Max Group

Investor Presentation
February 2016

www.maxfinancialservices.com
www.maxindia.com
www.maxvil.com

BSE Scrip Code: 500271, NSE Ticker: MAX, Bloomberg: MAX:IN

Max Group Vision

"To be the most admired corporate for service excellence"

Sevabhav	• Positive social impact • Helpfulness	• Culture of Service • Mindfulness
Excellence	• Expertise • Dependability	• Entrepreneurship • Business performance
Credibility	• Transparency • Integrity	• Respect • Governance

Max Way as an underlying ethos

courtesy *respect/dignity* *progressiveness*

transparency *performance orientation* *ethicality*

Max India demerged into 3 legal entities to create undiluted access, focused growth thereby unlocking value in each business vertical

MAX GROUP ARCHITECTURE

MAX GROUP

Multi-business corporate

Focused on people and service

" IN THE BUSINESS OF LIFE "

HOLDING COMPANIES

MAX FINANCIAL SERVICES ~	MAX INDIA LIMITED *	MAX VENTURES & INDUSTRIES *
Life Insurance business	**Health and Allied businesses**	**Manufacturing & other businesses**

OPERATING COMPANIES

MAX LIFE INSURANCE	MAX HEALTHCARE; MAX BUPA HEALTH INSURANCE; ANTARA SENIOR LIVING	MAX SPECIALITY FILMS
Life Insurance # - Protecting Life	**Healthcare ** -** Caring for Life **Health Insurance^ -** Enhancing Life **Senior Living -** Continuing care in Retirement community	**Speciality Films -** Niche high barrier polymer films & Leather Finishing Foils

GROUP CSR ARM

MAX INDIA FOUNDATION

Corporate Social Responsibility

- Focus on healthcare, children and the environment

#74:26 JV with Mitsui Sumitomo; Largest non bank lead private life insurer
** Equal JV with Life Healthcare, SA; with 2,500 beds capacity
^ 74:26 JV with BUPA Finance Plc, UK (Agreement executed between Max India and Bupa to reset the JVA to 51:49 for a consideration of Rs. 207 Cr. for 23% stake, to be acquired by Bupa from Max India post requisite regulatory approvals)
~ Max Financial services listed on Jan 27, 2016
* Max India & MVIL listing to be initiated post FIPB approval

A unique investment opportunity and a resilient business model

1. INR 149 billion+ Revenues*… 7.5 Mn Customers… 20,000 Employees… ~52,000^ Agents… 2,600+ Doctors…
2. Strong growth trajectory even in challenging times; a resilient & diversified business model
3. Steady revenue growth and cost rationalization leads to strong financial performance
4. Well established board governance….internationally acclaimed domain experts inducted
5. Diversified ownership…..marquee investor base
6. Superior brand recall with a proven track record of service excellence
7. Strong history of entrepreneurship and nurturing successful business partnerships

Pharma	Electronic Component	Mobile Telephony	Communication Services	Plating Chemicals	Medical Transcription	Life Insurance
DSM	Motorola, Avnet	Hutchison	COMSAT, Lockheed Martin Global Telecommunications	ATOTECH	HealthScribe	New York Life

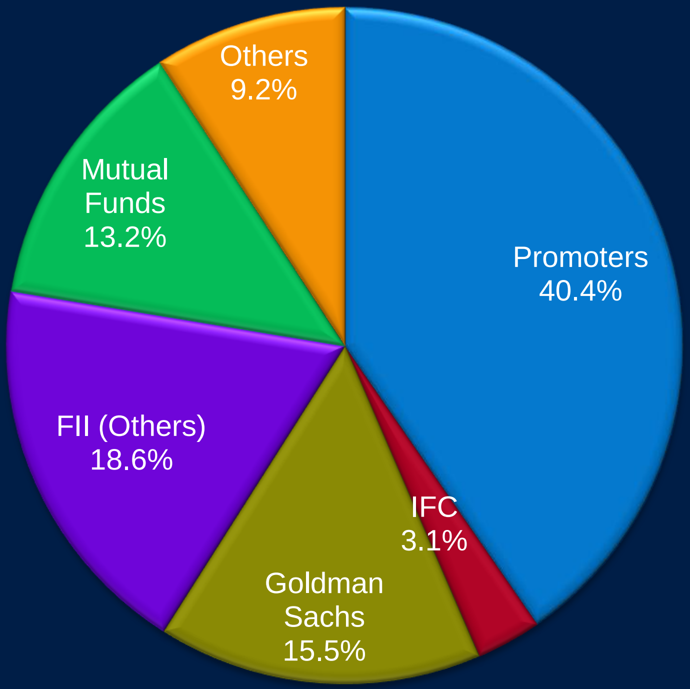
*Total Revenue for FY15,
^Across Life and Health Insurance

Growth potential recognized by the market…. high pedigree investor base

Shareholding Pattern as on Dec 31, 2015

Shareholding Concentrated with Marquee Investors

- Temasek
- Fidelity
- Norges
- New York Life
- Comgest
- Reliance MF
- ICICI Prudential MF



Number of outstanding shares : 26.70 Cr.

MAX LIFE INSURANCE COMPANY (Max Life)

www.maxlifeinsurance.com

Key Summary Messages

1. Indian Life Insurance Industry has evolved rapidly; significant headroom still available for growth due to low penetration and favourable demographic profile

2. Aided by strong Governance and stable Management, Max Life is a differentiated Life Insurer with key strengths of Multi-Channel Distribution, Balanced Product Mix and Digital capabilities

3. We have been one of the fastest growing players with equal emphasis on profitability - We are in the top quartile across the comprehensive measures of success

4. With Rs 5,363 cr of MCEV, our net Margins and RoEV are amongst the best in the Industry

5. We have been consistently recognized for our performance, industry best practices, brand and technology

Life insurance industry has evolved since the opening up of the sector in 2000-01

Phase 1 – Joyful Entry (2001-2003)

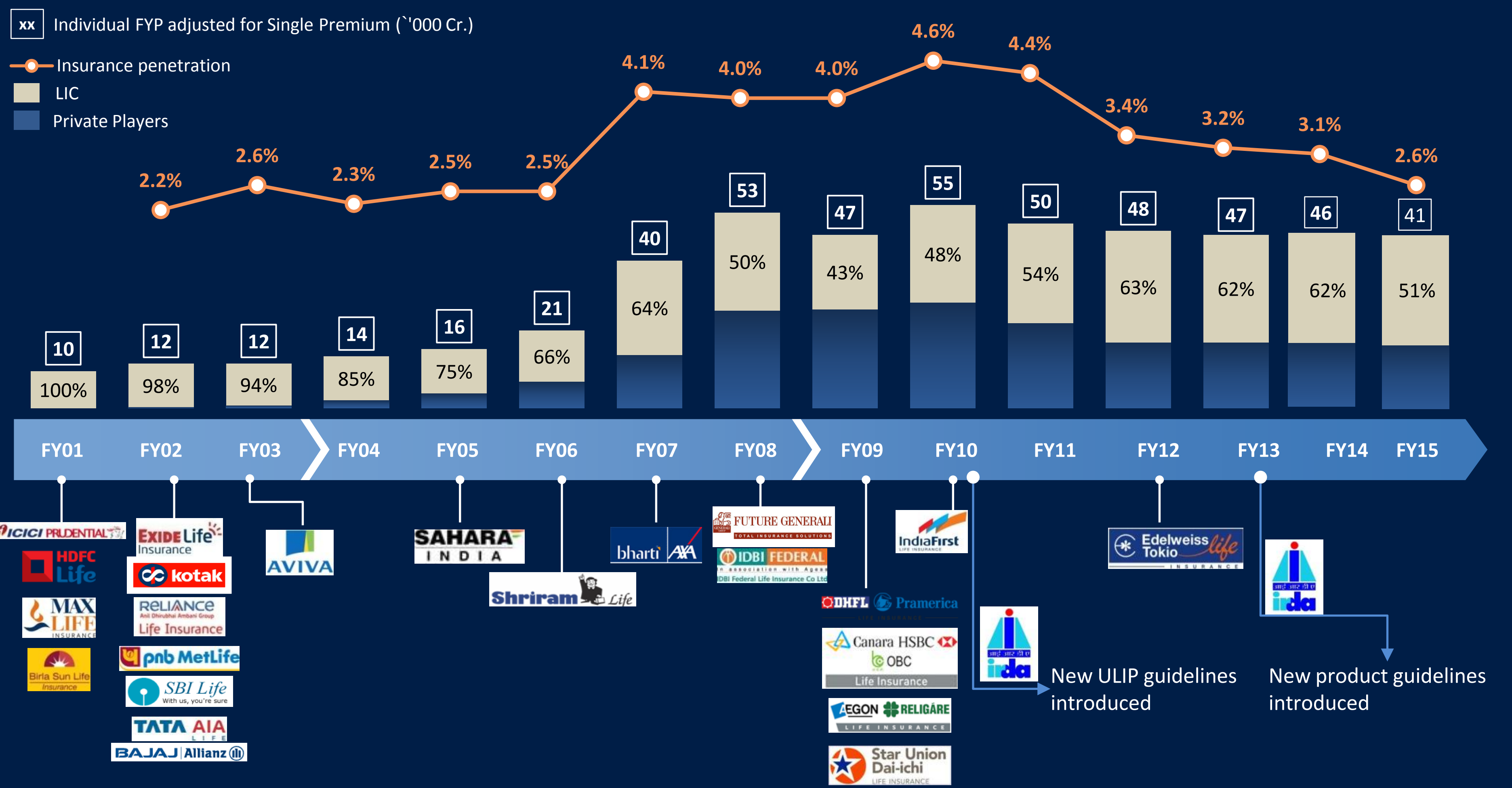
- Entry of Private Players
- Introduction of Bancassurance

Phase 2 –Expansion (2004-2008)

- Equity Bull Run
- ULIP introduced by private players

Phase 3 – Discovering New Normal (2009 onwards)

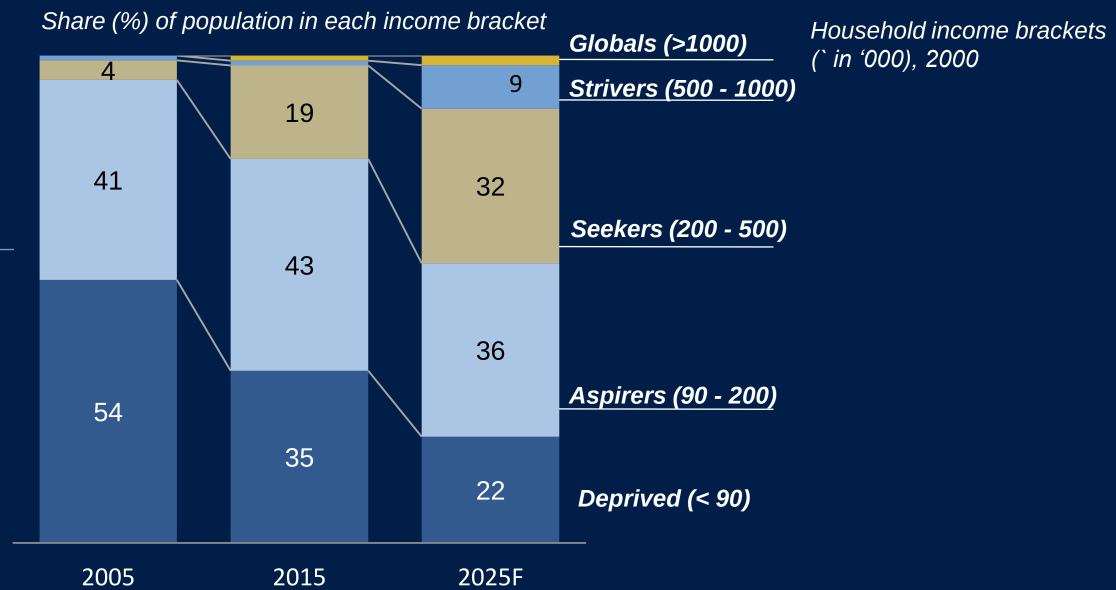
- Global Financial crisis/ Bearish Indian Stock Market
- Frequent regulatory interventions



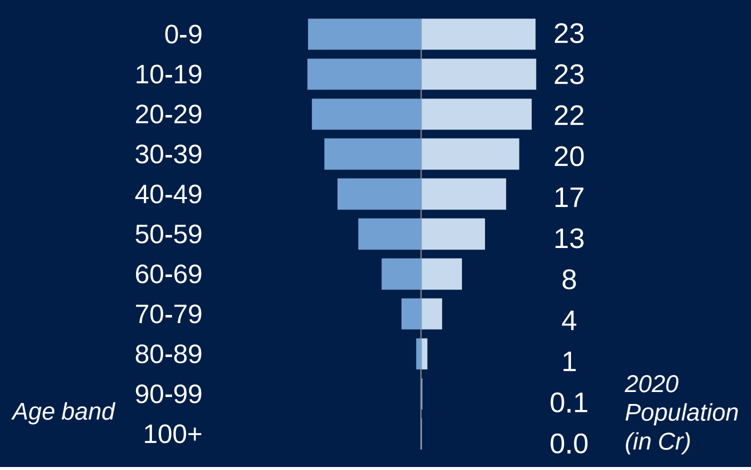
Source: IRDA Annual Report FY 2013-14 & FY14-15 data basis IRDA lead table

Changing demographics and rising affluent class are potential factors to drive life insurance penetration

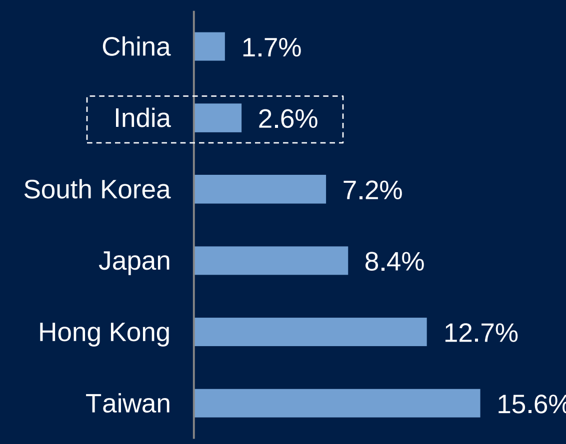
India is witnessing the fastest growth of "middle class" population



Population distribution is shifting towards 25-45 age group...

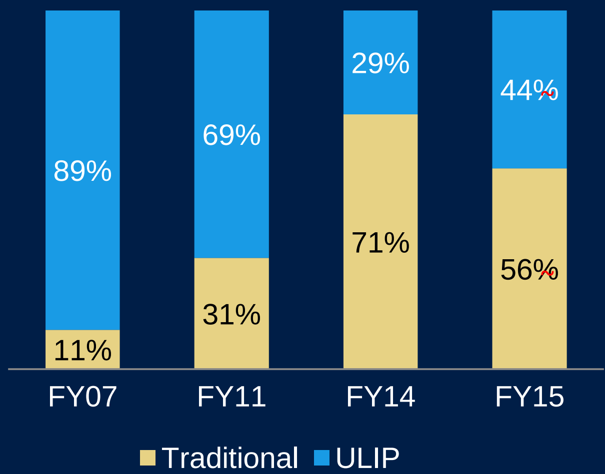


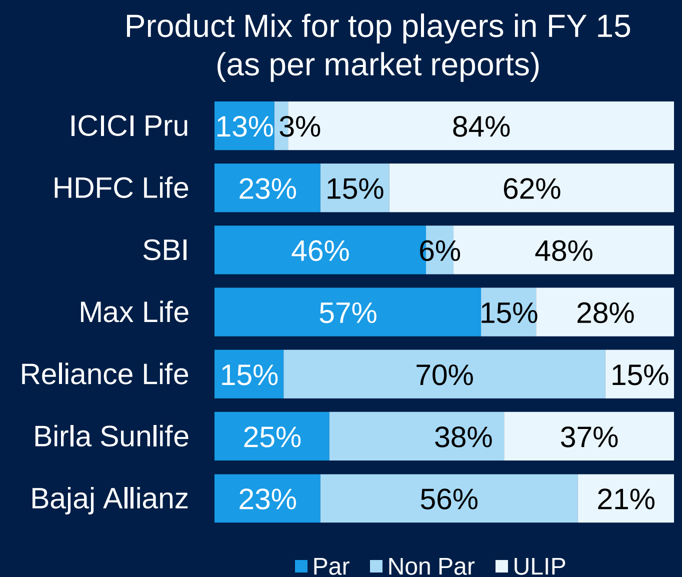
Life Insurance Penetration (Premium/GDP)- %



Source: U.S. Census Bureau | International Programs | International Data Base , NCAER

Product structure is evolving, Private industry is seen moving towards a balanced product mix





Key Insights

- Improved performance of capital markets has revived interest in ULIPs. Some top players leveraged it to record high new sales growth (individual adjusted @10% SP) - ICICI Prudential (YoY: +41%), HDFC Life (YoY: +25%) and SBI Life (YoY: +11%)
  - While ICICI Prudential and SBI Life had a high UL share across channels, HDFC Life delivered growth driven by high UL share in their banca channel only
- Top agency led players like Reliance Life and Birla Sunlife continued to have a Traditional heavy portfolio
- Max Life's UL share accounted for 28% of total portfolio as a result of increased customer demand

Source: Market Intelligence & Internal Estimates | Public Disclosures

Max Life Long Term strategy is driven by our vision to be the "Most Admired Life Insurance Company"

Vision

To be the most admired life insurance company by securing the financial future of our customers

Mission

- We are an honest life insurance company, committed to doing what is right
- We serve our customers through Long term savings, protection and retirement solutions, delivered by our high quality Agency and multi-channel distribution partners
- We are a business with strong social relevance and contribute to Society by supporting causes in health and wellbeing.

Goals

FY 2020-21:
- Touch 1 crore lives
- Twofold increase in GWP and statutory profits

We Stand for

Financial Strength	Quality of Advice
Service Excellence	Superior Human Capital
Value Driven Culture	Corporate Governance

Values

Caring | Credibility | Collaborative | Excellence

On the bedrock of Integrity

Max Life Strategy – Key Levers:

Building a comprehensive multi-channel business with superior customer outcomes, focus on LTSP and profitable growth

1 Comprehensive multi-channel distribution model

- Highly efficient and productive agency channel with focus on quality of advice
- Largest Banca relationship for a Non Bank promoted insurer : Axis Bank
- Relationship with growing Banks : Yes Bank and LVB
- Well positioned for in-organic growth in distribution

2 Balanced Product Mix with focus on Long Term Savings and Protection (LTSP)

- Focus on protection oriented balanced product mix
- Triangulation of customer, product and channels to drive profitability

3 Superior Customer Outcomes and Retention

- Top quartile on all customer measures i.e. Retention, Claims and Customer Servicing
- “Treating Customers Fairly" framework adopted to drive our customer centricity agenda
- Differentiated brand with ”Sachchi Advice”

4 Superior Financial Performance with Profitable Growth

- Bias for profitable growth against sales growth
- Industry best margins and RoEV
- Strong track record of profits and dividends

5 Invest in future ready Digital solutions

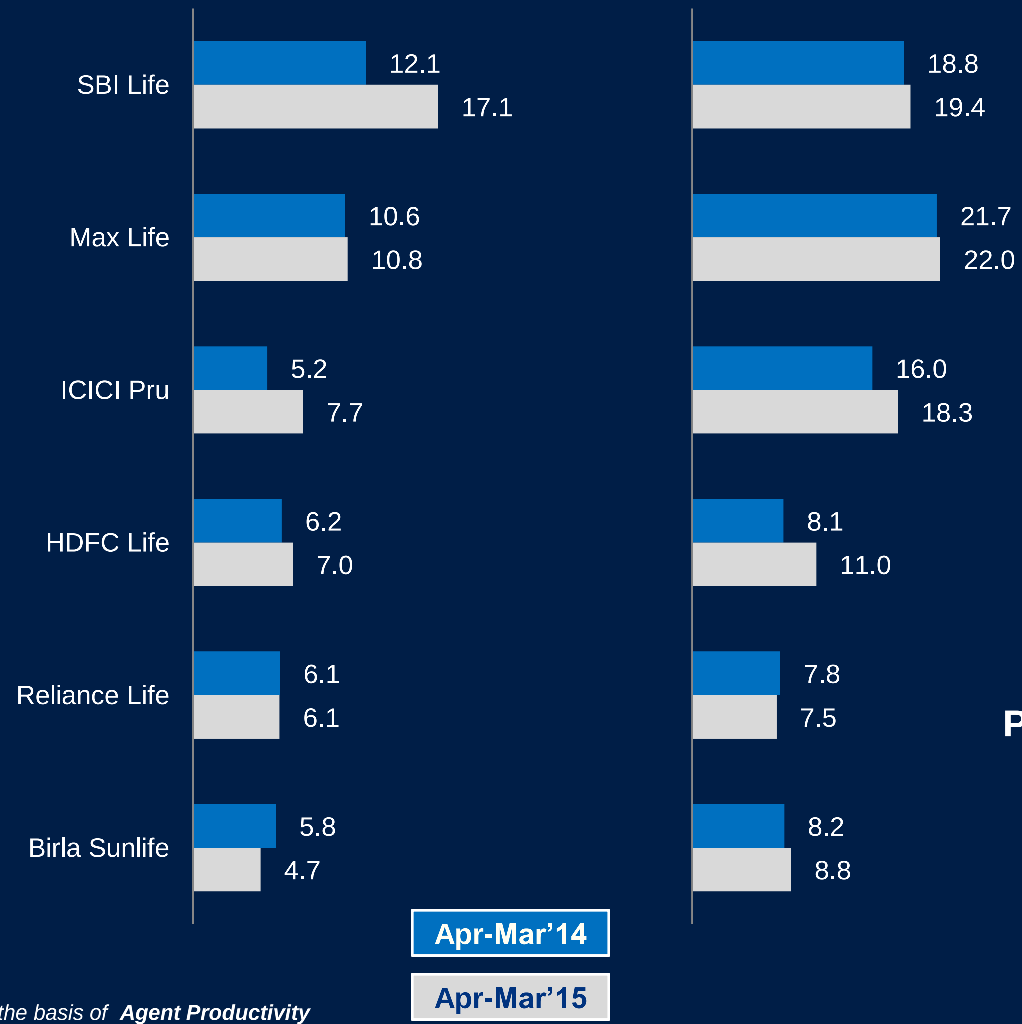
- Turbo charge through technology and to create distribution capabilities
- Invest in digitising customer journeys

Active advocacy with Regulator on regulatory changes to drive business and Industry best practices

Max Life continues to maintain top quartile performance amongst top private insurers on agency efficiency

Average Agent Productivity — In Rs. 000's per month

Average Branch Productivity — In Rs. Lakhs per month



Industry Performance

Majority of the insurers are known to have increased focus on productivity solutions as industry attractiveness has reduced due to agent give-get ratio declining

Max Life's Performance

Continues to lead in the branch productivity parameters

Sorted on the basis of ***Agent Productivity***

Note: Agency productivity calculated using FYP (100% SP)

SOURCE: Market Intelligence & Internal Estimates | Public Disclosures

Balanced Product Mix with focus on Long Term Savings & Protection

Product Type	Proportion of Policies (%, by number)	Tenure (Years)	Age of Insured (Years)
GUARANTEED INCOME	2.20	9	43
HEALTH	0.40	14	39
UNIT LINKED	33.30	15	37
MONEY BACK	5.60	15	30
DEFERRED ANNUITY	0.10	17	41
TERM	2.20	25	35
ENDOWMENT	39.60	16	34
WHOLE LIFE	16.70	43	33
Max Life Average		20	35

As on 31th Mar 2015

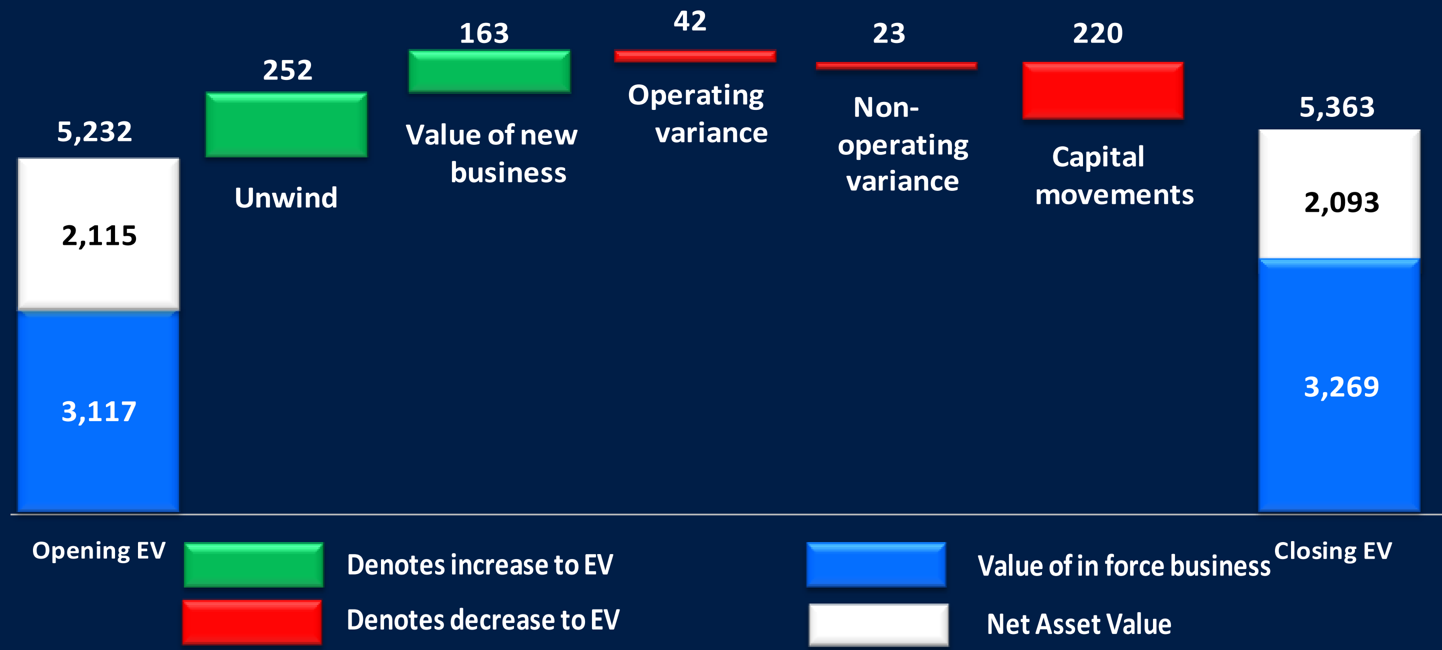
Track record of strong financial performance with profitable growth

	FY10	FY11	FY12	FY13	FY14	FY15
Private sector rank improved from 7th to 4th — Private Market share (Ind. Adj FYP basis)	5.5%	7.5%	8.6%	8.5%	10.3%	9.7%
Individual Adjusted FYP (Rs. Cr)	1,584	1,724	1,499	1,513	1,769	1,948
Consistent growth in Total Revenue (Rs. Cr)	5,026	6,057	6,831	7,315	8,191	9,533
13th Month persistency	68%	70%	75%	76%	76%	77%
Opex to GWP ratio	33%	28%	21%	19%	18%	16%
Statutory Profits (Rs. Cr)	-21	194	460	475	503	478

Quality orientation is evidenced by significant value creation:

EV movement – 31st Mar, 2015 to 30th Sep, 2016 on Market Consistent Methodology

In Rs. Cr



- The EV as at 30th September 2015 is Rs 5,363 Cr, after allowing for shareholder dividend payout of Rs 220 Cr in H1 FY16.
- The annualised Return on EV1 over H1 FY16 is 13.8 per cent while the annualised Operating Return on EV is 14.8 per cent
- The Value of New Business (VNB) written during H1 FY16 is Rs 163 Cr and the portfolio new business margin is 20.2 per cent (before cost overrun) and 17.0 per cent (after cost overrun of Rs. 25 Cr.)
- EV as at March 2015 was reviewed by Milliman and their opinion was shared along with the disclosure at March 2015. The latest disclosures follow the same methodology

Note: The results are developed using market consistent methodology, but they are not intended to be compliant with the MCEV Principles issued by the Stichting CFO Forum Foundation (CFO Forum) or the Actuarial Practice Standard 10 (APS10) as issued by the Institute of Actuaries of India.

[1] The Return on EV is calculated before capital movements during the year.

[2] 1 Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium (FY15 APE : 1967 cr.)

Max Life has undertaken initiatives which has defined benchmarks in the industry; won awards and accolades (1/2)

Overall Performance Recognition

- Won the Indian Insurance Awards, 2015 for "Bancassurance Leader Award" and "Agency Productivity Award"
- Awarded the "World Finance Best Life Insurance Company India", 2015
- Sole Life insurer recognized for Analytics capability – Predictive Underwriting (NASSCOM)

Industry First- Creating Benchmarks

- First to offer Freelook period of 15 days to the customer; which was later made mandatory by Regulator
- First private life insurer to launch integrated customer strategy including Treating Customer Fairly
- First life insurance company in India to be awarded ISO 9001:2008 certification
- Only life insurance company in India to implement Lean methodology of service excellence

Business Excellence

- Underwriting standard ranked 'Excellent' by Swiss Re after benchmarking against global and local best practices;
- Declared Best Underwriting Initiative of the year in the Asia Banking, Financial Services & Insurance Excellence Awards
- Won Two Awards at ASQ World Conference 2015 for Quality Impact Story Board and Use of Emerging Technology
- Second Runner up trophy in 'National Excellence Practice Competition (Service category)'By CII

Max Life has undertaken initiatives which has defined benchmarks in the industry; won awards and accolades (2/2)

Claims Settlement

- ET Wealth rated Max Life claims settlement highest in the Industry at 99.58%
- Ranked #1 in Claims Paid % with 95.5% (93.9% in FY14) and Outstanding Claims Ratio of 0.1% in FY15
- Swiss Re-commendation for claims settlement TAT (2012)

Accolades For People Practices

- Recognized amongst India's Best Companies to Work For (Ranked 51st up from 58th last year by Great Places To Work). Ranked 2nd in Insurance Industry
- Max Life has featured in the top 100 GPTW list for last 4 consecutive years
- Employee Engagement score among top 10 percentile of IBM Kenexa's global database (Employee Engagement Index : 85% favorable vs 83% in 2014)

Distinctive Brand

- Brand Excellence Award and recognition as Superbrand (2013-14),
- 1st on Customer Loyalty (57% vs. 53% market average of Top 10 private insurers) in FY14
- Max Life i-genius won Silver and Bronze 'Abby' award at Goafest 2014

Technology

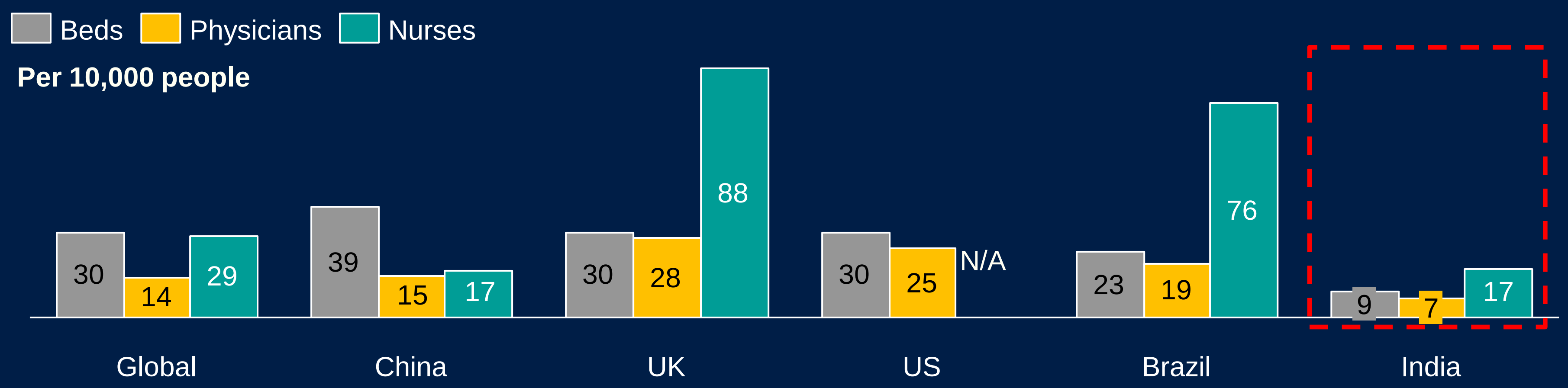
- CIO 100 Award for technology implementation (2008/2009/2010/2011
- Won CII Industry Innovation award 2015 for Maxis 2020 (synergy between technology & process related improvements between Max Life & Axis Bank), from amongst 400 submissions across sectors

MAX HEALTHCARE (MHC)

www.maxhealthcare.in

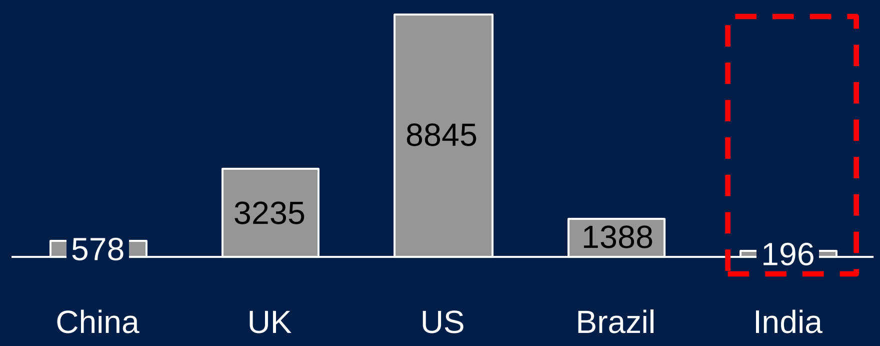
Healthcare penetration in India is extremely low compared to global standards

Healthcare Infrastructure in India

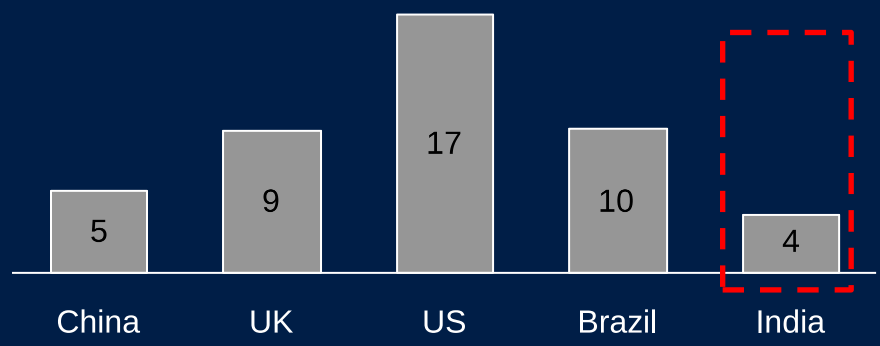


Health Expenditure in India

Per capita expenditure vs. Other Countries



% of GDP vs. Other Countries



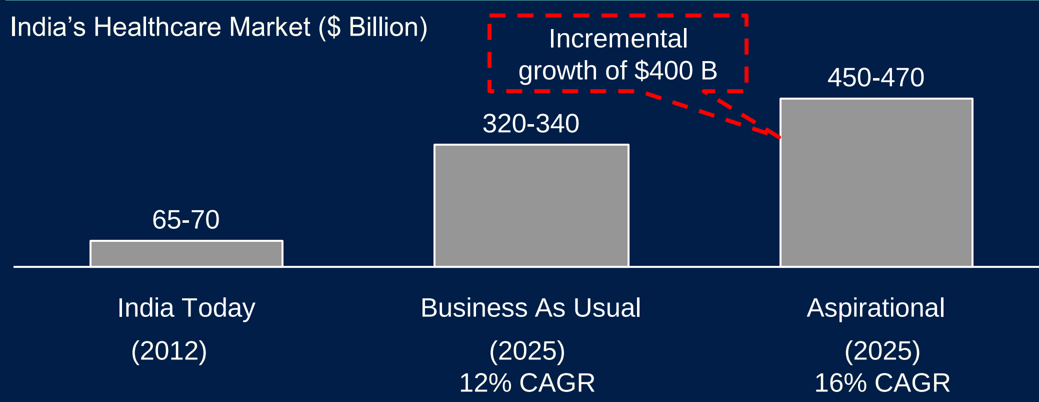
Source: WHO – World Health Statistics 2015

Rising income and penetration of insurance, among other factors, make India one of the fastest growing healthcare markets globally

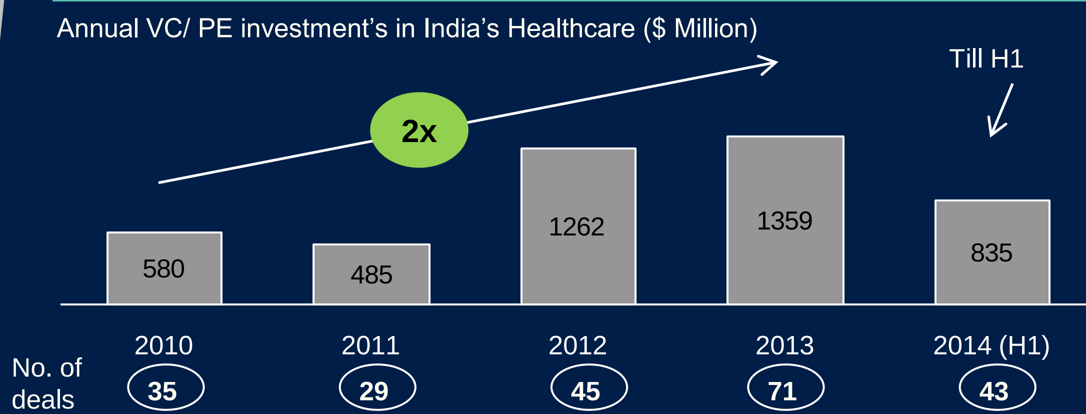
Key drivers of Growth

- Rising income and affordability
- Lifestyle Diseases
- Seasonal diseases: Dengue
- Aging Population
- Preventive Healthcare
- Rapid/disruptive penetration of insurance
- Penetration of technology in healthcare
- Medical Tourism

The healthcare market in India is expected to grow to between $450 billion and $470 billion by 2025



The surge of VC/ PE investments in recent years has eased funding constraints on growth



Source: Bain and Company's Aarogya Bharat Report 2015

Max Healthcare: Vision & Guiding Principles

Vision

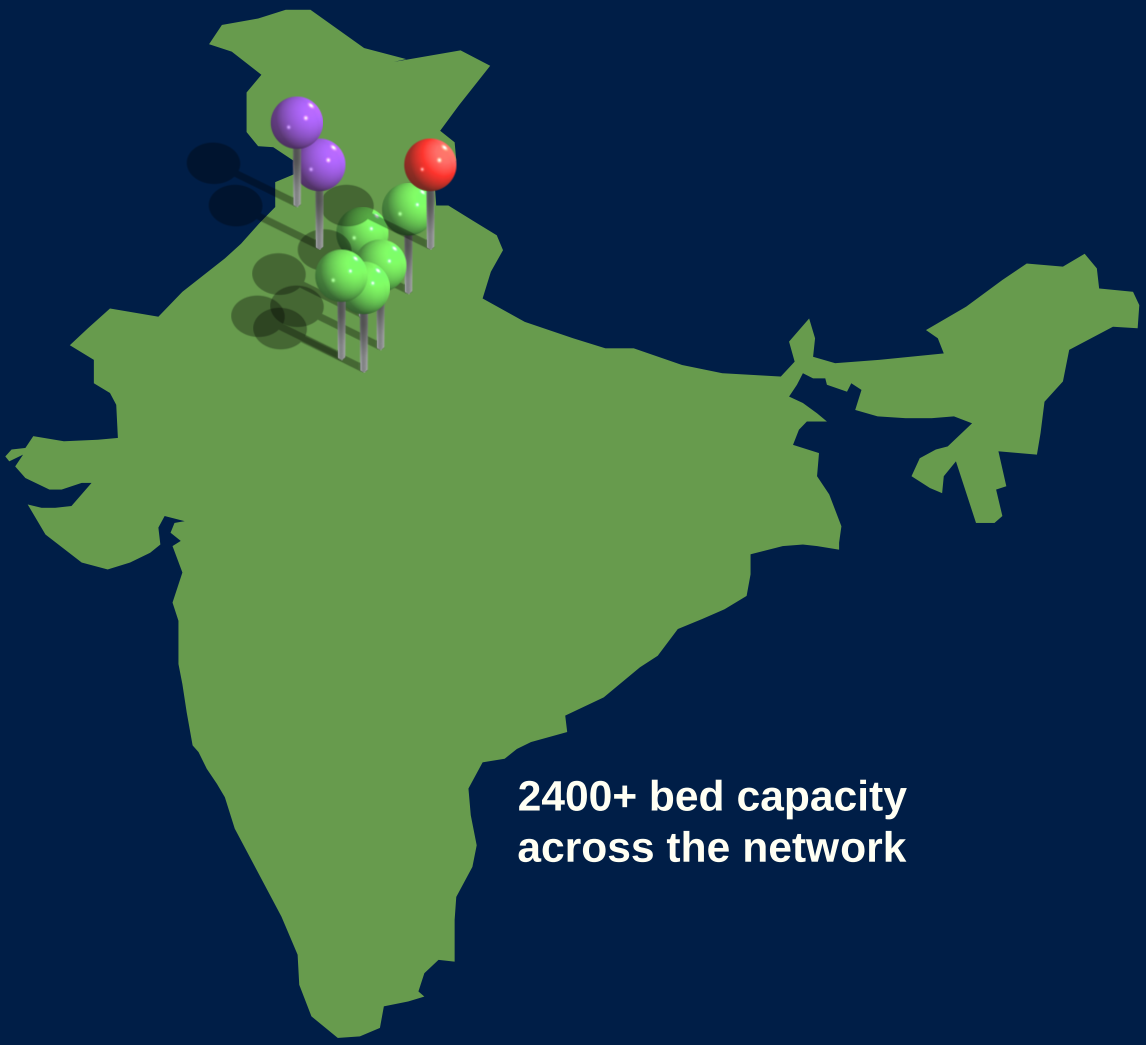
- Deliver **International Class Healthcare** with **Total Service Focus**
- Creating an institution committed to **highest standards of medical & service excellence, patient care, scientific knowledge, research and medical education**

Guiding Principles

Our 5C Framework:

- **Care**: Culture of 'Patient first', fixing hygiene issues
- **Commitment**: Meet plan, ownership mindset
- **Cohesion**: One team, engage clinicians, unleash positive energy
- **Clinical Excellence**: Organizational differentiator
- **Compliance**: Processes, tone at the top, accountability

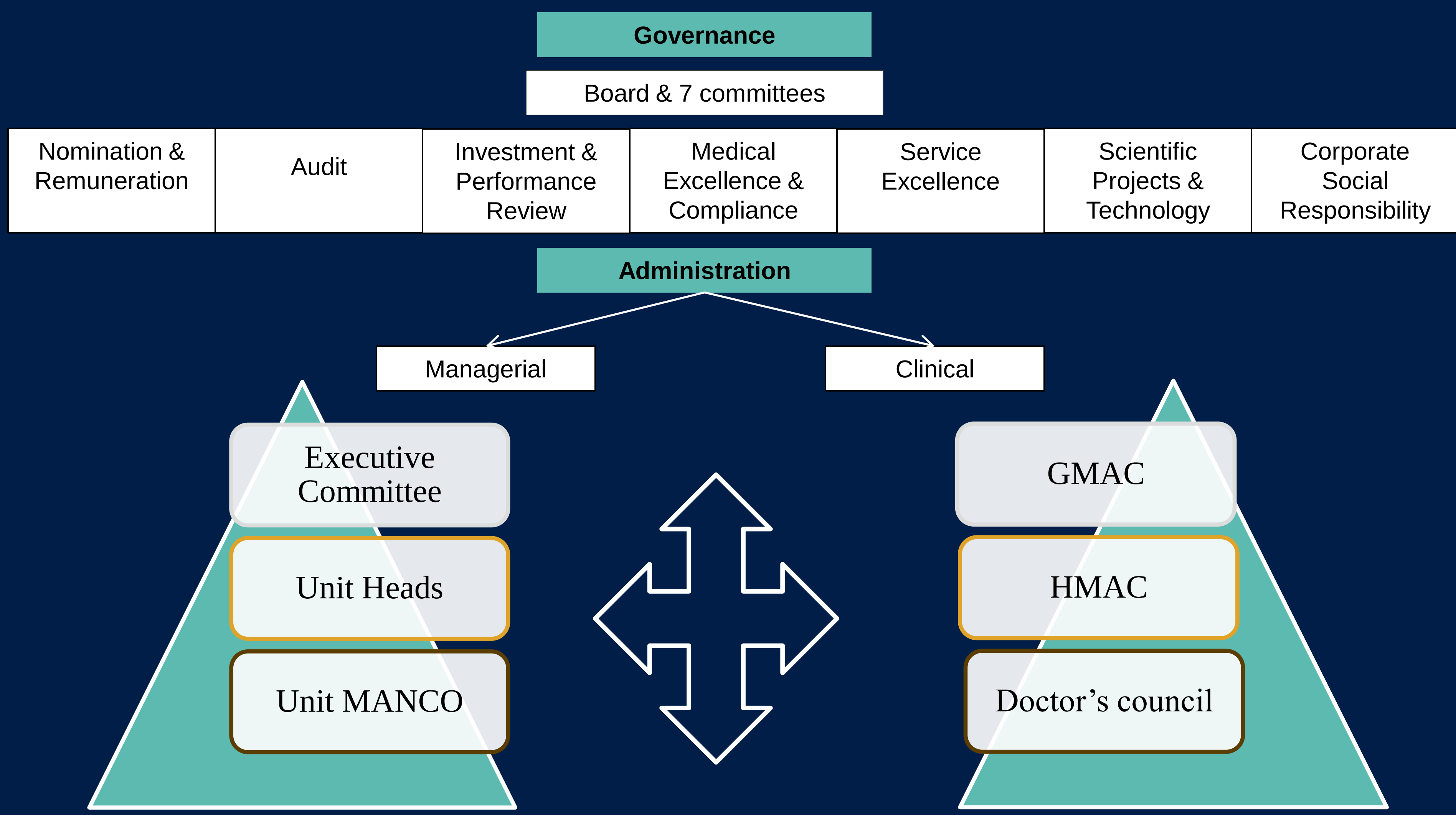
Strong focus on North India



2400+ bed capacity across the network

- Mohali, Punjab *(217 beds)*
- Bathinda, Punjab *(186 beds)*
- Dehradun, Uttrakhand *(168 beds)*
- Saket, New Delhi *(535 beds)*
- Patparganj, New Delhi *(402 beds)*
- Shalimar Bagh, New Delhi *(275 beds)*
- Gurgaon, Haryana *(64 beds)*
- Pitampura, New Delhi *(70 beds)*
- Noida, Uttar Pradesh *(46 beds)*
- Vaishali, Uttar Pradesh *(460 beds)*
- Panchsheel, New Delhi

Our unique Governance Model helps us bring alignment and improve accountability



Our multi disciplinary approach to patient care helps us improve outcomes and level of satisfaction

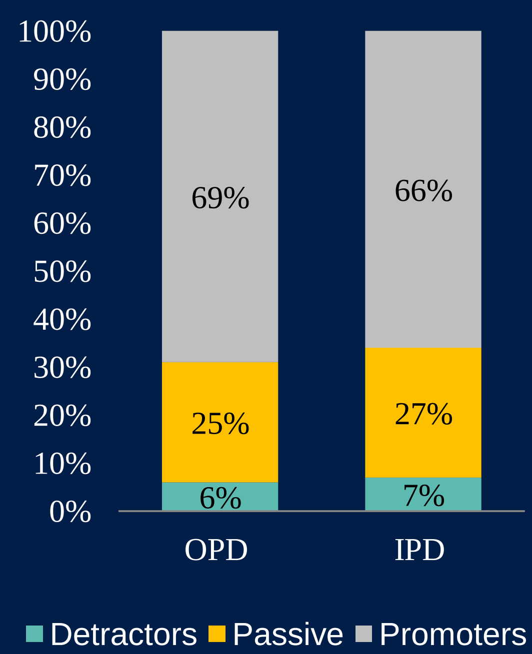
Clinical & Service Excellence

1	2	3
Max Clinical Governance system & service excellence focused staff	World Class Clinical safety systems & service scorecards maintenance standards	Best in class Clinical Data Analytics & Patient centric technology

People | Process | Technology

Service Excellence Scorecard

IMRB Recommendation Index*



Accreditations and Awards

NABH / NABL Accreditation

National Standards:
Mark of Excellence :
636 aspects are addressed:

- **Patient Rights: respect, transparency, consent**
- **Standardized protocols in all departments: over 200 SOPs**
- **Patient safety**
- **Measurement & Evaluation**
- **Staff Training and safety: on all SOPs**

Achievements: 2012-13:

MSSH: Shalimar Bagh: NABH New Accreditation

MSSH, Mohali: NABH New Accreditation (awaited shortly)

MSSH, Saket: NABH Reaccreditation

MSSH, Patparganj: NABH Surveillance Accreditation

Blood Bank: MSSH, Patparganj: NABH Reaccreditation

Pathology Lab: MSSH, Patparganj: NABL Reaccreditation

Pathology Lab, MSSH, Gurgaon: NABL Reaccreditation

MHC is committed to ensure that all units are complaint to the National Standards

Radiation Therapy Radiation Oncology Department, Saket:

Recognition of Quality Standards conforming to International Atomic Energy Agency / World Health Organization

Under leadership of Dr Anil K Anand & Mr. Munjal

Centre of Excellence Recognition to MHC for Treatment of Heart Attacks

By Lumen Global 2013

Under leadership of Dr. Roopa Salwan

Dr. Arati Verma selected as Co-Chairperson of Technical Committee of NABH

ISO 14001:2004 & 18001:2007 at Patparganj , Pitampura & Shalimar Bagh
ISO 9001:2008 at Max Heart & Vascular Institute, Patparganj, Noida, Pitampura, Shalimar Bagh, Panchsheel Park & Home Office.

FICCI Healthcare Excellence Awards-2015

Patient Safety Award: Max Super Speciality Hospital, Saket

Customer Service: Improvement Award (Private) Max Super Speciality Hospital, Saket

Best Corporate Website – maxhealthcare.in

3rd India Digital Awards by Internet & Mobile Association of India

Awarded on 17th Jan, 2013

Past winners: www.mahindra.com and www.volkswagon.co.in

MHC won among 200 Nominations in the Award Category IAMAI jury evaluated entries based on :

- Content
- Structure and Navigation
- Visual Design
- Functionality
- Interactivity
- Overall Experience

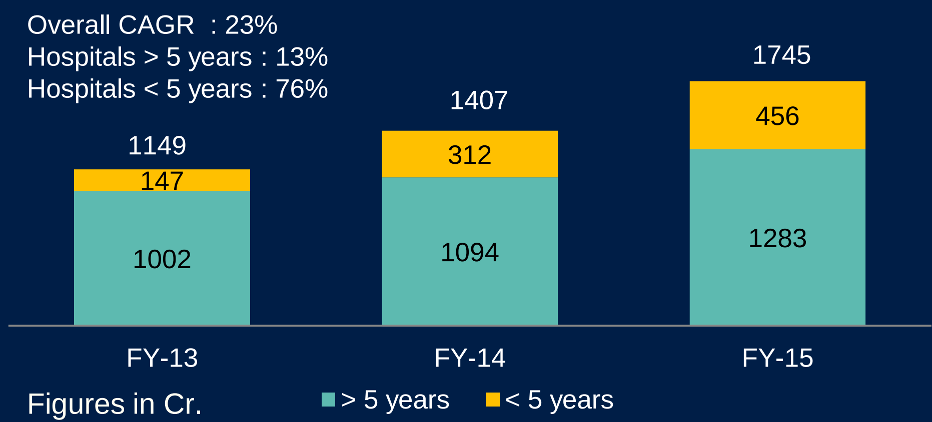
MHC growing faster than competition; profitability ratios to improve with maturity of beds and further expansion

FY15	MHC	Fortis	Apollo
Operational Beds	+1700	+3700	~4200 (standalone)
Capital Employed	1345 Cr	6656 Cr	3530 Cr
Annual Revenue	1739 Cr, +24%	3206.5 Cr, +15%	3526 Cr, +13.0%
International Revenue/ Qtr.	167 Cr +40%, 9.6% of total	318 Cr + 33% 9.9% of total	N.A
Operating EBIDTA	170.4	14.7*	626.9**
EBITDA Growth (YOY)	50.4%	N/A	6.8%
ROCE	6.8%	-0.60%	12.8%
ALOS (days)	3.42	3.64	4.43
ARPOB	1.37 Cr p.a	1.26 Cr p.a	1.16 Cr p.a**
EBITDAR/ Bed	23.33 Lacs p.a	18.08 Lacs p.a	21.36 Lacs p.a
Top Specialties* **	Cardiac 14%, Onco 13%, Ortho 10%, Neuro 10%, Renal 6%	Cardiac 28%, Ortho 8%, Neuro 8%, Renal 7%, Onco 5%	Cardiac 25%, Neuro 12%, Ortho 11%, Oncology 8%

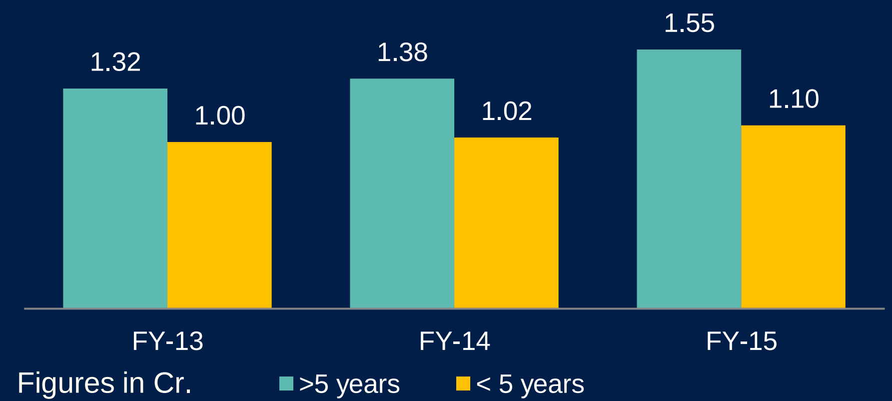
Note :* Before BT Costs Fortis EBIDTA is 459.4 Cr . ** Apollo data has been adj. for doctor fees and 80% of total depreciation is assumed to pertain to hospitals ***Overall revenue mix

Strong revenue growth driven by higher revenue per bed, healthy service mix and rising occupancy

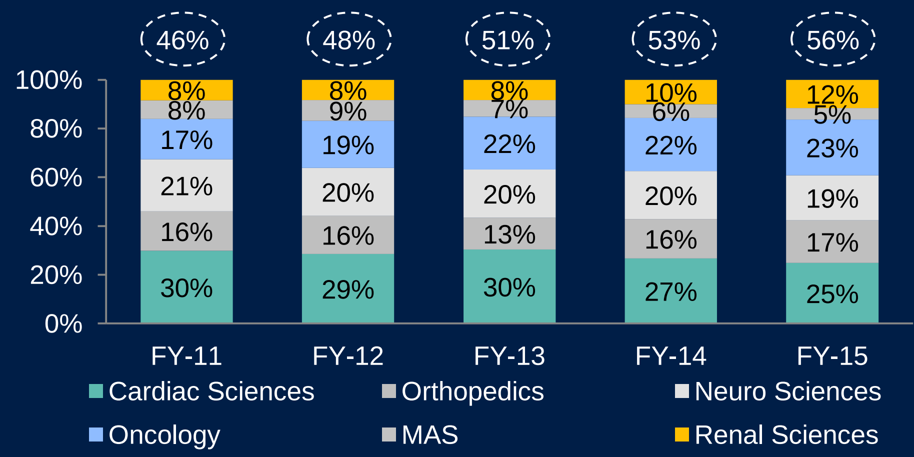
Strong revenue growth driven by new and mature hospitals



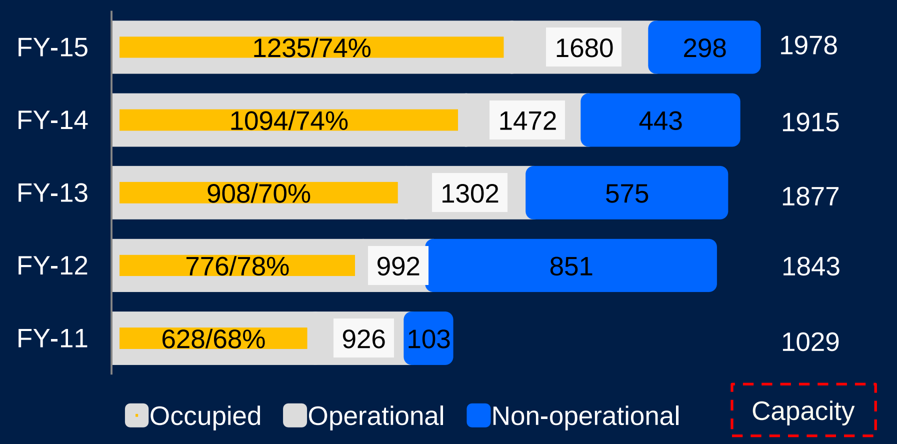
Steady growth in Revenue per occupied bed



Sharper focus on key tertiary specialities; contributes 56% to inpatient business

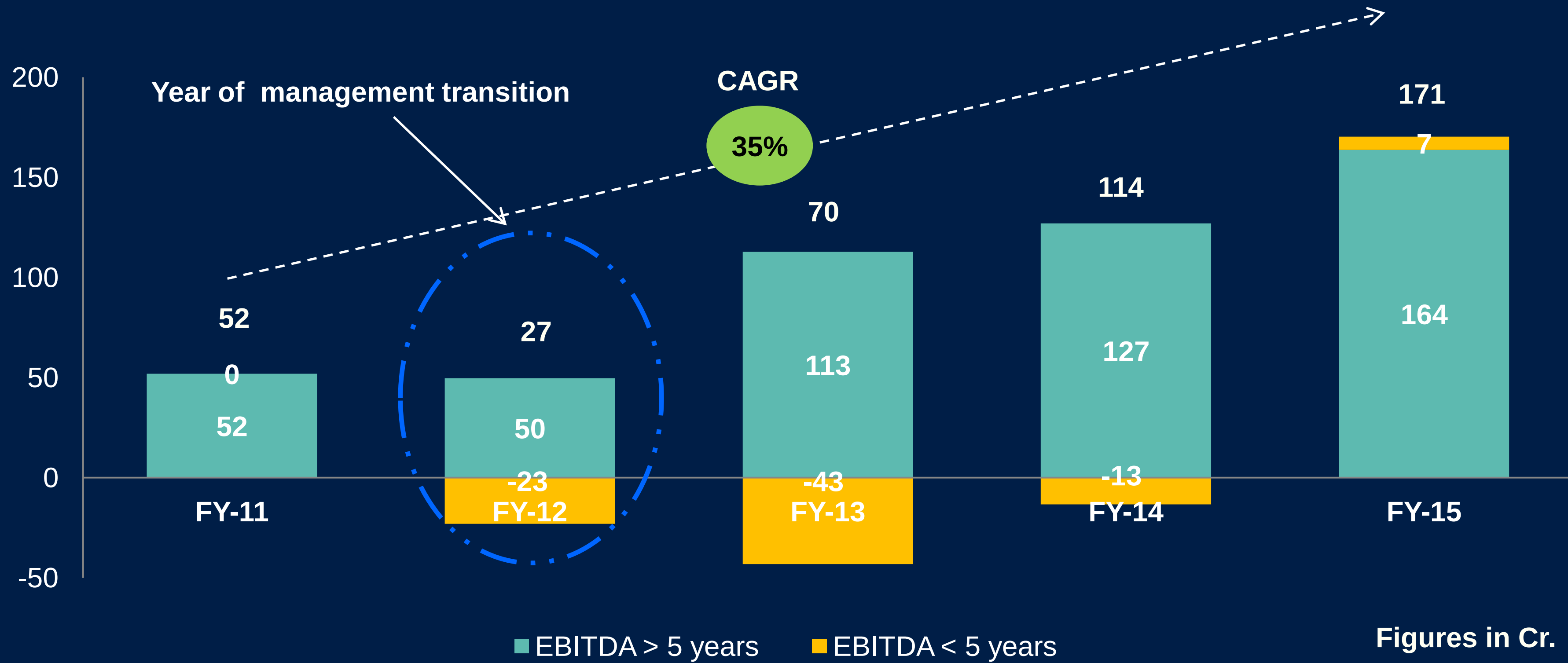


Steady increase in occupied beds; available capacity keeps momentum going



Margin expansion for existing hospitals

Hospitals turning EBITDA positive; Channel mix, speciality mix and cost optimization to drive further margin expansion



Figures in Cr.

EBITDA Margins

Overall	7.7%	1.5%	6.4%	8.3%	10.0%
> 5 years	7.7%	6.2%	11.6%	12.1%	13.4%
< 5 years	-	-276.9%	-29.9%	-4.4%	1.5%

MHC Vision 2020

Most admired healthcare provider in India, renowned for integrated patient care and clinical outcomes, all geared towards ensuring that we get our patients back home faster

What will we be known for

- ***Multi-disciplinary care***
- ***Clinical outcomes***
- ***Transparency***
- ***Speed***
- ***Continued care***

Where do we want to be

- **#1** in the ***selected specialties*** in chosen geographies
- ***Physical Infrastructure*** in **North India**, however serving more than ***300 towns*** in India and ***30+ countries***

What are the key enablers

- Strong ***talent pool*** of clinicians, nurses & healthcare leaders
- ***Technology*** and analytics enabled clinical outcomes & customer experience

MHC has land bank to maintain the leadership position in terms of number of beds in Delhi NCR

Growth options			Description	Projects
Augment Bed capacity	Organic	FAR	▪ Expand beds in existing established hospitals	▪ Shalimar Bagh: 85 beds ▪ Vaishali: 200 beds ▪ Mohali: 90 beds ▪ Saket City: 585 beds
		Greenfield	▪ Build new MHC hospitals as destination health care centres	
	Inorganic	NCR	▪ Expand bed capacity to support already established hospitals	▪ Opportunistic and very selective ▪ Ideal size- 150-400 bedded running hospitals
		Non-NCR	▪ Focus on North India ▪ Preferred locations- Jaipur, Indore ▪ Open to acquiring cluster of hospitals outside North India	

Note : Expansion to be implemented in phases

MHCs growth plans recalibrated to create *Asia's top Medicity*

Existing MHC plan

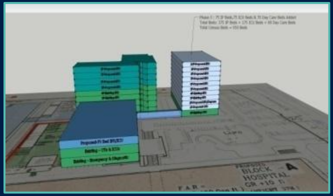
Max Saket – Existing set-up with 540 beds

Max Saket – Proposed plan to add 250 FAR beds

Destination Oncology centre in Greater Noida with ~500 beds

New vision – Asia's largest medicity

Max Saket – Existing set-up with 540 beds



Additional ~1200 beds in joint campus – including destination oncology centre; centres of excellence for specialities and special focus on international patients

Max Saket – Proposed plan to add 250 FAR beds

- Saket City Hospital Pvt. Ltd. – existing 300 beds and to be built 900 beds
- Enterprise Value of Rs. 1,025 Cr. (Equity Value Rs. 325 Cr. for 51% stake and debt of Rs. 325 Cr. to be assumed; Rs. 375 Cr. (+12% p.a.) to be paid within 3 years for the balance 49% stake)

Note : Expansion to be implemented in phases

MAX BUPA HEALTH INSURANCE (Max Bupa)

www.maxbupa.in

A symbiotic partnership in health insurance

MAX

- India's leading conglomerate
- Successful track record of building market leading businesses
- Expertise in life insurance, health insurance & healthcare businesses
- Group revenues in FY 2015 – INR 149 billion
- In-depth understanding of the Indian market
- Strong DNA of service excellence
- Strong track record of creating value and sharing it with its strategic partners

Max Bupa Health Insurance

- **74:26 JV of Max and Bupa, with Bupa's stake to increase to 49% post regulatory approvals**
- **Perfect blend of global expertise and local knowledge of Healthcare and Insurance**
- **Started in Apr 2010**
- **JV to be Indian owned and controlled with Bupa contributing it's global expertise in Health Risk Management & product development and Max contribution on other aspects such as people, policies, regulatory etc.**

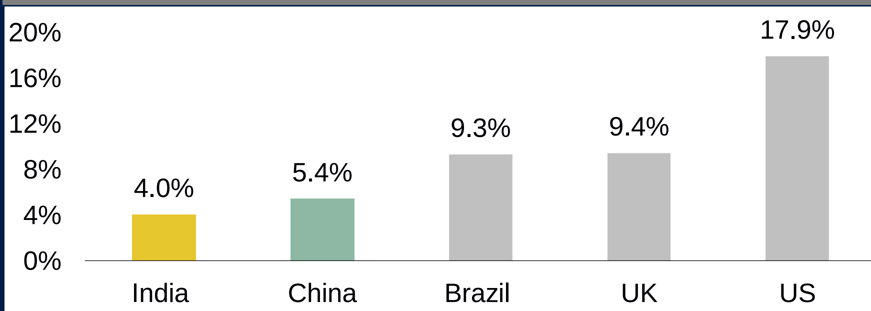
Bupa

- Largest independent health insurance provider in UK
- Global Expertise in health insurance and healthcare
- 22 million customers in over 190 countries
- Group revenues in 2014 - ~£9.1 billion
- Voted as best international health care provider globally
- Bupa is committed to supporting Max Bupa's growth and helping Indian consumers live healthier and more successful lives
- Bupa sees Max Bupa as a huge growth opportunity and a chance to truly impact the health of millions of people.

Leveraging the strengths of both partners to build a robust and profitable enterprise with focus on service excellence

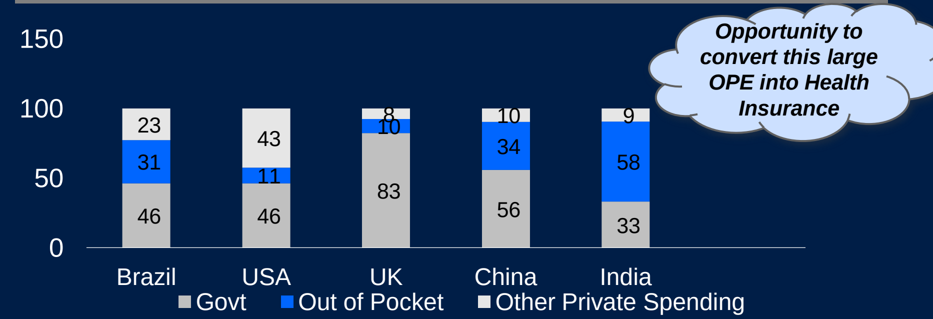
Health Insurance : Key Drivers

India has the lowest expenditure on Health in Comparison to its Peers (% of GDP) - CY12



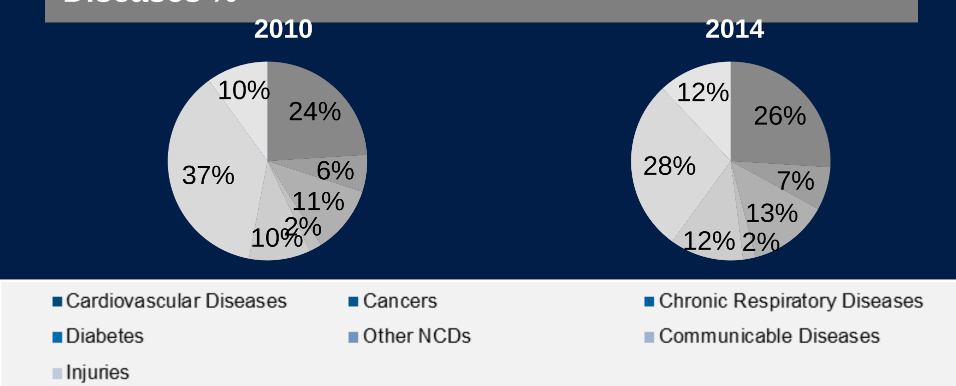
Source: World Health Organization

Significant Portion of Health Costs in India is still "Out-of-Pocket" (%) - CY12



Source: World Health Organization

Increasing Incidence of Non Communicable / Lifestyle Diseases %



Source: WHO – Non Communicable Disease Country Profile 2014

Health Insurance Drivers

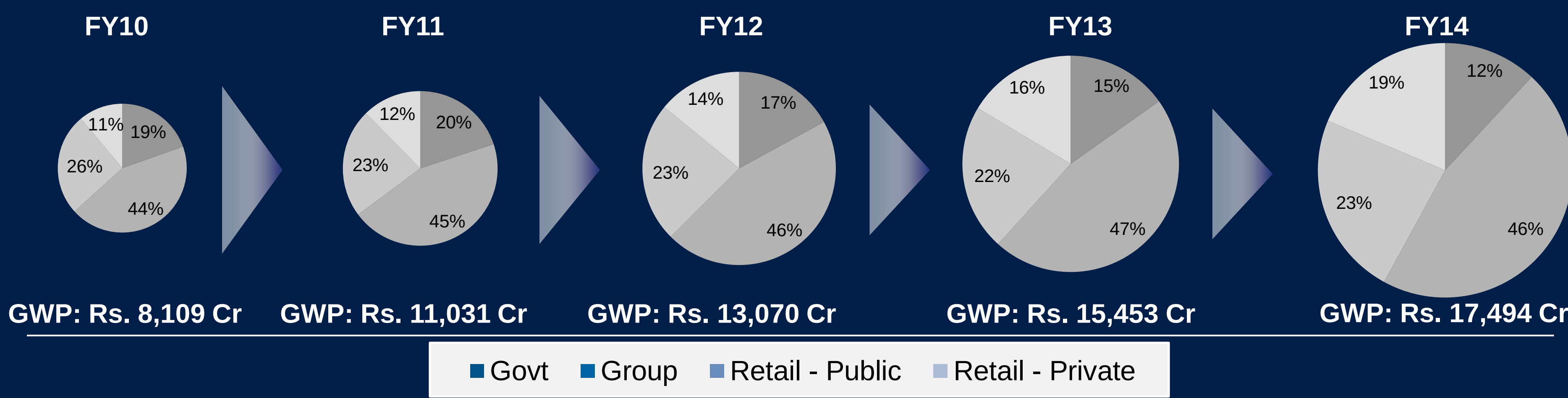
- Only **15%** of the population of India is covered under some form of health insurance with private health cover available for only **2.2%** of population
- Health care costs accounted for **only 4%** of GDP; **58% of the health costs of this met as 'out-of-pocket'** expenditure
- Rising health costs and increased incidence of life-style diseases have brought the spot-light on benefits of health insurance
- Growing real income, urbanization and increased corporatization of health care leading to exponential growth in the health insurance segment

Health Insurance is Poised to Grow at 21% CAGR to reach Rs. 55,000 Cr in GWP by FY20

Private Retail Health Insurance : *fastest growing segment*

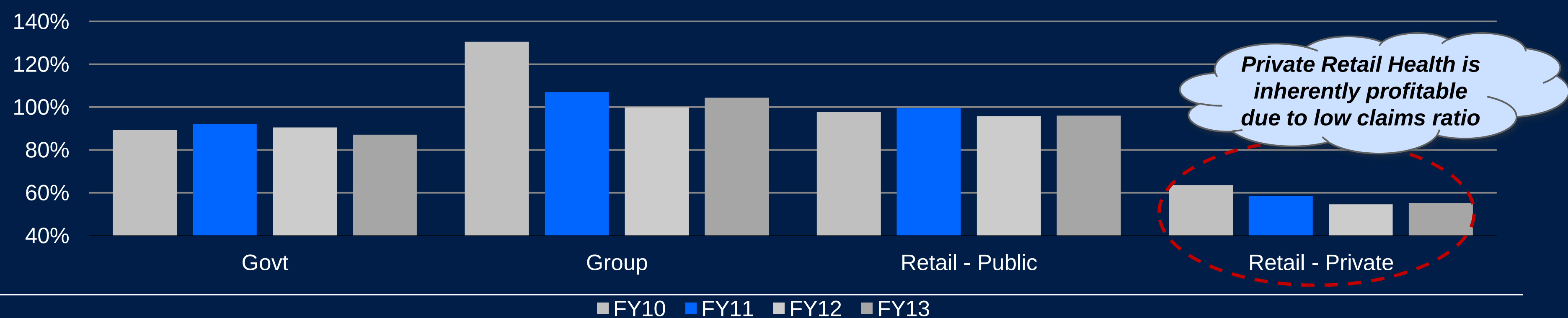
Private-Retail Health segment has seen highest growth over last 5 years with a CAGR of 38%…

Segment wise distribution of Gross Written Premium %



… and having the lowest claims ratios in the Health Insurance Industry

Claims ratio (NIC as % of NEP)[1]



1 Claims ratio for FY 14 not published by IRDA

Source: IRDA Annual Reports

Recent regulatory developments indicate a consumer-centric agenda

Objectives of IRDA

1. **Protection of Policy Holder**
2. **Stability of the Industry**
3. **Increase penetration of Health Insurance**

Proposed changes

- **Policy level changes by the Union government**
  - Insurance laws (amendment) bill
  - Universal Health Assurance Mission - fully funded for poor; incentives for others
  - Tax exemption for HI increased in latest Union budget
  - RSBY might be shut for private insurers
- **Distribution related changes** around Bancassurance, Agent recruitment & licensing, Deregulation of commission rates, Rural and social obligations etc.
- **Pro-consumer regulatory activism**
  - Exposure draft on Protection of Policyholder’s interest
  - Regulatory environment moving towards customer centricity
- **Product/Services**
  - Pricing control – Limited flexibility in re-pricing of B2C books (min 3 years) & unfair pricing of group health cover by insurers under IRDA scanner now
  - IRDA encouraging insurers to focus on non-indemnity products and innovate on payment mechanisms (EMI options etc.)

MBHI's operating model choices

Choices	Specifics
Segment	▪ **Focus on B2C segment**, with limited play in B2B (renew only profitable accounts) & B2G (to meet regulatory obligations)
People	▪ Making Max Bupa a **'workplace of choice'**
Distribution	▪ **Distribution model to focus on Agency & Banca** ▪ **Investments in direct channels** to support the "pull" model
Product	▪ **Focus on urban B2C segment**, Heartbeat is flagship product, while Health Companion complements by targeting mass affluent customers ▪ **Product portfolio approach** with HRM lens and continuing focus on **comprehensive** product features
HRM	▪ **Bedrock of the company –** Executed via TQM philosophy to become enterprise DNA ▪ Invest in **HRM** capabilities to enable **benefit management**
Claims Mgmt	▪ Claims philosophy of **paying all genuine claims as per contract** ▪ **In-house claims processing** & operations
Customer experience	▪ **Exemplar service** based on customer segments and partners; enable self-service
Marketing	▪ **'Family positioning'** with industry first propositions ▪ Focus on health and well-being – initiatives like '**Walk for Health**'

Extensive focus on key growth levers to maximize long-term value

Leveraging Max India and BUPA capabilities

- Max India - strong understanding of Indian Insurance landscape, learning's from Max Life's success and leverage synergies with Max Life and MHC
- BUPA – Product design, underwriting and clinical expertise

Bancassurance would catapult growth

- Opened up to Standalone Health insurers in February 2013
- 4 tie-ups - Standard Chartered, Deutsche, Federal Bank and Ratnakar Bank successfully launched

Pricing for profitability

- Value based pricing based on data and analysis
- Selective targeting of profitable Group business

Continuous product innovation

- Build a culture of innovation and expertise.
- Focus on wellness and specialized products with no age limit and high sum assured.
- Emphasis on Health Risk Management

Focused customer profile

- Focus on the mass affluent+ customer base
- Robust underwriting procedure

Factsheet* – Max Bupa

Gross Written Premium^	**INR 373 Cr.**
Customer Base^	**~800K**
Number of Employees	**~1,500**
Number of Agents	**~9,000**
Number of Offices	**26**
Partner Hospitals	**~3,500**

* For the year ended March 31, 2015

Max Bupa's strategic imperatives

Max Bupa Health Insurance

Description

New sales	Extract full potential of Agency and Banca channels through improvements in productivity
Persistency / Renewals	Within a comprehensive TCF framework and greater alignment of all touch points within the company, further improve customer value and services and thus renewals
B2C Loss ratio	Manage claims in line with pricing assumptions
Expenses (MER)[1]	Increase productivity in all aspects from sales, service and support

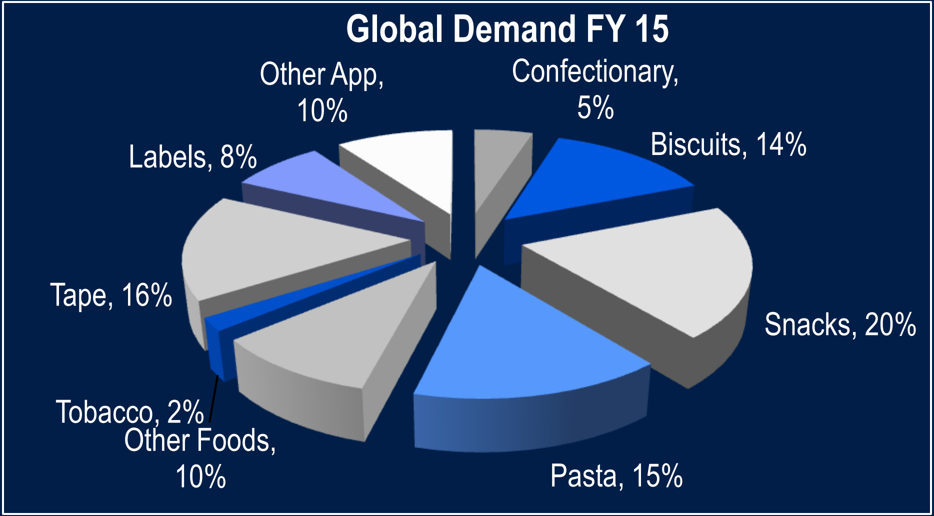
- **Peak capital of ~ INR 1000 Cr**
- **Breakeven in FY 2017-18**

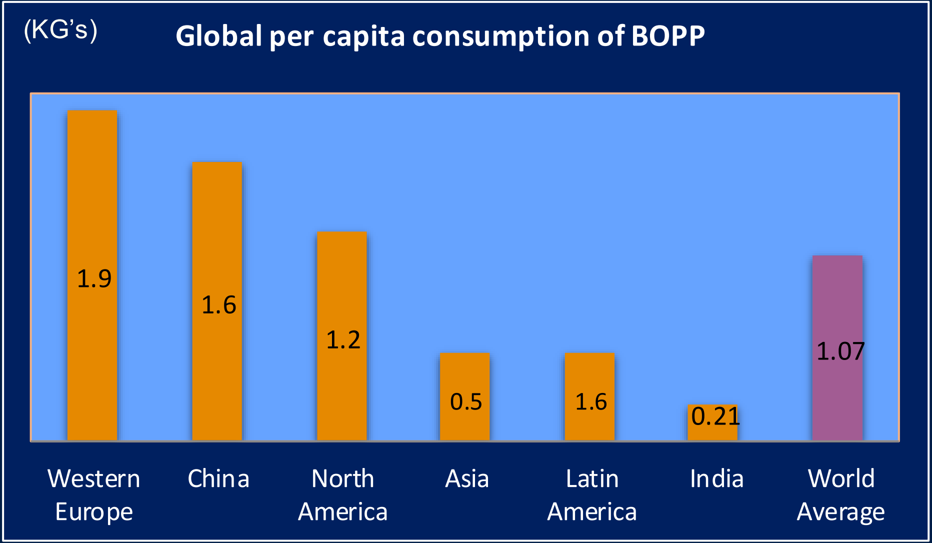
1. Management expense ratio (as per 17E) as % of GWP

MAX SPECIALITY FILMS (MSF)

www.maxspecialityfilms.com

Industry marked by robust global and domestic demand





Key Highlights

- Growth of flexible packaging Industry ~ 12-14% in India
- Per capita consumption of BOPP in India relatively lower
- Growth in FMCG and organized retail and changing urban life styles & rural demand.
- Competitive pricing and costs spurs exports from India and restricts imports.
- Shift from PET to BOPP (Indian BOPP:PET products ratio around 1:2 against 3:1 globally)
- BOPP films are recyclable and have a competitive advantage over other plastic and traditional products
- Convertor industry growing & India becoming global hub for supplies of Flexible Laminates

MSF uniquely positioned to be India's most admired & preferred global supplier of Specialty Polymer films

COMMODITY

PACKAGING, INDUSTRIAL, TEXTILES

METALLISED FILM

SPECIALITY HERMETIC SEAL, ULTRA HIGH BARRIER

HIGH SPEED PACKAGING, LAMINATION

PACKAGING, LAMINATION, HIGH BARRIER

THERMAL & COATED FILM

PACKAGING, DOCUMENT PROTECTION ENHANCEMENT, PRESERVATION VIZ. GREETING CARDS

OUR STRENGTH

Max Speciality Films is much more than packaging…

- **Established in 1990 MSF manufactures 'Speciality' BOPP (Bi- axially Oriented Polypropylene) & Thermal Lamination Films**
- **Committed to innovation, product quality and service excellence**
- **Deep Partnerships with Brands and converters in India & Abroad**
- **Significant market share of converts 65-70% output served to FMCG industry**
- **Geographical footprint covers Europe, the middle East, the US, Latin America, Africa, Australia, South Korea, CIS countries & SAARC**

Business evolution & infrastructure

REVENUE & QUANTITY GROWTH

MSF Growth - FY07-15
Revenue CAGR: 20 %
Quantity CAGR: 18 %
EBITDA CAGR: 19 %

CAPACITY GROWTH

CAGR of 25%

CURRENT CAPACITY

4 METALLIZERS | 4 BOPP LINES | 3 EXTRUSION LINES | 3 COATING LINES | R & D LAB | 54 KTA





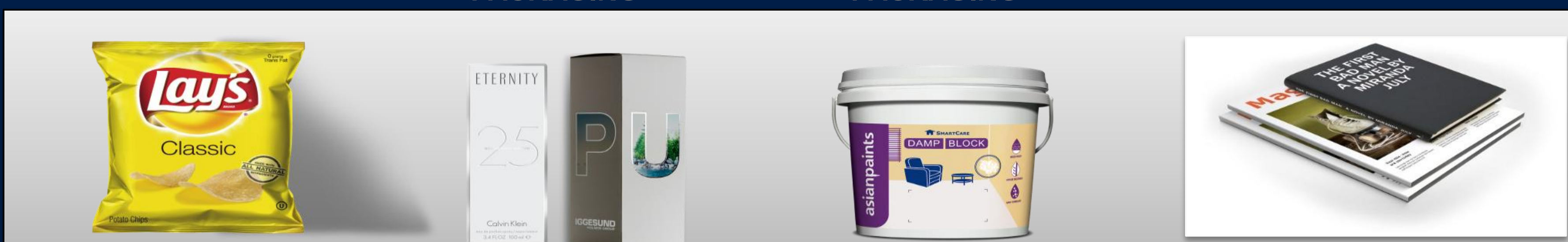
- 1990 – BOPP LINE 1 (3.6 KTA)
- 1996 – METALIZER 1
- 1998 – COATING LINES
- 2001 – THERMAL LINE 1, BOPP LINE 2
- 2003 – METALIZER 2
- 2006 – METALIZER 3
- 2007 – THERMAL LINE 2 BOPP LINE 3
- 2009 – THERMAL LINE 3, COATING LINE 4
- 2011 – LINE 4, METALIZER 4
- 2015 – UPCOMING THERMAL LAMINATION L- 4; SPECIALITY COATING LINE

Visibility in Top Brands

Our Customers … Brands / Converters

Markets We Serve

FOOD PACKAGING | NON FOOD PACKAGING | INDUSTRIAL PACKAGING | GRAPHIC LAMINATION



Food Packaging
- Plain
- Coextruded
- Pigmented
- Metalized
- Overwrap

Non Food Packaging
- Overwrap
- Metalized

Industrial Packaging
- Release
- Cable Insulation
- Labels

Graphic Lamination
- Thermal Lamination Films
- Wet Lamination films

Enhances Aesthetics & Longevity of documents

Awards & Recognition

Recognized by National & International organizations
for “**product development**” & “**process innovation**”

GOLDEN PEACOCK AWARD IN 2011

WORLD STAR AWARDS IN 2010 & 2012

INDIA STAR AWARD IN 2010, 2012& 2015

Recently won INDIASTAR AWARD 2015 in INNOVATION & PACKAGING DESIGN Category
for its ANTI SKID FILM

MAX INDIA FOUNDATION (MIF)

www.maxindiafoundation.org

MAX INDIA FOUNDATION

Making a difference… to life

Max India Foundation

- Corporate Social Responsibility (CSR) Arm of the Max India Group focused on providing quality healthcare to the underprivileged, facilitating awareness of health related issues, and promoting and fostering an eco-friendly healthy environment.

Awards Received:-

- Golden Peacock Award for CSR 2015
- Best Overall CSR Practices 2015"at the World CSR Day
- "Outstanding Social Impacts" Award 2014 at the World CSR Day Congress
- Golden Peacock Award for CSR 2013
- "Best CSR Practices 2013"at the World CSR Day
- "Best CSR Practices 2013" at 7th Indy's Award
- Golden Peacock Award for CSR 2012
- Global CSR Awards at the World CSR Day 2012
- Golden Peacock Global CSR Award 2011

Factsheet* – MIF

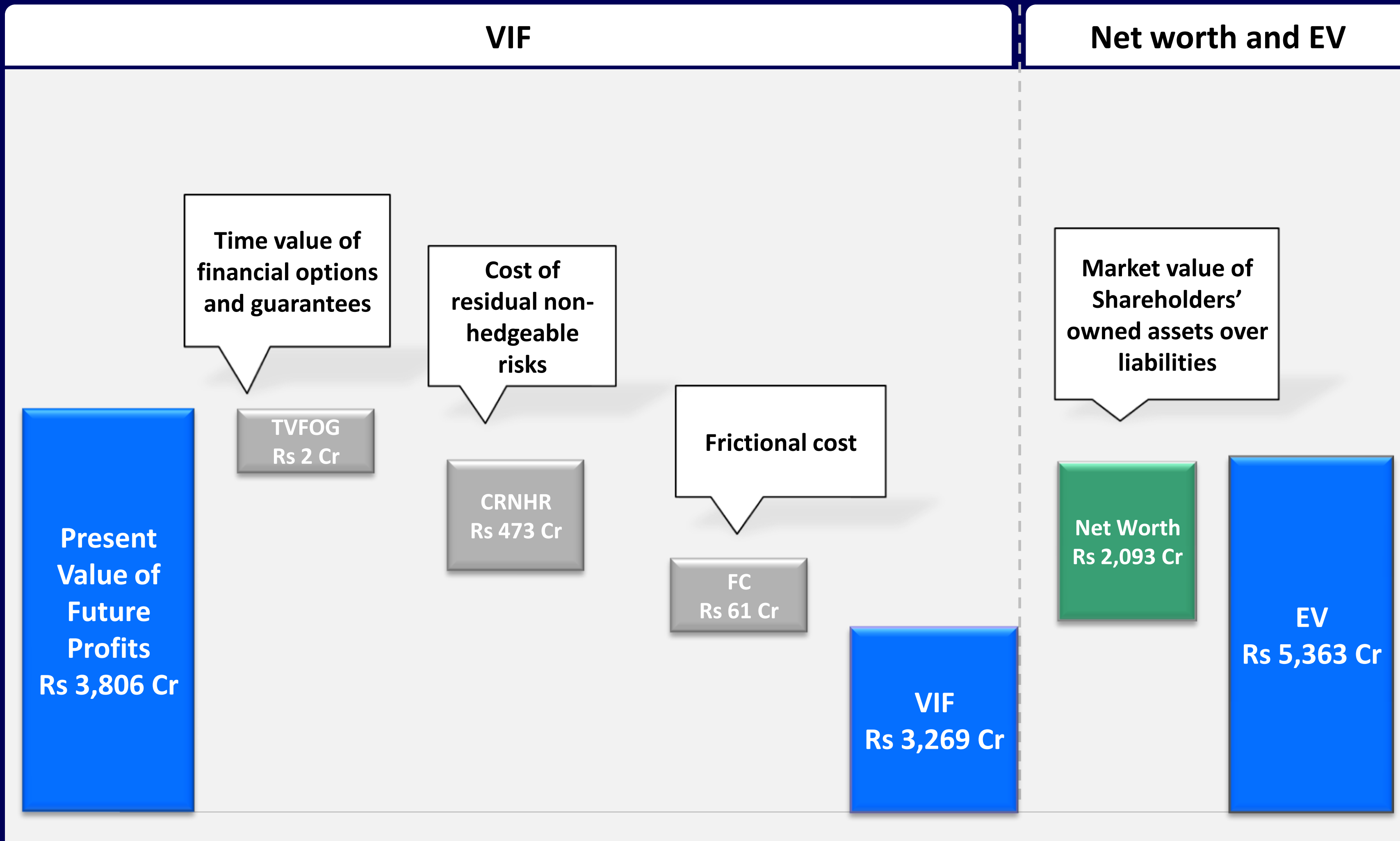
Locations	652
NGO Partners	394
Beneficiaries	16,31,883
Initiatives	• "Dhakrani" Village Adoption in Dehradun district to address healthcare needs, waste disposal and sanitation. • Pan India Immunization • Artificial Limbs & Polio Callipers • Health Camps • Surgeries & Treatment • Palliative Care • Lifeline Express Camps • Multi-speciality Camps • Cancer Awareness • Environment Awareness

* Till Jan 2016

Annexures

Overview of the components of the EV as at 30th September 2015

All figures in Rs Cr



Note: Figures may not add up due to rounding.

Sensitivity analysis as at 31st March 2015

Sensitivity Results	EV		VNB	
	Value (Rs Cr)	% change	Value (Rs Cr)	% change
Base Case	**5,232**	**-**	**460**	-
Downward shift of 100 bps in the risk free interest rate curve[Note1]	5,347	2%	419	(9%)
10% increase in expense	5,178	(1%)	443	(4%)
10% increase in mortality	5,168	(1%)	449	(2%)
10% increase in lapse / surrender	5,127	(2%)	435	(6%)
10% immediate fall in equity values	5,167	(1%)	460	negligible

Notes:

1. The EV and VNB sensitivities are calculated annually. The sensitivity impacts are not expected to change materially from March 2015.
2. Reduction in interest rate curve leads to an increase in the value of assets which offsets the loss in the value of future profits.
3. Reserving assumptions are unchanged in all the sensitivities.

Key Assumptions (1/2)

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FIMMDA[1] as at 30th September 2015. The spot rates beyond the longest available term of 30 years are assumed to remain at 30 year term spot rate level.
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.
- A flat rate adjustment is made to the yield curve such that the market value of government bonds is equal to discounted value of future cash flows of those bonds.
- Samples from the un-adjusted spot rate yield curve as on 30th September 2015 and 31st March 2015 are given here:

Year	1	2	3	4	5	10	15	20	25	30 +
Sep 2015	7.37%	7.67%	7.62%	7.71%	7.84%	7.62%	7.91%	8.10%	8.22%	7.93%
Mar 2015	8.01%	7.96%	7.93%	7.89%	7.89%	7.95%	8.04%	8.12%	8.03%	7.79%

Demographic Assumptions

The lapse and mortality assumptions are approved by a Board committee and are set by product line and distribution channel on a best estimate basis, based on the following principles:

- Assumptions are based on past 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] Fixed Income Money Market and Derivatives Association of India

Key Assumptions (2/2)

Expense and Inflation

- Maintenance expenses are based on the recent expense studies performed internally by the Company. The VIF is reduced for the value of any maintenance expense overrun in the future. The overrun represents the excess maintenance expenses expected to be incurred by the Company over the expense loadings assumed in the calculation of PVFP.
- Expenses are denominated in fixed Rupee terms and are inflated at 6.25% per annum.
- The commission rates are based on the actual commission payable (if any).

Tax

- The corporate tax rate is assumed to be 14.42% for life business and 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.
- The mark to market adjustments are also adjusted for tax.

Max Life: Market Position Insurance Sales

Rank	Company	Individual New Business Premium (Rs. Cr) Premium Adjusted for 10% single premium			
		FY15	FY14	Growth (%)	Private Market Share
1	ICICI Prudential	4,596	3,253	*41%*	*23.0%*
2	SBI Life	3,120	2,811	*11%*	*15.6%*
3	HDFC Life	2,967	2,374	*25%*	*14.8%*
4	**Max Life**	1,948	1,769	*10%*	*9.7%*
5	Reliance Life	1,202	1,121	*7%*	*6.0%*
6	Bajaj Allianz	775	1,002	*-23%*	*3.9%*
7	Birla Sunlife	738	837	*-12%*	*3.7%*
8	PNB MetLife	712	577	*23%*	*3.6%*
9	Kotak Life	617	465	*33%*	*3.1%*
10	Exide Life	441	500	*-12%*	*2.2%*
	Others	2,874	2,536	13%	14.4%
	Private Total	19,992	17,243	16%	
	LIC	20,774	28,520	*-27%*	
	Grand Total	**40,765**	**45,763**	***-11%***	
	Market Share of Pvt. Players	***49.0%***	***37.7%***		

Source: Life Insurance Council \| IRDA Website

Max Life: Q3 & 9MFY16 Performance

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	9 months ended		Y-o-Y Growth
		Dec'15	Dec'14		Dec'15	Dec'14	
a) Gross written premium income	Rs. Cr						
First year premium		456	480	-5%	1,242	1,267	-2%
Renewal premium		1,602	1,399	15%	4,186	3,754	12%
Single premium		203	174	17%	520	426	22%
Total		***2,260***	***2,052***	***10%***	***5,949***	***5,447***	***9%***
b) Shareholder Profit (Pre Tax)	Rs. Cr	140	73	92%	401	356	13%
c) Policy holder expense to Gross Premium	%	13.7%	15.2%	-	15.0%	16.9%	-
d) Individual Adjusted Premium (APE*)	Rs. Cr	465	489	-5%	1,257	1,281	-2%
e) Conservation ratio**		85.3%	81.8%		83.4%	82.9%	
f) Average case size (Agency)	Rs.	39,529	37,930	4%	36,075	33,067	9%
g) Case rate per agent per month	No.	0.35	0.29	20%	0.32	0.30	6%
h) Number of agents (Agency)	No.	40,351	47,128	-14%	40,351	47,128	-14%
i) Paid up Capital	Rs. Cr	2,013	2,013	-	2,013	2,013	-
j) Individual Policies in force	No. Lacs	37	36	1%	37	36	1%
k) Sum insured in force (Individual)	Rs. Cr	1,79,178	1,45,591	23%	1,79,178	1,45,591	23%

*Individual First Year Premium adjusted for 10% single pay
**Conservation Ratio = Renewal Premium for the current period / (First Year + Renewal Premium for the previous period)

Key Physicians

Dr. Pradeep Kumar Chowbey, Padmashri
Director of Max Institute of Minimal Access, Metabolic and Bariatric Surgery. More than 35 yrs of experience in Lap Surgery, completed 70,000 major Lap procedures

Dr. S.K.S. Marya
Chairman - Orthopaedics & Joint Replacement
Renowned Joint Replacement Surgeon having 30 years experience

Dr. Harit Chaturvedi
Chairman – Cancer Care, Director & Chief Consultant - Surgical Oncology.
Over 25 years of experience in Surgical Oncology.

Dr. A.K. Singh
Director – Max Institute of Neurosciences, Dehradun
Renowned Neuro Surgeon having 40 years experience
Recipient of the BC Roy award

Dr. Anurag Krishna
Director- Paediatrics & Paediatrics Surgery
Over 20 years of experience in Paediatric surgery - complex congenital malformations

Dr. Sandeep Buddhiraja
Director- Clinical Directorate & Institute of Internal Med.
Over 23 years of experience in the field of Internal Medicine

Dr. K.K. Talwar
Chairman - Cardiology, Max Healthcare
Clinical experience of more than 39 years
Former Head, Department of Cardiology, AIIMS

Max Healthcare*

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
		Dec-15	Dec-14		Dec-15	Dec-14	
a) Financial Performance	Rs. Cr						
Revenue (Net)		529	424	25%	1,523	1,246	22%
Contribution Margin	%	66.2%	64.7%	150 bps	65.0%	64.0%	100 bps
EBITDA	Rs. Cr	54	42	29%	152	128	19%
EBITDA Margin	%	10.3%	10.0%	30 bps	10.0%	10.2%	(20 bps)
Cash Profit	Rs. Cr	23	22	8%	84	62	35%
Profit	Rs. Cr	(5)	(1)	-	7	(7)	2x
b) Financial Position							
Net Worth	Rs. Cr				1,071	726	47%
Net Debt	Rs. Cr				1,048	586	79%
Tangible Fixed Assets - Gross Block	Rs. Cr				1,935	1,438	35%
c) Patient Transactions (No. of Procedures)	No.						
Inpatient Procedures		42,181	32,649	29%	1,20,645	98,643	22%
Day care Procedures		9,034	6,805	33%	23,040	19,850	16%
Outpatient Registrations		13,47,117	10,72,689	26%	40,22,985	33,04,297	22%
d) Average Inpatient Operational Beds	No.	2,139	1,823	17%	2,064	1,756	18%
c) Average Inpatient Occupancy	%	69.7%	69.4%	30 bps	71.7%	74.1%	(240 bps)
d) Average Length of Stay	No.	3.20	3.36	-5%	3.21	3.43	7%
e) Avg. Revenue/Occupied Bed Day (IP)	Rs.	30,153	29,996	0.5%	30,296	28,512	6%

*The above results are for MHC Network of hospitals and includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation, Max Super Speciality Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre & Saket City Hospital unit of Gujarmal Modi Hospital & Research Centre

Max Bupa Health Insurance

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
		Dec-15	Dec -14		Dec-15	Dec -14	
a) Gross written premium income	Rs. Cr						
First year premium		46	34	36%	127	97	31%
Renewal premium		68	56	21%	198	152	30%
Total		**113**	**90**	**26%**	**325**	**249**	**30%**
b) Net Earned Premium	Rs. Cr	102	82	26%	286	235	22%
c) Net Loss	**Rs. Cr**	**(9)**	**(19)**	**53%**	**(49)**	**(67)**	**28%**
d) Claim Ratio(B2C Segment, normalized)	%	55%	51%	-420 bps	56%*	52%	-450 bps
e) Avg. premium realization per life (B2C)	Rs.	6,756	6,478	4%	6,794	6,278	8%
f) Conservation ratio (B2C Segment)	%				83%	82%	170 bps
g) Number of agents	No.				11,975	9,756	23%
h) Paid up Capital	Rs. Cr				876	763	15%

*Adjusted for abnormal past claims for the previous year amounting to Rs. 9 Cr, settled in the current year

Max Specialty Films

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
		Dec-15	Dec -14		Dec-15	Dec -14	
a) Sales Quantity – BOPP	Tons	10,701	10,399	3%	32,858	32,885	-
b) **Revenue**	Rs. Cr.	**165**	**175**	**-6%**	**543**	**565**	**-4%**
c) Profitability:							
Contribution	Rs. Cr.	**39**	**33**	**16%**	**125**	**100**	**25%**
	%	23%	19%		23%	18%	
EBITDA	**Rs. Cr.**	**19**	**16**	**18%**	**68**	**54**	**28%**
	%	12%	9%		13%	10%	
PBT	**Rs. Cr.**	**5**	**0.3**	**>100%**	**27**	**6**	**4x**
	%	3%	0.2%		5%	1%	

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