

March 3, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 021

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

Scrip Code: 500271

Scrip Code: MFSL

Dear Sir/Madam,

Sub. **Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

We wish to inform that our material subsidiary company, Max Life Insurance Company Limited engaged Willis Towers Watson Actuarial Advisory LLP (WTW) to review the embedded value results prepared by Max Life. The review covered the embedded value as at 31 December 2022 and the value of new business (VNB) written during the period 1 April 2022 to 31 December 2022.

The copy of WTW's opinion is attached herewith for reference.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully

for **Max Financial Services Limited**

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above



3 March 2023

The Board of Directors
Max Life Insurance Company Limited
DLF Square Building, Jacaranda Marg, DLF City Phase II
Gurugram 122022, Haryana, India India

Dear Sirs,

WTW Opinion on Embedded Value as at 31 December 2022

Willis Towers Watson Actuarial Advisory LLP ("WTW", "we", "us" or "our") has been engaged by Max Life Insurance Company Limited ("Max Life", "the Company", "you" or "your") to review the embedded value results prepared by Max Life. The review covered the embedded value as at 31 December 2022 and the value of new business (VNB) written during the period 1 April 2022 to 31 December 2022 ("embedded value result").

Scope of work

Our scope of work covered:

- A review of the methodology assumptions used to determine the embedded value results; and
- A review of the results of Max Life's calculation of the embedded value results.

Opinion

WTW has concluded that the methodology and assumptions as reviewed by us comply with the standards issued by the Institute of Actuaries of India within the Actuarial Practice Standard 10 ("Indian Embedded Value Principles") in all material respects, and in particular that:

- the economic assumptions used are internally consistent and result in the projected cash-flows being valued in line with the prices of similar cash-flows that are traded on the capital markets;
- the demographic assumptions have been set with appropriate regard to the past, current and expected future experience;
- the Required Capital has been determined and projected on the basis of Max Life's internal capital target of 170% of the Required Solvency Margin and has been assessed from a shareholders' perspective;
- allowance has been made for the Cost of Residual Non-Hedgeable Risks; and
- for participating business, the assumed bonus rates, and allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

WTW has also undertaken a high-level review of the results of the calculations performed by Max Life based on analysis of key ratios and review of explanations provided to us by Max Life. On the basis of this review, WTW has confirmed that no issues have been discovered that have a material impact on the disclosed embedded value results.

In arriving at these conclusions, WTW has relied on data and information provided by the Company. To the fullest extent permitted by applicable law, WTW does not accept or assume any responsibility, duty of care or liability to anyone other than Max Life for or in connection with this work, the opinions it has formed or for any statement set forth in this conclusion. This Opinion is made solely to Max Life in accordance with the terms of engagement letter dated 24 February 2023.

Kunj Behari Maheshwari, FIAI
Partner



Abhishek Chadha, FIAI
Partner

Willis Towers Watson Actuarial Advisory LLP

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