



February 4, 2025

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– Q3 FY 25**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Investor Release – Q3 FY25 being issued by the Company on the outcome of its Board meeting held on February 4, 2025.

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 9M FY'25

February 4, 2025





SECTION I

- ▶ Max Financial Services and Axis Max Life Insurance
9M FY'25 Key Highlights

Key highlights of Max Financial Services and Axis Max Life Insurance for 9M FY'25



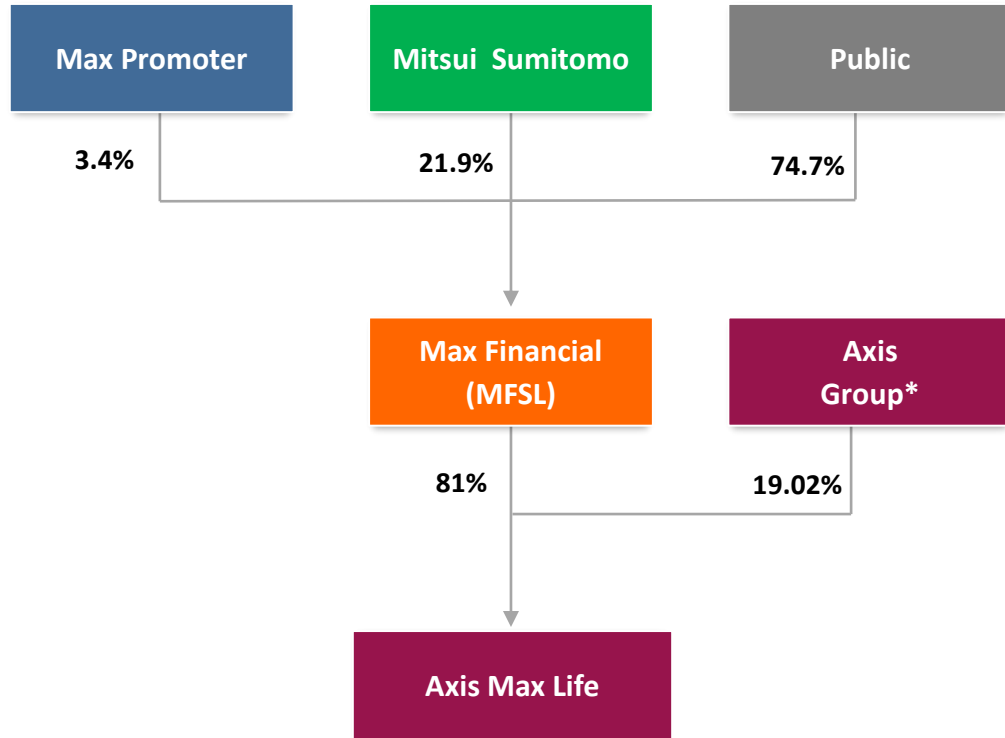
Revenue	<ul style="list-style-type: none"> MFSL revenue* excluding investment income at Rs 20,907 cr, grows 14% in 9M FY'25. Consolidated Profit After Tax at Rs 365 cr Individual Adjusted first year Premium at Rs 5,352 cr grew by 25% vs Private industry growth of 19%. Private Market share at 9.3% during 9M FY'25 expanded by 41 bps vs at 8.9% during 9M FY'24. Total APE# also grew by 26% driven by robust NOP growth of 19%.
Value creation	<ul style="list-style-type: none"> 9M FY'25 VNB at 1,255 cr grew by 9% yoy and NBM at 21.9%. Q3 FY'25 VNB at 489 cr and NBM at 23.2%. 9M FY'25 operating RoEV is at 17.3% and MCEV as of Dec'24 at Rs 24,129 cr Max Life Insurance Profit Before Tax at 397 cr in 9M FY'25 vs 436 cr during 9M FY'24
Distribution strength	<ul style="list-style-type: none"> Proprietary channels APE grew by 41% during 9M 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 33 new partners during 9M FY'25, i.e., 3 Banks including Indian Post Payments Bank, 15 GCL partners, 7 Online & offline Brokers and 8 Corporate agents.
Protection & Health	<ul style="list-style-type: none"> Retail Protection and Health APE grew by 37% to 594 cr during 9M FY'25 vs 434 cr last year. Group credit Life grew by 18% during 9M FY'25 Achieved Highest ever Rider Attachment Ratio of 45% vs 32% in 9M FY'24 with Rider APE growing by 250% during 9M FY'25 Maintained Rank 3 in Individual Sum Assured with a growth of 34% during 9M FY'25. Launched the Smart Term Plan Plus, offering 7 flexible plan variants to address unique customer needs. Key features include auto-rebalancing of Life Cover and ADB Sum Assured, Maternity Cover for female life insured, and the Lifeline Plus feature, allowing a top-up in case of the spouse's death.
Industry Recognition	<ul style="list-style-type: none"> Recognized by Great Place To Work Institute in FY25 Awarded for Environment Excellence, 2024 from the Indian Chamber of Commerce under the silver category amongst the service sector Awarded Bronze for the 'Most Innovative Use of AI' at the Financial Express FU Tech Awards! Winner of international recognition by South Asian Federation of Accountants (SAFA) for best presented annual reports for FY23

<p>Total APE¹</p> <p>Rs 5,731 cr [Rs 4,561 cr] ↑ 26%</p>	<p>Gross Written Premium</p> <p>Rs 21,360 cr [Rs 18,793 cr] ↑ 14%</p>	<p>Renewal Premium</p> <p>Rs 13,269 cr [Rs 11,823 cr] ↑ 12%</p>	<p>AUM</p> <p>Rs 1,71,705 cr [Rs 1,42,621 cr] ↑ 20%</p>						
<p>Profit Before tax</p> <p>Rs 397 INR cr [Rs 436 INR cr] ↓ -9%</p>	<p>Net Worth²</p> <p>Rs 6,076 cr [Rs 4,033 cr] ↑ 51%</p>	<p>Policyholder Cost to GWP Ratio</p> <p>24.3% [22.6%] ↑ 175 bps</p>	<p>Policyholder Expense to GWP Ratio</p> <p>14.9% [14.8%] ↑ 13 bps</p>						
<p>New business margin</p> <p>21.9% [25.3%] ↓ -336 bps</p>	<p>Operating RoEV</p> <p>17.3% [18.6%] ↓ -130 bps</p>	<p>Embedded Value</p> <p>24,129 cr [18,709 cr] ↑ 29%</p>	<p>Solvency</p> <p>196% [179%] ↑ 17%</p>						
<p>Value of New Business</p> <p>1,255 cr [1,152 cr] ↑ 9%</p>	<p>Policies Sold ('000)</p> <p>540 [454] ↑ 19%</p>	<p>Ind. New business Sum assured</p> <p>2,59,925 cr [1,94,000 cr] ↑ 34%</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% [9%]</td> <td>6% [7%]</td> <td>16% [16%]</td> </tr> </tbody> </table>	Individual	Group	Total	10% [9%]	6% [7%]	16% [16%]
Individual	Group	Total							
10% [9%]	6% [7%]	16% [16%]							

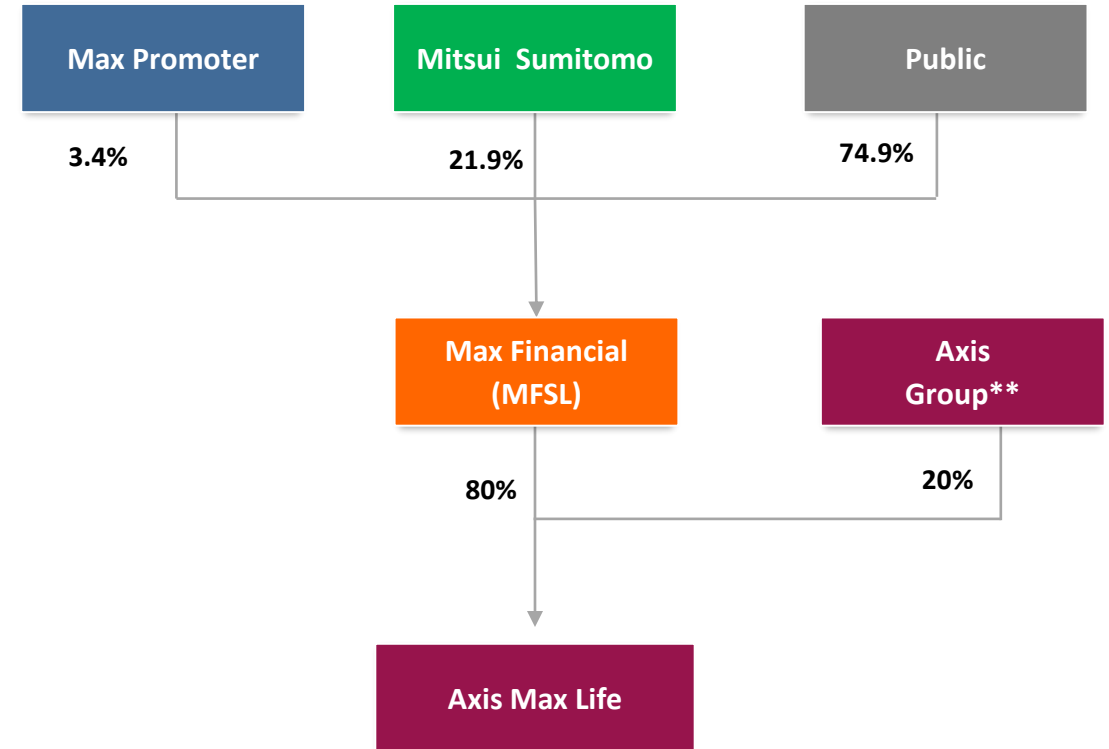
Note: Figures in [brackets] are for previous year numbers. Totals may not match due to rounding

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

Current Structure (As of Dec'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.

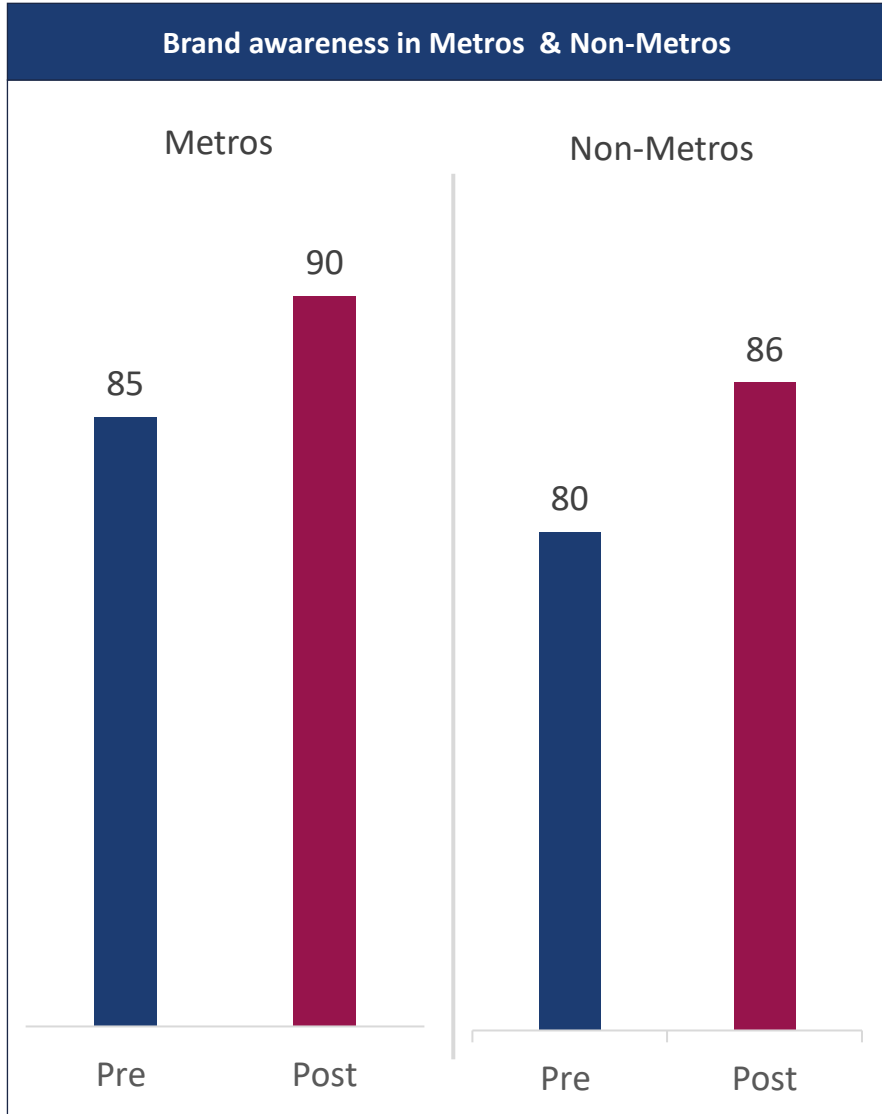


SECTION II

- ▶ Axis Max Life Insurance- Business Overview and Financial Update

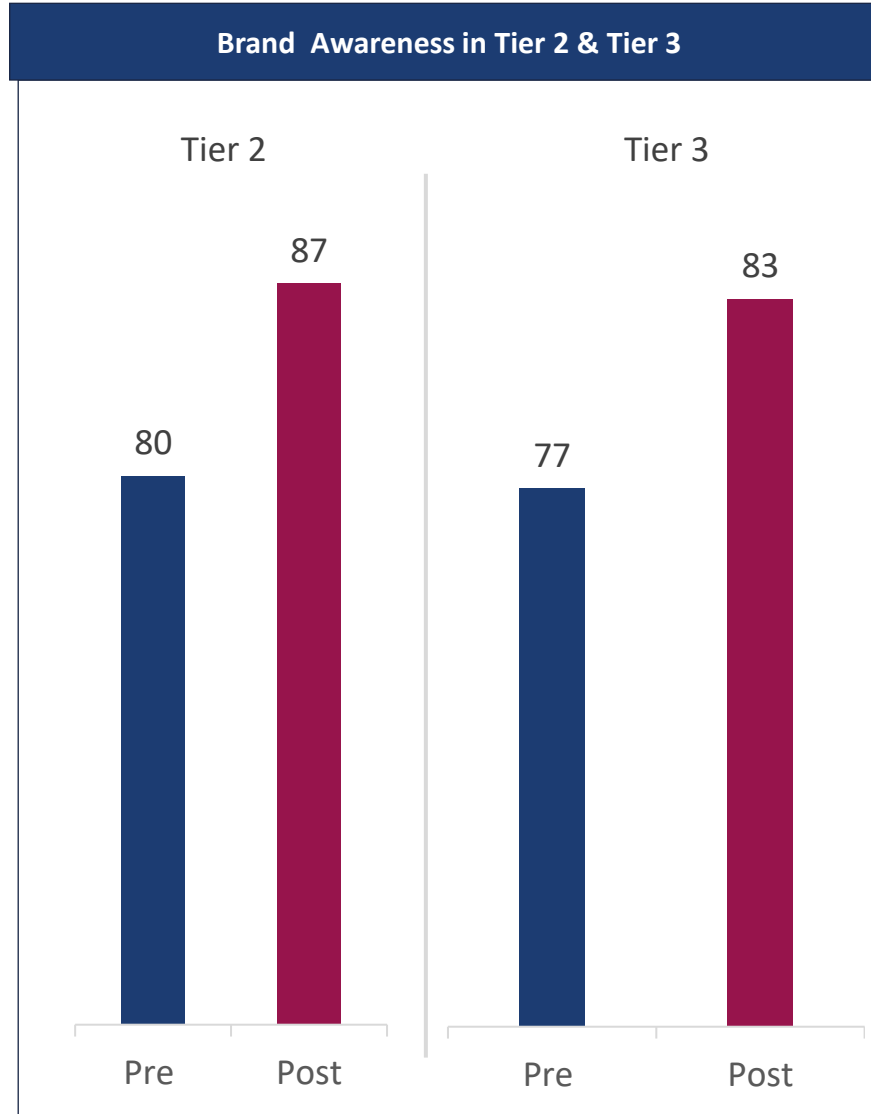
Consistent Growth	 <p>5-Yr CAGR of 12% on Individual new business¹ vs 10% for Total life insurance industry</p>	 <p>Asset Under Management at Rs 1.5 lac INR cr, CAGR of 19% over last 5 years</p>	 <p>Consistent leadership position in online protection</p>
	 <p>5-Yr APE CAGR of 21% in Prop channels</p>	 <p>5-Yr APE CAGR of 9% in Banca Channel</p>	 <p>Protection APE Tripled in 5 years</p>
Profitability	 <p>VNB CAGR of 18% in 5 years</p>	 <p>New Business Margin expansion from 21.7% in FY19 to 26.5% in FY24</p>	 <p>5-Yr EV# CAGR of 20%</p>

<p>Employee metrics</p>	 <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>
<p>Customer metrics</p>	 <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>
<p>Brand metrics</p>	 <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>



Sample :: Pre : 4179, Post : 1807

Sample :: Pre : 1108, Post : 1153



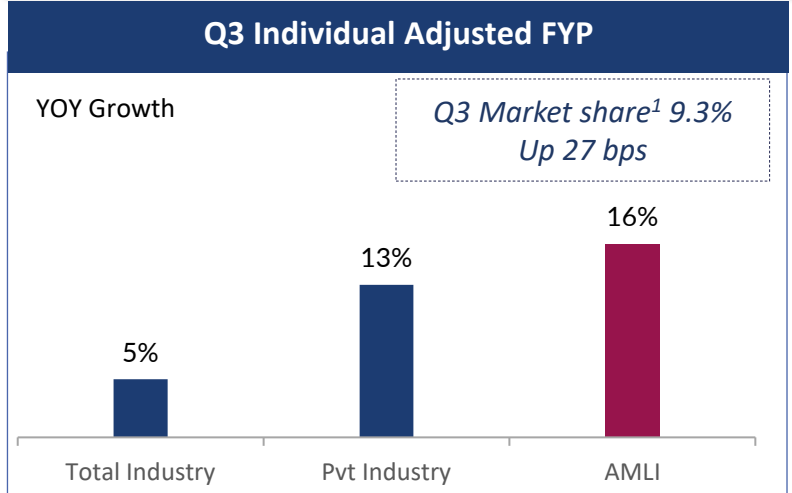
Sample :: Pre Tier 2 : 410, Post Tier 2 : 384 | Pre Tier 3 : 323, Post Tier 3 : 354

- Awareness is defined with the help of questions asked from respondents
- Awareness:** Thinking about life insurance category, what all brands come to your mind? Total awareness is calculated basis recall value after exposure of brand logo.
- Pre** phase of study is period before 13-Dec-24
- Post** phase of study is from 13-Dec-24 up till Jan-25
- Cities classified basis population; Metro: >40 lac, Tier 1: 10-40 lac, Tier 2: 5-10 lac, Tier 3: 1-5 lac. Non Metro represents Tier 1,2 & 3.

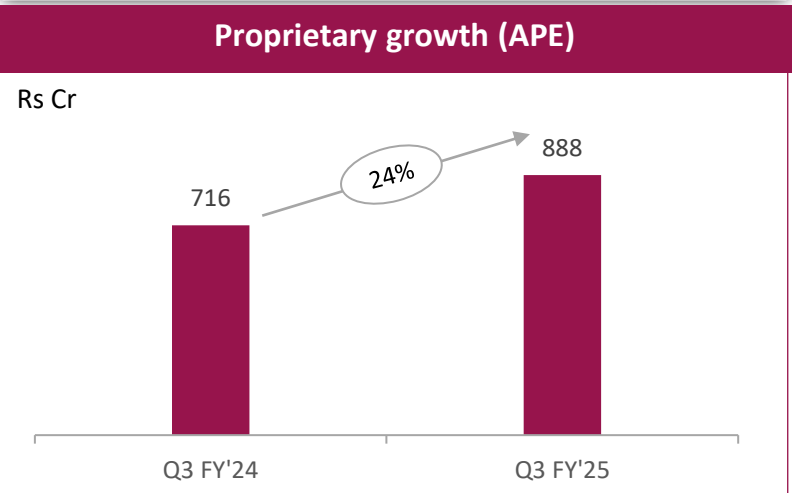
Continue to post industry leading growth in Q3 FY'25 fueled by disproportionate growth in proprietary channels



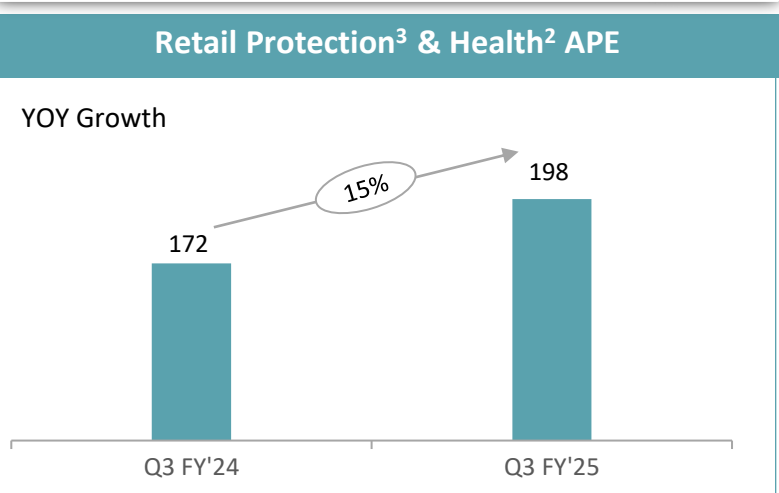
Industry leading outcomes



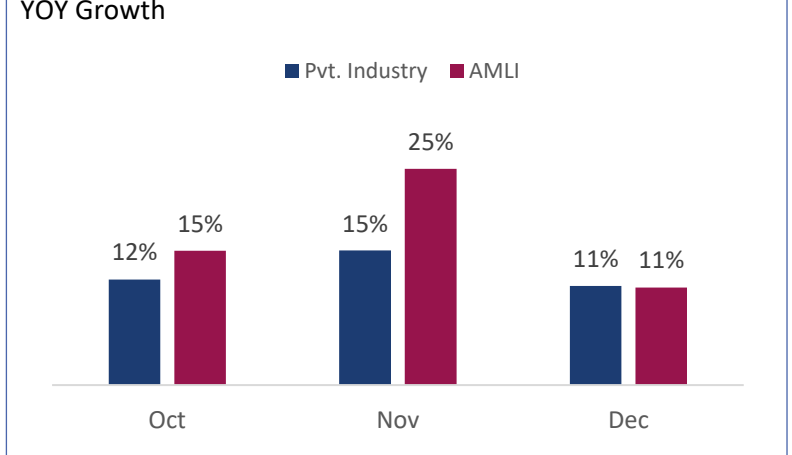
Growth in proprietary channels



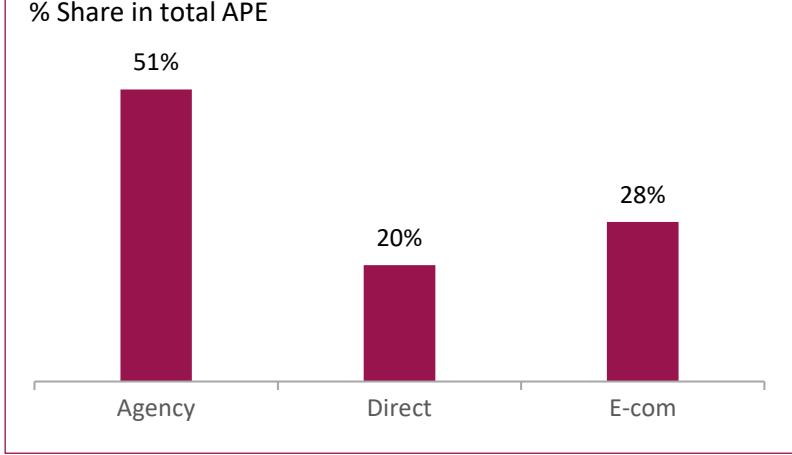
Growth in Segments of choice



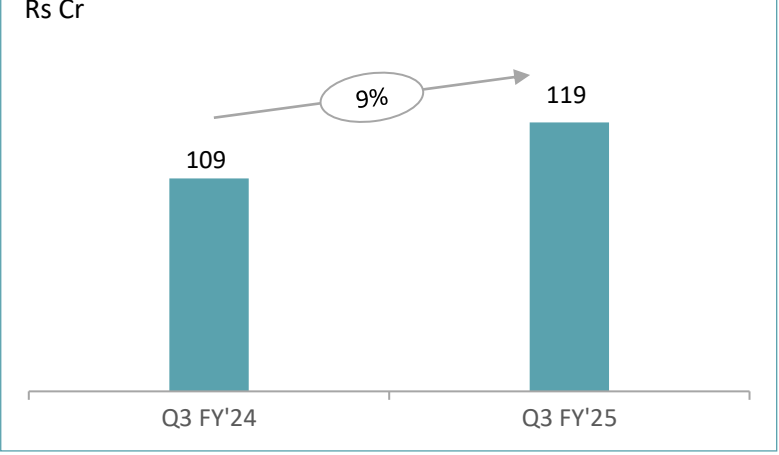
Industry beating growth¹ in Q3



Share within proprietary



Annuity APE⁴

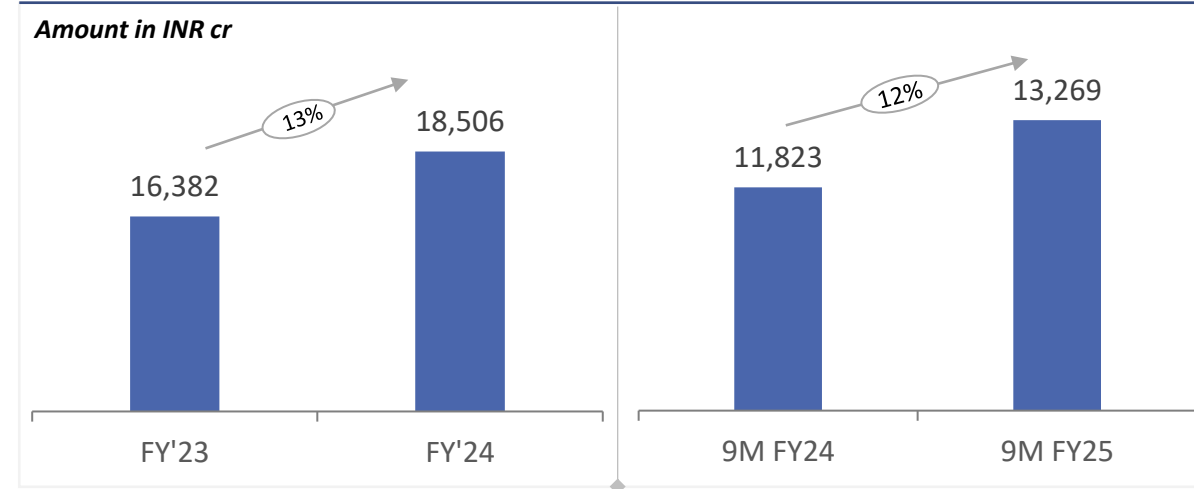


Note: Numbers may not add up due to rounding off; ¹Among private Life insurance companies, ²Health segment represents sales from SEWA; ³Retail protection includes riders except for Par riders; ⁴including group business

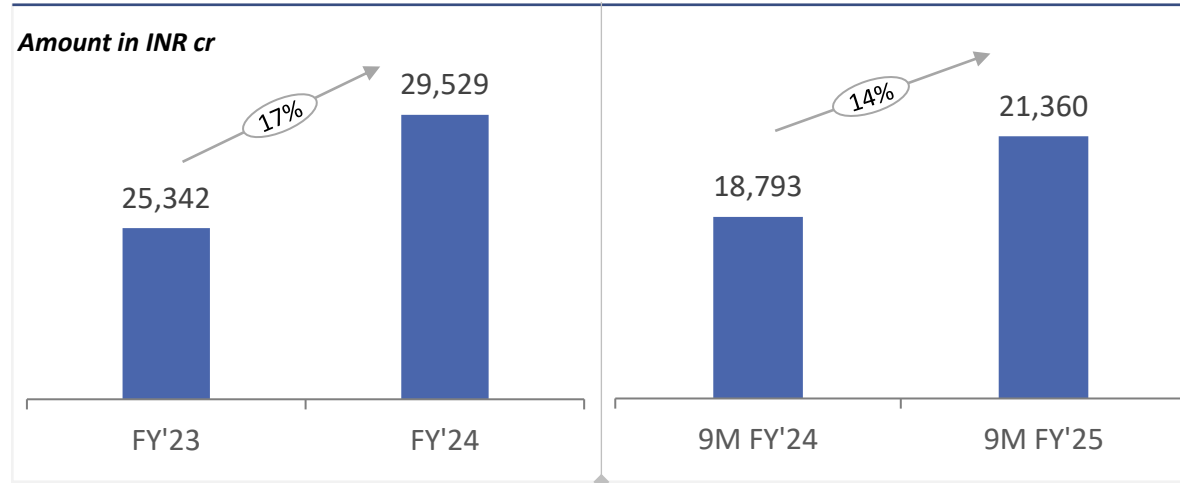
New Business Premiums (on APE¹ basis) –Driven by secular growth



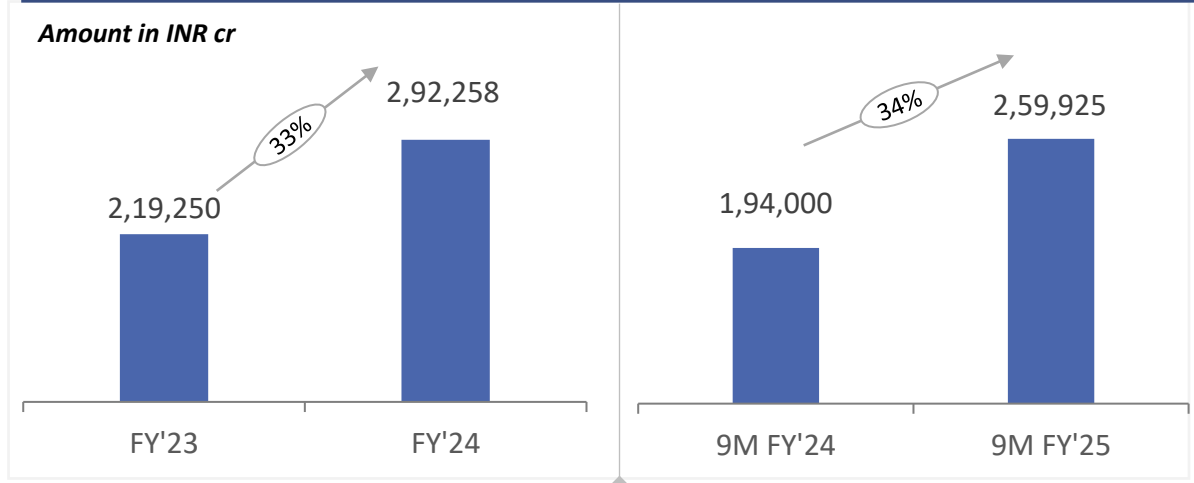
Renewal Income – Delivering consistent growth



Gross Written Premium – 14% growth in 9M FY'25

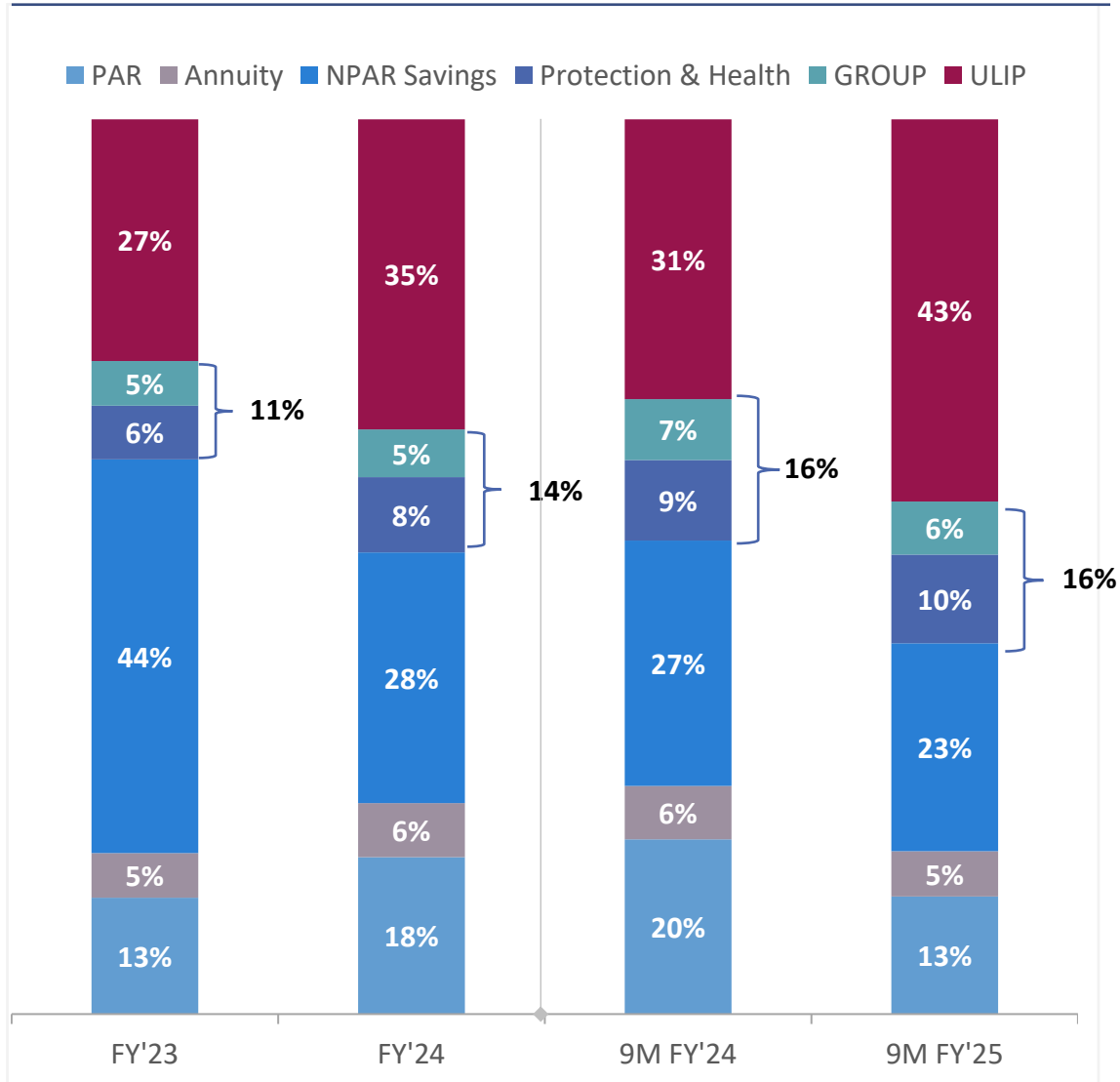


Individual Sum Assured of New business- Rank² 3 in individual sum assured



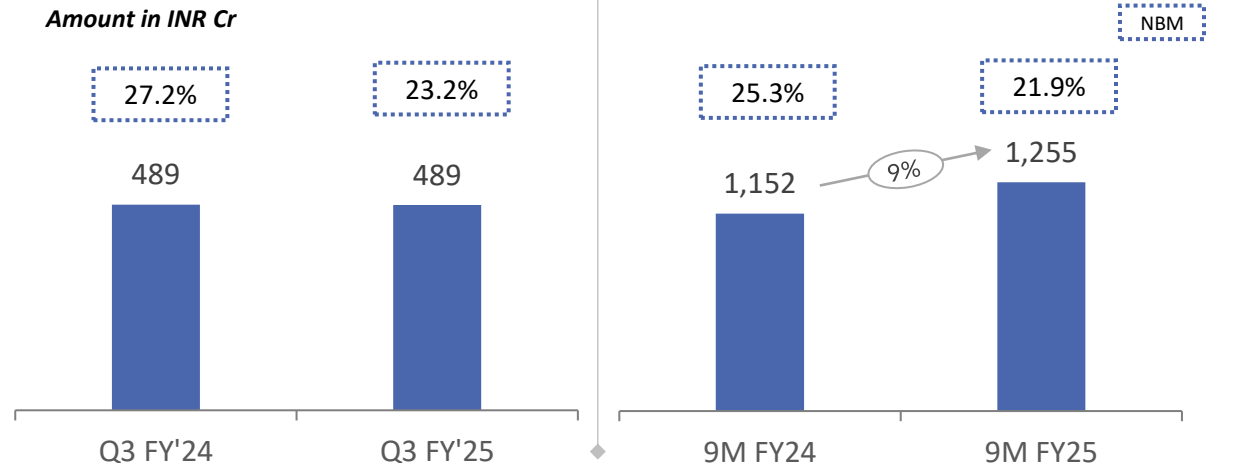
Note: ¹ Total APE excluding Group Term Life; ² Among Private Life Insurance Companies

Product Mix:



Line of Business [#]	9M FY'24	9M FY'25	Growth
Par	940	788	-16%
Annuity	288	304	5%
NPAR Savings	1,320	1396	6%
Protection & Health ²	434	594	37%
Group Credit Life ¹	74	87	18%
Group Term Life ¹	255	268	5%
ULIP	1505	2563	70%

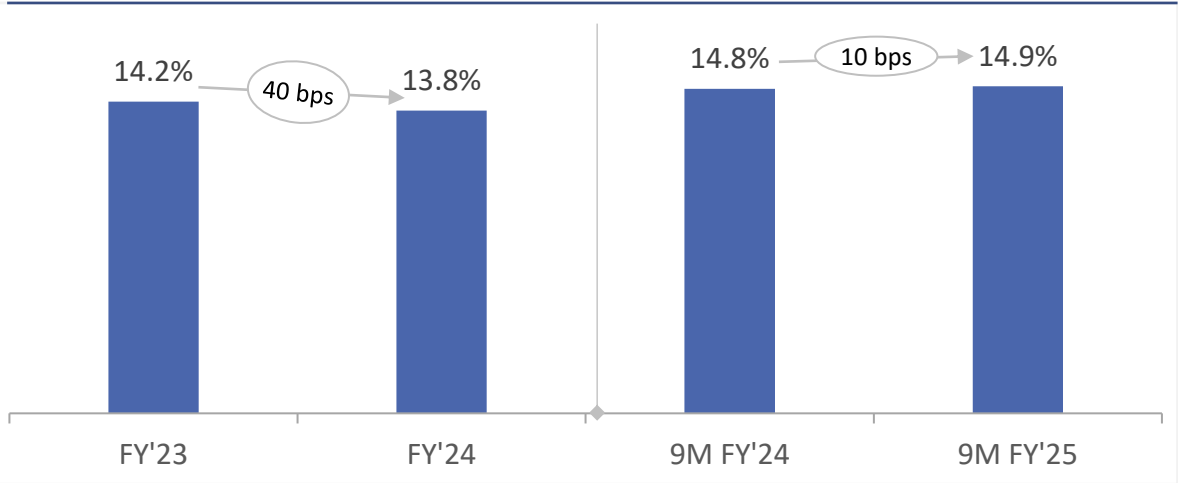
Value of New Business: Q3 NBM lower due to higher ULIP mix & surrender regulation impact



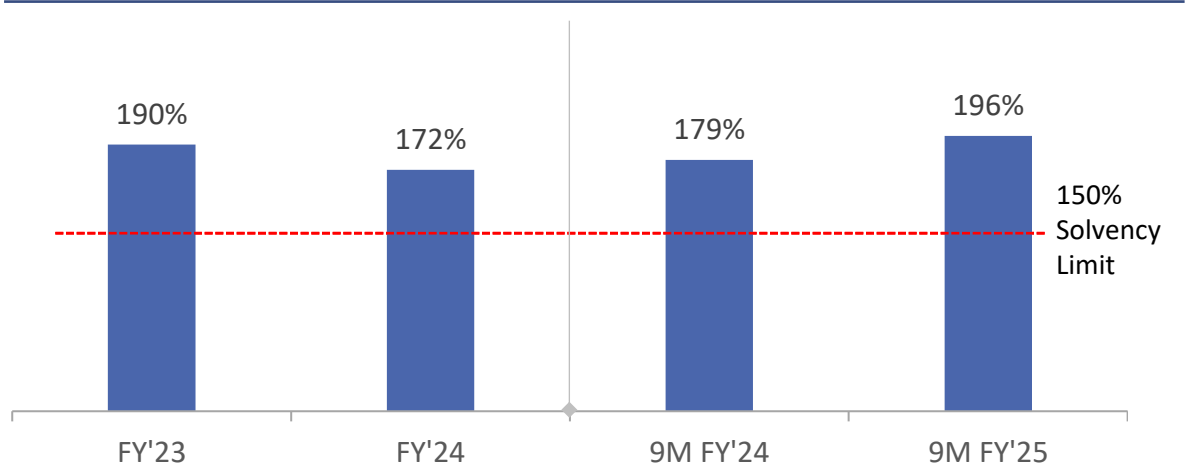
Note: Numbers may not add up to 100% due to rounding off, Group protection including Group INR credit life adjusted for 10% for single premium and term business, [#]Amounts in INR cr, ¹Group includes GTL & GCL;

²Retail protection includes riders except for Par riders

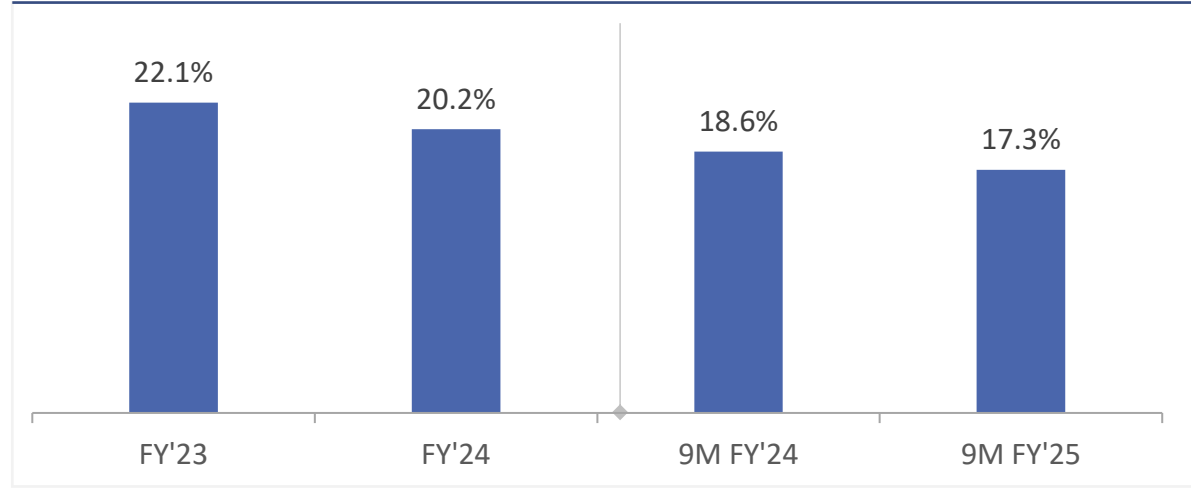
Opex to GWP: Investing towards building distribution



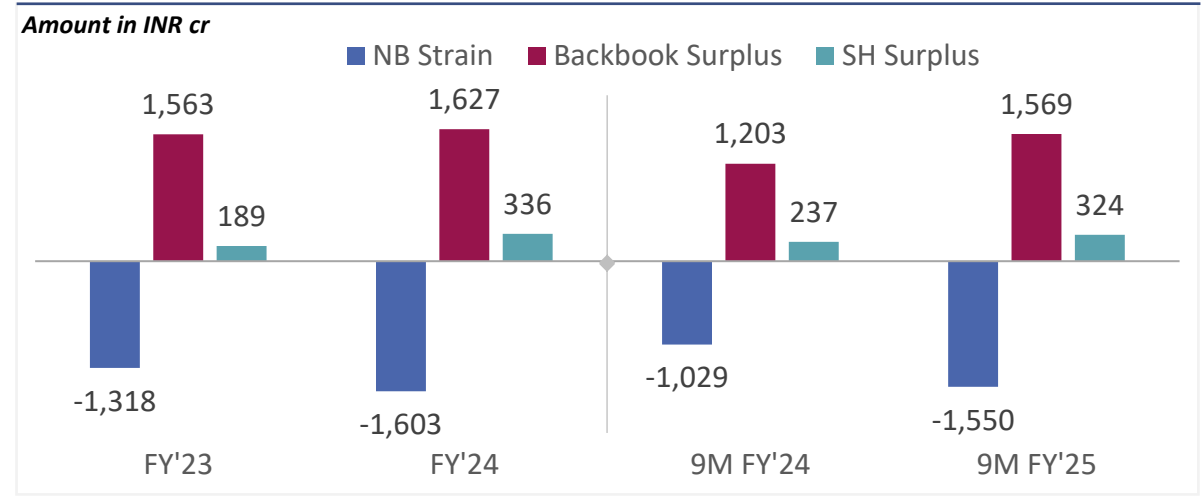
Solvency Ratio (Pre-dividend):



Operating RoEV:

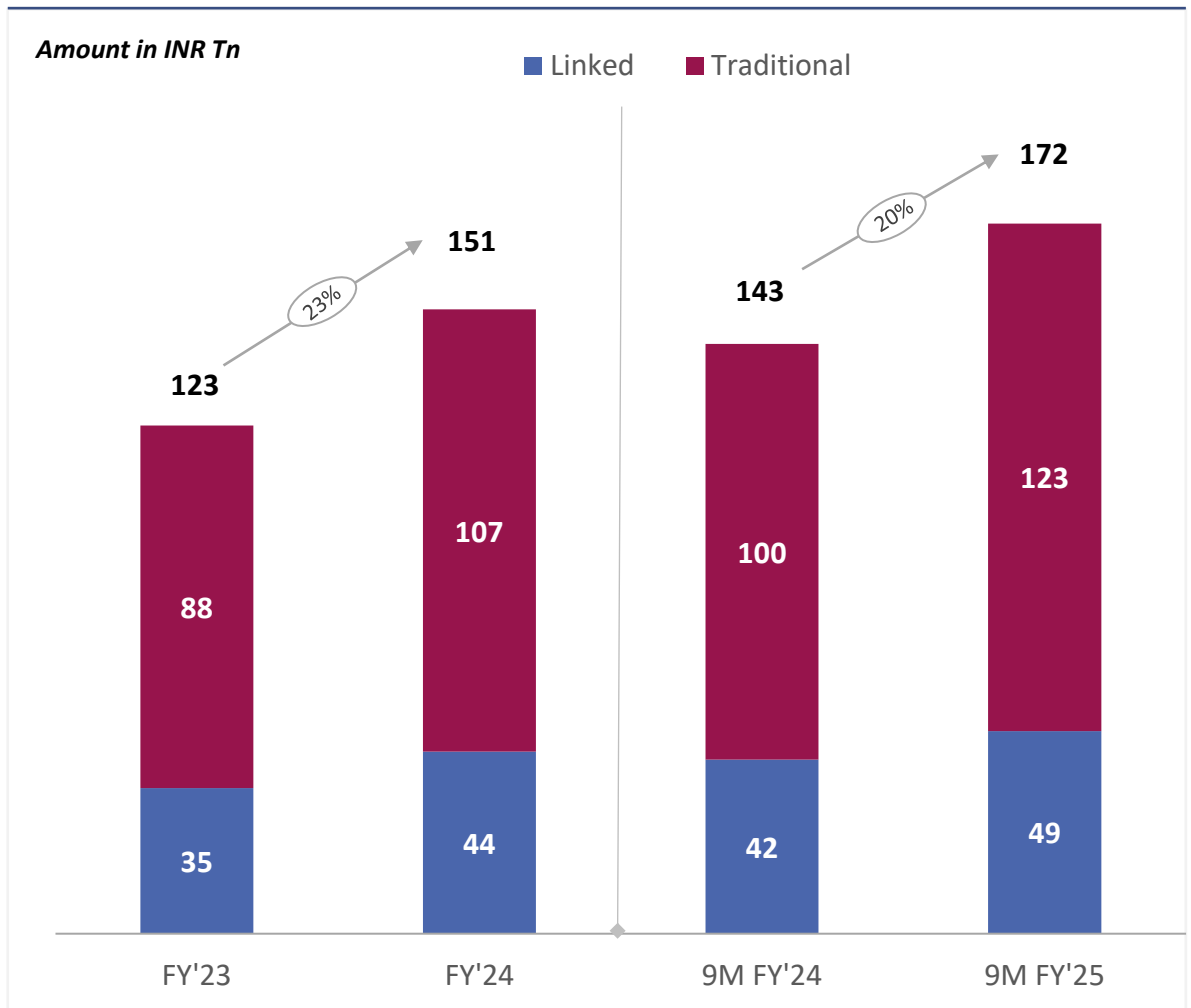


Underwriting Profits

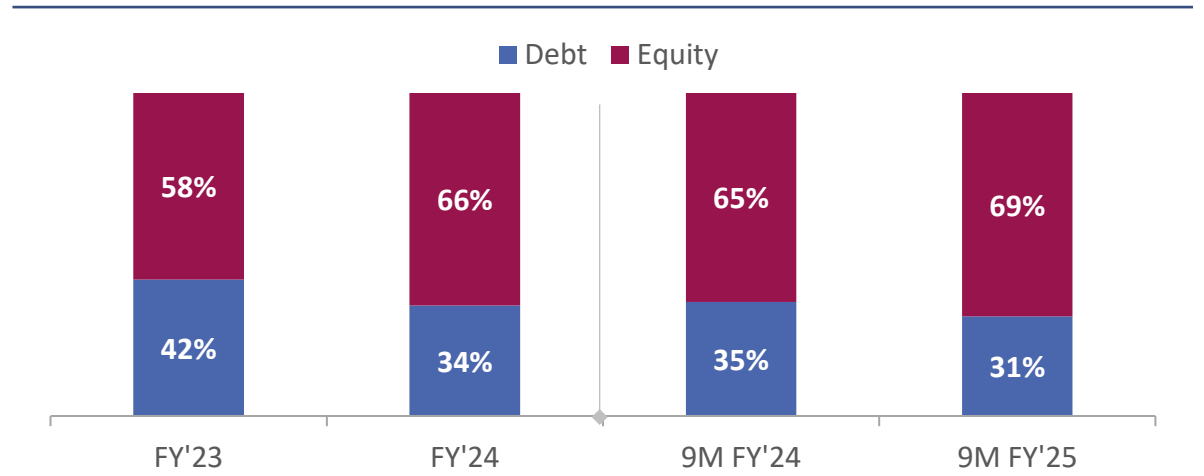


Axis Max Life has consistently grown its Asset Under Management¹, reached INR 1.7 Lakh crore

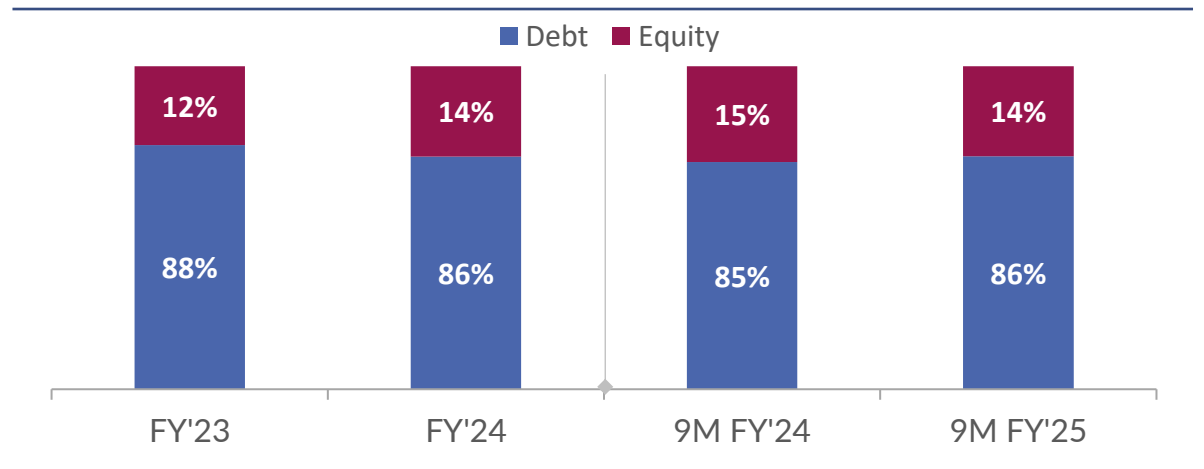
Assets Under Management - AMLI is the 4th largest² manager of private LI AUMs and Largest Par fund² AUM of ~75K cr



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

Note: ¹As of 31st Dec 2024, ²Largest Par fund as of Sept-24; MLI's AUM does not include Max PFM's AUM

Business Excellence



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



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



- 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



- Axis Max Life bagged ASQ South East Asia Team Excellence Awards (Gold) Industry & Innovation Winner for Project D2S (Digital to Sales)



- Clinched bronze for the '**Most Innovative Use of AI**' at the Financial Express FU Tech Awards!

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



- Wins "**Swift and Prompt Insurer**" Award at ET Now Insurance Summit



- Received **Environment Excellence Award, 2024** from the **Indian Chamber of Commerce** under the silver category amongst the service sector

- Winner of international recognition by South Asian Federation of Accountants (SAFA) for **best presented annual reports** for FY23

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 INR 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



- Recognized by Great Place To Work Institute in FY'25



- Bags Quality awards for P2S revenue model at 19th Six Sigma Competition 2024







SECTION III

- ▶ Axis Max Life Insurance: Business Strategy

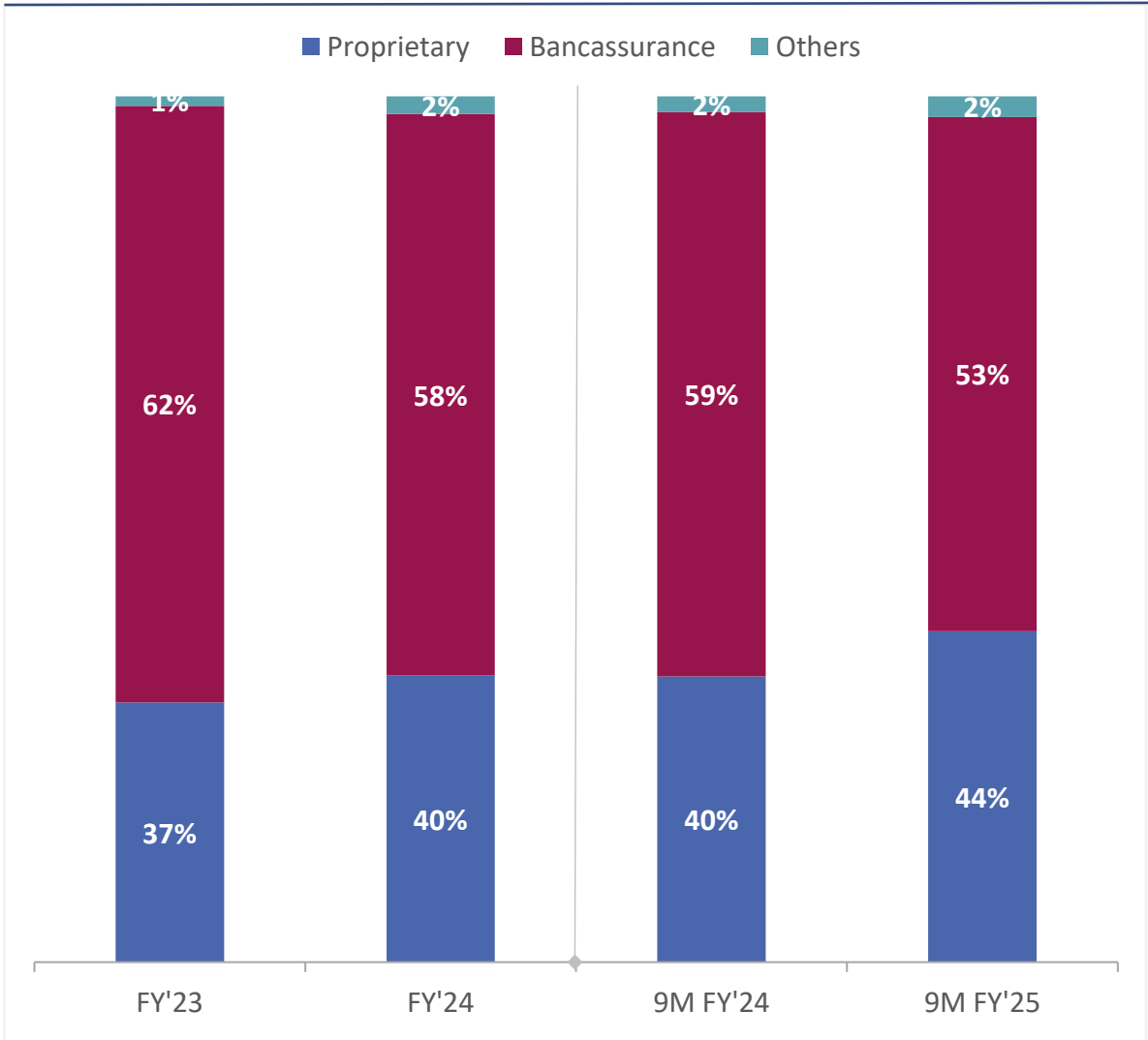
Aspirations

Progress achieved in 9M FY'25

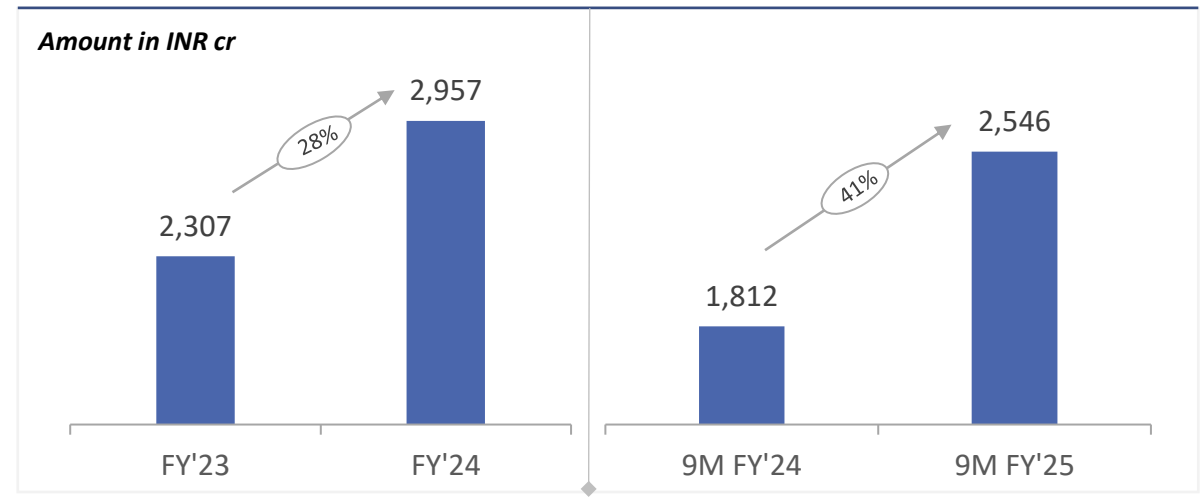
 <p>A</p>	 <p>B</p>	 <p>C</p>	 <p>D</p>
<p>Predictable & Sustainable growth</p>	<p>Product innovation to drive margins</p>	<p>Customer centricity across the value chain</p>	<p>Digitization for efficiency and intelligence</p>
<ul style="list-style-type: none"> Fastest growing profitable proprietary distribution 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
<ul style="list-style-type: none"> Strong growth[^] of 41% in Proprietary channels, Ecommerce grew by >100%, Direct channels grew by 26% & Agency grew by 21%. Overall online LI market Rank #1** in 9M FY25 with continued leadership in both Online Protection & Online Savings On-boarded 3 Bank & 15 GCL partner along with 8 new Corporate Agents and 7 Online/offline Broker. 	<ul style="list-style-type: none"> Retail Protection & Health grew by 37% and Annuity grew by 5%; GCL grew by 18% Individual Sum assured rank #3 in 9M FY'25 Rider attachment at 45% for 9M FY25 compared to 32% in 9M FY24, Rider APE grew by 250% Launched Sustainable Wealth 50 Index Fund NFO 	<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 cohorts particularly in 25th month persistency* at 72% improved by 250 bps Continued leadership position at 13th month NOP based persistency# at ~85% with improvement across the cohort especially in 37th & 49th month. NPS improved by 5 points from 56 in FY24 to 61 in Q3 FY25 	<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. UPI share reached an all-time high of 61%, contributing to an overall success rate and enhanced customer experience

Note: [^]Growth numbers are on APE basis; ^{*}Persistency for Regular/Limited pay policies; ^{**}Company estimates; [#]Rank for NOP based persistency is based on Q2 NOP based Persistency numbers

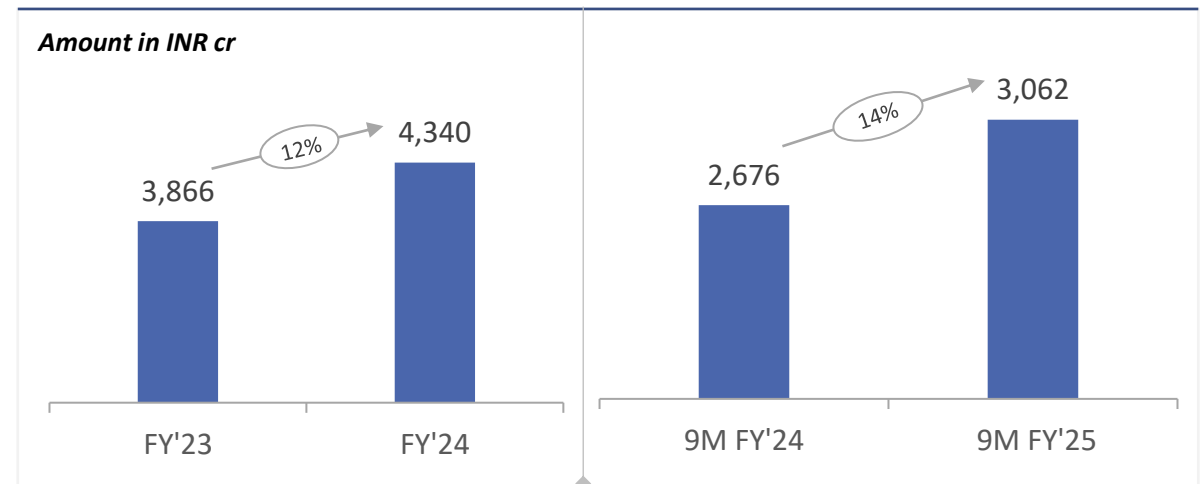
Channel Mix – Disproportionate focus towards growing proprietary channels



Proprietary Channels New Business (APE)*



Bancassurance Channel (APE)



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

Ecosystems Key partners signed by Max Life

Bancassurance



Corporate Agents



Group Credit Life*



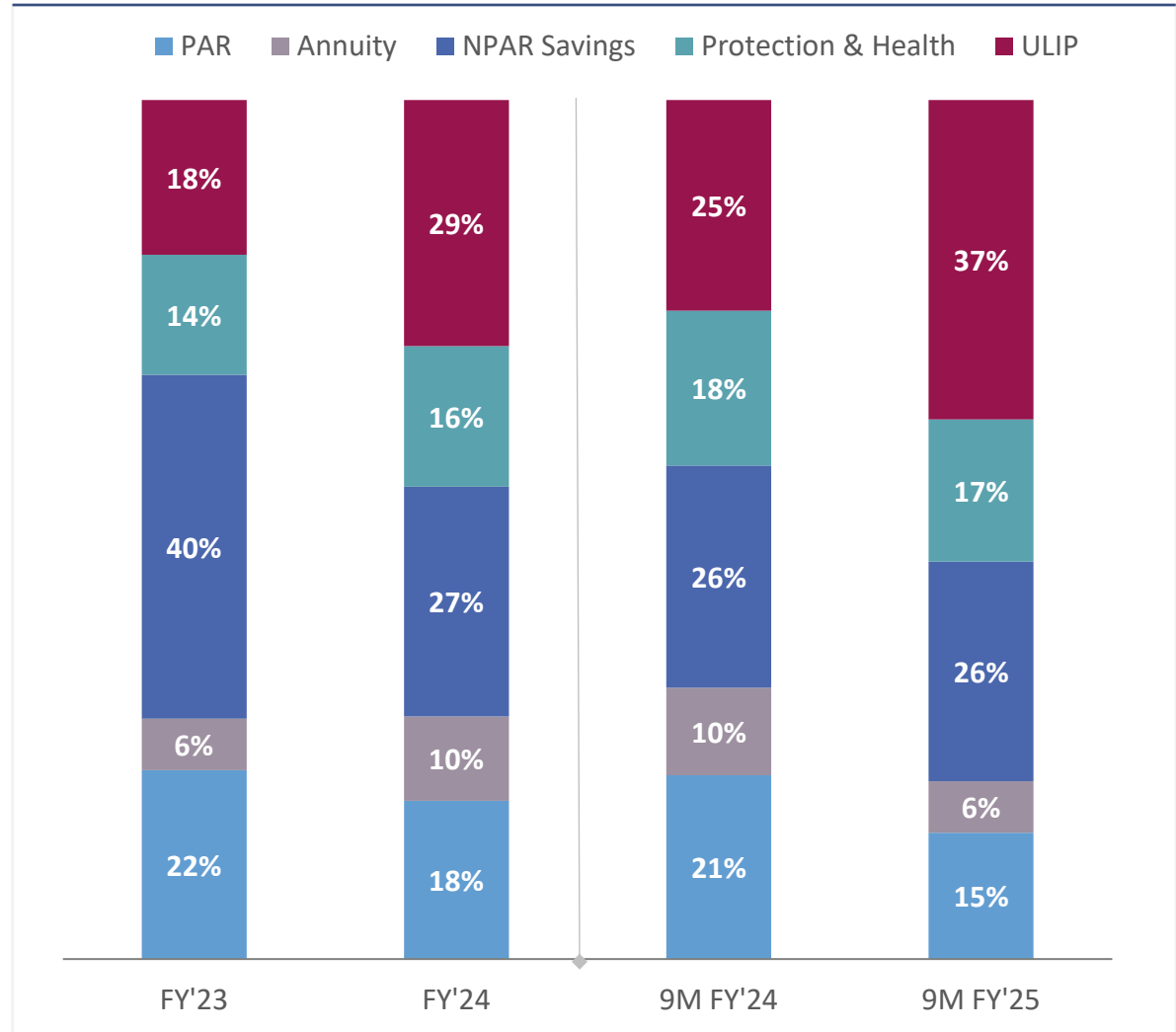
Online/Offline Brokers & others



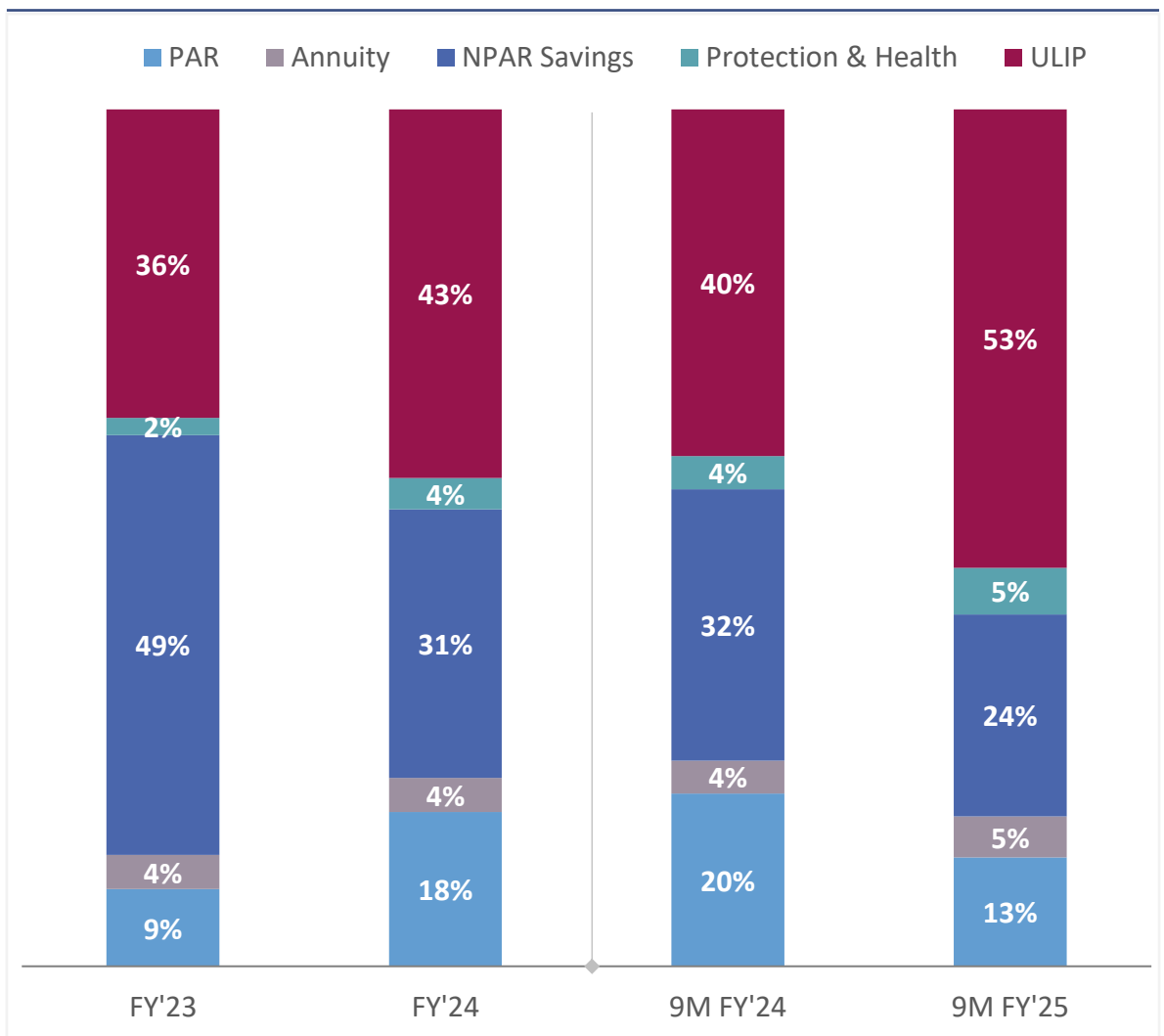
Medwell Insurance Broking



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



Bancassurance Product Mix



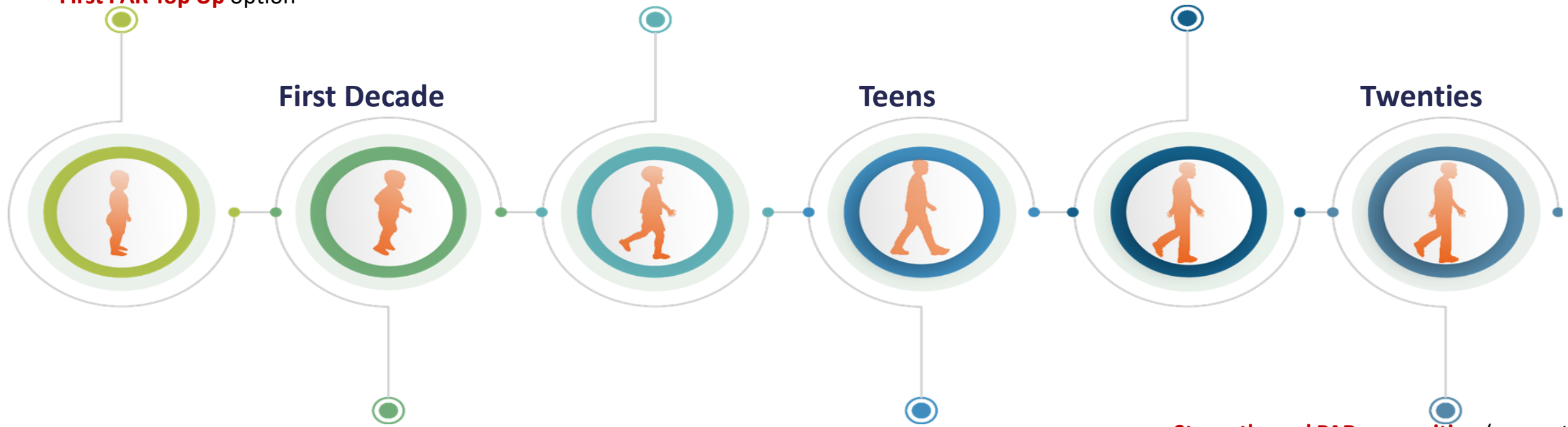
B Axis Max Life has been at the forefront of driving Products Innovation by INR creating first-in-industry propositions



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

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

- **Hedged Guarantees with Derivatives**
- Launched industry **First COVID-19 Rider** (diagnosis & death benefit)
- **Differentiated Term plan** with industry firsts (Special exit value, Premium holiday option)



- Enable Customer Obsession **through First "Freelook Period"**, became Regulation later
- **INR created Universal Life product** – Enable transparent customer participation in Debt market

- **Scaled "Monthly Income" category** first on Non PAR and then on PAR platforms

- **Strengthened PAR proposition** (guarantees under early income variant)
- Launched new savings proposition **Smart Fixed-return Digital Plan**
- Ventured into **health segment** with **Secure Earnings and Wellness Advantage**
- Launched **SWAG Elite** segment with industry first design of guaranteed endowment
- Launched **Smart term Plan Plus** with 7 variants ²¹ to better address customer needs

Benefits to cater to need of death, Health & Savings

Secure Earnings & Wellness Advantage Plan



Industry first design of guaranteed endowment

Max Life SWAG Elite Plan



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

Smart Total Elite Protection Term Plan



Income streams (Cash Bonus + Guaranteed)

Smart Wealth Advantage Growth Par Plan



Option to receive return of premium on maturity

Axis Max Life Smart Ultra Protect Rider



7 plan variants to better address customer needs

Axis Max Life Smart Term Plan Plus



B

Axis 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

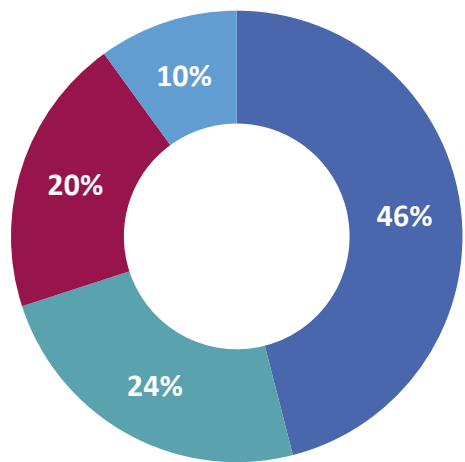


Axis Max Life has products across all categories

- 5** Protection plans
- 5** Income plans
- 5** 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	30
Guaranteed products	43	18	9
Health	37	23	23
Cancer Insurance	38	30	30
Pension	30	26	25
Annuity	61	59	3

As on 31thDec 2024

36

Average

27

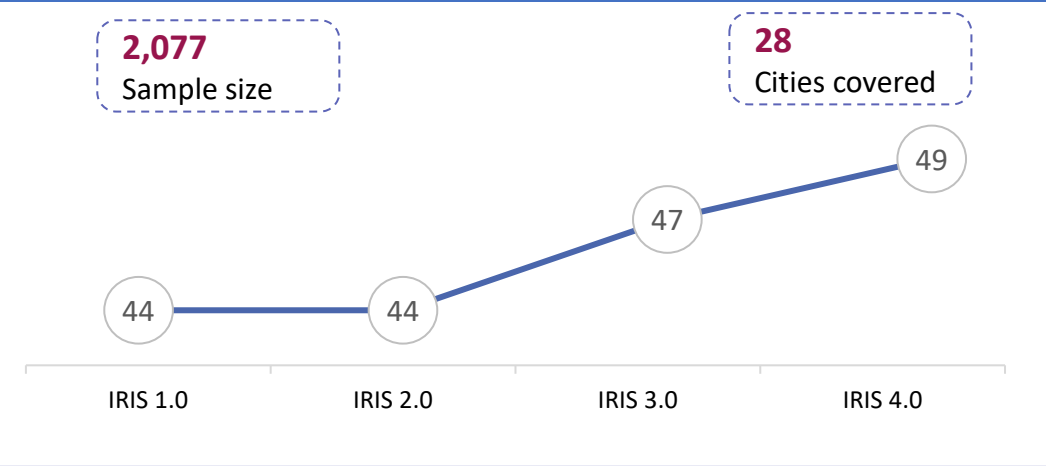
Average

16

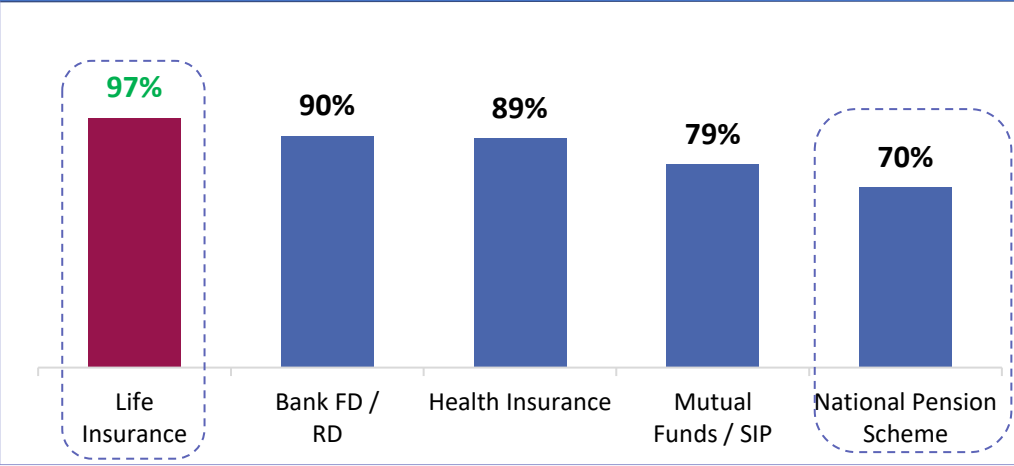
Average

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

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

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	<ul style="list-style-type: none"> Tax Saving Savings for future 	<ul style="list-style-type: none"> Tax Saving Lump-sum req. for big events (child's education, buy home, child's marriage) Savings for retirement 	<ul style="list-style-type: none"> Regular income stream until death Legacy planning
Axis Max Life's solutions	<ul style="list-style-type: none"> NPS account (Pension Fund Management - PFM) Pension plan 	<ul style="list-style-type: none"> Long Term Income (Smart Wealth Plan) NPS account (PFM) Pension plan Annuity 	<ul style="list-style-type: none"> Annuity



Max Life Pension Fund Management

- 79 corporates on-boarded
- >11,430 no. of PoP Subscribers
- Garnered INR ~1,554 cr AUM

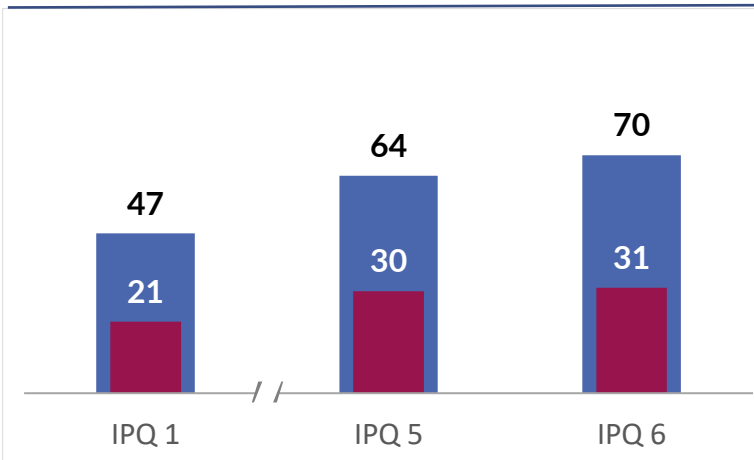
Smart Guaranteed Pension Plan

- 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

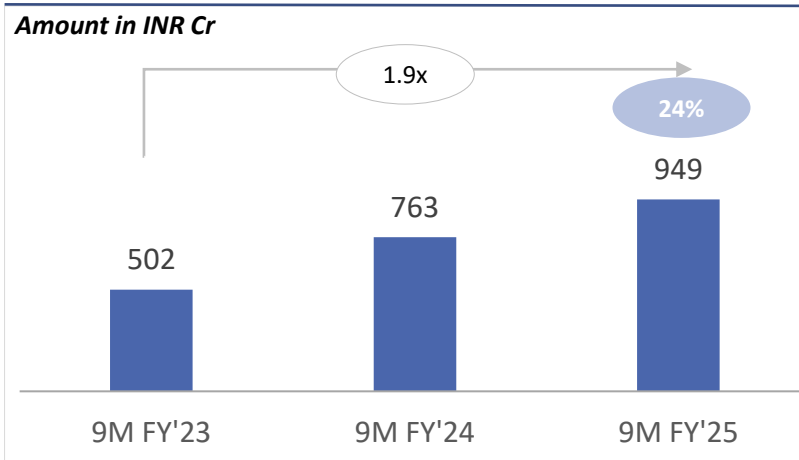
Awareness & Ownership Gap for Term Products¹



Customer Profiling and Selection

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

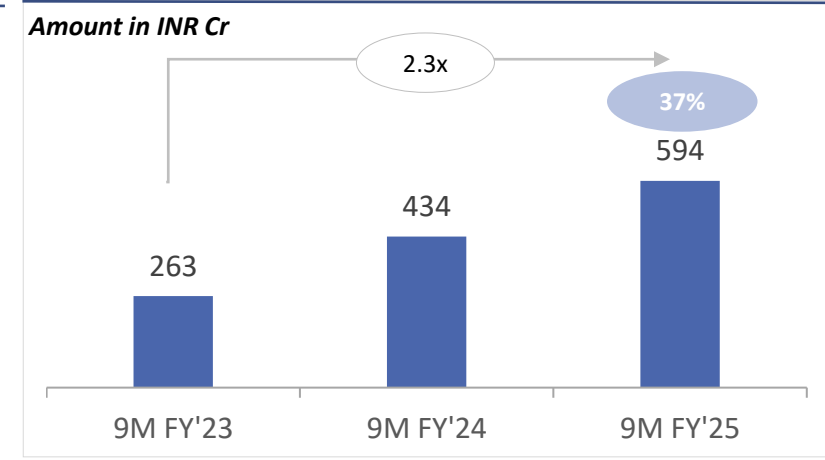
Total Protection² and Health APE



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

Retail Protection² and Health APE



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

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

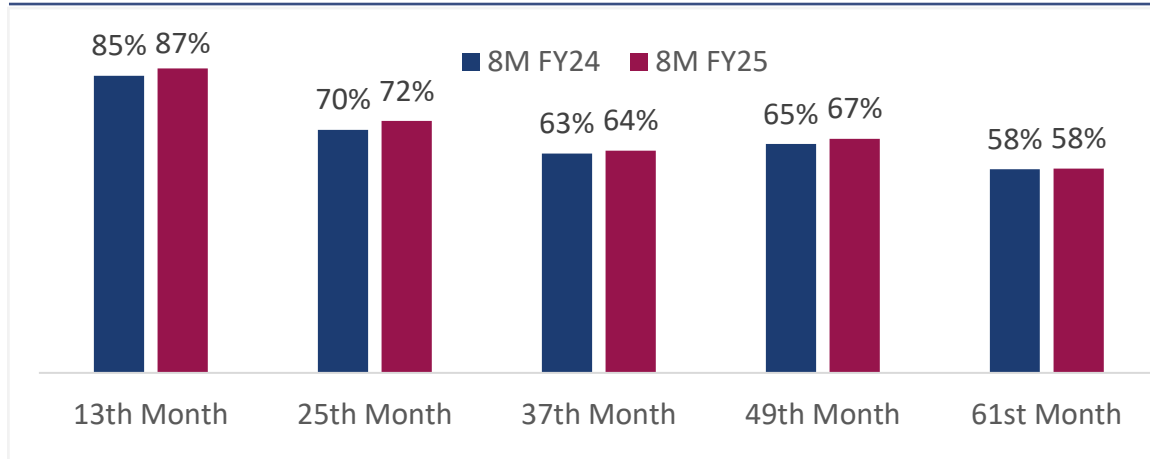
- Scope covered **non-participating asset and liability portfolio**. WTW tested a range of possible real-world interest rate scenarios[^] as at 30 June 2024
- Max Life's ALM framework and asset and liability positions are **appropriate to meet its stated objectives of protecting shareholder value and 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



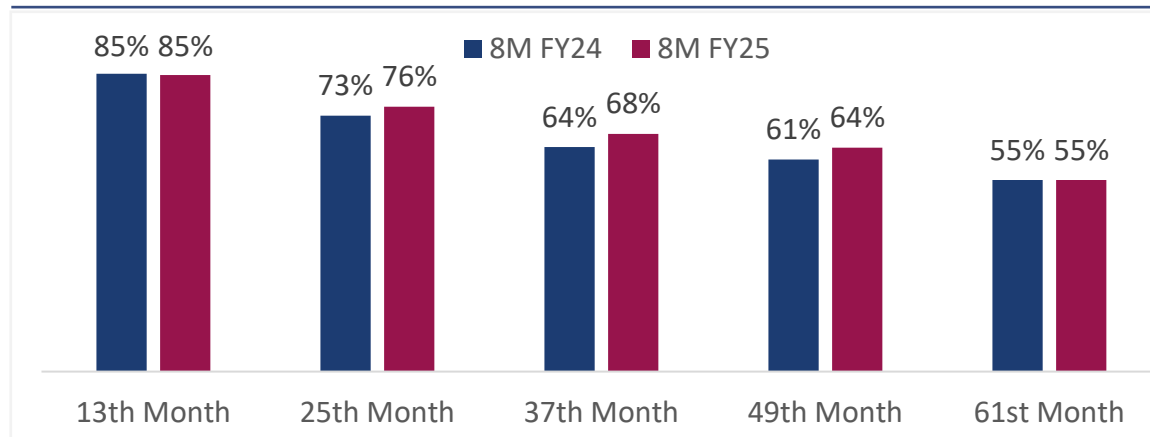
Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority



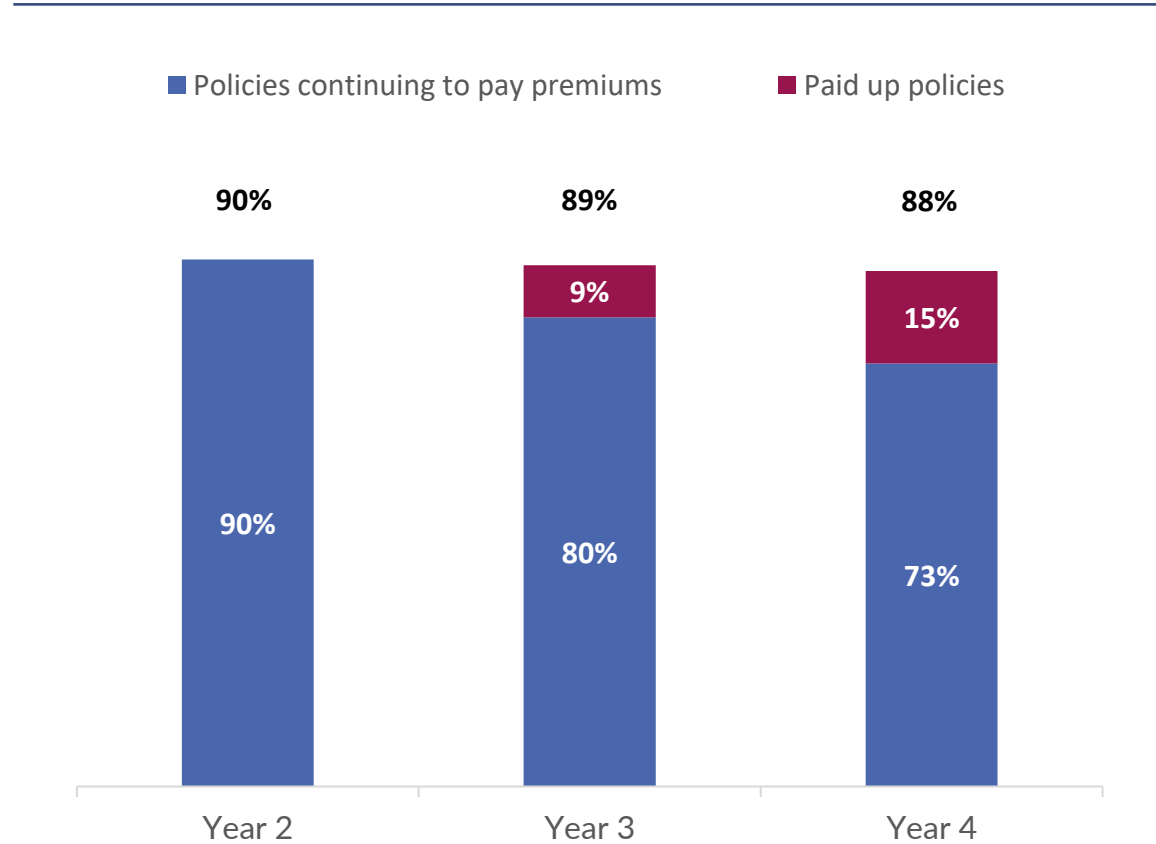
Persistency# (Premium)



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

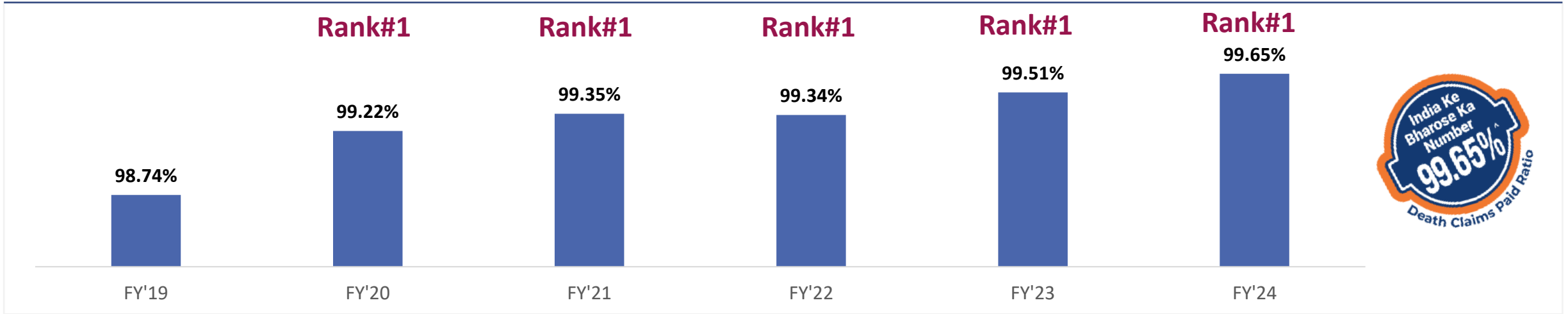
Note The persistency ratios are calculated in accordance with IRDA/ACT/CIR/GEN/21/02/2010 dated February 11, 2010 and IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021
 # Persistency for the period ending 31st Dec 24 for policies renewed from Dec 23 to Nov 24, Individual policies excluding single pay/fully paid up policies; 1 For Non Par Savings Policies



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



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 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
 # Persistency for the period ending 30th Sept 24 for policies renewed from Sept 23 to Aug 24, Individual policies excluding single pay/fully paid up policies; 1 For Non Par Savings Policies

Scale E-Commerce Business



1

Frictionless Onboarding/ Issuance



2

Digital Sales – Bancassurance & Partnerships of future



3

Digital Customer Service



4

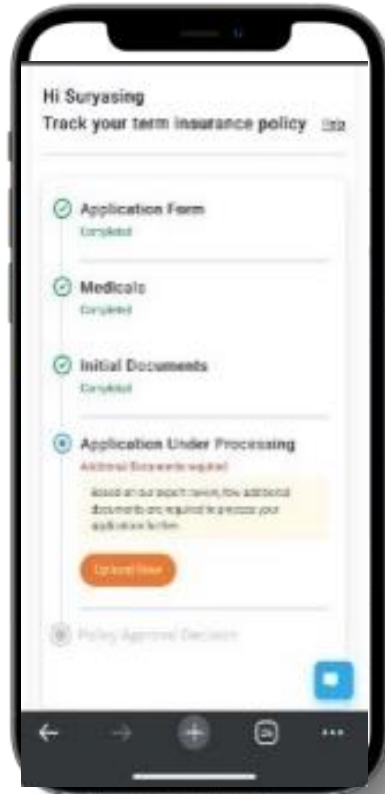
Pervasive Intelligence (AI/ML & Analytics embedded in all key processes)

5

Agile, Scalable, Resilient Technology Platforms

6

New Experience & Categories



- Real time status with expected issuance date.
- Simplified discrepancy and add info reasons
- Tracking of policy pack delivery
- Self-employed protection journey with PAYU & Cibil integration.
- Frictionless issuance without income proof requirement
- NRI specific journey's for term as well as savings.
- Retirement category
- Strong Growth in NRI direct business

FRICITIONLESS 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**

Digital Agency

Super App for SALES Force



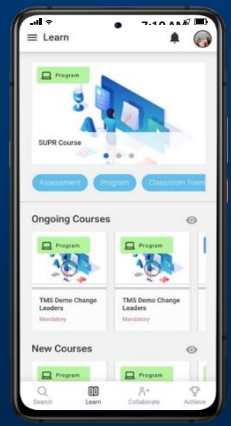
1800+ CAT Users on-boarded
2000+ Policy issued
2200+ Agency CUG Roll out in Jan



UNIFIED LEARNING & TRAINING MANAGEMENT



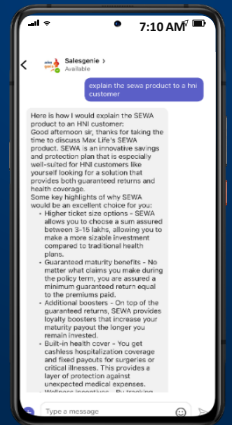
140% increase in module completion (Dec '24 vs Mar '24)
700+ Agency Arohan on mPitch Pro



SALES GENIE (SHAPER PROSPECTING)



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

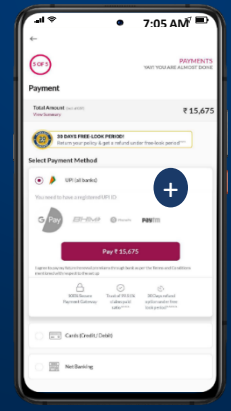


Banca Partnerships

D2C JOURNEY Smart Fixed Return Plan

1.35L

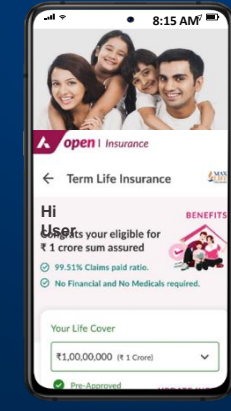
DIY customer acquired



ALTERNATE CHANNELS (including CAT Axis)

15%

Growth in customer repurchasing new product.



Integration Marketplace

>95% Reusable API

60% New Partner integration TTM reduced

D Leveraging generative AI for competitive advantage and digitizing customer service to deliver superior experiences



- 1. Sales Enablement
- 2. Customer Service
- 3. Employee Experience

Enterprise Grade use case development

sales genie

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

SEWA भावी

Conversational intelligence to resolve customer queries and emails.

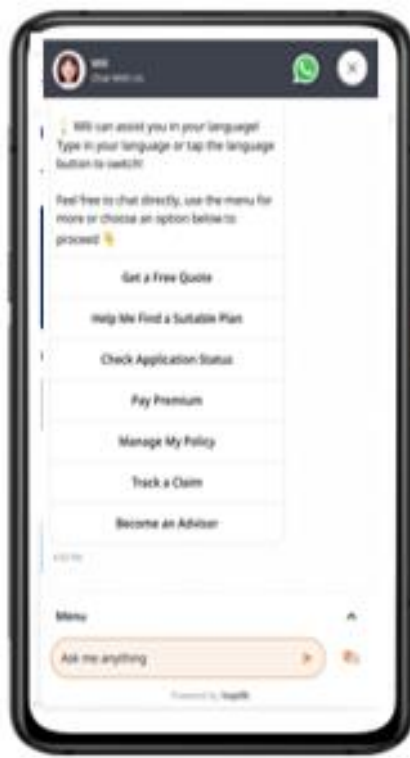
Leveraged in SEWA launch

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

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

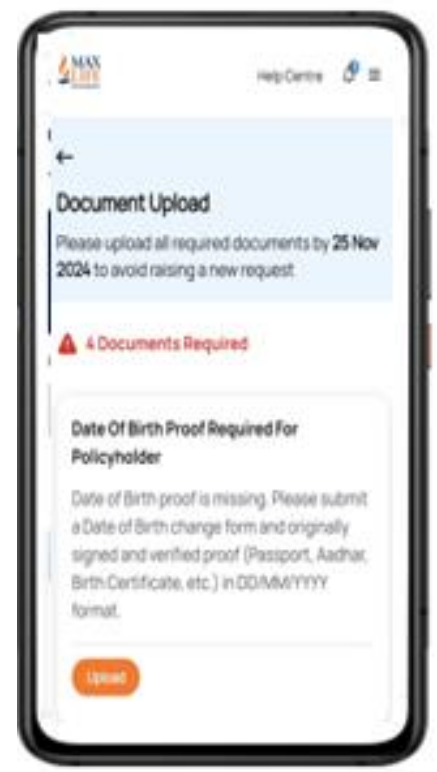
Automated KFDs, articles and vernacular communication

Revamped Chat-bot

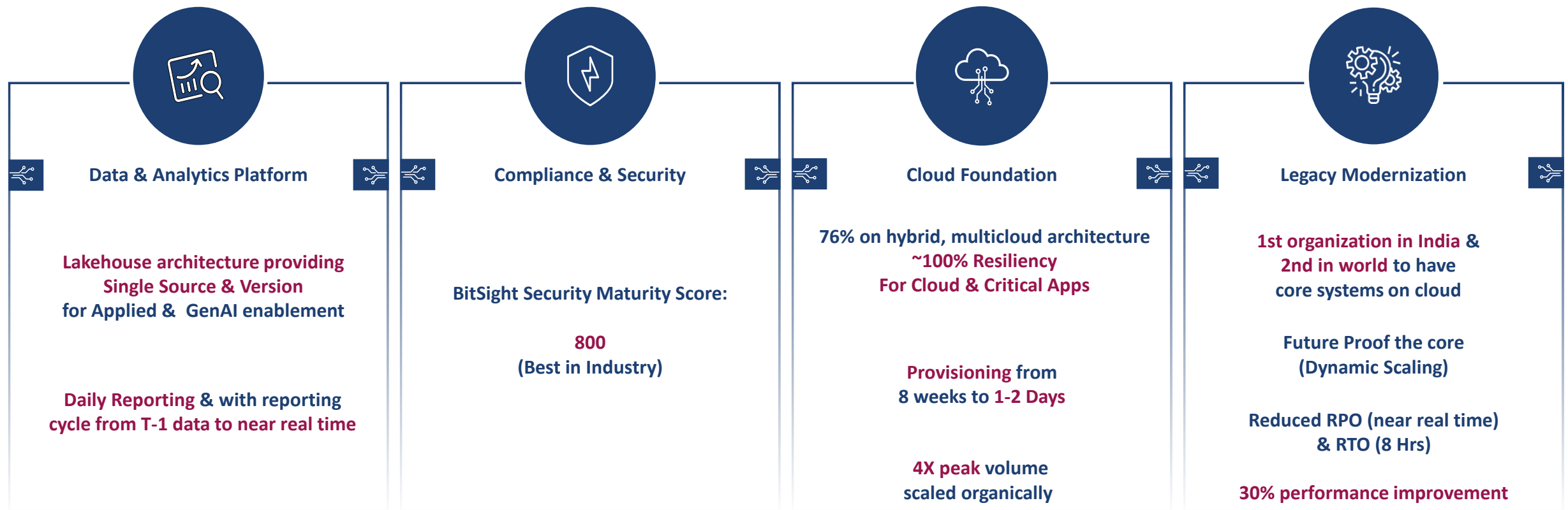


New Revamped Website Chatbot for enhanced experience on buying and servicing. GPT powered 'Search' to enable quick replies to customers and prospects queries

ACR Journey enabled on Website



Integrated journey with Website with auto trigger of communication so that customers can upload documents for pending requirements for open service requests.

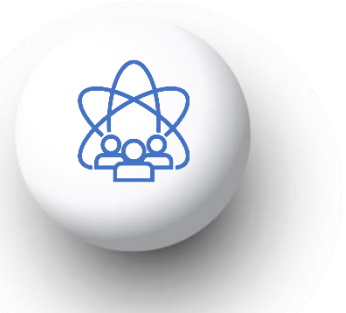




SECTION IV

▶ ESG





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 28.1% at Max Life as compared to 27.8% in Q2



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

24.2 lac students benefited from education efforts, 23.8K beneficiaries reached from financial literacy projects, and 47.2 K reached through 960 employee volunteers



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 for Q3 is 61



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: **~2320 KL** of STP water recycled in Three quarters (9M) of FY'24-25



Waste Management

Installed sanitary pad disposal at HO for sustainable menstrual hygiene management **~141 kg carbon equivalent** conserved in quarters (Q1 ,Q2,Q3) of FY 2024-25.
POC for installation of sanitary pad disposal at 24 locations of GO completed

Progress made in our key strategic shifts identified in our ESG journey- as on 31st December 2024

	Indicators	Key Metric for ESG Indicators	Key Targets	Current Status
	Digital Operations	Digital penetration	95% of digital penetration by FY 2026	91.42% as of 31 st Dec'24
	Diversity & Inclusion	Overall Gender Diversity Ratio	Achieve 28% gender diversity ratio by FY25	28.1% as of 31 st Dec'24
	Workforce Training	Number of learning hours to upskill and reskill employees	40 learning hours per employee FY 2025	37 learning hours achieved against the target of 30 learning hours till Q3
	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 reduce carbon emissions by 80%# by FY28	<ul style="list-style-type: none"> Green energy feasibility study to be conducted for 90C by C&W Identification of branches for green energy at Maharashtra is underway

Our target is subject to review and adjustment based on the findings of the green energy feasibility study which is underway and industry benchmarking.

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

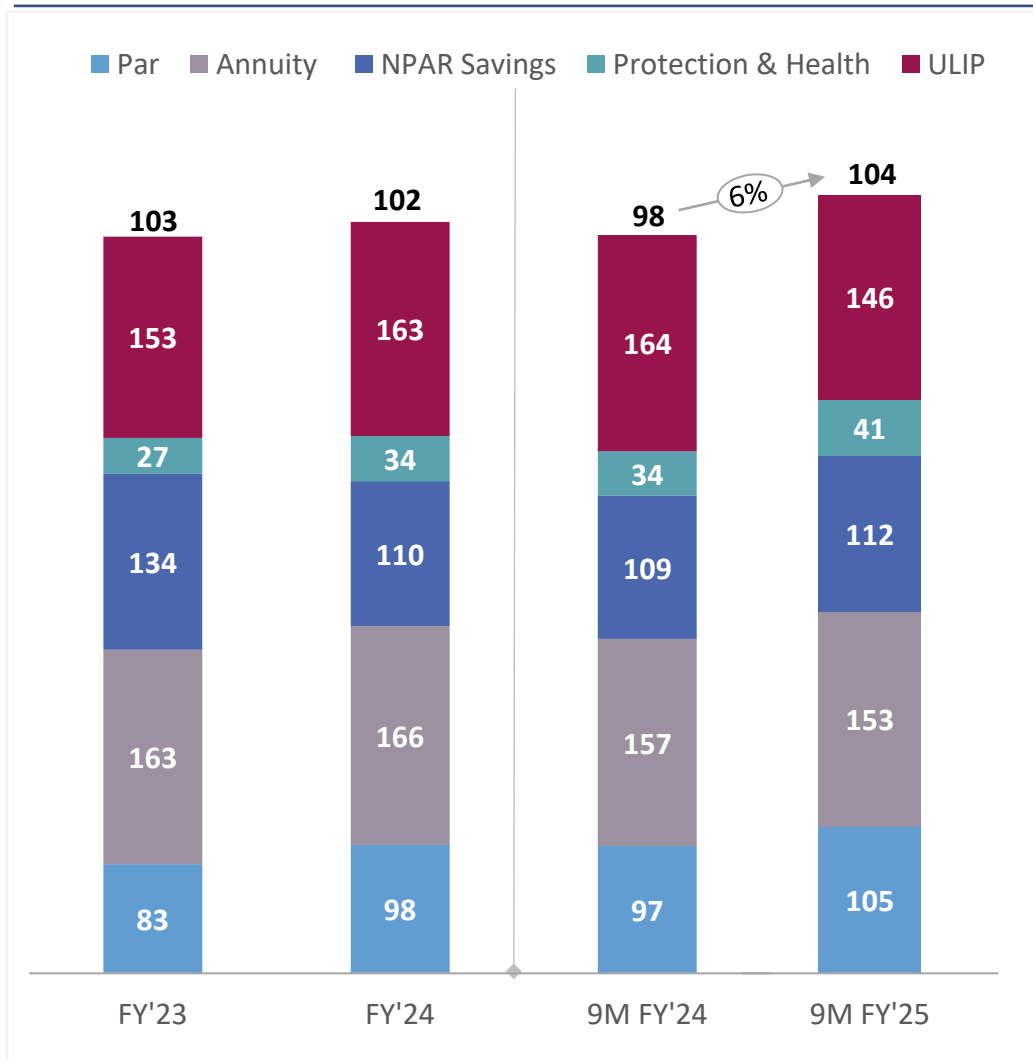
^ESG compliance refers to all ESG rating categories excluding severe risk category , as per rating agency scores



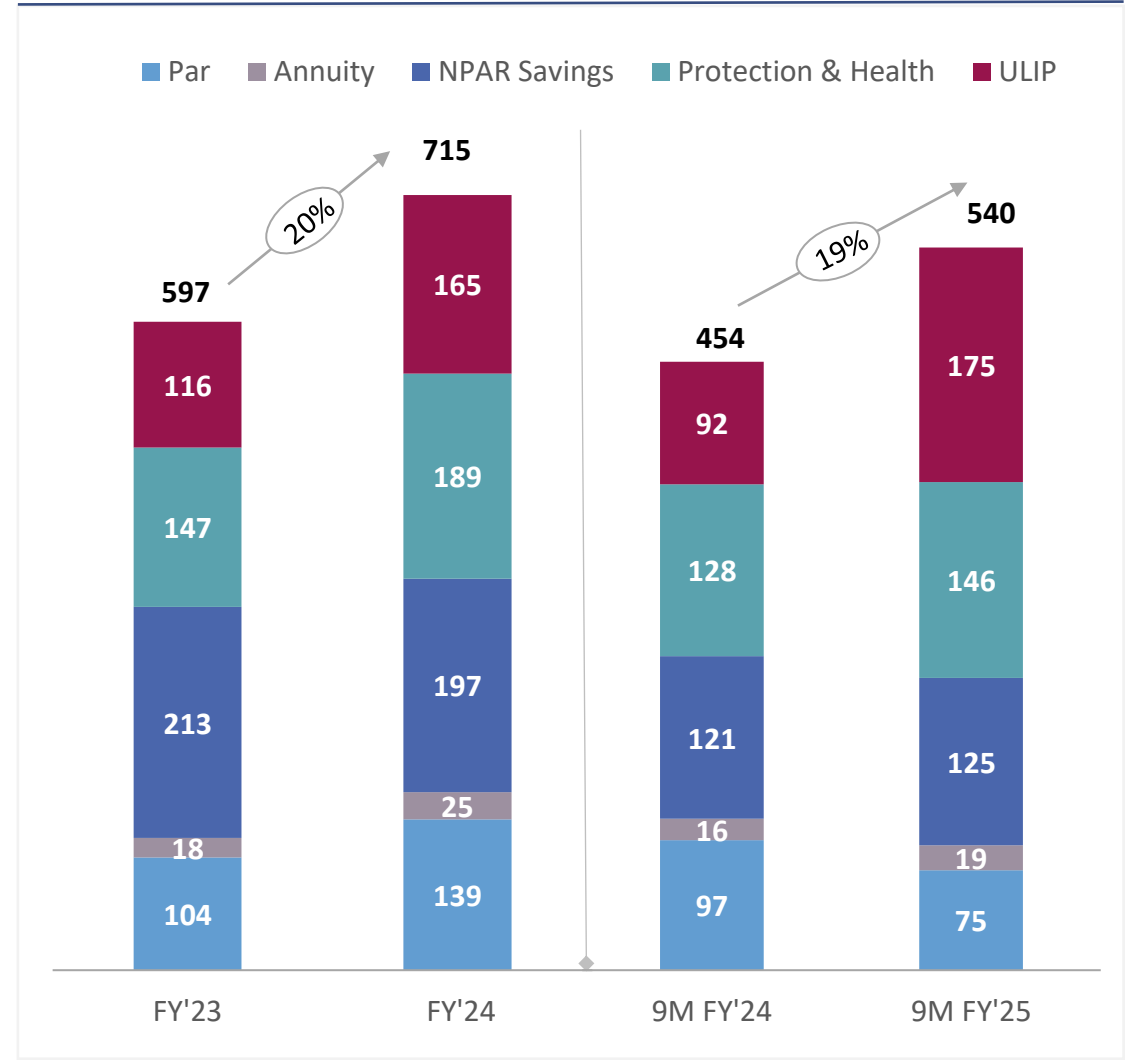
Annexures

Expansion in both case size and number of policies sold in 9M FY'25

Case Size (INR'000)



NoP's (000's)



Sensitivity analysis as at 30th September 2024

Sensitivity	EV		Value of new business		New Business Margin	
	Value (cr)	% change	VNB (cr)	% change	NBM	% change
Base Case	234	-	7.7	-	21.2%	-
Lapse/Surrender - 10% increase	235	0.7%	7.5	(2.4%)	20.6%	(0.6%)
Lapse/Surrender - 10% decrease	231	(0.8%)	8.8	2.4%	21.7%	0.5%
Mortality - 10% increase	227	(2.6%)	7.0	(8.9%)	19.3%	(1.9%)
Mortality - 10% decrease	239	2.6%	8.4	8.9%	23.0%	1.8%
Expenses - 10% increase	231	(0.9%)	6.8	(11.3%)	18.8%	(2.4%)
Expenses - 10% decrease	235	0.9%	8.5	11.3%	23.5%	2.3%
Risk free rates - 1% increase	228	(2.4%)	7.4	(3.1%)	20.5%	(0.7%)
Risk free rates - 1% reduction	239	2.3%	7.9	3.2%	21.8%	0.6%
Equity values - 10% immediate rise	237	1.6%	7.7	Negligible	21.2%	Negligible
Equity values - 10% immediate fall	230	(1.6%)	7.7	Negligible	21.2%	Negligible
Corporate tax Rate - 2% increase	229	(2.1%)	7.4	(3.6%)	20.4%	-0.8%
Corporate tax Rate - 2% decrease	238	2.1%	7.9	3.6%	21.9%	0.7%
Corporate tax rate increased to 25%	211	(9.6%)	6.0	(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.

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 Axis 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.

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.

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).

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FBIL¹ as at December 2024. The VNB is calculated using the beginning of respective quarter's risk free yield curve (i.e. 31st March 2024, 30th June 2024 and 30th September 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 31st December, 2024 spot rate (semi annualized) yield curves used are:

Year	1	2	3	4	5	10	15	20	25	30	40	50
Dec-24	6.68%	6.70%	6.72%	6.72%	6.73%	6.76%	6.91%	7.00%	7.11%	7.20%	7.25%	7.23%
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	-0.31%	-0.32%	-0.32%	-0.34%	-0.32%	-0.31%	-0.18%	-0.10%	-0.02%	0.05%	0.03%	0.20%

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.

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.

Thank You



[^]Individual Death Claims Paid Ratio as per Audited Financials for FY 2023-2024 | ^{*}As per public disclosure for H1 FY 2024 - 2025