



October 22, 2024

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– Q2 FY 25**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Investor Release – Q2 FY25 being issued by the Company on the outcome of its Board meeting held on October 22, 2024.

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 H1 FY'25

October 22, 2024





SECTION I

- ▶ Max Financial Services and Max Life Insurance :
H1 FY'25 Key Highlights
- 

H1 FY'25 Key highlights

Revenue	<ul style="list-style-type: none"> MFSL revenue* excluding investment income at Rs 12,820 Cr, grows 14% in H1 FY'25. Consolidated Profit After Tax at Rs 295 Cr Individual Adjusted first year Premium at Rs 3,309 cr grew by 31% vs Private industry growth of 24%. Private Market share at 9.3% during H1 FY'25 expanded by 51 bps vs at 8.8% during H1 FY'24 Total APE# also grew by 31% driven by robust NOP growth of 23%.
Value Creation	<ul style="list-style-type: none"> Q2 FY'25 VNB at 513 cr, grew by strong 23% and NBM at 23.6%. H1 FY'25 VNB at 766 cr grew by 16% and NBM at 21.2% H1 FY'25 operating RoEV is at 16.8% and MCEV as of Sept'24 at Rs 23,338 Cr Max Life Insurance Profit Before Tax grew by 3% to 267 cr in H1 FY'25
Corporate name & Brand Refresh	<ul style="list-style-type: none"> Max Life Board has approved the inclusion of the word "Axis" as part of its corporate name and brand identity Necessary approvals in this regard have been obtained from the Boards of Axis Bank and Max Financial Services Requisite corporate and regulatory approvals will be obtained over the due course of time for the name change and brand refresh
Distribution strength	<ul style="list-style-type: none"> Proprietary channels APE grew by 51% in H1 FY'25 on YoY basis driven secular growth within Agency, Cross sell And E-commerce. Maintained leadership position### at Overall E-commerce with Rank #1 at both in online Protection and in online Savings. Successfully on-boarded 26 new partners during H1 FY'25, i.e., 3 Bank- including Indian Post Payments Bank-, 11 GCL partner, 6 Online & offline Brokers and 6 Corporate agents.
Retirement and Protection & Health	<ul style="list-style-type: none"> Retail Protection and Health APE grew by 51% to 396 cr in H1 FY'25 vs 262 cr in H1 FY'24 with our flagship Health product SEWA APE growing by 130% and now contributing >10% of Retail Protection and Health APE. Group Credit Life grew by 34% in H1 FY'25 Achieved Highest ever Rider Attachment Ratio of 45% vs 31% in H1 FY'24 with Rider APE growing by >280% Maintained Rank 3 in Individual Sum Assured with a growth of 40% in H1 FY'25. Consistent growth momentum in Annuity business; Successfully posted YoY growth of 18% in H1 FY'25 Retail Annuity business on APE basis;
People	<ul style="list-style-type: none"> Amongst 'Top 50 Large - India's Best Workplaces for Women' by GPTW® for creating an environment that promotes camaraderie Recognized amongst 'Large - India's Best Workplaces in Diversity, Equity, Inclusion and Belonging' by GPTW®

Max Life Financial Performance Summary H1 FY'25

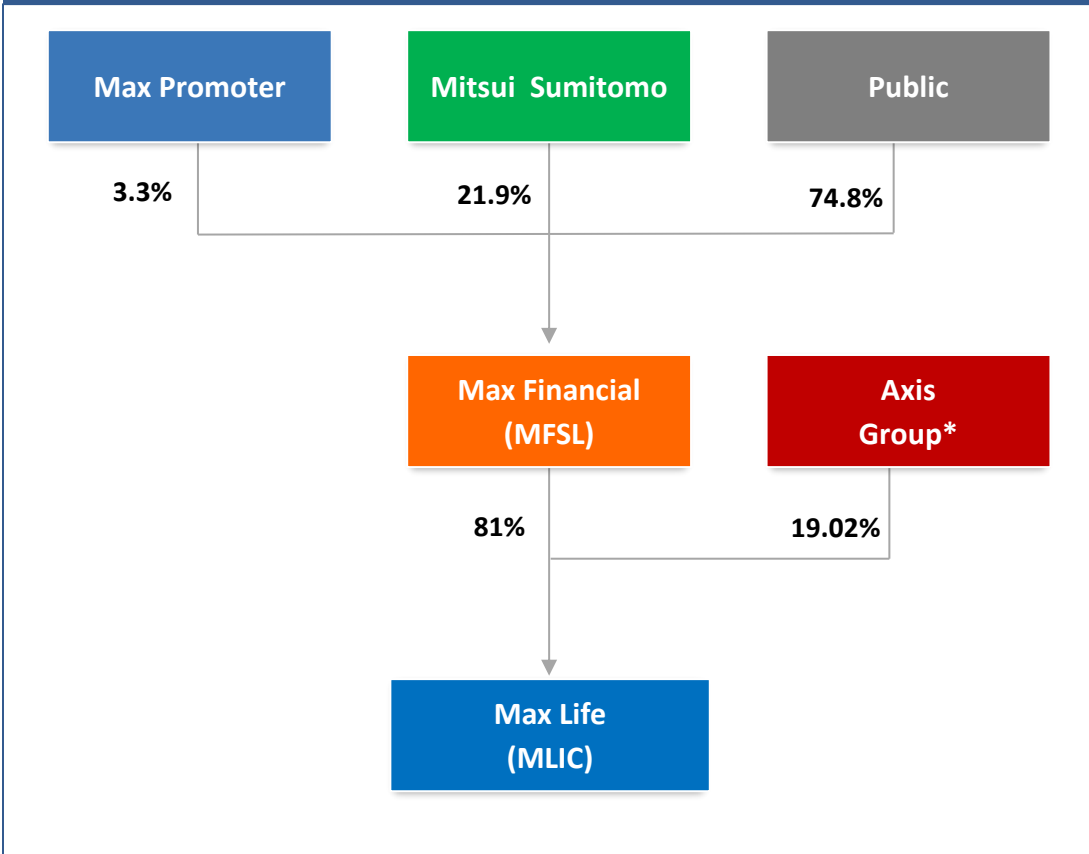
<p>Total APE¹</p> <p>Rs 3,623 Cr 31% [Rs 2,766 Cr] ↑</p>	<p>Gross Written Premium</p> <p>Rs 13,137 Cr 14% [Rs 11,496 Cr] ↑</p>	<p>Renewal Premium</p> <p>Rs 8,046 Cr 12% [Rs 7,215 Cr] ↑</p>	<p>AUM</p> <p>Rs 1,70,144 Cr 27% [Rs 1,34,161 Cr] ↑</p>									
<p>Profit Before tax</p> <p>Rs 267 Cr 3% [Rs 260 Cr] ↑</p>	<p>Net Worth²</p> <p>Rs 5,961 Cr 55% [Rs 3,855 Cr] ↑</p>	<p>Policyholder Cost to GWP Ratio</p> <p>25.6% 280 bps [22.8%] ↑</p>	<p>Policyholder Expense to GWP Ratio</p> <p>16.5% 105 bps [15.4%] ↑</p>									
<p>New business margin</p> <p>H1 Q2</p> <p>21.2%/23.6% -280 bps/ -155 Bps [24.0%/25.2%] ↓</p>	<p>Operating RoEV</p> <p>16.8% -70 bps [17.5%] ↓</p>	<p>Embedded Value</p> <p>23,338 cr 30% [17,911 cr] ↑</p>	<p>Solvency</p> <p>198% 1400 bps [184%] ↑</p>									
<p>Value of New Business</p> <p>H1 Q2</p> <p>766 Cr/513 Cr 16%/23% [663 Cr/416 Cr] ↑</p>	<p>Policies Sold ('000)</p> <p>356 23% [290] ↑</p>	<p>Ind. New business Sum assured</p> <p>1,72,338 cr 40% [1,22,917 cr] ↑</p>	<p>Protection Mix^{**}</p> <table border="1"> <thead> <tr> <th>Individual</th> <th>Group</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>10%</td> <td>7%</td> <td>17%</td> </tr> <tr> <td>[9%]</td> <td>[8%]</td> <td>[17%]</td> </tr> </tbody> </table>	Individual	Group	Total	10%	7%	17%	[9%]	[8%]	[17%]
Individual	Group	Total										
10%	7%	17%										
[9%]	[8%]	[17%]										

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

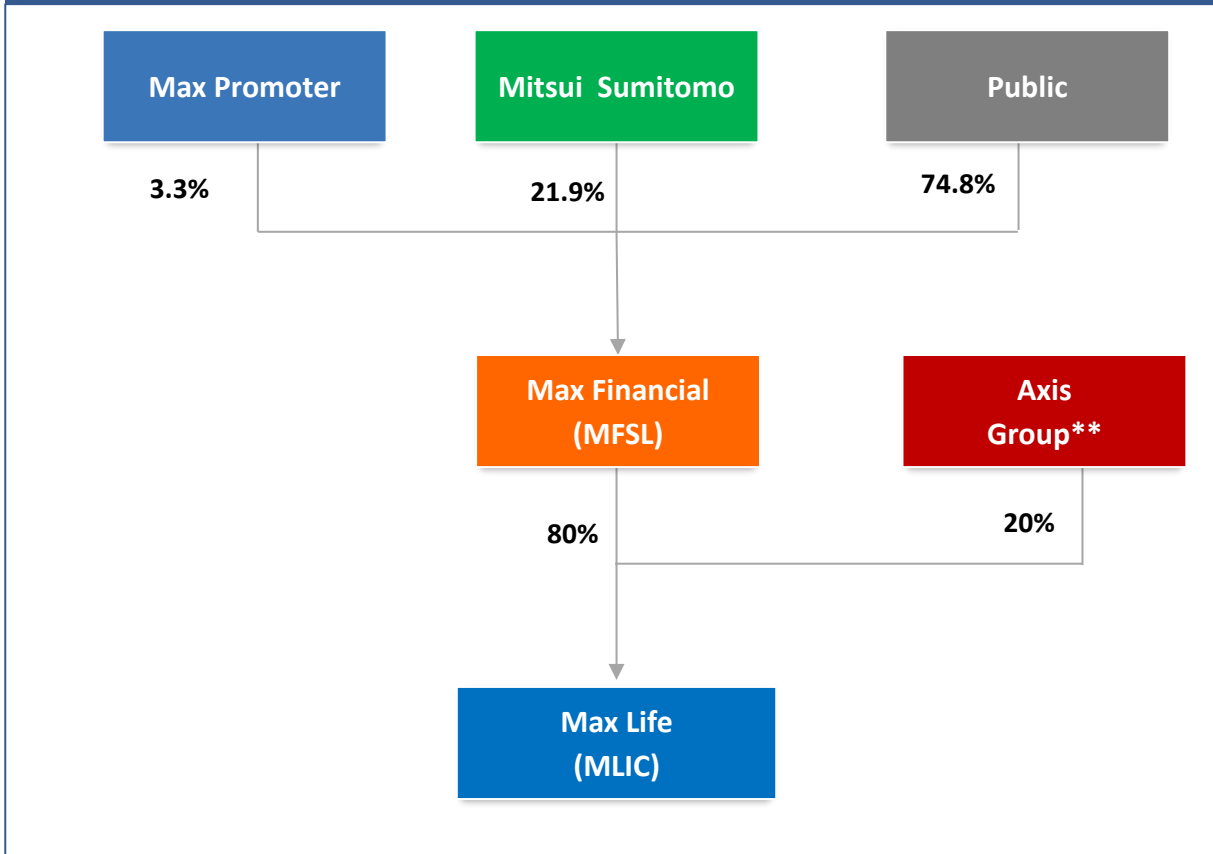
**Group protection (incl. Group credit life adjusted for 10% for single premium and term business); ¹Excluding Group Term Life; ²Net worth growth due to capital infusion of ~1612 cr;

Transaction Update

Current Structure (As of June'24)



Final structure (Post completion of series of transactions step wise details given below)



Apr 2021

MFSL sold 12% stake in Max Life to **Axis** and its subsidiaries

Nov 2022

MFSL acquired balance 5.17% stake from **MSI**

Apr 2024

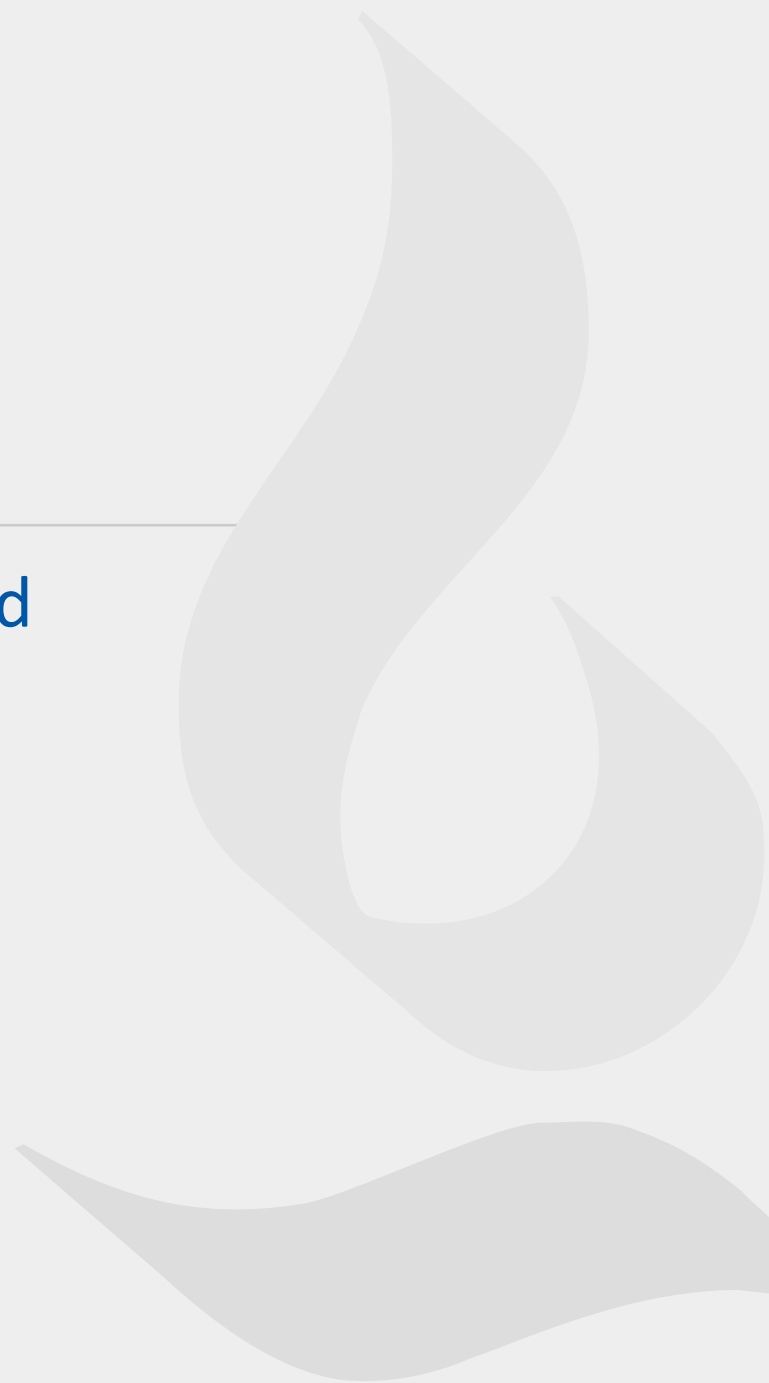
Axis bank acquired additional 6.02% stake in MLI through primary issuance

Final Step

Axis Bank to acquire additional 0.98% stake in Max Life and has received approval from its Board.



SECTION II

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

Key Highlights for Max Life FY19-24 (1/2)

Consistent Growth



5-Yr CAGR of 12% on Individual new business¹
vs
10% for Total life insurance industry



Asset Under Management at Rs 1.5 lac cr, CAGR of 19% over last 5 years



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



5-Yr APE CAGR of 21% in Prop channels



5-Yr APE CAGR of 9% in Banca Channel



Protection APE Tripled in 5 years

Profitability



VNB CAGR of 18% in 5 years












New Business Margin expansion from 21.7% in FY19 to 26.5% in FY24



5-Yr EV# CAGR of 20%

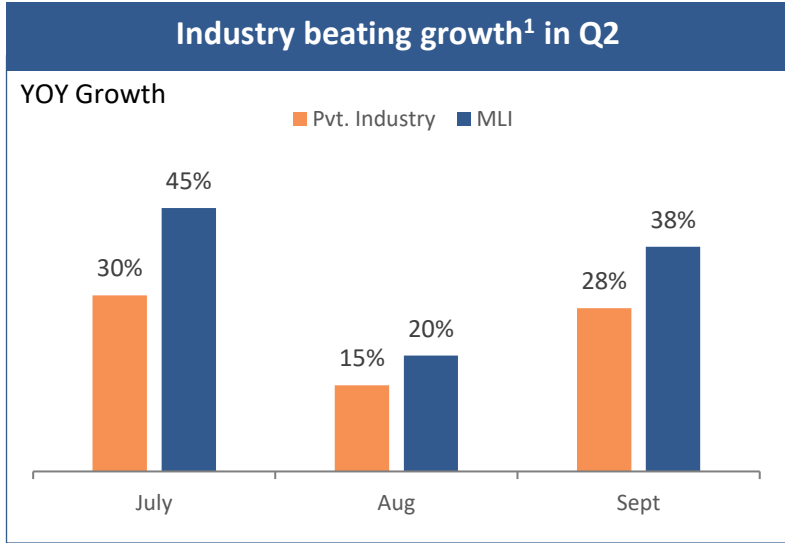
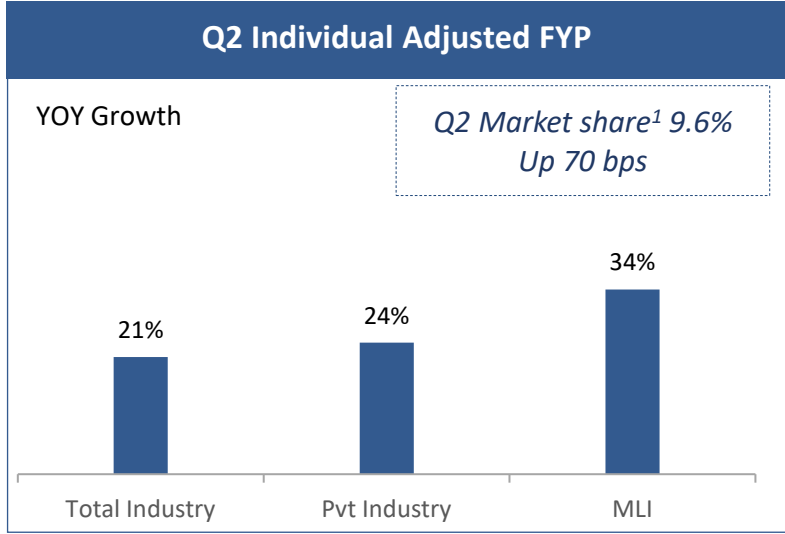
Key Highlights for Max Life FY19-24 (2/2)

Employee metrics	 <p>Great Places to Work rank #28 in FY24 Among the Top 25 in BFSI organisations</p>	 <p>Experienced leadership¹ with half of the leadership's tenure with Max Life of more than a decade</p>	 <p>13th best place for data scientists to work for within India by Analytics India Magazine</p>
Customer metrics	 <p>Industry leader in Claims paid ratio at 99.65% in FY24</p>	 <p>Company NPS² at 56 and TNPS at 74 in FY24</p>	 <p>Maintained rank #2 in customer experience for 2nd consecutive year as per Hansa research</p>
Brand metrics	 <p>Highest Share of Voice in the industry in FY24 at 34% share</p>	 <p>Brand Consideration score³ improved by 6% in FY24 Vs FY23</p>	 <p>Maintained rank #3 in Brand Search Query in the industry</p>

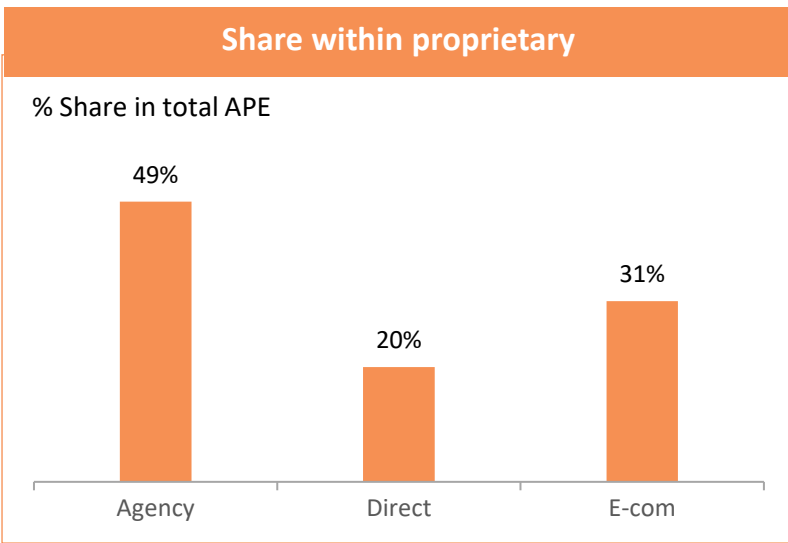
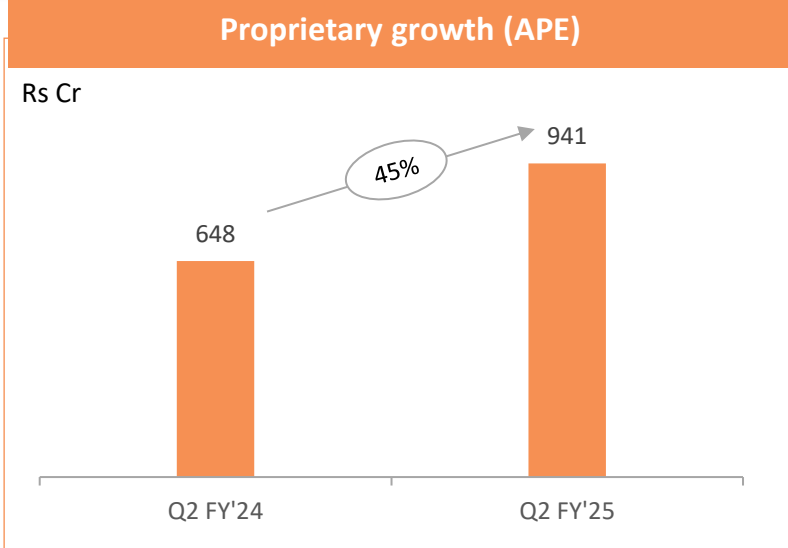
1. Includes CVP & above ; 2. Net promoter Score (NPS) as a measure of customer experience was adopted by Max Life in FY19 done by Kantar, TNPS: Transaction NPS; 3 As per syndicated Life Insurance brand track study by Nielson,

Continue to post industry leading growth in Q2 FY'25 fueled by disproportionate growth in proprietary channels & segments of choice

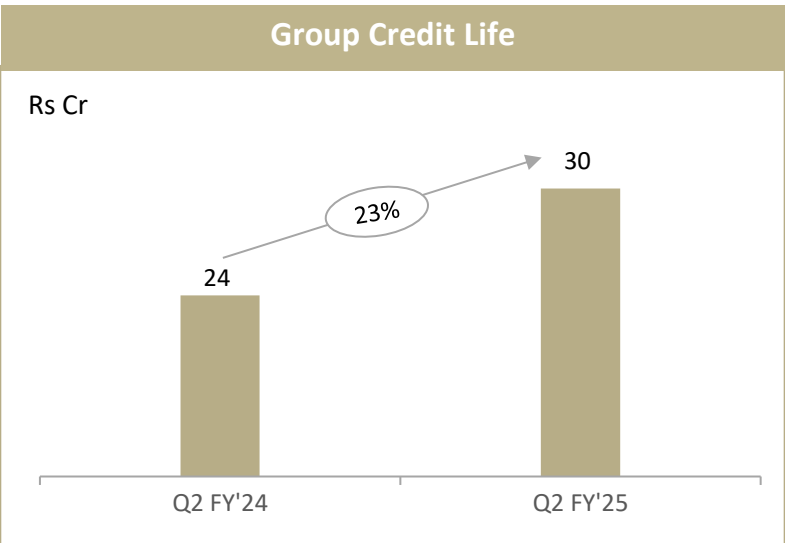
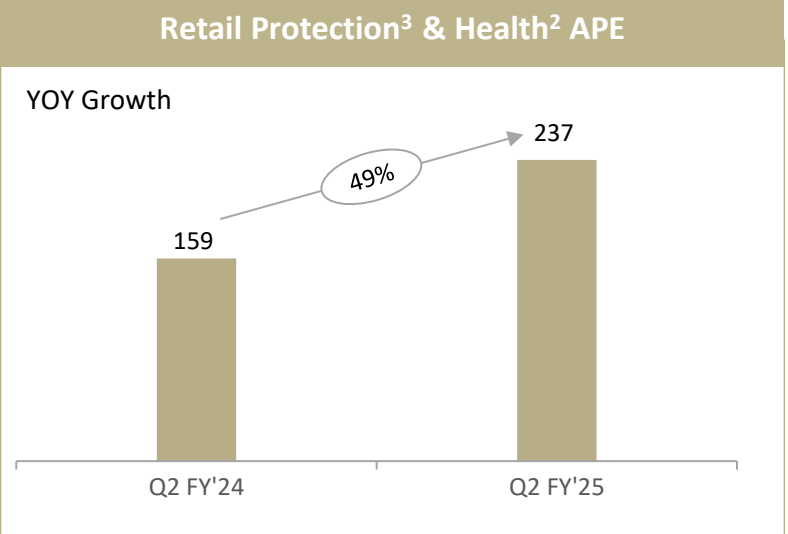
Industry leading outcomes



Growth in proprietary channels



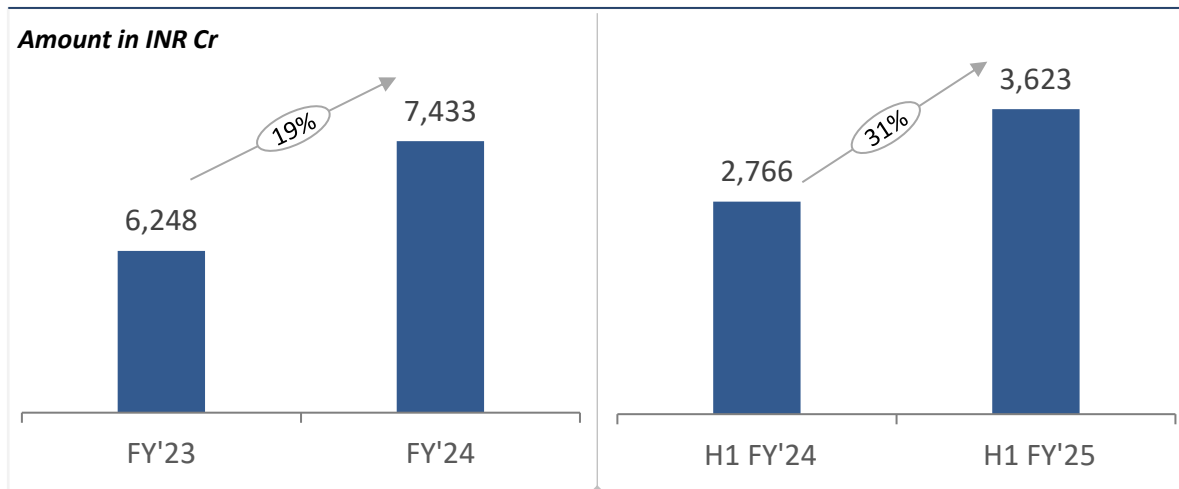
Growth in Segments of choice



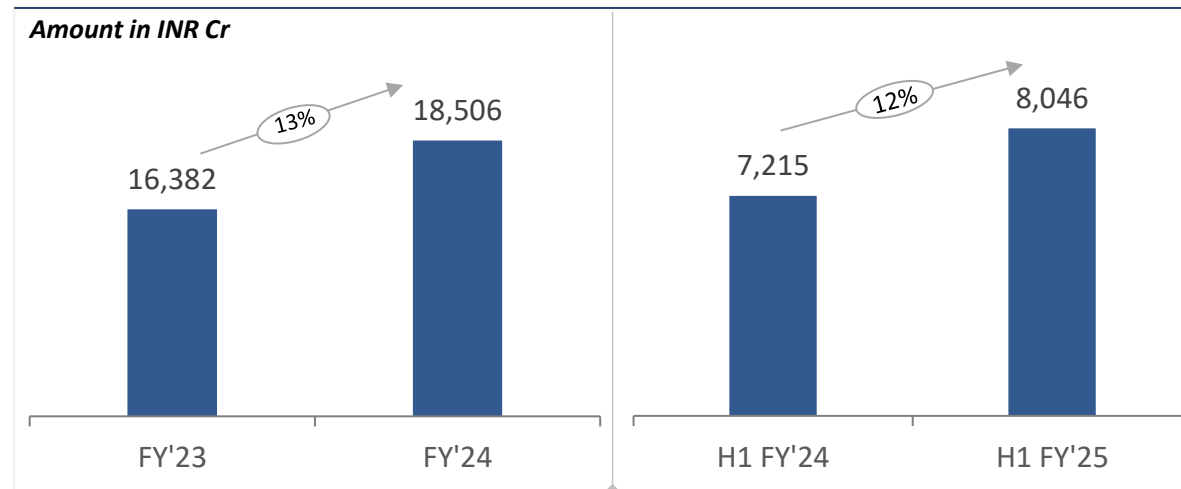
Note: Numbers may not add up due to rounding off; ¹Among private Life insurance companies, ²Health segment represents sales from SEWA; ³Retail protection includes riders except for Par riders

Max Life has delivered strong performance on new business

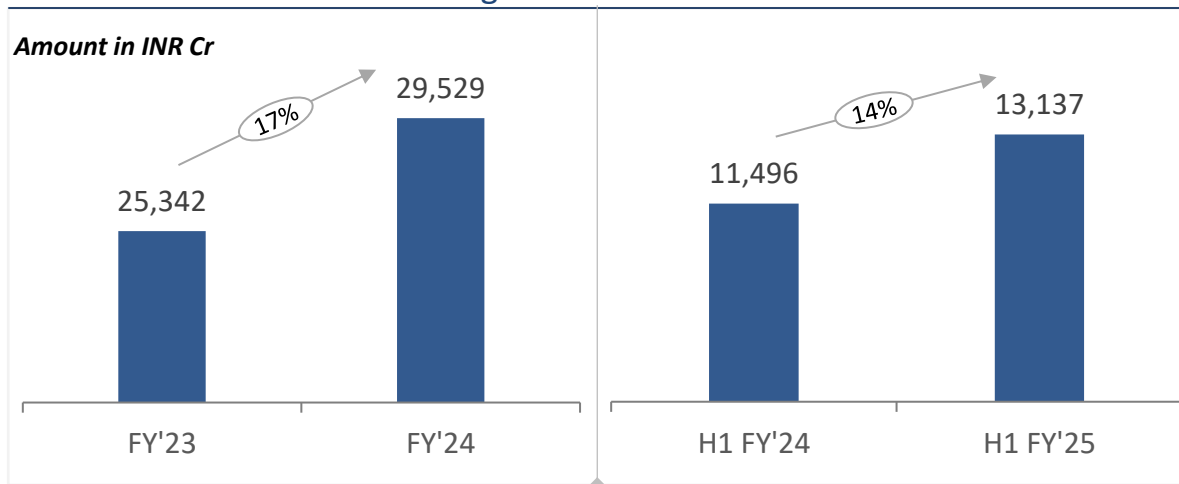
New Business Premiums (on APE¹ basis) –Driven by secular growth



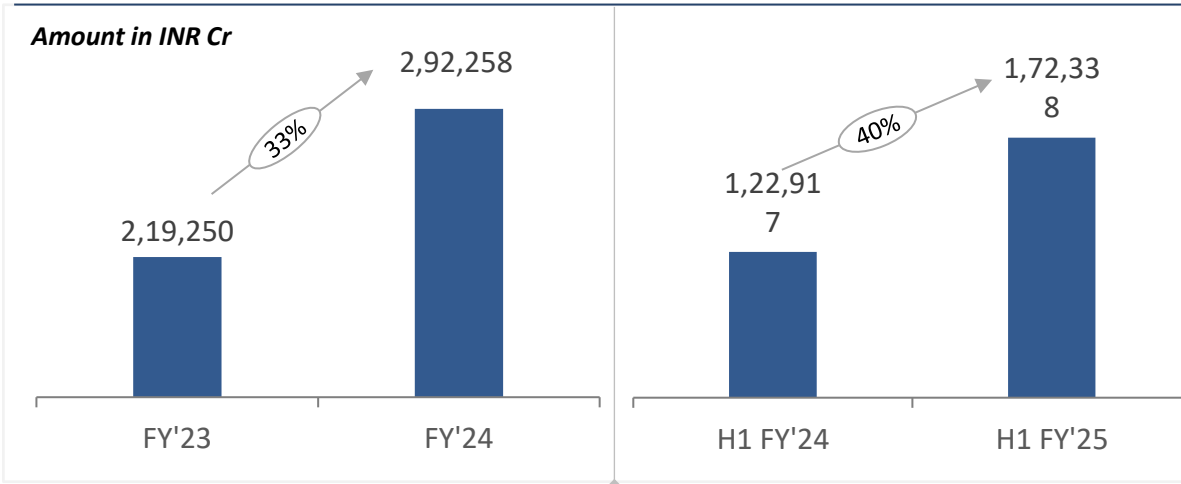
Renewal Income – Delivering consistent growth



Gross Written Premium – 14% growth in H1 FY25

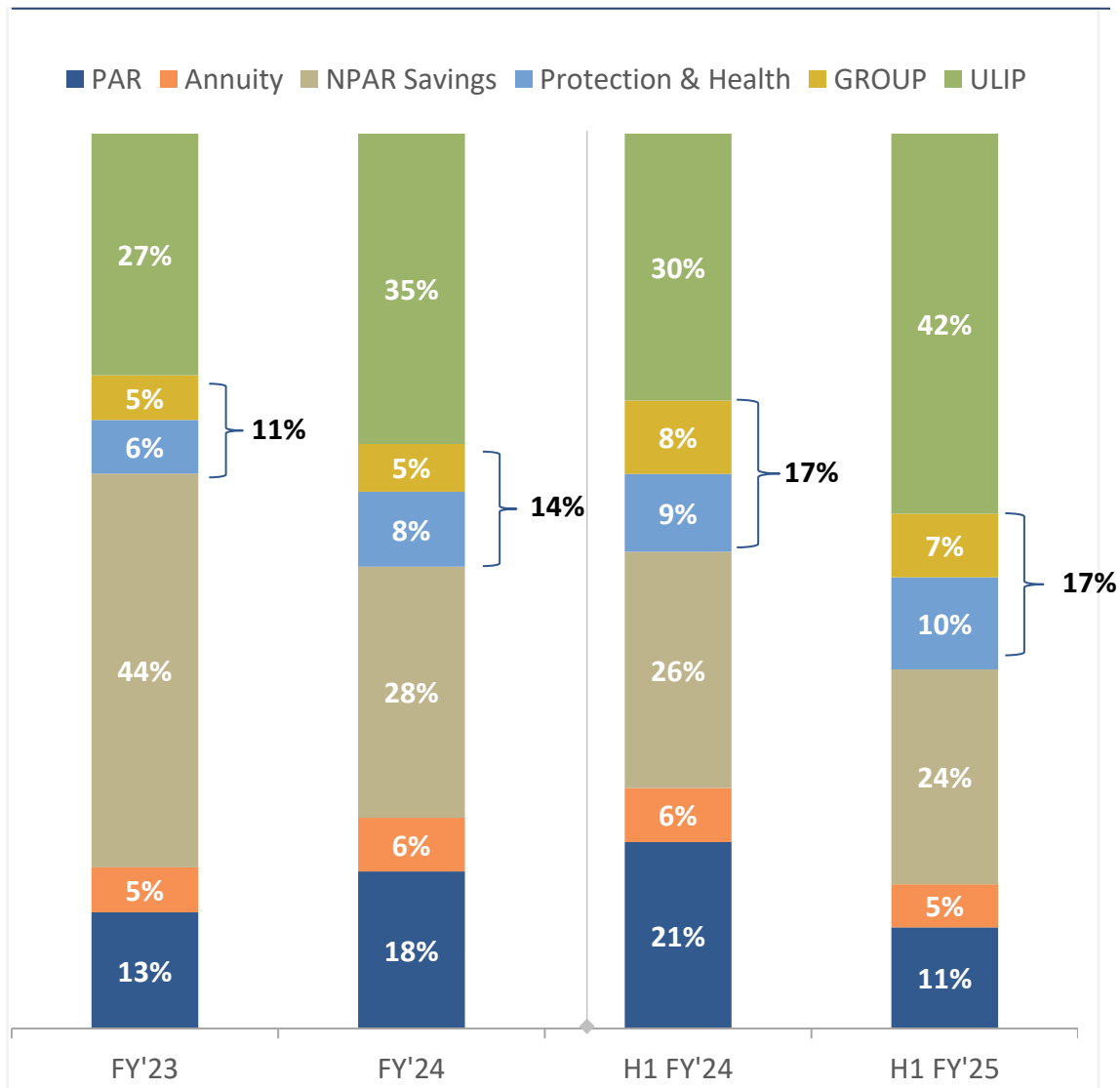


Individual Sum Assured of New business- Rank² 3 in individual sum assured



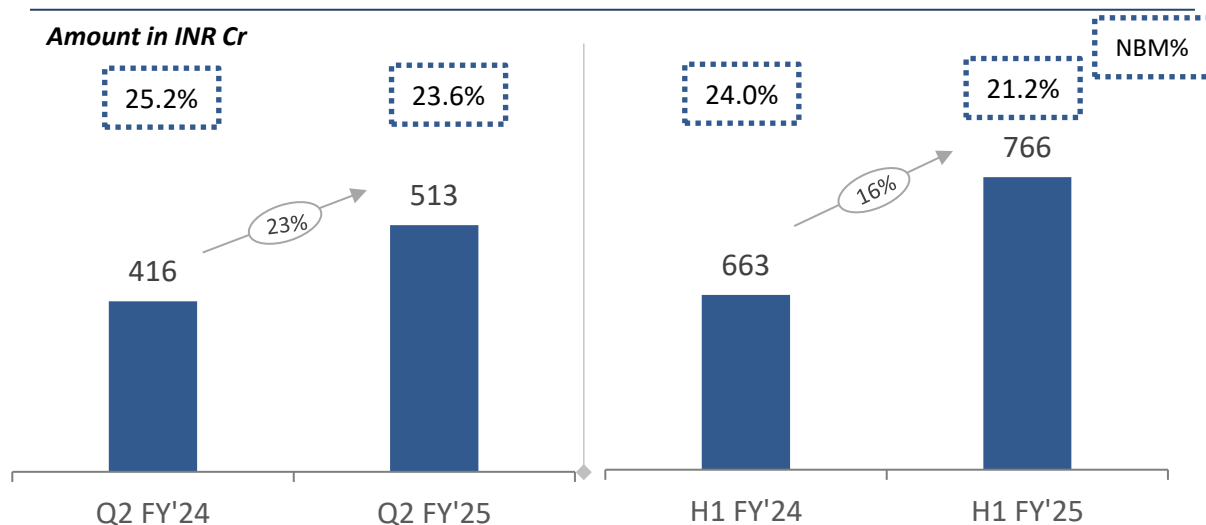
Best in class outcomes consistent with strategy of sales growth

Product Mix:



Line of Business [#]	H1 FY'24	H1 FY'25	Growth
Par	618	435	-30%
Annuity	179	185	3%
NPAR Savings	784	921	18%
Protection & Health ²	262	396	51%
Group Credit Life ¹	42	56	34%
Group Term Life ¹	201	217	8%
ULIP	881	1,630	85%

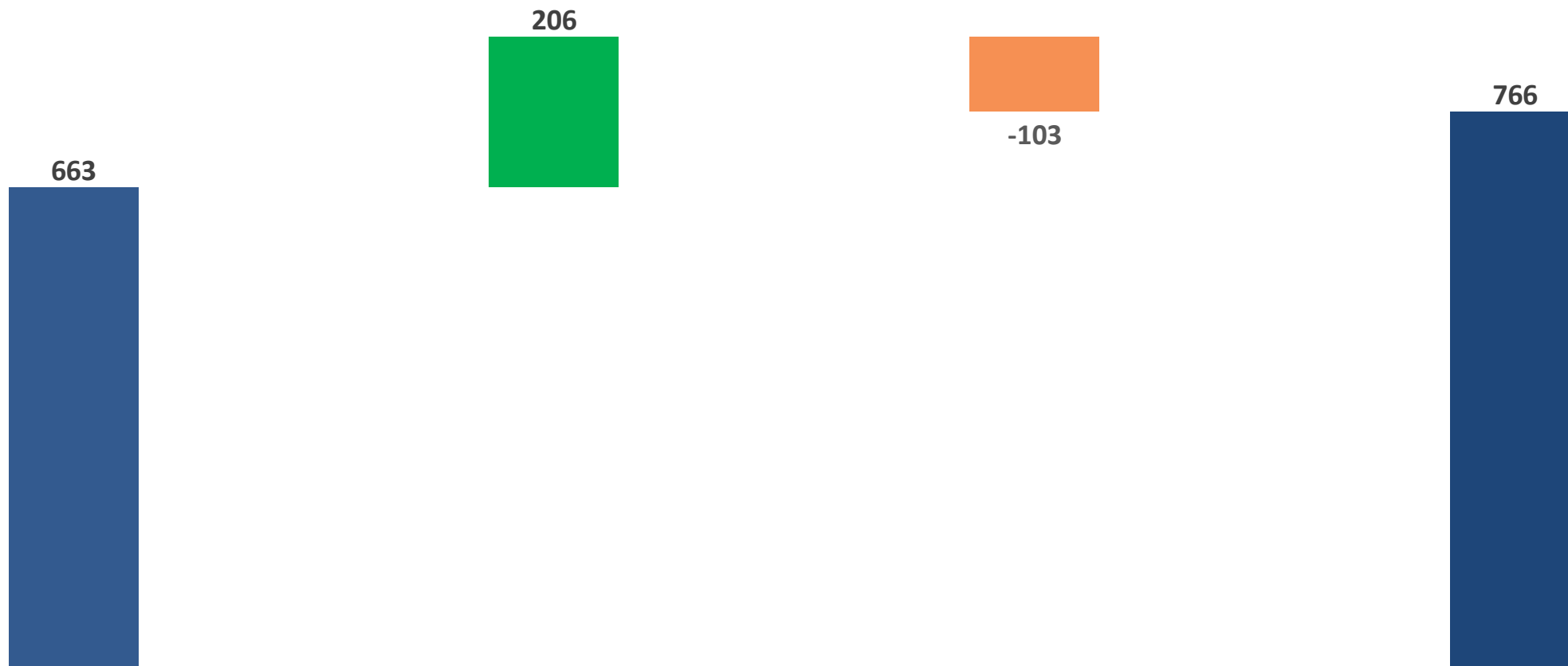
Value of New Business: Due to lower Non-Par mix & distribution investments



Note: Numbers may not add up to 100% due to rounding off, Group protection including Group credit life adjusted for 10% for single premium and term business, #Amounts in Cr, ¹Group includes GTL & GCL, ²Retail protection includes riders except for Par riders

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

Amount in INR Cr



H1 FY'24

Impact of higher APE

Change in business mix and margins

H1 FY'25

NBM

24.0%

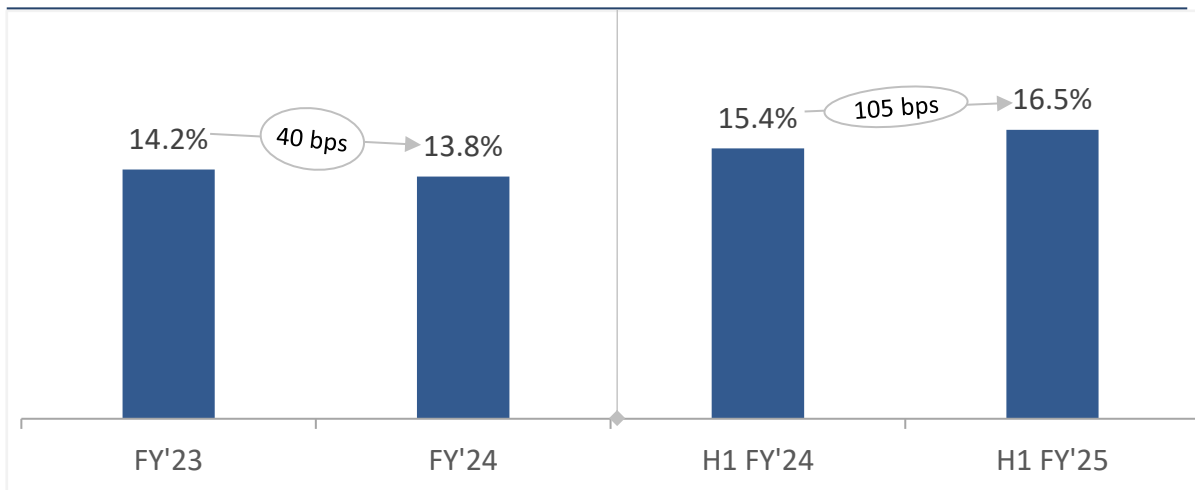
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-2.8%

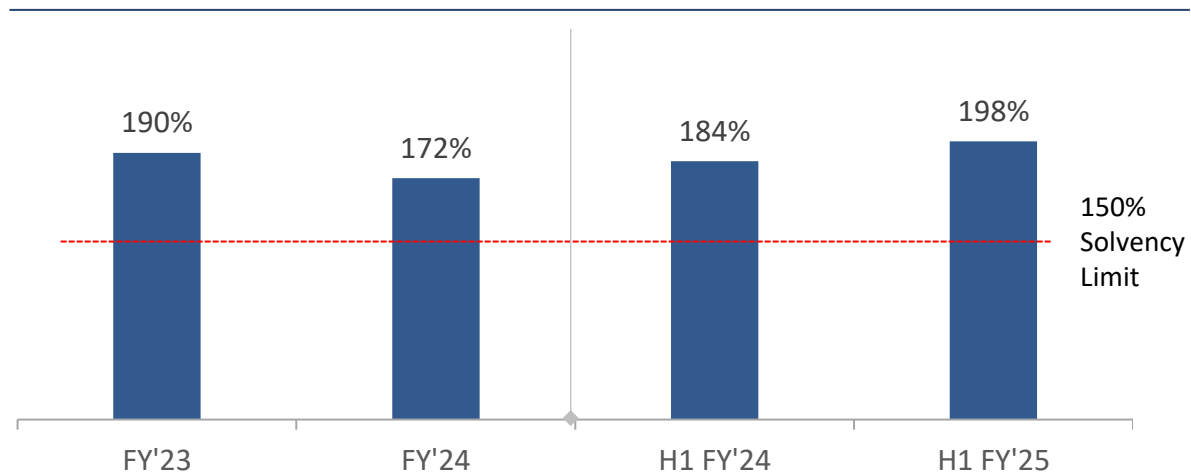
21.2%

Efficient capital management with profitable growth

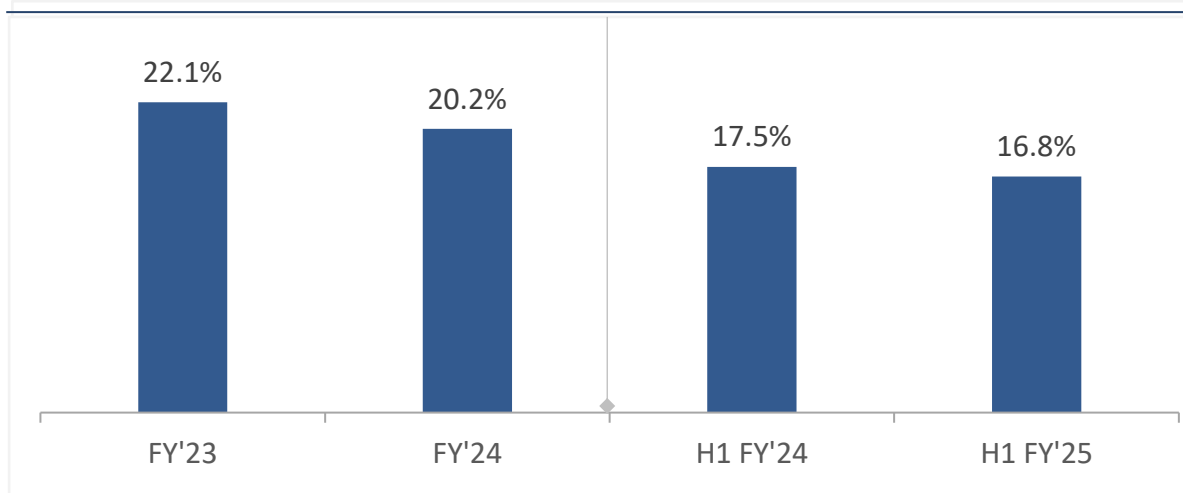
Opex to GWP: Investing towards building distribution



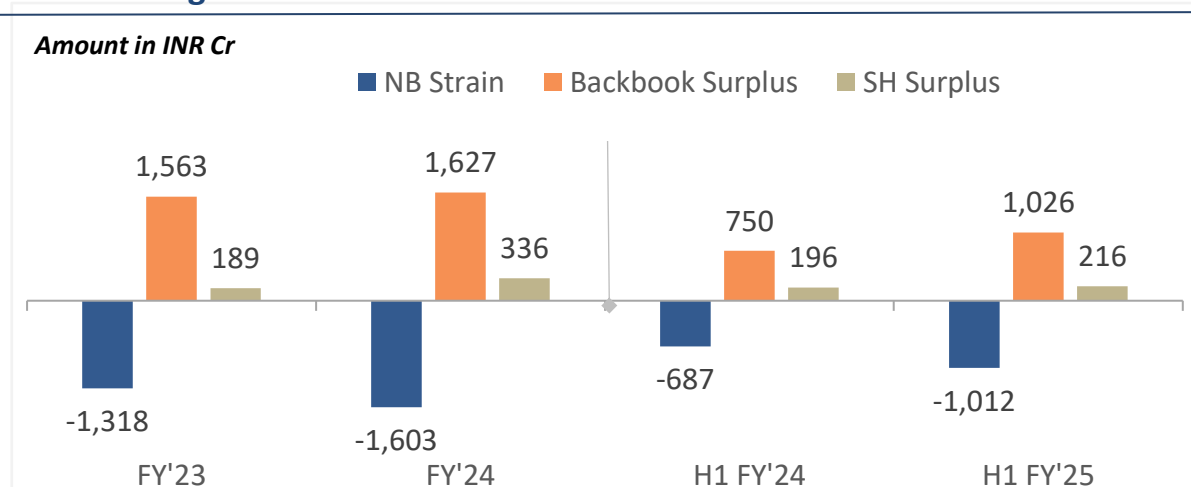
Solvency Ratio (Pre-dividend)



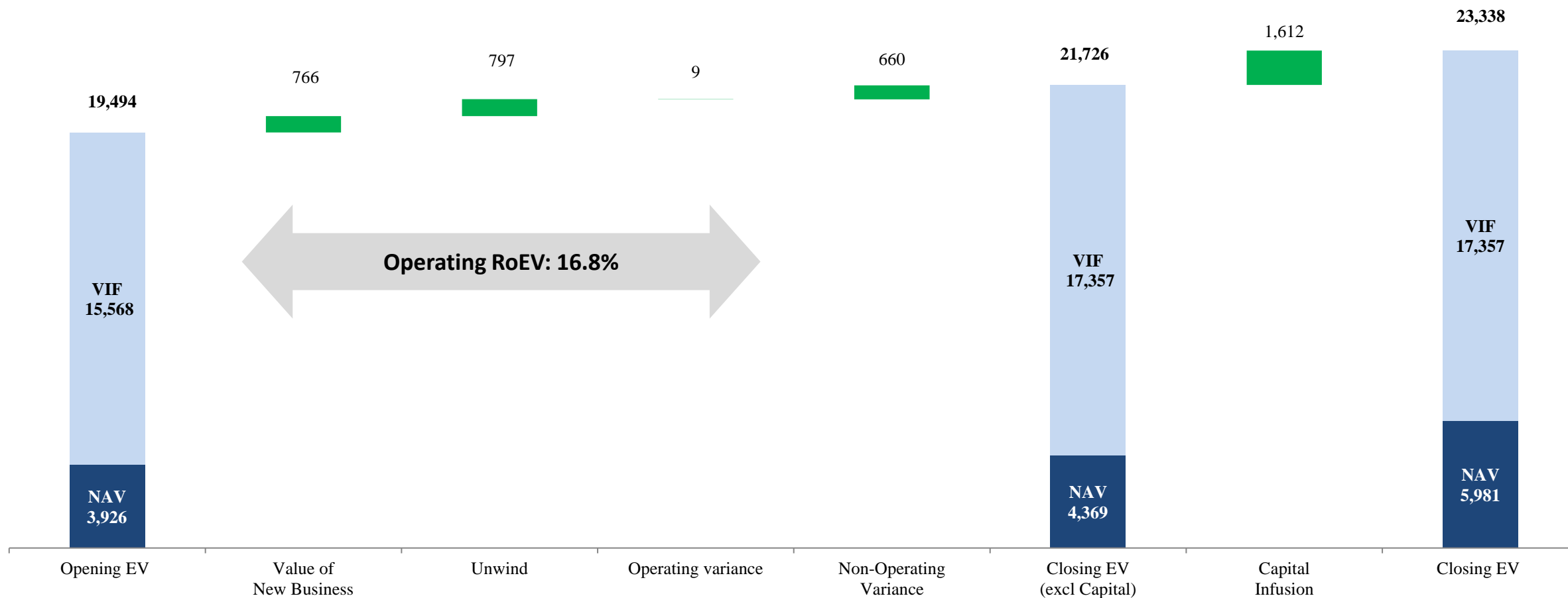
Operating RoEV



Underwriting Profits

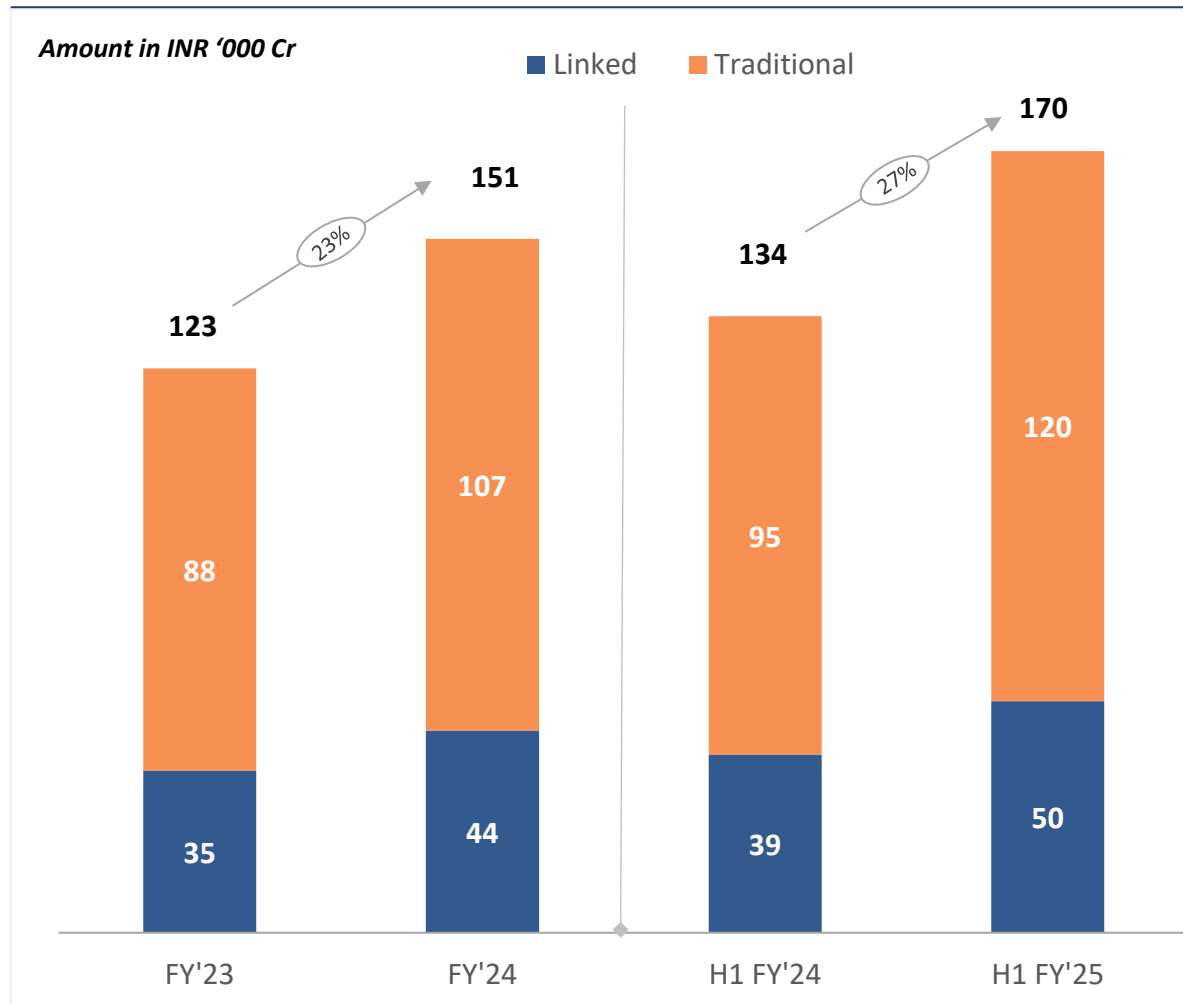


EV movement analysis: March 2024 to September 2024

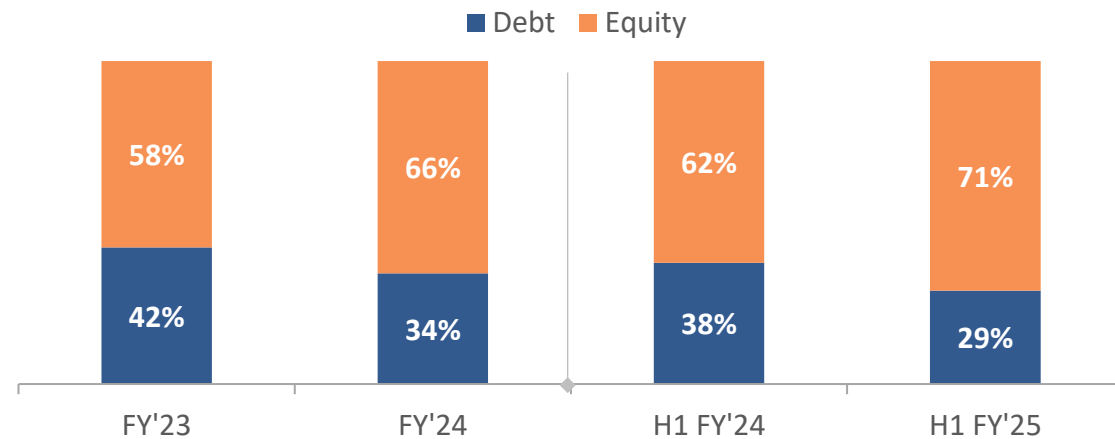


Max Life has consistently grown its Asset Under Management¹, reached INR 1.7 lakh crore

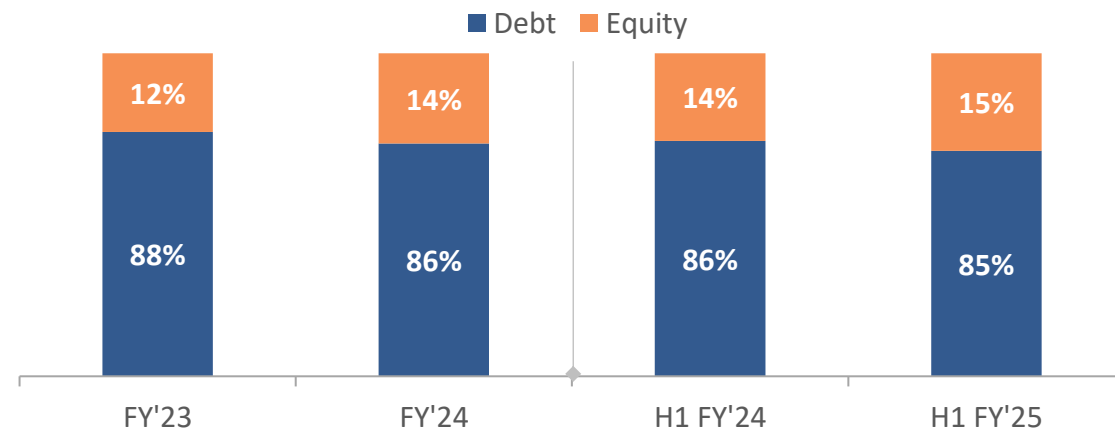
Assets Under Management - MLI is the 4th largest² manager of private LI AUMs and Largest Par fund² AUM of ~74K Cr



Linked: Healthy mix of Debt and Equity



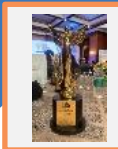
Traditional: Consistent mix of Debt and Equity



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



- Accorded Silver - Digital Branding Excellence Award for Smart EDM's at ACEF Asian Business Leadership Conference & Awards 2024



- Critics Special Mention Award for Best Banking and Financial Sector Campaign – 'The Bharosa Blueprint' - Fulcrum Awards



- Awarded Best Performance Marketing Campaign (Gold) and Best SEO/SEM Campaign (Silver) at Afaqs Digies 2023
- 1st Indian firm to win **Celent Global Model Insurer** award



- Ranked #2 amongst India's top Insurers in delivering **Best In Class Customer Experience** in the 4th edition of Hansa Research's marquee CuES Report

Leaders in Quality



- Awarded the **Digital Transformation Award** at the prestigious 99th SKOCH Summit and Awards 2024 for the OCI Cloud Journey



- One of the **Best Organizations for Customer Experience 2024** by ET Now



- Max Life's Compliance Team recognized at the **UBS Forums' Future of Legal and Compliance Summit and Awards 2024** as the **'Compliance Team of the Year'**



- No. 2 in Customer Loyalty survey by Hansa Research



- Awarded Gold for Influencer marketing and Customer Engagement Team of Year** and silver for non-traditional Media- innovation for SWAG in Axis at the 13th Edition of the **ACEF Global Customer Engagement Awards**



- Recognized amongst India's most sustainable companies at 3rd Times Now Global Sustainability Alliance Summit!
- Recognized for industry **leadership in Customer Experience** at the prestigious 5th ET Now Customer Experience Summit

Focus on People



- Amongst **'Top 50 Large - India's Best Workplaces for Millennials'** by GPTW® for inspiring trust among young people



- Amongst **'Top 50 Large - India's Best Workplaces for Women'** by GPTW® for creating an environment that promotes camaraderie



- Recognized amongst **'Large - India's Best Workplaces in Diversity, Equity, Inclusion and Belonging'** by GPTW®



- Accorded the **Laureate honor by Great Places to Work** for featuring as 28th best company to work among 1750+ companies



- Awarded Gold for **'Sharma Ji Ka Beta'** social media campaign at The Economic Times Shark Awards



- Recognised with a Bronze win for **Paid Search Marketing efforts** at the prestigious Abbys 2024



SECTION III

- ▶ Max Life Insurance – Strategy
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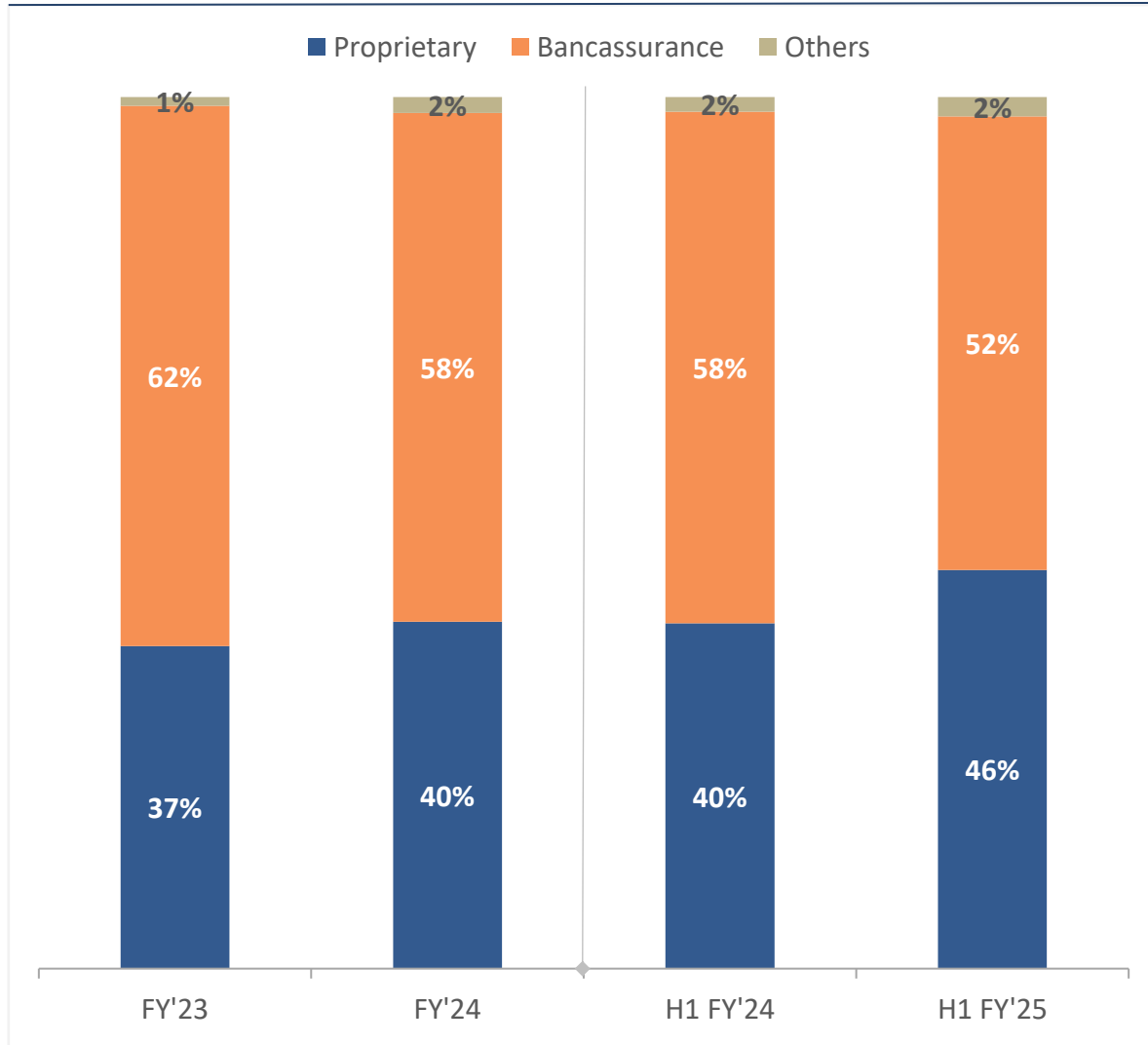
Max Life's Strategic Thrust Areas and progress made

	 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 in FY25 H1	<ul style="list-style-type: none"> Strong growth of 51% in Proprietary channels, Ecommerce grew by >100%, Direct channels grew by 26% & Agency grew by 37%. #Overall online LI market Rank #1 in H1 FY25 with continued leadership in both Online Protection & Online Savings On-boarded 3 Bank & 11 GCL partner along with 6 new Corporate Agents and 6 Online/offline Broker. 	<ul style="list-style-type: none"> Retail Protection & Health grew by 51% and Retail Annuity grew by 18%; GCL grew by 34% Individual Sum assured rank #3 in H1 FY'25 Rider attachment at 45% for H1 FY25 compared to 31% in H1 FY24, Rider APE grew by >280% 98% products compliant to new product regulations 	<ul style="list-style-type: none"> Claim paid ratio at 99.65% at the end of FY24, best in the industry Persistency improved across the cohort especially in 13th month persistency* at 87% improved by 319 bps Continued leadership position at 13th month NOP based persistency at 85% improved by 80 bps and 37th month by 460 bps. Highest ever overall NPS of 61 in H1 FY25, improved by 5 points vs FY24 	<ul style="list-style-type: none"> mPitch Pro(AI role play for sellers) helps train new sellers on pitching products to customers. SARAL tool Implementation for tracking application status in onboarding journey & website for customer & distributor. Sales Genie – Generative AI based sales co-pilot for front line sales for customer objection handling & sales support. Smart Help guide BOT implemented to help customers during purchase journey.

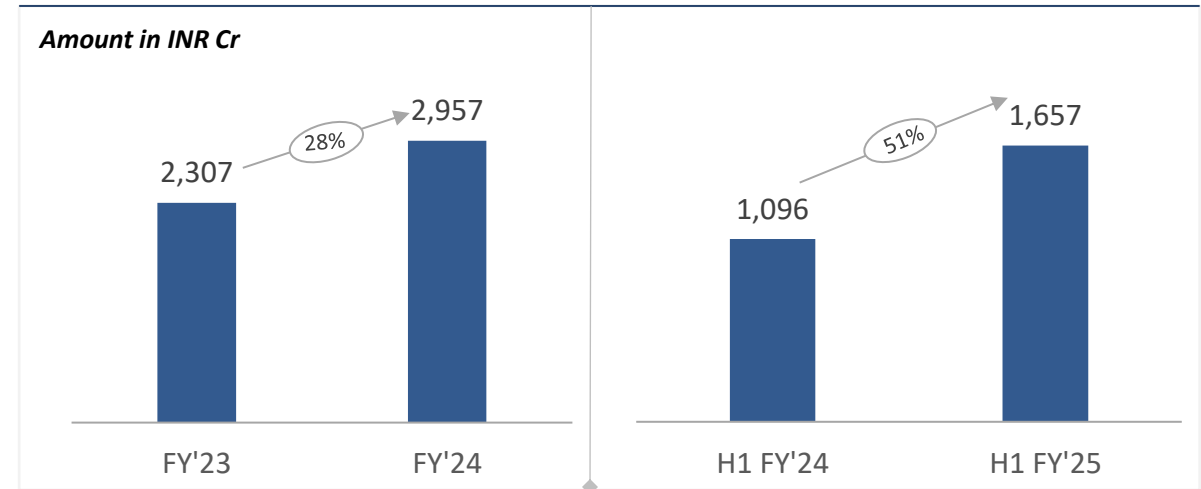
*^as per Nielsen Brand Track Study *Persistency for Regular/Limited pay policies # Company estimates*

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

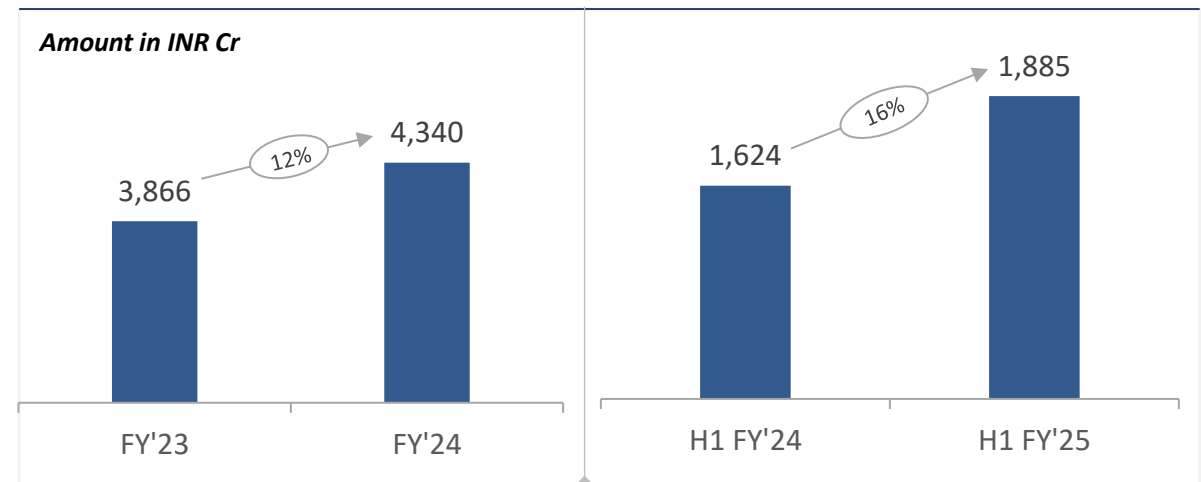
Channel Mix – Disproportionate focus towards growing proprietary channels



Proprietary Channels New Business (APE)*



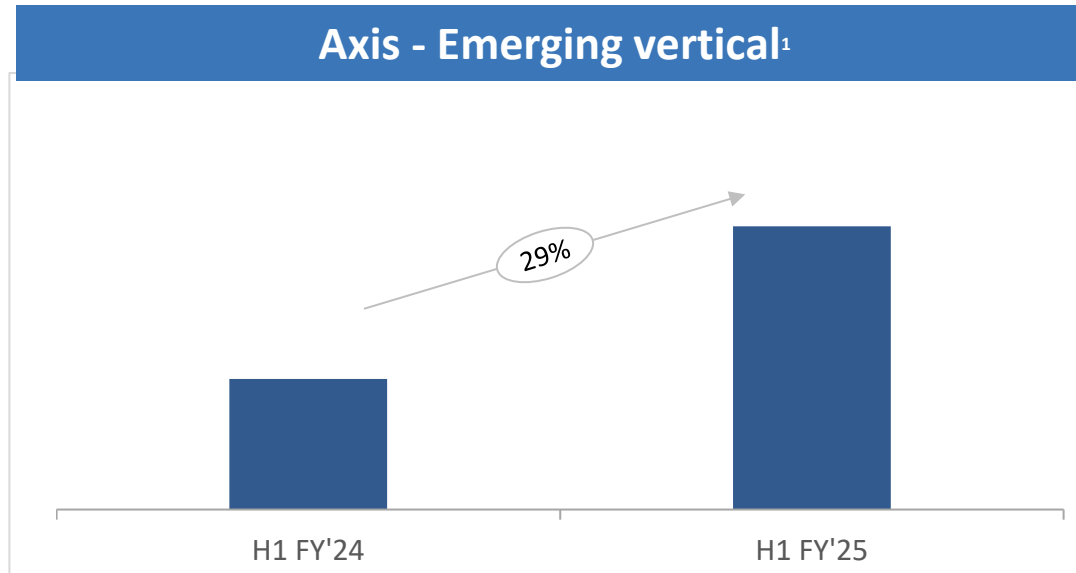
Bancassurance Channel (APE)



*Proprietary channel sales include individual, and Group Annuity sold by direct team

Sales

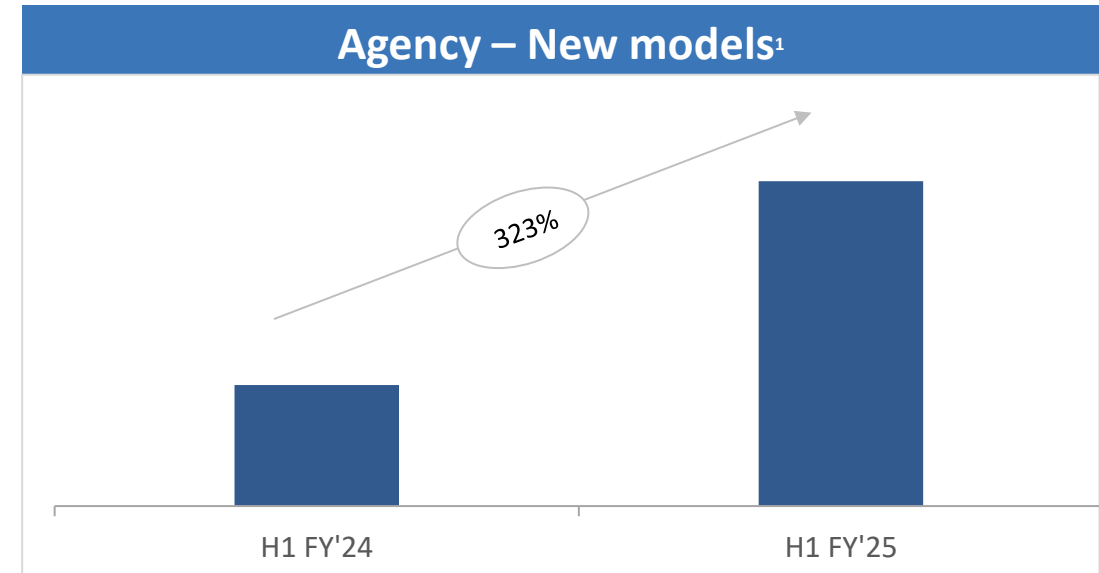
Axis - Emerging vertical¹



Key Enablers

- **29% YoY growth in H1** from new models in Axis Bank
- **Driving Specified Person licensing** across emerging verticals to leverage the distribution width;
- **Dedicated manpower** has been deployed on ground to increase penetration & engagement within emerging verticals;
- **Exploring retail life insurance penetration in the other avenues of business** i.e. credit card, home loan, mortgages.

Agency – New models¹



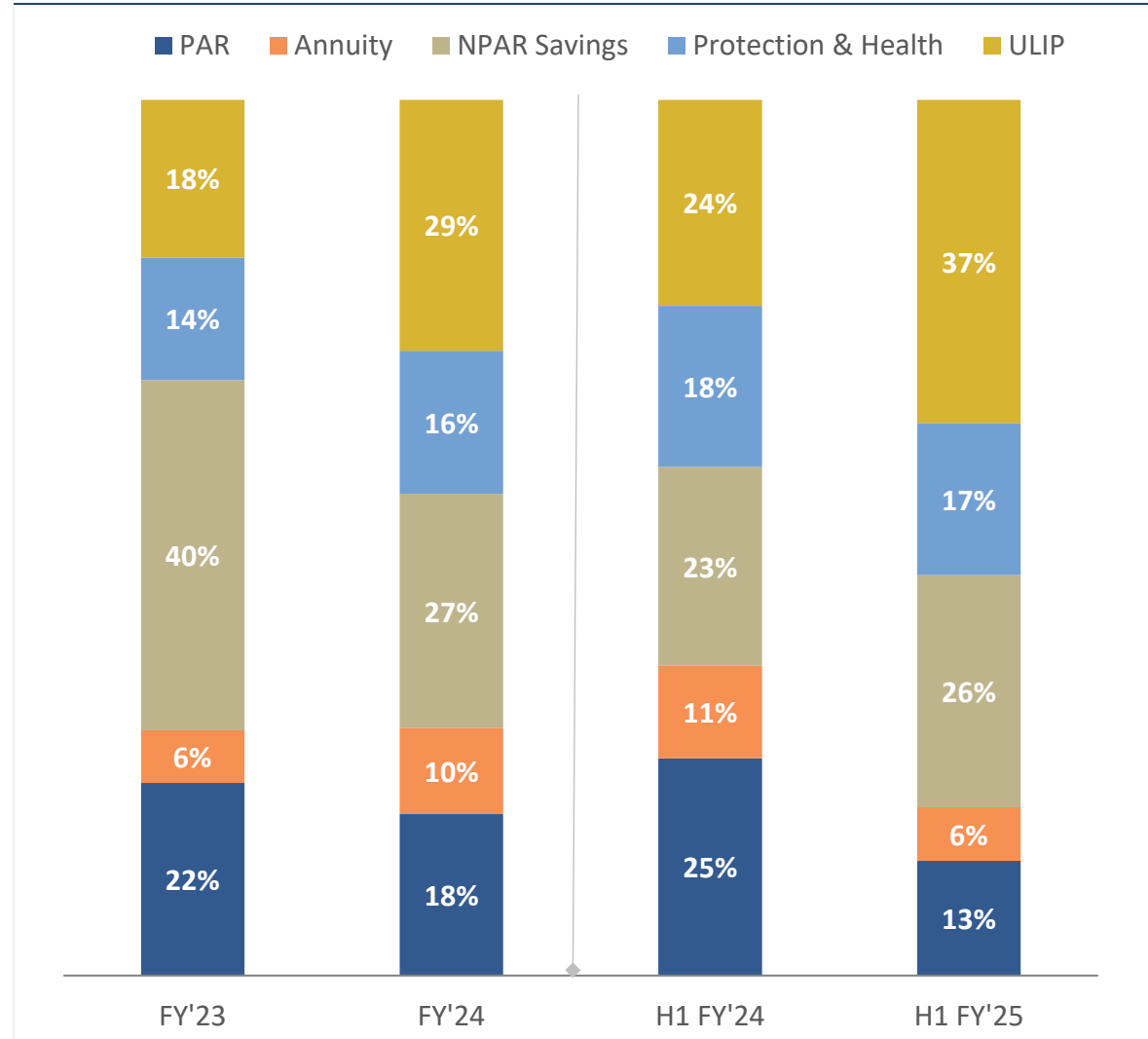
- **New models within agency scaling up rapidly** and contributing >5% of agency sales¹
- **Expansion to new geographies:** Investment in new branch units now yielding significant upside to Premium & Agent recruitment;
- **Increased agent base:** With expansion, there is a significant growth in agent base;
- **Efficiency improvement:** Improved branch productivity despite opening of new branch units.
- **Improved governance:** Continuous grounds-up governance and tracking on all the input and output parameters.

A Max Life has been augmenting its distribution capability by expanding both traditional and emerging ecosystems with 26 new partnerships in 6M of FY'25

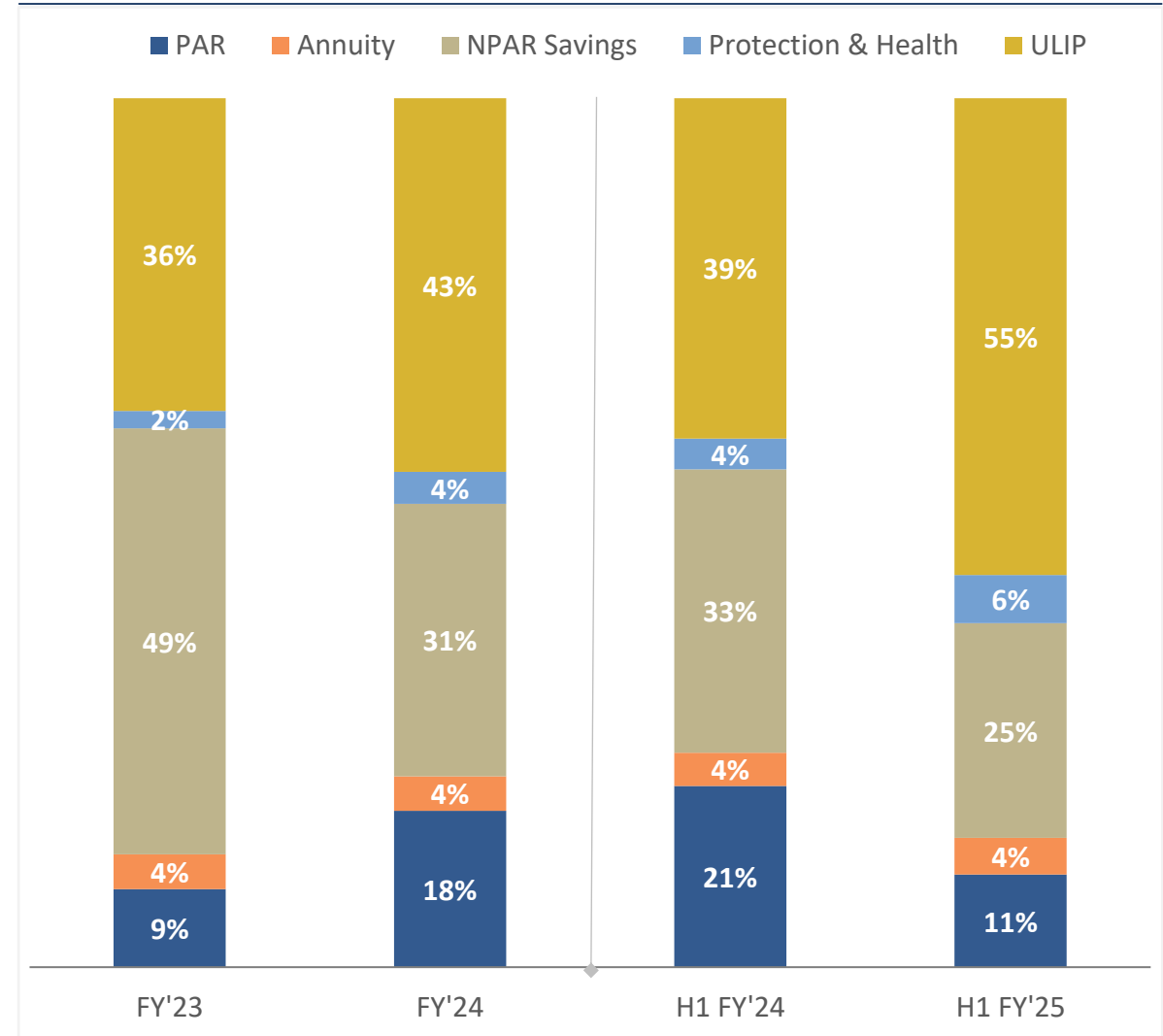
Ecosystems	Key partners signed by Max Life	
	Q1 FY'25	Q2 FY'25
Bancassurance		
Corporate Agents		
Group Credit Life*		
Online/Offline Brokers & others		

Product mix in proprietary and Bancassurance channels aligned to customer needs

Proprietary Channels Product mix- Higher ULIP in Ecommerce owing to success of new fund offers



Bancassurance Product Mix

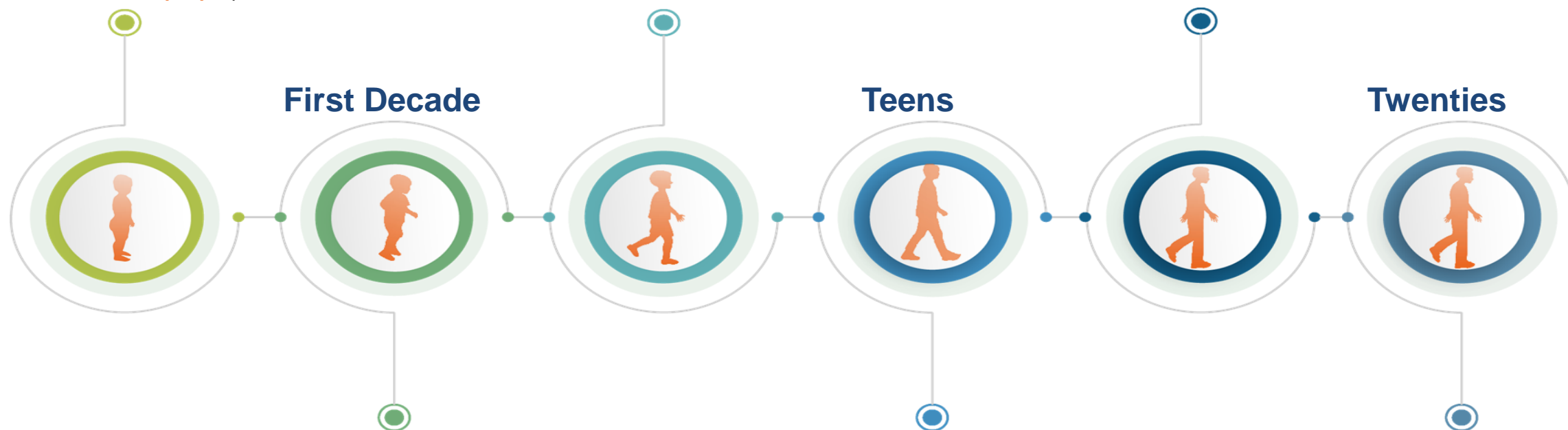


Max Life has been at the forefront of driving Products Innovation by creating first-in-industry propositions

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)
12. **Differentiated Term plan** with industry firsts (Special exit value, Premium holiday option)



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

13. **Strengthened PAR proposition** (guarantees under early income variant)
14. Launched new savings proposition **Smart Fixed-return Digital Plan**
15. Ventured into **health segment** with **Secure Earnings and Wellness Advantage**
16. Launched **SWAG Elite** segment with industry first design of guaranteed endowment

B

Accelerating product innovation agenda through experiments and creating new customer segments



Benefits to cater to need of death, Health & Savings

Secure Earnings & Wellness Advantage Plan

HEALTH KARO SECURE, WEALTH KARO ASSURE, FOR A SMARTER YOU!

Presenting **SEWA**

Industry first design of guaranteed endowment

Max Life SWAG Elite Plan

Strive towards your **ELITE Aspirations** Powered by an **ELITE Solution**

Presenting **MAX LIFE SWAG ELITE**

Option to get back all premiums paid back at no cost.

Smart Total Elite Protection Term Plan

Your family. Your lifestyle. **STEP UP** to protect both.

Presenting **MAX LIFE STEP**

Income streams (Cash Bonus + Guaranteed)

Smart Wealth Advantage Growth Par Plan

LIVE SMART LIVE A LIFE OF MORE

Presenting **MAX LIFE SWAG PAR**

Option to receive return of premium on maturity

Max Life Smart Ultra Protect Rider

SUPR PROTECTION FOR THE SUPER YOU!

PRESENTING **MAX LIFE SUPR**

Guaranteed Lifelong income for Customer and their loved ones

Max Life Smart Wealth Annuity Guaranteed Pension Plan

LIFETIME PENSION LIFELONG SWAG

Presenting **MAX LIFE SWAG PENSION**

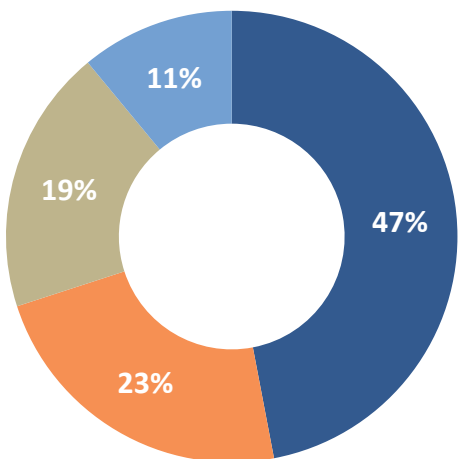
B Max Life has a complete suite of products and focus is on selling longer term products along with improving penetration of pure protection & Health offerings

Max Life has products across all categories

- 3** Protection plans
- 5** Income plans
- 4** Endowment plans
- 5** ULIP plans
- 4** Child plans
- 1** Health plan
- 4** Annuity plan
- 1** Retirement ULIP
- 2** Whole life
- 6** 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	37	16	8
Whole Life	36	64	52
Money back	26	18	17
Pure Term	34	38	31
Guaranteed products	43	18	9
Health	37	23	23
Cancer Insurance	38	30	30
Pension	30	25	25
Annuity	62	58	3

As on 30th sept 2024

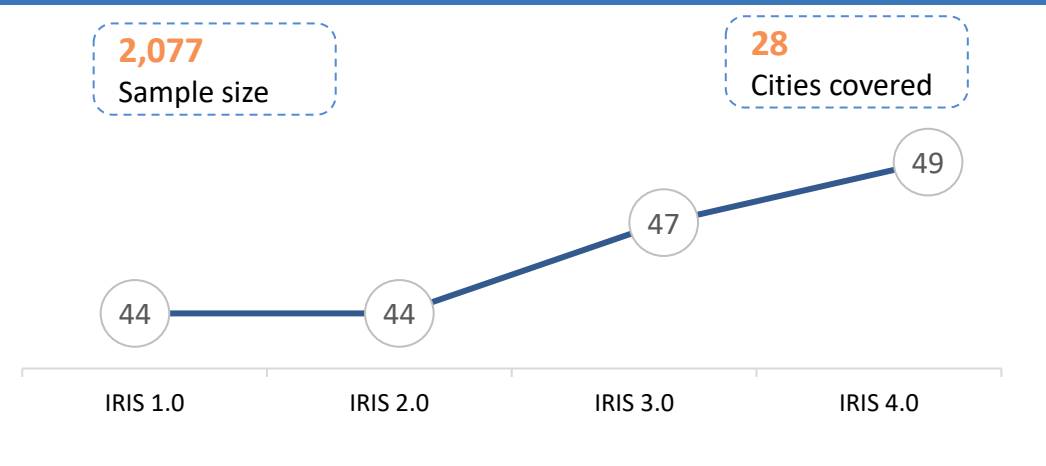


(1) Based on all policies sold till date; (2) Others include Money back, Whole life, Guaranteed products, Health, Cancer Insurance, Pension & Annuity.

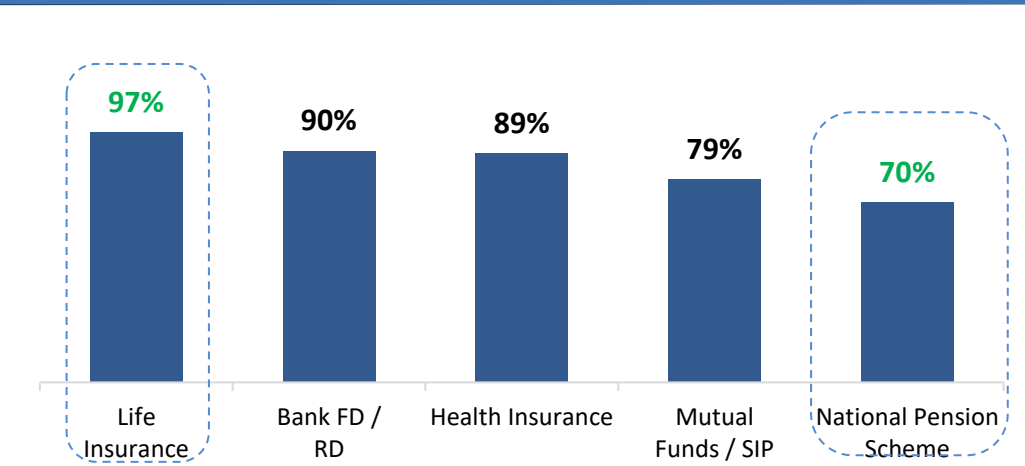
B IRIS, one of India's leading retirement-focused surveys, now in its 4th edition

India Retirement Index indicating the degree to which Indians feel prepared for tomorrow's retired life on a scale of 0 to 100.

IRIS: Consistent upward movement seen in IRIS index and sub indices of Health and Finance



Awareness: On an average, an individual is aware of 11 financial products



Survey Findings

- India's retirement planning grows steadily, with the **IRIS index rising slightly from 47 to 49 in IRIS 4.0**. This growth is driven by increments in the Finance and Health indices.
- Women surpass men in the IRIS index for the first time**
- Gig workers lag in retirement planning, scoring lower across key indices. DINKs show lower emotional well-being scores.**
- Two-thirds consider life insurance the best product for retirement.**
- 63% have started investing for retirement, with 44% believing planning should start before age of 35. 50% think saving for retirement should be a priority when starting their careers.**

New Segments in Focus



Gig Workers



Double Income No Kids (DINKs)



Generation Z

Focus on development and growth of retirement ecosystem

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
- Lump-sum 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

- 61 corporates on-boarded
- >10,900 no. of PoP Subscribers
- Garnered INR ~1,263 Cr AUM

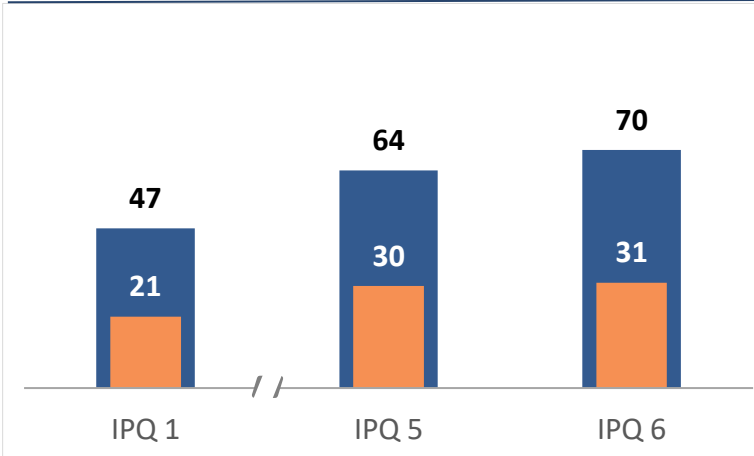
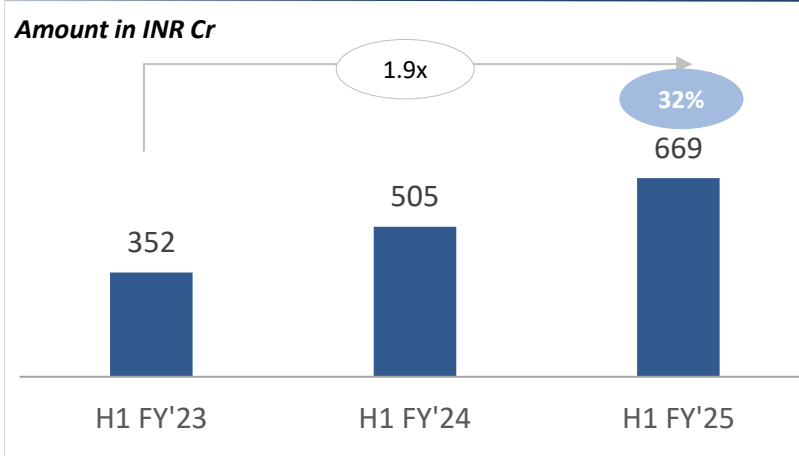
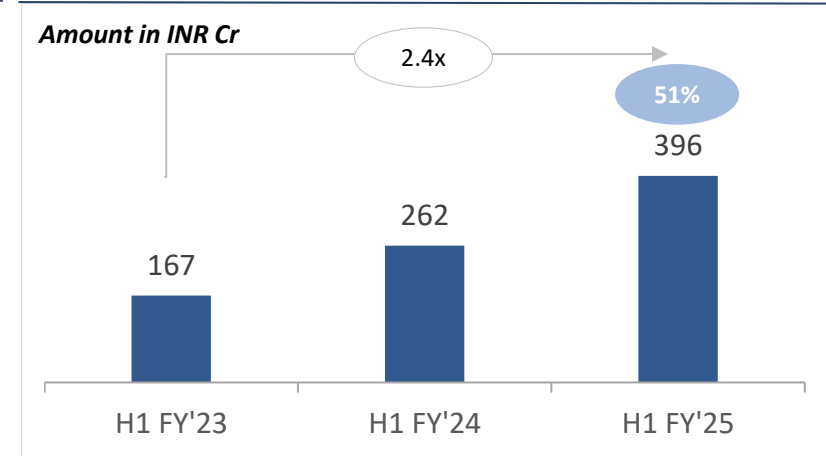
Smart Guaranteed Pension Plan

- 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**

Smart Wealth Annuity Guaranteed Pension

- Guaranteed Lifelong income** for you and your loved ones
- Industry-first features** enables to personalize retirement planning basis unique needs of each individual
- Boost annual income** by 6% every year with increasing annuity variants
- Widened deferment period** for early retirement planning
- Flexibility to take **Early return** of premium on chosen Milestone Age



Awareness & Ownership Gap for Term Products¹Total Protection² and Health APERetail Protection² and Health APE

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
- Adequate reinsurance to protect against claims volatility

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

Robust Asset Liability Management (ALM) framework

Max Life ALM framework

- **ALM Approach**
 - **Cash Flow Matching and Dollar duration matching**
 - **Natural Hedges** leveraging different segments
- **Financial Stability**
 - **No Reinvestment Risk** in portfolio towards policyholder liabilities
 - **Solvency position stable** at parallel movements in interest rates +/- 100 bps
- **Risk Reduction**
 - More than 15 FRA counterparties
 - >95% rated debt portfolio in AAA rated bond
- **Strategic Decision Making**
 - Agile Product Pricing: Close monitoring of interest rate movements and Repricing action within 15 days

Resilient EV and VNB sensitivity under parallel shifts

Change	EV		VNB	
	Mar-24	Sept-24	Mar-24	Sept-24
+100 bps	-1.5%	-2.4%	0.3%	-3.1%
-100 bps	0.8%	2.3%	-2.3%	3.2%

Willis Towers Watson Opinion on Asset Liability Management of Max Life

- Scope covered **non-participating asset and liability portfolio**. WTW tested a range of possible real-world interest rate scenarios[^] as at 30 June 2024
- Max Life's ALM framework and asset and liability positions are **appropriate to meet its stated objectives of protecting shareholder value and fulfilling policyholder obligations**
 - Net residual cash-flows remains positive in 100% of the scenarios under the Company's best estimate demographic assumptions. Even under an extreme 0% new money (re)investment rate scenario, the net residual cash-flow remains positive
 - Decline in net asset value exceeding 5% from the base is observed in less than 4.5% of the scenarios, suggesting more than 95% confidence that the net asset value will not fall by more than 5%, thereby safeguarding shareholder value in such scenarios;
 - Interest rate scenarios were also tested alongside simultaneous changes to demographic assumptions: mortality (+/-10%) and persistency (+/- 20%). Net asset value remains within +/- 10% of the base for more than 90% of all scenarios considered, despite combined economic and operating assumption changes; and even in this scenario net residual cash-flow remains positive in all scenarios

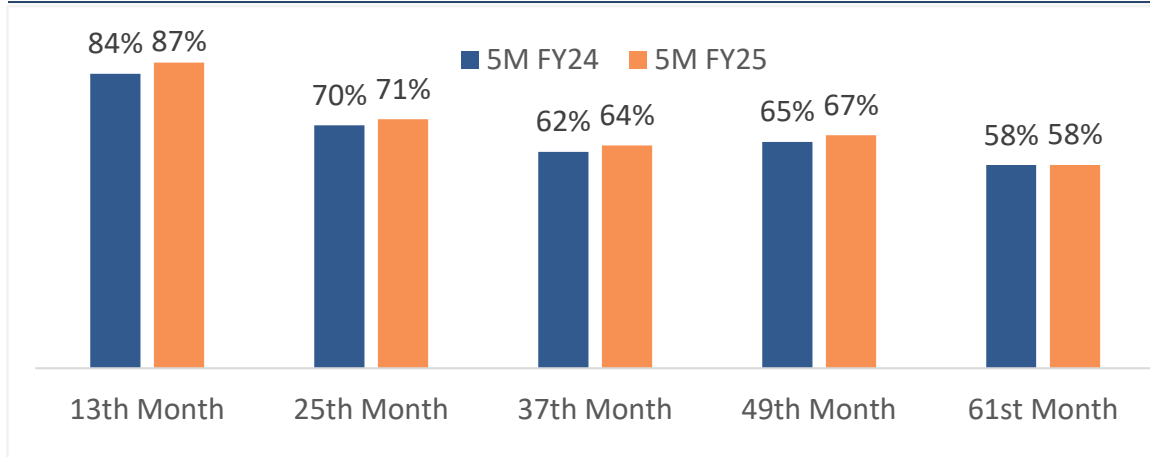
Note [^]5,000 interest rate scenarios by varying the term structure of the nominal yield curve based on WTW's STAR Real World Economic Scenario Generator (RW ESG) calibrations. These scenarios encompass a comprehensive range of real-world possibilities including plausible extreme interest rates from 2% to 12% and various changes in the yield curve's level and shape (including parallel and non-parallel shifts, slope changes and wiggles).



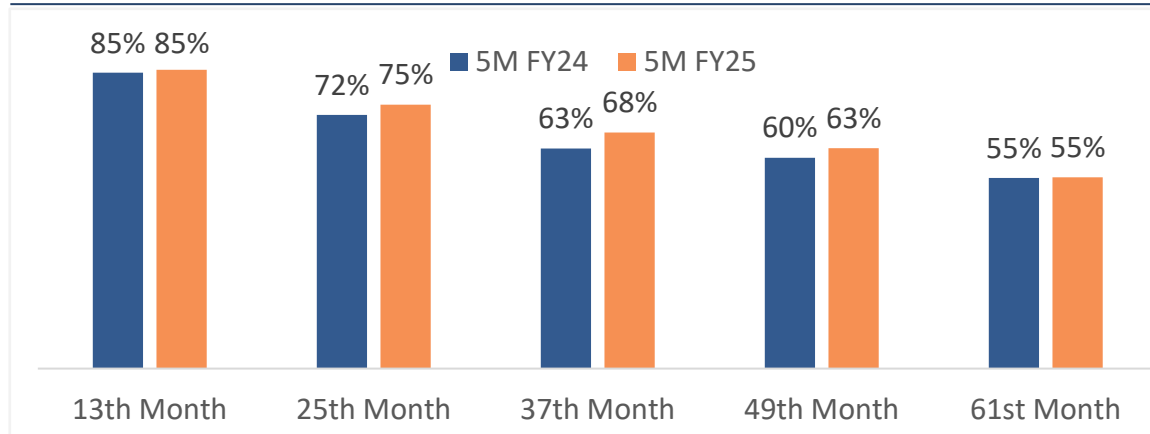
Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority



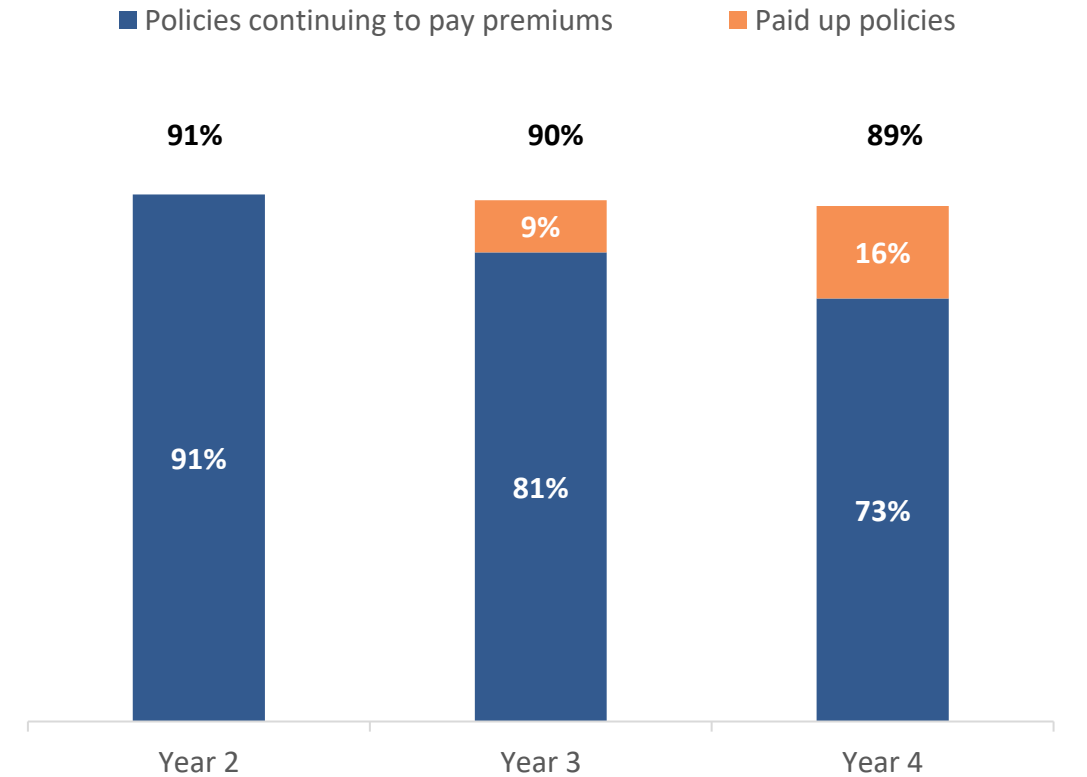
Persistency# (Premium)



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



NPAR Customers opting for continuation of their policy¹



- Assumptions are in line with experience
- Majority of the policyholders who stop paying premium choose to remain in Paid-up state rather than surrender

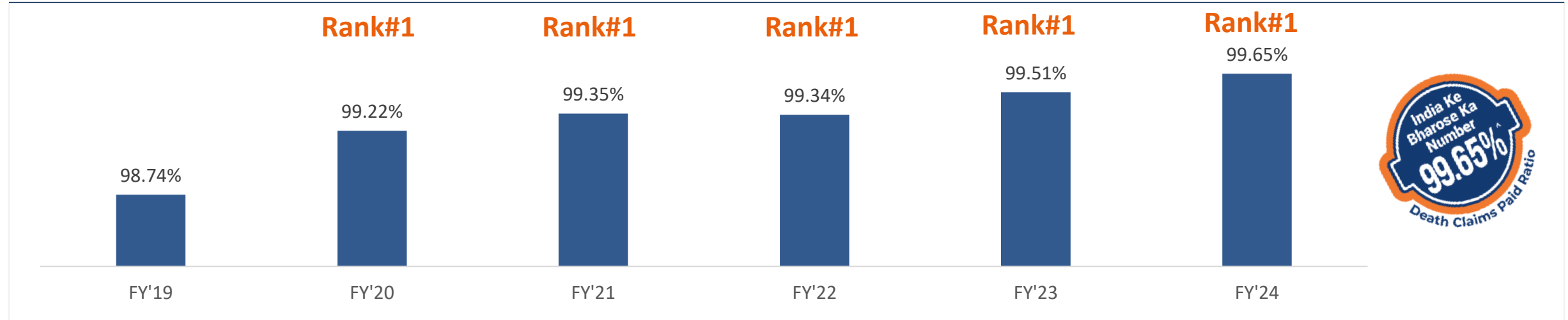
Note: The persistency ratios are calculated in accordance with IRDA/ACT/CIR/GEN/21/02/2010 dated February 11, 2010 and IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021



Launched next generation claims system, 'TEJAS', to maintain our best in industry claims settlement



Claims Paid Ratio



Next generation Claims System

Functional & System capabilities	Employee & customer experience	Application & integration architecture	Technology Infrastructure & Security and AI/ML
Configurable claim amount & accounting module Real-time validation of claim amount through ACL system (from T+1 interval to real time integration)	E2E System workflow for managing group claims Centralized Communication using CCMS for enhanced coordination	Modular service-based architecture Deployed on Cloud infra	Deployed on modern tech stack on existing infra of ibps In-built OCR engine for reading ID proof documents (PAN & Aadhar)

Note: E2E : End to End Settlement; CCMS: Communication Module System; OCR: optical character recognition


Our Digital Strategy is Based on 6 Key Pillars

Scale
E-Commerce
Business



1

Frictionless
Onboarding/
Issuance



2

Digital Sales –
Bancassurance &
Partnerships of
future



3

Digital Customer
Service



4

Pervasive Intelligence (AI/ML & Analytics embedded in all key processes)

5

Agile, Scalable, Resilient Technology Platforms

6

SHARPER PROSPECTING

Chase Value not Traffic

Google Marketing Platform

- Display & Video 360
- Analytics 360
- Surveys 360
- Search Ads 360
- Data Studio
- Tag Manager 360
- Optimize 360

Meta Outbrain Taboola

Best In Class in core web vitals

1.5-2s

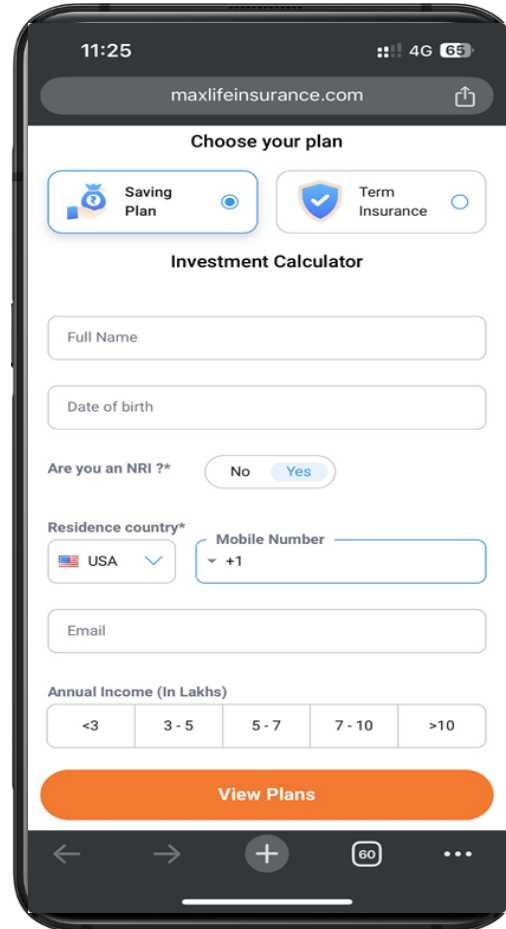
BIC Page load time

60

Digital NPS

PERSONALIZATION

Journey designed for NRI customers



11:25 4G 65%

maxlifeinsurance.com

Choose your plan

Saving Plan Term Insurance

Investment Calculator

Full Name

Date of birth

Are you an NRI ??* No Yes

Residence country* USA Mobile Number +1

Email

Annual Income (In Lakhs)

<3 3-5 5-7 7-10 >10

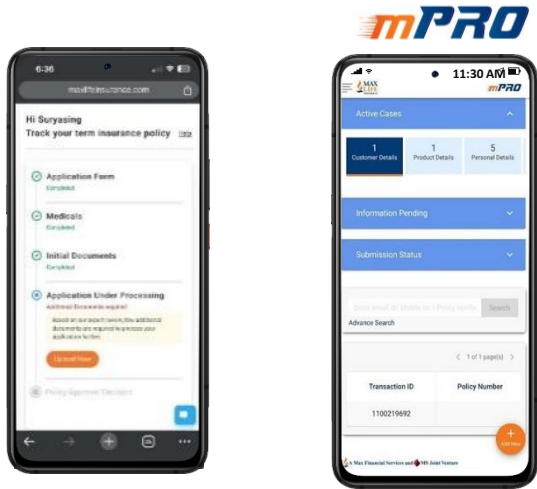
View Plans

EMBEDDED INTELLIGENCE

- Automated 100% call quality audits for agent effectiveness
- Near real time customer call insights to drive conversion rates of 7-8%
- Market-Mix model based optimization of digital marketing spend by 10%
- Automated WhatsApp message triggered after policy issuance. Easy DIY services as quick reply
- Keyword based purchase guide

Enabled by Best-in-Class On-boarding Platform

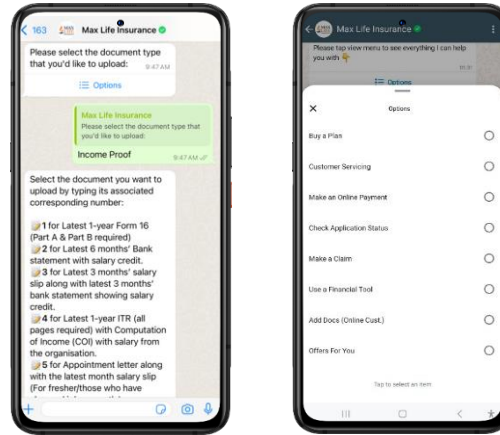
B2C & B2B ON-BOARDING PLATFORM



- Best-in-class journey with smarts for better seller and customer experience
- Customer verification with intelligent fraud detection capabilities
- Ready APIs for fast onboarding of new Bank/Broking partners/issuance
- Real time policy status views from application to issuance
- Document Collection on WhatsApp

SMARTER CHASE

Talk to customer the way they like



- WhatsApp for Business to chase in-funnel prospects
- Leverage cross-sell and up-sell workflows



FRICTIONLESS ONBOARDING



- State of the art Integration stack with third parties like Credit bureaus, AA, IIB ensures
- 70% of B2C Term customers are on-boarded without any document requirement

Focusing on building a Digital Agency and Banca partnerships of future

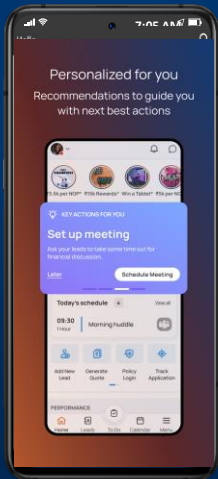
Digital Agency

Super App for SALES Force



300+ CAT Users onboarded

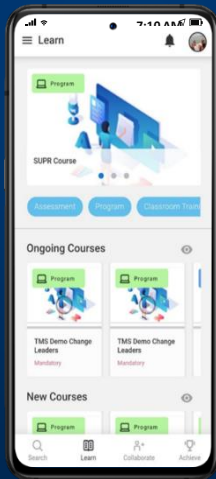
2000 Quotes Generated



UNIFIED LEARNING & TRAINING MANAGEMENT



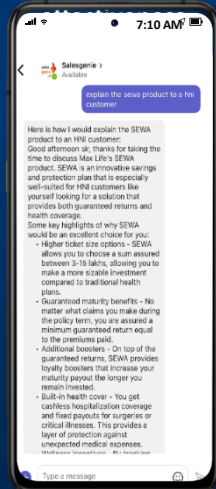
100% adoption with more than **50%** utilization



SALES GENIE (SHAPER PROSPECTING)

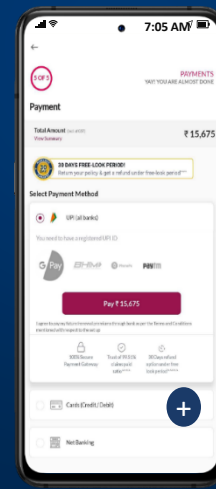


Generative AI Powered sales copilot
90% user have found it useful in improving sales

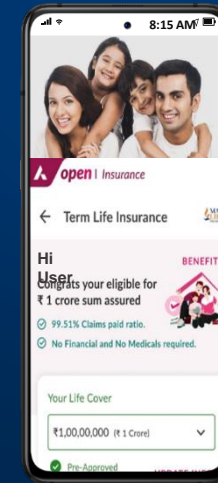


Banca Partnerships

D2C JOURNEY Smart Fixed Return Plan



ALTERNATE CHANNELS (including CAT Axis)



Integration Marketplace

>90% Reusable API

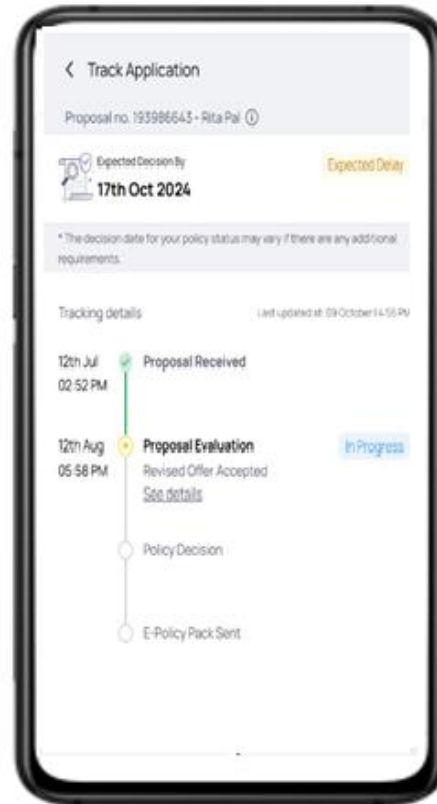
60% New Partner integration TTM reduced

Business Login Enablement



Almost 300 logins in first month of launch

Saral – Application Tracking



Customers can track their policies on a daily basis with clear expected decision date. Medical Tracking and Delivery and Dispatch details also available

EMBEDDED INTELLIGENCE

- Reduction of annual renewal call center costs
- Proactive Surrender retention & customer engagement models
- 1.5L+ Cross-Sell leads generated through digital channels annually
- Renewal communications & calling prioritization models for optimized collection efforts
- Grievance likelihood prediction and response prioritization platform for targeted resolution

1. Sales Enablement

2. Customer Service

3. Employee Experience

Enterprise Grade use case development



Generative AI Sales Assistant to enhance seller productivity

Launched for 4000 DSF FLS and Supervisors

AI Driven RolePlay

AI-Driven roleplay-based assessment for the field teams.

POC successful

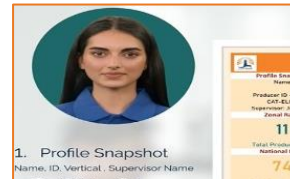


Conversational intelligence to resolve customer queries and emails.

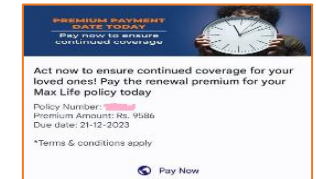
Leveraged in SEWA launch

4. Marketing & other functions+ : Leveraging GenAI products for enhancing functional productivity

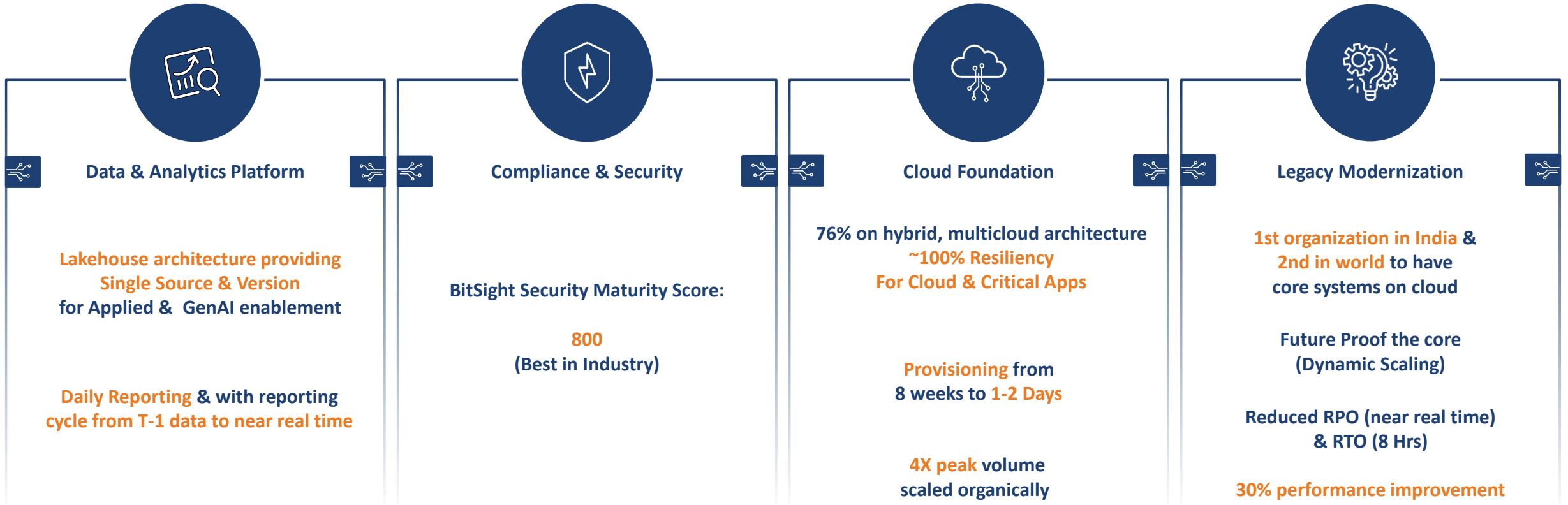
Gen AI tools for campaigns, customer communications personalized interaction videos & training videos in multiple languages



Automated KFDs, articles and vernacular communication



Agile, Scalable & Resilient Technology Platform to Digitally power MLI





SECTION IV

- ▶ Max Life Insurance – ESG
- 

Four pillars of our sustainability framework (1/3)





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

Four pillars of our sustainability framework (3/3)

Work Ethically & Sustainably



Governance

Diverse Board composition with optimum no. of Independent Directors (>50% - MFSL; ~30% - Max Life Insurance)



Data Privacy & Security

Received **DSCI Excellence Award** for Best Security Practices in India in 2021;
BitSight rating of **810**-Best in financial services



Risk Management

Max Life has a robust governance framework with **Board risk committee (REALMC)** supported by domain expertise committees



Compliance & Policies

Platforms, mechanisms, channels in place for grievance addresses, incident investigations and corrective actions and policies

Care for People



Diversity & Inclusion

Gender diversity ratio at **27.8%** at Max Life;
Capability building program for women's leadership – 'Catalyst' culminated successfully



Well-being of Employees

Introduction of employee friendly Health & Accidental Insurance Plan in partnership with Axis Bank



Employee Development & Policies

Organization averaged 24.6 hours of learning, surpassing target of 18 hours from April To 15th Sep. Inclusive of both functional and behavioral training.



CSR Initiatives

Education: 24,701 children directly benefitted, capacity built of 12,845 educators and 24 lakh students indirectly impacted

Financial Responsibility



Committed to responsible investments

100% ESG integration will be ensured in all equity investment research and decision making



Responsible Investments

Comprehensive stewardship policy in place and a detailed summary of MLI's voting actions are disclosed on a quarterly basis.



Product Responsibility

Benefits for females/transgenders for financial inclusion by way of preferential discounts & Higher returns.



Integrating Customer Feedback

NPS has grown strength to strength from 56 in FY-24 exit to 59 in Q2 to YTD Q2 FY 24-25 : 61. This is the highest NPS score for the organization.

Green Operations



Energy Management

Home Office HO-DLF building is a **LEED Platinum certified building with "5 star rating"** in health and safety by British safety council & **HO - 90C is Platinum certified** by Indian Green Building Council



Water Conservation

Water is recycled with the help of STP: ~1764 KL of STP water recycled in two quarters (6M) of FY'24-25



Waste Management






Installed sanitary pad disposal at HO for sustainable menstrual hygiene management ~68 kg carbon equivalent conserved in quarters (Q1 & Q2) of FY 2024-25.

POC for installation of sanitary pad disposal at 24 locations of GO in progress in quarter Q2 of FY 24-25

Progress made in our key strategic shifts identified in our ESG journey- as on 30th September

2024



	Indicators	Key Metric for ESG Indicators	Key Targets	Current Status
	Digital Operations	Digital penetration	95% of digital penetration by FY 2026	91.14% as of 30 th Sept'24
	Diversity & Inclusion	Overall Gender Diversity Ratio	Achieve 28% gender diversity ratio by FY25	Gender diversity at 27.8% as of 30 th Sept'24
	Workforce Training	Number of learning hours to upskill and reskill employees	40 learning hours per employee FY 2025	26 learning hours achieved against the target of 20 learning hours in Q2
	Responsible Investments	ESG integration* & Compliance^ in Investment Decision Making	ESG evaluation in 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	CRISIL has been on-boarded for ESG integration. Responsible Investment Policy in place
	Carbon Neutrality	Reduce carbon footprint and achieve Carbon Neutrality	To achieve carbon neutrality by FY28	~16 Ton of Co2 emission saved in Q2 of FY 24-25 by removing paper tissues at HO.

*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

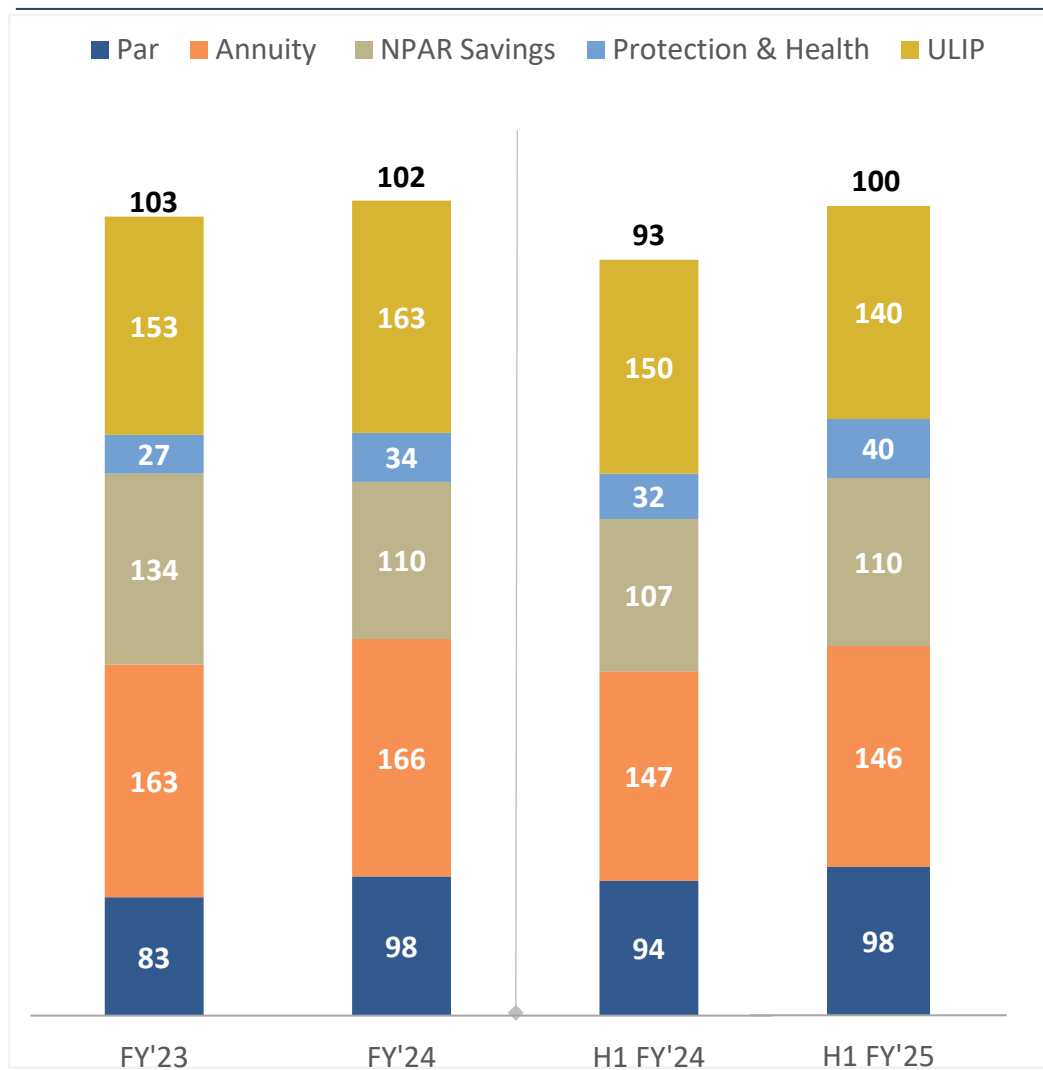


ANNEXURES

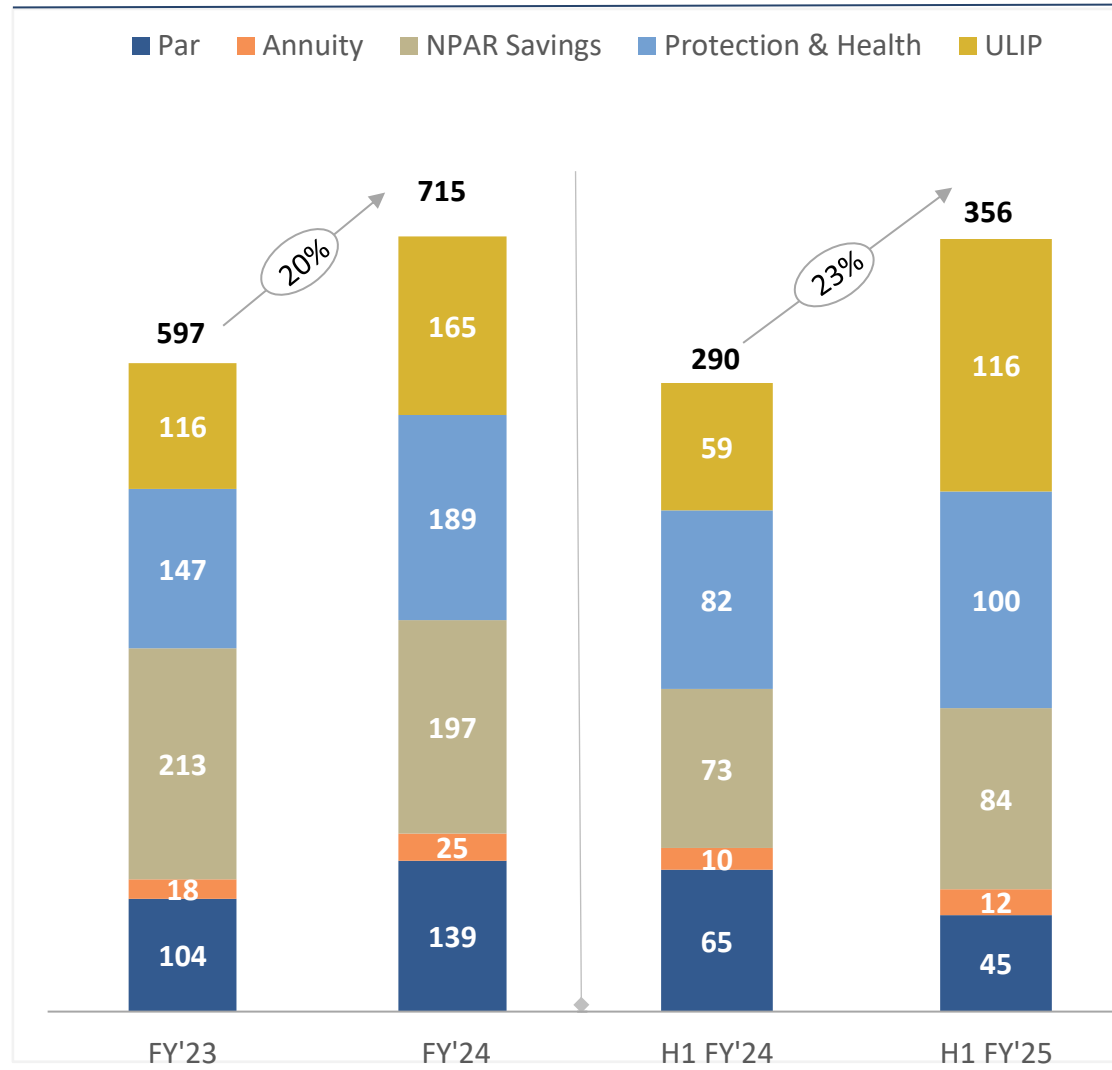


Expansion in both case size and number of policies sold in 6M FY'25

Case Size (INR'000)



NoP's (000's)

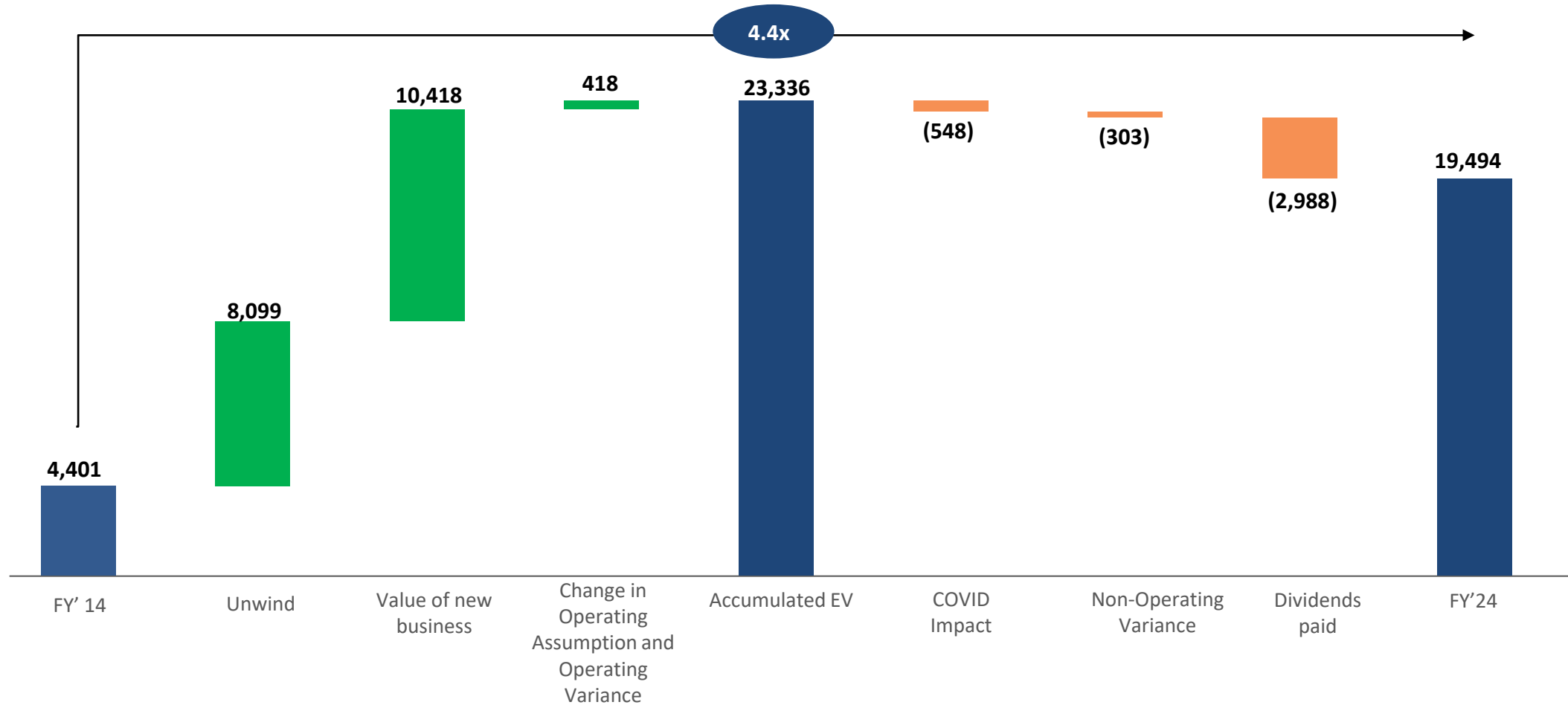


Embedded Value has grown by 4.4x in last decade despite pandemic demonstrating quality of our book and built in prudence



Compounded growth in Embedded Value

Amount in cr



Note: Numbers may not add up due to Rounding off ;

Sensitivity analysis as at 30th September 2024

Sensitivity	EV		Value of new business		New Business Margin	
	Value (Rs Cr)	% change	VNB (Rs Cr) NBM	% change	VNB (Rs Cr) NBM	% change
Base Case	23,338	-	766	-	21.2%	-
Lapse/Surrender - 10% increase	23,512	0.7%	748	(2.4%)	20.6%	(0.6%)
Lapse/Surrender - 10% decrease	23,142	(0.8%)	784	2.4%	21.7%	0.5%
Mortality - 10% increase	22,739	(2.6%)	698	(8.9%)	19.3%	(1.9%)
Mortality - 10% decrease	23,938	2.6%	835	8.9%	23.0%	1.8%
Expenses - 10% increase	23,136	(0.9%)	680	(11.3%)	18.8%	(2.4%)
Expenses - 10% decrease	23,541	0.9%	853	11.3%	23.5%	2.3%
Risk free rates - 1% increase	22,786	(2.4%)	743	(3.1%)	20.5%	(0.7%)
Risk free rates - 1% reduction	23,865	2.3%	790	3.2%	21.8%	0.6%
Equity values - 10% immediate rise	23,703	1.6%	766	Negligible	21.2%	Negligible
Equity values - 10% immediate fall	22,974	(1.6%)	766	Negligible	21.2%	Negligible
Corporate tax Rate - 2% increase	22,845	(2.1%)	739	(3.6%)	20.4%	-0.8%
Corporate tax Rate - 2% decrease	23,831	2.1%	794	3.6%	21.9%	0.7%
Corporate tax rate increased to 25%	21,089	(9.6%)	597	(22.1%)	16.5%	-4.7%

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 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.
- 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 September 2024. The VNB is calculated using the beginning of respective quarter's risk free yield curve (i.e. 31st March 2024, 30th June 2024).
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.
- Samples from 31st March 2024 and 30th September 2024 spot rate (semi annualized) yield curves used are:

Year	1	2	3	4	5	10	15	20	25	30	40	50
Sep-24	6.55%	6.67%	6.67%	6.67%	6.69%	6.81%	6.86%	6.93%	6.92%	6.97%	7.09%	7.02%
Mar-24	6.99%	7.02%	7.04%	7.06%	7.05%	7.07%	7.09%	7.10%	7.13%	7.15%	7.22%	7.03%
Change	-0.44%	-0.35%	-0.37%	-0.39%	-0.36%	-0.26%	-0.23%	-0.17%	-0.21%	-0.18%	-0.13%	-0.01%

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.

¹ Financial Benchmark India Pvt. Ltd.

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.