Max Financial Services Investor Release

September 2016

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12 – 15 months

Announcement of Transaction → Application to Regulators (CCI, IRDAI, SEBI/SE*) → Receipt of SEBI/IRDAI In-principle approval → High Court approval → Receipt of IRDAI Final approval → Effective Date → Listing

August 8, 2016

Regulatory Update

- Application for approval from CCI & IRDAI filed in Sep 16
- Application for approval from Stock Exchange & SEBI filed in Oct 16
- The above Regulatory approvals currently expected in Nov 16

Integration Update

- Co-operation committee formed with joint representation for transaction closure
- Integration Planning committee to be formed later to provide integration roadmap and resolve integration related issues
- Appointed expert independent advisors based on functional expertise to assist in smooth execution of the integration process

Max Financial Services: Key Highlights

1. H1FY17 Group revenue* at Rs 5,306 Cr, grows 18% y-o-y

2. H1FY17 Group PBT at Rs 313 Cr, grows 27% y-o-y

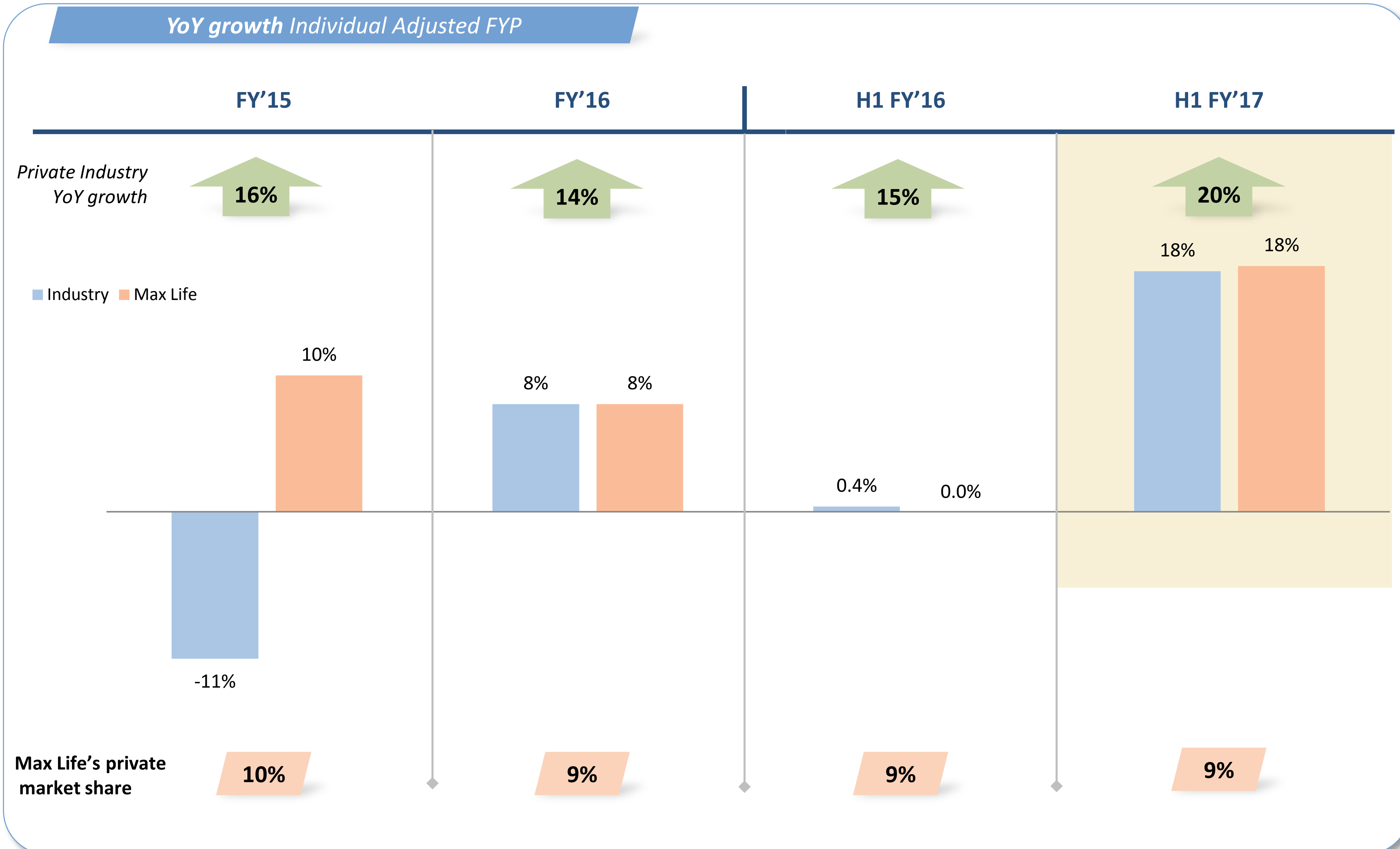
3. Q2FY17 Group revenue* at Rs 3,064 Cr, grows 18% y-o-y

4. Q2FY17 Group PBT at Rs 168 Cr, grows 22% y-o-y

* Excludes MLIC Unit Investment income

Agenda

Industry Landscape (H1 FY'17): Industry grew by 18% driven by strong performance of the private players (+20%) and LIC (+16%)



Agenda

1 Industry Overview

2 **Max Life Overview**

3 Financial Performance

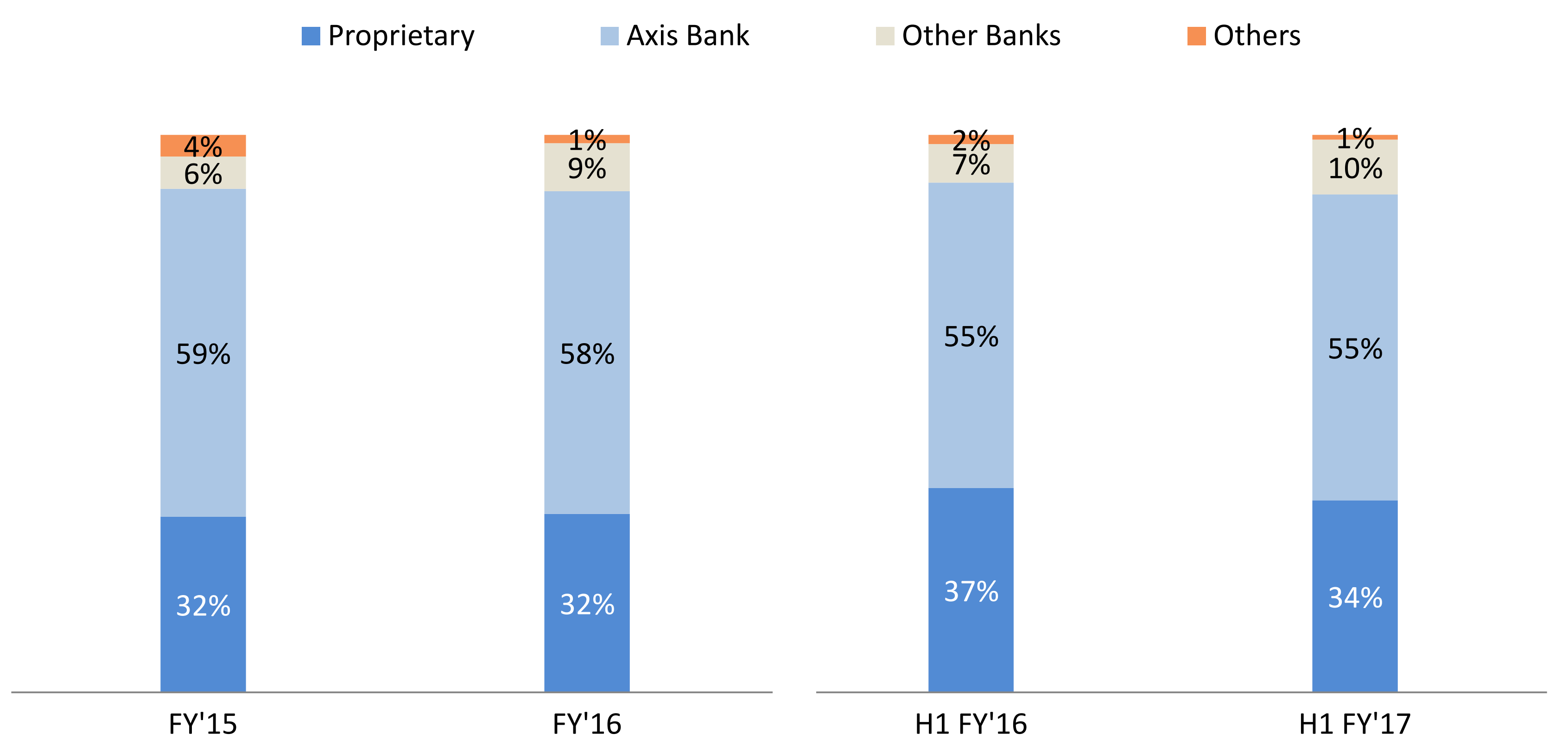
4 Awards and Accolades

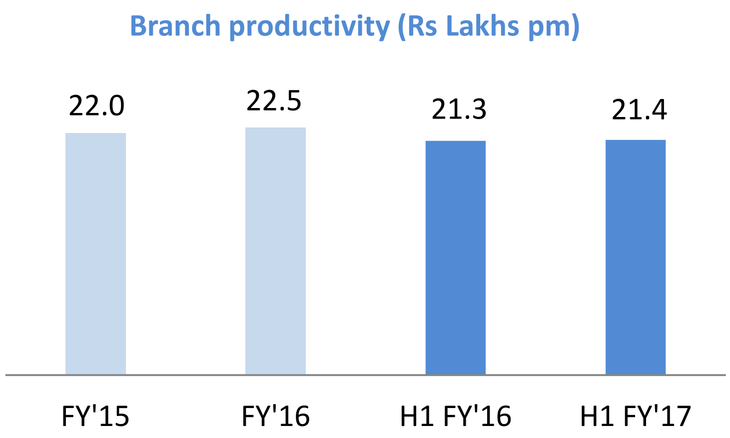
Strategically positioned to benefit from the emerging industry trends

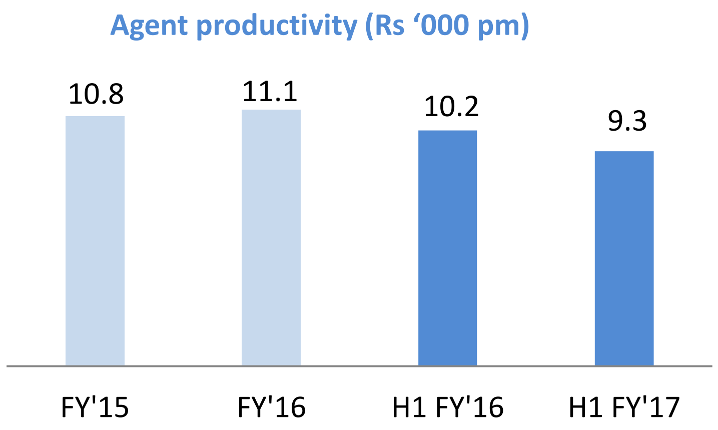
1. Comprehensive multi-channel distribution model with highly efficient and productive agency channel and strong Banca relationships
2. Balanced product mix with focus on long term saving and protection proposition
3. Superior customer outcomes and retention
4. Strong digital footprints
5. Superior financial performance with profitable growth

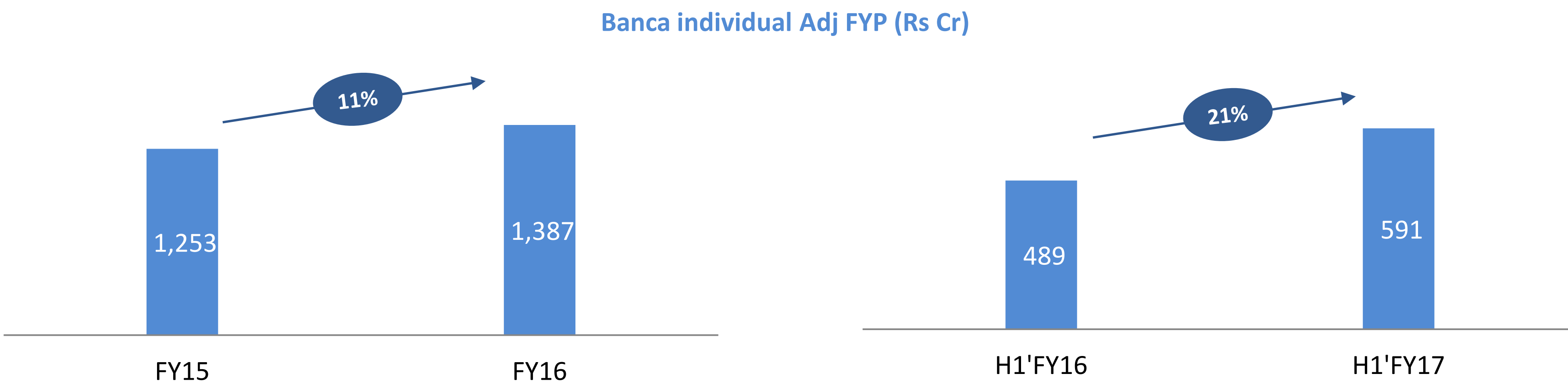
Supported by eminent Board, strong management team and robust governance framework

Comprehensive multi-channel distribution with significant contribution from proprietary channels

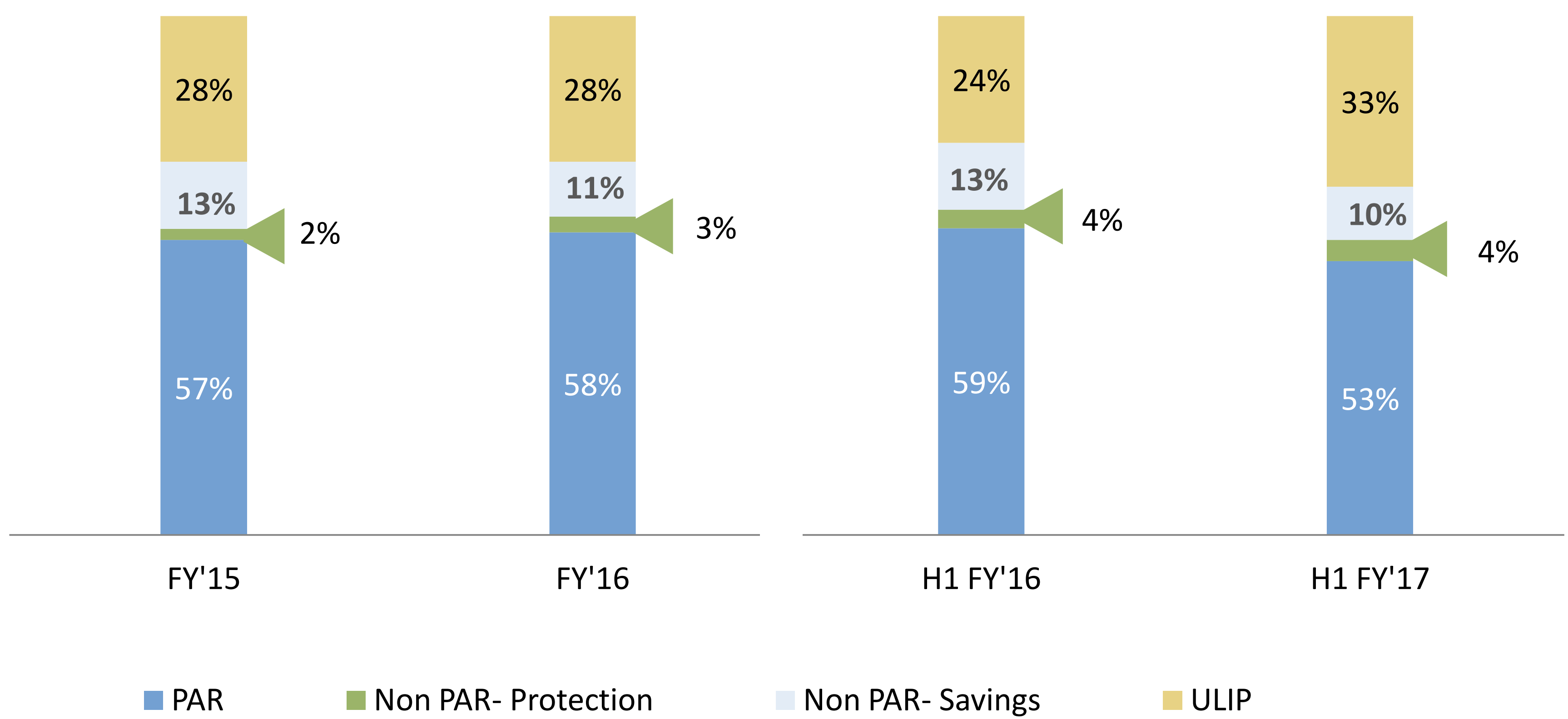



Branch productivity (Rs Lakhs pm)
22.0
22.5
21.3
21.4
FY'15
FY'16
H1 FY'16
H1 FY'17


Agent productivity (Rs '000 pm)
10.8
11.1
10.2
9.3
FY'15
FY'16
H1 FY'16
H1 FY'17


Banca individual Adj FYP (Rs Cr)
11%
1,253
1,387
FY15
FY16
21%
489
591
H1'FY16
H1'FY17

2 Balanced product mix with enhanced focus on long term saving and protection contribution



Product mix basis Individual AFYP

2 Balanced product mix with focus on long tenor life coverage

Product Type	Average Policyholder Age (Years)	Average Policy Term (Years)	Average PPT* (Years)
Endowment	34	24	11
ULIP	37	15	11
Whole Life	35	65	55
Money back	29	16	15
Pure Term	35	29	27
GIP/GMIP	44	19	9
Health#	39	21	21
Pension	36	21	21
Annuity	63	57	1
Average	35	25	16

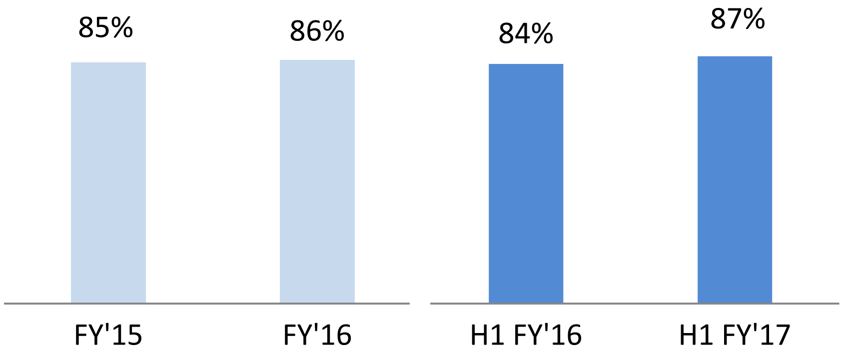
As on 30th September 2016

*PPT: Premium Payment Term # Health: Includes Cancer Care

3 Superior customer outcomes and retention with continuous improvement across all quality parameters

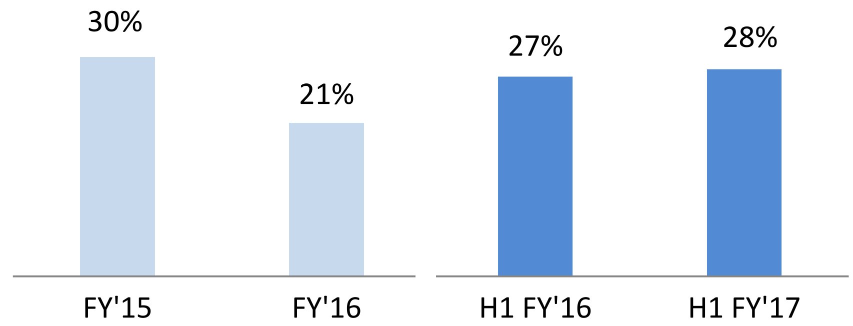
High quality business franchise

Conservation Ratio



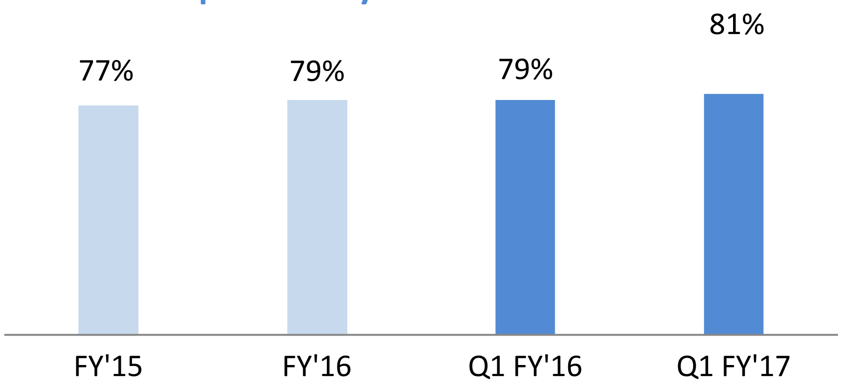
Customer retention: Surrenders

Surrender to GWP

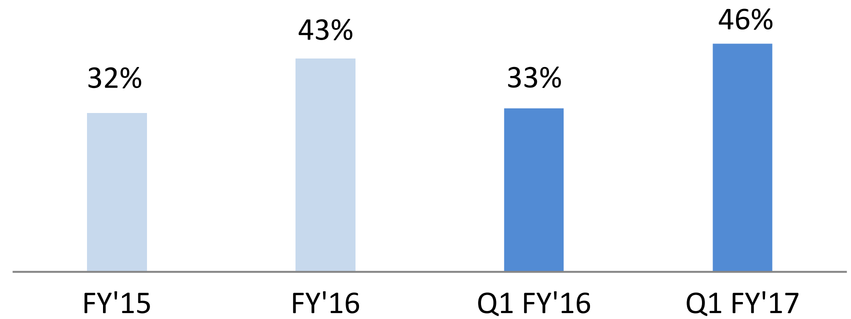


Continuous improvement in persistency*

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 Q1'17

4 Using digital technologies to harness data and analytics for more efficient sales processes and better customer experience

Areas of leverage for digital technology

1 Smarter Acquisition

Digital Marketing and E Commerce

- E-commerce sales in H1'FY17 grew by 53% YoY to achieve ~24% market share in protection being sold on-line#
- Discovered new perspectives / models on how to communicate, engage and connect with digital consumers

2 Higher Conversion

Seller Ecosystem

- Prospecting & solution generation tool pilot successfully completed; 80% of target agents adopted tool leading to a 6X growth in prospect funnel
- Current servicing tools to converge into a common channel agnostic platform with enhanced utility and adoption

3 Better risk selection & customer experience

Re-imagining Fulfillment

- Seamless fulfillment journey across all distribution channels
- Adoption of e-Sales at banca partners stands at 91% (Sep'16); proprietary channels process and asset being launched in Oct'16

4 Higher customer lifetime value

Transforming Digital Interface

- Improved interface to enhance customer experience Personalization basis user journey coupled with analytics driven interactions

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

Source: Company Estimates

Financial Performance Summary YTD Sept' FY 17

Private Market Share 9% [9%]	**Individual Sales** Rs 936 Cr [Rs 792 Cr] 18%	**Gross Written Premium** Rs 4,218 Cr [Rs 3,689 Cr] 14%	**AUM** Rs 39,647 Cr [Rs 32,896 Cr] 21%
Profit Before tax Rs 344 Cr [Rs 261 Cr] 32%	**Net Worth** Rs 2,309 Cr [Rs 2,028 Cr] 14%	**Share Capital** 1,919 [1,919]	**Policyholder Expense Ratio** 17.3% [15.8%] 152 bps
Sum Assured 3,52,756 Cr [2,65,130 Cr] 33%	**Policies in force (Individual)** 37,44,586 [36,70,635] 2%	**Solvency Ratio#** 343% [401%] Abs. 58%	**Case Size** 48,666 [38,815] 25%
No. of Employees 9,081 [8,333] 9%	**No. of Agents** 50,055 [41,530] 21%	**Claim Settlement Ratio** 94.70% [94.17%] 53 bps	**Protection Mix** 4% [4%]

Figures in [brackets] are for previous year numbers (H1'FY16)

Solvency ratio post shareholder interim dividend is 327%, de-growth from PY is absolute 74%

Agenda

1. Industry Overview
2. Max Life Overview
3. **Financial Performance**
4. Awards and Accolades

Delivering consistent growth in top line and renewals

Fig in Rs Cr.

Financial Performance

	FY'15	Growth	FY'16	H1 FY'16	Growth	H1 FY'17
Individual Adj. FYP	1,948	8%	2,103	792	18%	936
New Business#	2,573	12%	2,882	1,104	23%	1,361
Renewal Premium	5,599	13%	6,334	2,584	11%	2,857
Gross Premium	8,172	13%	9,216	3,689	14%	4,218

New business includes first year premium and single premium including group

Healthy and consistent profitability signature while maintaining solvency

Financial Performance

Fig in Rs Cr.

	FY 15	Change	FY 16	H1 FY'16	Change	H1 FY'17
Policyholder Expense to GWP Ratio	15.2%	159 bps ↓	13.6%	15.8%	152 bps ↑	17.3%
Profitability (before Tax)	478	7% ↑	511	261	32% ↑	344
AUM	31,220	15% ↑	35,824	32,896	21% ↑	39,647
Solvency Ratio#	425%	Abs. 82% ↓	343%	401%	Abs. 58% ↓	343%

Solvency ratio post shareholder interim dividend is 327%, de-growth from PY is absolute 74%

Performance update- Q2'FY17 and YTD Sept'FY17

Key Business Drivers	Unit	Quarter Ended		Q-o-Q Growth	Year Ended		Y-o-Y Growth
		Sep'15	Sep'16		Sepr'15	Sep'16	
a) Individual Adjusted Premium (APE)	Rs. Crore	476	552	16%	792	936	18%
b) Gross written premium income	Rs. Crore	**2,158**	**2,473**	**15%**	**3,689**	**4,218**	**14%**
First year premium		471	550	17%	787	932	18%
Renewal premium		1,513	1,682	11%	2,584	2,857	11%
Single premium		173	240	39%	318	429	35%
c) Shareholder Profit (Pre Tax)	Rs. Crore	143	188	32%	261	344	32%
d) Policy Holder Expense to Gross Premium	%	13.0%	17.1%	>100 bps	15.8%	17.3%	>100 bps
e) Conservation ratio	%	86.2%	87.6%	>100 bps	84.5%	87.2%	>100 bps
f) Average case size(Agency)	Rs.	35,951	45,632	27%	34,204	44,280	29%
g) Case rate per agent per month	No.	0.29	0.22	(24%)	0.30	0.21	(30%)
h) Number of agents (Agency)	No.				41,530	50,055	21%
i) Share Capital	Rs. Crore				1,919	1,919	-
j) Individual Policies in force	No. Lacs				36.7	37.4	2%
k) Sum insured in force	Rs. Crore				2,65,130	3,52,756	33%

Agenda

Awards and Accolades

1 Setting higher benchmark with every award

- "Golden Peacock Award 2016" for excellence in corporate governance
- Recognized as "Best BFSI Brand 2016" by Economic Times
- "Asia's Most Admired Brand 2015-2016" in the Insurance category by White Page International, 2016
- Ranked 46^{th} amongst India's top 100 best companies to work for 2016; featured for 5^{th} consecutive year
- "IndIAA Award 2016" for Sachchi Advice advertisement campaign in the Insurance category
- "Silver award" at 10^{th} 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"
- "India Insurance awards 2016" in the category of e-business leader, Agency Efficiency and claim service leader
- IMA's "India CFO Award 2016" in the category of "Excellence in Cost Management"
- Outlook money 2015 "Life Insurance Provider of The Year" award
- Recognized as "India's Most Trusted Brand", 2015
- "IMC Ramkrishna Bajaj National Quality" award, 2015 in the services category
- ASQ World Conference, 2015 for quality impact story board and use of emerging technology
- "Celent Asia Insurer Asia" award for best practices in IT management in 2015
- "Indian Insurance" award, 2015 for "Bancassurance Leader" award and "Agency Productivity" award
- "World Finance Best Life Insurance Company", 2015, India
- 2^{nd} consecutive award for "Best Insurance In House Legal Team of the year" at the "Legal Era", 2014-15

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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