



May 25, 2018

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

National Stock Exchange of India Limited
Exchange Plaza, Bandra -Kurla Complex
Bandra (E),
Mumbai 400051

Scrip Code : 500271

Name of Scrip : MFSL

Dear Sir/Madam,

Sub: **Disclosure under Listing Regulations – Press Releases being issued by the Company**

Please find enclosed 2 press releases being issued by the Company in respect of:

- (a) Highlights of Financial results; and
- (b) Appointment of Director

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully,
For **Max Financial Services Limited**

A handwritten signature in blue ink, appearing to read "Sandeep Pathak", is written over a faint circular stamp.

Sandeep Pathak
Company Secretary & Compliance Officer

Encl: As above.

**Max Financial Services reports Consolidated Revenues¹ of Rs. 14,967 Cr. in FY2018, grows 15%;
Max Life Embedded Value² at Rs 7,509 Cr., Operating RoEV 20.6%**

Max Life Results Highlights (FY2018):

- Value of New Business: Rs. 656 Cr, grew 31%; New Business Margin: 20.2%
- Individual Adjusted Sales: Rs. 3,215 Cr., grew 22%
- Assets Under Management crossed Rs 50,000; grew 18% to Rs. 52,237 Cr.³

25th May 2018, New Delhi

Max Financial Services Limited (MFS) today announced financial results for the year 2017-18 (FY2018). MFS, which manages a majority stake in Max Life Insurance, India's largest non-bank, private life insurance company, reported consolidated revenues¹ of Rs. 14,967 Cr., growing 15% over the previous year. The Company reported consolidated Net Profit⁴ of Rs. 296 Cr., 25% lower compared to the previous year

MFS' sole operating subsidiary **Max Life Insurance** demonstrated broad-based growth across channels with Individual Adjusted Sales of Rs. 3,215 Cr. in FY2018, growing 22% over the previous year. This was primarily driven by improvement in productivity and increased demand for unit-linked products across channels. Max Life's Renewal Premium stood at Rs. 8,152 Cr., growing 15% over the previous year, led by efficiency improvement and various initiatives aimed at lapse recovery. Gross Written Premium in FY2018 was Rs. 12,501 Cr., growing 16% over the previous year.

Max Life also reported Market-Consistent Embedded Value² (MCEV), of Rs. 7,509 Cr., with an Operating Return on EV (RoEV) of 20.6%. The Value of New Business (VNB) written during FY2018 was Rs 656 Cr, growing 31% over the previous year, and the New Business Margin stood at 20.2%, 140 bps higher compared to the previous year. Max Life hit an important milestone this year with its Assets Under Management (AUM) crossing the Rs. 50,000 Cr. mark for the first time. The AUM as at 31st March 2018 stood at Rs. 52,237 Cr, growing 18% over the previous year. Max Life is now the 5th largest fund manager among private life insurers in India. Max Life's AUM has grown steadily over the years, reflecting consistent performance, and a stable approach to product portfolio mix.

Q4 FY2018 Performance

In Q4 FY2018, Max Life reported a strong growth of 28% in Individual Adjusted Sales, despite a high base in the same quarter last year. The Q4 Individual Adjusted Sales were Rs. 1,339 Cr. MFS reported consolidated revenues¹ of Rs. 5,300 Cr. and Net Profit⁴ of Rs. 128 Cr. in Q4, growing a healthy 23% and 9%, respectively.

¹ Excludes Max Life unit-linked investment income

² EV post final shareholder dividend

³ As at 31st March 2018

⁴ After adjusting for minority interest

Commenting on the Company's performance, **Mr. Rahul Khosla, President, Max Group and Chairman, Max Life Insurance** said, *"We are pleased with Max Life's strong and consistent organic growth over the past few years. At the same time, with a healthy solvency ratio of 275% and fund-raising capabilities, we have the appetite as well as the ability to aggressively pursue inorganic growth. Acquiring a high quality bank-owned life insurance asset would enable us to offer our product portfolio to a much wider customer base.*

Meanwhile, we will continue to build on our existing strengths of need based selling of long-term savings and protection products through well-balanced distribution architecture comprising bancassurance, agency and the rapidly growing digital channel."

Mr. Mohit Talwar, Managing Director, Max Financial Services Ltd. said, *"We had an aspiration of achieving 20-20-20 growth in sales, margin and EV by 2020. I am pleased to see that Max Life has outperformed itself in FY2018, achieving our three-year goal within the first year. This augurs very well for the future and in the coming months, it will be our priority to optimise market share and profitability while focusing on organic and inorganic growth opportunities."*

Note to the Editor

The EV of a life insurance company comprises two key elements — a) Net Asset Value or the Net Worth of the company, which represents the market value of the company's assets attributable to the shareholders, and b) the Present Value of the company's future expected profits from its existing business portfolio as at the date of valuation.

Max Life had transitioned its EV calculation to a Market Consistent methodology from the earlier traditional approach (Traditional Embedded Value – TEV) in FY2015. This follows market practice in developed markets, where life insurers have moved to adopt market consistent methodologies.

A market consistent methodology approach better reflects the embedded value of an insurance company by explicitly and specifically 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. In addition, the market-consistent approach is more objective where asset and liability cash flows are valued using assumptions consistent with those applied to similar cash flows in the capital markets, thus more accurately reflecting the health of the business.

About Max Group

The Max Group is a leading Indian multi-business conglomerate with a commanding presence in the Life Insurance, Health & Allied businesses and packaging sectors. In FY2017, the Group recorded consolidated revenues of Rs. 16,798 Cr. It has a total customer base of 9 million, nearly 240 offices spread across India and people strength of 22,500 as on 31st March 2017. The Group's investor base includes marquee global financial institutions such as KKR, IFC Washington, Vanguard, Ward Ferry, New York Life, Nomura, Aberdeen, Temasek, Target Asset Management, Baron, Jupiter, Doric capital and Wasatch.

The Max Group comprises three holding companies, namely Max Financial Services, Max India and Max Ventures & Industries.

About Max Financial Services Limited

Max Financial Services Limited (MFS), a part of the US\$ 3 billion Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. MFS actively manages a majority stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance. Max Life is a joint venture with Mitsui Sumitomo Insurance (MSI), a Japan headquartered global leader in life insurance.

About Max Life Insurance

Max Life Insurance offers comprehensive long term savings, protection and retirement solutions through its high quality agency distribution and multi-channel distribution partners. A financially stable company with a strong track record over the last 17 years, Max Life Insurance offers superior investment expertise. Max Life Insurance has the vision 'To be the most admired life insurance company by securing the financial future of our customers'. The company has a strong customer-centric approach focused on advice-based sales and quality service delivered through its superior human capital.

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Max Group: www.maxgroup.in
MFS: www.maxfinancialservices.com

 : <https://www.facebook.com/themaxgroup>
 : <https://twitter.com/maxgroup>

Sahil Vachani Appointed as Director on the Boards of Max Financial Services and Max Life Insurance

25th May 2018, New Delhi

The Board of Directors of **Max Financial Services Ltd.** (MFS) today approved the appointment of Sahil Vachani, Managing Director and CEO of Max Ventures and Industries Limited (Max Ventures), as a Director on the Company's Board, subject to shareholder approval. He was also recently appointed to the Board of Directors of MFS' subsidiary **Max Life Insurance**, effective 18th May 2018.

Sahil has joined the Boards of these companies as a representative of the Owner Sponsor Group led by Mr. Analjit Singh. He joined the Max Group in 2016 with a focus on creating a powerful Real Estate brand – Max Estates and steering Max Ventures' other businesses towards growth. He has diverse expertise across various sectors including consumer durables and real estate.

Since assuming his role at Max Ventures, he has successfully completed two key transactions which will have an enduring impact on its growth journey over the next few years – sale of a 22.5% stake in Max Ventures to a subsidiary of New York Life Insurance Company in January 2017; and the induction of Toppan Printing Co. Ltd, Japan (Toppan) as a joint venture partner with a 49% stake in Max Ventures' legacy manufacturing business, Max Speciality Films (MSF). Besides MSF, he is currently overseeing two new business verticals – Max Estates Limited and Max I. Limited.

Commenting on Mr. Vachani's appointment, **Mr. Analjit Singh, Founder and Chairman Emeritus, Max Group** said, *"We initiated a leadership transition at the Max Group in 2011 to ensure independent professional management of the Group and its businesses. Sahil's appointment as a representative of the sponsor group is an augmentation of both this model as well as the family's commitment to grow the Life Insurance business with uncompromising governance standards."*

Mr. Rahul Khosla, President, Max Group and Chairman, Max Life Insurance said, *"I am delighted to welcome Sahil to the Boards of Max Life and MFS. In a short span of time, he has demonstrated leadership potential and led several strategic growth initiatives. I firmly believe that Sahil will provide a valuable and fresh perspective as we continue to pursue organic and inorganic growth and enhance value for all stakeholders."*

Sahil started his career as a banker with Citigroup in London, where he worked on Mergers and Acquisitions across the Middle East and Africa region. In 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as Business Head and setup new verticals across multiple locations and was involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers.

In 2008, he transitioned to a new role as Co-founder and Managing Director of Dixon Appliances Pvt. Ltd., where he led the business from its inception on multiple fronts, including designing of products, building the team, setting up the manufacturing facility, operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. The Company emerged as the single-largest third party contract manufacturer of Washing Machines for the Indian market. In July 2015, Mr. Vachani sold his shareholding in the company to devote complete attention to his role in the Max Group.

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