

# Max India Limited

**Investor Presentation  
August, 2014**

# MAX GROUP - OVERVIEW

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## 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*  
*transparency*

*respect/dignity*  
*performance orientation*

*progressiveness*  
*ethicallity*

Multi-business corporate

Focused on people and service

**“ IN THE BUSINESS OF LIFE ”**



**Life Insurance**  
Protecting Life

74:26 JV\* with Mitsui Sumitomo;  
Largest non bank lead private life insurer



**Healthcare**  
Caring for Life

50:50 JV^ with Life Healthcare, SA;  
2,000 beds



**Health Insurance**  
Enhancing Life

74:26 JV with BUPA Finance Plc, UK



**Senior Living**

100% Owned;  
Continuing Care Retirement Community in Dehradun



**Clinical Research**

100% owned;  
550 active sites



**Speciality Films**

Niche high barrier polymer films & Leather Finishing Foils



**Corporate Social Responsibility**

Focus on healthcare, children and the environment



\*Max India currently holds 71.1% in Max Life

^Max India's current holding in MHC is 66%. Life Healthcare will be equalising their stake for which the terms have been agreed

# A unique investment opportunity and a resilient business model

- 1 INR 116 billion+ Revenues\*.. 5 Mn+ Customers..15,000 Employees.. 56,000^ Agents.. 2,000+ 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



Hutchison



ATOTECH

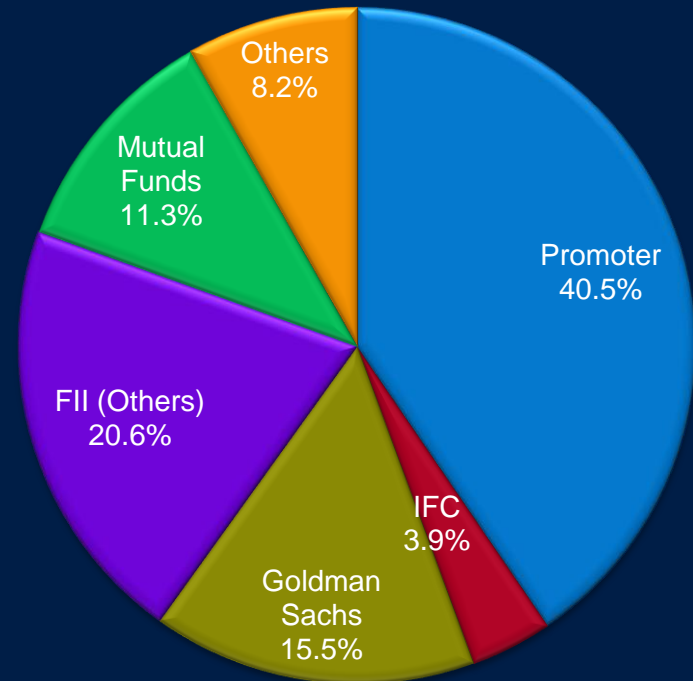


# Growth potential recognized by the market.... high pedigree investor base

Shareholding  
Concentrated  
with Marquee  
Investors

- Reliance MF
- Temasek
- Fidelity
- Norges
- New York Life
- Jupiter
- Matthews
- ICICI Prudential

Shareholding Pattern  
as on June 30, 2014

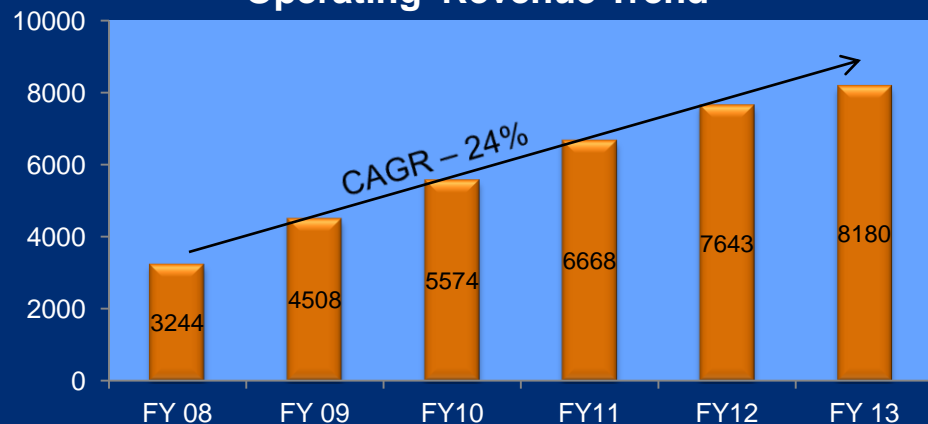


Number of outstanding shares : 26.55 Cr.

# Consistent track record of strong growth across businesses with the group turning strong profits

## Operating Revenue Trend

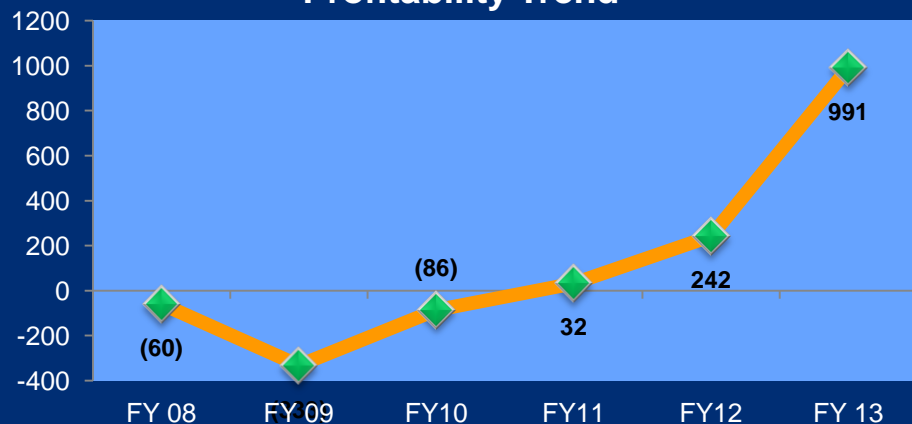
Rs Cr.



Rs Cr.

	FY 10	FY 11	FY 12	FY 13	FY 14
Operating Revenue	5,574	6,668	7,648	8,180	9,139
Investment and Other Income	2,087	1,223	914	2,444	2,544
Total Revenue	7,661	7,891	8,562	10,624	11,683
Profit / (Loss) before Tax	(86)	32	242	991*	274

## Profitability Trend



Rs Cr.

	FY 10	FY 11	FY 12	FY 13	FY 14
Net Worth	1,993	1,944	2,513	2,903	2,984
Loan Funds	440	507	549	676	702
Net Fixed Assets	965	1,017	1,256	1,361	1,495
Treasury Corpus	909	540	397	409	235
Life Ins. AUM	10,121	13,836	17,215	20,458	24,716

\*Investment & Other Income and PBT for FY13 includes income from stake sale in Max Life amounting to Rs. 802 Cr and Rs.794 Cr, respectively.

# MAX LIFE INSURANCE COMPANY (Max Life)

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[www.maxnewyorklife.com](http://www.maxnewyorklife.com)



## Our objective



To be the most admired life insurance company in India with sharp focus on financial metrics

Sources of competitive advantage

## Our approach



To serve the long-term savings and protection needs of mass affluent+ customers through a high quality agency supplemented by our privileged bancassurance partnership

"Build a robust multi-channel distribution architecture while Max Life's proprietary high quality agency will remain the core distribution channel."

## Key choices

### RECREATE

- ✓ High quality "platinum standard" agency that we were known for

### GROW

- ✓ Privileged banc-assurance relationship with Axis Bank
- ✓ Expand bancassurance

### TURBOCHARGE

- ✓ Product development process
- ✓ Change management and governance
- ✓ Persistency management

### OPPORTUNISTIC

- ✓ New PD deals
- ✓ Group business
- ✓ Discover growth options for the future

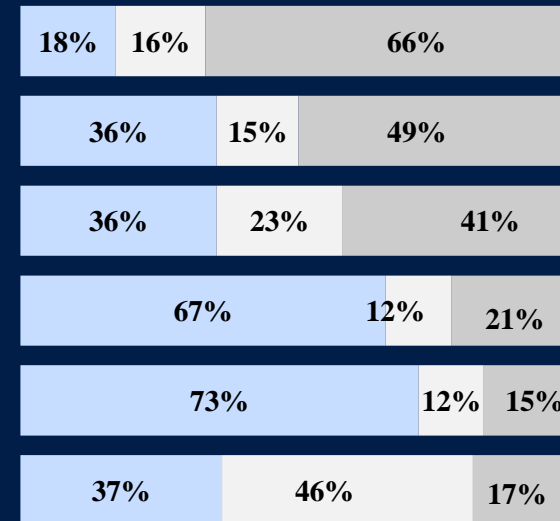
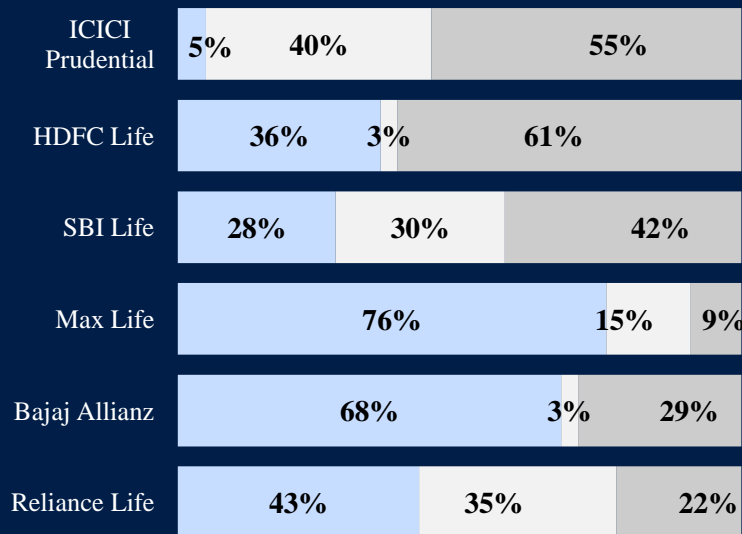
### REDUCE

- ✓ Cost
  - Driving cost management
  - Lowering costs of agency

➤ *FY - 2013*

➤ *FY - 2014*

■ Par ■ Non Par ■ ULIP

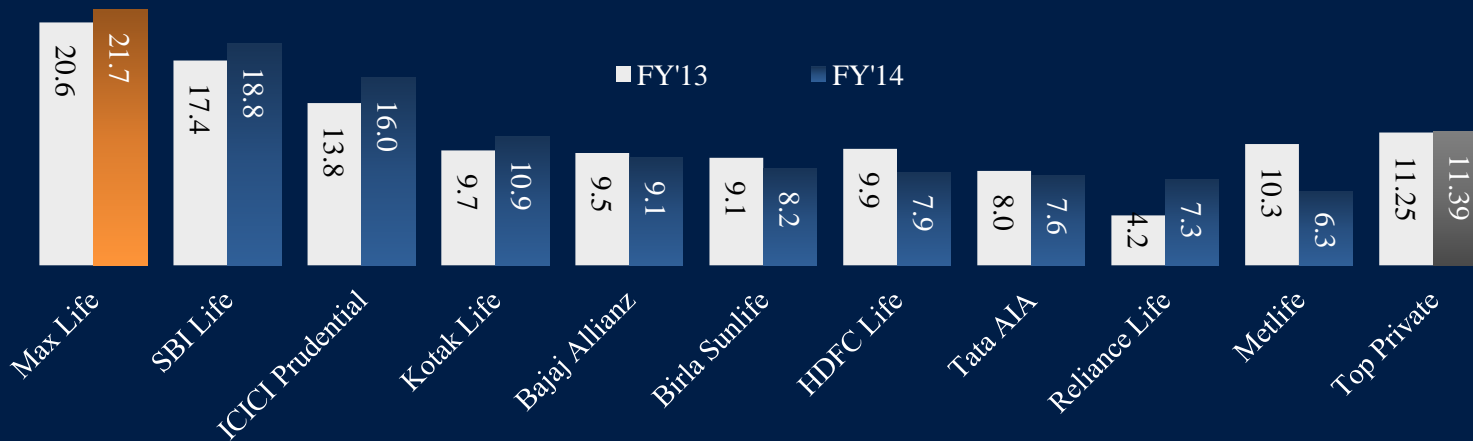


## KEY INSIGHTS

- For players like ICICI Prudential and Birla Sunlife, the portfolio has shifted to Par design products to fill the void left by index linked plans (since Sep 30<sup>th</sup>)
- HDFC Life's NPar segment has picked up with online term product showing great potential. High ULIP share is attributed to it's high dependence on the Banca channel (65% FYP share in FY14)
- SBI Life's non-par segment has shrunk as it's top selling NPar products - 'Flexi-Smart' and 'Shubh Nivesh' are now being sold as PAR products. The NPAR share is known to have reduced to ~5% as on Jun'14
- Bajaj saw a drop in it's UL share as there were no UL in it's portfolio for major part of JFM'14
- Reliance Life and Max Life saw a surge in UL sales in JFM'14

## Average Branch Productivity

In Rs. Lakhs per month

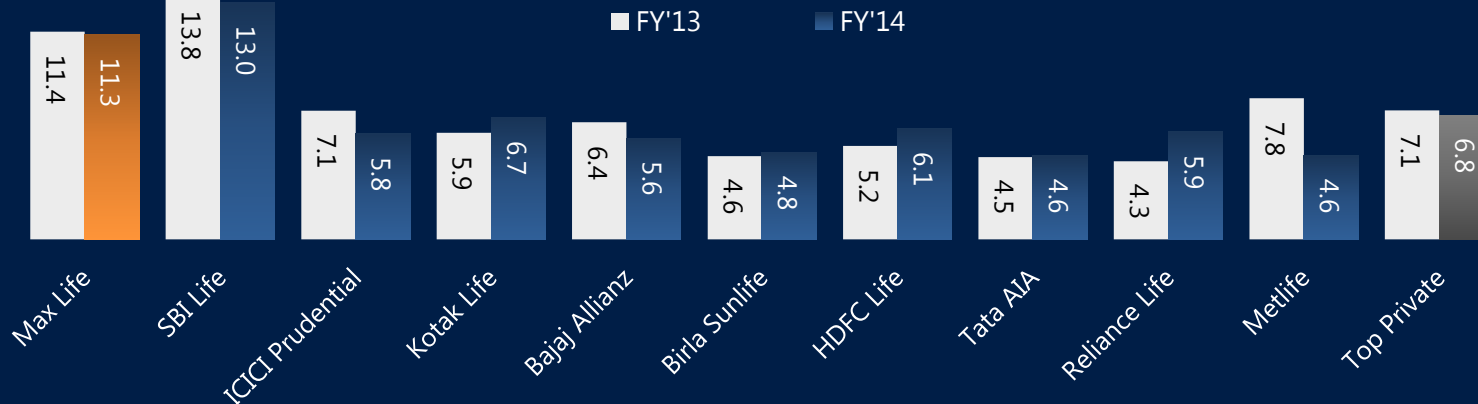


**Max Life's Performance**

Max Life continued to lead productivity parameters (both agent productivity and branch productivity)

## Average Agent Productivity

In Rs. 000's per month

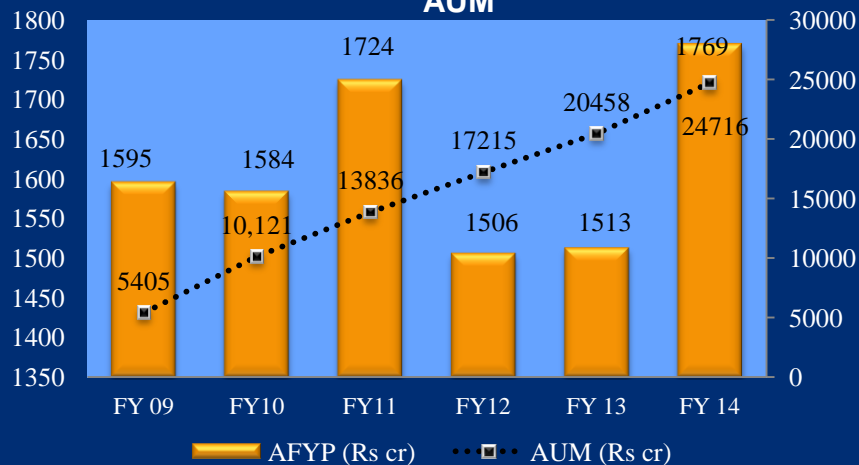


**Note: Agency productivity calculated using FYP (100% SP)**

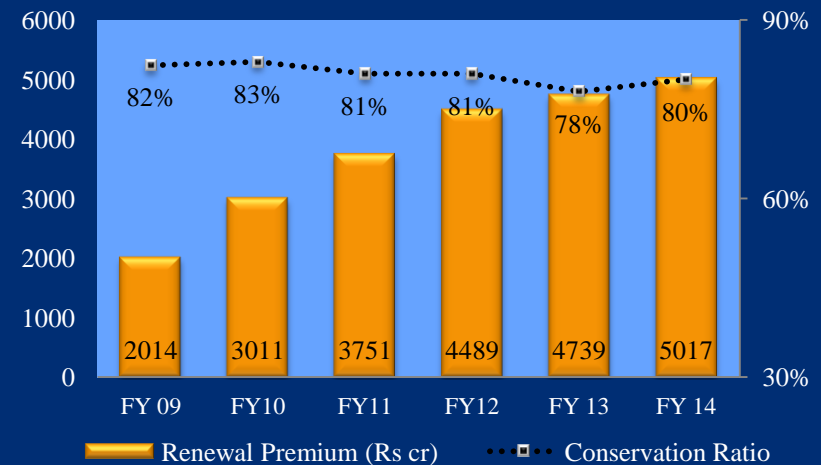
SOURCE: Market Intelligence & Internal Estimates | Public Disclosures

<b>Highly productive agency model and best in class training</b>	<ul style="list-style-type: none"> <li>✓ Agency base at 45,000 agents</li> <li>✓ FY 14 Average case size at ~Rs. 29,000 with average case rate ~0.41</li> <li>✓ Need based insurance sales</li> <li>✓ 400+ trainers on board</li> </ul>
<b>Comprehensive product portfolio with an enduring customer base</b>	<ul style="list-style-type: none"> <li>✓ Product mix for FY14: Par 67%, Non-par 11%, ULIP 21%</li> <li>✓ Long tenor products (21 Yr) &amp; a young customer profile (35 Yr)</li> </ul>
<b>Disclosures ahead of competition</b>	<ul style="list-style-type: none"> <li>✓ Embedded Value; EV for FY14 at Rs. 3,953 Cr (FY13 at Rs. 3,756 Cr)</li> <li>✓ Implied NBM is 13.4% on APE* for FY14 (FY13 at 14%)</li> </ul>
<b>Other key drivers</b>	<ul style="list-style-type: none"> <li>✓ Max Life's share of private sector grows to 12.3% in Q1FY15;</li> <li>✓ Assets under Management at Rs. 26,697 Cr. as at June 30, 2014, grow 25% y-o-y</li> <li>✓ Over 3.6 million policies in-force with Sum assured over Rs. 190,000 Cr.</li> <li>✓ Business capitalised at Rs. 2,127 Cr. as at June 30, 2014; solvency surplus of Rs. 2,207 Cr. and solvency margin touching 500%</li> <li>✓ Paid Dividend for FY 14 of 264Cr (final dividend~ 136Cr &amp; interim dividend~ 128Cr) after paying dividends of 259 Cr dividends for FY 13.(All numbers post DDT)</li> </ul>

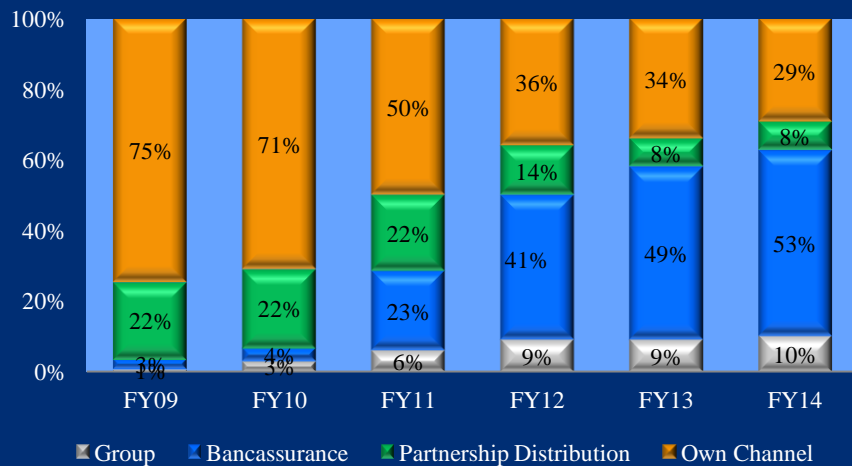
## New Business Growth – Adjusted FYP<sup>1</sup> and AUM



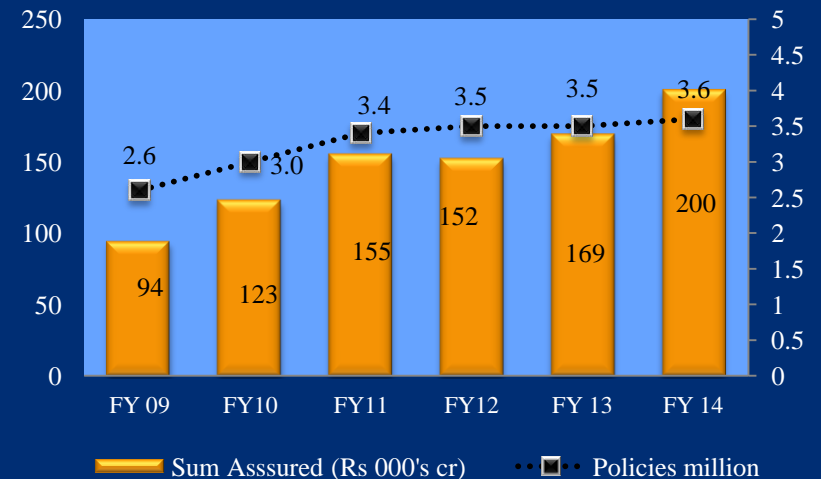
## Renewal premium and conservation ratio<sup>2</sup>



## Distribution Mix



## In force business and No. of policies



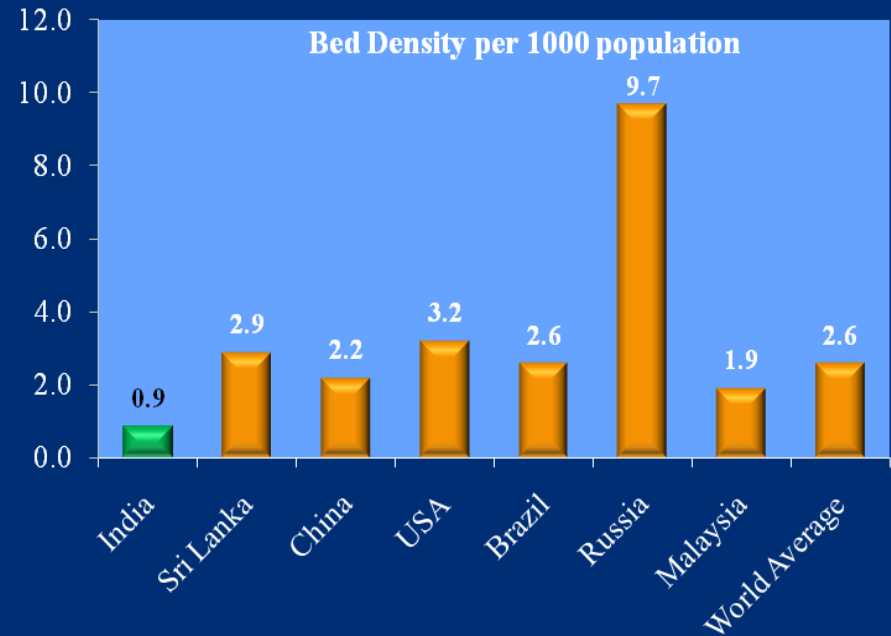
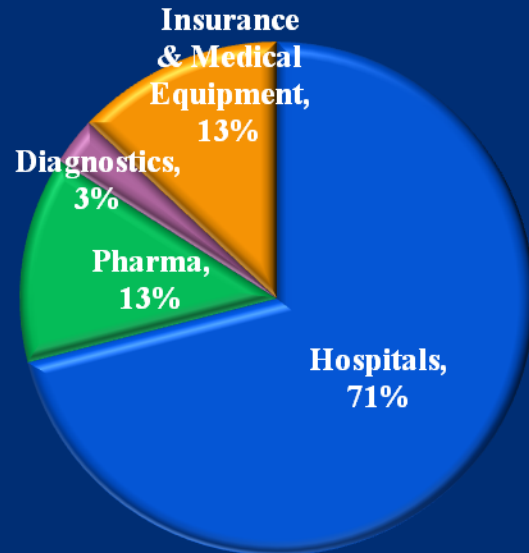
1. Individual First Year Premium adjusted for 10% single pay

2. Conservation ratio = Renewal premium for the current period / (First Year + Renewal Premium for the previous period)

# MAX HEALTHCARE (MHC)

# Indian healthcare industry poised for exponential growth

**Healthcare Segments Share by 2012  
– USD 77 Bn.**

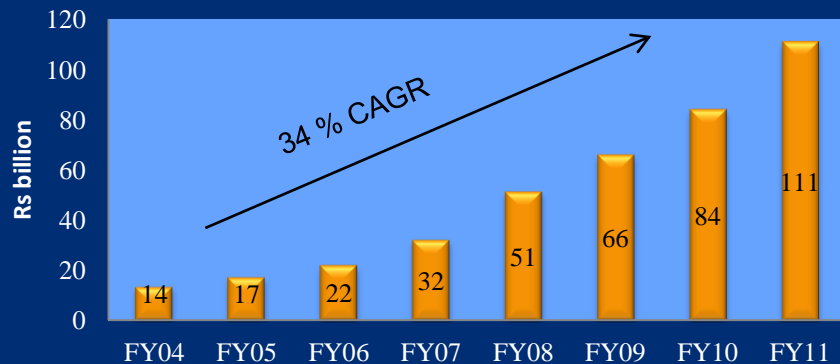


## KEY HIGHLIGHTS

- Indian Health Industry is poised to double to USD 125 bn by 2015E, driven by a combination of ageing population, growing lifestyle diseases and medical insurance penetration as well as increasing ability to afford quality healthcare.
- Realization of latent demand through growth in insurance & consumer education likely to be a key growth driver
- Private hospitals to contribute USD 45 Bn by 2012
- Share of top tier private hospitals (>100 beds) is expected to grow to 40% of the total hospital segment by 2015
- Specialty hospitals are estimated to grow faster than overall industry due to rise in lifestyle diseases
- India needs an investment of USD 86 Bn by 2025 to increase bed density to 2 per 1,000 population

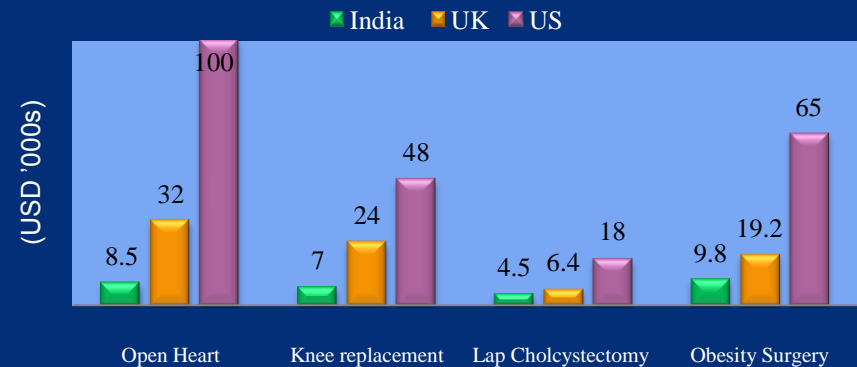
# Increasing prevalence and propensity are key market drivers

**Growing Health Insurance Market...**



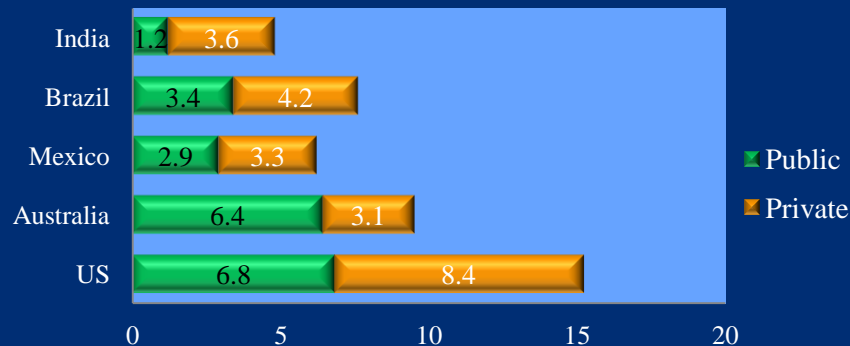
Rising health insurance penetration will make healthcare affordable

**Comparative medical cost**

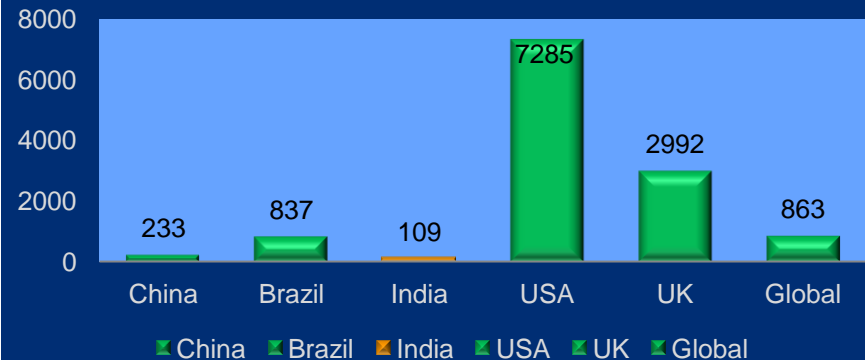


Cost differentials provide a huge untapped market for medical tourism related business opportunities

**International Healthcare Expenditure (as a % of GDP)**



**Per Capita Spending (PPP)**



On a per capita basis, both in terms of USD and PPP, India's Healthcare spend is amongst the lowest globally. However India's healthcare spending is growing at a healthy CAGR of 14%, rising from 5.5 % of GDP (2009) to 8% (2012)



## Quaternary /Tertiary Care

- Max Super Speciality Hospitals – Saket
- Max Super Speciality Hospital – Patparganj
- Max Super Speciality Hospital – Mohali
- Max Super Speciality Hospital – Bhatinda
- Max Super Speciality Hospital – Shalimar Bagh
- Max Super Specialty Hospital – Dehradun
- Organ Transplant
- Neurosciences
- Oncology
- Cardiac Care
- Minimally Invasive & Metabolic Surgery
- Joint Replacement and Orthopedics
- Aesthetics and Reconstructive surgery

## Secondary Care

Max Hospitals – 3  
Specialty Centre – 1

- Medicine & Allied Specialties
- Mother and Child
- High-end diagnostics
- Infertility and IVF
- Eye and Dental care

## Primary Care

Clinics /  
Implants -10

- PHP
- Specialist doctor consult
- Basic diagnostics like pathology collection
- Home Care

NABH & NABL  
Accreditations

- Max Super Specialty Hospitals, Saket
- Max Super Specialty Hospital, Patparganj
- Max Hospital, Gurgaon

- Max Super Specialty Hospital, Mohali
- Max Hospital, Shalimar Bagh

# Extensive focus on service excellence – a key strength for MHC

## Comprehensive and integrated healthcare services

- Complete service profile, cutting edge technology and state of the art infrastructure
- North India centric strategy allows leveraging of medical capabilities

## Well established brand name throughout India

- Patient centric healthcare delivery model with focus on highest quality of care
- High operational and clinical efficiency
- Won numerous accolades including accreditations by the NABH, NABL and awards by FICCI
- Comprehensive range of services offer primary, secondary, tertiary and quaternary care

## Network of highly respected and leading specialists

- Team of 2,050 doctors complemented by 2,800 nurses and 2,700 other trained personnel

## Transitions from Tertiary to Quaternary Care

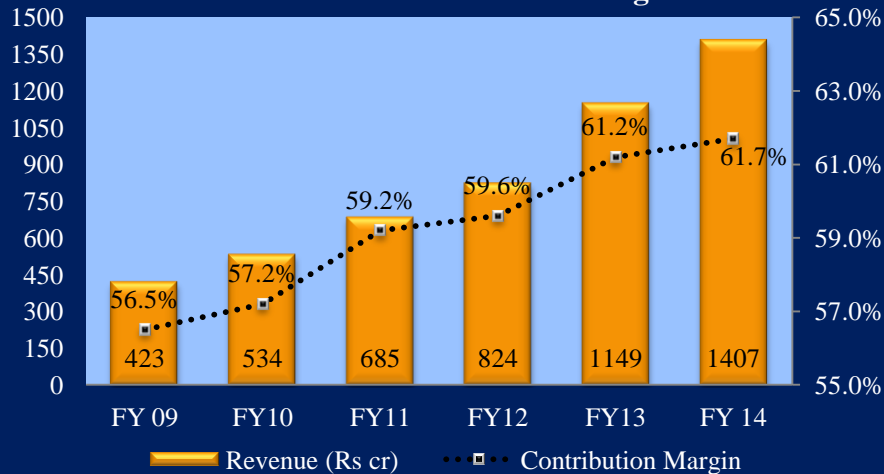
- Foray into latest advancements including Stem Cells, Organ transplants and Genomics
- Revolutionary change in Indian healthcare operations by introducing Electronic Health Records (EHR) & CRM
- Centres of excellence in cardiac, minimal access, metabolic and bariatric, orthopedics & joint replacement, neurosciences, pediatrics, obstetrics & gynecology, oncology and aesthetic & reconstructive surgery

## Extensive emphasis on medical training and education

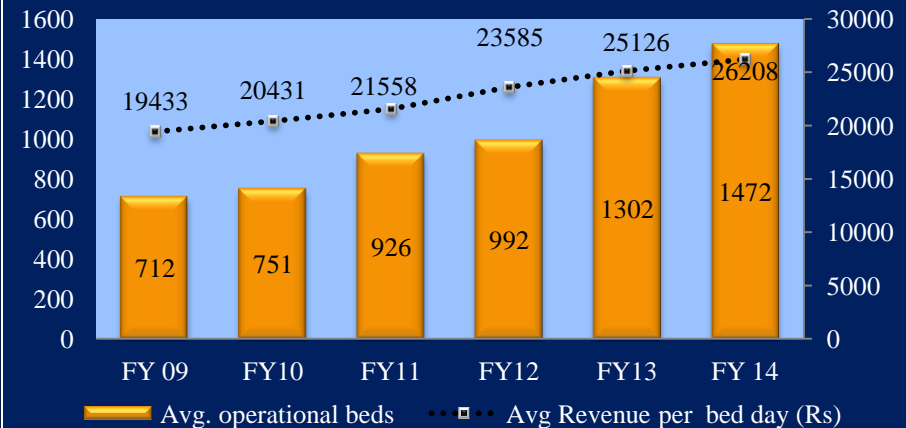
- DNB (Diplomate of National Board) & fellowship programs
- High quality nursing and paramedic care supported by nursing and paramedic on-the-job trainings
- Development of New Healthcare professionals and course modules (e.g., case managers, nurse practitioners)

# MHC delivering superior performance across all key metric

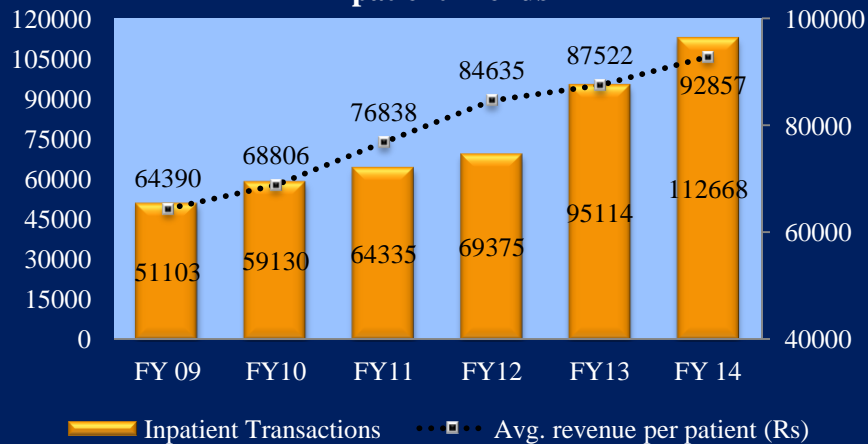
## Revenue and Contribution Margin



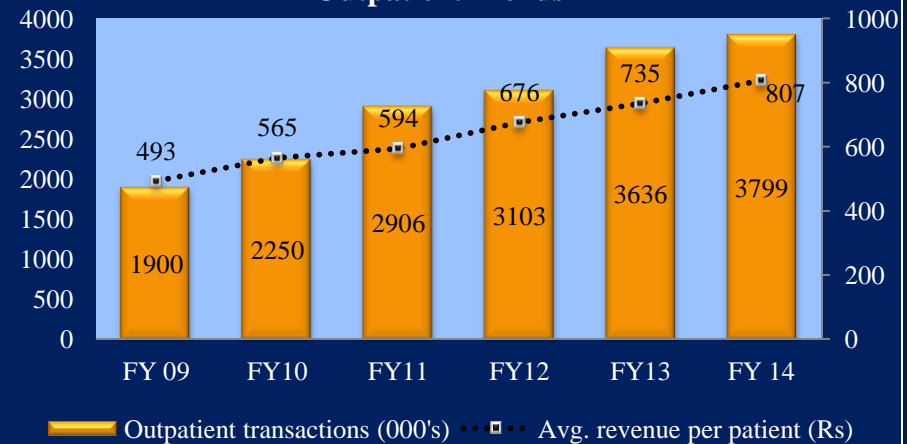
## Avg. operational beds and Avg. revenue per occupied bed day\*



## Inpatient Trends



## Outpatient Trends



\*Average revenue per occupied bed day has been calculated on inpatient revenue

# MAX BUPA HEALTH INSURANCE (Max Bupa)

[www.maxbupa.in](http://www.maxbupa.in)

# A symbiotic partnership in the health insurance space



- India's leading conglomerate
- Successful track record of building businesses
- Expertise in life insurance, health insurance and healthcare businesses
- Group revenues in FY 2014 – Rs 11,683 crores
- Local perspective of the Indian market



- Global Health Insurance provider with market leadership in UK, Spain & Australia
- 12 million customers in over 190 countries
- Group revenues in 2012 - £8.5 billion and PBT of £600 million
- Employee base of over 52,000
- Voted as best international health care provider in 2013

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

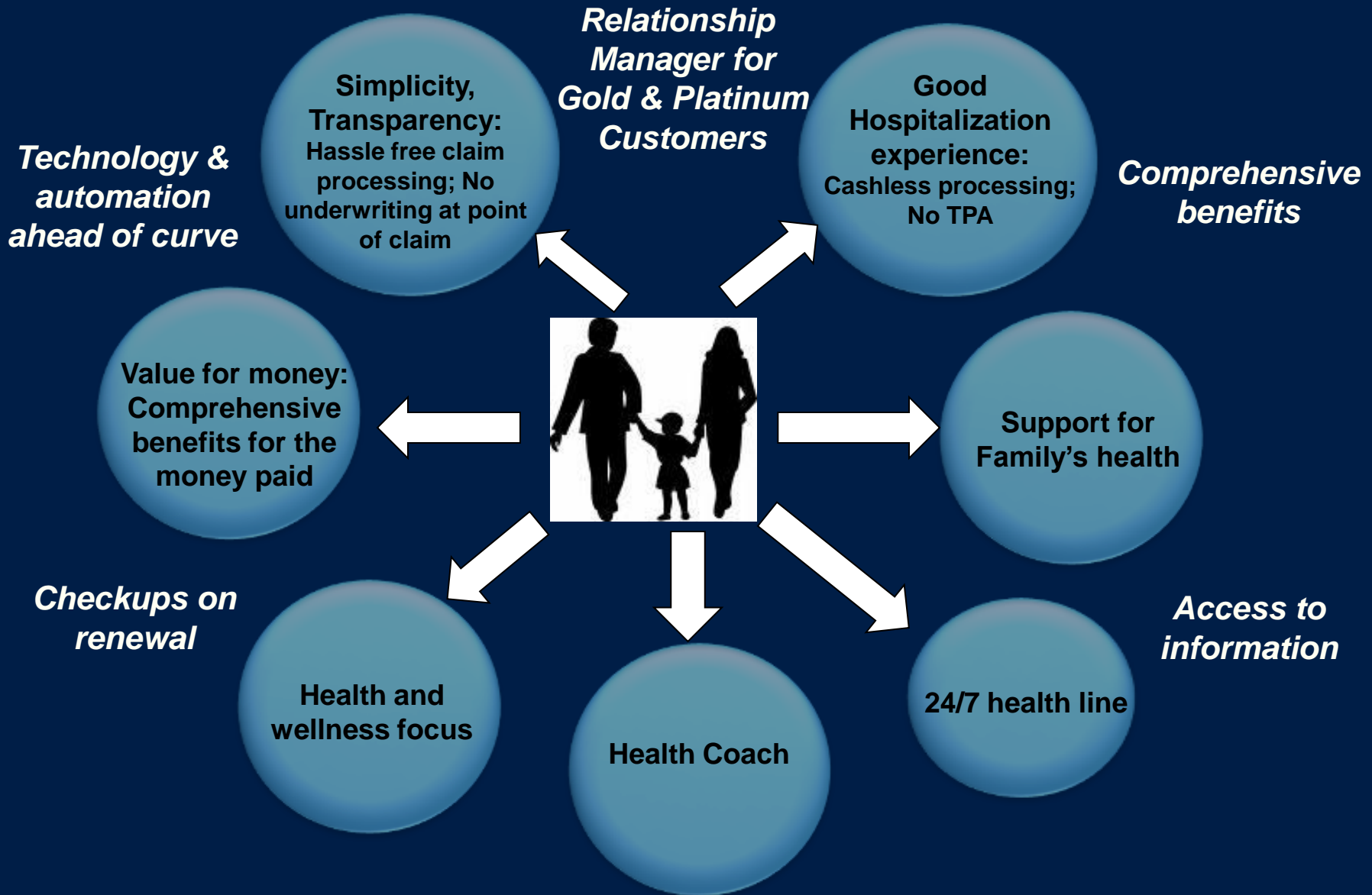
## Key drivers of growth

- **Increase in affordability**
  - Increasing affordability with rise in income levels and healthcare spend per capita
- **Increase in willingness**
  - Rapid scale-up of hospitals and expansion outside metros
  - Take-off of **comprehensive insurance coverage** products e.g. secondary healthcare, out-patient etc.
  - **Higher need** with rise in incidences of chronic diseases (viz. cancer, heart disease)
  - Acceptability of insurance with increasing **awareness**
- **Increase in ticket size**
  - Rise in healthcare costs with market inflation

## Indian Health Insurance Market (Rs. In Billion)



- Industry grew by 15% in FY 2013-14 marginally lower than that in the previous fiscal (17% in FY 12-13)
- Growth driven equally by both Private as well as public sector players (YTD Mar'14 : 14% and 15% respectively)
- Insurers focusing on containing loss ratio's and improving profitability
- Standalone health insurers growing aggressively



## 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

## Focussed customer profile

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

## Factsheet\* – Max Bupa

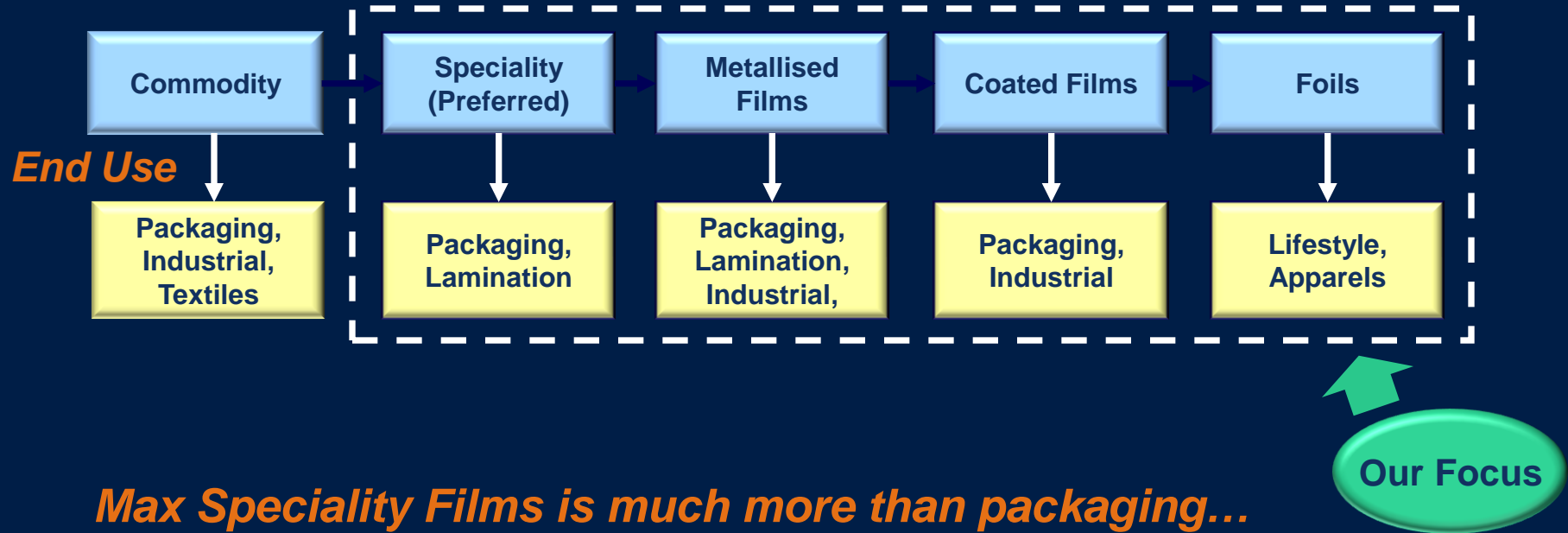
Gross Written Premium^	INR 309 Cr.
Customer Base^	681K+
Number of Employees	1330+
Number of Agents	11,400+
Number of Offices	21
Partner Hospitals	3,400+



# MAX SPECIALITY FILMS (MSF)

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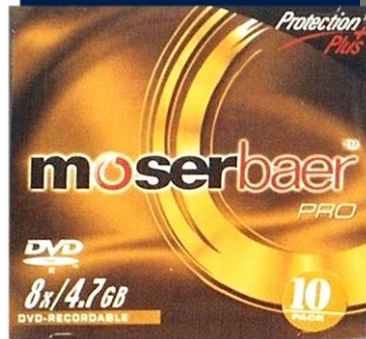
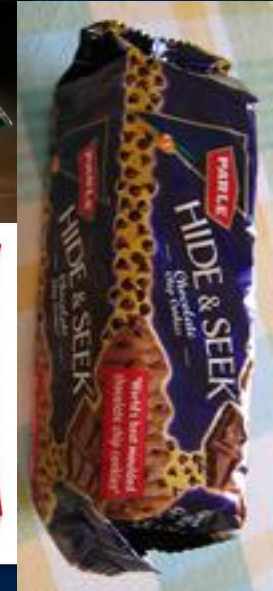
[www.maxspecialityfilms.com](http://www.maxspecialityfilms.com)



## *Max Speciality Films is much more than packaging...*

- Manufacturer of niche (high margin) and high barrier speciality polymer films
- Pioneer in introduction of value added products/technology in India
- Value added products account for 55-65% of total sales
- Customer Base in India / Exports
- New product development – 6 to 8 per year
- Long term relationship with blue chip customers; Preferred Vendor

You will Find  
MSF films in...



# MAX NEEMAN MEDICAL INTERNATIONAL (MNMI)

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[www.neeman-medical.com](http://www.neeman-medical.com)

- Full service contract research organization (CRO) with focus on Phase II, III & IV trails
- Service offerings include: Project management, Site management, Data management, including, bio-statistics and report writing, monitoring services and supply chain management
- Order book of Rs. 19 Cr. as at June 2014
- Business Development efforts focused on medium/small-sized biotech & pharma companies

## Key Highlights FY14

- Revenues decline 10% as industry slowdown due to regulatory uncertainty continues
- Despite significant revenue reduction, pro-active cost rationalisation enables positive EBITDA of Rs.0.1 Cr as against EBITDA loss of Rs.1.0 Cr in FY13;
- Patient retention rate at 92%
- 5 successful US FDA GCP audits
- Client base stands at 118
- 2000+ Physicians
- 335 studies being executed across 551 sites

## Marquee Clients



# MAX INDIA FOUNDATION (MIF)

[www.maxindiafoundation.org](http://www.maxindiafoundation.org)



## 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 Global CSR Award 2011
- Global CSR Awards at the World CSR Day 2012
- Golden Peacock Award for CSR 2012
- “Best CSR Practices 2013” at 7<sup>th</sup> Indy’s Award
- “Best CSR Practices 2013” at the World CSR Day
- “Golden Peacock Award for CSR 2013
- “Outstanding Social Impacts” Award 2014 at the World CSR Day Congress

## **Factsheet\* – MIF**

<b>Locations</b>	<b>428</b>
<b>NGO Partners</b>	<b>350</b>
<b>Beneficiaries</b>	<b>1,138,027</b>
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>• Immunization</li> <li>• Artificial Limbs &amp; Polio Callipers</li> <li>• Health Camps</li> <li>• Surgeries &amp; Treatment</li> <li>• Palliative Care</li> <li>• Lifeline Express Camps</li> <li>• Multi-speciality Camps</li> <li>• Cancer Awareness</li> <li>• Environment Awareness</li> </ul>



# Thank You



# Consolidated Financial Snapshot (Q1FY15)

(Rs. Cr.)

Particulars	Quarter ended		Y-o-Y Growth
	Jun-14	Jun-13	
Total Revenue	3,686	2,333	58%
Operating Revenue	1,974	1,722	15%
EBITDA	142	97	48%
PBT	77	42	85%

Particulars	30-Jun-14	31-Mar-14	Growth
Net Worth	3,013	2,984	1%
Preference Shares	65	65	-
Loan Funds	703	702	-
Fixed Assets (Net Block)	1,470	1,495	-2%
Treasury Corpus (Debt M. Funds & Term Deposits)	235	247	5%
Life Insurance Investments (AUM)	26,697	24,716	8%

\*Revenue comprises of operating revenue, investment & other income; It includes Investment gain on UL portfolio (MLIC) of Rs. 1360 Cr in Q1FY15, against Rs. 368 Cr in Q1FY14.

## Key Public Messages

- A trusted life insurance specialist
- Customer centric
- Financially responsible and strong
- A great place to work
- An admired member of the community

## Key Differentiators

- Financial Strength & Security
- Quality of agents
- Flexible Products
- Service Excellence
- Fair Terms of Business

## VISION

Become the most admired Life Insurance Company in India

## MISSION

- Part of top quartile new Life Insurance Companies
- National Player
- Brand of FIRST choice
- Employer of Choice
- Principal of Choice for Agents

## KEY OBJECTIVES

WHAT –Comprehensive suite of products, competitive pricing, extensive distribution, persistency, customer service excellence, profitable portfolios

## STRATEGIES

HOW –Talented People, Professional & Productive Agents, Performance Metrics, Leverage Technology, Teamwork, Customer Centric, Innovative Distribution and Marketing

## INITIATIVES

What-When-Who-How-Cost linkage plans at Departmental and Individual levels

### VALUES & BELIEFS

- Excellence
- Honesty
- Knowledge
- Caring
- Integrity
- Teamwork

### OPERATING PRINCIPLES

- Customer comes first
- International quality standards
- Do it right the first time
- Fact based decisions
- Bias for result oriented action
- Financial strength & discipline
- Direct and open communication
- Respect Max & NYLI values & parentage
- Fun at work

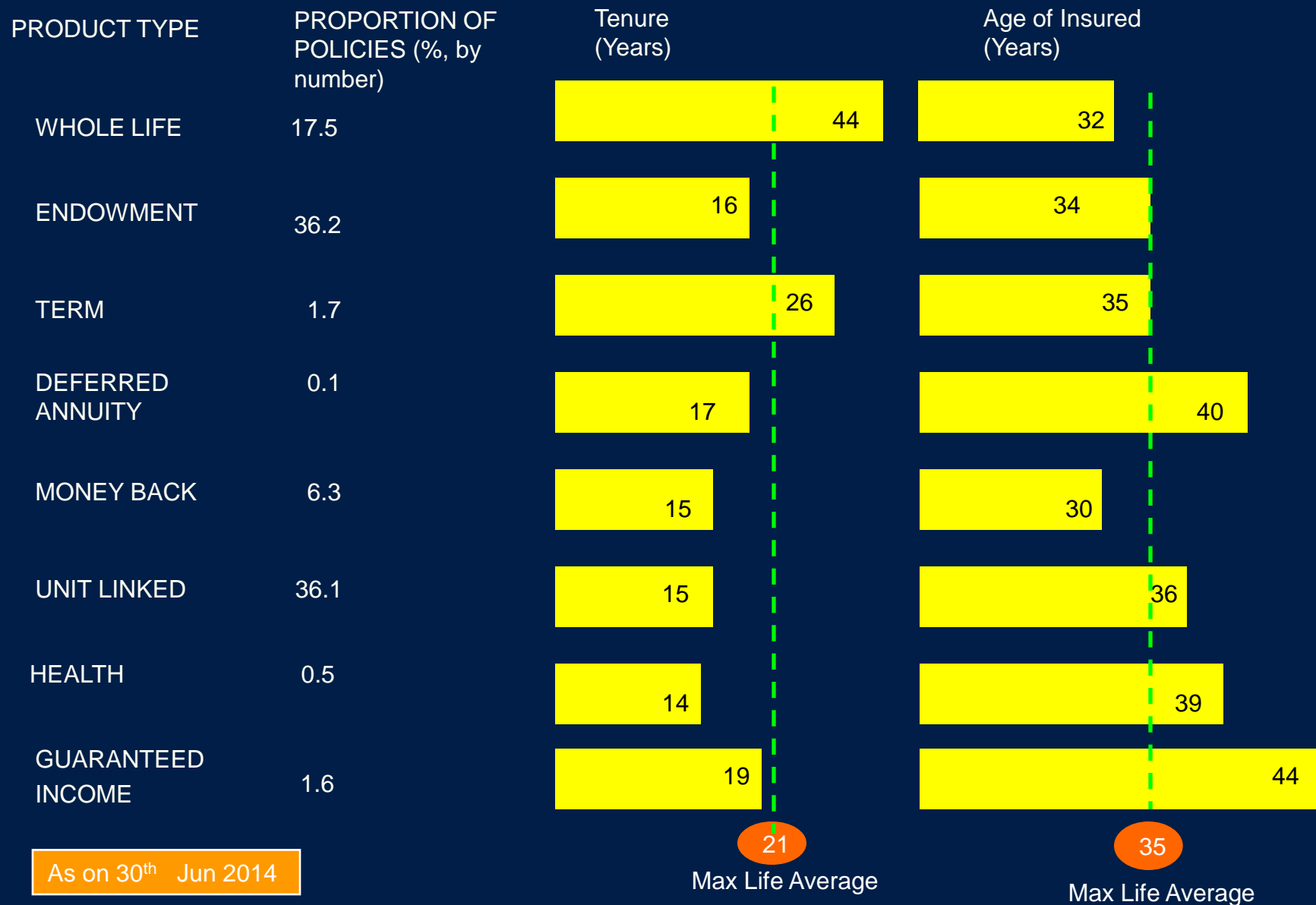
### METRICS & STANDARDS

- Input
- Output
- External
- Internal
- Absolute
- Ratios

### PERFORMANCE MGMT PROCESS

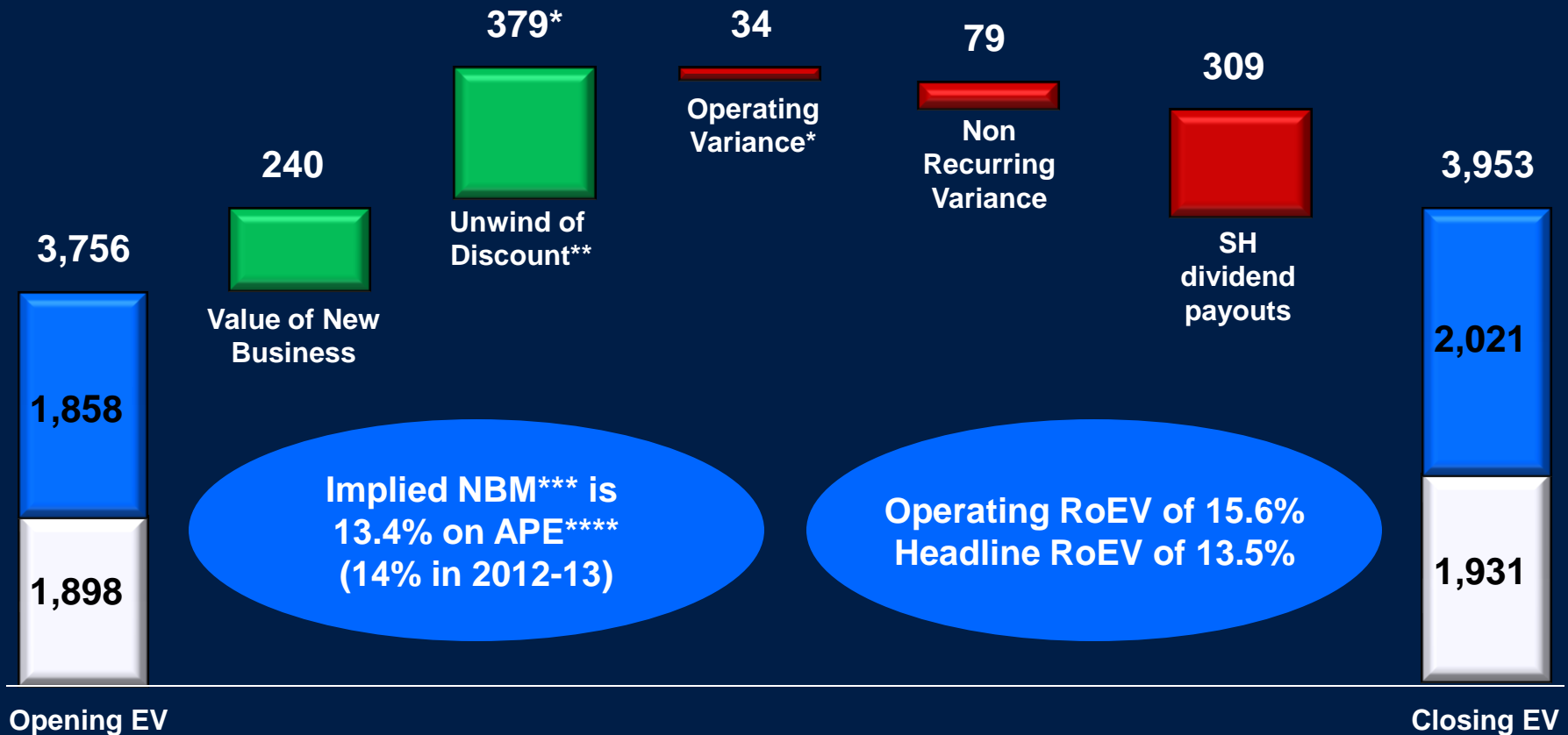
- GMPR Ratings
- TEC/TTR – Templates
- Primary, Shared and Contributory
- Balanced scorecard
- Core, Functional and Leadership Competencies

Rank	Company	Individual New Business Premium (Rs. Cr) Premium Adjusted for 10% single premium			
		Apr'14-Jun'14	Apr'13-Jun'13	Growth (%)	Private Market Share
1	ICICI Prudential	607	448	36%	20.9%
2	HDFC Life	453	317	43%	15.6%
3	<b>Max Life</b>	<b>357</b>	<b>294</b>	<b>22%</b>	<b>12.3%</b>
4	SBI Life	332	286	16%	11.4%
5	Reliance Life	246	239	3%	8.5%
6	Birla Sunlife	142	157	-10%	4.9%
7	PNB MetLife	115	118	-3%	3.9%
8	Bajaj Allianz	82	141	-42%	2.8%
9	ING Life	79	80	-2%	2.7%
10	Canara HSBC OBC	66	50	33%	2.3%
	Others	424	405	5%	14.6%
	<b>Private Total</b>	<b>2,901</b>	<b>2,536</b>	<b>14%</b>	
	LIC	4,419	4,214	5%	
	<b>Grand Total</b>	<b>7,321</b>	<b>6,750</b>	<b>8%</b>	
	<b>Market Share of Pvt. Players</b>	<b>39.6%</b>	<b>37.6%</b>		



Amount in Rs. Cr.

March 31, 2014



Denotes increase to EV



Net Worth



Denotes decrease to EV



Value of In-force business

\* Includes Rs 6 crs of cost underrun..

\*\* Unwind calculated on the expected basis where the Net Worth earns 8.15% and the VIF earns 13%.

\*\*\* VNB includes shareholders' interest in the residual estate from participating business aggregating Rs. 40 Cr. Implied NBM is on a structural basis.

\*\*\*\*APE: Adjusted Premium Equivalent (Annualized First Year Premium adjusted for 10% of Single Premium: Limited Premium valued at 100%).

## Economic Assumptions

Cash/Money Market/TB	8.5%
G Secs	8.8%
Corporate Bonds	9.6%
Equities	13.00%
Unit Linked Fund Growth Rate	10.50%
Interest Rate on Non-Unit Reserves	8.15%
Inflation	6.50%
Risk Discount Rate	13.00%
Service Tax	12.36%
Tax Rate	14.1625% (12.5% + 10% surcharge + 3% education cess)

The economic assumptions used are internally consistent and have been set with regard to current economic conditions

## Operating Assumptions

Operating assumptions like mortality, morbidity and lapses are set on a best estimate basis, based on Company's own experience where available. Maintenance expense assumptions are in line with the current experience and acquisition expense assumptions are based on structural level expenses

Base Case (% change*)	Value of In force	Value of New Business
Mortality +10%	-2.20%	-5.20%
Mortality -10%	2.20%	5.20%
Lapses +10%	-3.90%	-6.50%
Lapses -10%	4.20%	7.20%
Maintenance Expenses +10%	-1.10%	-1.80%
Maintenance Expenses -10%	1.10%	1.80%
RDR +100bps	-4.20%	-7.20%
RDR – 100bps	4.70%	8.00%
Investment Return +100bps and RDR +100 bps	-2.00%	-0.10%
Investment Return -100bps and RDR -100 bps	2.20%	0.00%

\* For the purpose of par sensitivity analysis, the impact on enhanced dividends has not been allowed for.

Max Life's Embedded Value is guided by the European Embedded Value (EEV) principles and is consistent with the reporting of traditional embedded values on a deterministic basis

Allowance for risk has been made through the use of a single risk discount rate ("Top down discount rate approach"), including allowance for the time value of financial options and guarantees

Explicit allowance is made for the cost of capital where the capital is defined as the higher of the internal required solvency margin (being 170% of the Minimum Required Solvency Capital) and the internal economic capital requirement

Operating experience assumptions are set on a best estimate basis, reflecting the Company's recent experience as well as the expected future experience adjusted for Management actions and non recurring factors contributing to current experience in order to avoid arbitrary changes in assumptions

Operating experience assumptions are monitored on a six-monthly basis at a granular level, including channel and product, and are reviewed by the Product, Actuarial and Risk Management Committee of the Board

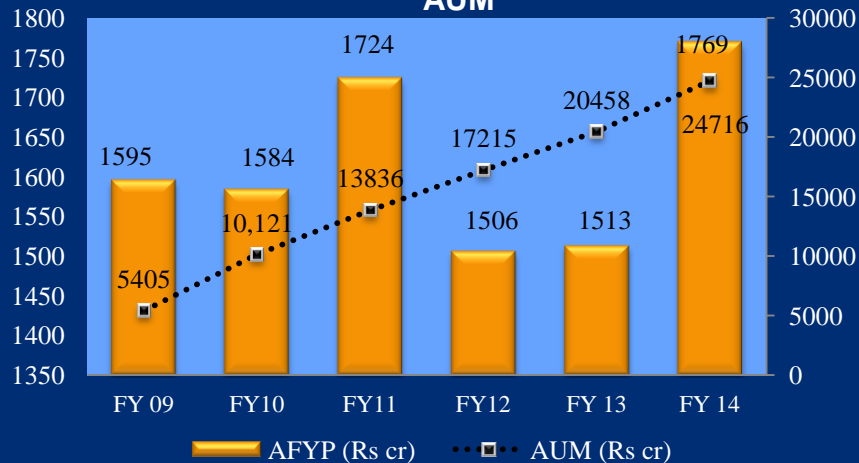
The EV assessment does not include any value generated by future new business but various assumptions used to make the assessments are based on the ability of the company to continue writing new business

It is to be noted that the EV methodology is in line with accepted international practices, however the results have not been subject to an external review. The results have been reviewed internally by members of the Product, Actuarial and Risk Management Committee of the Board, including actuaries who have expertise in this area.

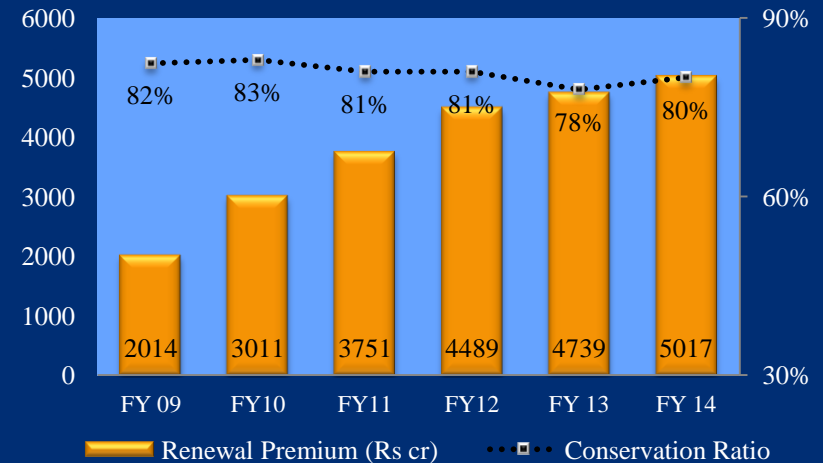


Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-14	Jun-13	
a) Gross written premium income	Rs. Crore			
First year premium		355	302	18%
Renewal premium		990	941	5%
Single premium		113	82	38%
<b>Total</b>		<b>1,458</b>	<b>1,325</b>	<b>10%</b>
b) Shareholder Profit (Pre Tax)	Rs. Crore	118	112	5%
c) Expense to Gross Premium	%	30.7%	31.6%	3%
d) Individual Adjusted Premium (APE*)	Rs. Crore	357	294	22%
e) Conservation ratio	%	80%	74%	-
f) Average case size (Agency)	Rs.	29,774	26,664	12%
g) Case rate per agent per month	No.	0.29	0.37	-21%
h) Number of agents (Agency)	No.	45,239	39,132	16%
i) Paid up Capital	Rs. Crore	2,127	2,127	0%
j) Individual Policies in force	No. Lacs	36	35	2%
k) Sum insured in force (Including Group)	Rs. Crore	190,448	178,420	7%

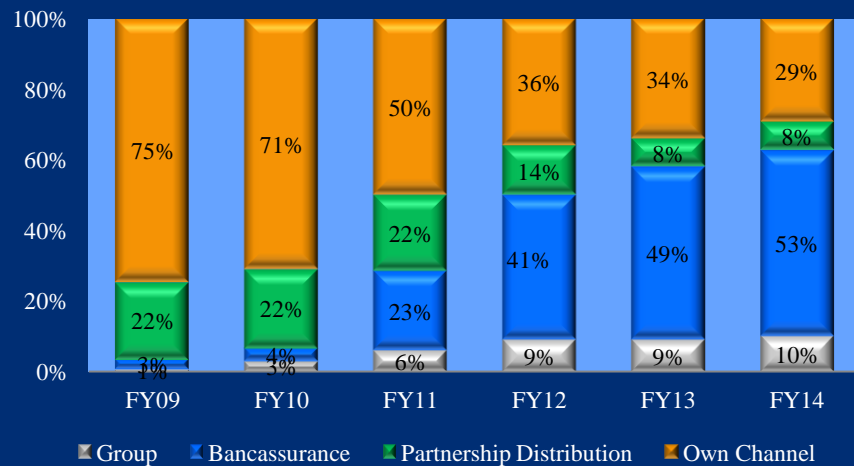
## New Business Growth – Adjusted FYP<sup>1</sup> and AUM



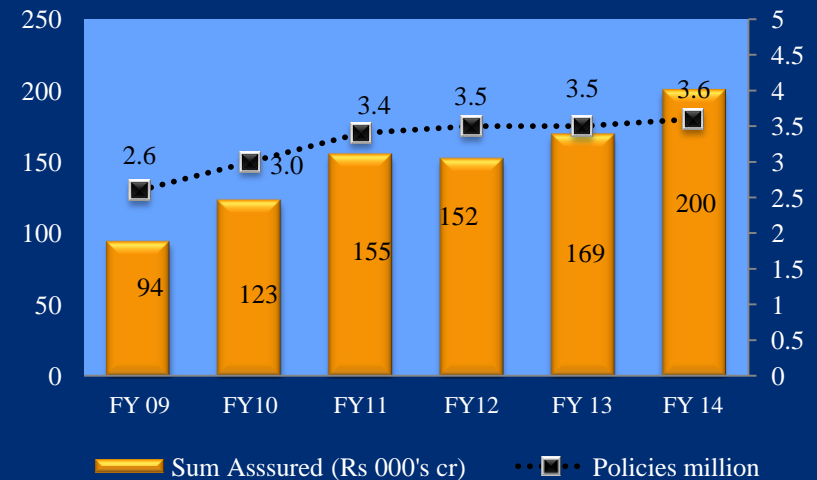
## Renewal premium and conservation ratio<sup>2</sup>



## Distribution Mix




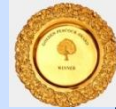





## In force business and No. of policies



1. Individual First Year Premium adjusted for 10% single pay

2. Conservation ratio = Renewal premium for the current period / (First Year + Renewal Premium for the previous period)

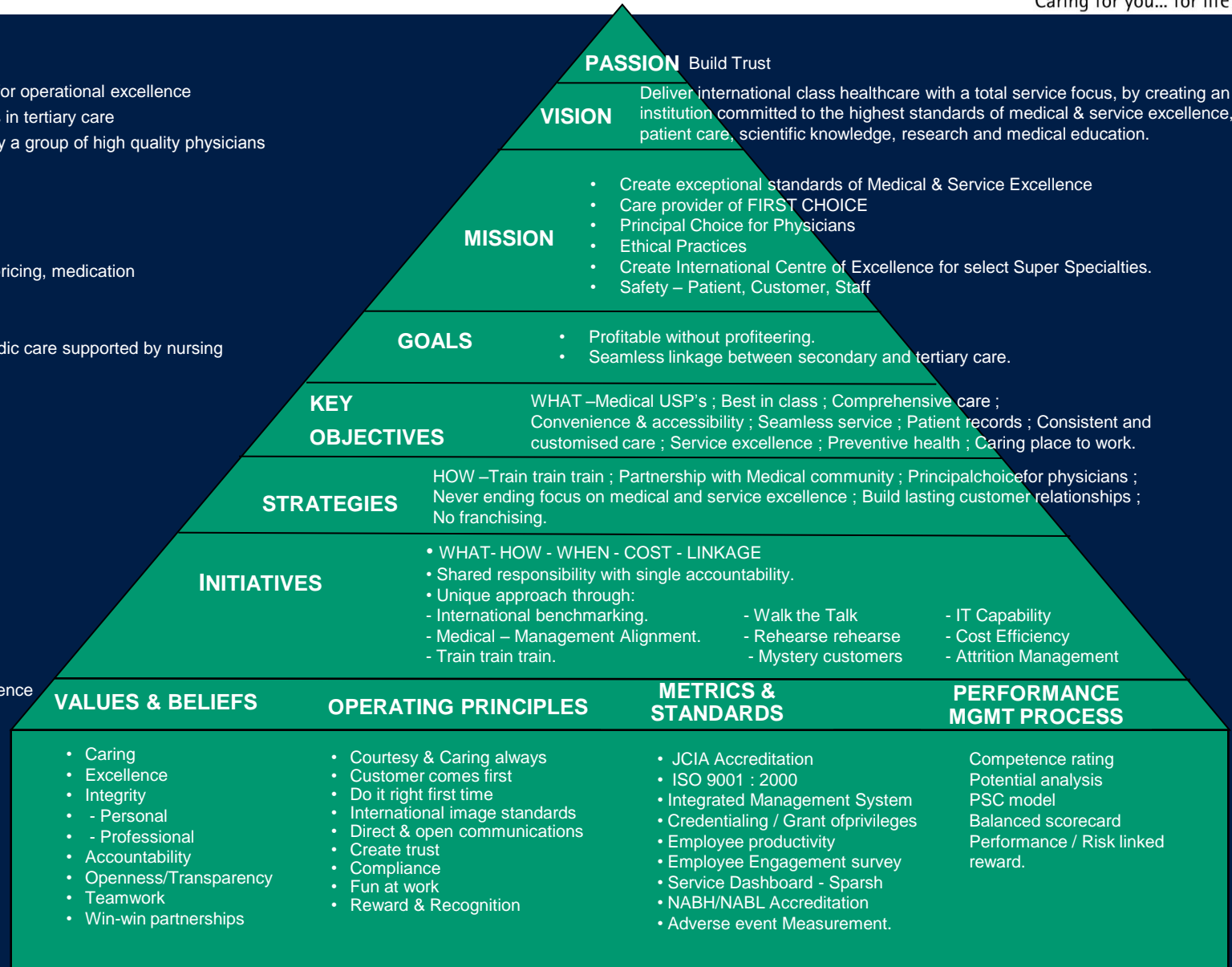
Business Excellence and Quality	ASQ ITEA Bronze award; CII Commendation for Business Excellence (2008, 2009 & 2010) CII 2nd Prize in Project of the Year Global Finance – Best Life Insurance Company, India 2014	
Brand	Brand Excellence Award and recognition as Superbrand (2010-11, 2013-14), AIMA Loyalty Award 2012 for Best Loyalty Practices, EFFIE's Award for Aapke Sacche Advisor Campaign in 2012	
Claims Settlement	ET Wealth rated Max Life claims settlement highest in the Industry at 99.58% Swiss Re commendation for claims settlement TAT (2012)s	
Product Innovation	Shiksha Plus II ranked 'Best Child Plan' in India by Money Today Golden Peacock Award for Max Vijay	
Funds performance	Funds Performance Outlook Money award in Top Quartile across all categories (2011)	
Technology	CIO 100 Award for technology implementation (2008/2009/2010/2011)	
HR Practices	Amongst India's Top 100 Best Companies to Work for (2011, 2012, 2013, 2014) by Great Places to Work	

## Key Differentiators

- Focused NCR centric delivery – for operational excellence
- Leadership in 5 super-specialties in tertiary care
  - 'Star' physicians supported by a group of high quality physicians
- Ethics
- Memorable brand experience
  - 'Star' and quality physicians
  - Infrastructure and equipment
  - No surprises – cost of care, pricing, medication
  - Signage
  - Look – feel – smell - touch
- High quality nursing and paramedic care supported by nursing and paramedic college
- Technology and IT

## Key Public Messages

- Medical Excellence
- Service Excellence – Total Experience
- In your community - near you
- High-end tertiary care in Private sector
- Comprehensiveness
- Referral system – National & International
- Value for money
- Corporate Social Responsibility



<p><b>Padma Shri Dr. Rustom Phiroze Soonawala</b>  <b>MD, FRCS, FRCOG</b>  <b>Chairman, Obstetrics &amp; Gynaecology</b></p>	<ul style="list-style-type: none"> <li>▪ Eminent and Internationally renowned Obstetrician &amp; Gynaecologist.</li> <li>▪ Former President of the Federation of Obstetricians and Gynaecologists</li> </ul>
<p><b>Padma Shri Dr. Pradeep K Chowbey</b>  <b>MBBS, MS, FIMSA, FAIS, FICS, FACS,</b>  <b>Doctor of Science (Honoris Causa)</b>  <b>Chief- Surgery &amp; Allied Surgical Specialties</b>  <b>Director - Minimal Access, Metabolic &amp; Bariatric Surgery</b></p>	<p>Prior to joining MHC, he was Chairman of the Minimal Access Metabolic &amp; Bariatric surgery center, Sir Ganga Ram Hospital. He has been visiting faculty to the best Medical Institutions like Memorial Sloan Kettering Cancer Hospital, NewYork, John Hopkins Institute in USA &amp; Royal Marsden Cancer Hospital, in U.K. Dr. Chowbey has done his MBBS followed by MS, General Surgery(1977) from Govt. Medical College, Jabalpur &amp; MNAMS, National board of Examination.</p>
<p><b>Dr. S.K.S. Marya (M.S., DNB, Mch, FICS)</b>  <b>Chairman - Orthopaedics &amp; Joint Replacement</b></p>	<ul style="list-style-type: none"> <li>▪ Renowned Joint Replacement Surgeon having 30 years experience.</li> <li>▪ Pioneered bilateral Hip and Knee Joint replacement.</li> <li>▪ Author and teacher par excellence.</li> </ul>
<p><b>Dr. A.K.Singh (M.S., Mch, Diploma WFNS)</b>  <b>Director – Max Institute of Neurosciences, Dehradun</b></p>	<ul style="list-style-type: none"> <li>▪ Renowned Neuro Surgeon having 40 years experience.</li> <li>▪ Pioneer in the field of neurosurgery, credited with many 'firsts' in India - Median Corpectomy for Cervical Spondylosis; Direct Trans Nasal Trans Sphenoidal removal of Pituitary Tumors and many others. Also won BC Roy Award amongst others</li> <li>▪ Author and teacher par excellence.</li> </ul>
<p><b>Dr. Harit Chaturvedi (MS, MCH)</b>  <b>Chief Consultant &amp; Director – Surgical Oncology</b></p>	<ul style="list-style-type: none"> <li>▪ Having 25 years of experience in Surgical Oncology.</li> <li>▪ Served institutions of repute like Rajiv Gandhi Cancer Institute, Indraprastha Apollo Hospitals, Batra Hospital &amp; Medical Research Centre, New Delhi.</li> </ul>
<p><b>Dr. Anurag Krishna</b>  <b>MS, MCh., FAMS</b>  <b>Director, Paediatrics and Paediatric Surgery</b></p>	<ul style="list-style-type: none"> <li>▪ 20 years experience in Paediatric surgery -complex congenital malformations</li> <li>▪ Published 50 scientific papers in leading national and international journals</li> <li>▪ Served as Member of the Board of Management of Sir Ganga Ram Hospital.</li> </ul>

## NABH / NABL Accreditation

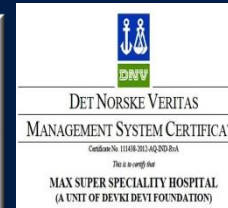
National Standards:  
Mark of Excellence :  
636 aspects are addressed:

- 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

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.



*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



Best Corporate Website  
– [maxhealthcare.in](http://maxhealthcare.in)  
3<sup>rd</sup> India Digital Awards  
by Internet & Mobile  
Association of India

Awarded on 17<sup>th</sup> Jan, 2013

Past winners: [www.mahindra.com](http://www.mahindra.com) and [www.volkswagen.co.in](http://www.volkswagen.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





## MAX DEVKI DEVI HEART & VASCULAR INSTITUTE (East & South)

( East :- December 2004, South :- February 2010)

- Patient beds – (East ; 207 beds) & (South ; 83 beds)
- 11 OTs, 2 Cardiac Catheterization Labs
- Tower Specialties – Cardiac Sciences, Minimal Access, Metabolic & Bariatric Surgery, Comprehensive Oncology (Surgical, Medical and Radiation)
- Nuclear Diagnostic Services
- Advanced CT Scan Imaging
- Centralized Emergency Command with Advanced Cardiac Life Support Ambulances and Air Evacuation Service



## MAX SUPER SPECIALITY HOSPITAL (West)

(May 2006)

- 184 beds (including 71 critical care beds)
- 7 OTs, 20 Consult Chambers
- Tower Specialties– Orthopedics, Neuro Sciences, Obstetrics & Gynecology, Pediatrics and Aesthetic & Reconstructive Surgery
- Brain Suite (first in Asia) and Intra Operative MRI
- DSA Lab (for Neuro Sciences)
- Emergency Services
- High end Radiology facilities with 64 slice Cardiac CT



## **PATPARGANJ BALAJI HOSPITAL (PPG I ) (May 2005)**

- 154 inpatient beds
- 3 OTs
- General Surgery & MAS
- Nephrology
- Mother and child care
- Plastic Surgery & Gastroenterology
- Other allied specialties



## **PATPARGANJ SUPER SPECIALITY HOSPITAL (PPG II) (Feb 2010)**

- 259 inpatient beds
- 7 OTs, 1 Cardiac Catheterization Labs
- Invasive & Non Invasive Cardiology
- Cardio Thoracic Vascular Surgery
- Comprehensive Oncology  
(Surgical, Medical and Radiation)
- Orthopedics & Joint Replacement
- Neurosciences
- Urology
- Critical Care & Other allied specialties
- Ambulatory Care





## Mohali (September 2011)

- 142 inpatient beds and 45 Critical Care Beds
- 5 OTs
- Oncology
- Cardiac Sciences
- Orthopedics
- Neuroscience
- Mother and Child Care
- Urology
- ENT & Dialysis
- Plastic and Reconstructive Surgery
- Dentistry & Day Care

## Bhatinda (September 2011)

- 141 inpatient beds and 42 Critical Care Beds
- 5 OTs
- Oncology
- Cardiac Sciences
- Orthopedics
- Neuroscience
- Mother and Child Care
- Urology
- ENT & Dialysis
- Plastic and Reconstructive Surgery
- Dentistry & Day Care



## Shalimar Bagh (November 2011)

- 196 inpatient beds and 80 Critical Care
- 7 OTs
- Cardiology , Cathlab and Oncology
- Orthopedics and Neuroscience
- Mother and Child Care and Urology
- ENT and Dialysis
- Plastic Surgery and Reconstructive
- Dentistry & Day Care
- Ophthalmology



## Dehradun (May 2012)

- 166 inpatient beds and 39 Critical Care
- 4OTs
- Neurosciences
- Cardiac Care
- Orthopedics
- Mother and Child
- Internal Medicine
- General Surgery
- ENT and Dialysis
- Eye & Dental Care



# MHC Secondary Care Facility [ Suburb of Delhi ]



## GURGAON (July 2007)

- 80 inpatient beds
- 3 OTs
- Orthopedics & Trauma
- Ophthalmology (anterior and posterior)
- Woman and child (including infertility)
- Medical & surgical intensive care
- Nephrology and urology
- Aesthetic and reconstructive surgeries
- General and minimally invasive surgeries
- PHP and OPD
- Pediatric & Neonatal Intensive Care

## PITAMPURA (February 2002) (North Delhi)

- 90 inpatient beds
- 2 OTs
- Lithotripsy
- Mother and child care
- Aesthetic & Reconstructive Surgery
- Non-invasive cardiology
- Physiotherapy
- Pediatric & Neonatal Intensive Care
- Full range diagnostics
- PHP, OPD and Dentistry

## NOIDA (August 2002)

- 32 inpatient beds
- 2 OTs
- Mother and child care
- Non-invasive cardiology
- Laparoscopic surgery
- Orthopedics
- ENT, ophthalmology
- Urology and nephrology
- Full range diagnostics
- PHP, OPD and Dentistry



## OPHTHALMOLOGY AND DENTAL CARE (November 2005)

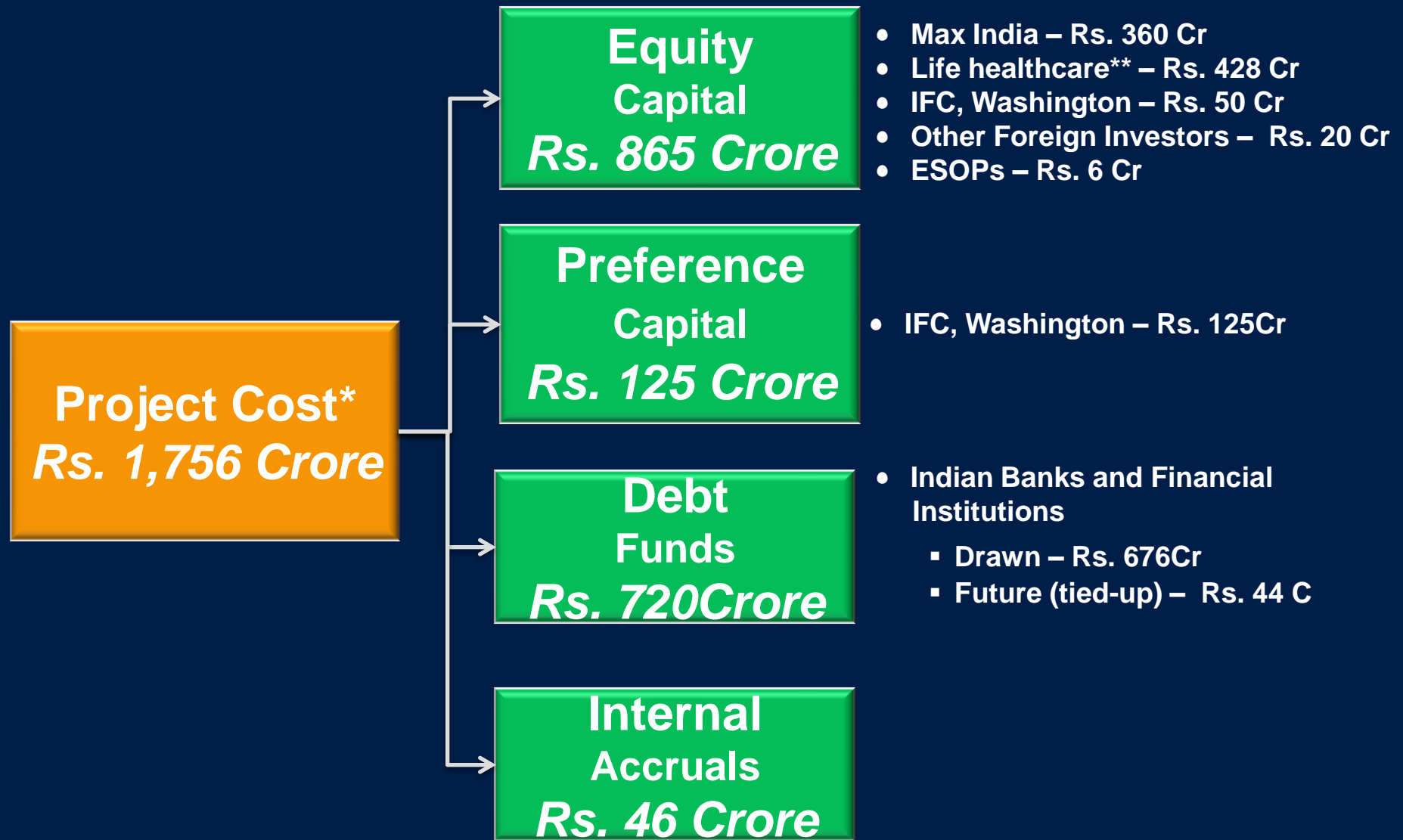
- Lasik, OPD and diagnostics
- Dental – 5 chambers
- Support services and offices



## SPECIALIST CONSULTS AND HIGH-END DIAGNOSTICS (August 2006)

- GP and specialist consults
- Diagnostics
- Neurology (EEG and EMG)
- Preventive health and chronic care
- Physiotherapy
- Minor procedures and emergencies
- IVF
- Home Care

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-14	Jun-13	
a) Revenue (Gross)	Rs. Crore			
Inpatient Revenue		311	234	33%
Day Care Revenue		14	11	29%
Outpatient Revenue		91	71	28%
Other Operating Income		-	3	-
<b>Total</b>		<b>416</b>	<b>319</b>	<b>31%</b>
b) Profitability				
Contribution (%)	%	61.8%	61.5%	-
EBITDA	Rs. Crore	40	17	136%
EBITDA (%)	%	9.7%	5.4%	-
c) Patient Transactions (No. of Procedures)	No.			
Inpatient Procedures		31,894	25,458	25%
Day care Procedures		6,204	4,115	51%
Outpatient Registrations		1,082,130	875,835	24%
d) Average Inpatient Operational Beds	No.	1,598	1,394	15%
e) Average Inpatient Occupancy	%	76.7%	69.6%	-
f) Average Length of Stay	No.	3.50	3.47	(1%)
g) Avg. Revenue/Occupied Bed Day (IP)	Rs.	27,894	26,541	5%



\*The above project cost includes project cost for Dehradun and Phase II of Mohali and Bathinda

\*\* Life Healthcare's total investment in MHC is Rs. 517 Cr. of which Rs. 89 Cr. used towards payment of redemption premium on IFCs preference shares has been adjusted above

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-14	Jun-13	
a) Gross written premium income	Rs. Crore			
First year premium		29	32	(10%)
Renewal premium		44	28	60%
<b>Total</b>		<b>73</b>	<b>60</b>	<b>23%</b>
b) Net Earned Premium	Rs. Crore	74	48	55%
c) Net Profit / Loss Before Tax	Rs. Crore	(26)	(31)	16%
d) Conservation ratio (B2C Segment)	%	86%	80%	-
e) Average premium realization per life (B2C)	Rs.	5,417	5,391	-
f) Claim ratio (B2C)	%	51%	58%	-
g) Number of agents	No.	11,475	9,980	15%
h) Paid up Capital	Rs. Crore	694	531	31%
g) No. of Lives in force (excl. Rural & Social)	No.	709,972	509,309	39%



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-14	Jun-13	
a) Sales Quantity – BOPP	Tons	11,334	11,222	2%
<b>b) Revenue</b>	<b>Rs. Cr.</b>	190	159	20%
c) Profitability:				
Contribution Margin	Rs. Cr.	34	26	34%
	%	18%	16%	
<b>EBITDA</b>	<b>Rs. Cr.</b>	18	12	53%
	%	9%	7%	
<b>PBT</b>	<b>Rs. Cr.</b>	2.8	1.5	83%
	%	1.5%	1%	

- Revenue up 20% over Q1FY14 on the back of higher realizations
- EBITDA grows 53% to Rs. 18 Cr on the back of higher realizations while EBITDA margin improves to 9% vis-à-vis 7% in Q1FY14
- Higher EBITDA translates to 83% growth in PBT to Rs.2.8 Cr
- Domestic market share at 69% versus 61% in Q1FY14



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