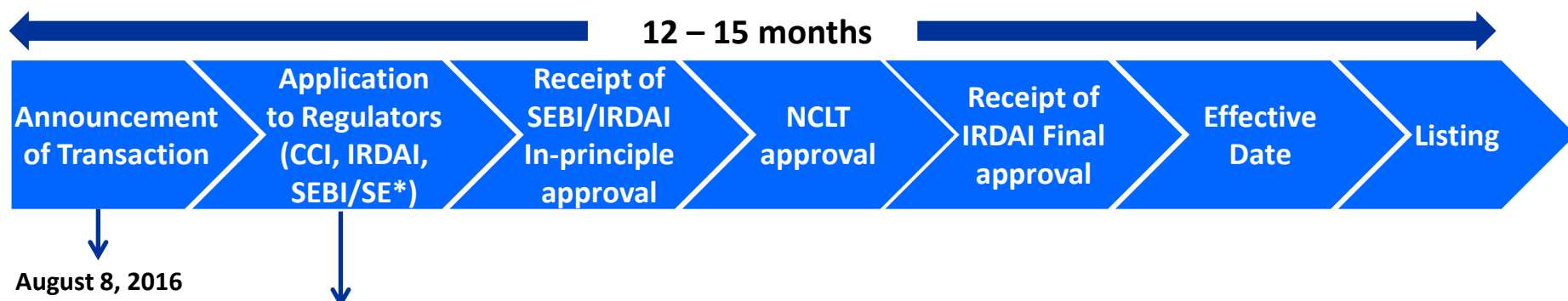


Max Financial Services Investor Release

December 2016

Disclaimer

This release is a compilation of financial and other information all of which has not been subjected to audit and is not a statutory release. This may also contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from our expectations and assumptions. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.



Status update - IRDAI application

- Expressed reservations on MFSL merger with Life insurance companies
- Represented to IRDAI that structure is fully compliant
- Response from IRDAI expected by February end

Status update – SEBI & CCI application

- All queries addressed, approvals will be progressed post IRDAI approval

Merger to go through National Company Law Tribunal (NCLT)

- Provisions relating to merger under Companies Act, 2013 notified in Dec'16
- Net effect, merger to be processed via a NCLT as opposed to High Court
- In view of aforesaid, likely completion of merger in Q3FY18

1 >

9MFY17 Group revenue* at Rs 8,655 Cr, grows 21% y-o-y

2 >

9MFY17 Group PBT at Rs 503 Cr, grows 35% y-o-y

3 >

Q3FY17 Group revenue* at Rs 3,349 Cr, grows 26% y-o-y

4 >

Q3FY17 Group PBT at Rs 197 Cr, grows 53% y-o-y

5 >

MFS acquired 1% stake in Max Life from Axis Bank in Nov'16, total holding increased to 70%

1

Industry Overview

2

Max Life Overview

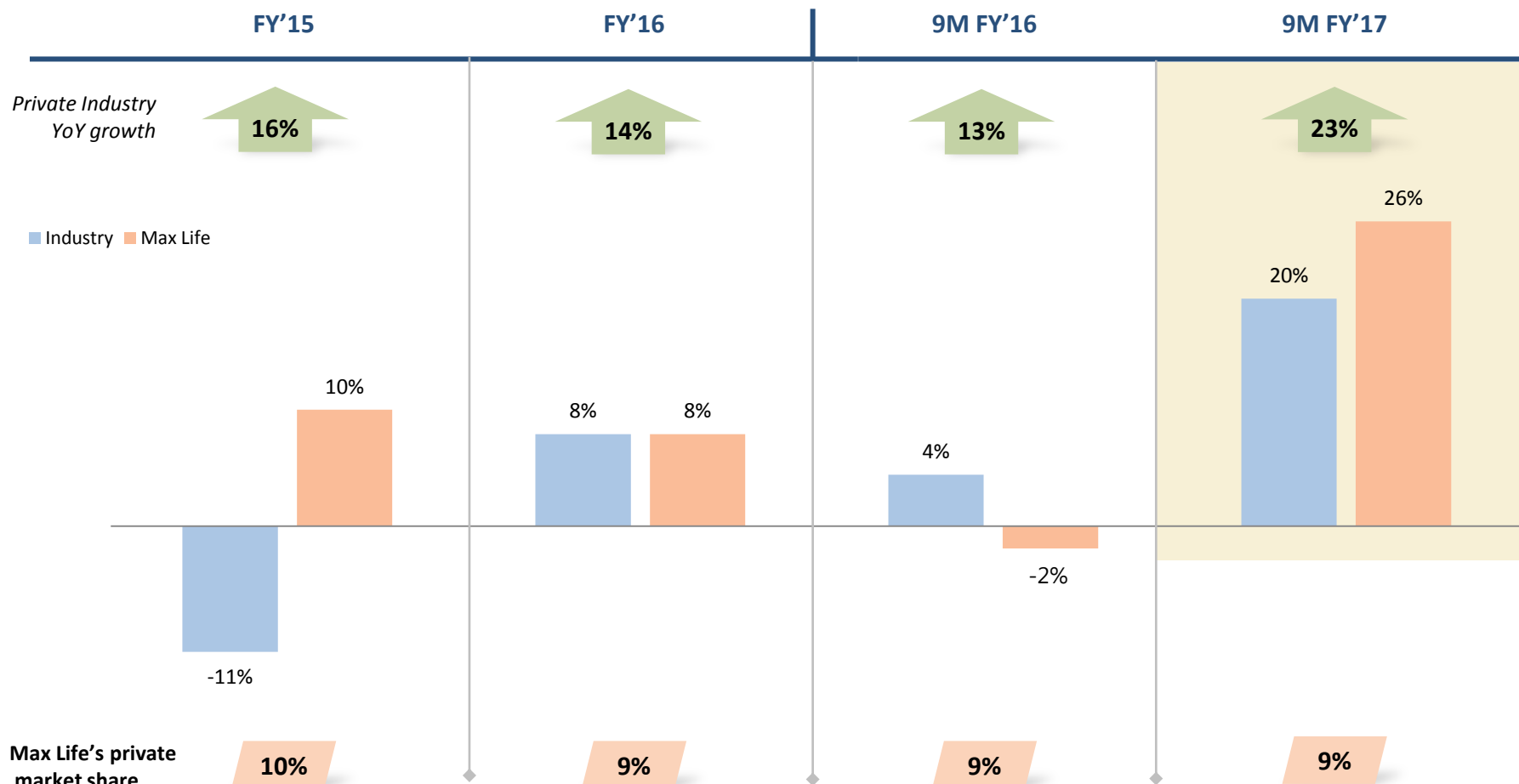
3

Financial Performance

4

Awards and Accolades

YoY growth Individual Adjusted FYP





1

Comprehensive multi-channel distribution model with highly efficient and productive agency channel and strong Banca relationships

2

Balanced product mix with focus on long term saving and protection proposition

3

Superior customer outcomes and retention

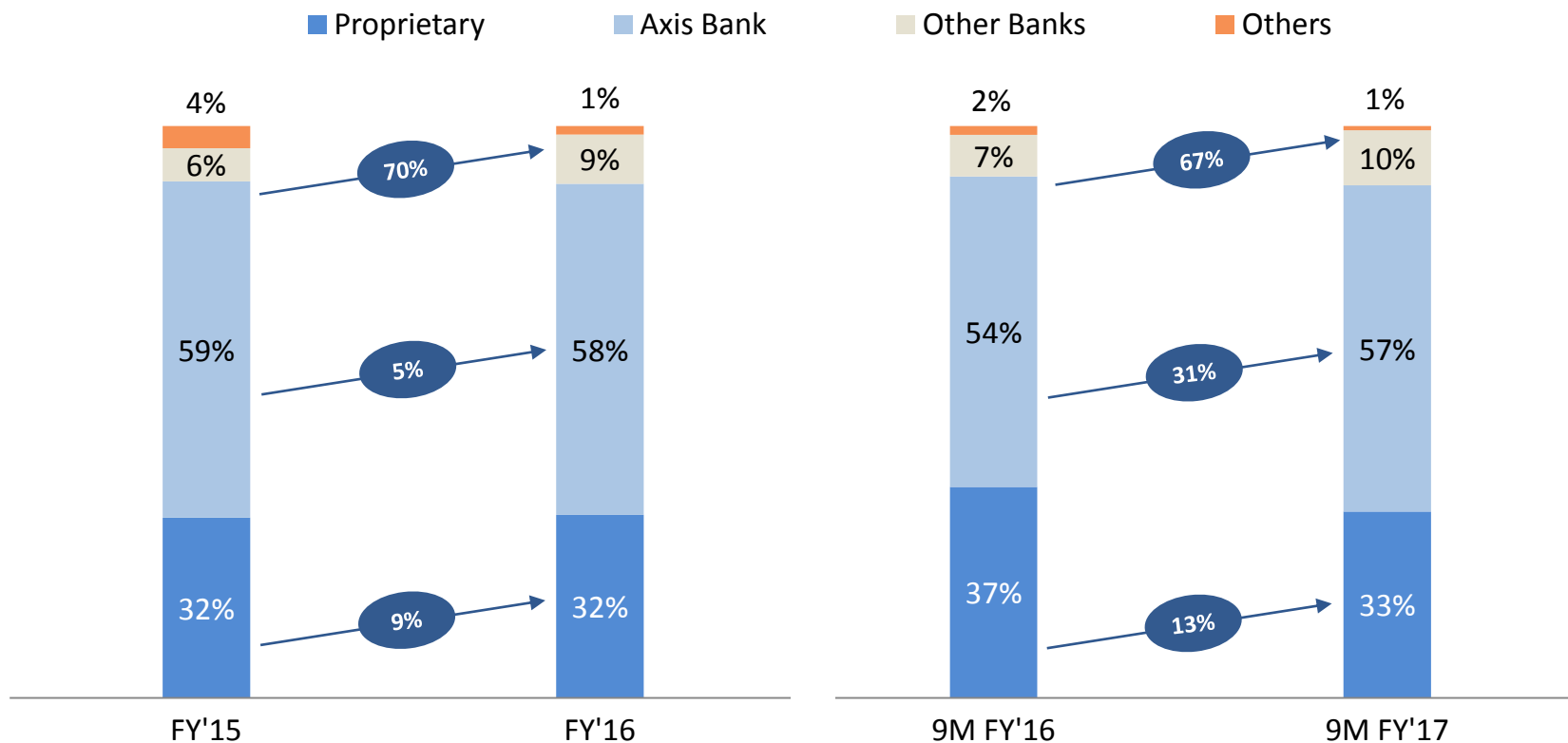
4

Strong digital footprints

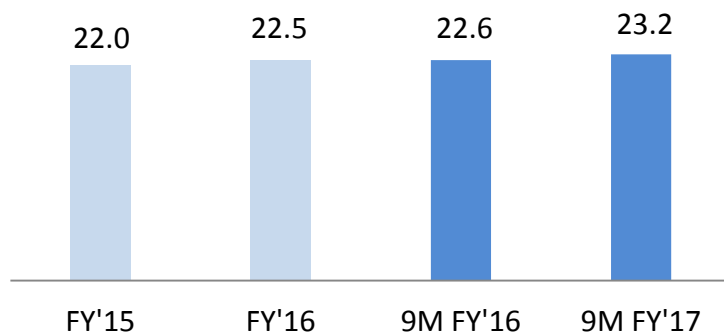
5

Superior financial performance with profitable growth

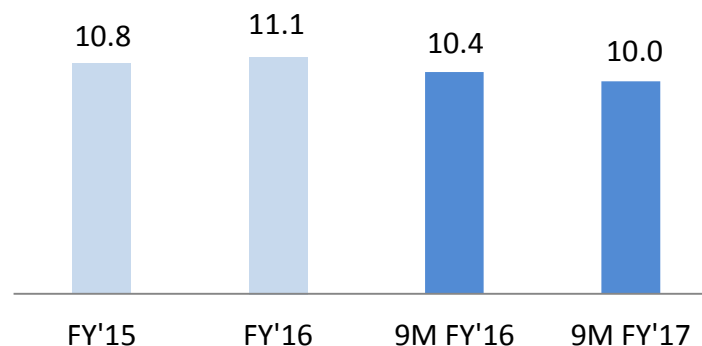
Supported by eminent Board, strong management team and robust governance framework



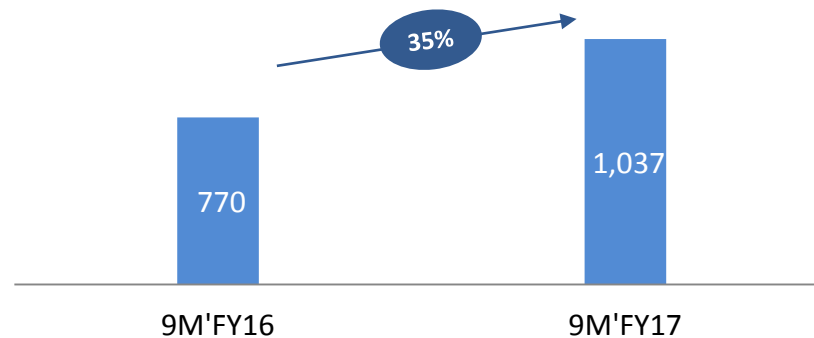
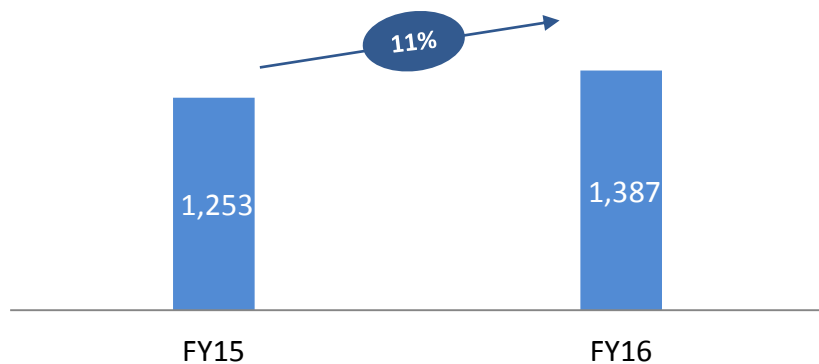
Branch productivity (Rs Lakhs pm)

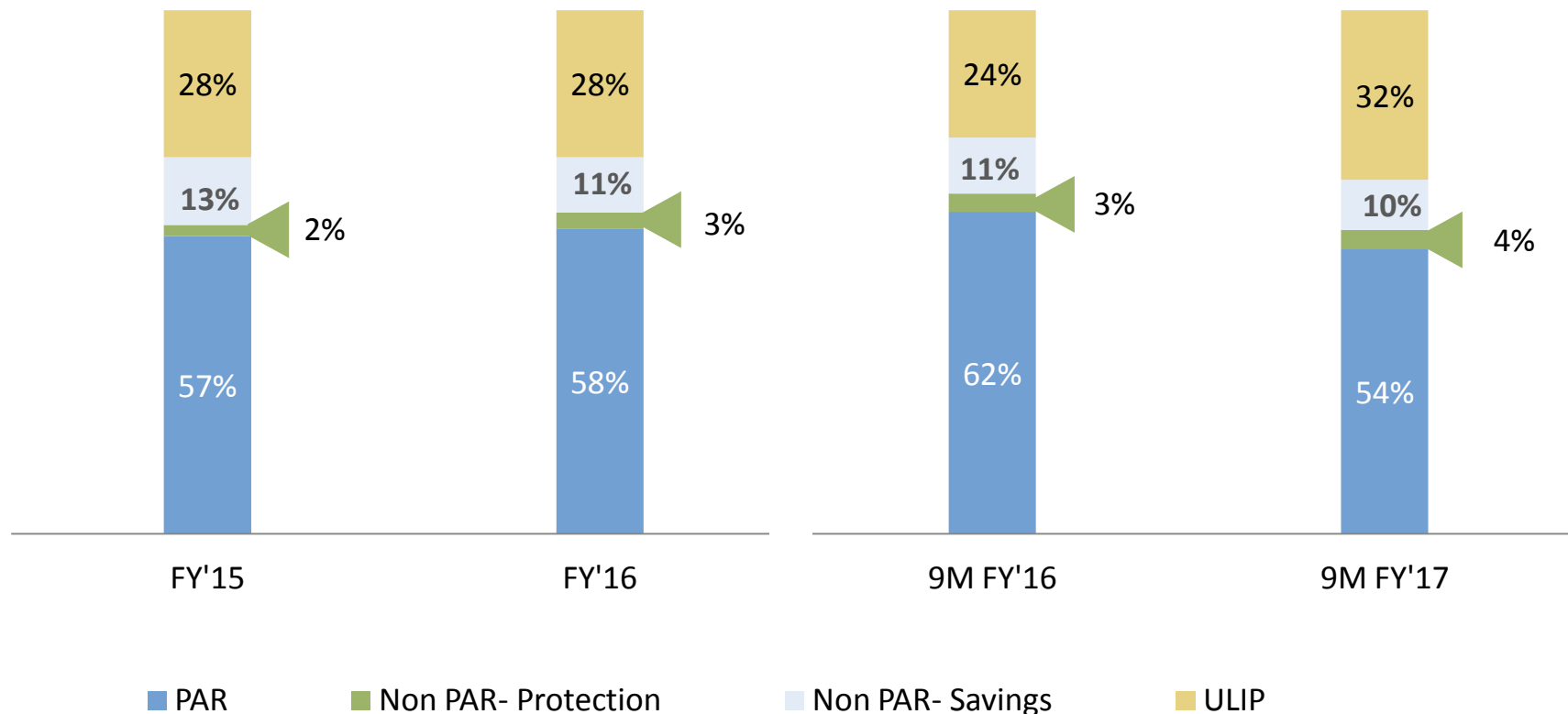


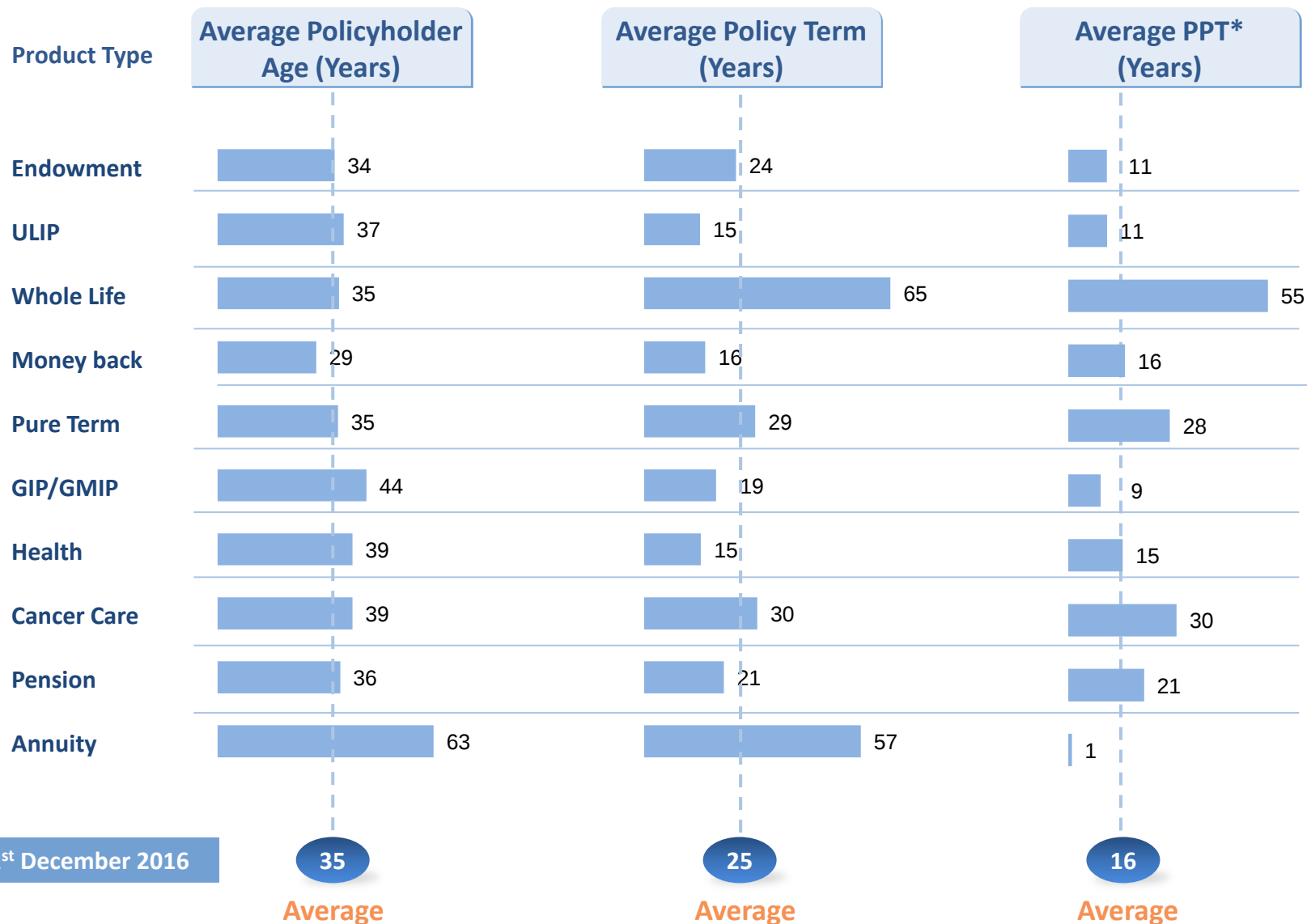
Agent productivity (Rs '000 pm)



Banca individual Adj FYP (Rs Cr)

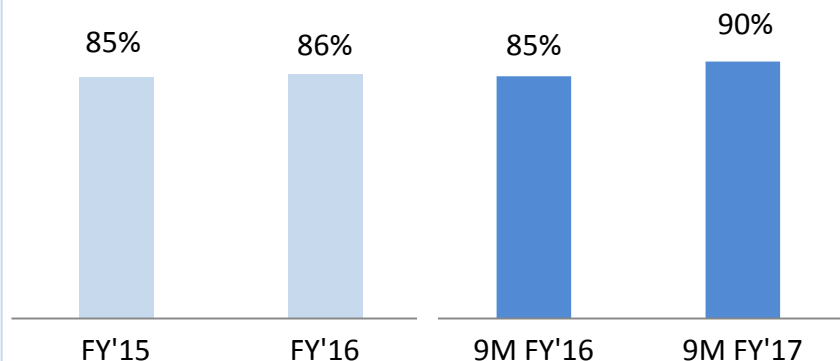






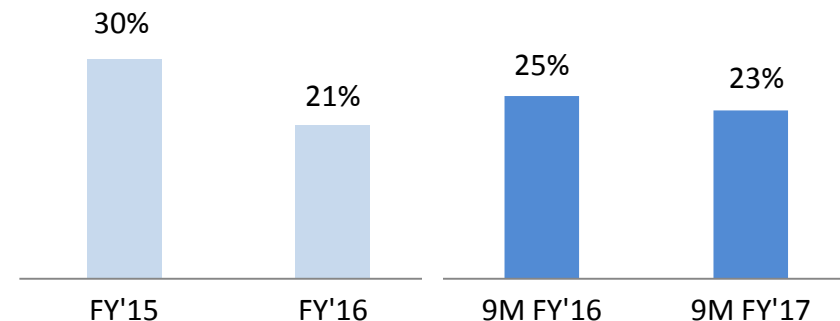
High quality business franchise

Conservation Ratio



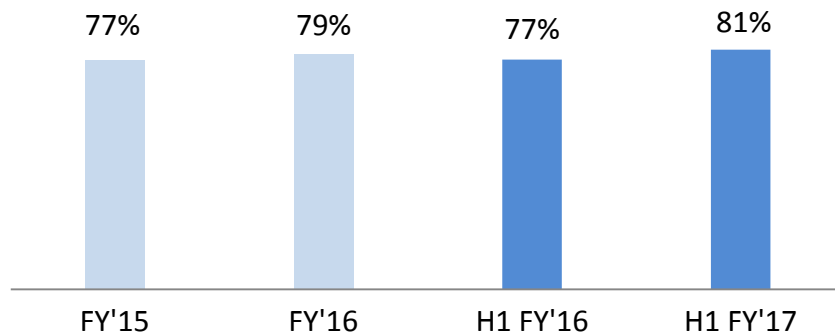
Customer retention: Surrenders

Surrender to GWP

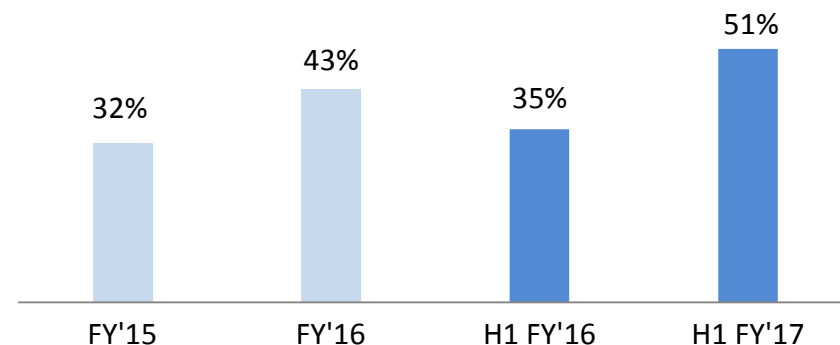


Continuous improvement in persistency*

13th month persistency ratio



61st month persistency ratio



* The 13th and 61st month persistency is after a time lag of 45 days from quarter end, accordingly the current number is of H1'17

Digital Marketing and E Commerce

- YTD Dec'16, Ecommerce channel posted 59% YoY growth
- New business models including digital hybrid model in banks, have been launched

1

Smarter
Acquisition

Transforming Digital Interface

- Phase I of new website launched to enable new purchase journey
- Journey smarts to improve conversions (payment first) and customer's share of wallet ('Add to cart' approach) to be deployed

Higher customer
lifetime value

4

Areas of
leverage for
digital
technology

Higher
Conversion

2

Seller Ecosystem

- Prospecting & solution generation tool launched pan-india with 100% of target agents adopted tool ; witnessed 6X growth in prospect funnel in pilot phase

Better risk selection
& customer experience

Re-imagining Fulfillment

- Seamless fulfillment journey across all distribution channels
- Adoption of e-Sales at banca partners stands at 97% (Dec'16); proprietary channels process and asset being piloted currently

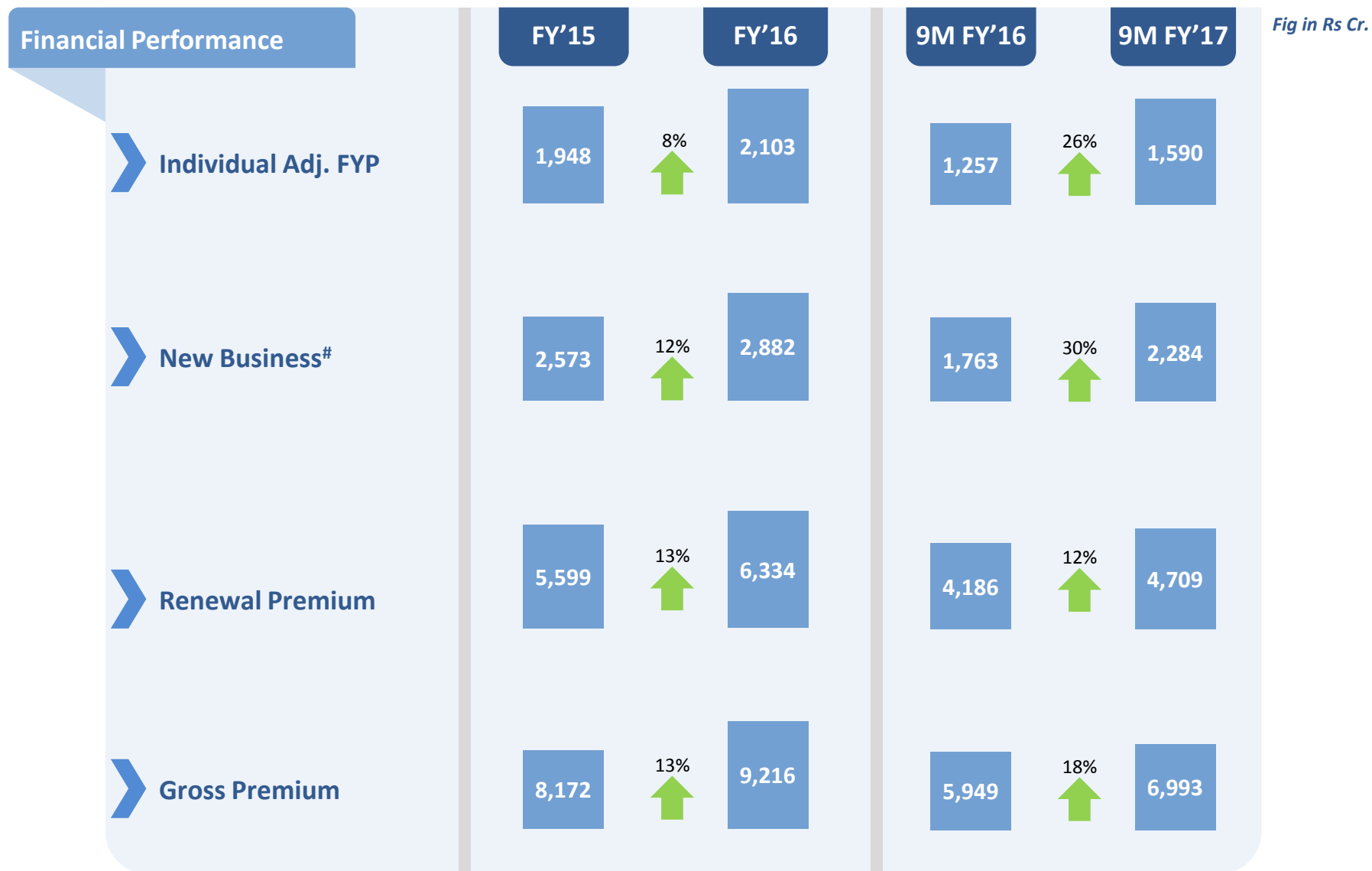
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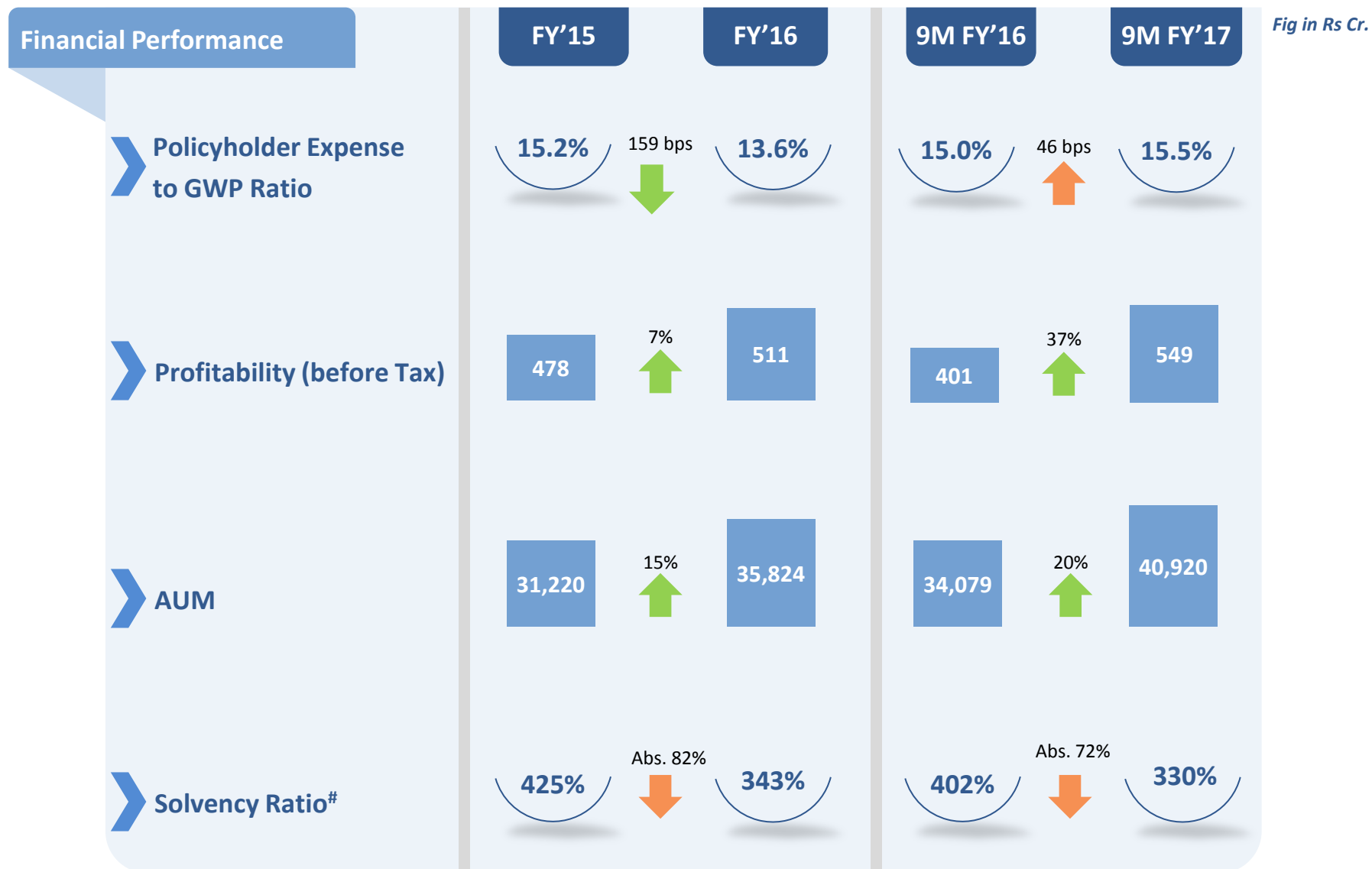
~55% of policies are fulfilled digitally and ~55% of renewals are managed digitally; all of this leads cost efficiency and faster turnaround time

Private Market Share 9.1% [8.8%] 27bps 	Individual Sales Rs 1,590 Cr [Rs 1,257 Cr] 26% 	Gross Written Premium Rs 6,993 Cr [Rs 5,949 Cr] 18% 	AUM Rs 40,920 Cr [Rs 34,079Cr] 20% 
Profit Before tax Rs 549 Cr [Rs 401 Cr] 37% 	Net Worth Rs 2,310 Cr [Rs 2,150 Cr] 7% 	Share Capital 1,919 [1,919] 	Policyholder Expense Ratio 15.5% [15.0%] 46 bps 
Sum Assured 3,68,353 Cr [2,81,409 Cr] 31% 	Policies in force (Individual in Lakhs) 38.05 [36.81] 3% 	Solvency Ratio 330% [402%] Abs. 72% 	Case Size 50,794 [40,578] 25% 
No. of Employees 9,140 [8,780] 4% 	No. of Agents 51,236 [40,351] 27% 	Claim Settlement Ratio 95.54% [94.61%] 93 bps 	Protection Mix 4% [3%] 25 bps 

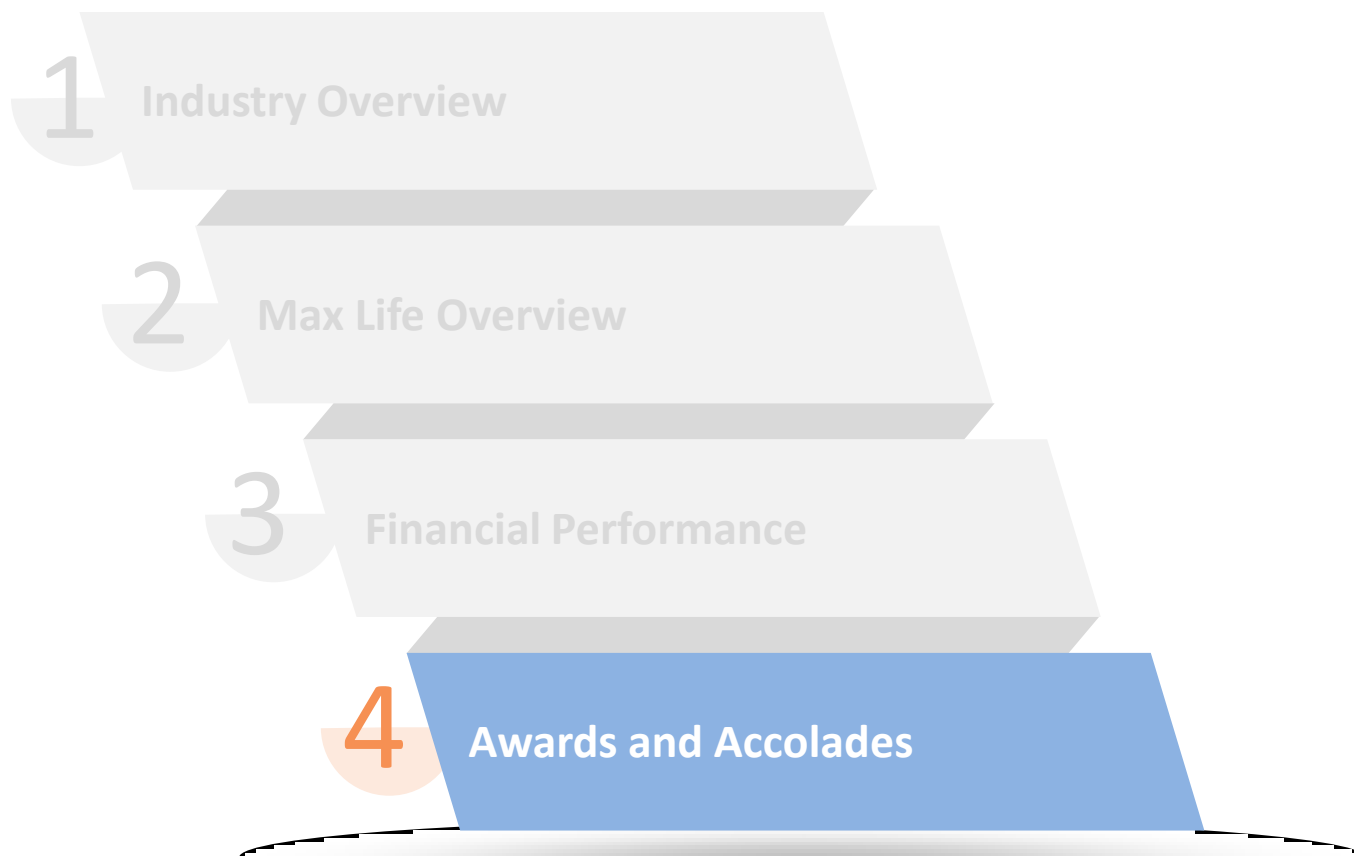
Figures in [brackets] are for previous year numbers (9M'FY16)







Key Business Drivers	Unit	Quarter Ended		Q-o-Q Growth	Year Ended		Y-o-Y Growth
		Dec'15	Dec'16		Dec'15	Dec'16	
a) Individual Adjusted Premium (APE)	Rs. Crore	465	654	41%	1,257	1,590	26%
b) Gross written premium income	Rs. Crore	2,260	2,775	23%	5,949	6,993	18%
First year premium		456	659	45%	1,242	1,591	28%
Renewal premium		1,602	1,852	16%	4,186	4,709	12%
Single premium		203	264	30%	520	693	33%
c) Shareholder Profit (Pre Tax)	Rs. Crore	140	205	46%	401	549	37%
d) Policy Holder Expense to Gross Premium	%	13.7%	12.7%	>100 bps	15.0%	15.5%	46 bps
e) Conservation ratio	%	86.7%	95.9%	>100 bps	85.3%	90.4%	>100 bps
f) Average case size(Agency)	Rs.	39,083	49,444	28%	35,857	46,283	29%
g) Number of agents (Agency)	No.				40,351	51,236	27%
h) Share Capital	Rs. Crore				1,919	1,919	-
i) Individual Policies in force	No. Lacs				36.81	38.05	3%
j) Sum insured in force	Rs. Crore				2,81,409	3,68,353	31%



1 Setting higher benchmark with every award (in 2016)

- “ASSOCHAM award 2016” for excellence in corporate governance
- “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
- “Disruptive Tech & Innovation awards 2016” for developing innovative mobility apps
- Recognized as “Best BFSI Brand 2016” by Economic Times
- “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
- “IndIAA Award 2016” for Sachchi Advice advertisement campaign in the Insurance category
- Bronze in ASQ-South East Asia Team Excellence Awards for black belt project “Enhancing NACH[#] registration ratios”
- “Silver award” at 10th QCI-DL Shah Quality award 2016
- “Asia Pacific Quality Organization award, 2016” for global performance excellence
- First runner up trophy at “CII Lean and Six Sigma national competition, 2016”
- “BestPrax Award 2016” for best practices in customer confidence index
- “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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