



May 31, 2016

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021.

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra -Kurla Complex
Bandra (E),
Mumbai 400 051

Scrip Code : 500271

Name of Scrip :MFSL

Dear Sir/Madam,

Sub : **Investor Release**

Further to the announcement of results by Max Financial Services Limited yesterday, please find enclosed the Investor release for the Max Financial Services for the quarter and year ended March 31, 2016.

We are hosting an Earnings Call to discuss the results on Tuesday, 31st May 2016 at 4:00 p.m. IST. Invite for the same is enclosed.

We are also enclosing the investor release for Max India Limited.

This is for your information and records.

Thanking you,

Yours faithfully
For **Max Financial Services Limited**

A handwritten signature in blue ink, appearing to read "V. Krishnan", with a long horizontal flourish extending to the right.

V. Krishnan
Authorized Signatory

Encl: As above.

MAX FINANCIAL SERVICES LIMITED (Formerly Max India Limited)

CIN: L24223PB1988PLC008031

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Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

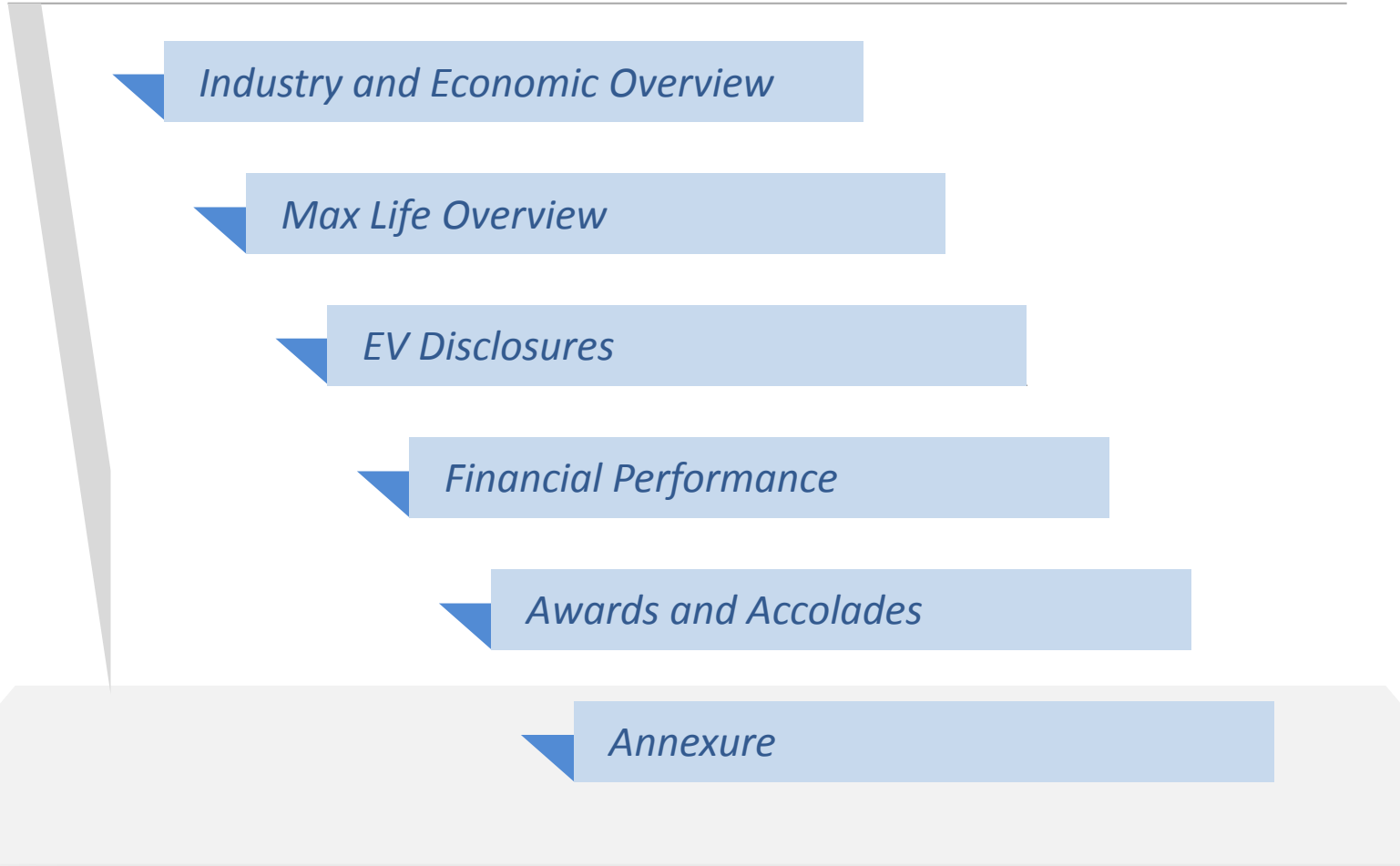
Max Financial Services Investor Release

Financial year ended March 2016

Disclaimer

This release is a compilation of financial and other information all of which has not been subjected to audit and is not a statutory release. This may also contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from our expectations and assumptions. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.

- 1 > Group revenue* at Rs 10,875 Cr, grows 14% y-o-y
- 2 > Group PBT at Rs 465 Cr, grows 9% y-o-y
- 3 > MFS Board recommends final dividend of Rs. 1.80 per share, in addition to interim dividend of Rs 1.80 per share
- 4 > Max Life Insurance Company (MLIC) MCEV as at 31st March 2016 at Rs. 5,617 Cr, operating RoEV 17%
- 5 > MLIC Value of New Business for FY16 at Rs. 388 Cr and new business margin at 18.3% (before cost overrun) & 17.9% (after cost overrun)
- 6 > Partnership with Axis Bank renewed for long-term



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Phase 1

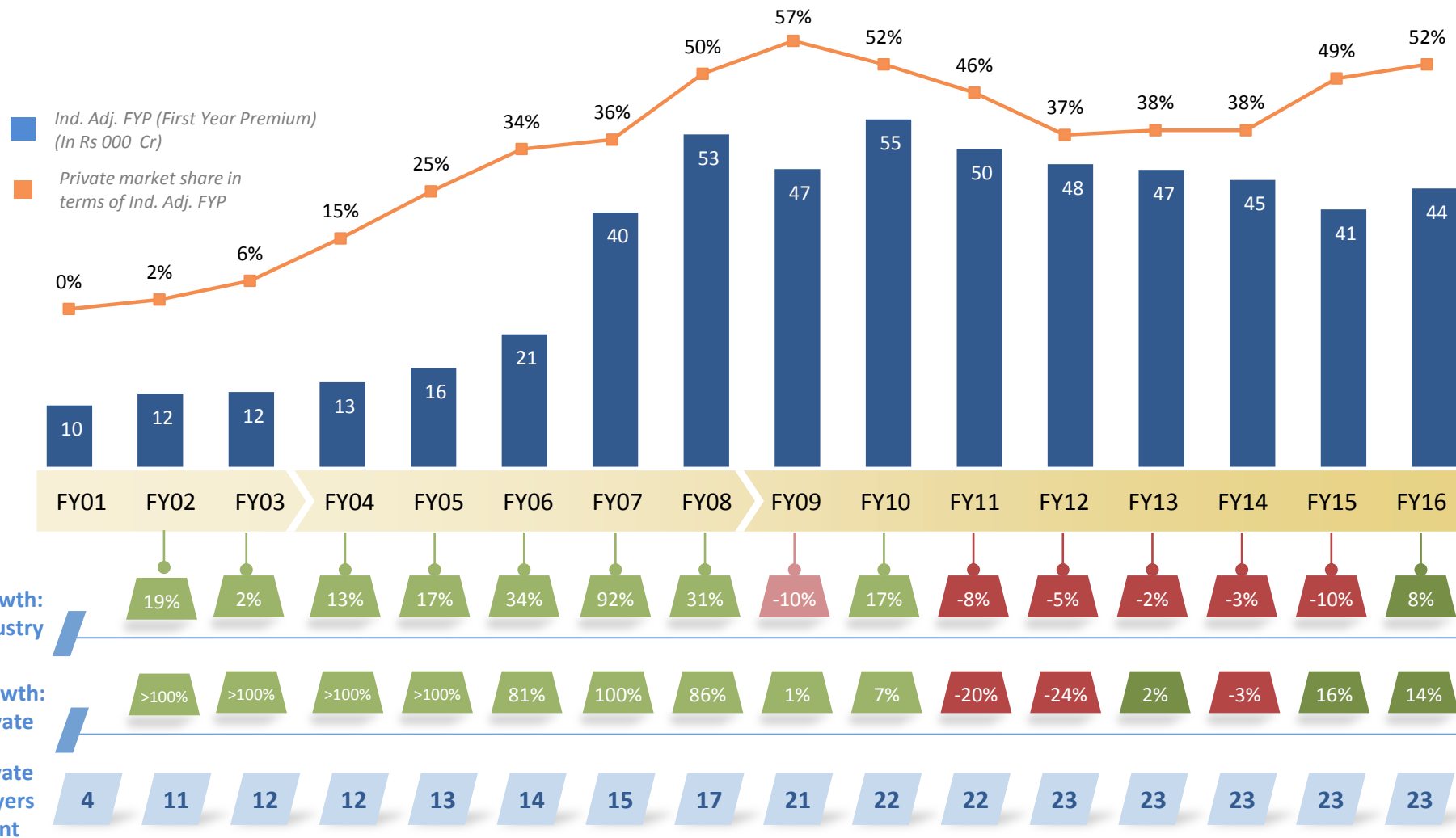
Joyful Entry (2001-2003)

Phase 2

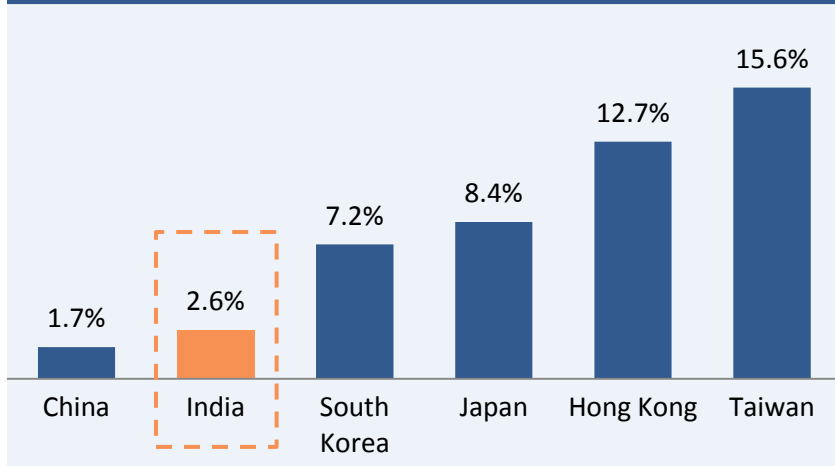
Expansion (2004-2008)

Phase 3

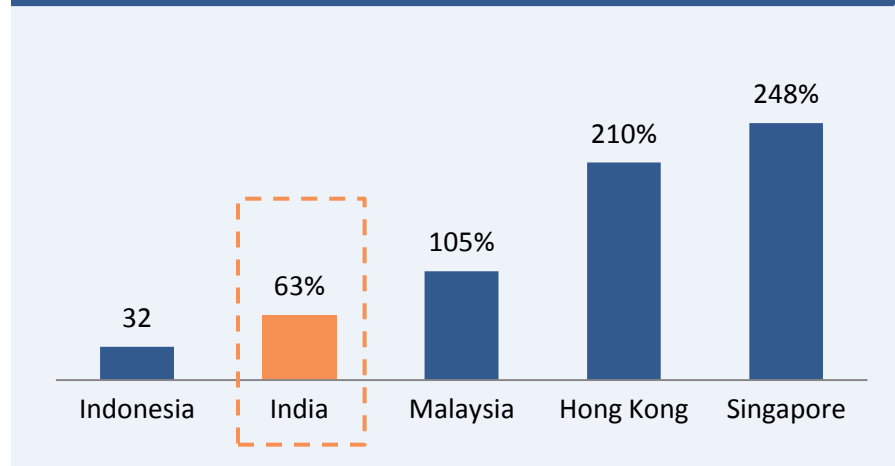
Discovering New Normal (2009 onwards)



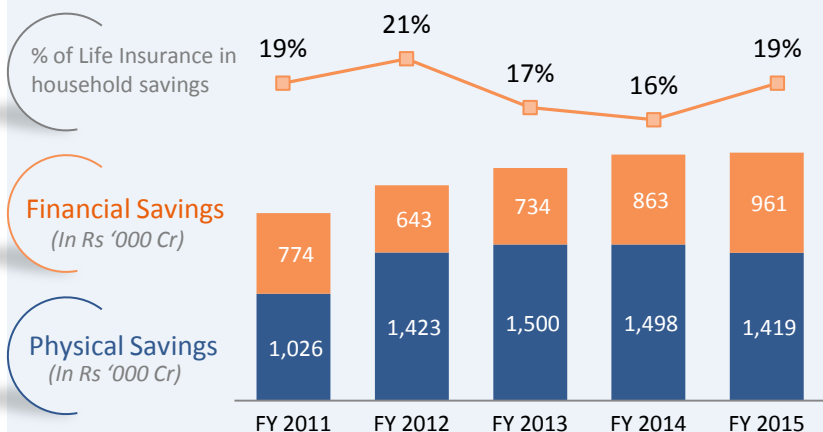
Life Insurance Penetration (Premium as % of GDP), 2014



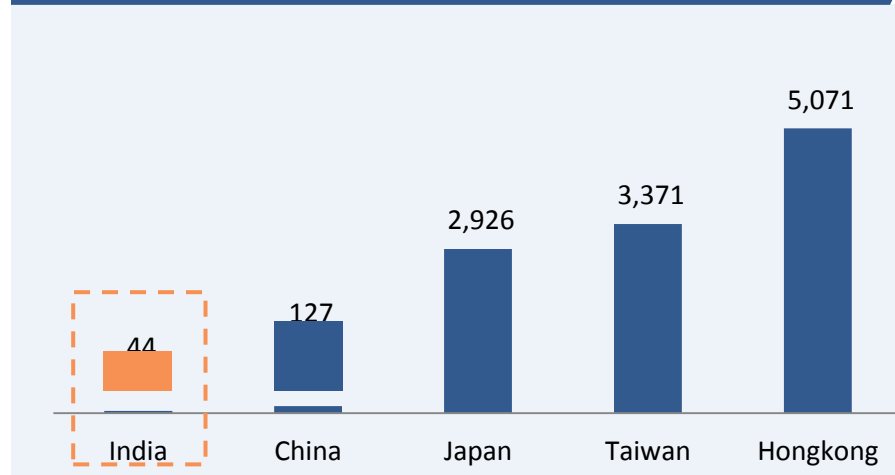
Level of Protection (Sum Assured as % of GDP), 2013



Savings pattern in India



Life Insurance Density (Premium per capita – USD), 2014



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Max Financial Services Ltd.



Mitsui Sumitomo

Listed Company with Max Life being the only subsidiary

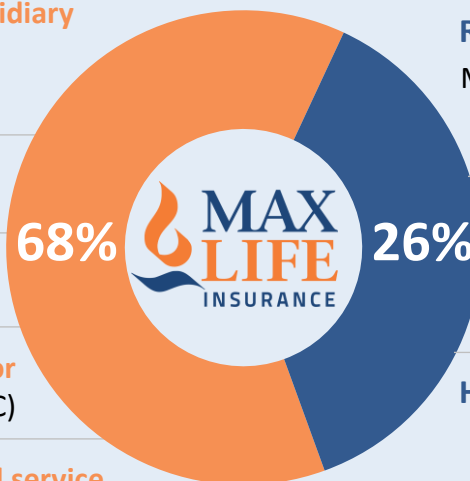
Market Cap*	Total Revenue
Rs. ~10,200 Cr	Rs. ~10,800 Cr

Over **30 year history** of Max Group of nurturing successful business partnerships

First Indian listed company exclusively focused on life insurance business

Superior brand recall, **marquee investor base** (Goldman Sachs, KKR, IFC)

Focused on people and service



Robust Financial Strength**

Market Cap	Total Assets	Net Premium Underwritten
\$17.6 Bn	\$180 Bn	\$29.8 Bn

Proud Lineage & Global Network

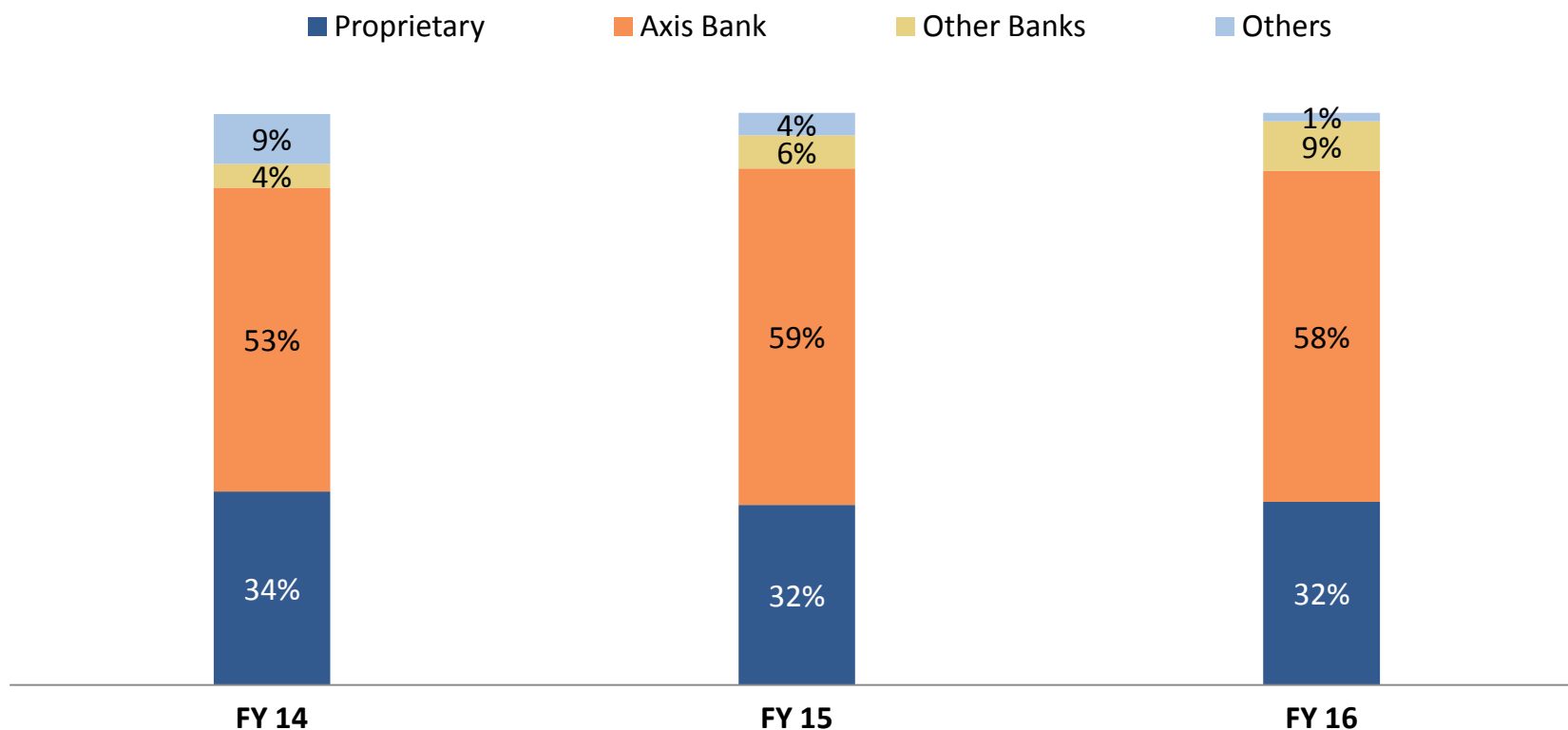
Present in **42 countries** with ~38,000 employees

Highest Credit Ratings

A+	AA+	A1	A+
AM Best	JCR	Moody's	S&P

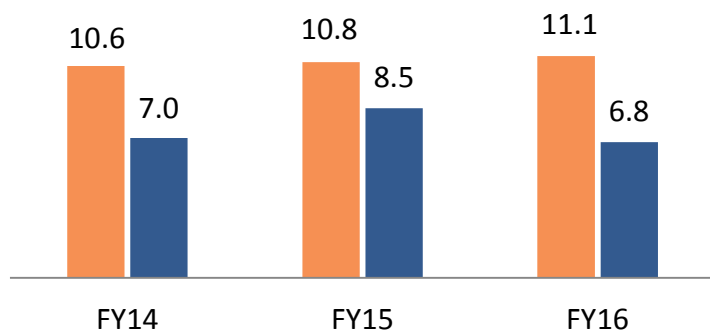
- 1 Comprehensive multi-channel distribution model with highly efficient and productive agency channel and strong Banca relationships
- 2 Balanced product mix with focus on long term saving and protection proposition
- 3 Superior customer outcomes and retention
- 4 Strong digital footprints
- 5 Superior financial performance with profitable growth

Supported by eminent Board, strong management team and robust governance framework

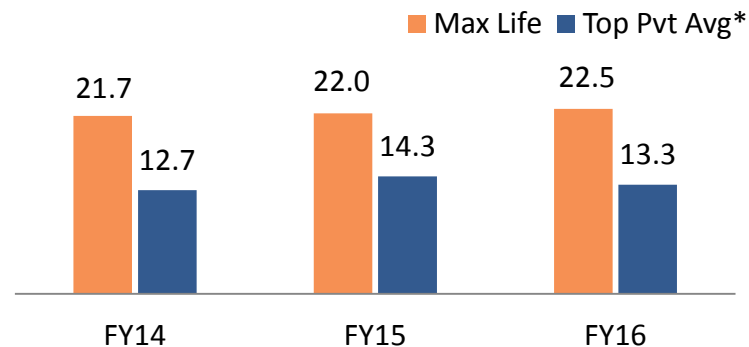


Highly efficient and productive agency channel with focus on quality of advice

Agent productivity (Rs '000 pm)

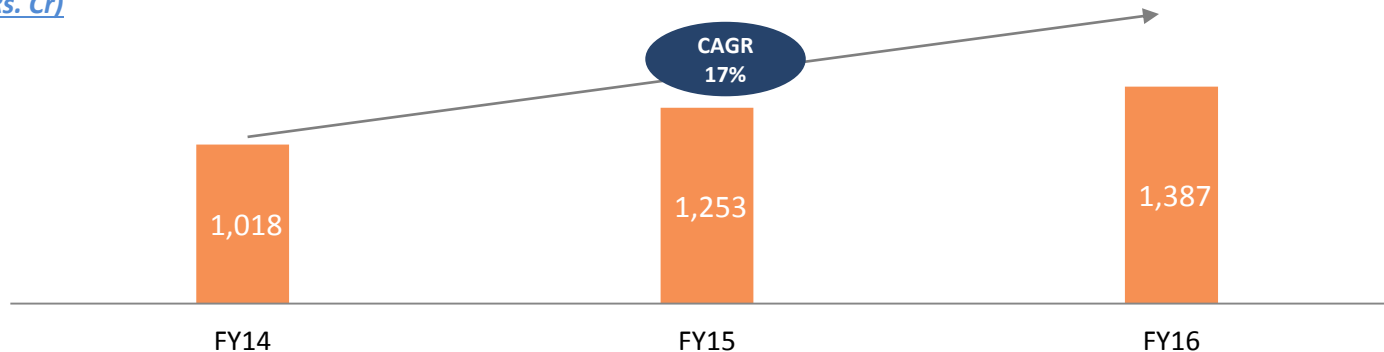


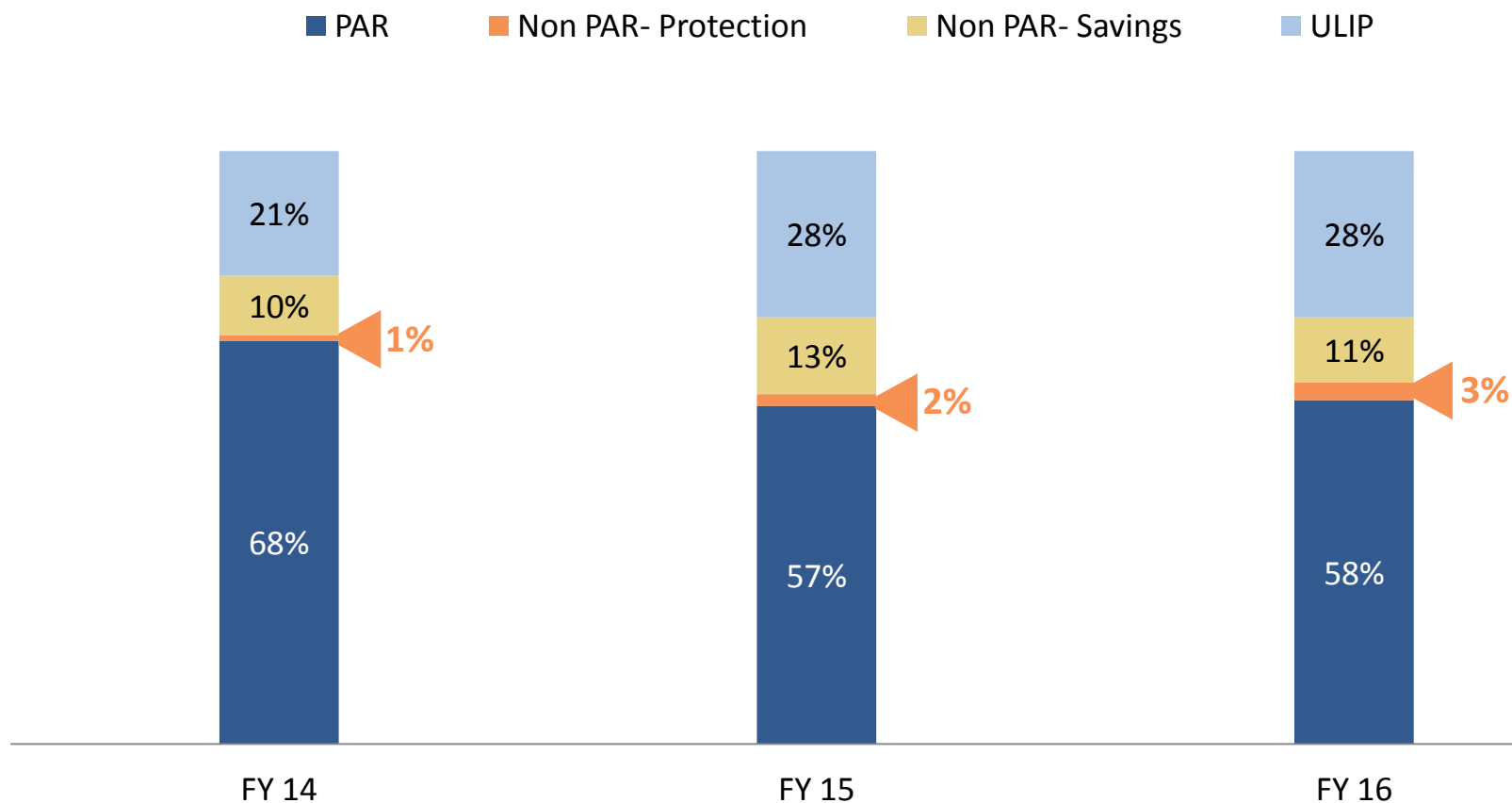
Branch productivity (Rs Lakhs pm)



Strong Banca relationship with consistent growth trajectory

Ind. Adj. FYP (Rs. Cr)

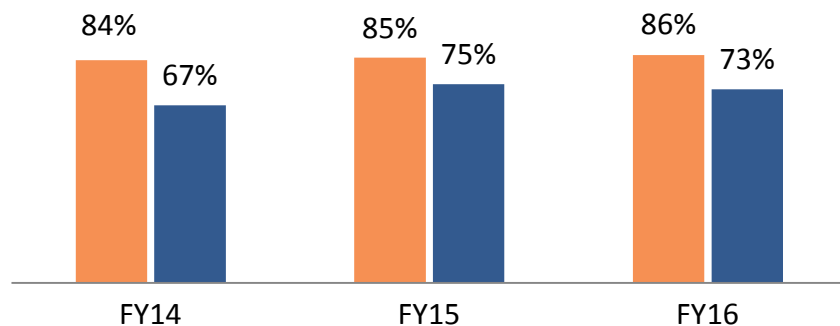






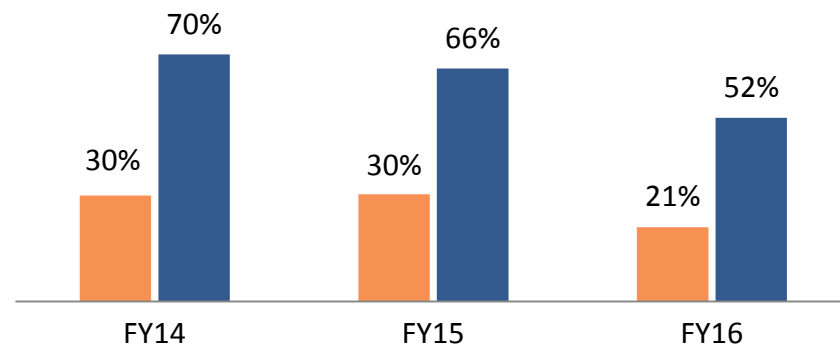
High quality business franchise

Conservation Ratio



Improving retention capabilities

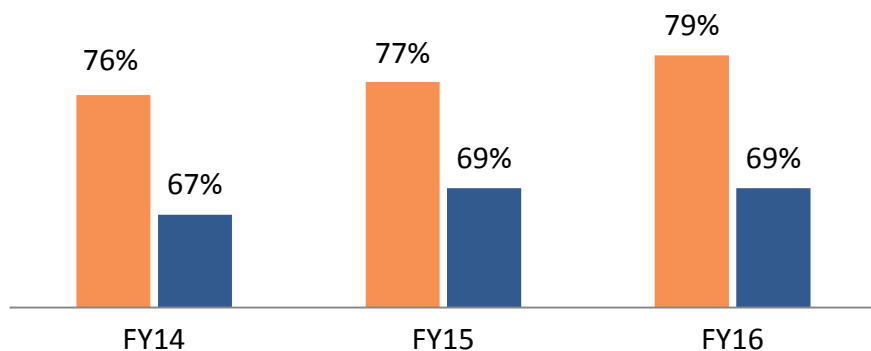
Surrender to GWP



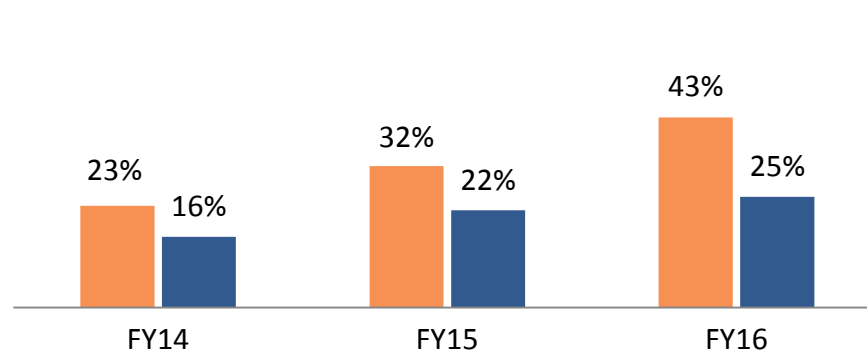
Max Life Top Pvt Avg*

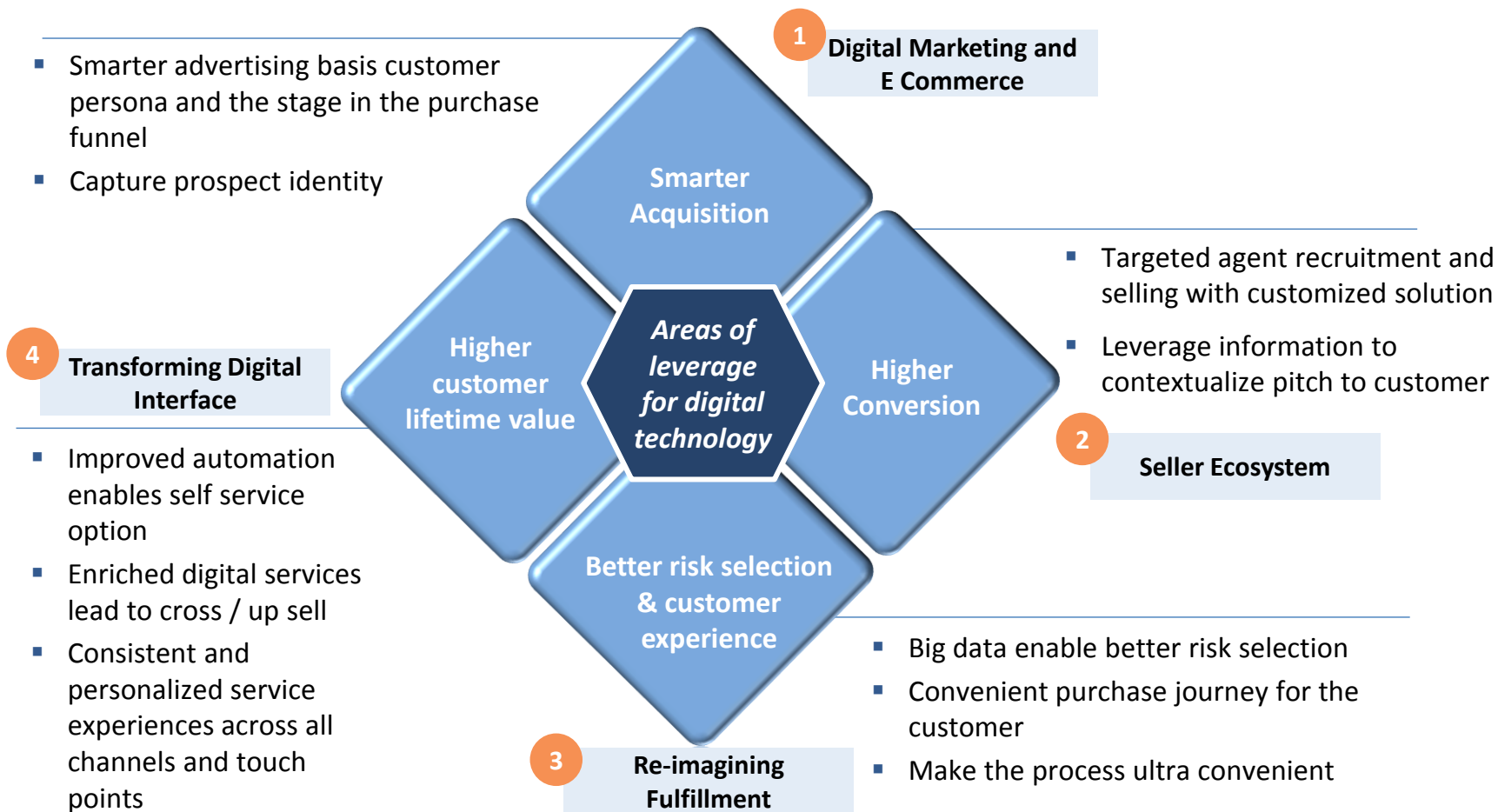
Continuous improvement in persistency

13th month persistency ratio



61st month persistency ratio





~45% of policies are fulfilled digitally and ~55% of renewals are managed digitally; all of this for lower cost and faster response times

GWP Rs 9,216 Cr [Rs 8,172 Cr]  13%	PBT Rs 511 Cr [Rs 478 Cr]  7%	Dividend Rs 365 Cr [Rs 200 Cr]  83%	AUM Rs 35,824 Cr [Rs 31,220 Cr]  15%
Embedded Value* Rs 5,617 Cr [Rs 5,232 Cr]  17%	Net Worth Rs 2,024 Cr [Rs 2,055 Cr] 	Policyholder Expense Ratio 13.6% [15.2%]  160 Bps	Sum Assured (Ind) 1,94,658 Cr [1,56,109 Cr]  25%
13th Month Persistency 79% [77%]  190 Bps	61st Month Persistency 43% [32%]  Abs. 11%	Conservation Ratio 86% [85%]  103 Bps	Solvency Ratio 343% [425%]  Abs. 82%
Protection Mix 3% [2%]  90 Bps	No. of Employees 9,259 [8,082]  15%	No. of Agents 45,275 [43,505] 	Outstanding Claim Ratio 0.02% [0.03%] 

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Max Life's Embedded Value (EV) is based on a market consistent methodology.

A market consistent methodology approach better reflects the embedded value of an insurance company by explicitly allowing for insurance and economic risks rather than using an implicit overall allowance for risks through a Risk Discount Rate (RDR) in the traditional approach.

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

The 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.

The EV as at 31st March 2016 is Rs 5,617 Cr, after allowing for shareholder dividend payout¹ of Rs 439 Cr in FY16.

The Operating Return on EV² (RoEV) over FY16 is 17.0 per cent. Including non-operating variances, the RoEV is 15.8 per cent.

The Value of New Business (VNB) written during FY16 is Rs 388 Cr and the portfolio new business margin is 18.3 per cent (before cost overrun) and 17.9 per cent (after cost overrun).

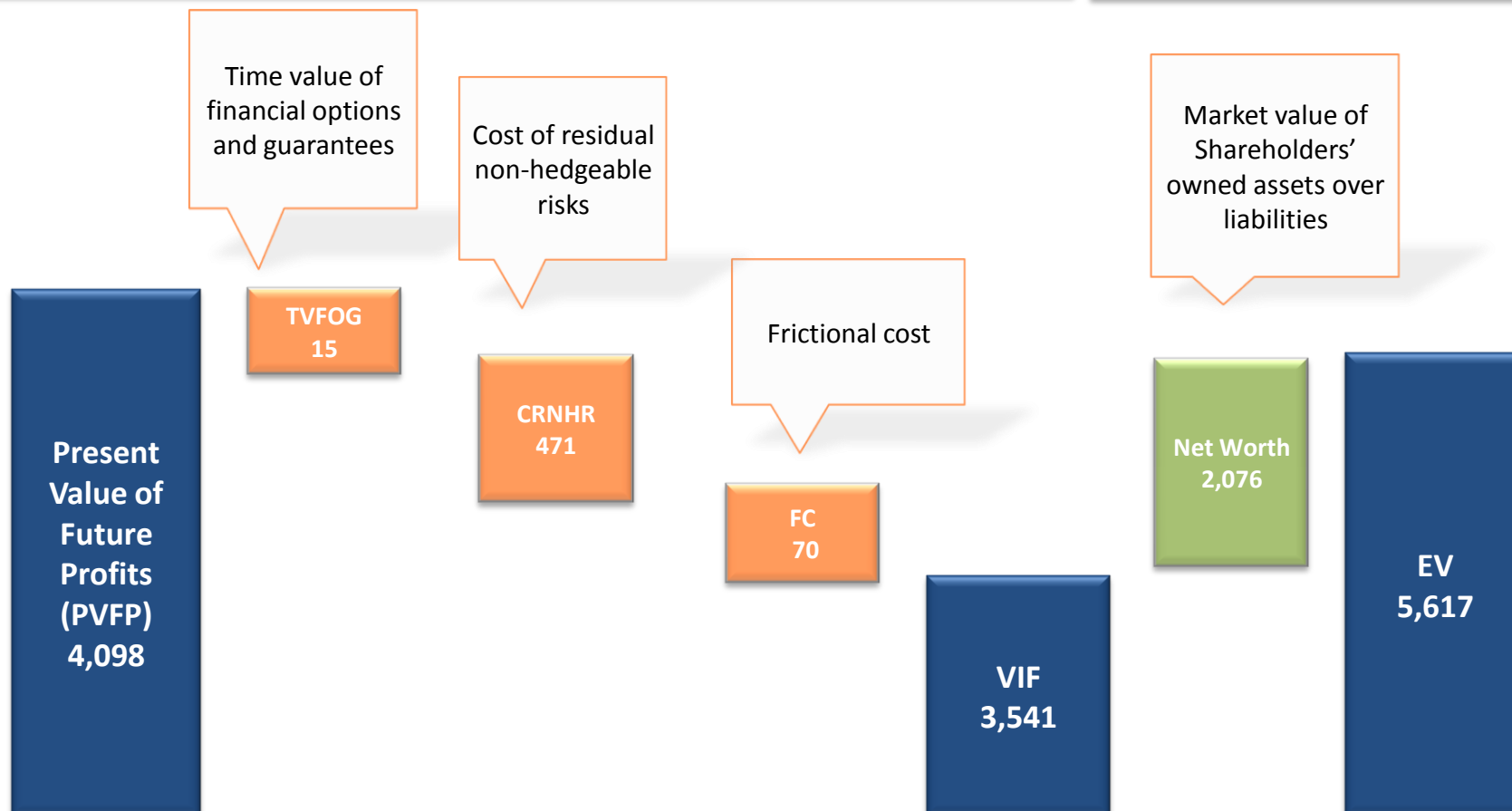
Notes:

¹ Inclusive of Dividend Distribution Tax.

² The Return on EV is calculated before capital movements during the year.

VIF

Net worth and EV



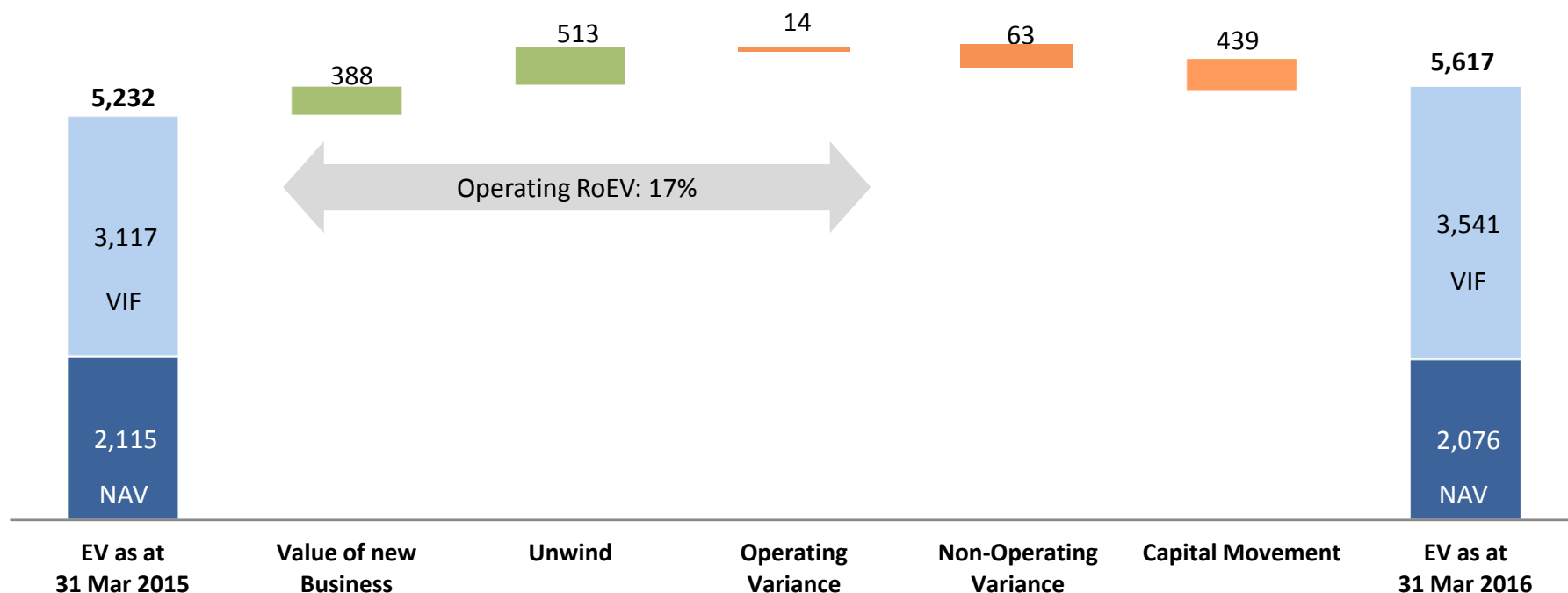
1. The deductions for risk to arrive at the VIF, represent a reduction of 14% in the PVFP. The largest deduction is in respect of CRNHR.
2. Within CRNHR, persistency risk constitutes the largest risk component.

Description	FY16
APE ¹	2,113
Value of New Business (VNB)	388
New Business Margin ² (before cost overrun)	18.3%
New Business Margin (post cost overrun)	17.9%

- The VNB is the accumulated value from the point of sale to the end of the reporting period (i.e. 31st March 2016), using the beginning of financial year risk free yield curve.
- During FY16, there was an acquisition cost over-run chargeable to shareholders of Rs 10 Cr, which implies a VNB of Rs 378 Cr and a new business margin of 17.9%, post over-runs.
- Reduction in new business margin from PY (23.4%) is primarily due to changes in the risk free yield curve (negative 3%), cost of hedging of guaranteed portfolio (negative 1%), allowance for Corporate Social Responsibility (CSR) related costs (negative 40 bps), product mix and other changes (negative 80 bps).

¹ Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

² Calculated as VNB as a % of APE .



- Operating Return on EV of 17.0%, driven mainly by new business growth and unwind of discounting.
- Operating variance mainly constitutes cost overrun chargeable to shareholders.
- Non-operating variance driven mainly by equity and interest rate movements since March 2015.
- In addition, as at March 2016, non-operating variance also includes the present value of future projected CSR expenses that has been included in the VIF for the first time, representing a methodology improvement. Going ahead, variance in the actual versus expected CSR expenses will be a part of the operating variance.

Sensitivity	EV		VNB	
	Value (Rs Cr)	% change	Value (Rs Cr)	% change
Base Case	5,617	-	388	-
Lapse/Surrender -10% increase	5,500	(2%)	365	(6%)
Lapse/Surrender -10% decrease	5,742	2%	411	6%
Mortality -10% increase	5,549	(1%)	375	(3%)
Mortality -10% decrease	5,685	1%	400	3%
Expenses-10% increase	5,567	(1%)	370	(5%)
Expenses -10% decrease	5,667	1%	406	5%
Risk free rates -1% increase	5,429	(3%)	420	8%
Risk free rates -1% reduction	5,799	3% ¹	349	(10%)
Equity values- 10% immediate rise	5,681	1%	388	Negligible
Equity values- 10% immediate fall	5,552	(1%)	388	Negligible

1. Reduction in interest rate curve leads to an increase in the value of assets which offsets the loss in the value of future profits.
2. Risk free rate sensitivities allow for the change in cost of hedging due to derivative arrangements. The cost of hedging reduces under the risk free rate reduction sensitivity and increases under the risk free rate increase sensitivity.

Industry & Economic Overview

Max Life Overview

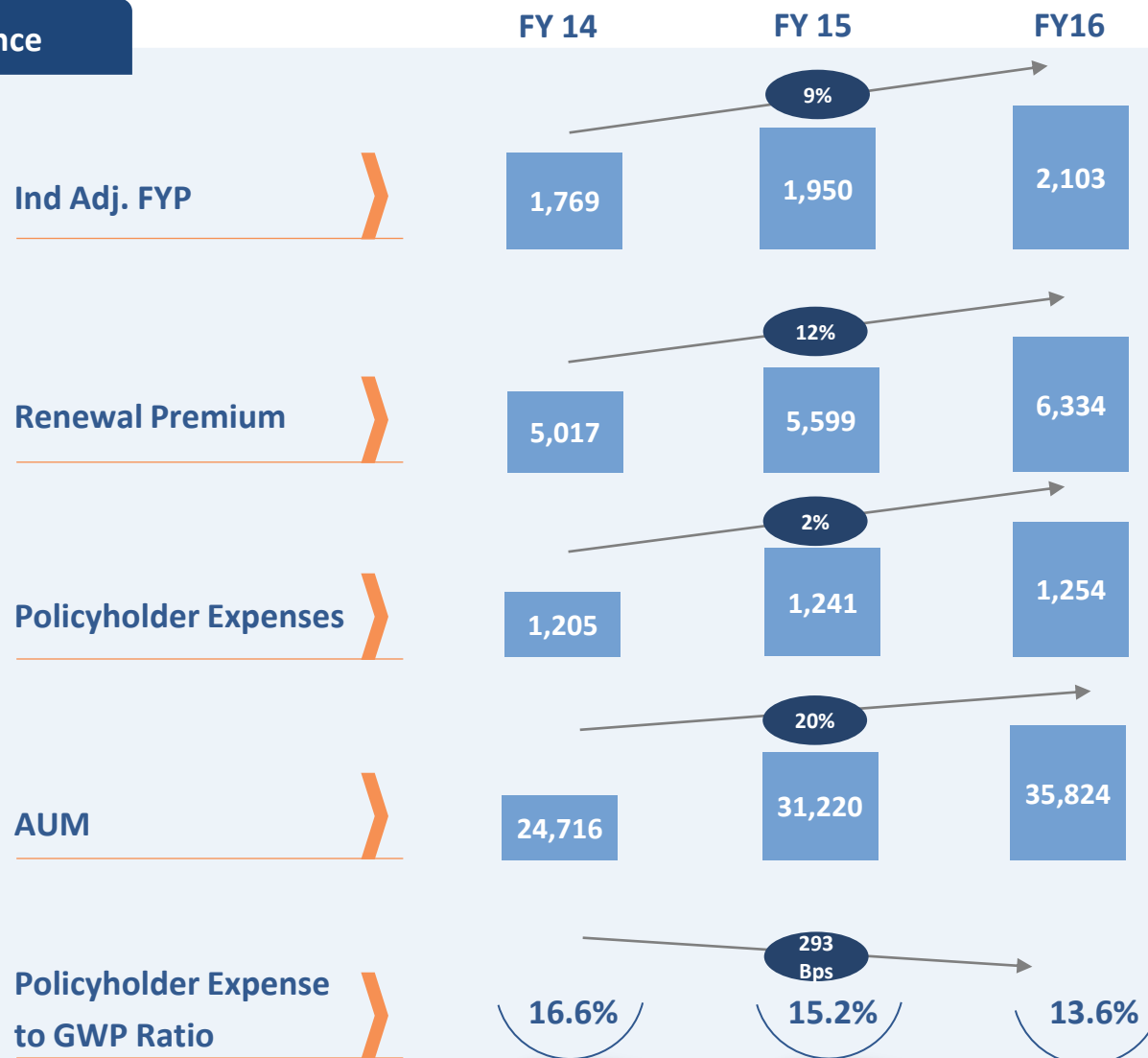
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Financial Performance



Financial Performance

	FY 14	FY 15	FY16
Profitability	503	478	511
Dividend	264	200	365
New Business Margin	17.3%	23.4%	18.3%
MCEV	4,401	5,232	5,617
Operating RoEV	N.A	22.3%	17.0%
Solvency Ratio	485%	425%	343%

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1 Setting higher benchmark with every award

- “Asia’s Most Admired Brand 2015-2016 “ in the Insurance category by White Page International, 2016
- Outlook money 2015 “Life Insurance Provider of The Year” award
- Recognized as “India's Most Trusted Brand”, 2015
- “IMC Ramkrishna Bajaj National Quality” award, 2015 in the services category
- ASQ World Conference, 2015 for quality impact story board and use of emerging technology
- “Celent Asia Insurer Asia” award for IT management best practices in developing analytics insights in 2015
- IMA’s “India CFO Award 2016” in the category of “Excellence in Cost Management”
- Ranked 51st amongst India's top 100 best companies to work for 2015
- “Indian Insurance” award, 2015 for “Bancassurance Leader” award and “Agency Productivity” award
- “World Finance Best Life Insurance Company”, 2015, India
- 2nd consecutive award for “Best Insurance In House Legal Team of the year” at the “Legal Era”, 2014-15



2 “Industry First” trend setter

- First company to provide freelook period of 15 days to the customer
- First company to start toll free line for agent service
- First life insurance company in India to implement lean methodology of service excellence in service industry
- First Indian life insurance company to start service center at the regional level
- First life insurance company in India to be awarded ISO 9001:2008 certification



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Market consistent methodology

- The EV and VNB have been determined using a market consistent methodology which differs from the traditional EV approach in respect of the way in which allowance for the risks in the business is made.
- For the market consistent methodology, an explicit allowance for the risks is made through the estimation of the Time Value of Financial Options and Guarantees (TVFOG), Cost of Residual Non-Hedgeable Risks (CRNHR) and Frictional Cost (FC) whereas for the traditional EV approach, the allowance for the risk is made through the RDR.

Components of EV

The EV is calculated to be the sum of:

- Net Asset value (NAV) or Net Worth: it represents the market value of assets attributable to shareholders and is calculated as the adjusted net worth of the company (being the net shareholders' funds as shown in the audited financial statements adjusted to allow for all shareholder assets on a market value basis, net of tax).
- Value of In-force (VIF) : this component represents the discounted value of future expected post-tax profits (PVFP) attributable to shareholders from the in-force business as at the valuation date, after deducting allowances for TVFOG, CRNHR and FC. Thus, $VIF = PVFP - TVFOG - CRNHR - FC$.

Covered Business

- All business of Max Life is covered in the assessment except one-year renewable group term business and group fund business which is excluded due to its immateriality to the overall EV.

Present Value of Future Profits (PVFP)

- Best estimate cash flows are projected and discounted at risk free investment returns.
- PVFP for all lines of business except participating business is derived as the present value of post-tax shareholder profits from the in-force covered business.
- PVFP for participating business is derived as the present value of shareholder transfers arising from the policyholder bonuses *plus* one-tenth of the present value of future transfers to the participating fund estate and one-tenth of the participating fund estate as at the valuation date.
- Appropriate allowance for mark-to-market adjustments to policyholders' assets (net of tax) have been made in PVFP calculations to ensure that the market value of assets is taken into account.
- PVFP is also adjusted for the cost of derivative arrangements in place as at the valuation date.

Cost of Residual Non-Hedgeable Risks (CRNHR)

- The CRNHR is calculated based on a cost of capital approach as the discounted value of an annual charge applied to the projected risk bearing capital for all non-hedgeable risks.
- The risk bearing capital has been calculated based on 99.5 percentile stress events for all non-hedgeable risks over a one-year time horizon. The cost of capital charge applied is 5% per annum. The approach adopted is approximate.
- The stress factors applied in calculating the projected risk capital in the future are based on the latest EU Solvency II directives recalibrated for Indian and Company specific conditions.

Time Value Of Options and Guarantees (TVFOG)

- The TVFOG for participating business is calculated using stochastic simulations which are based on 1,000 stochastic scenarios provided by Moody's Analytics.¹
- Given that the shareholder payout is likely to be symmetrical for guaranteed non-participating products in both positive and negative scenarios, the TVFOG for these products is taken as zero.
- The cost associated with investment guarantees in the interest sensitive life non-participating products are allowed for in the PVFP calculation and hence an explicit TVFOG allowance has not been calculated.
- For all unit-linked products with investment guarantees, extra statutory reserves have been kept for which no release has been taken in PVFP and hence an explicit TVFOG allowance has not been calculated.

Frictional Cost (FC)

- The FC is calculated as the discounted value of tax on investment returns and dealing costs on assets backing the required capital over the lifetime of the in-force business. Required capital has been set at 170% of the Required Solvency Margin (RSM) which is the internal target level of capital, which is higher than the regulatory minimum requirement of 150%.
- While calculating the FC, the required capital for non-participating products is funded from the shareholders' fund and is not lowered by other sources of funding available such as the excess capital in the participating business (i.e. participating fund estate).

¹Moody's simulations used are as at December 2015, they are updated every six months.

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FIMMDA¹ as at 31st March 2016. The spot rates beyond the longest available term of 30 years are assumed to remain at 30 year term spot rate level. The VNB is calculated using the beginning of the year risk free yield curve (i.e. March 2015).
- 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 31st March 2016 spot rate yield curve used:

Year	1	2	3	4	5	10	15	20	25	30 +
Mar16	7.29%	7.39%	7.49%	7.55%	7.77%	7.48%	8.22%	8.00%	8.30%	8.13%
Mar15	8.01%	7.96%	7.93%	7.89%	7.89%	7.95%	8.04%	8.12%	8.03%	7.79%

- Over the year, the risk free rates have reduced for the shorter durations while increasing for the longer durations. This has led to an overall twist in the shape of the curve.

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 last one year experience and expectations of future experience given the likely impact of current and proposed management actions on such assumptions.
- Aims to avoid arbitrary changes, discontinuities and volatility where it can be justified.
- Aims to exclude the impacts of non-recurring factors.

¹ Fixed Income Money Market and Derivatives Association of India

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.
- Future CSR related expenses have been taken to be 2 per cent of post tax profits emerging each year.
- Expenses denominated in fixed rupee terms 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.
- Service tax is assumed to be 15% (including all relevant cess), applied on the relevant taxable base.
- The mark to market adjustments are also adjusted for tax.

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Thank you

Max India Limited

Investor Release

Financial Year ended March 31, 2016

Disclaimer

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Max India – Key Highlights

- 1 Shares allotted and listing process initiated, expected by June-end
- 2 23% stake divestment in Max Bupa approved by IRDA. Expected closure this week. Max India to receive Rs. 207 Cr. as proceeds
- 3 Max Healthcare : Turns profitable. EBITDA grows 26% to Rs. 215 Cr.
- 4 Max Healthcare : Acquisitions provide a platform to more than double bed capacity to over 5,000 beds. Pushpanjali Crosslay integration yields superior outcomes. Saket City integration progressing well
- 5 Max Bupa : GWP grows at a strong 28%. Significant distribution expansion through Bank of Baroda alliance (access to 5400 branches & 60 Mn customers)
- 6 Antara : Dehradun community to commence operations next quarter

Max Healthcare – Agenda

1

Attractive Industry opportunity

2

Strong operating & financial performance

3

Anchored for the future

1

Attractive Industry opportunity

2

Strong operating & financial performance

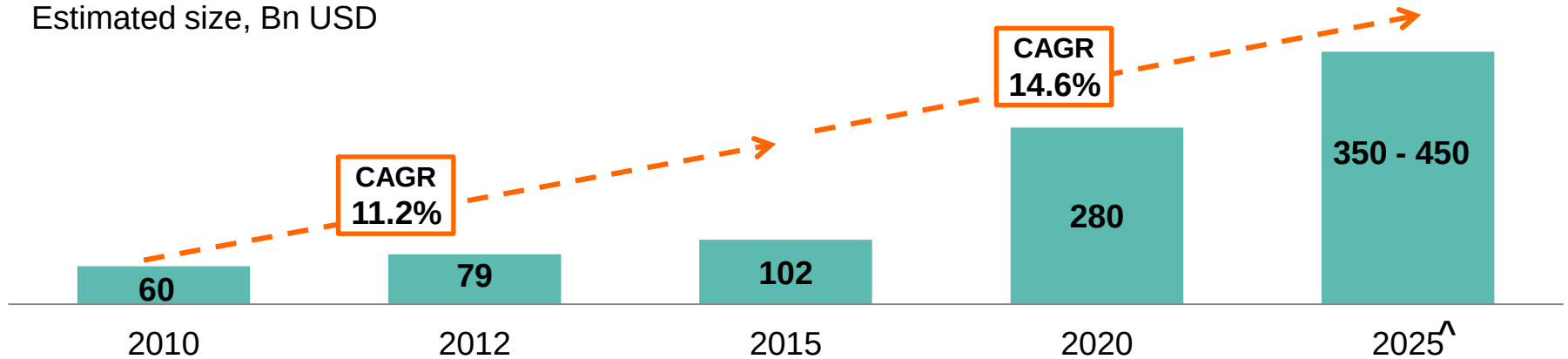
3

Anchored for the future

Indian healthcare industry is expected to reach ~\$400 billion fuelled by multiple demand drivers

Indian healthcare sector*

Estimated size, Bn USD



[^] Depending upon public spending levels, insurance proliferation, and success of public-private partnerships by 2025

Demand drivers for growth

~500 mn

additional middle
class by 2025

~134 mn

population > 60
years by 2020

~320 mn

at risk of dying due
to NCDs by 2020

~45%

Insurance
penetration by 2020

~\$8 bn

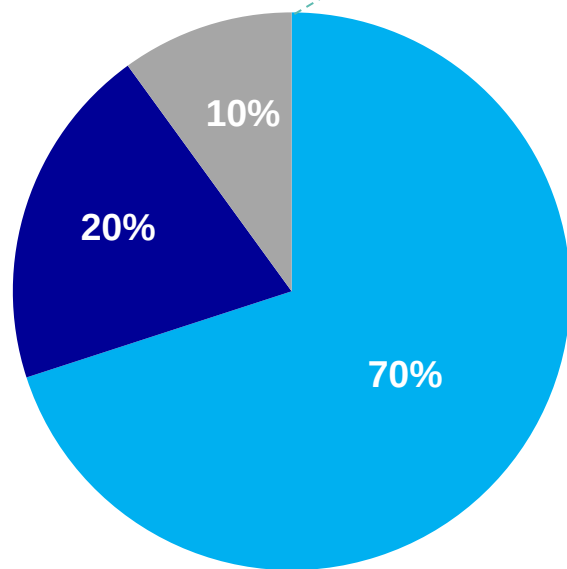
medical tourism
market size by 2020

~2 mn

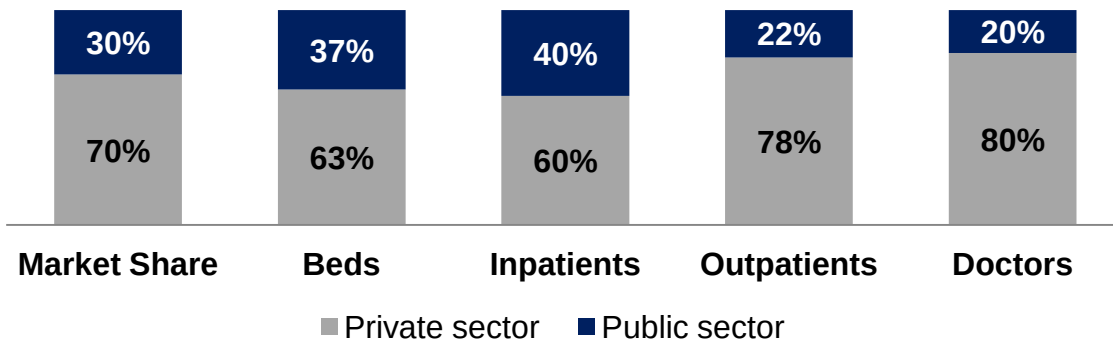
beds required by
2025

Hospitals constitute ~70% of Indian healthcare market with increasingly dominant role of private sector

Indian healthcare sector*
Market share %

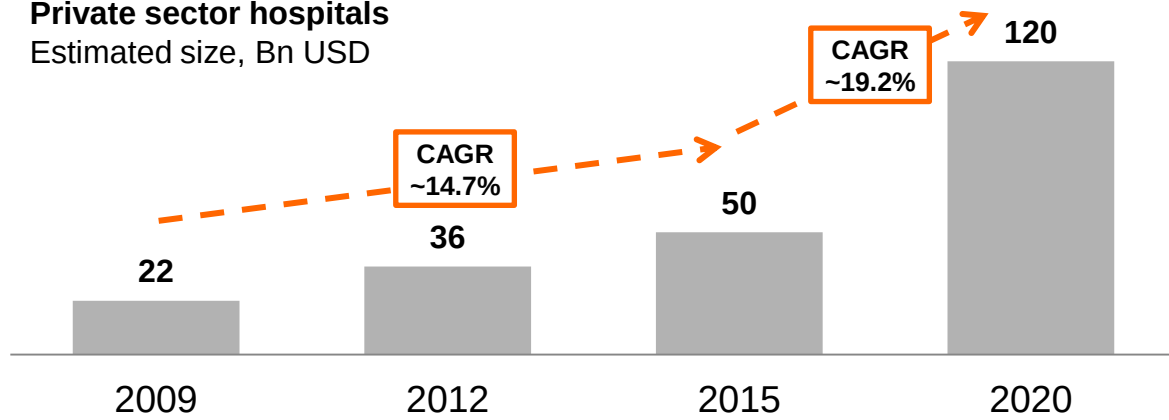


Private players have established a dominating presence in tertiary / quaternary care



Market size of private hospitals is expected to reach ~\$ 120 bn by 2020

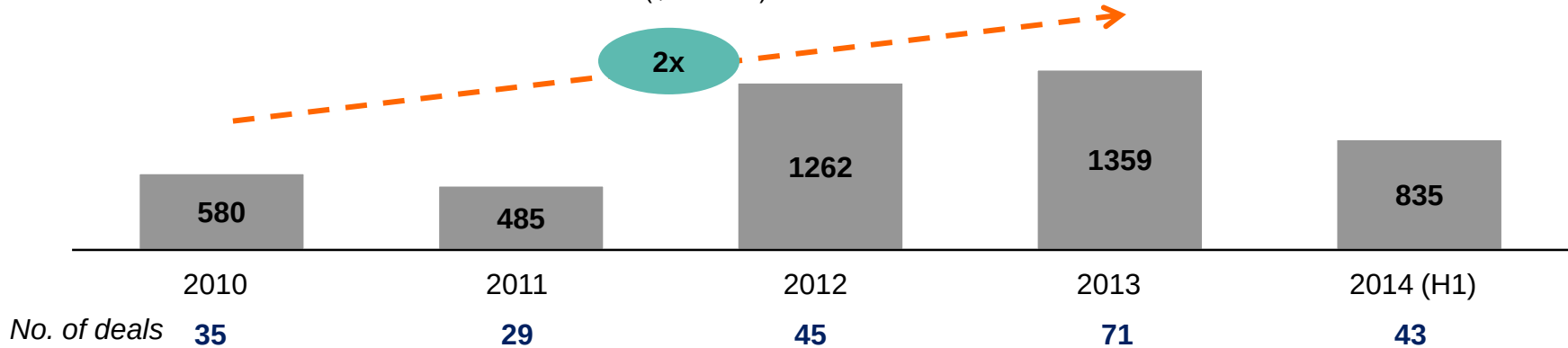
Private sector hospitals
Estimated size, Bn USD



Competition is intensifying with scale-up of well funded incumbents & availability of capital for new players

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

Annual VC/ PE investment's in India's Healthcare (\$ Million)



Scale up of well funded incumbents

	CURRENT SCALE	FUNDING (RS. CR.)		CURRENT SCALE	FUNDING (RS. CR.)
	8,600	550, (2013 - KKR)		6,500	290, (2014 - CDC)
	4,800	820, (2013 - Stan Chart, IFC)		4,900	900, (2015 - TPG Capital)
	1,300	700, (2015 - Temasek/Punj Lloyd)		2,500 (2012)	560, (2012 - Advent)

Slide sourced from Bain and Company

Max Healthcare – Agenda

1

Attractive Industry opportunity

2

Strong operating & financial performance

3

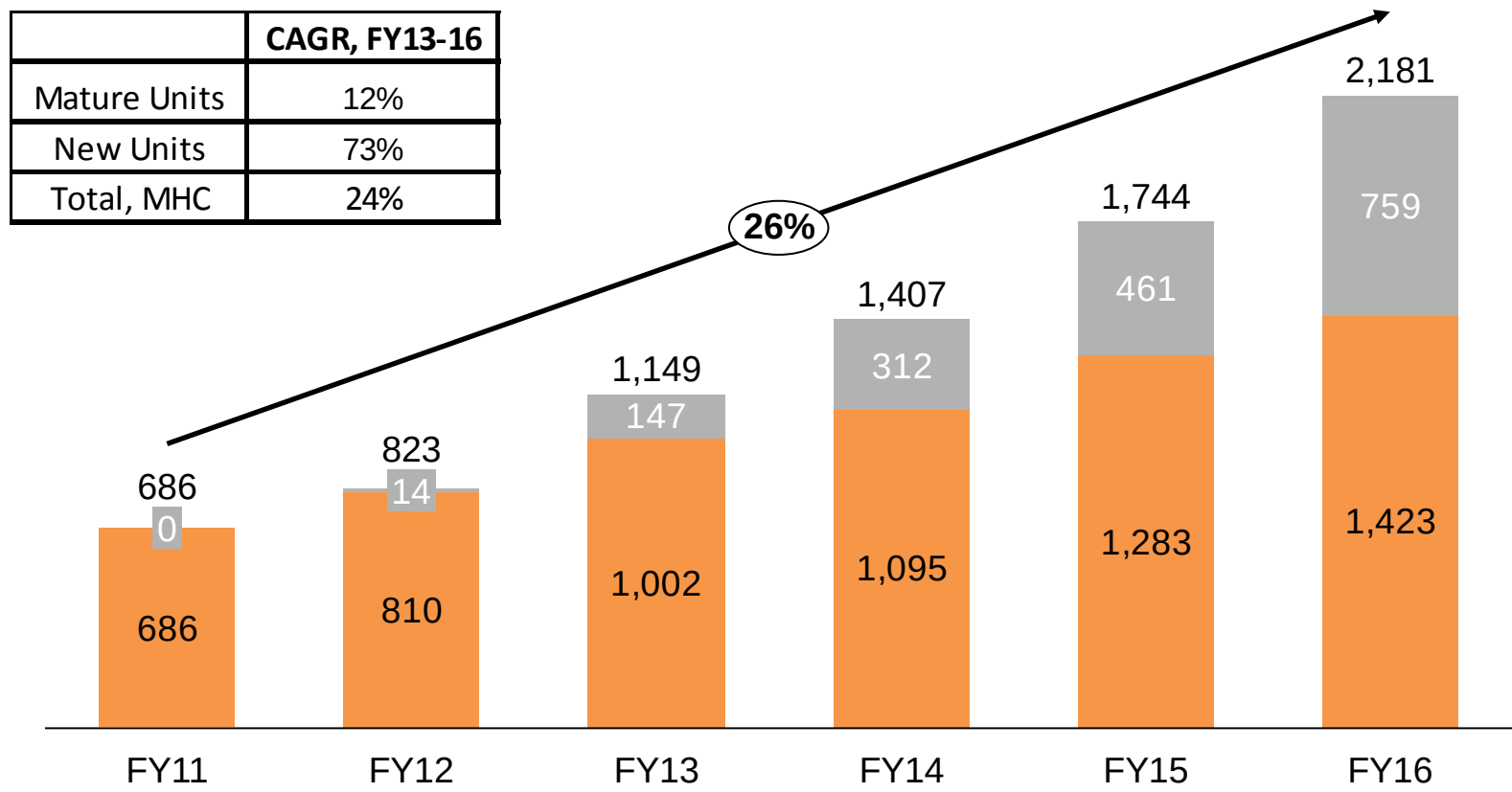
Anchored for the future

Healthy revenue growth driven by new & mature hospitals

MHC Annual Gross Revenues by hospital age

Rs. Cr.

■ New Units, < 5 Years ■ Mature Units, > 5 Years

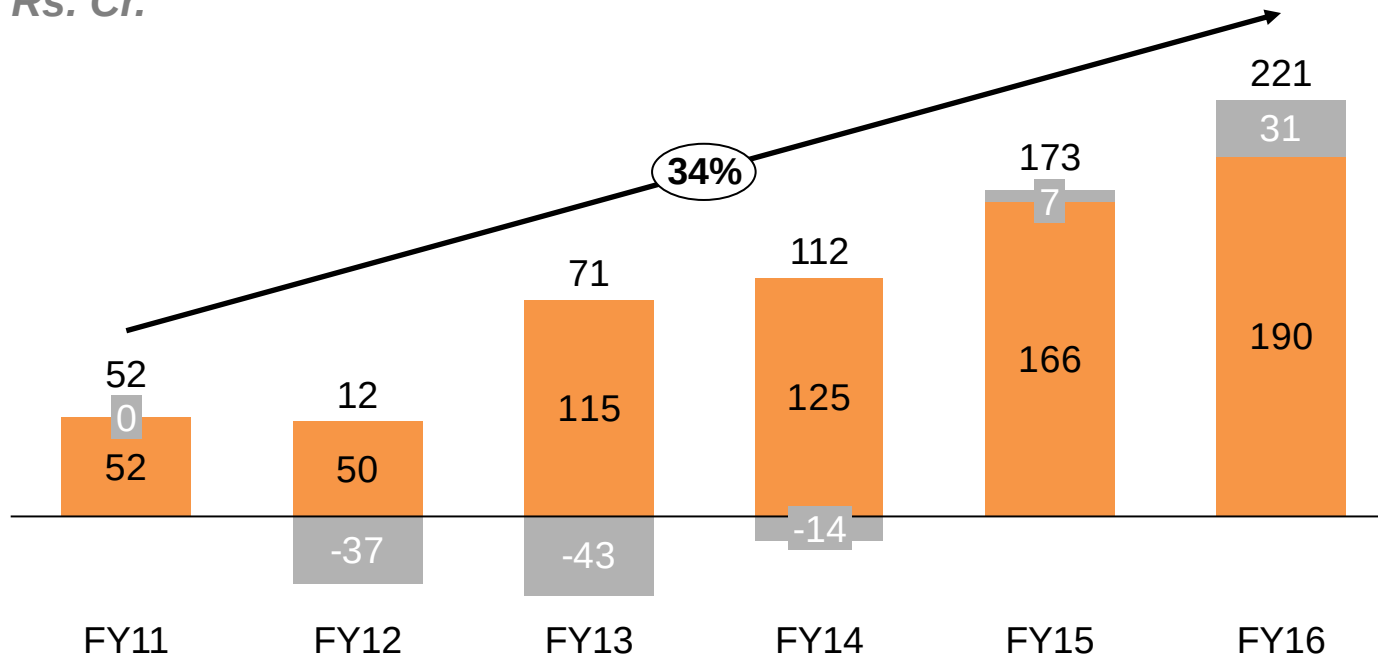


Steady margin expansion driven by cost efficiencies, build-up in mature units, and revenue scale-up at new units

MHC EBITDA by hospital age

Rs. Cr.

■ < 5 Years ■ > 5 Years



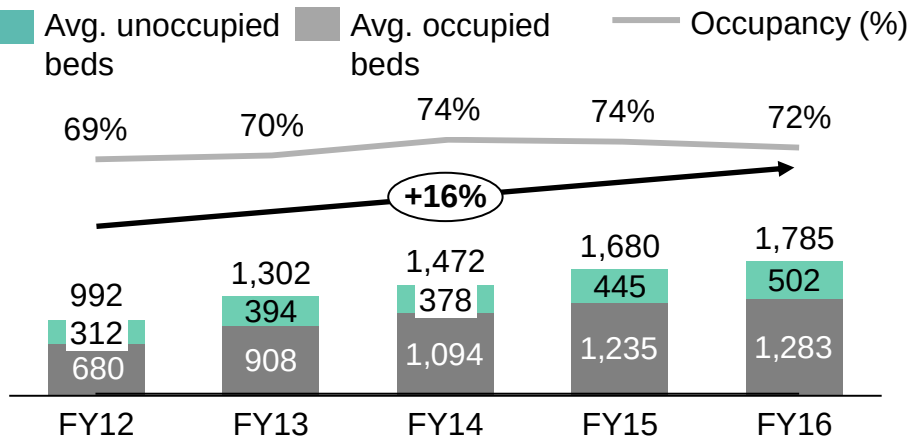
ROCE for mature units at 17.3% (FY16) vs. -1.5% for new units (FY16)

7.7	1.5	6.4	8.2	10.1	10.5
7.7	6.2	11.8	12.0	13.4	14.0
n/a	-277	-30	-4.4	1.5	4.1

NOTE: FY16 EBITDA excludes Rs. 6 Cr. of one time expenses towards the Pushpanjali and Saket City acquisitions; FY15 excludes Rs 3 Cr of one off expenses

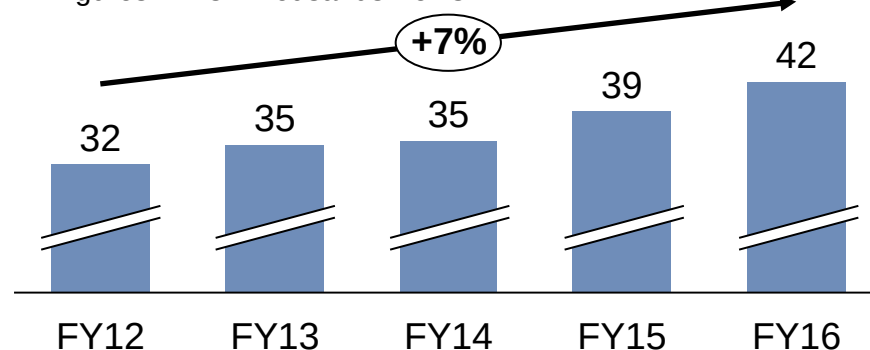
Strong momentum across all volume and value levers in last 5 years

Maintained healthy occupancy levels despite strong bed addition momentum



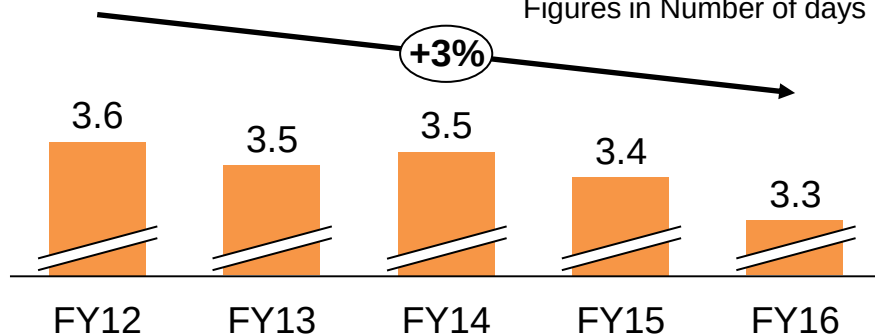
Steady growth in Revenue per occupied bed

Figures in Rs. Thousands Per OBD

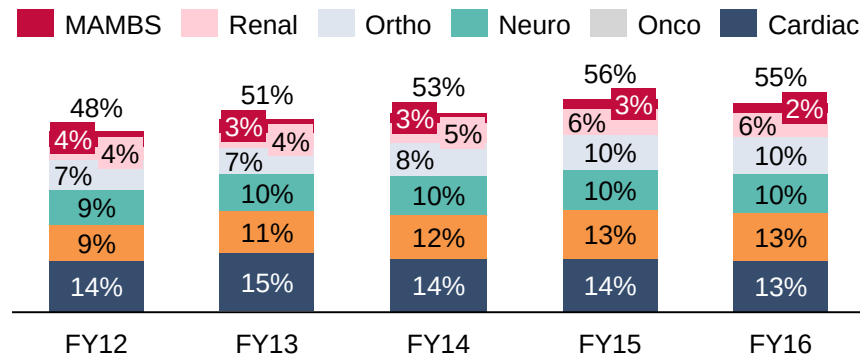


Consistent improvement in Average Length of Patient Stay

Figures in Number of days



Sharper focus on key tertiary tower specialities



MHC Network – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
a) Financial Performance	Rs. Cr						
Revenue (Net)		575	445	29%	2,098	1,698	24%
Contribution Margin	%	66.4%	64.8%	160 bps	65.4%	64.3%	110 bps
EBITDA	Rs. Cr	63	43	48%	215	170	26%
EBITDA Margin	%	11.0%	9.6%	140 bps	10.2%	10.0%	20 bps
Cash Profit	Rs. Cr	32	24	33%	115	86	35%
Profit	Rs. Cr	2.3	1.5	55%	10	(6)	> 100%
b) Financial Position							
Net Worth	Rs. Cr				1,071	749	43%
Net Debt	Rs. Cr				1,056	563	88%
Tangible Fixed Assets - Gross Block	Rs. Cr				1,944	1,421	37%
c) Patient Transactions (No. of Procedures)	No.						
Inpatient Procedures		43,042	33,113	30%	1,63,687	131,756	24%
Day care Procedures		12,360	6,835	94%	35,400	26,235	35%
Outpatient Registrations		15,14,768	11,43,586	32%	55,37,753	44,47,883	25%
d) Average Inpatient Operational Beds	No.	2,300	1,745	32%	2,279	1,680	36%
e) Average Inpatient Occupancy	%	69.7%	71.8%	(210 bps)	71.1%	73.5%	(240 bps)
f) Average Length of Stay	No.	3.39	3.40	1%	3.26	3.42	5%
g) Avg. Revenue/Occupied Bed Day (IP)	Rs.	30,433	29,717	2%	30,334	28,814	5%

MHC Network Hospitals (Mature & New) – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
Mature Hospitals*							
a) Financial Performance							
Revenue(Net)	Rs. Cr	345	322	7%	1,358	1,235	11%
EBITDA	Rs. Cr	51	44	16%	190	166	14%
EBITDA Margin	%	14.8%	13.7%	110 bps	14.0%	13.4%	60 bps
b) Average Inpatient Operational Beds	No.	1,095	1,100	-	1,095	1,084	1%
c) Average Inpatient Occupancy	%	73.5%	74.0%	(50 bps)	74.8%	75.5%	(70 bps)
d) Avg. Revenue/Occupied Bed Day (IP)	Rs.	35,045	32,255	9%	33,653	30,767	9%
New Hospitals^							
a) Financial Performance							
Revenue(Net)		227	120	90%	727	449	62%
EBITDA	Rs. Cr	18	(2)	>100%	35	7	4x
EBITDA Margin	%	7.8%	-1.5%	930 bps	4.8%	1.5%	320 bps
b) Average Inpatient Operational Beds	No.	1,205	645	87%	1,184	596	99%
c) Average Inpatient Occupancy	%	66.2%	68.0%	(180 bps)	66.9%	69.8%	(297 bps)
d) Avg. Revenue/Occupied Bed Day (IP)	Rs.	25,782	25,011	3%	26,074	24,967	4%

*The above results are for MHC Network of hospitals and includes results for Max Super Speciality Hospital, Saket, unit of Devki Devi Foundation and Max Super Speciality Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre ^ The above results for Mohali, Bathinda, Dehradun, Shalimar Bagh, Vaishali & Saket City hospital unit of Gujarmal Modi Hospital & Research Centre

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

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: Max Super Speciality Hospital, Saket

Improvement Award (Private)



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

IAMA jury evaluated entries based on :

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

Max Healthcare – Agenda

1

Attractive Industry opportunity

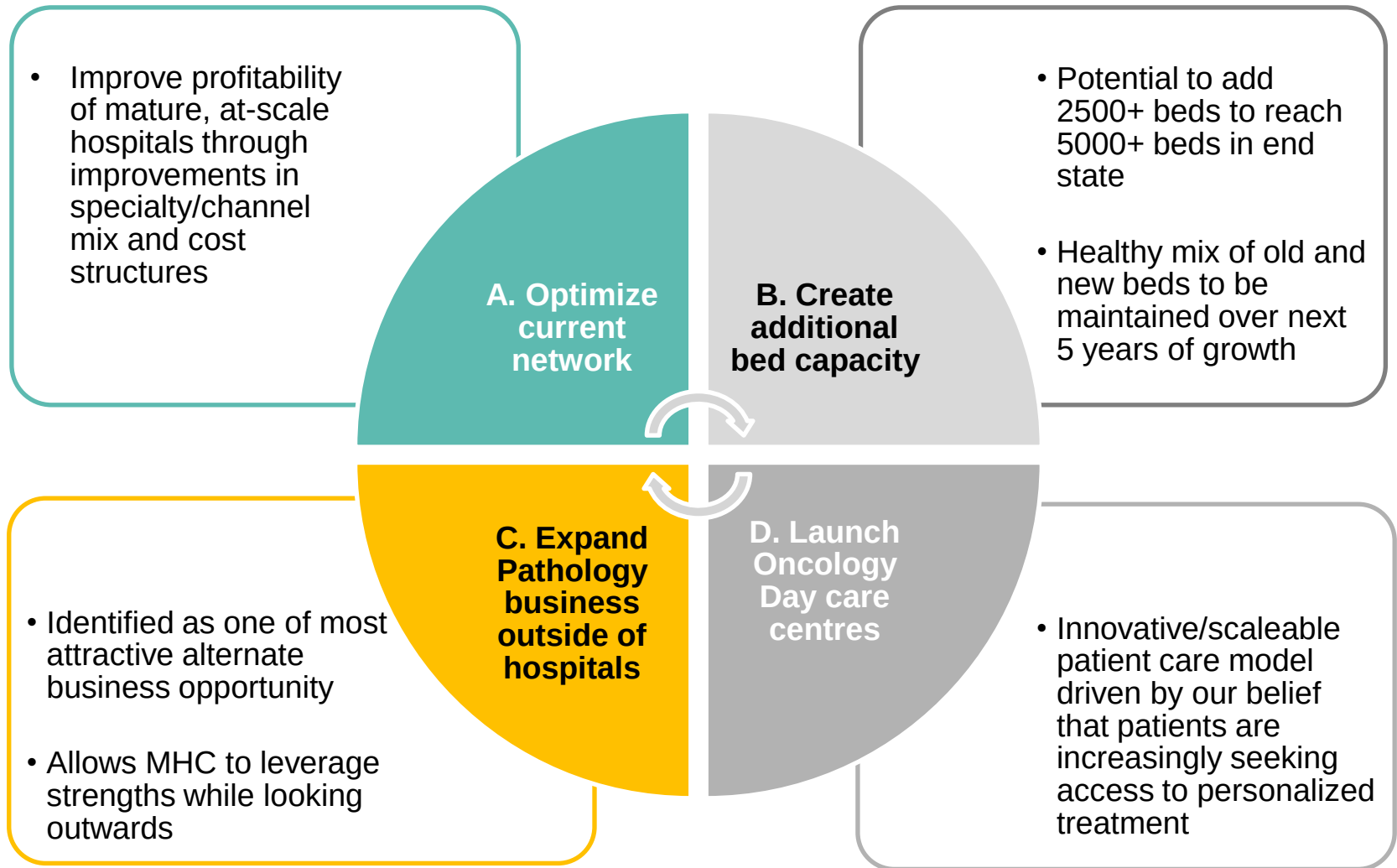
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Strong operating & financial performance

3

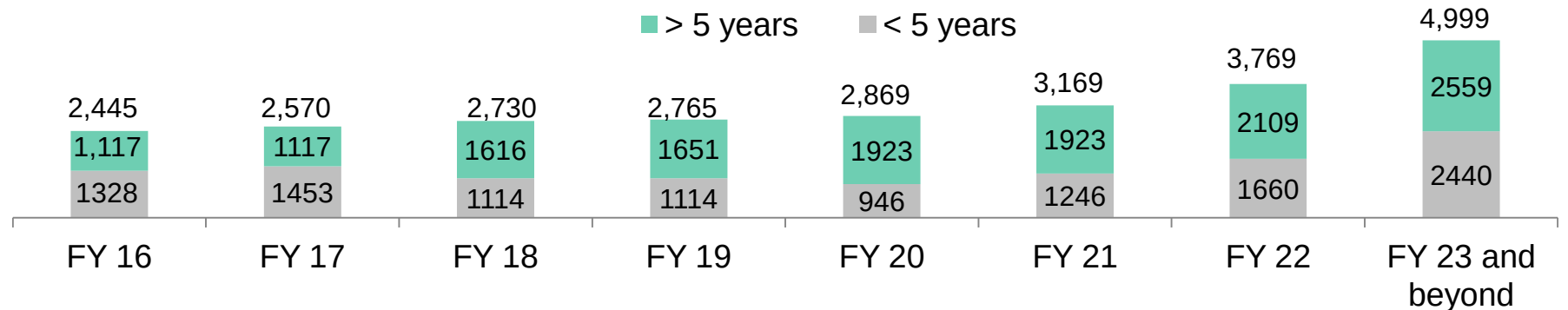
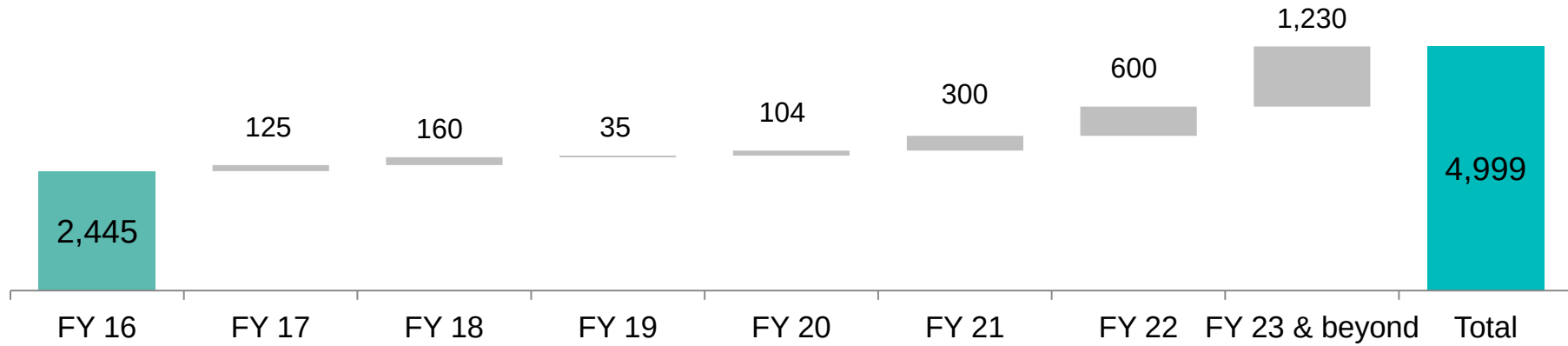
Anchored for the future

Four dimensions to value creation for MHC



MHC poised to derive strong growth from healthy mix of mature and New units

SKT City : 85 Vaishali: 40	Vaishali: 160	Mohali: 35	Shalimar Bagh: 104	SKT City : 300	SKT City : 600	Mullanpur: 400 Gr. Noida: 380 Saket: 250 PPG: 200
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1

Attractive Industry opportunity

2

Strong operating & financial performance

3

Anchored for the future

1 *Attractive Industry opportunity*

2 *Strong operating & financial performance*

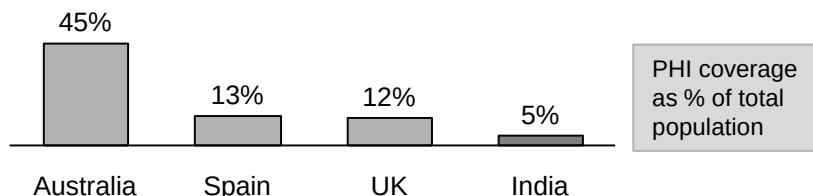
3 *Anchored for the future*

Industry landscape

Opportunities

■ Low health insurance penetration and coverage

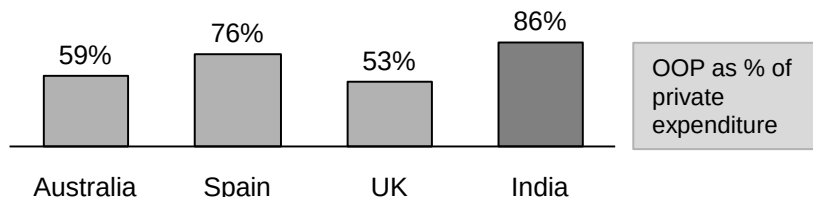
- HI penetration (premium as % of GDP) is only ~0.2%
- Only ~5% of total population covered under personal HI



- FICCI estimates that only 15% of population has any kind of health insurance

■ India has one of the highest out-of-pocket expenses (primarily OPD, consultation, diagnostics & pharmacy)

- Double-digit medical inflation
- Continued increase in lifestyle related diseases



■ Increasing affluence

- Base of middle class expected to increase by 150 mn

Looking forward

■ 2X industry growth over 5 years (~ Rs 40,000 cr)

- Rising healthcare costs and standards of care
- Regulatory & policy level incentives
- Increase in government funding
- Overall boom in the opportunities for access to necessary treatment

■ However, industry is faced with challenges too

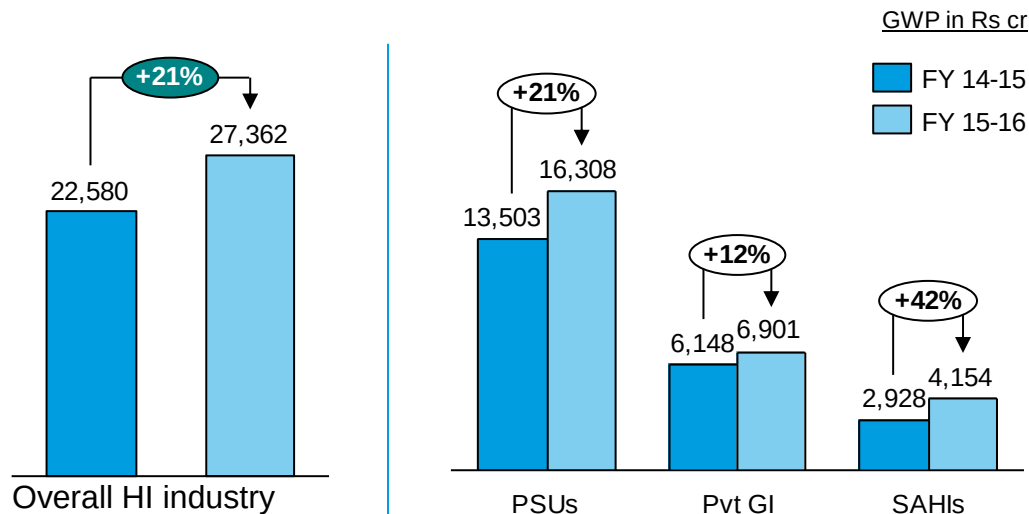
- Rising burden of non-communicable diseases
- Unregulated health ecosystem
- Regulatory headwinds
- Margin pressure
- Increasing claims cost and operating expenses putting a downward pressure on cost structures

■ Increased regulatory activism

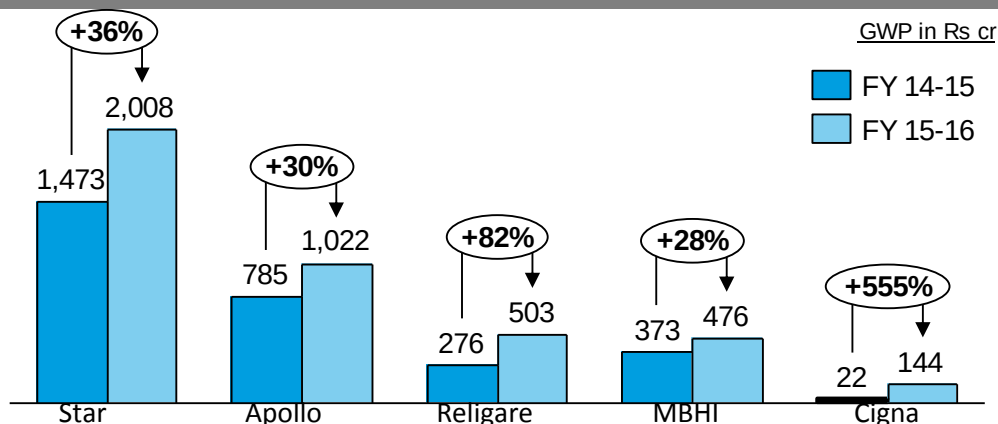
- Continued focus on consumer protection impacting re-pricing, product sophistication, etc

Industry landscape

SAHIs are the fastest growing section in the industry...



...led by distribution expansion as well as product launches



Key highlights

- **Overall industry growth continues @ 21%**; Total health insurance market expected to grow 2X to ~ Rs 50,000 cr by FY 19-20
- **Max Bupa has 4.3% share of pvt market v/s 4.1% last year**
- **Significant investments in distribution expansion as well as new product launches**
- **Industry continues to attract new entrants**
 - **Kotak General** – paid-up capital of Rs 150 cr with initial focus on motor and health retail segment)
 - **Birla Health** has also received R1 license

1 *Attractive Industry opportunity*

2 ***Strong operating & financial performance***

3 *Anchored for the future*

Max Bupa – Highlights

Milestones achieved



- Reached 1 MM urban customers, increasing the total base to 2 MM



- Walk for Health – Walk India Walk, a national movement touching 33 MM lives



- New brand identity which demonstrates a stronger synergy between our parent companies

External accolades

Brand

- The only Health Insurer to be listed as a **Superbrand** in 2015-16
- Most Trusted Health Insurer** (third time in a row) in the Brand Trust Report 2016



Customer Service

- ‘Claim Service Leader of the Year’** at the 5th Indian Insurance Awards 2015
- ‘Best Customer Service’** at Customer Experience Management Asia Summit 2015



IT

- E-Governance BFSI Leadership Awards 2015 - **Best Solution for Data management**
- Model Asia Insurer of the Year 2016 for **best IT practice (CRM implementation)**



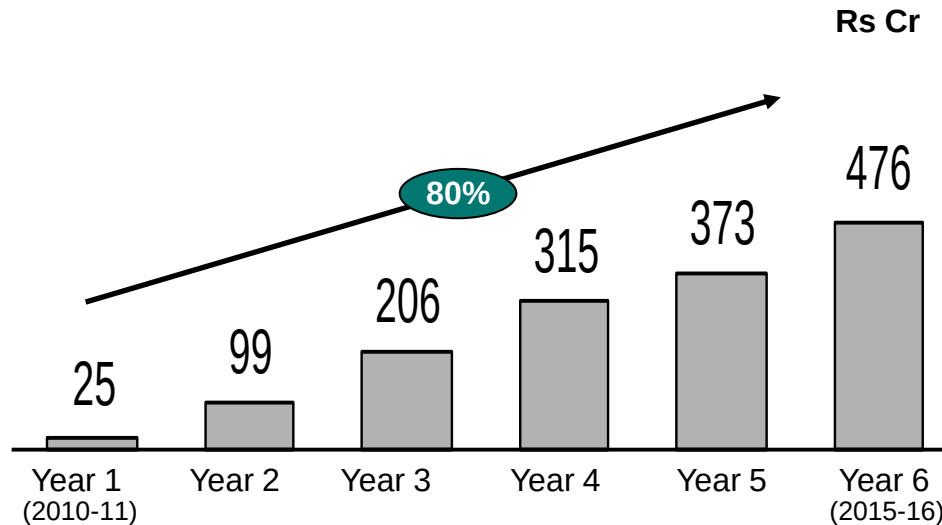
Product

- Innovation of the Year (Heartbeat)** at the Golden Peacock Awards 2015

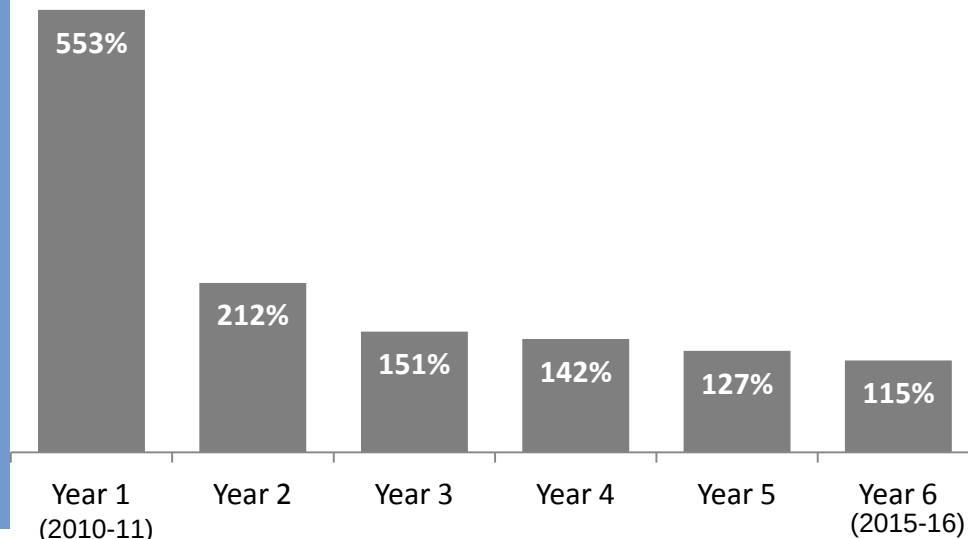


Healthy premium growth with consistent improvement in combined ratio

Gross written premium



Combined Ratio* (%)



- Max Bupa's focus has been on the B2C segment since inception
- While it is harder to build a B2C book (linear customer acquisition vs. lumpy demand of B2B or B2G), Max Bupa has grown faster than market (market growth ~16% CAGR)
- B2C focus driven operating model choices and some execution challenges have resulted in higher upfront opex spend

Max Bupa – Performance Dashboard (Q4 & FY16)

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-16	Mar-15		Mar-16	Mar-15	
a) Gross written premium income	Rs. Cr						
First year premium		53	48	10%	180	145	24%
Renewal premium		98	76	30%	296	228	30%
Total		151	124	22%	476	373	28%
b) Net Earned Premium	Rs. Cr	107	81	33%	393	315	24%
c) Net Loss	Rs. Cr	(19)	(27)	28%	(68)*	(93)	30%
d) Claim Ratio(B2C Segment, normalized)	%	48%	49%	100 bps	56%**	50%	-600 bps
e) Avg. premium realization per life (B2C)	Rs.	6,812	6,538	4%	6,800	6,364	7%
f) Conservation ratio (B2C Segment)	%				83%	81%	200 bps
g) Number of agents	No.				12,581	8,909	41%
h) Paid up Capital	Rs. Cr				898	791	14%

1 *Attractive Industry opportunity*

2 *Strong operating & financial performance*

3 ***Anchored for the future***

Strategic priorities – strengthening the foundation

A

Provider of choice in the
Affluent segment in Urban
India

B

Broad base the franchise with
partnerships & alliances

C

Build a **C**ustomer centric,
Compliant & **C**ost conscious
Culture

D

Digitally enable end to end
customer journey

1

**Portfolio management approach to
renewals & profitable growth**

2

Compelling product proposition

3

Build Digital

4

**Optimize expenses & robust claims
management**

5

Strengthen processes & technology

6

Enable the workforce

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