938 Cr
Distribution Strength	Proprietary channels grew by 23% on YoY basis
	Expanded distribution capability by signing 1 new bank partner - South Indian Bank - along with 5 new Brokers Corporate Agency
Product Innovation	Successful launch of new Participating product, Smart Wealth Advantage Growth plan (SWAG Par) , with enhanced stories on liquidity, protection & retirement
Focus on Protection & Retirement	Consistent growth momentum in Annuity business; Successfully posted YoY growth of ~260% in Annuity business on APE basis; Max Life PFM Asset Under Management (AUM) stand at Rs ~293 cr
	Consistently maintained industry best claims paid ratio, FY23 at 99.51%
	Retail protection grew by 36% YoY in Q1
Industry Recognition	SWAG voted as ' Product of the Year 2023 ' in the Life Insurance Guaranteed Savings Plan category in a survey conducted by NielsenIQ 13th best place for data scientists to work for within India by Analytics India Magazine Recognized by Economic Times as a sustainable organization for commendable initiatives towards sustainability.



SECTION II

- ▶ Max Life Insurance – Business Overview and Financials Update
- 

Key Highlights* for Max Life FY18-23 (1/2)



5-Yr CAGR¹ of 13% on Individual new business
vs
10% for life insurance industry



Asset Under Management at **Rs 1.23 lac cr**, CAGR of **19%** over last 5 years



Consistent **leadership** position in **online protection**



5-Yr CAGR of 21% in Prop channels



5-Yr CAGR of 11% in Banca Channel



Retail Protection tripled in 5 years



VNB CAGR of 24% in 5 years



New Business Margin expansion from 20.2% in FY18 to **31.2%** in FY23



5-Yr EV[#] CAGR of 20%

Consistent growth

Value generation

Key Highlights for Max Life FY18-23 (2/2)

Employee metrics



Great Places to Work rank #18 in FY21



Rank #55 among **Great Places to Work in Asia** in FY21



Experienced leadership¹ with almost half the leadership's **tenure with Max Life of more than a decade**



Employee engagement² score of **>95%** for last 4 years

Customer metrics



#2 rank in **customer loyalty³** in FY23



Company NPS at 52– 17 points improvement in 4 years⁴



Claims paid ratio at **99.51%** in FY23

Brand metrics



Strategic partnership with **Axis Bank**



Highest Share of Voice in the industry in FY23 at **40% share⁶**



Brand Consideration score⁵ improved by **8%** in FY23 Vs FY22

Financial Performance Summary Q1 FY24

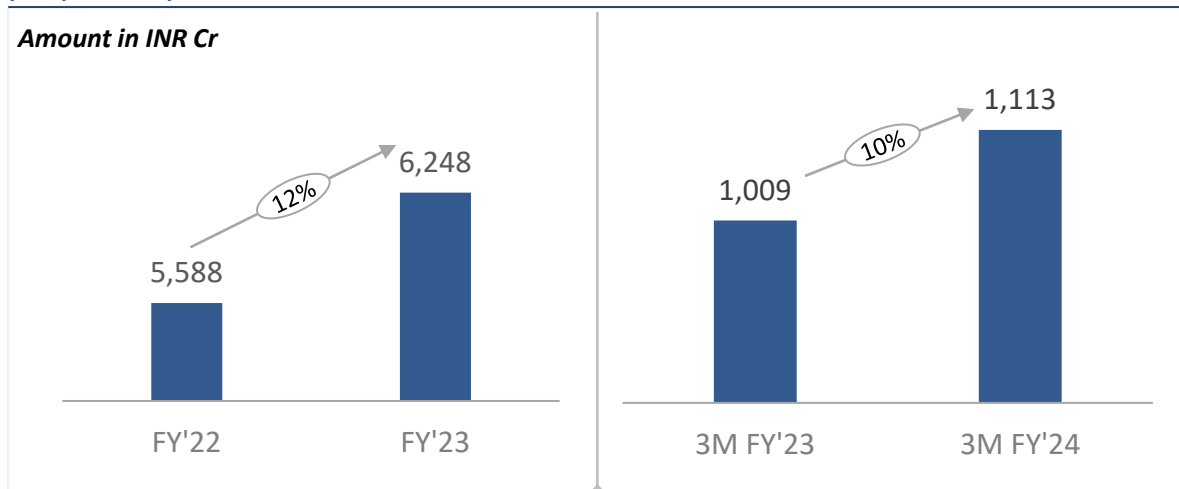
<p>Total APE#</p> <p>Rs 1,113 Cr [Rs 1,009 Cr]</p> <p>10% ↑</p>	<p>Gross Written Premium</p> <p>Rs 4,871 Cr [Rs 4,103 Cr]</p> <p>19% ↑</p>	<p>Renewal Premium</p> <p>Rs 3,014 Cr [Rs 2,619 Cr]</p> <p>15% ↑</p>	<p>AUM</p> <p>Rs 1,29,127 Cr [Rs 1,07,140 Cr]</p> <p>21% ↑</p>									
<p>Profit Before tax</p> <p>Rs 103 Cr [Rs 91 Cr]</p> <p>14% ↑</p>	<p>Net Worth</p> <p>Rs 3,679 Cr [Rs 3,223 Cr]</p> <p>14% ↑</p>	<p>Policyholder Cost to GWP Ratio</p> <p>23.6% [22.9%]</p> <p>68 bps ↑</p>	<p>Policyholder Expense to GWP Ratio</p> <p>17.4% [16.9%]</p> <p>51 bps ↑</p>									
<p>New business margin</p> <p>22.2% [21.1%]</p> <p>110 bps ↑</p>	<p>Operating RoEV</p> <p>14.0% [13.5%]</p> <p>50 bps ↑</p>	<p>Embedded Value^</p> <p>16,938 cr [14,152 cr]</p> <p>14% ↑</p>	<p>Solvency</p> <p>188% [196%]</p> <p>-8% ↓</p>									
<p>VNB</p> <p>247 Cr [213 Cr]</p> <p>16% ↑</p>	<p>Policies Sold ('000)</p> <p>118 [114]</p> <p>4% ↑</p>	<p>Ind. New business Sum assured</p> <p>52,807 cr [35,726 cr]</p> <p>48% ↑</p>	<p>Protection Mix**</p> <table border="1"> <thead> <tr> <th>Individual</th> <th>Group</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>8%</td> <td>11%</td> <td>19%</td> </tr> <tr> <td>[7%]</td> <td>[11%]</td> <td>[18%]</td> </tr> </tbody> </table>	Individual	Group	Total	8%	11%	19%	[7%]	[11%]	[18%]
Individual	Group	Total										
8%	11%	19%										
[7%]	[11%]	[18%]										

Figures in [brackets] are for previous year numbers. Totals may not match due to rounding

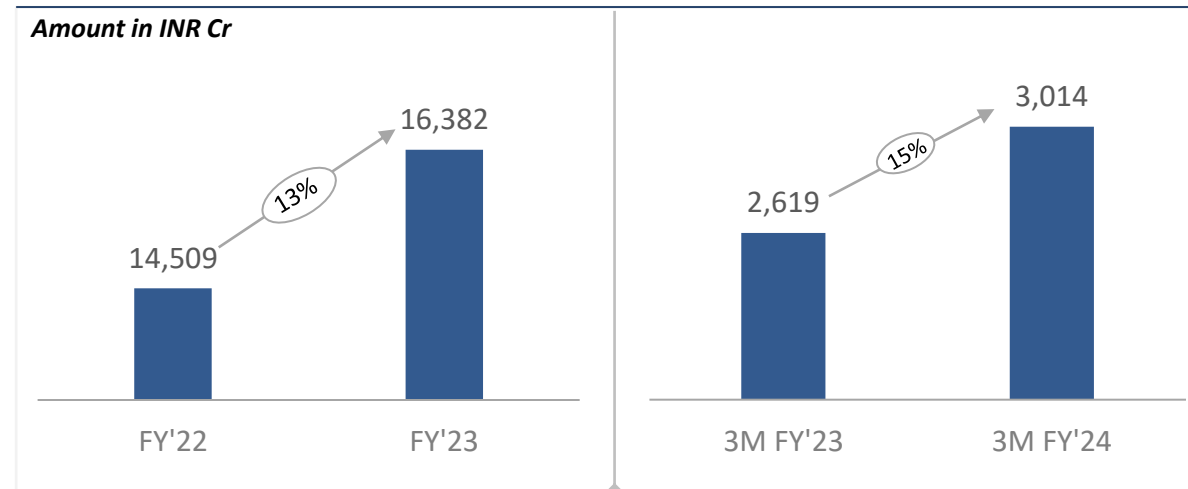
^Growth on Embedded value is operating RoEV, **Group protection (incl. Group credit life adjusted for 10% for single premium and term business) #Excluding Group Term Life

Max Life has delivered strong performance on new business

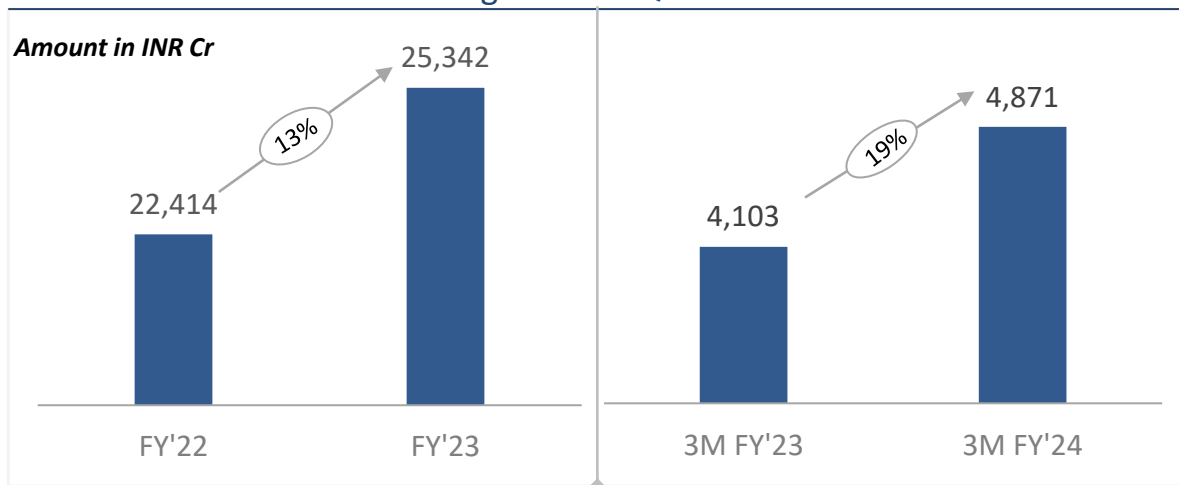
New Business Premiums (on APE basis) –Driven by strong growth in proprietary channels in Q1



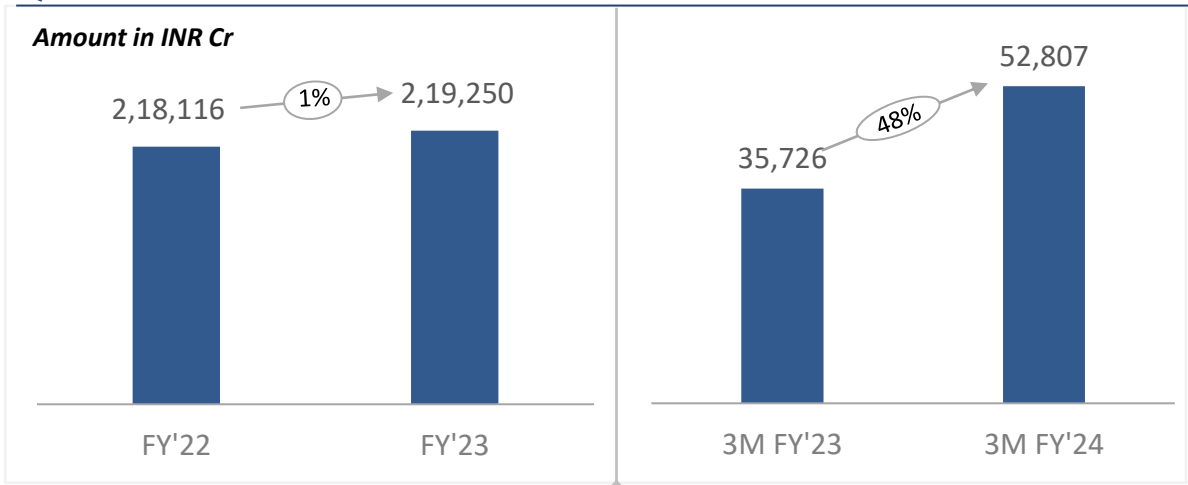
Renewal Income – Delivering consistent growth



Gross Written Premium – 19% growth in Q1 FY24

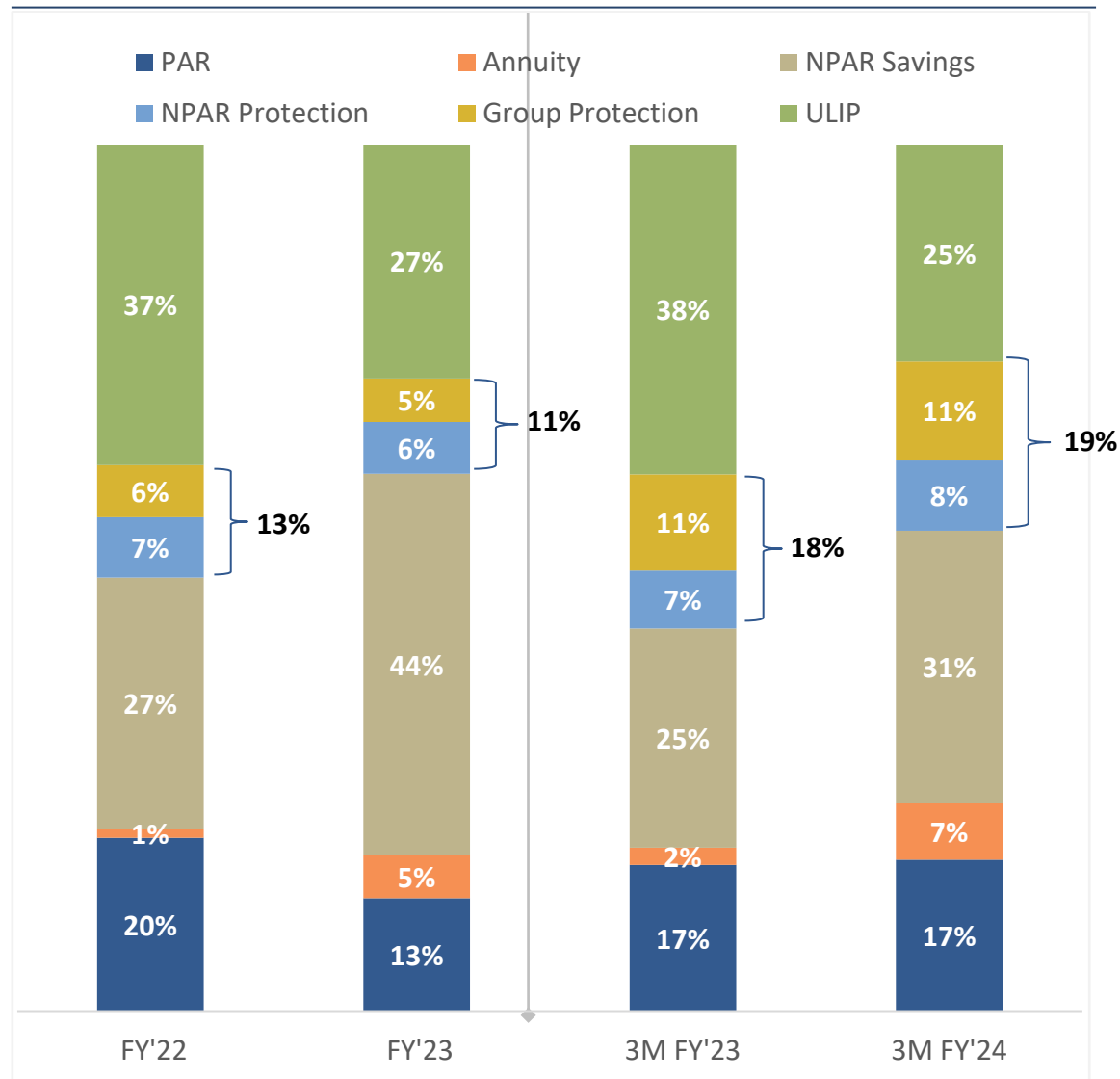


Individual Sum Assured of New business- Rank 3 in individual sum assured in Q1 FY24

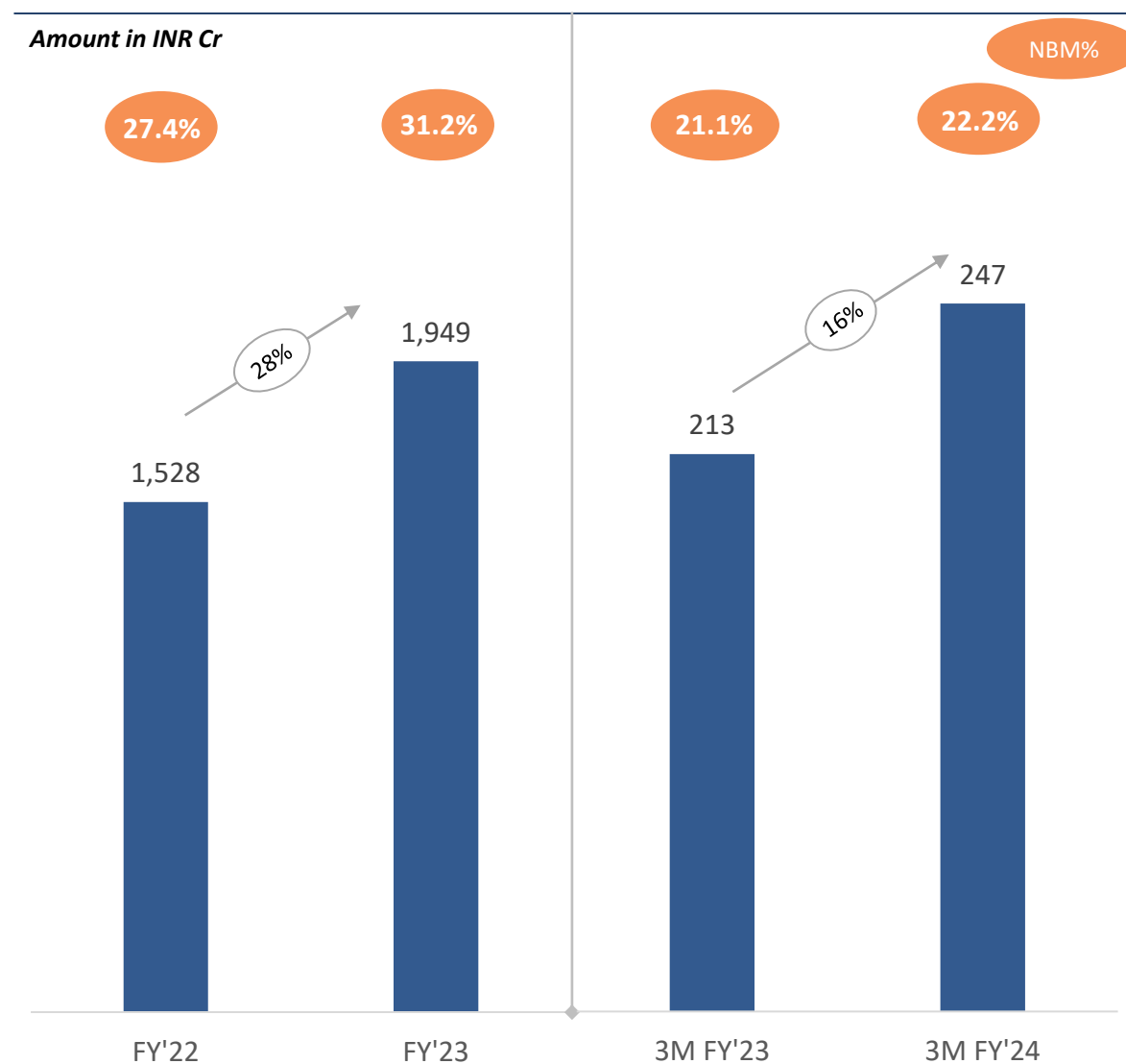


Consistent VNB growth supported by strong product mix, profitable products and APE growth

Product Mix: Increased annuity share in line with our focus on retirement



Value of New Business- 2 year CAGR at 20% in Q1



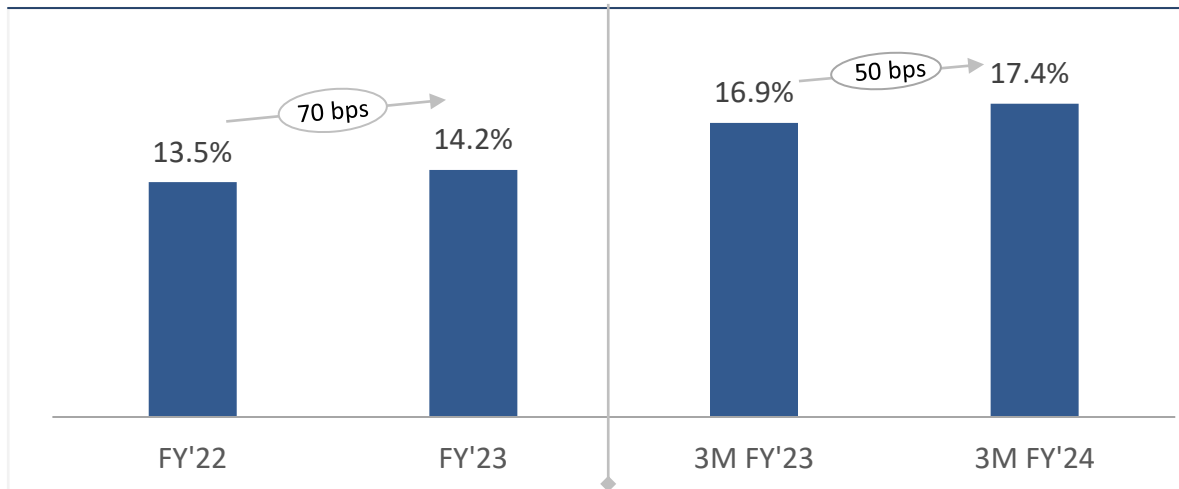
Note: Numbers may not add up to 100% due to rounding off

Value of New Business (VNB) and New Business Margin (NBM) Walk

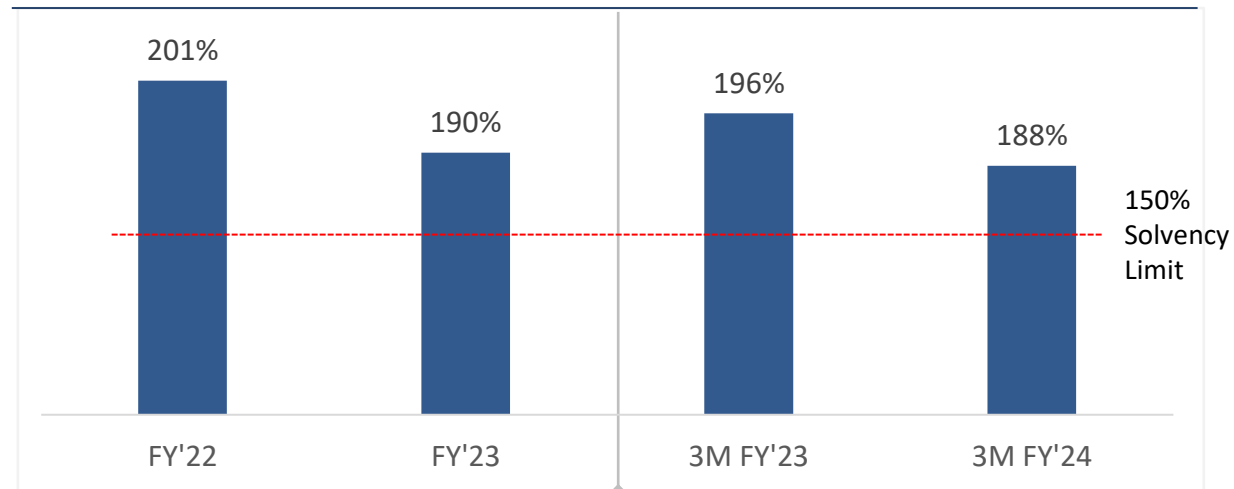


Efficient capital management with profitable growth

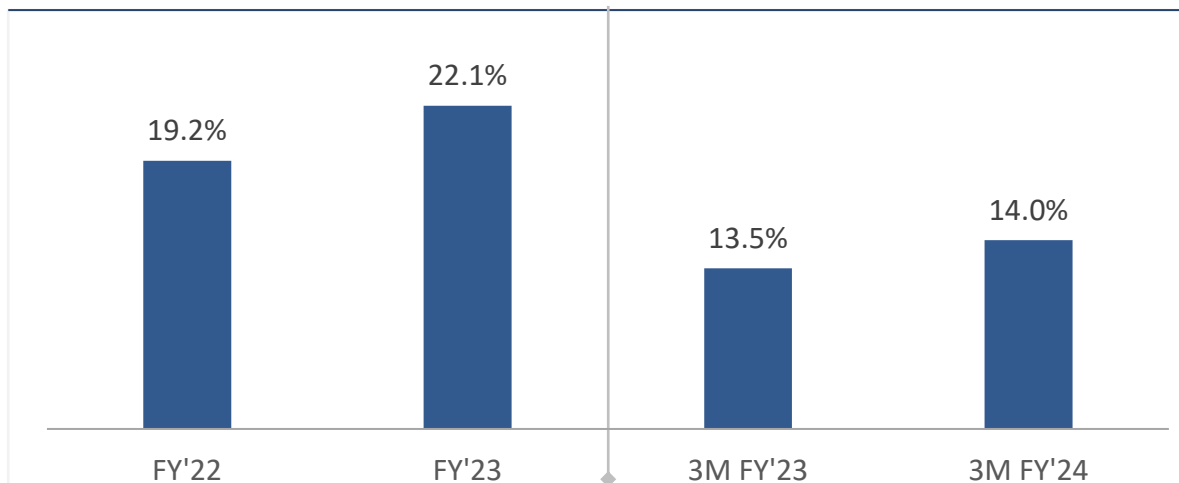
Opex to GWP: Investing towards building distribution



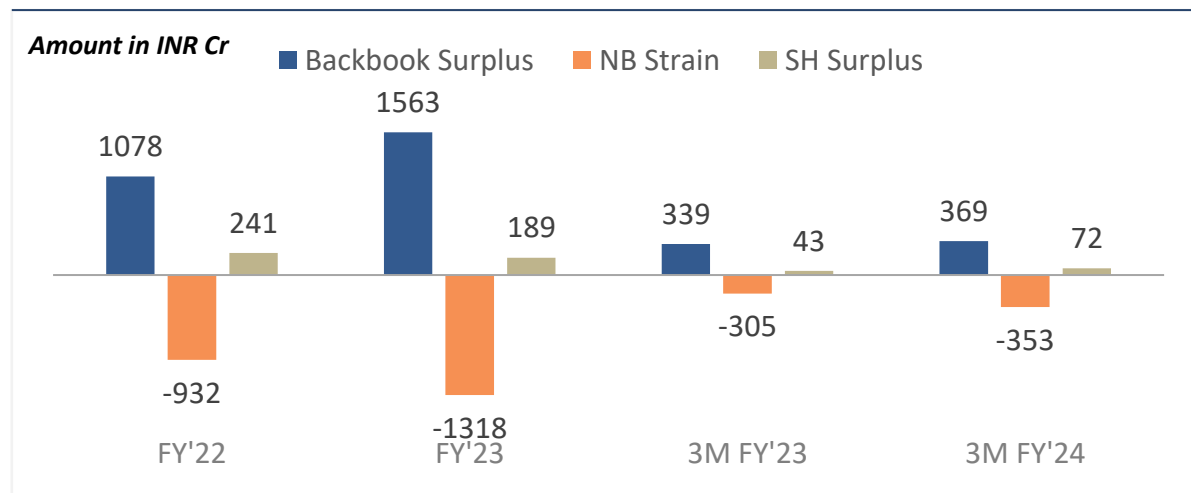
Solvency Ratio (pre dividend)



Operating Return on EV (RoEV): Delivering consistent healthy returns

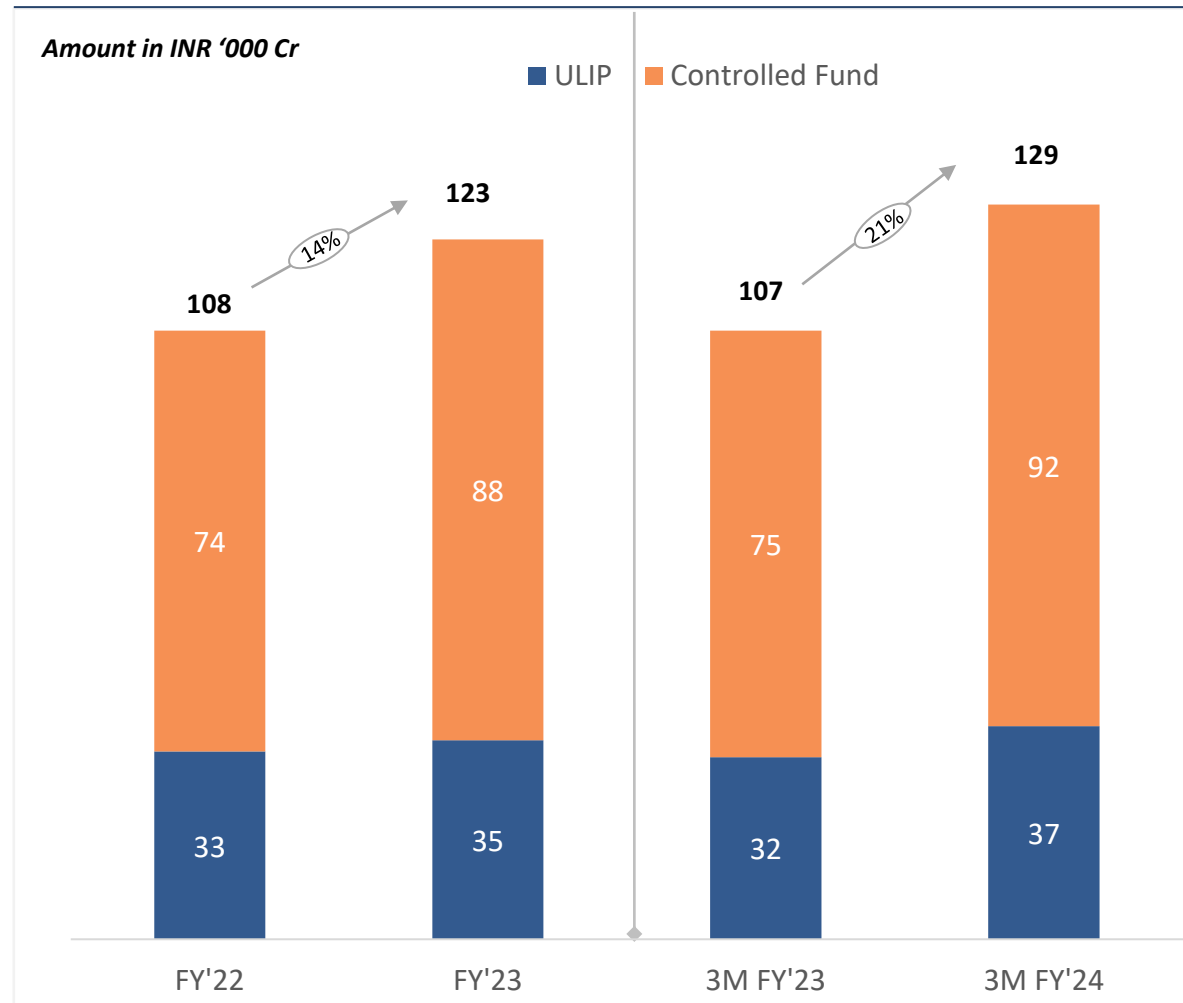


Underwriting Profits

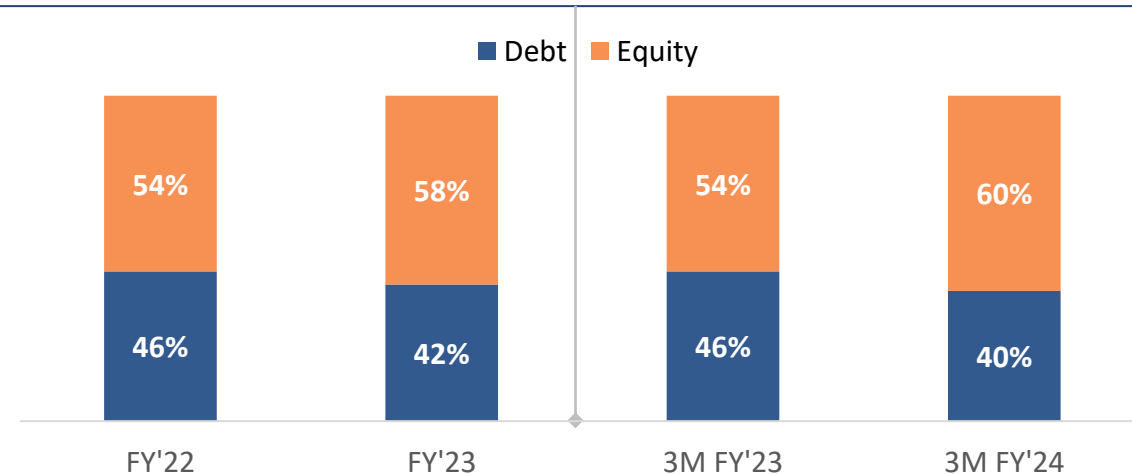


Max Life has consistently grown its Asset Under Management

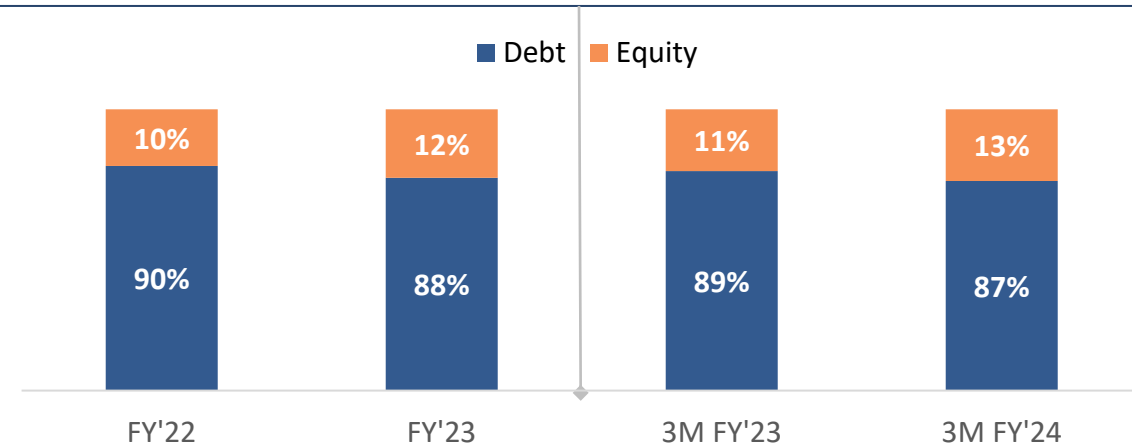
Assets Under Management - MLI is the 4th largest* manager of private LI AUMs, Par fund size ~61K Cr



ULIP: Healthy mix of Debt and Equity



Controlled: Consistent mix of Debt and Equity



More than 95% of debt investments is in sovereign papers and AAA rated securities

Max Life has been recognised by a number of Indian and foreign business bodies for its excellence in business, customer service and focus on people



Business Excellence



- Awarded at **The Economic Times Insurance Summit and Awards 2022** under the Swift and Prompt insurer category for Life Insurance (Large)



- Awarded Excellence in driving distribution through Digital at the FICCI Insurance industry awards 2022



- Recognized by ICAI for **excellence in financial reporting**



- Awarded Gold for Lead Generation campaign under BFSI services at Adgully Digixx Awards 2022



- Max Life bagged the Advisors Initiative of the Year for India at the Insurance Asia Awards 2022
- Gold for e-scv under the best brand loyalty program at the **ACEF Awards for Brand, Marketing & CSR 2022**



- Max Life awarded at Cypher 2022 as **top domestic firm using AI / ML**



- **Gold in lead generation, Bronze in most effective search campaign and Gold in Data/insights** at the E4M Maddies 2022



- Awarded Best Performance Marketing Campaign (Gold) and Best SEO/SEM Campaign (Silver) at Afaqs Digies 2023



- Awarded Legal department of the year at **Biz Asia legal award 2022**



- 1st Indian firm to win **Celent Global Model Insurer award**

- SWAG voted as **'Product of the Year 2023'** in the Life Insurance Guaranteed Savings Plan category

Leaders in Quality



- No. 2 in Customer Loyalty survey by Hansa Research
- Adjudged the Best fraud prevention company at the **Fraud Risk Management Summit and Awards 2023**



- Awarded **making quality happen trophy in the service category at the MQH best practices competition** at Chamber of Commerce and Industry



- Awarded Excellence in Claims service and **Best product innovation for SFRD at World BFSI Congress and awards**



- Max Life bagged Best Customer Initiative and Best use of Relationship marketing at the Customer Fest Awards 2022



- Max Life awarded Gold and Platinum at the CII (Institute of Quality)16th National level Competition on Six Sigma



- Awarded **Finance Transformation Award** at the 10th Finance Transformation India Summit & Awards 2022



- Awarded under **Best Claims Settlement** at the **InsureNext Conference and Awards 2023**



- Recognized at **e4m Pride of India Brands – North conference and awards 2023**



- Awarded in Excellence for **Claims Service and Best Product Innovation (SFRD)**at World BFSI Congress

- Awarded Silver for **Super Customer Week** at Indian Marketing Awards 2023

- Awarded Gold In Effective use of Market Research, Best Use of Celebrity Endorsement, Innovation, Innovative Loyalty Program and Silver in effectiveness at the 12th ACEF Global Customer Engagement Awards

Focus on People



- Ranked **55th amongst '2021 Best Workplaces in Asia'** by Great Place to Work®



- Ranked **18th amongst 'India's Great Places to Work For'** in 2021



- **Max Life recognized in India's Best Workplaces in BFSI 2021**



- **Max Life has been awarded "Excellence in Gender Diversity"** at the 4th D&I Summit and Awards by Transformance Forums



- Awarded Gold for Internal Communications campaign and Best Corporate Communications Team of the Year



- Awarded Gold an Silver at the ASQ International Team Excellence Awards 2022



- Max Life awarded Silver for Best use of Internal Communications at Fulcrum Awards 2022



- Special mention for Internal Communications at the Velocity Awards 2022



- Awarded Legal department of the year at **Biz Asia legal award 2022**



- Best Corporate Communications Team of the Year at Economic Times Kaleido awards



SECTION III

- ▶ Max Life Insurance – Strategy



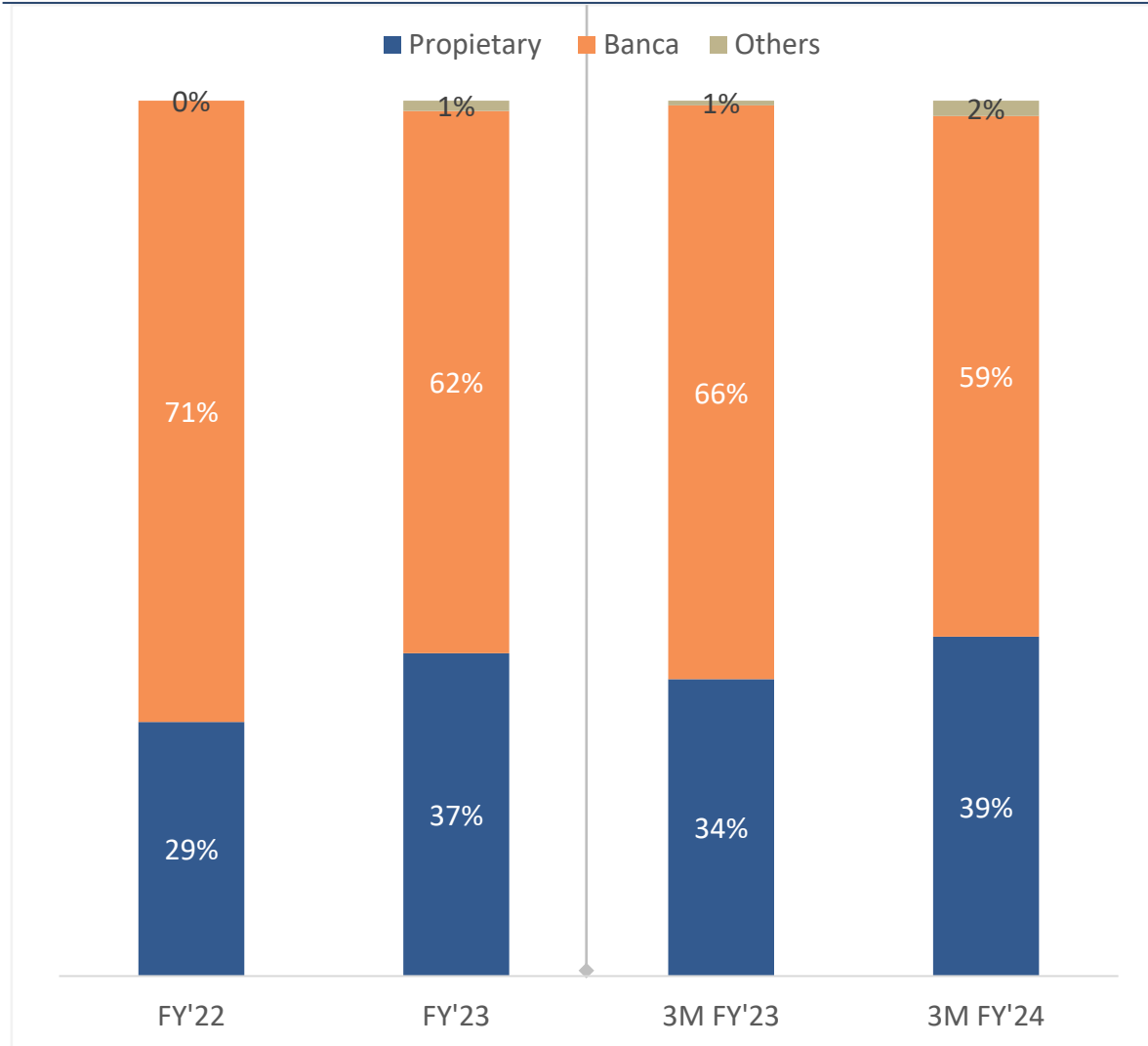
Max Life's Strategic Thrust Areas and progress made

	 A	 B	 C	 D
	Predictable & Sustainable growth	Product innovation to drive margins	Customer centricity across the value chain	Digitization for efficiency and intelligence
Aspirations	<ul style="list-style-type: none"> Fastest growing profitable proprietary distribution Leader in Online Acquisition Inorganic Expansion Deepen Bancassurance partnerships 	<ul style="list-style-type: none"> Leader in Protection + Health & Wellness proposition Leader in Retirement Drive Non PAR saving Enhanced investment and mortality risk management 	<ul style="list-style-type: none"> Improve position in 13M and 61M persistency ranking Highest Relationship Net Promoter Score (NPS) in the industry 	<ul style="list-style-type: none"> Continue with digitization agenda across the organisation Build intelligence (AI) in all digital assets
Progress achieved	<ul style="list-style-type: none"> Strong growth of 23% in Proprietary channels, Ecommerce grew by 44% Maintained leadership position at Policybazaar, Direct, and Allied Partnerships, in protection. Partnered with 1 new Bank, South Indian Bank, along with 5 Broker & Corporate Agents. 	<ul style="list-style-type: none"> Q1 margin of 22.2%, increase of 110 bps from Q1 FY'23 Annuity grew by 260%, Individual Protection grew by 36% Individual Sum assured rank #3 in Q1FY'24 Product Launches: Smart Wealth Advantage Growth Par Plan with enhanced protection through optional riders and Policy Continuance Benefit 	<ul style="list-style-type: none"> Claim paid ratio at 99.51% at the end of FY23, best in the industry 13th month persistency* at 84% and 61th month persistency at 51% improved by 110 bps. Company NPS scores Improved by 1 point from 52 in Mar23 to 53 in June 23 Brand Consideration[^] grew by 2 points since last quarter 	<ul style="list-style-type: none"> Ranked 13th best place for data scientists to work for within India by Analytics India Magazine Launched mSmart (renewal collection app) to track case level governance on the field Accelerated onboarding Journey for NPS through integration of PRAN (Permanent Retirement Account Number)

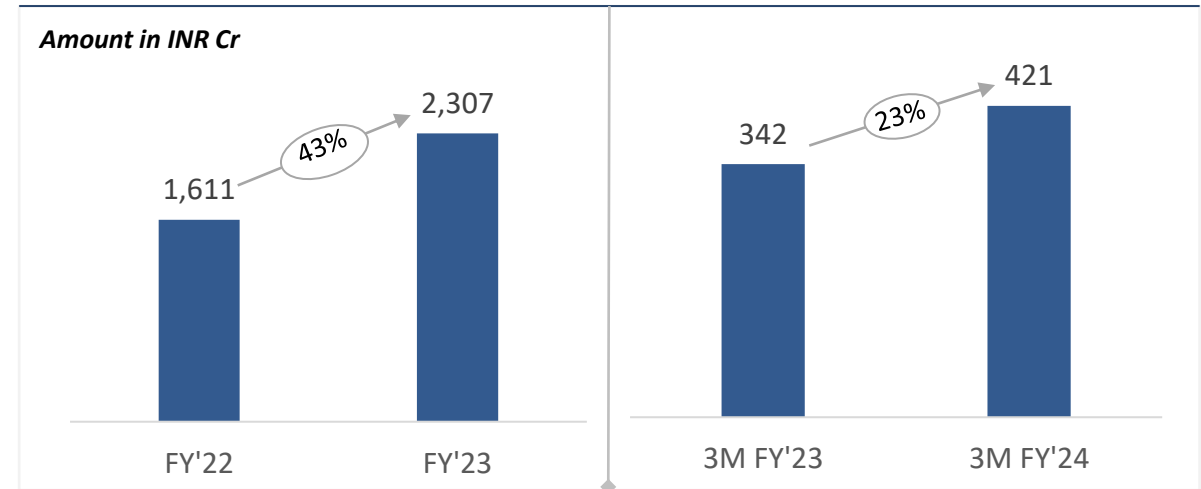
[^]as per Nielsen Brand Track Study *Persistency for Regular/Limited pay policies

Max Life has focused on ensuring growth in both its Proprietary and Bancassurance channels

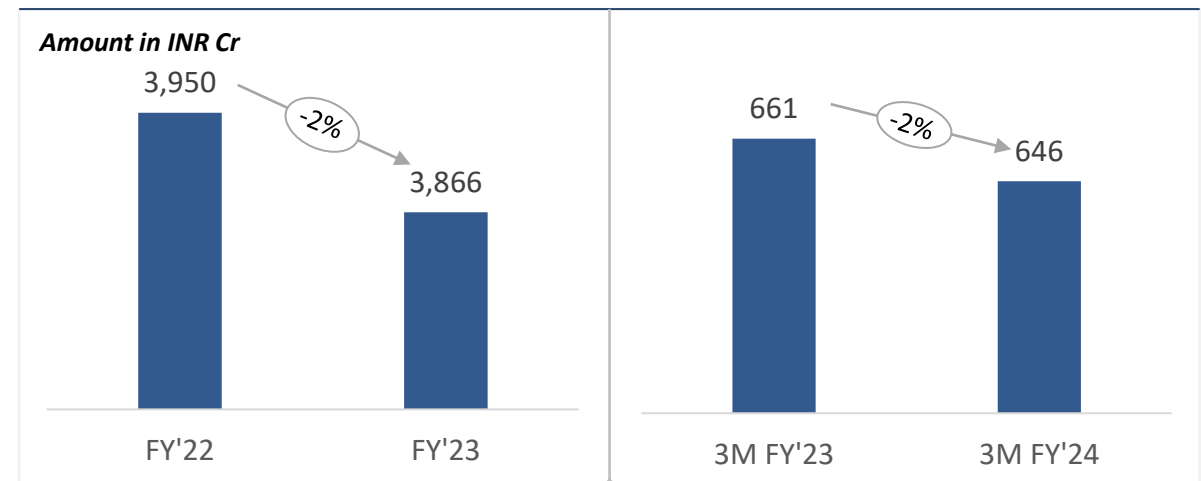
Channel Mix - Max Life has focused on maintaining a balanced distribution mix



Proprietary Channels New Business (APE)



Bancassurance Channel (APE)



A

Max Life has been augmenting distribution capability by expanding both traditional and emerging ecosystems



Ecosystems

Key partners On-boarded

Bancassurance



Offline Brokers

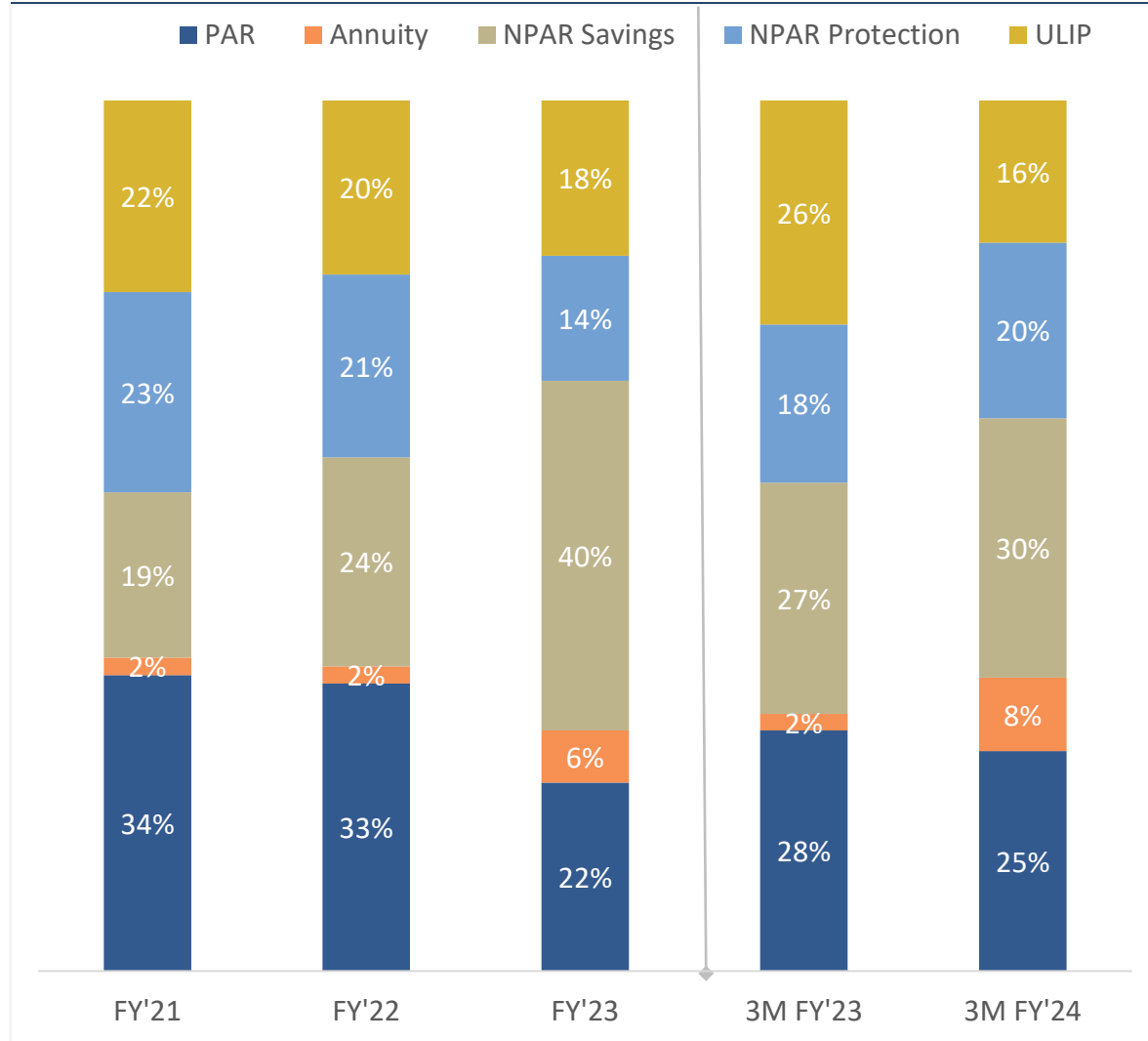


Online Brokers

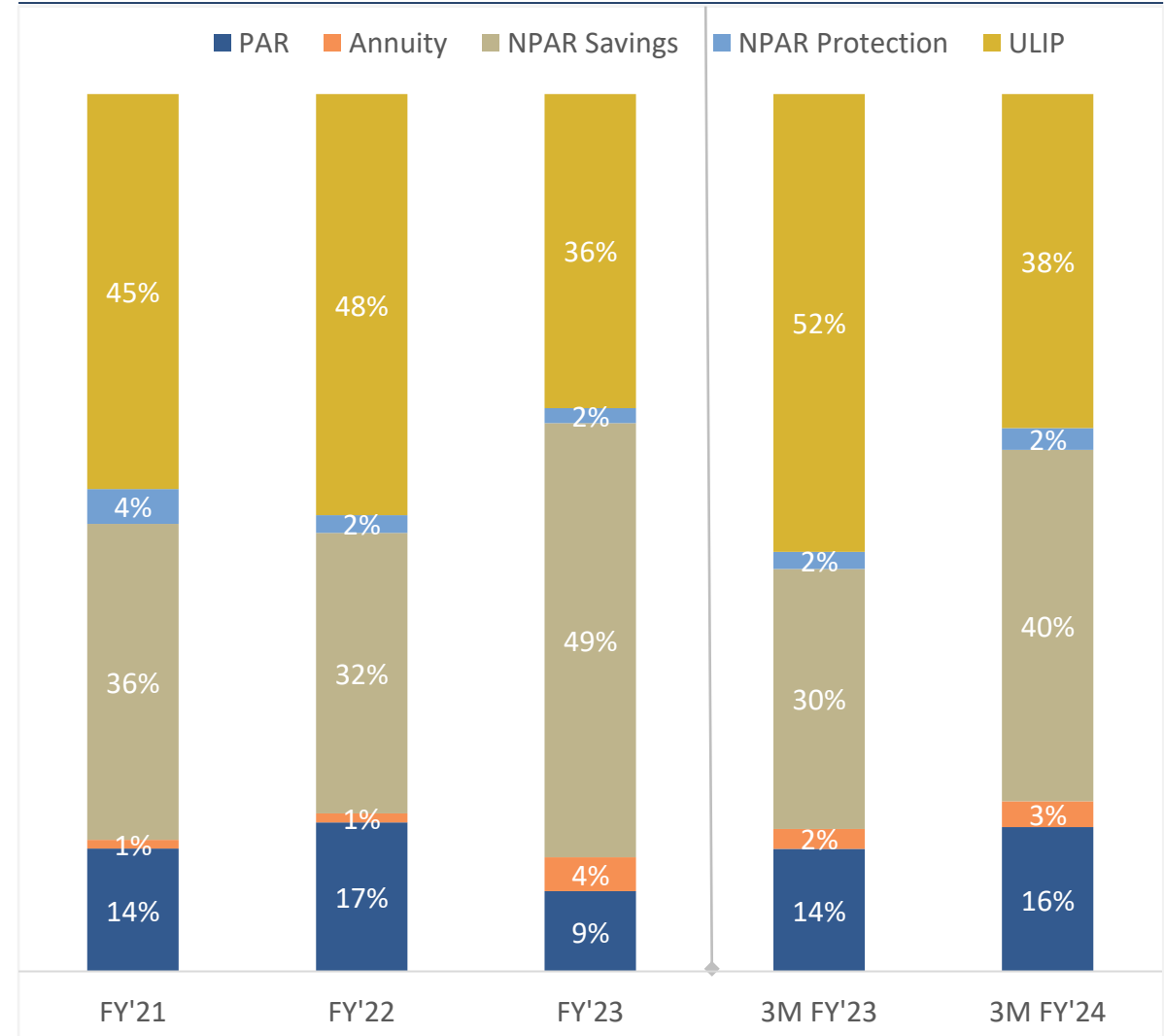


Product mix in proprietary and Bancassurance channels aligned to customer needs

Proprietary Channels Product mix - biased towards traditional products and protection for driving margins



Bancassurance Product Mix - has been biased towards Savings & ULIP to cater to target customer segments



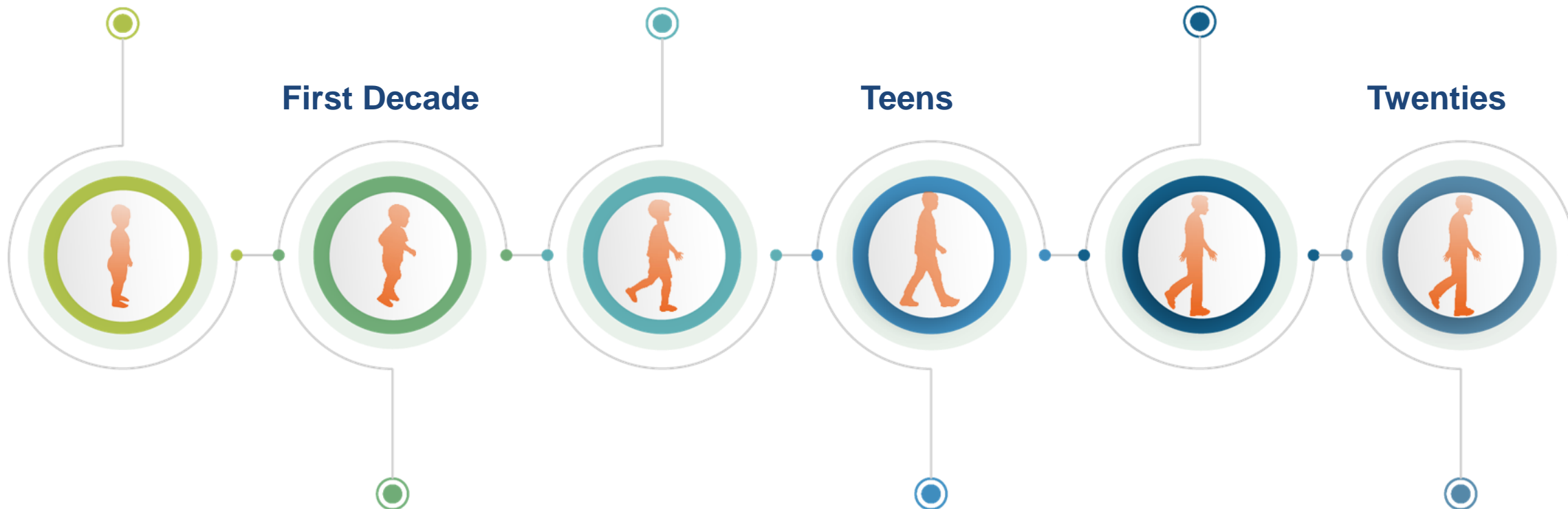
B

Max Life has been at the forefront of driving Products Innovation by creating first-in-industry propositions

1. Break the endowments category clutter with Industry **First Whole Life plan**
2. Provide **liquidity & flexibility through First Cash & Premium Offset Bonus** options
3. **First PAR Top Up** option

6. Enabled transparent customer participation in Bonds with **First Index-Linked Non PAR plan**

10. **Hedged Guarantees with Derivatives**
11. Launched industry **First COVID-19 Rider** (diagnosis & death benefit)



4. Enable Customer Obsession **through First “Freelook Period”**, became Regulation later
5. **Created Universal Life product** – Enable transparent customer participation in Debt market

7. **Scaled “Monthly Income” category** first on Non PAR and then on PAR platforms

12. **Differentiated Term plan** with industry firsts (Special exit value, Premium holiday option)
13. **Strengthened PAR proposition** (guarantees under early income variant)
14. Launched new savings proposition **Smart Fixed-return Digital Plan**

B

Accelerating product innovation agenda through experiments and creating new customer segments



Millennials preferring FD/RD like deposits

Smart Fixed-return Digital Plan



Income streams (Cash Bonus + Guaranteed).

Smart Wealth Advantage Growth Par Plan



ULIP product for self employed

Smart Flexi Protect Solution



Limited and Regular Pay Deferred Annuity for near retiree segment

Guaranteed Lifetime Income Plan



Solution for self employed /homemakers

Smart Secure Easy Solution



Guaranteed savings with enhanced flexibility, liquidity and protection

Smart Wealth Advantage Guarantee



B

Max Life has a complete suite of products and focus is on selling longer term products along with improving penetration of pure protection offerings

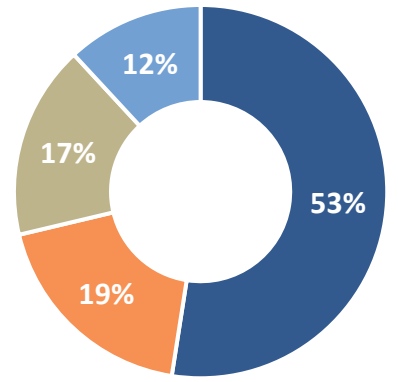


Max Life has products across all categories

- 3** Protection plans
- 6** Income plans
- 5** Endowment plans
- 5** ULIP plans
- 5** Child plans
- 1** Health plan
- 3** Annuity plan
- 1** Retirement ULIP
- 1** Whole life
- 5** Riders

Current portfolio¹ biased towards traditional products

■ Endowment ■ Term ■ UL ■ Others



Product Type	Average Policyholder Age (Years)	Average Policy Term (Years)	Average PPT (Years)
Endowment	35	22	10
ULIP	38	14	8
Whole Life	36	64	52
Money back	27	17	17
Pure Term	34	38	32
Guaranteed products	43	19	9
Health	38	22	22
Cancer Insurance	38	30	30
Pension	32	25	24
Annuity	62	58	3

As on 30st Jun 2023



(1) Based on all policies sold till date; (2) Others include Money back, Whole life, Guaranteed products, Health, Cancer Insurance, Pension & Annuity.

Focus on retirement leading to ~4x growth in Annuity business in Q1FY'24

Life stage & Objective

Age: 25-45 yrs
Accumulate funds

Age: 45-60 yrs
Plan for retirement

Age: 60+ yrs
Cover the risk of living too long

Needs

- Tax Saving
- Savings for future

- Tax Saving
- Lumpsum req. for big events (child's education, buy home, child's marriage)
- Savings for retirement

- Regular income stream until death
- Legacy planning

Max Life's solutions

- NPS account (Pension Fund Management - PFM)
- Pension plan

- Long Term Income (Smart Wealth Plan)
- NPS account (PFM)
- Pension plan
- Annuity

- Annuity



Max Life Pension Fund Management

- New corporates on-boarded**
- Launched Create Wealth and Retire environmentally rich campaign**
- Garnered INR ~293 Cr AUM**
- Added highest AUM among new PFMs in Q1**
- Improvement in investment returns ranking due to prudent investment practices**

Smart Guaranteed Pension Plan

- Guaranteed Income** to cater to your needs as long as you live
- Advance Annuity Amount** option to take in advance, your next 5 years annuities
- Option for Life-long income:** option to choose a single life or a joint life annuity
- Available for Group members who want to purchase annuities**
- Available for National Pension System(NPS) customers**

Guaranteed Life Time Income Plan

- Guaranteed Lifelong income** with Single Life & Joint Life Option
- Option to choose between Immediate & Deferred Annuity**
- Flexibility to choose how long you want to pay premiums - Single Pay and Limited Pay Options**
- Easier on-boarding with Zero Medical Underwriting**
- Option to get Return of Premium as minimum Death Benefit³**

Focus on protection and its risk management

Customer Profiling and Selection

- AI based risk models, Credit Bureaus, IIB Database deployed in underwriting risk assessments
- Stringent medical and financial underwriting controls deployed

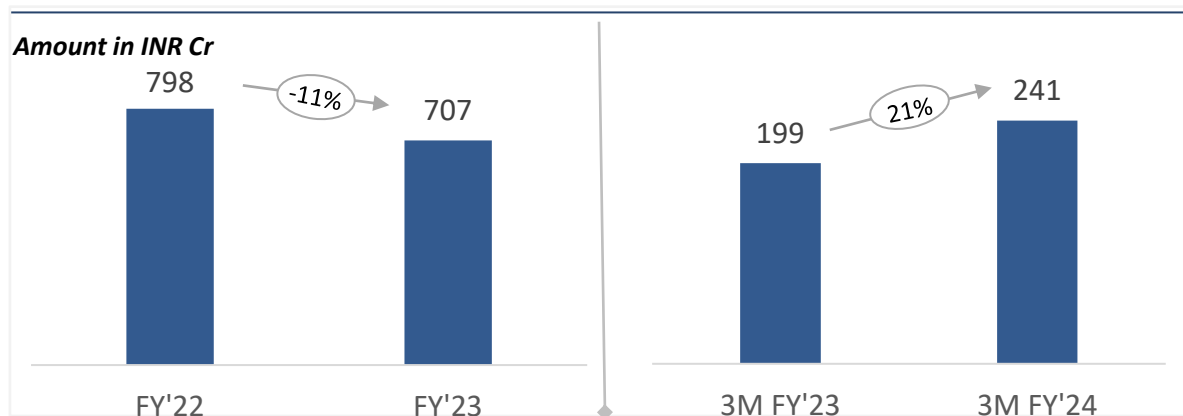
Experience monitoring

- Regular portfolio review/ Post issuance verification
- AI models leveraged to monitor and forecast experience
- Early warning framework for early course correction
- Industry collaboration against organized frauds

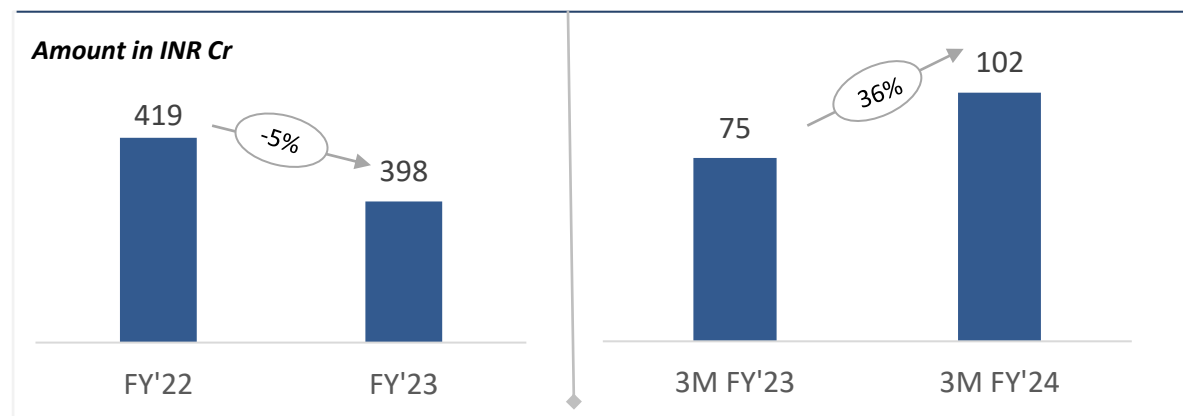
Profitability & Risk Management

- Regular repricing of products
- Product boundaries based on geography, income and channel
- Adequacy of reserve to minimize P&L volatility – Building up provisions for catastrophic events
- Adequate reinsurance (Individual and Catastrophic) to protect against claims volatility

Total Protection



Retail Protection APE



Interest Rate Risks

Robust Asset Liability

Management Framework:

- Cash flow and duration matching
- Comprehensive hedging program
- Natural hedge
- Limit on non-par sales
- Active policyholder bonus management for Par business

Focused Product Management:

- Repricing to align benefits with current rates
- Variant and channel level granular monitoring

Resilience and Expert Validation:

- Direct Board oversight
- Stress testing
- Sensitivity tracking
- Peer review of liabilities
- Periodic external review of Derivatives

Investment Risks

Front Office – Led by CIO:

- Differential strategy as per the fund characteristics
- Ensuing diversification and credit quality across portfolio, minimize credit and concentration risks

Middle Office – Led by CRO:

- Independent credit review of portfolio and all new investment proposals
- Derivative risk management
- Early Warning Framework
- Consequence management of stressed assets

Back Office – Led by CFO:

- Ensuring implementation of cash flow matching requirement of ALM
- Valuation, Collateral and Margin management of Derivatives
- Appropriate provisioning for stressed assets

Information Security and Business Continuity Risks

- **Cyber DARE framework for managing security goals:**
- Robust framework based on **ISO 27001**

Internal and External Validation:

- Dedicated CISO, internal security team and external security partner(s)
- Independent external benchmarking (Bit Sight) to keep abreast with emerging security trends

Business Continuity :

- Robust framework based on **ISO 22301**
- Business continuity plans reviewed annually
- Annual BCP drill
- Alternate Disaster Recovery (DR site) and regular data backups with movement to DR site
- Crisis Action Manual

Operational Risks

Preventive Programs:

- Multi-tier governance and automation for highest impact areas
- Quantified risk appetite for
 - Operational errors
 - Product set up errors
- Comprehensive Vendor due diligence

Detective Programs:

- Customized Incident Management program
- Enterprise-wide tool for incident disclosures
- Risk certifications for critical processes

Corrective programs:

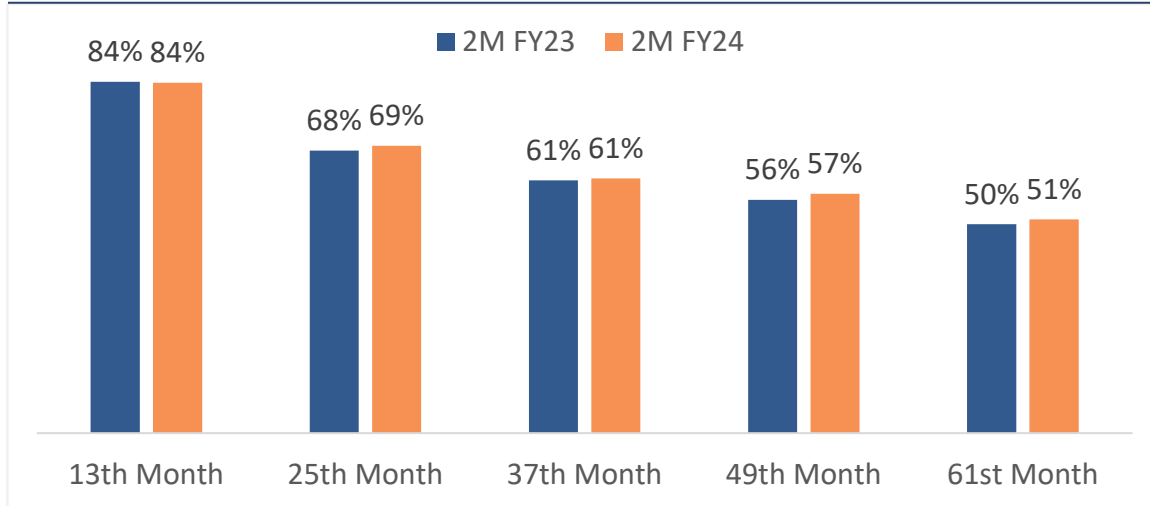
- Revenue Assurance model for concurrent checks
- Cross functional forum for system gaps



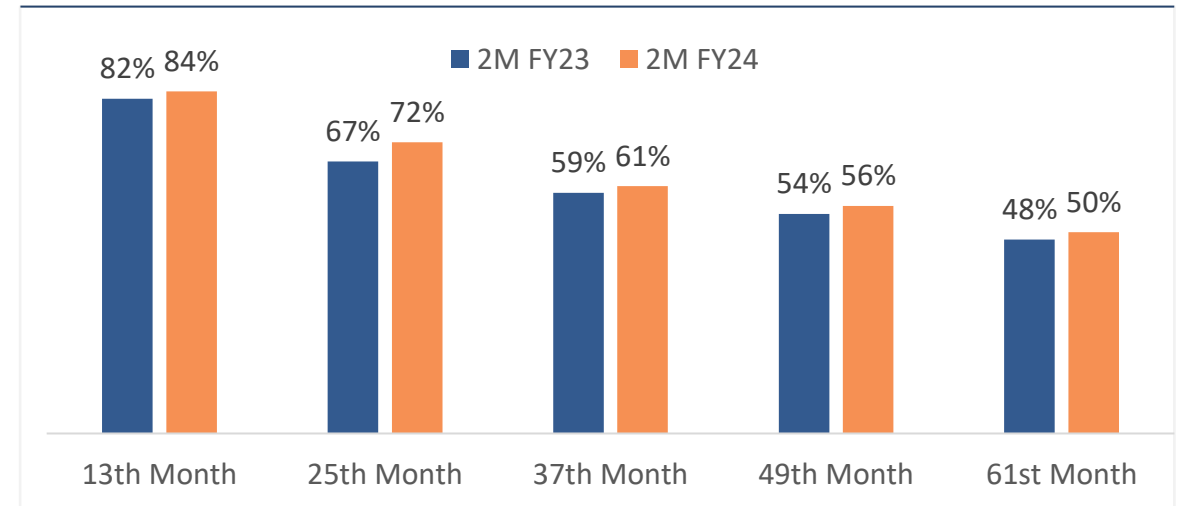
Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority



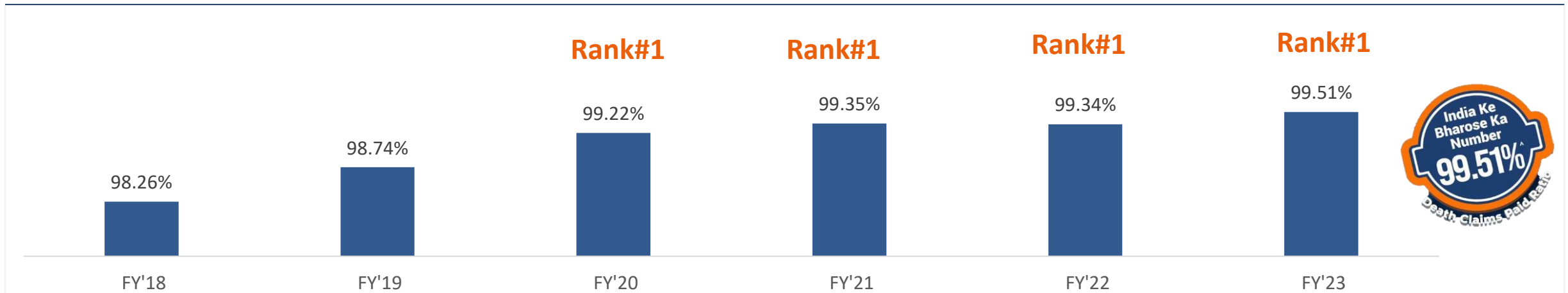
Persistency# (Premium)- 61st month persistency improved by 110 BPS



Persistency#(NOP)- Market leader on 13th month NOP persistency



Claims Paid Ratio



Persistency for the period ending 30th June 23 for policies renewed from June 22 to May 23, Individual policies excluding single pay/fully paid up policies

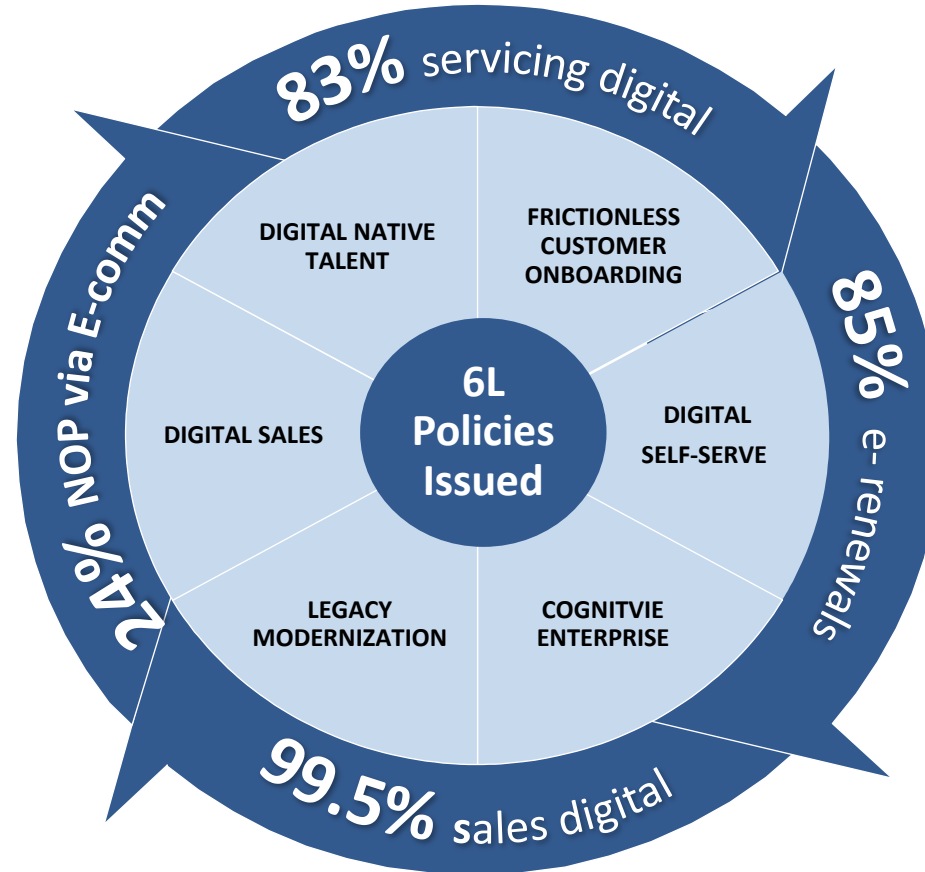
We had made significant progress on our Digital Journey

81.0%
Automated Underwriting (Retail)

60
Website NPS

<3 seconds
Page load time

99.51%
Claims settlement %



50+
Partners

56%
Infra on Cloud

35%
Insta COI (Axis)

676K+
Bot queries per month

Scale eCommerce Business

1

- Digital Marketing Muscle (**Sharper prospecting**)
- **Mobile first** purchase journey
- **Personalized** experience
- **WhatsApp** chase journeys

Digital Sales

2

- Intelligent & Integrated **LEAD management**
- Integrated **Recruitment Funnel**
- Digital **Native Training & Content Mgt** solution
- **Smart Assistant** for seller productivity
- Digital standardized **sales governance**

Onboarding / Issuance

3

- Digital Native Onboarding platform – **SEO**
- **Frictionless Onboarding** experience leveraging eco system partnerships
- **Smart U/W** - embedded AI Models
- **Legacy Modernization** – Insta Issuance

Customer Service

4

- **Omni Channel** customer experience (Customer 360)
- Help Center / conversational BOTS for **self service**
- **Continuous customer engagement** by Leveraging Ecosystem
- Digital **Agent Servicing**
- Integration with **Social platforms**

Enterprise

5

- **Mobile First Employee Experience** – HR Self Service
- **Digital Engagement & Collaboration**
- **Back-office transformation** – Treasury, AML
- **Enhanced Security** – cloud, threat monitoring, vulnerability Mgt
- **Intelligent Automation**

Pervasive Intelligence

6

(AI /ML, Analytics embedded in all key processes)

Cloud Enabled Legacy Modernization & Enterprise Data Hub

7

Workloads on Cloud

Employer of Choice for Top Digital Talent

8

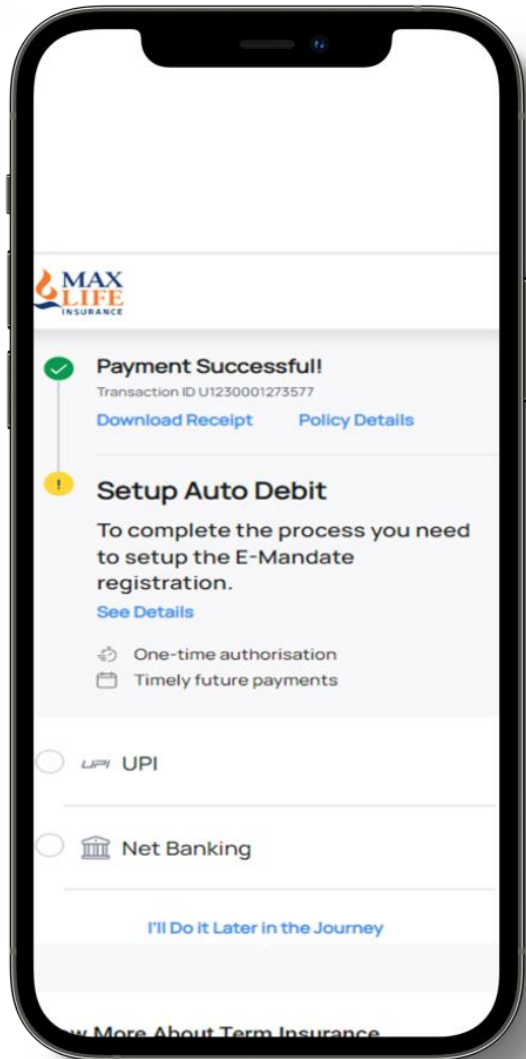
300+ Engineers

Digital Culture

9

InsureTech ecosystem

Ecommerce pre- purchase initiatives

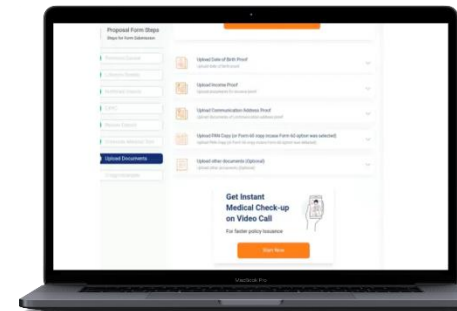


New Mandate Page

Features

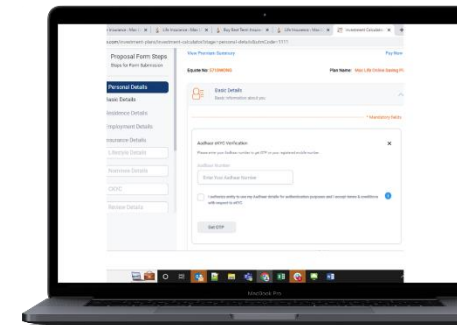
- New mode for auto-pay – UPI-SI
- Native input without hop to payment gateway
- Reduced customer drops

Ecommerce post purchase initiatives



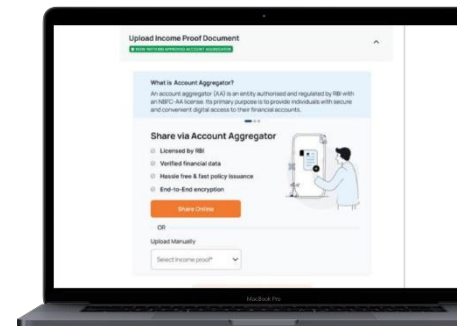
Native VMER

- 98% video medicals completed within TAT of 3 Days



e-KYC

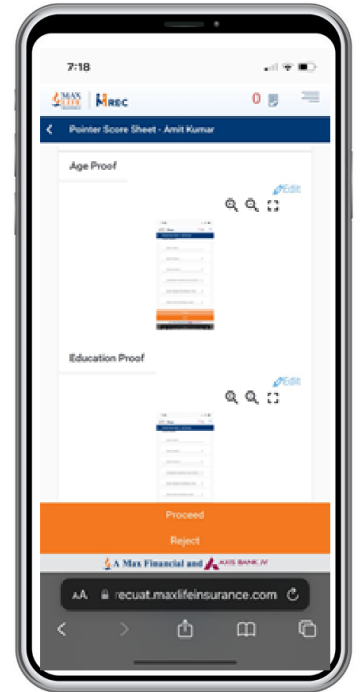
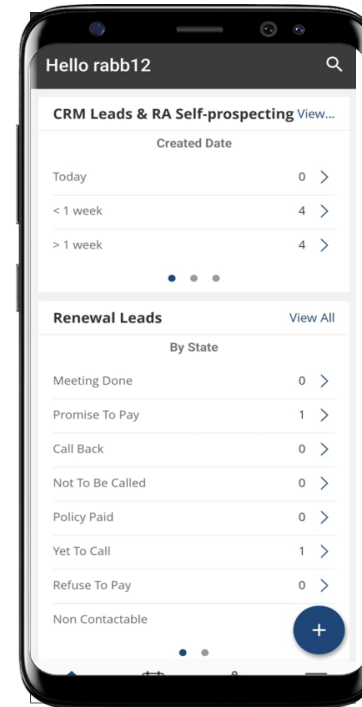
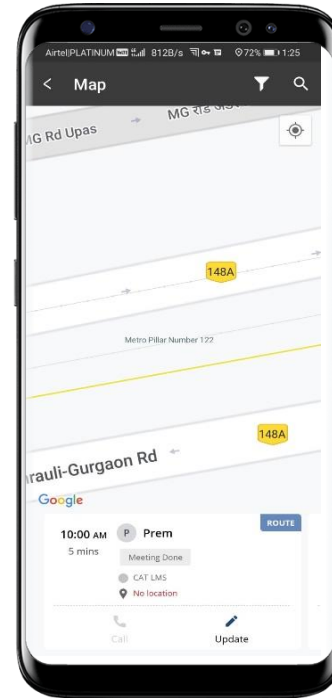
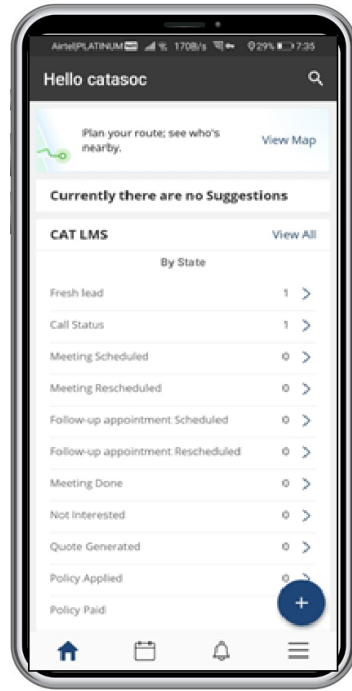
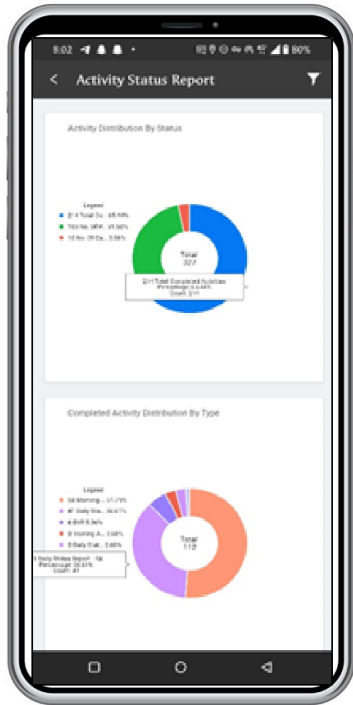
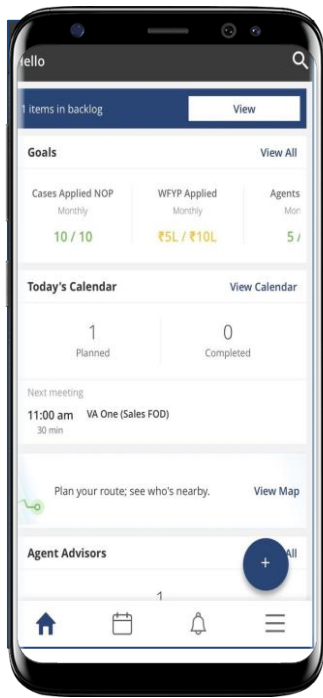
- 98% DOB & Photo waiver



Account Aggregator

- 91% Accuracy

mSMART – Activity & lead Management ; RMS - Renewal Lead Management System



mREC

Enables ADM/RA's to track and create activities, goals and PRP

Smart Dashboards

Lead Management bucket wise view

GeoAnalytics enabled

RA dispositions & funnel view

Leader hiring for APC/Agency enabled



4.14 Lac+ activities in a month



~90K Sales FODs & ~89K+ Recruitment FODs in a month



~95%+ adoption in Proprietary channel ~80% adoption in Banca

New Lead Management System launched for Agency, to provide end to end funnel visibility of lead journey

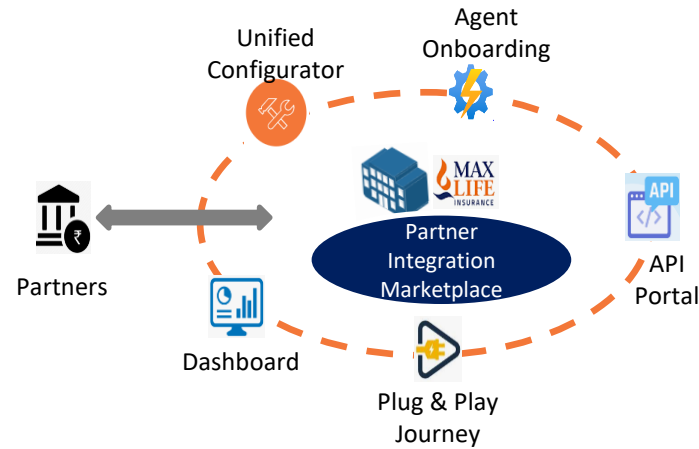
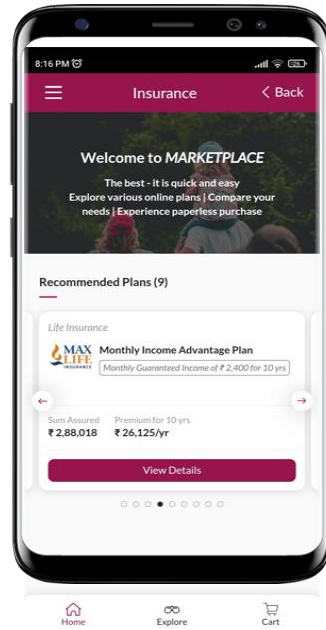
All the new leaders hiring is being done through automated tool only

New partner Onboarding



6 new brokers on boarded within 2 weeks.
2 New bank on boarded within 3 weeks.

Integration with Market Places & creating Max Life Partner Integration



Max life –Partner Integration Market place

End to end integration from lead generation to policy issuance – Single pane view for Axis Bank & MLI seller

Plug & play APIs framework basis different possible journeys & Single Sign-on.
Integration with Insutech (Zopper, turtlemint and One silver bullet) To have presence on all marketplaces

Eco-system Integration



For KYC details and document waivers

Waiver of Financial Document

Integration with TPA for Medical scheduling and digital report

6 new brokers on-boarded within 2 weeks.

4 New Banks on-boarded within 3 weeks
1 Corporate Agent non Banker within 3 weeks

Clear Case – 81% (Retail)

We are leveraging the ecosystems built on the India Stack to simplify the customer journey. We have integrated with the AA Ecosystem for sharing financial documents with customer consent

4



Eco-system Integration

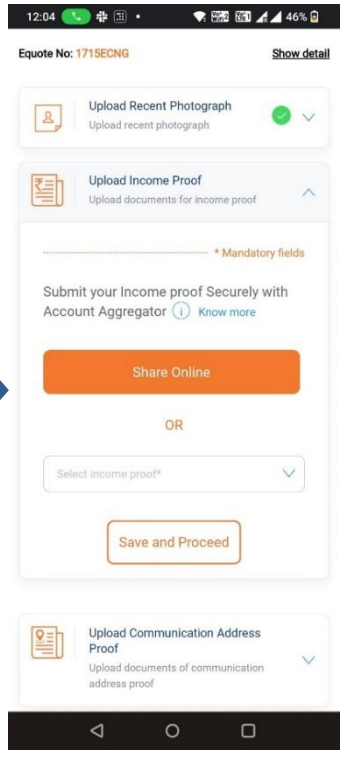
For KYC details and document waivers

Waiver of Financial Document

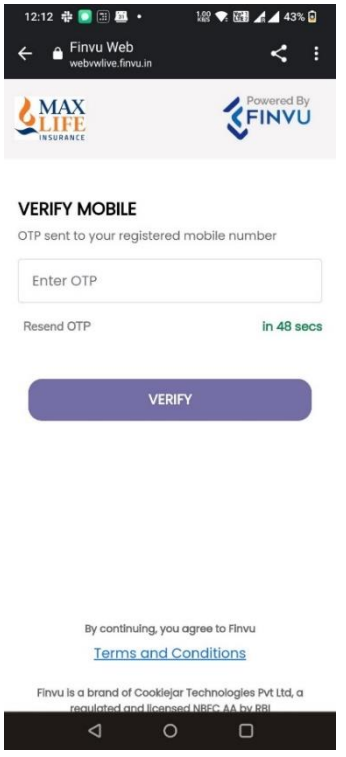
Integration with NHA -ABDM

- 9% adoption
- 90% fetch rate of financial data
- 91% Accuracy

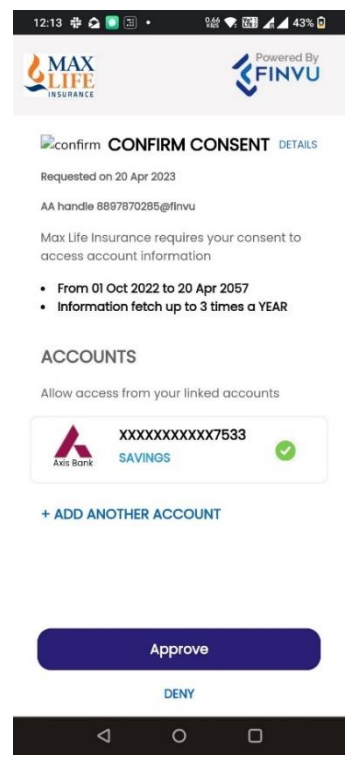
Sharing of Bank Statement using the Account Aggregator for Financial U/W



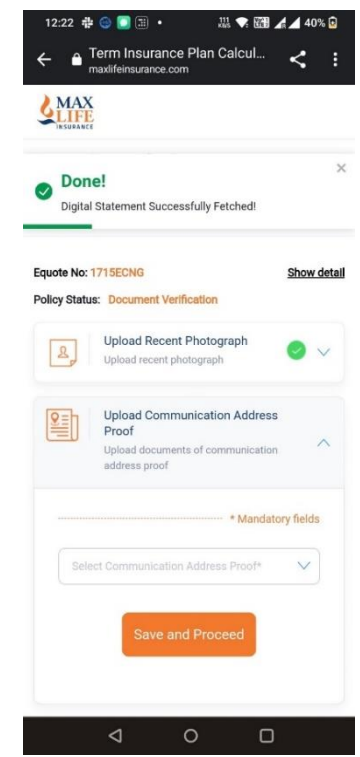
Customer registers on AA with Phone Number & OTP



Connects a/c with AA ecosystem and discovery of linked a/c



Provides consent for Data Sharing



6 months Bank A/c Statement shared with MLI

FIU Integrations*



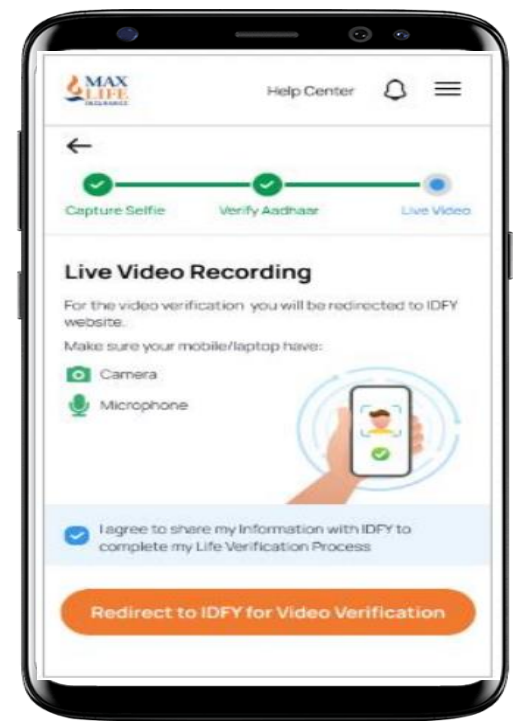
FIP Integrations*



The ecosystem is being leveraged for predictive modelling & scoring, automation and cross sell. Current adoption rate on e-commerce journey is ~9%

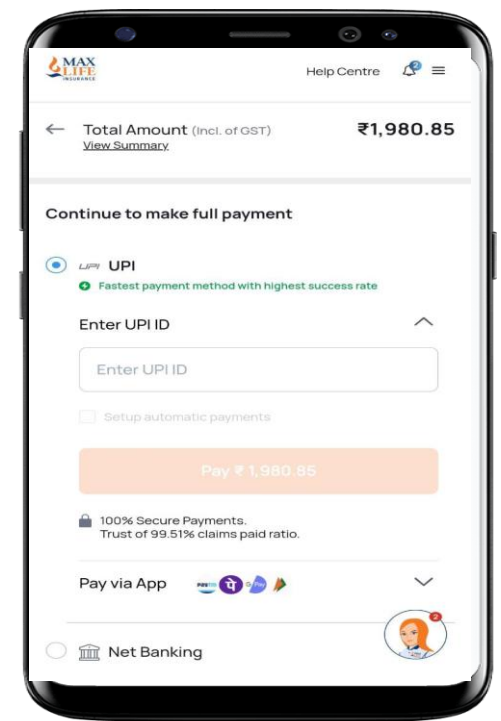
* Includes live and in discussions

Website



Digital Living Certificate – Annuity customers can digitally submit proof of living via eKYC

Unified Payment Platform






Robust & scalable payment platform
Paytm router - Multi Switch PG capability

Revamped - WhatsApp Bot (Beta launch)



New Help center approach with Live Agent chat, native journeys and vernacular capability

 <p>87% Self-service Penetration NPS all time high at 60 in Jun'23 NPS FY'23 – 56 , Q1 FY'24 - 60</p>	 <p>75% success rate for online renewal payment all time high 33% adoption of UPI payment mode</p>	 <p>13% Higher user engagement</p>
---	---	--

D Over the Last 2 years we have increased penetration of Analytics & AI/ML across processes with external recognition.

6

Vision 2022-2024 : Intelligent Enterprise at Scale - Scaled AI touching 90% critical identified business processes#

New Business



Personalized actionability scorecards on WhatsApp for field-force to enable higher sales productivity

Intelligent Sales Nudge Engine

AI driven sales nudge engine for on ground sales force effectiveness

ISA 2.0

Machine Learning based Sales Leakage prediction



Speech Analytics suite for Customer insights & Agent performance analysis



Customized customer offers with propensity prediction

Geo-Intel

Upfront Rural-Urban sector classification engine

Onboarding & Issuance



Shield Early Claim & Fraud risk prediction Engine



13M & 25M Upfront Persistency Risk Prediction and Engagement recommendation



Computer Vision based Photo and liveness verification in PoSV



Diagnostic center analytics and fraud prediction & monitoring



UW decision anomaly identification suite to enhance decisional accuracy



Computer vision based Aadhaar Masking Suite

Retention & Customer Service



Deep Learning Customer Engagement, Retention & Persistency Prediction



Upfront Query Resolution with unified intent prediction and auto response bot



Machine Learning based Renewal Income & Persistency Forecasting & monitoring



Machine Learning based Detractor & NPS prediction model

Surrender Prediction

Machine Learning based Surrender prediction and Surrender retention

Central Functions



Mortality Insights & Analytics hub



Investment Risk Identification by flagging probable dealer broker collusion

VNB Insights

Profitability (VNB) Insights & Projections

D Our investments in cloud and system modernization is helping us scale business in an agile way...

7



Cloud Data & Analytics Platform

- Data Lake Foundation build with data availability @ 60% & accessibility from 3hrs. To real-time, agent servicing asset migrated to lake
- Data stores (CDC, ETL,SIC, EDW) consolidation on Datalake in-flight
- Real-time reporting. Eagle Eye Go, CXO Dashboard
- AI/ML – Speech to Text, Claims Risk Insight Engine.



Compliance & Security

- Industry best Tools & process to monitor & mitigate vulnerabilities.
- 24/7 Matured SOC & Next Gen Ransomware detection & prevention Tool in place
- Tool to continuous monitor Cloud Security controls and Optimization score. Continuous Improvement in Progress



Cloud Foundation

- Agility in operations support for 4X volume on peak days with response time <1sec
- Multi Cloud Adoption to achieve best of breed cloud native services, Cost optimization & avoid vendor locking.
- Infra Footprint increase from 18% to ~60%. 55+ Apps on Cloud



Legacy Modernization

- Modernized Treasury, HR, Contact Center, Communications, AML, Agent customer servicing & Illustration platforms
- Centralized product setup by implementing Product Configurator as a single source of truth for all applications
- Core Modernization on Cloud to meet Resiliency, On demand Capacity, enhanced performance & BCP Posture.



~100% Resiliency for Cloud & Critical Apps



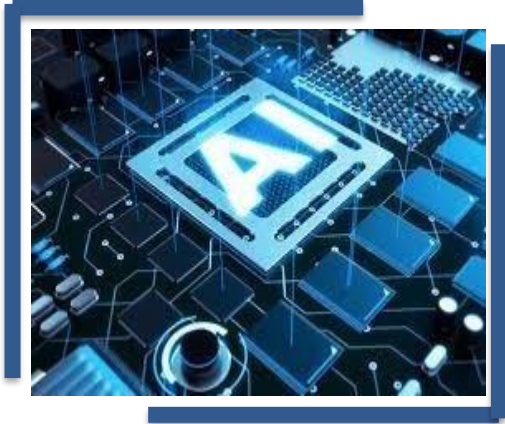
BitSight Security Maturity Score- 810 (Best in Industry)



Auto Scaling Design to support peak volume



Provisioning from 8 weeks to 1-2 Days



AI works team – AI, NLP, ML



Data Engineering / Big Data Skills



Enterprise Architecture



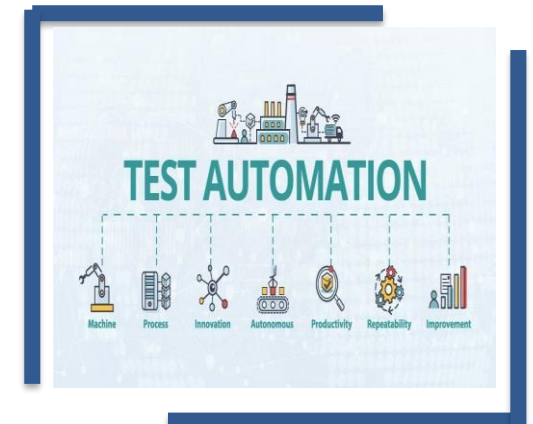
Maxlife & Cognizant
Ingenium - Joint Development Centre



Cloud Computing – Cloud architects, cloud ops



Design Thinking



Testing Automation COE



SECTION IV

- ▶ Max Life Insurance – ESG
- 

Four pillars of our sustainability framework



Four pillars of our sustainability framework (contd...)



Work Ethically & Sustainably

-  Corporate Governance
-  Ethics & Compliance
-  Digital Initiatives
-  Ethical usage of Data
-  Operational Risk Management






Care for People

-  Diversity & Inclusion
-  Employee Development
-  Health & Wellness programs
-  CSR (with Financial Empowerment)







Financial Responsibility

-  Sustainable Investing
-  Product responsibility
-  Customer feedback integration



Green Operations

-  Waste Management
-  Water Management
-  Energy efficiency
-  Emissions control



Governance

- Dedicated **ESG Management Committee**
- Diverse Board composition with optimum no. of Independent Directors** (>50% - MFSL; ~30% - Max Life Insurance)
- Average Board experience > **30 years**
- Charters of Board and Committees** in place which define roles and responsibilities of the Board and respective Committees
- Framework for evaluation of the performance of the Board, Committees of the Board and Individual Directors adopted by the Company



Data Privacy & Security

- MLI received the **DSCI Excellence Award** for Best Security Practices in India in 2021
- BitSight rating of 810, which is best in financial services
- Certified on International standards **ISO 27001 and ISO 22301**
- Data privacy policy and practices in place
- Board approved Information security policy in line with **Aadhar Act, I-T Act** and other regulatory guidelines
- Dedicated CISO reporting to CRO for independence and better governance



Risk Management

- Max Life has a **robust governance framework with Board risk committee (REALMC)** supported by domain expertise committees (MRC, ALCO, DMC, ORG, IS BCM etc.)
- Risk Appetite and Risk Management** framework in place
- Robust derivative program as well as an ALM framework
- Detailed review process of Business Plan in place by CRO with focus on solvency risk and capital management








Compliance & Policies

- Platforms, mechanisms, channels** in place for grievance addresses, incident investigations and corrective actions and policies
- Dedicated **whistle-blower platform** managed by independent external partner
- Approved **Business Code of Conduct, Anti-bribery and anti corruption, Gifts and Meals policies, POSH, Anti-fraud.**
- Max Life won an award for the **best in-house legal team** in Insurance Industry across Asia from Biz Asia

Care for People and Community






Diversity & Inclusion

-  Gender diversity ratio at 26% at Max Life
-  Capability building program for women's leadership – 'She Leads'
-  Allyship Signature Campaign launched to promote inclusion at workplace.
-  An exclusive Max Sync open house session with CEO organized for all women employees on International Women's Day.
-  1000 employees participated in the Allyship Signature Campaign






Well-being of Employees

-  Launched the Visit Health app as part of the holistic employee wellness campaign, (free - doctor consultations, counselling sessions, financial advisory, water intake tracking, daily step goals, etc.)
-  Launched the Health and wellness campaign #MaxThrive (**Yoga sessions, health camps, counsellor visits, eye and dental check up camps, breast cancer awareness, Dietician visits**)
-  Hobby Clubs launched to promote Intergenerational inclusion : Bikers, Yoga, Poetry, Music and Cricket



Employee Development & Policies

-  Concluded **the Annual Employee Engagement Survey** through Willis Towers Watson at a sustainable engagement score of 95% which is significantly ahead of the market benchmark
-  Introduced Day Care Benefit for all the working mothers with children aged 6 months to 6 years & working fathers in Maharashtra & Karnataka
-  We are amongst a very few organizations to assess employees on Organization Values






CSR Initiatives

-  **Joy of Giving: 42,500+ beneficiaries positively impacted** through virtual and physical volunteering initiatives by employees
-  **Financial literacy and insurance awareness:** 54,700+ applications submitted (**~50% female**) serviced for availing benefits of various Govt. welfare schemes from Haridwar and Purbi Singhbhum serviced
-  **Education: 114 lac** children positively impacted, **25,000** children directly benefited through the education initiatives in partnership with Max India Foundation
-  **Environment preservation:** Monthly maintenance and preservation work continued at the MG Road plantation site and Wazirabad lake in partnership with GMDA. 98,796 saplings planted across Gurugram, Bangalore, Chennai and Kolkata at the Wazirabad lake

Financial Responsibility






Committed to responsible investments

-  **100% ESG integration** will be ensured in all equity investment research and decision making
-  **75%** of equity portfolio to be ESG compliant at all times
-  **100%** compliance for equity portions of shareholders fund to be adhered to










Responsible Investments

-  **Comprehensive stewardship policy** in place and a detailed summary of MLI's voting actions are disclosed on a quarterly basis.
-  Max Life looks at governance closely for its investee companies.
-  Launched **ESG Fund** for ULIPs





Product Responsibility

-  Benefits for females/transgenders for financial inclusion :
 -  Under **Smart Wealth Income Plan**, we provide a preferential discount for women
 -  Under **SWAG** and **SWAG Par Plan**, higher returns for female lives and discount is available for transgenders
 -  Annuity plan improved to increase female rates
-  Max Life **annuity plans, Smart Wealth Advantage Guarantee Plan and Smart Wealth Plan** offer senior customers guaranteed income throughout their life
-  Additional health protection through our **Rider Suite. Critical Illness and Disability Rider** can be attached to almost the entire product portfolio; offers protection against 64 critical illnesses and disabilities.
-  Launched **Pure Growth Fund** for ULIPs, where the investment exclude sectors such as alcohol, gambling, contest, entertainment.



Integrating Customer Feedback

-  Consistent focus on integrating feedback from policyholders in our services, reflected in our NPS ratings, as per Kantar Studies. NPS improved from 35 in FY19 to 52 in FY23.
-  **NPS in Q1 FY 23-24 : 53**

Green Operations



Holistic approach

- Conducted a **carbon footprint assessment** of our pan-India offices.
- Striving to be carbon neutral by FY28



Energy Management

- Home Office (HO) building is a LEED Platinum certified building with “5 star rating”** in health and safety by British safety council
- Replacement of CFL with LED lights ongoing in all offices to reduce energy consumption : Replacement concluded in **30% offices in last 3 yrs.** ~3% of energy reduction achieved
- Replacement of old air-conditioners ongoing: Plan to replace **500 ton of AC in FY23** – 268.5 ton of AC replaced during the period Apr-23 to June-23



Water Conservation






- Water is recycled with the help of **STP**: ~339 KL of STP water recycled during the period Apr23 to Jun-23.
- 100% tap sensors** and water aerators in place in HO. ~70% water consumption is reduced.
- 10,000 Tree plantation.** Plantation drive has been planned for Jul 23 and the site has been identified



Waste Management

- MLI has pledged to completely ban **single-use plastic** in the next few years with emphasis on recycled plastic at tuck shop and pantries
- Dry and wet waste segregation process –In progress**
- Used **10000 kg of plastic**, **3000** being single use and **7000** being recycled plastic.
- Installed sanitary pad disposal at HO for sustainable menstrual hygiene management ~28.2Kg carbon equivalent conserved. 264 Liter land fill area saved In 2 month(Apr-23 –May 23).

Accomplishments in our key strategic shifts identified in our ESG journey

Indicators	Key Metric for ESG Indicators	Key Targets	Current Status
 Digital Operations	Digital enablement (Self Servicing) in Business transactions	90% of all self- servicing operations to be digital by FY25	95% self-service enablement by June'23
 Diversity & Inclusion	Overall Gender Diversity Ratio	Achieve 30% gender diversity ratio by FY25 (23% in FY21)	26% gender diversity ratio in June'23
 Workforce Training	Number of Learning hours to upskill and reskill employees*	Improve total training hours by ~3X by FY25	7,538 training hours till June'23
 Responsible Investments	ESG integration* & Compliance^ in Investment Decision Making	100% ESG integration in equity investment research and decision making 75% of equity portfolio to be ESG compliant at all times	External Consultant on-boarded for ESG integration process Tracking ongoing for ESG compliance
 Carbon Neutrality	Reduce carbon footprint and achieve Carbon Neutrality	To achieve 80% carbon neutrality by FY28	Measurement of greenhouse gas is on-going

*ESG Integration refers to evaluation of ESG risks and opportunities for each company in the portfolio

^ESG compliance refers to all ESG rating categories excluding severe risk category, as per rating agency scores

*Includes MDP training hours

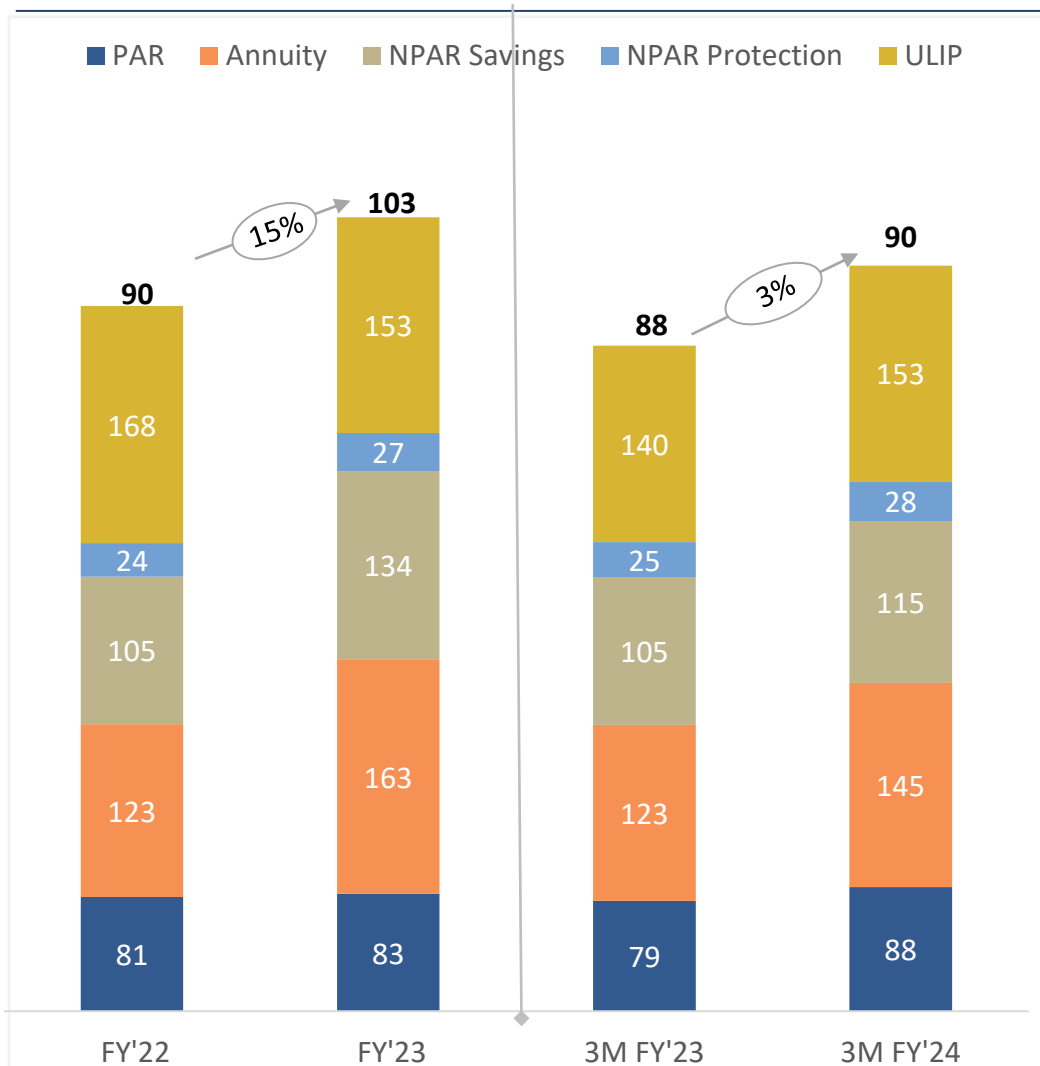


ANNEXURES

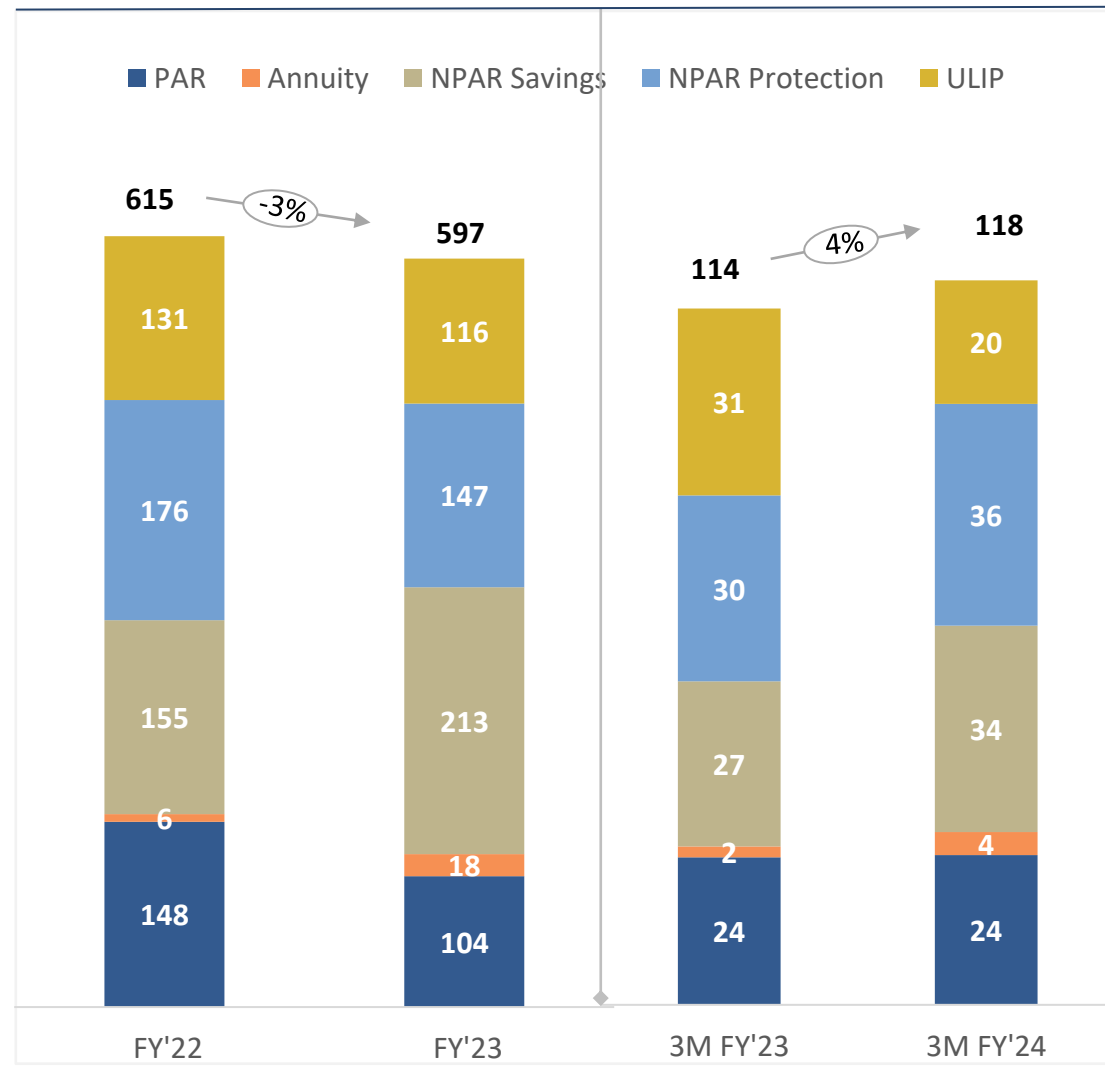


Expansion in both case size and number of policies sold in 3M FY24

Case Size (INR'000)



NoP's (000's)



Sensitivity analysis as at 31st March 2023

Sensitivity	EV		New business	
	Value (Rs Cr)	% change	VNB (Rs Cr) NBM	% change
Base Case	16,263	-	1,949 31.2%	-
Lapse/Surrender - 10% increase	16,276	0.1%	1,951 31.2%	0.1%
Lapse/Surrender - 10% decrease	16,234	(0.2%)	1,941 31.1%	(0.4%)
Mortality - 10% increase	15,910	(2.2%)	1,866 29.9%	(4.3%)
Mortality - 10% decrease	16,620	2.2%	2,033 32.5%	4.3%
Expenses - 10% increase	16,115	(0.9%)	1,808 28.9%	(7.2%)
Expenses - 10% decrease	16,411	0.9%	2,090 33.4%	7.2%
Risk free rates - 1% increase	16,129	(0.8%)	2,051 32.8%	5.2%
Risk free rates - 1% reduction	16,288	0.2%	1,804 28.9%	(7.4%)
Equity values - 10% immediate rise	16,456	1.2%	1,949 31.2%	Negligible
Equity values - 10% immediate fall	16,070	(1.2%)	1,949 31.2%	Negligible
Corporate tax Rate - 2% increase	15,897	(2.3%)	1,905 30.5%	(2.3%)
Corporate tax Rate - 2% decrease	16,630	2.3%	1,993 31.9%	2.3%
Corporate tax rate increased to 25%	13,958	(14.2%)	1,544 24.7%	(20.8%)

1. Reduction in interest rate curve leads to an increase in the value of assets which offsets the loss in the value of future profits.
2. Risk free rate sensitivities under new business allow for the change in the value of assets as at the date of valuation.

Definitions of the EV and VNB

Market consistent methodology

- The EV and VNB have been determined using a market consistent methodology which differs from the traditional EV approach in respect of the way in which allowance for the risks in the business is made.
- For the market consistent methodology, an explicit allowance for the risks is made through the estimation of the Time Value of Financial Options and Guarantees (TVFOG), Cost of Residual Non-Hedgeable Risks (CRNHR) and Frictional Cost (FC) whereas for the traditional EV approach, the allowance for the risk is made through the Risk Discount Rate (RDR).

Components of EV

The EV is calculated to be the sum of:

- Net Asset value (NAV) or Net Worth: It represents the market value of assets attributable to shareholders and is calculated as the adjusted net worth of the company (being the net shareholders' funds as shown in the audited financial statements adjusted to allow for all shareholder assets on a market value basis, net of tax).
- Value of In-force (VIF): This component represents the Present Value of Future expected post-tax Profits (PVFP) attributable to shareholders from the in-force business as at the valuation date, after deducting allowances for TVFOG, CRNHR and FC. Thus, $VIF = PVFP - TVFOG - CRNHR - FC$.

Covered Business

- All business of Max Life is covered in the assessment except one-year renewable group term business and group fund business which are excluded due to their immateriality to the overall EV.

Components of VIF (1/2)

Present Value of Future Profits (PVFP)

- Best estimate cash flows are projected and discounted at risk free investment returns.
- PVFP for all lines of business except participating business is derived as the present value of post-tax shareholder profits from the in-force covered business.
- PVFP for participating business is derived as the present value of shareholder transfers arising from the policyholder bonuses *plus* one-tenth of the present value of future transfers to the participating fund estate and one-tenth of the participating fund estate as at the valuation date.
- Appropriate allowance for mark-to-market adjustments to policyholders' assets (net of tax) have been made in PVFP calculations to ensure that the market value of assets is taken into account.
- PVFP is also adjusted for the cost of derivative arrangements in place as at the valuation date.

Cost of Residual Non-Hedgeable Risks (CRNHR)

- The CRNHR is calculated based on a cost of capital approach as the discounted value of an annual charge applied to the projected risk bearing capital for all non-hedgeable risks.
- The risk bearing capital has been calculated based on 99.5 percentile stress events for all non-hedgeable risks over a one-year time horizon. The cost of capital charge applied is 4% per annum. The approach adopted is approximate.
- The stress factors applied in calculating the projected risk capital in the future are based on the latest EU Solvency II directives recalibrated for Indian and Company specific conditions.

Components of VIF (2/2)

Time Value Of Options and Guarantees (TVFOG)

- The TVFOG for participating business is calculated using stochastic simulations which are based on 5,000 stochastic scenarios.
- Given that the shareholder payout is likely to be symmetrical for guaranteed non-participating products in both positive and negative scenarios, the TVFOG for these products is taken as zero.
- The cost associated with investment guarantees in the interest sensitive life non-participating products are allowed for in the PVFP calculation and hence an explicit TVFOG allowance has not been calculated.
- For all unit-linked products with investment guarantees, extra statutory reserves have been kept for which no release has been taken in PVFP and hence an explicit TVFOG allowance has not been calculated.

Frictional Cost (FC)

- The FC is calculated as the discounted value of tax on investment returns and dealing costs on assets backing the required capital over the lifetime of the in-force business. Required capital has been set at 180% of the Required Solvency Margin (RSM) which is the internal target level of capital, which is higher than the regulatory minimum requirement of 150%.
- While calculating the FC, the required capital for non-participating products is funded from the shareholders' fund and is not lowered by other sources of funding available such as the excess capital in the participating business (i.e. participating fund estate).

Key Assumptions for the EV and VNB (1/2)

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FBIL¹ as at 30th June 2023. The VNB is calculated using the beginning of respective quarter's risk free yield curve (i.e. 31st March 2023).
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.
- Samples from 30th June 2023 and 31st March 2023 spot rate (semi annualized) yield curves used are:

Year	1	2	3	4	5	10	15	20	25	30	40
Jun-23	6.87%	6.96%	7.01%	7.09%	7.10%	7.09%	7.30%	7.36%	7.46%	7.50%	7.57%
Mar-23	7.16%	7.07%	7.17%	7.19%	7.17%	7.34%	7.38%	7.40%	7.45%	7.45%	7.45%
Change	-0.29%	-0.11%	-0.16%	-0.10%	-0.07%	-0.25%	-0.08%	-0.04%	0.01%	0.05%	0.12%

Demographic Assumptions

The lapse and mortality assumptions are approved by Board committee and are set by product line and distribution channel on a best estimate basis, based on the following principles:

- Demographic assumptions are set to reflect the expected long term experience.
- Assumptions are based on last one year experience and expectations of future experience given the likely impact of current and proposed management actions on such assumptions.
- Aims to avoid arbitrary changes, discontinuities and volatility where it can be justified.
- Aims to exclude the impacts of non-recurring factors.

Key Assumptions for the EV and VNB (2/2)

Expense and Inflation

- Maintenance expenses are based on the recent expense studies performed internally by the Company.
- Future CSR related expenses have been taken to be 2% of post tax (risk adjusted) profits emerging each year.
- The commission rates are based on the actual commission payable, if any.

Tax

- The Corporate tax rate is the effective tax rate, post allowing for exemption available on dividend income. Tax rate is nil for pension business.
- For participating business, the transfers to shareholders resulting from surplus distribution are not taxed as tax is assumed to be deducted before surplus is distributed to policyholders and shareholders.
- Goods and Service tax is assumed to be 18%.
- The mark to market adjustments are also adjusted for tax.