

MAX FINANCIAL SERVICES Q4 PROFIT AFTER TAX RISES 106% TO Rs 144 CRORE; MAX LIFE RECORDS HIGHEST EVER NEW BUSINESS MARGIN (NBM) OF 27.4%; VALUE OF NEW BUSINESS SURGES 22% IN FY22

Max Life Results Highlights (FY22):

- **Value of New Business at Rs 1,528 Cr, Up 22%; Up 31% on 2-year CAGR**
- **Embedded Value at Rs 14,174 Cr; Operating RoEV at 20.1%****
- **Total Assets Under Management (AUM): Rs 1,07,510 Cr, Up 19%**
- **Total New Business Premium: Rs 7,905 Cr, Up 16%**

10th May 2022, New Delhi

Max Financial Services Limited (MFSL) today announced its financial results for the quarter (Q4) and the financial year FY22. During Q4FY22, the Company reported consolidated revenues of Rs 8,962 crore, 8% lower than previous year, due to lower investment income. Excluding investment income, the consolidated revenues grew 12%. The consolidated Profit after Tax stood at Rs 144 crore, up a staggering 106% from Rs 70 crore in the year-ago period.

During FY22, the Company reported consolidated revenues of Rs. 31,188 crore which was marginally lower than the previous year due to lower investment income. Excluding investment income, the consolidated revenues grew 17%.

The Company recorded a Consolidated Profit after Tax of Rs. 318 crore, 43% lower compared to the previous year. The decline in the Profit after Tax was primarily due to COVID-19-related provision in the current year and one-off items in previous year.

During the financial year, Max Life – MFSL’s sole operating subsidiary – achieved highest ever New Business Margin (NBM) of 27.4% in FY22, an increase of 215 bps and the Value of New Business (VNB) was Rs 1,528 crore (post overrun), an annual growth of 22%. The 22% growth in VNB has been achieved on a high base of 39% VNB growth achieved in FY21. On a 2-year CAGR, the VNB growth stood at an industry best of 31%.

Max Life reported an Embedded Value of Rs 14,174 crore, while the Operating Return on EV (RoEV) over FY22 stood at 20.1%**; including non-operating variances and adding the dividends, the RoEV came to 19.8%.

Max Life total new business premium (individual and group) increased 16% to Rs 7,905 crore. In addition, the renewal premium income (including group) grew 19% to Rs 14,509 crore, taking the gross premium to Rs 22,414 crore, an increase of 18% over the previous financial year. The operating expenses (policyholders) to net premium ratio improved from 14.2% in FY21 to 13.5% in FY22 due to effective cost management efforts and higher business growth.

Max Life’s assets under management (AUM) were Rs 1,07,510 crore as on March 31, 2022 – a rise of 19% over the previous year.

* Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

** Before Covid impact

This strong performance was despite a more severe impact of the second wave of COVID-19 compared with the first wave. Claim experiences were higher than expected across all lines of businesses with significantly higher variance for Protection and Group businesses. Max Life maintained its 4th rank in the private industry.

Max Life conducted the 'India Retirement Index Study' (IRIS) in partnership with Karvy Insights. India's Retirement Index stood at 44 in terms of health and financial preparedness and is a key retirement concern amongst Indians. It also released its ESG Report 2021 during the quarter under review, which focuses on the company's transition to become one of the most sustainable workplaces that provide a conducive environment for the growth of its employees.

Lastly, following the appointment of Max Life as a 'Sponsor' of the Pension Fund, the Pension Fund Management (PFM) entity was incorporated and registered with the Ministry of Corporate Affairs.

Mr. Mohit Talwar, Managing Director, Max Financial Services, said, "Our strong Q4 numbers are a result of our consistent efforts in driving profitable growth across our channels by optimizing for product mix."

About Max Financial Services Limited:

Max Financial Services Limited (MFSL) is part of India's leading business conglomerate – the Max Group. Focused on Life Insurance, MSFL owns and actively manages an 81.83% majority stake in Max Life Insurance, India's largest non-bank, private life insurance company.

MFSL recorded consolidate revenues of Rs 31,288 Cr during FY21 and a Profit After Tax of Rs 560 Cr.

The company is listed on the NSE and BSE. Besides a 14.7% holding by Analjit Singh and sponsor family, some of the other group shareholders include MSI, Ward ferry, New York Life, Baron, Vanguard, Jupiter, Blackrock, and the Asset Management Companies of Nippon, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, DSP and Kotak.

About Max Life Insurance Company:

Max Life is the sole operating subsidiary of Max Financial Services Limited. Max Life - a part of the \$4-Bn Max Group Max group, an Indian multi business corporation – is India's largest non-bank private life insurer and the fourth largest private life insurance company.

On April 6, 2021, Axis Bank Limited, India's third-largest private sector bank, together with its subsidiaries Axis Capital Limited and Axis Securities Limited (collectively referred to as "Axis Entities") became the co-promoters of Max Life. This was after completion of the acquisition of 12.99% stake collectively by the Axis Entities in Max Life.

Under the deal, the Axis Entities have a right to acquire an additional stake of up to 7% in Max Life, in one or more tranches, subject to regulatory approvals.

* Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

** Before Covid impact

Max Life offers comprehensive protection and long-term savings solutions, through its multichannel distribution including agency and third distribution partners. Max Life has built its operations over almost two decades through need-based sales process, a customer-centric approach to engagement and service delivery and trained human capital. It has 358 branch units across India as of March 31, 2021.

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