January 31, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 021

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

Scrip Code: 500271

Scrip Code: MFSL

Dear Sir/Madam,

Sub: **Corporate Announcement filed under Regulation 30 of SEBI (LODR) Regulations, 2015 – Investor Release – 9M FY 23**

Refer to the aforesaid subject, we are enclosing Investor Release – 9M FY 23 being issued by the Company on the outcome of the Board meeting.

You are requested to kindly take the aforesaid on record.

Thanking you,

Yours faithfully

for **Max Financial Services Limited**

VENKATRAMAN KRISHNAN
Digitally signed by VENKATRAMAN KRISHNAN
Date: 2023.01.31 17:54:53 +05'30'

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above

Max Financial Performance Update

Investor Release 9M FY23

January 31, 2023

A Max Financial and AXIS BANK JV

^As per the annual audited financials for FY21-22

SECTION I

- Max Financial Services : 9MFY23 Key Highlights

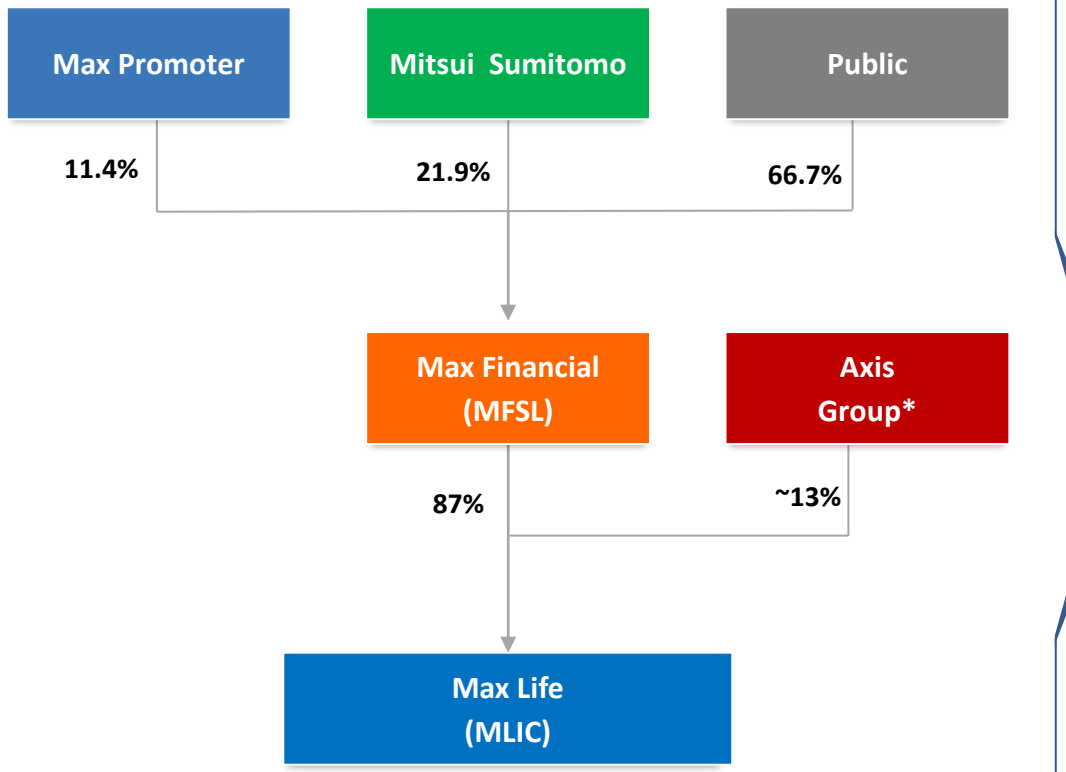
Max Financial Services: 9M FY23 Key Highlights

1	**Transaction Update –** Completed acquisition of balance **5.17%** of MLI stake from MSI. Post this transaction MFSL holding in MLI stands at **87%**; Agreements amended with Axis Bank for the right to acquire balance 7% stake sale of MLI at **Fair Market Value** basis DCF methodology
2	Consolidated Revenue excluding investment income at **Rs 15,890 Cr**, grows 12% in 9MFY23. Consolidated PAT at **Rs 399 Cr**, Up 129%, due to lower new business strain
3	In 9M FY23, New Business Premium grew by 7% to **Rs 5,640 C**r
4	**MLI Profit before Tax grew by 66%** to 438Cr in FY23 owing to lower strain
5	Margin expanded from 25.1**%** in 9M FY22 to **31.8%** in 9MFY23, **VNB** grew by **25%** YoY to Rs 1,179Cr**. Q3 FY23** margin at **39.2%** due to higher NPAR mix in Q3 improvement of 780Bps from Q2 NBM of 31.4% 9M FY23 operating RoEV at **19.5%. MCEV** as at Dec'22 end at **Rs. 15,547 Cr**
6	Entered into New Banca Partnership with **Ujjivan Small Finance Bank** and **2 new renowned Broker** partnerships in Q3
7	Launched New non-par savings product (**Smart Wealth Advantage Guarantee**) with industry first features, most successful product in Maxlife's history
8	Strengthened retirement offering with the launch of **regular pay annuity variant**; Successfully posted growth of **more than 300% in Annuity business** in 9M FY23 on APE basis
9	Max Life Pension Fund Management Limited commenced operations in Q2 FY23, PFM has received **PoP license** which will support further growth
10	**Assets under Management** as on 31st December 2022 at **~1.18 Lac Cr, YoY Growth of 16%**

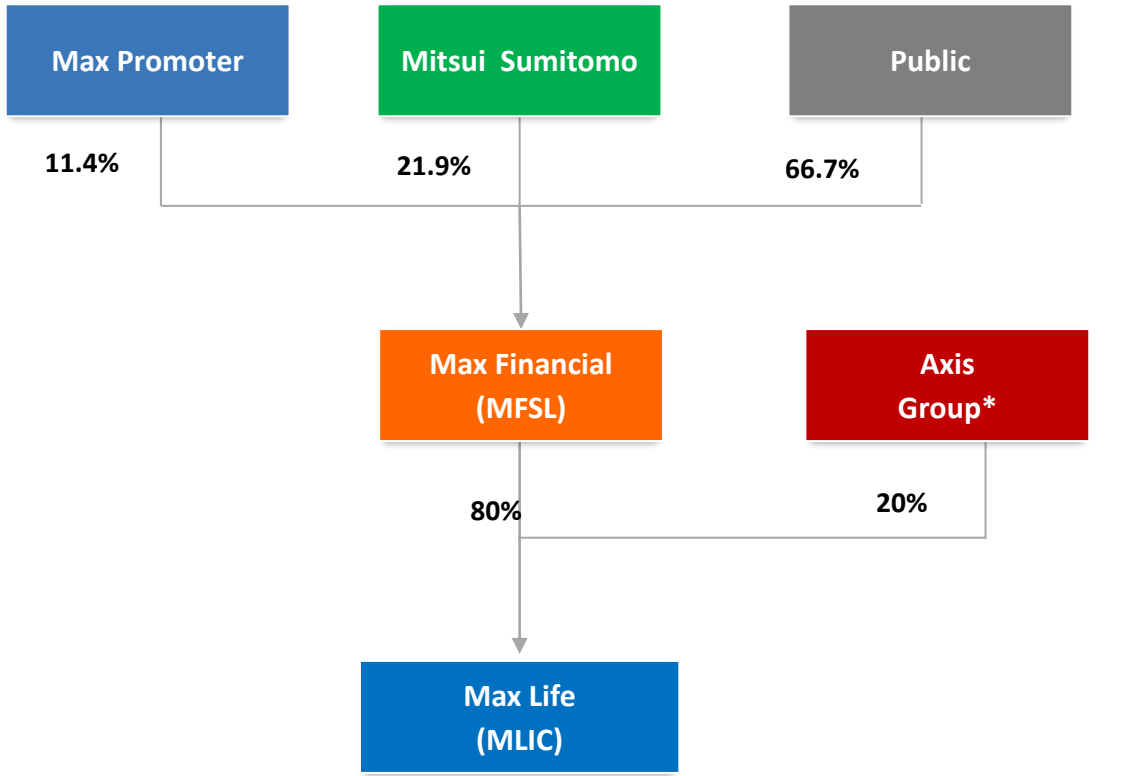
Note: *Consolidated Revenue including investment income at Rs 21,497 Cr, down 3% year-on-year due to lower investment income*

Transaction Update

Current Structure (As of 31st Dec'22)



Final structure (Post completion of series of transactions step wise details given below)



- **Step 1: MFSL & MSI** acquired **1% stake** in Max Life from **Axis** in the ratio of **74: 26**
- **Step 2: MFSL** sold **12% stake** in Max Life to **Axis** and its **subsidiaries** at Tax Book Value
- **Step 3: MFSL** acquired balance **5.17% stake** from **MSI**
- **Step 4: Axis** and its **subsidiaries** have right to acquire additional **7%** stake in Max Life at Fair Market Value basis DCF methodology

Note: MFS Shareholding on undiluted basis **** Axis Group** : 12.99% (Bank – 9.99% + Subsidiaries - 3%)* ***** Axis Group** : 19.99% (Bank – 9.99% + Subsidiaries - 3%) + 7% additional right (Bank/Subsidiaries)*

SECTION II

- Max Life Insurance – Business Overview

Key Highlights for Max Life FY17-22 (1/2)

Consistent growth

5-Yr CAGR of 16% on
Individual new business
vs
10% for life insurance industry

Improved
market share
from
9.2% to 9.9% in 5 years

Consistently maintained
rank#4
since **last 5 years**

5-Yr CAGR of
16% in Prop channels

5-Yr CAGR of
16% in Banca Channel

Retail protection penetration doubled to 8% in FY22

Value generation

VNB CAGR of **25%**
in 5 years

New Business Margin
expansion from 18.8% in FY17
to **27.4%** in FY22

5-Yr **EV#**
CAGR of 20%

Source: IRDAI; Public Disclosures of life insurers; . All numbers are for 5 year period FY17-22 #Represents cumulative annualized operating ROEV

Key Highlights for Max Life FY17-22 (2/2)

Employee metrics

Great Places to Work rank #18 in FY21

Rank #55 among **Great Places to Work in Asia** in FY21

Experienced leadership
with almost half the leadership's **tenure with Max Life more than a decade**

Employee engagement[1] score of >95%
for last 3 years

Customer metrics

#1 rank in customer loyalty[2]
in FY21

Company NPS at 49 – 14 points improvement in 3 years[3]

Claims paid ratio
at **99.34%** in FY22

Brand metrics

Strategic partnership
with **Axis Bank**

Highest Share of Voice in the industry in FY21 at **30% share**

Brand Consideration score[4]
improved by **8%** in FY22 Vs FY21

1. Conducted by Willis Tower Watson; 2. As per annual syndicated survey of policyholders by Kantar 3. NPS as a measure of customer experience was adopted by Max Life in FY19, done by Kantar; 4. As per syndicated Life Insurance brand track study by Nielson

Financial Performance Summary 9M FY23

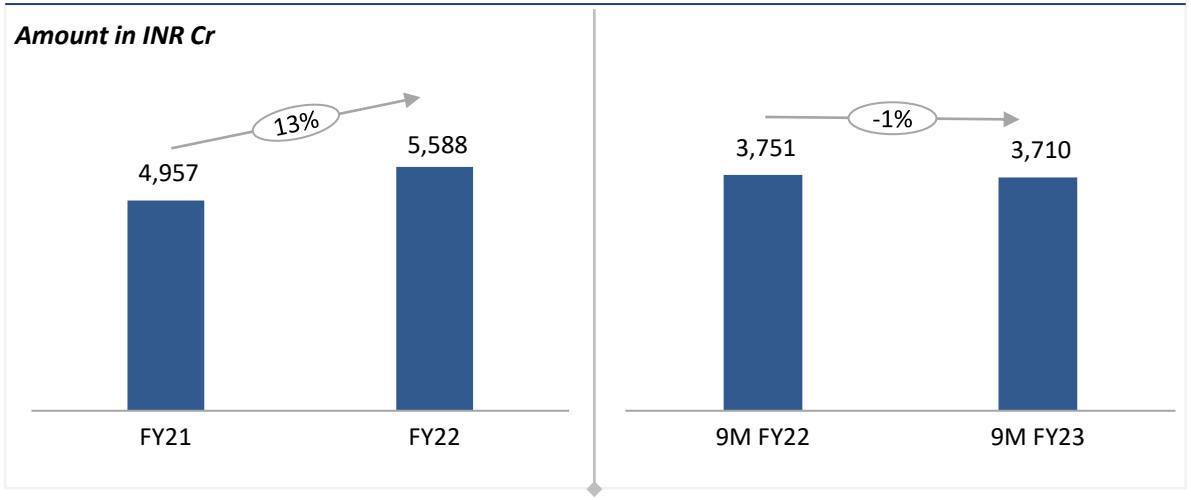
Individual APE	Gross Written Premium	Renewal Premium	AUM
Rs 3,664 Cr [Rs 3,700 Cr] -1%	Rs 16,188 Cr [Rs 14,415 Cr] 12%	Rs 10,548 Cr [Rs 9,128 Cr] 16%	Rs 1,18,400 Cr [Rs 1,02,471 Cr] 16%
Profit Before tax*	**Net Worth**	**Policyholder Cost to GWP Ratio**	**Policyholder Expense to GWP Ratio**
Rs 438 Cr [Rs 263 Cr] 66%	Rs 3,521 Cr [Rs 3,065 Cr] 15%	20.4% [21.4%] 100 bps	14.3% [15.1%] 80 bps
New business margin	**Operating RoEV**	**Embedded Value^**	**Solvency**
31.8% [25.1%] 670 bps	19.5% [18.1%] 140 bps	15,547 [13,412] 19.5%	200% [207%] -7%
VNB	**Policies Sold ('000)**	**Ind. New business Sum assured**	**Protection Mix**
1,179 Cr [942 Cr] 25%	383 [411] -7%	138,217 [142,047] -3%	Individual: 7% [7%]; Group: 6% [7%]; Total: 13% [14%]

Figures in [brackets] are for previous year numbers. Totals may not match due to rounding

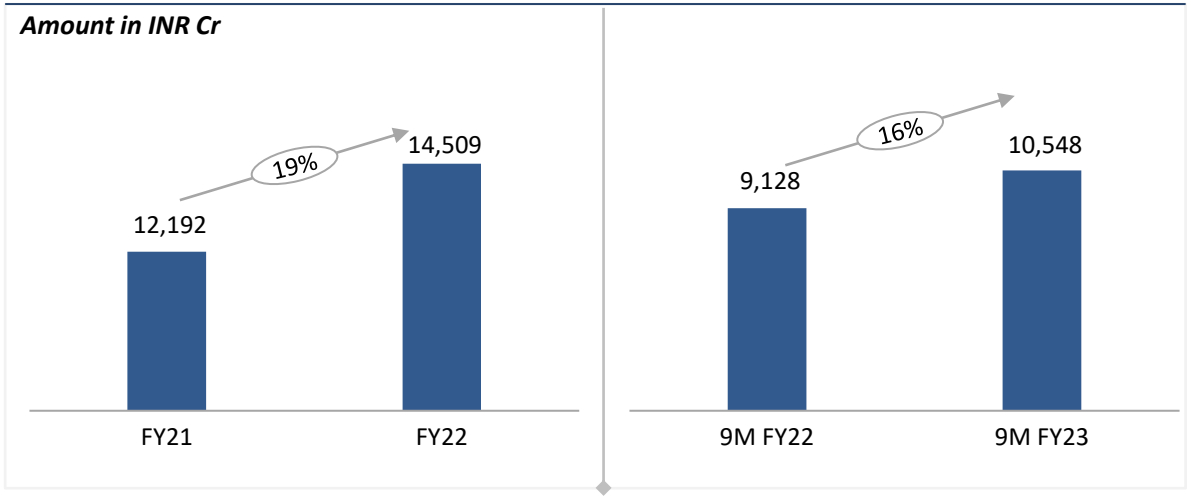
*Higher profits owing to lower strain ^Growth on Embedded value is operating RoEV, **Group protection (incl. Group credit life adjusted for 10% for single premium and term business)

Max Life delivering consistent premium growth

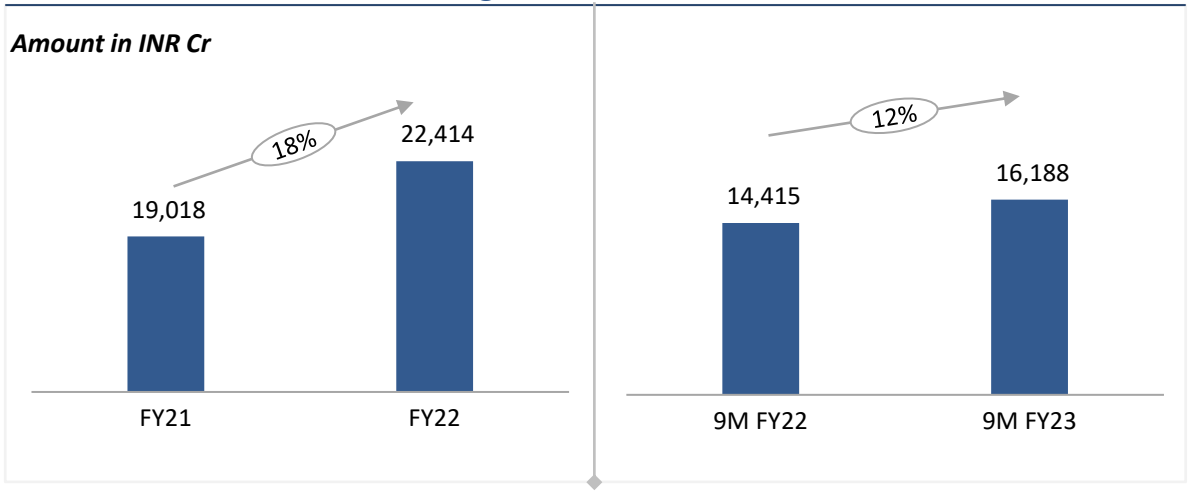
New Business Premiums (on APE basis) –Strong growth of 19% in proprietary channels in 9M



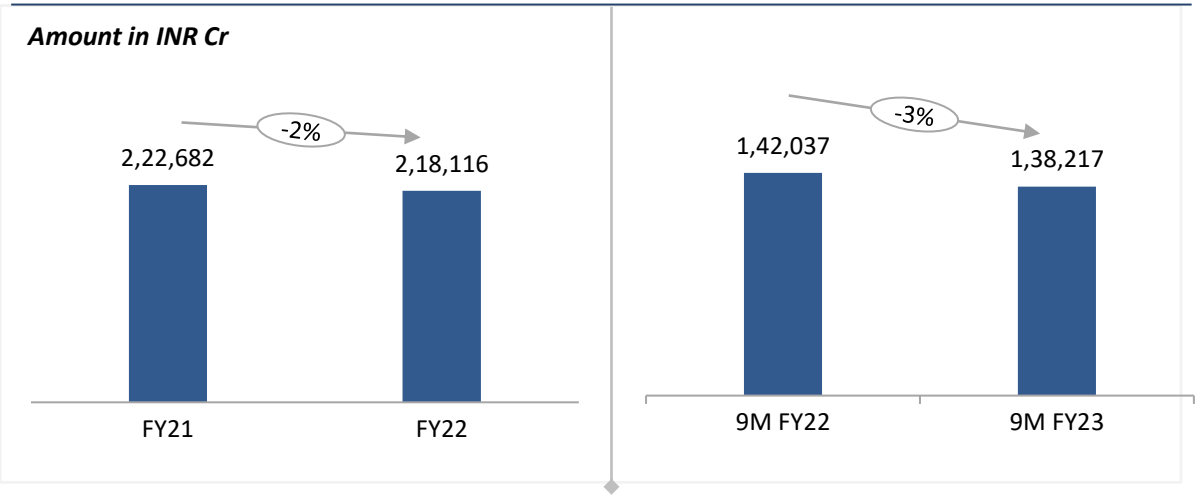
Renewal Income – Delivering consistent growth



Gross Written Premium – 12% growth in 9M FY23



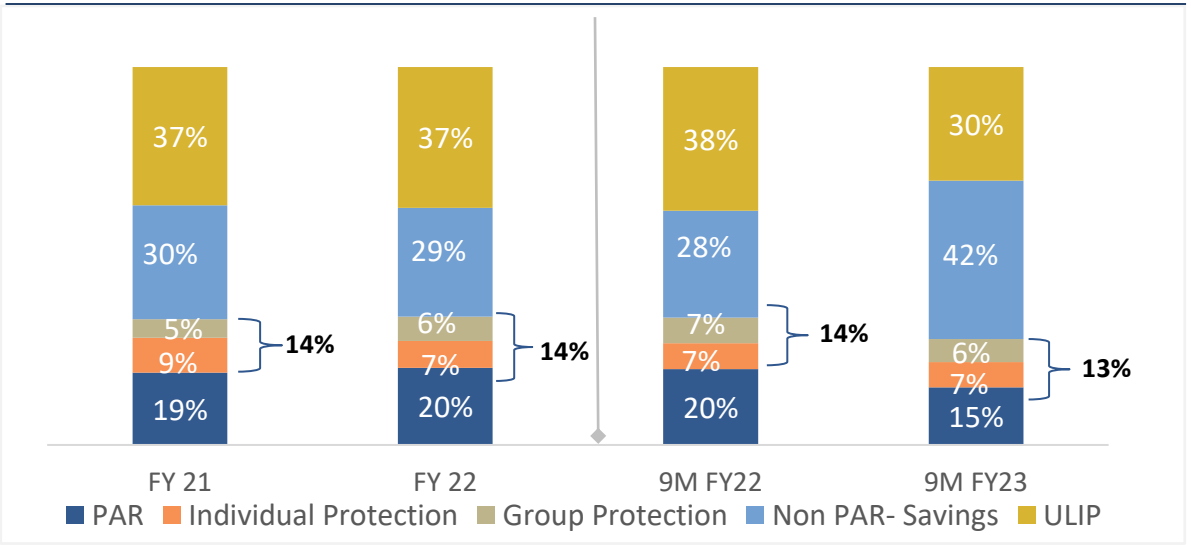
Individual Sum Assured of New business- Rank 3 in individual sum assured in 9M FY23



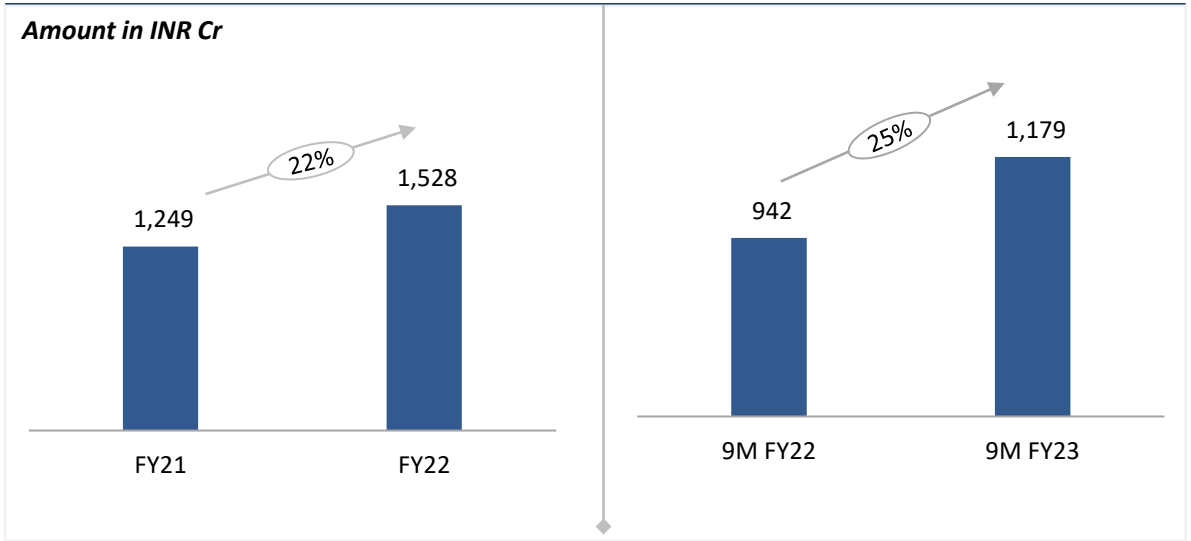
Total APE includes Individual and Group Credit Life APE.

VNB increased by 25% over last year aided by expansion in product NBMs and product mix

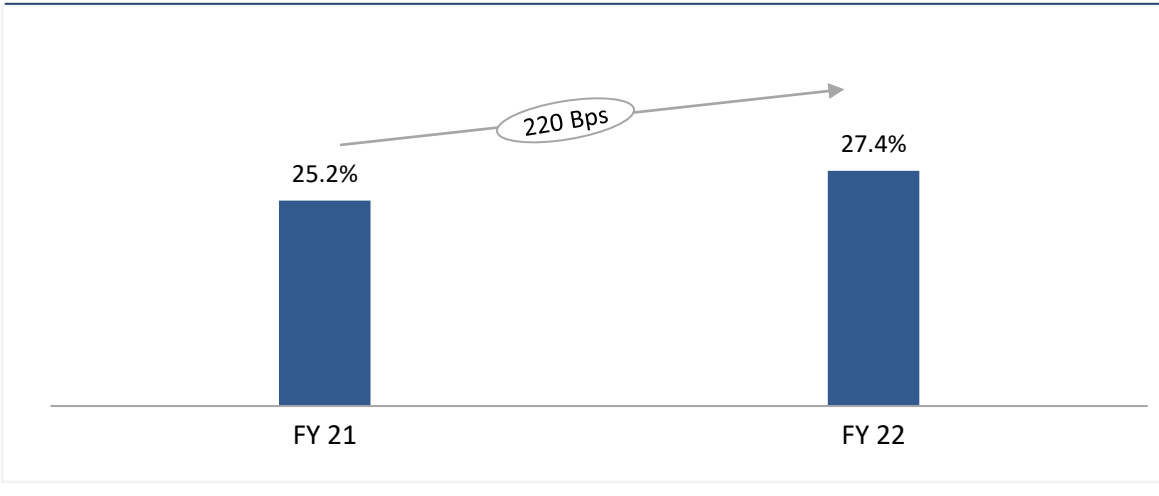
Product Mix – Increased NPAR savings mix due to consumer bias towards guaranteed products

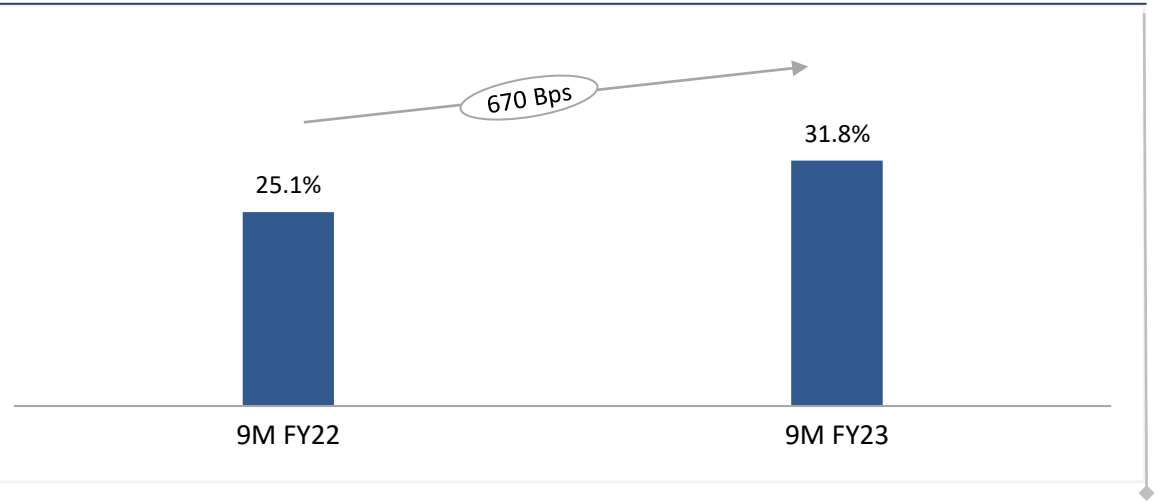


Value of New Business- Consistent growth in VNB



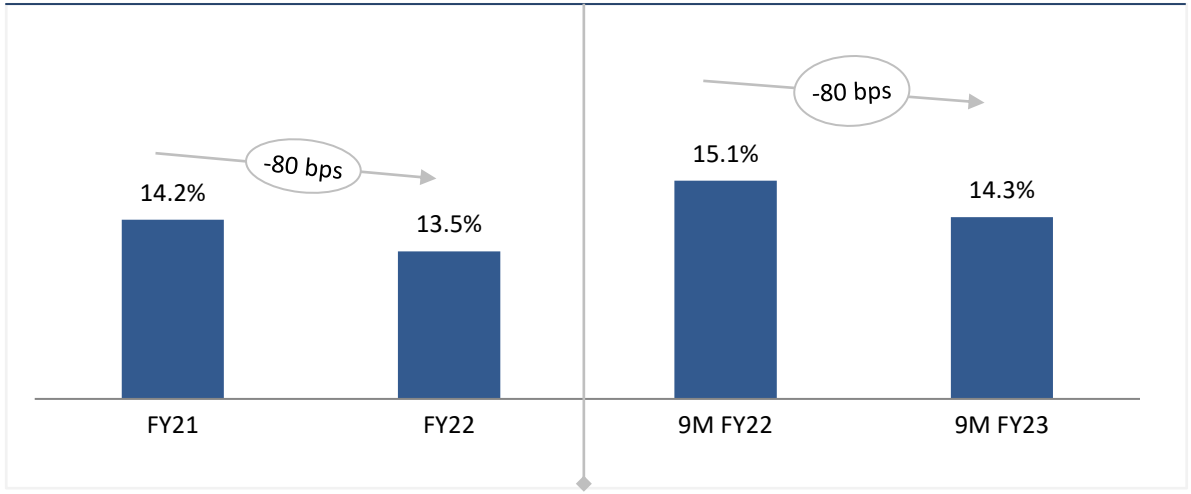
New Business Margin- 670 Bps expansion in 9M NBM's due to increase in product profitability and higher NPAR mix



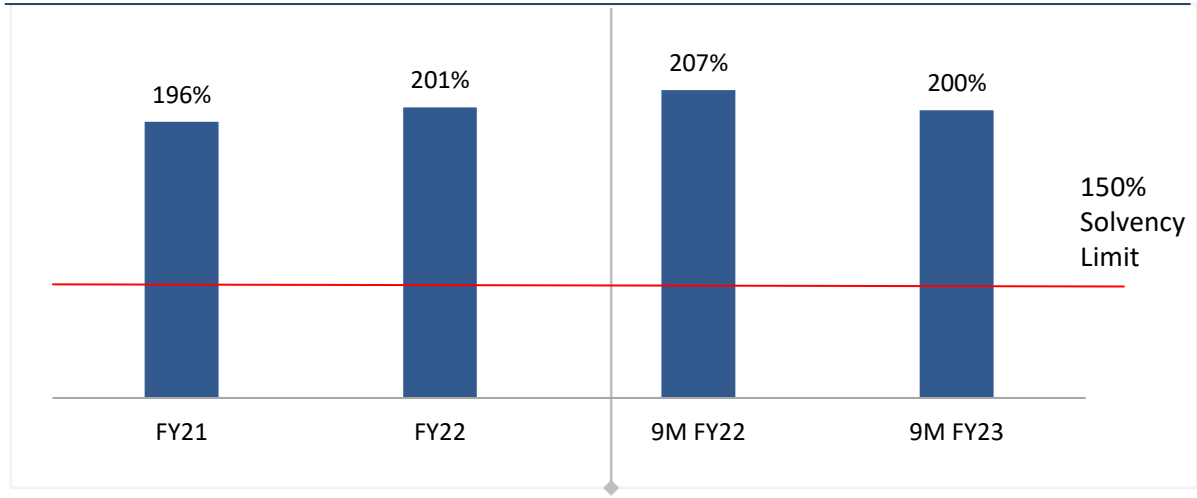


Efficient capital management with profitable growth

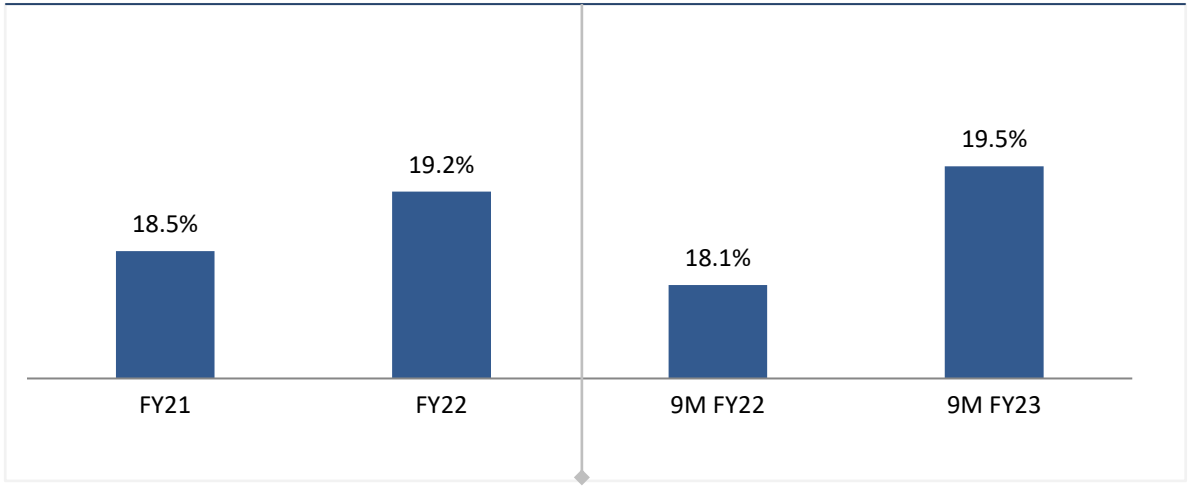
Opex to GWP –



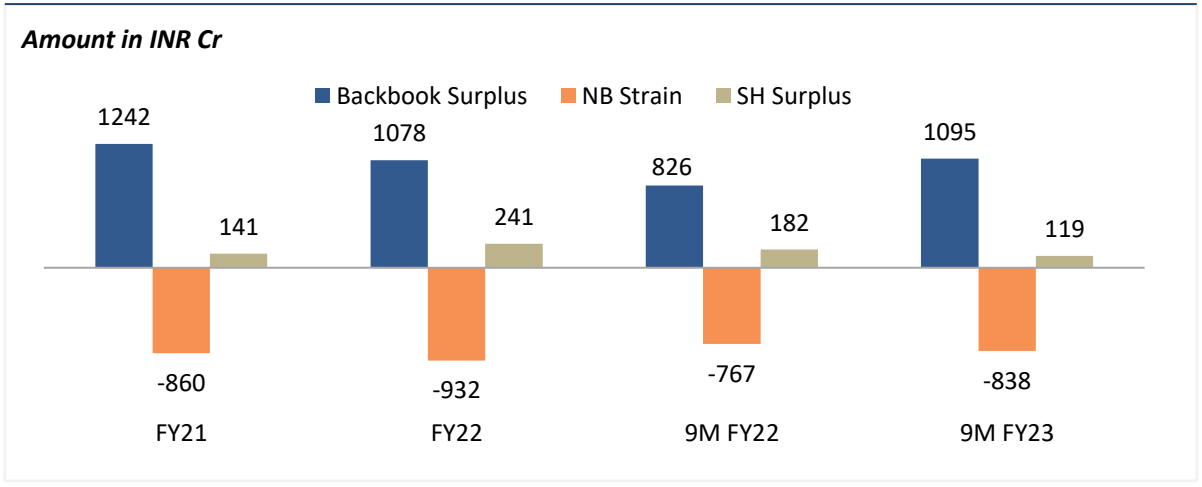
Solvency Ratio (pre dividend)



Operating Return on EV (RoEV) – Increase primarily due to higher VNB contribution

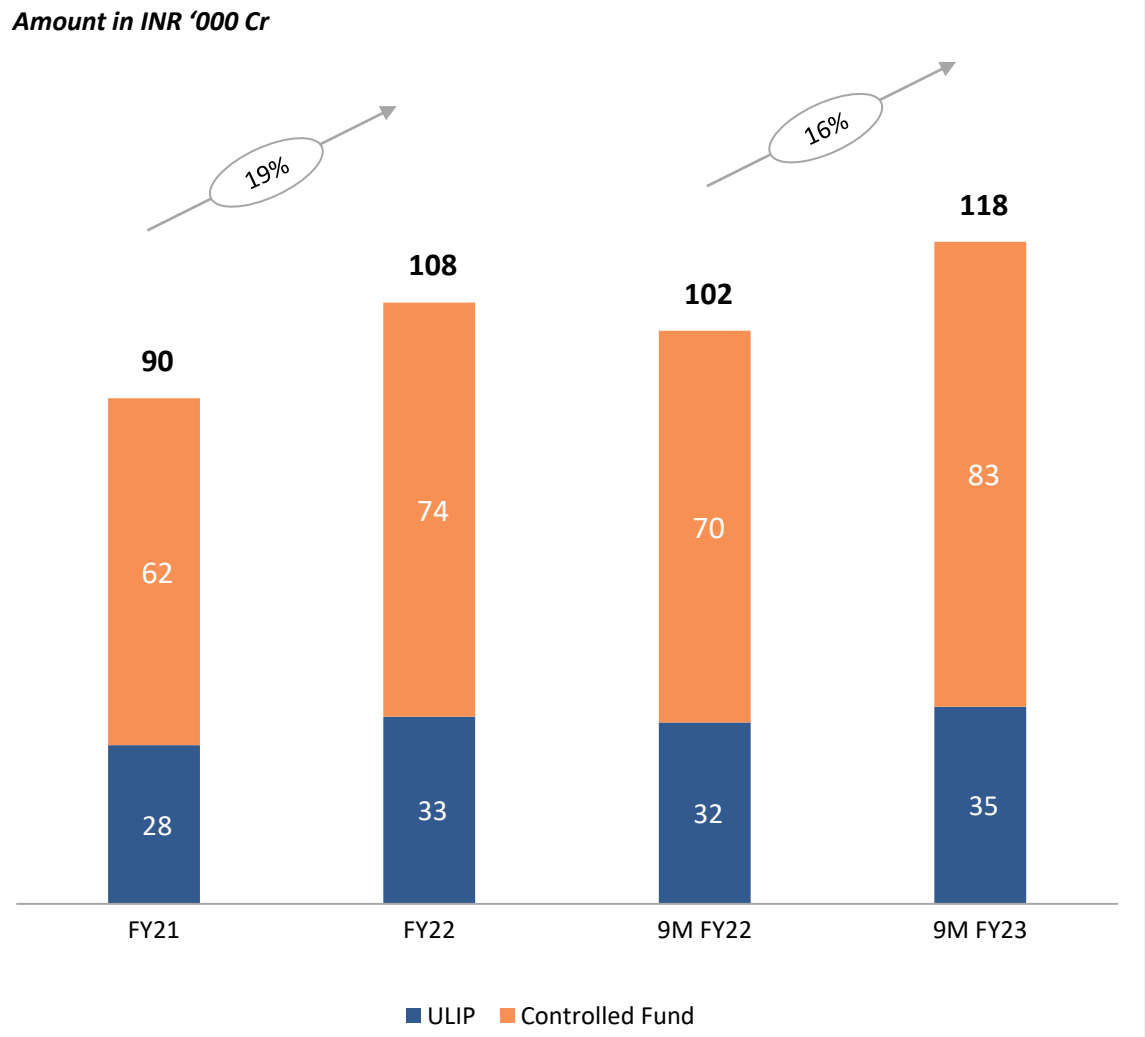


Underwriting Profits

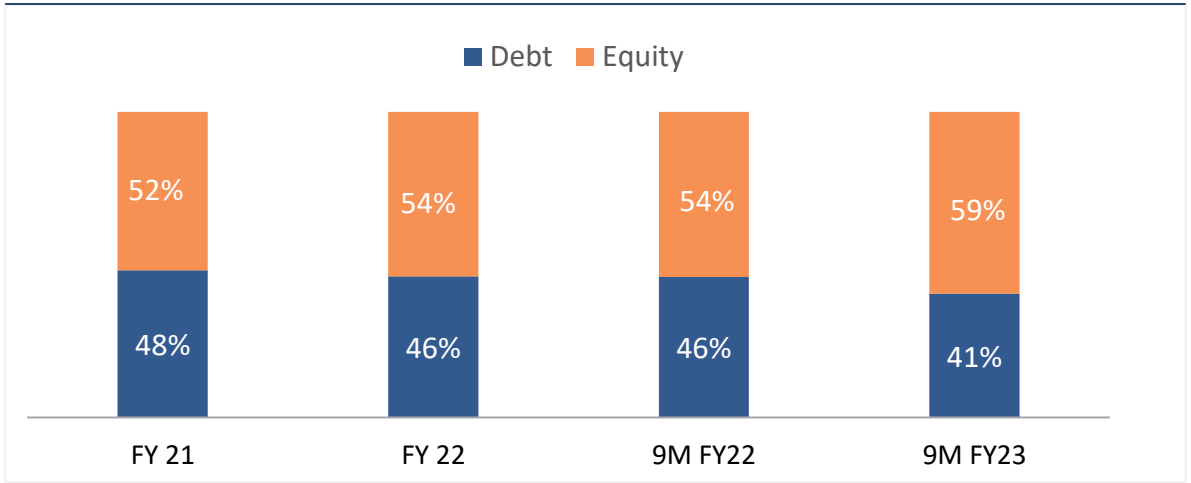


Max Life has consistently grown its Asset Under Management

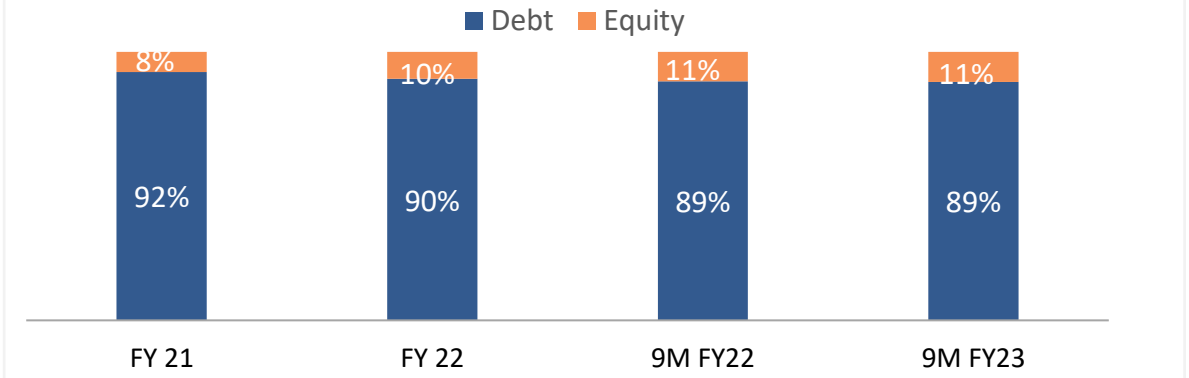
Assets Under Management - MLI is the 4th largest manager of private LI AUMs, Par fund size ~58K



ULIP: Healthy mix of Debt and Equity



Controlled: Healthy mix of Debt and Equity



More than 95% of debt investments is in sovereign papers and AAA rated securities

Max Life has been recognised by a number of Indian and foreign business bodies for its excellence in business, customer service and focus on people

Business Excellence

- Selected as India's most Trusted Brand 2022 at the Ideafest by WCRCINT
- Recognized by The Economic Times among the Best BFSI Brands 2022
- Awarded at **The Economic Times Insurance Summit and Awards 2022** under the Swift and Prompt insurer category for Life Insurance (Large)
- Awarded ICAI Awards for Excellence in Financial Reporting for the Plaque category
- Awarded Gold for Lead Generation campaign under BFSI services at Adgully Digixx Awards 2022
- Max Life bagged the Advisors Initiative of the Year for India at the Insurance Asia Awards 2022
- Gold for e-scw under the best brand loyalty program at the **ACEF Awards for Brand, Marketing & CSR 2022**
- Max Life awarded at Cypher 2022 as **top domestic firm using AI / ML**
- **Gold in lead generation, Bronze in most effective search campaign and Gold in Data/insights** at the E4M Maddies 2022

Leaders in Quality

- No. 1 in Customer Loyalty survey by IMRB
- Gold at ASQ World Conference
- Winner of IMC Ramkrishna Bajaj National Quality Award
- Winner of CII Industry Innovation Award
- Asia Pacific Quality Organization (APQO) award for global performance excellence
- Silver Award in the 12th QCI-DL Shah Quality Awards for Enhancing S2R Conversion% Select 60 offices in Agency
- Awarded **making quality happen trophy in the service category at the MQH best practices** competition at Chamber of Commerce and Industry
- At CMO Asia Awards , won Best Term Plan Company of the Year
- Max Life bagged Best Customer Initiative and Best use of Relationship marketing at the Customer Fest Awards 2022
- Max Life awarded Gold and Platinum at the CII (Institute of Quality)16th National level Competition on Six Sigma
- Awarded **Finance Transformation Award** at the 10th Finance Transformation India Summit & Awards 2022

Focus on People

- **Ranked 55th amongst '2021 Best Workplaces in Asia' by Great Place to Work®**
- **Ranked 18th amongst 'India's Great Places to Work For' in 2021**
- **Max Life recognized in India's Best Workplaces in BFSI 2021**
- **Max Life has been awarded "Excellence in Gender Diversity" at the 4th D&I Summit and Awards by Transformance Forums**
- **Max Life awarded Silver for Best Internal Communications campaign at The Economic Times Kaleido Awards 2022**
- Awarded Gold an Silver at the ASQ International Team Excellence Awards 2022
- Max Life awarded Silver for Best use of Internal Communications at Fulcrum Awards 2022
- Special mention for Internal Communications at the Velocity Awards 2022

SECTION III

- Max Life Insurance – Strategy

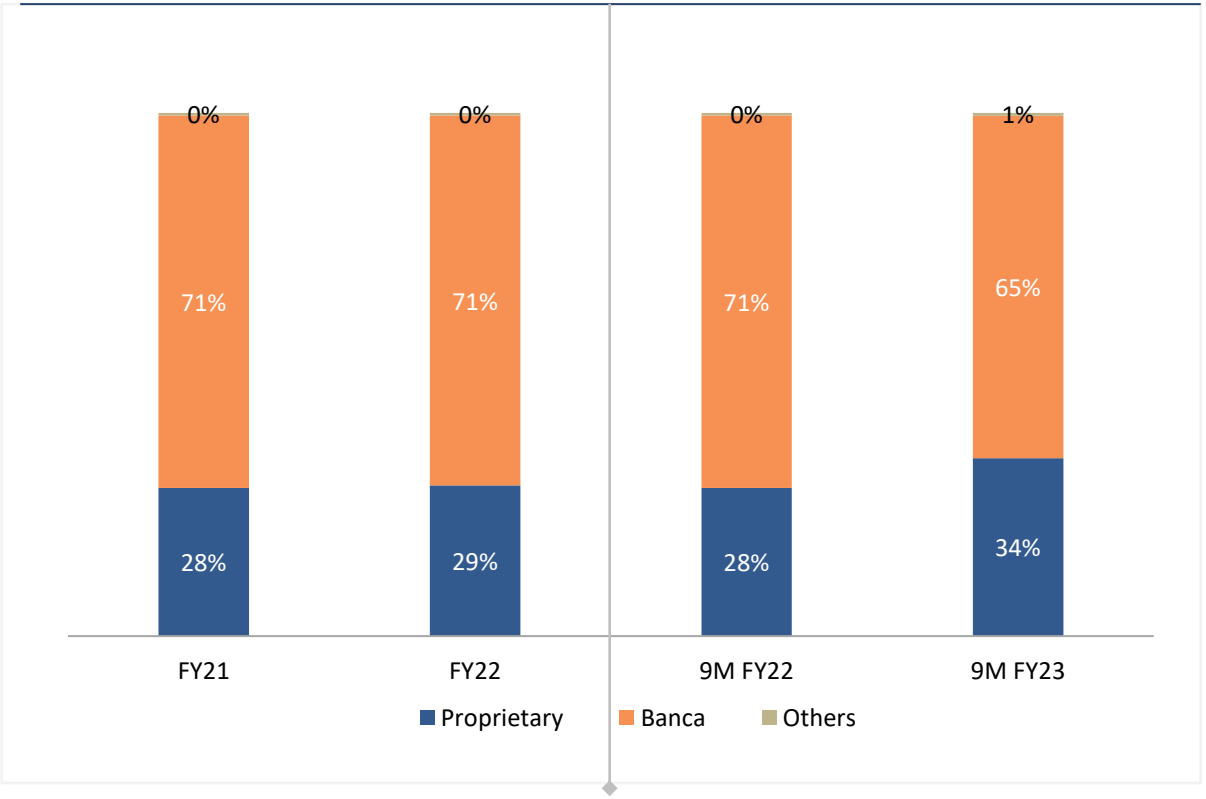
Max Life's Strategic Thrust Areas and progress made

	A	B	C	D
	Predictable & Sustainable growth	**Product innovation to drive margins**	**Customer centricity across the value chain**	**Digitization for efficiency and intelligence**
Aspirations	▪ **Fastest growing profitable proprietary distribution** ▪ **Leader in Online Acquisition** ▪ **Inorganic Expansion** ▪ Deepen Bancassurance partnerships	▪ **Leader in Protection + Health & Wellness proposition** ▪ **Leader in Retirement** ▪ Drive Non PAR saving ▪ Enhanced investment and mortality risk management	▪ Improve position in 13M and 61M persistency ranking ▪ Highest Relationship Net Promoter Score (NPS) in the industry	▪ Continue with digitization agenda across the organisation ▪ Build intelligence (AI) in all digital assets
Progress achieved	▪ Strong growth of 19% in Proprietary channels in 9M FY23 ▪ New Banca Partnership in Q3 FY23- **Ujjivan Small Finance Bank** ▪ Continued leadership in protection sales in ecommerce, savings expanded by 4X ▪ Partnership ecosystem expanded in 9M FY23. Signed agreements with - Wealthy.in, Nova Benefits , Finmapp, Turtlemint, BlueChip, Muthoot, Vkover and NJ	▪ Q3 FY23 margin of 39.2%,highest ever quarterly margin aided by product mix ▪ Annuity grew by over 300% in 9M, NPS ecosystem augmented with retiral offerings across the spectrum ▪ Q3 Product Launches: Smart Wealth Advantage Guarantee and GLIP limited Pay ▪ Rider attachment rate at 30% for 9MFY23 compared to 27% in 9M FY22; proprietary channels leading with 55% rider attachment rates compared to 44% in 9MFY22	▪ Claim paid ratio at 99.34% at the end of FY22, best in the industry ▪ 13M* persistency at 83% and 61M persistency at 51% ▪ **MLI rank #1** on NOP based 13M persistency in H1 FY23 ▪ Improvement of 3 points from 49 in March 22 to 52 in Dec 22 in the overall Company NPS scores	• Revamped website leading to improvement in S2L for online channel • New performance measuring dashboard (Lighthouse) launched to boost adherence to input activities and propel higher outcomes • Cloud Migration Phase 2 is in progress. 54.3% of our entire IT infra is on cloud • 2 new brokers & TMB bank on-boarded in record time of 2 weeks • To improve quality of business sourced, Video pre-issuance verification expanded from 15% to 31% as part of on-boarding controls • Industry first underwriting AI model (Medicheck) launched for fraud prevention

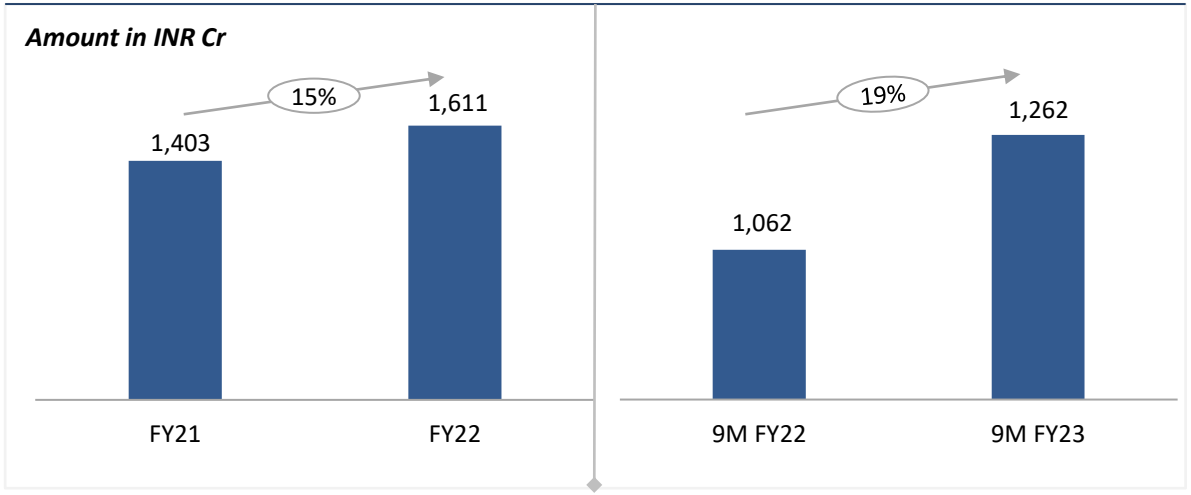
**For Regular/Limited pay policies*

A Max Life has focused on ensuring growth in both its Proprietary and Bancassurance channels

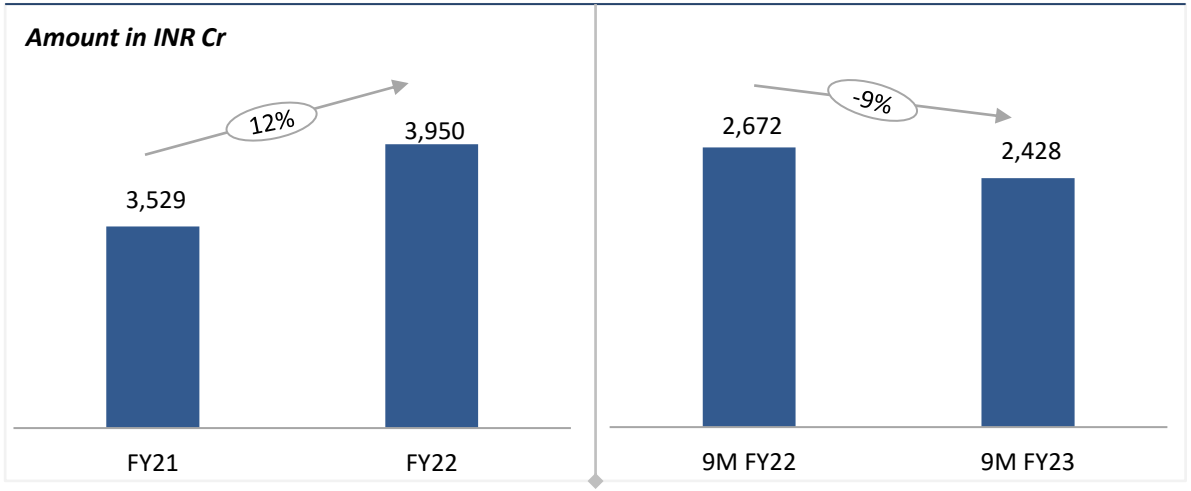
Channel Mix - Max Life has focused on maintaining a balanced distribution mix



Proprietary Channels New Business (APE)



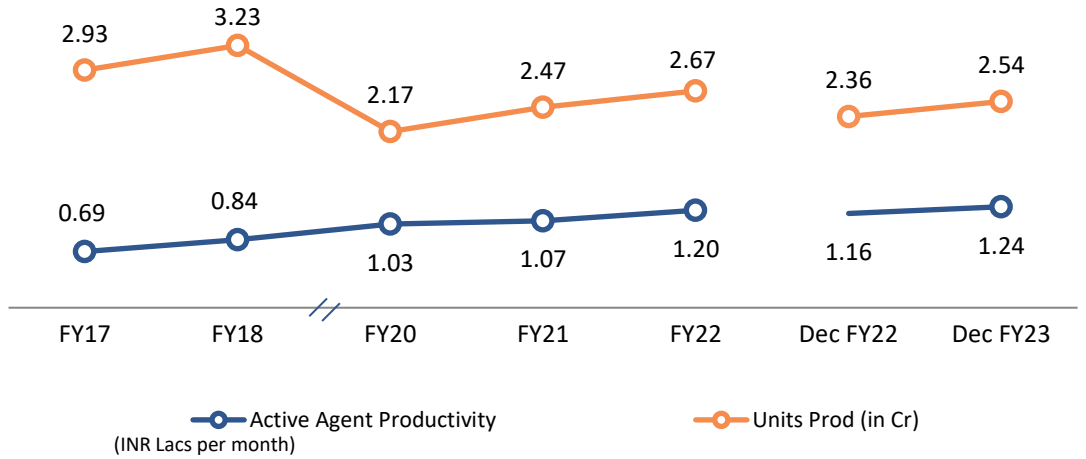
Bancassurance Channel (APE)



A Agency: Strategic focus on enabling Top agents, variable recruiters; shaping the new business models and overall digital enablement led to the growth in key agency parameters

Active agent and branch units productivity increased over the last 5 years

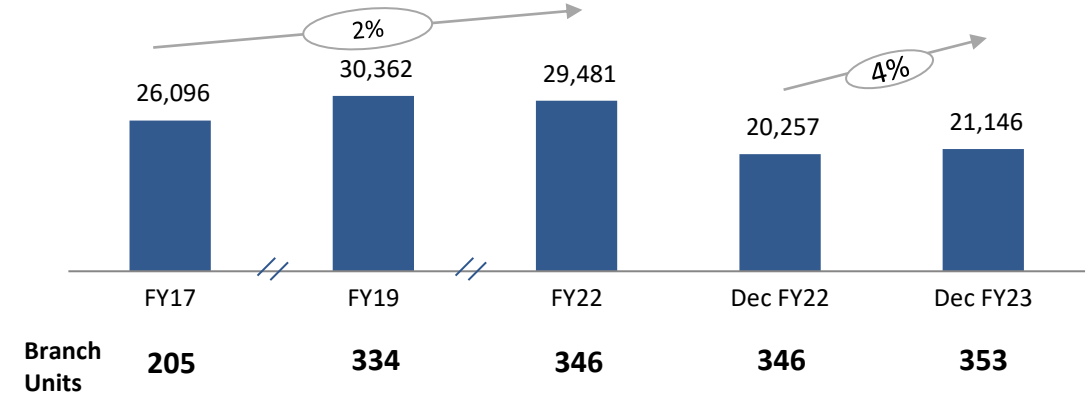
Agent and Branch Productivity



**Units productivity annualized for YTD numbers*

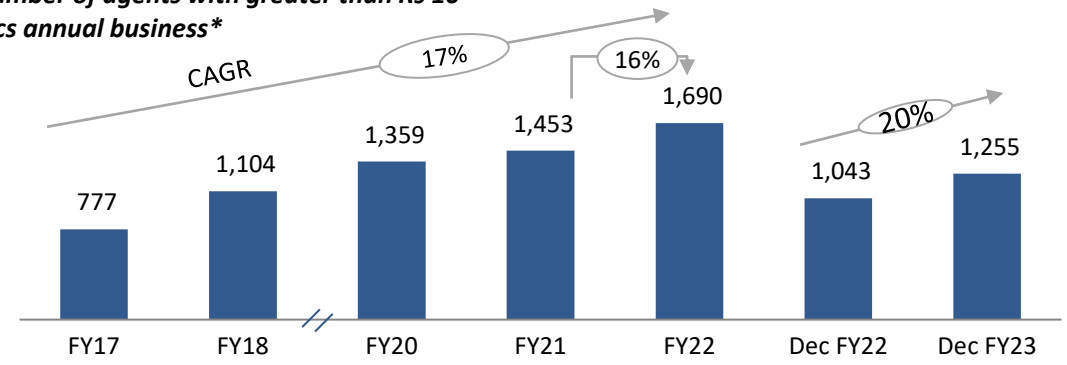
Recruitment growth over last year owing to a slew of initiatives across all recruitment sources

Number of agents recruited



Consistent focus on increasing the number of agents doing business of more than INR 10 lacs per annum

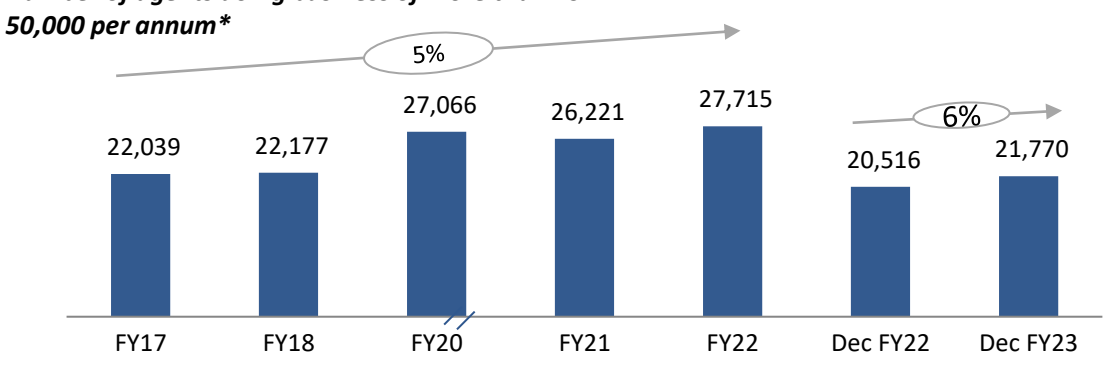
Number of agents with greater than Rs 10 lacs annual business*



** Total Adj. MFYP by an agent, including new initiatives data since FY20*

Focus has also been on ensuring that agents contribute atleast INR 50K per annum

Number of agents doing business of more than Rs 50,000 per annum*



A Agency transformation – Launched new "Way of Working" (WoW)

New
Way of Working

Execution rigor

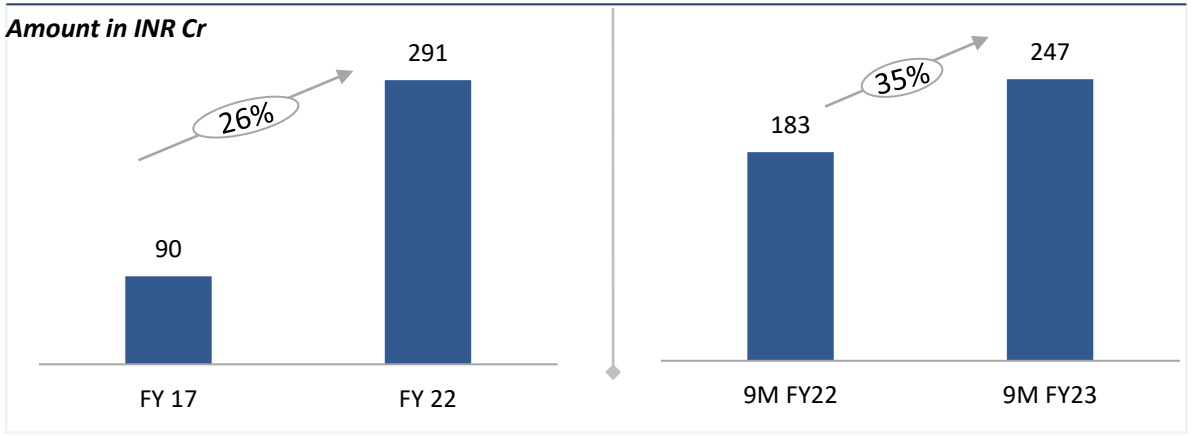
- Expansion of the WoW to all Tied and Variable agency branches
- Input parameters continue to improve at scale
- YoY Q3 recruitment growth at 96%
- 36% improvement in new agent productivity in Q3

Right Enablement	Right Inputs	Right Output
95% ADMs regularly attending trainings *vs 45% before WoW*	50% higher Increase in sales calls per ADM ***vs before WoW***	73% higher Active advisors ***vs before WoW***
2.4x Advisor footfall ***vs before WoW***	25% higher Recruitment calls per ADM ***vs before WoW***	54% higher Codes generated ***vs before WoW***

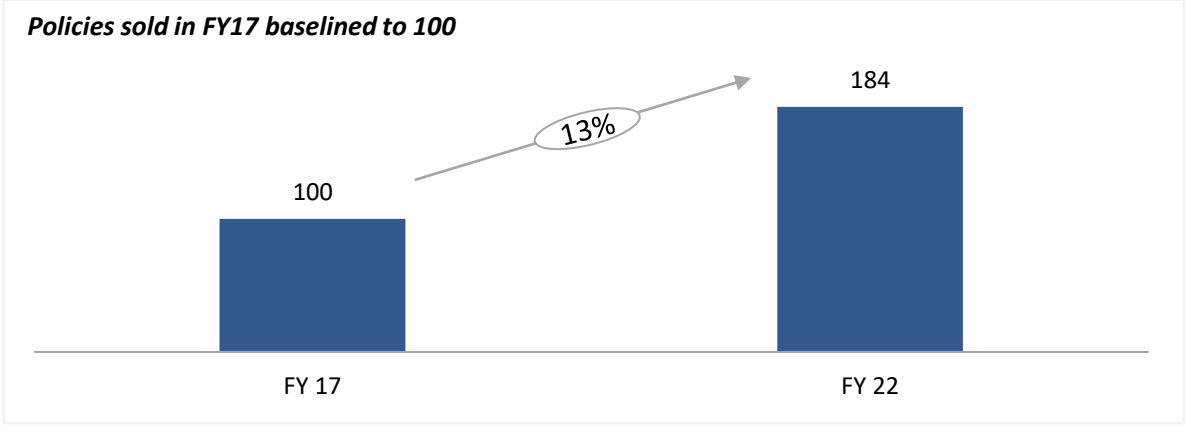
Note: numbers compare July 2022 vs Dec 2022 for Pilot running in 25 offices

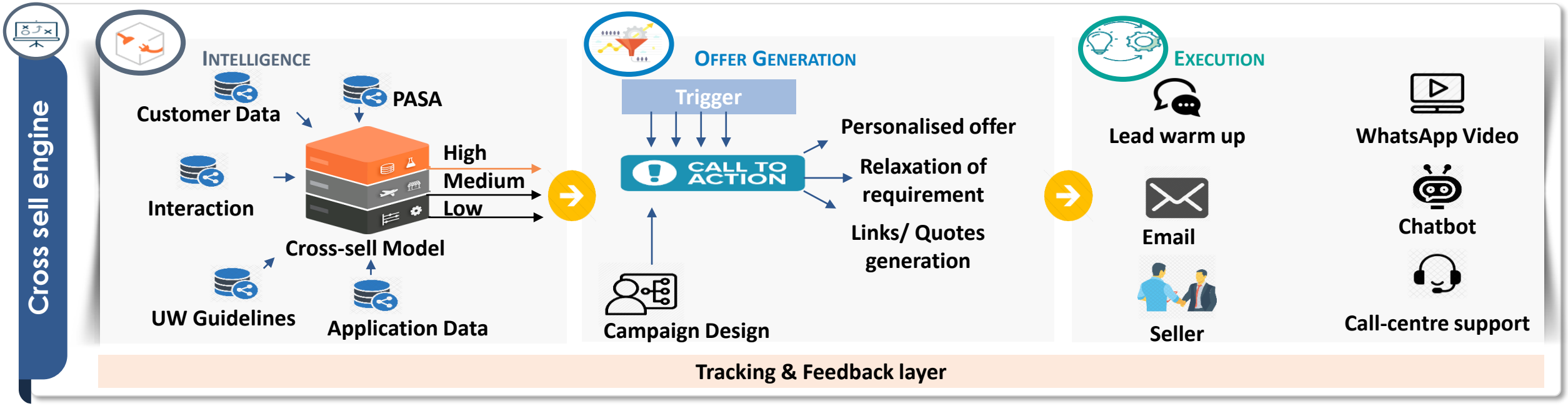
A Cross-selling Direct Channels: Max Life has set up a channel focused exclusively on cross-selling. Cross-sell engine is powered by strong analytics and robust on-ground execution

New Business Premium from direct channels



Cross-sell Policies - Strong growth in number of cross-sell policies





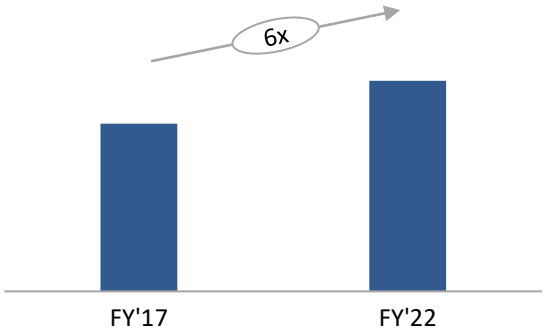
Cross-sell rate at ~28% (NOP basis) and ~40% (Premium basis) in FY22

A Max Life has been augmenting distribution capability by expanding both traditional and emerging ecosystems

Ecosystems	Key partners signed by Max Life in 9M
Bancassurance	Tamilnad Mercantile Bank Ltd – Be a step ahead in life; Ujjivan Small Finance Bank – Build a Better Life
Offline Brokers	turtlemint; Muthoot Finance; NJ Insurance Brokers; Landmark; BLUECHIP – Expert Advice. Easy Investing.; Yella
Online Brokers	wealthy; FinMapp; nova benefits

A Continued leadership in online acquisition

APE grew 6X in 5 years



	FY'17	FY'22
Online Customers	8%	21%

Leadership position in protection in Direct & Partnership

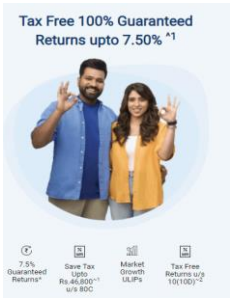
Key Partners

policybazaar.com Compare. Buy. Save. | ditto | IND money | PhonePe | ET Money | InsuranceDekho by CarDekho

9M FY23 Highlights

New product launch – FD/RD like category created; Best in class returns

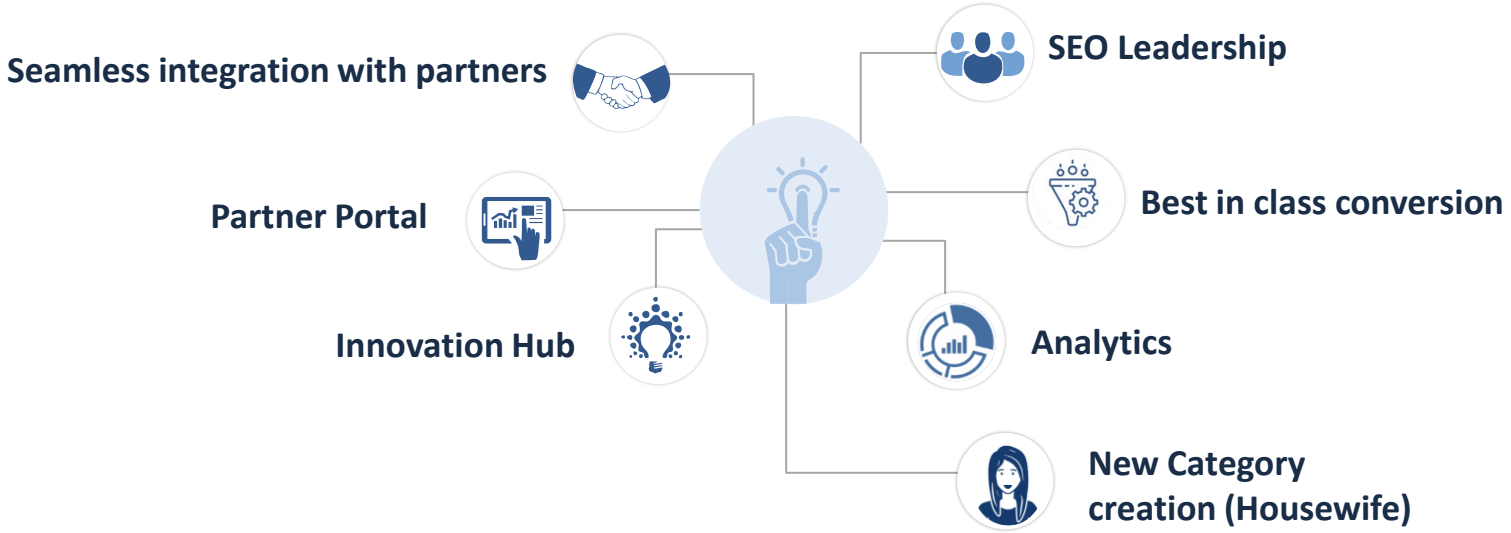
Led to 100% growth in savings run-rate



Penetrated into new segments – *contribute to ~20% in Term on run rate basis*

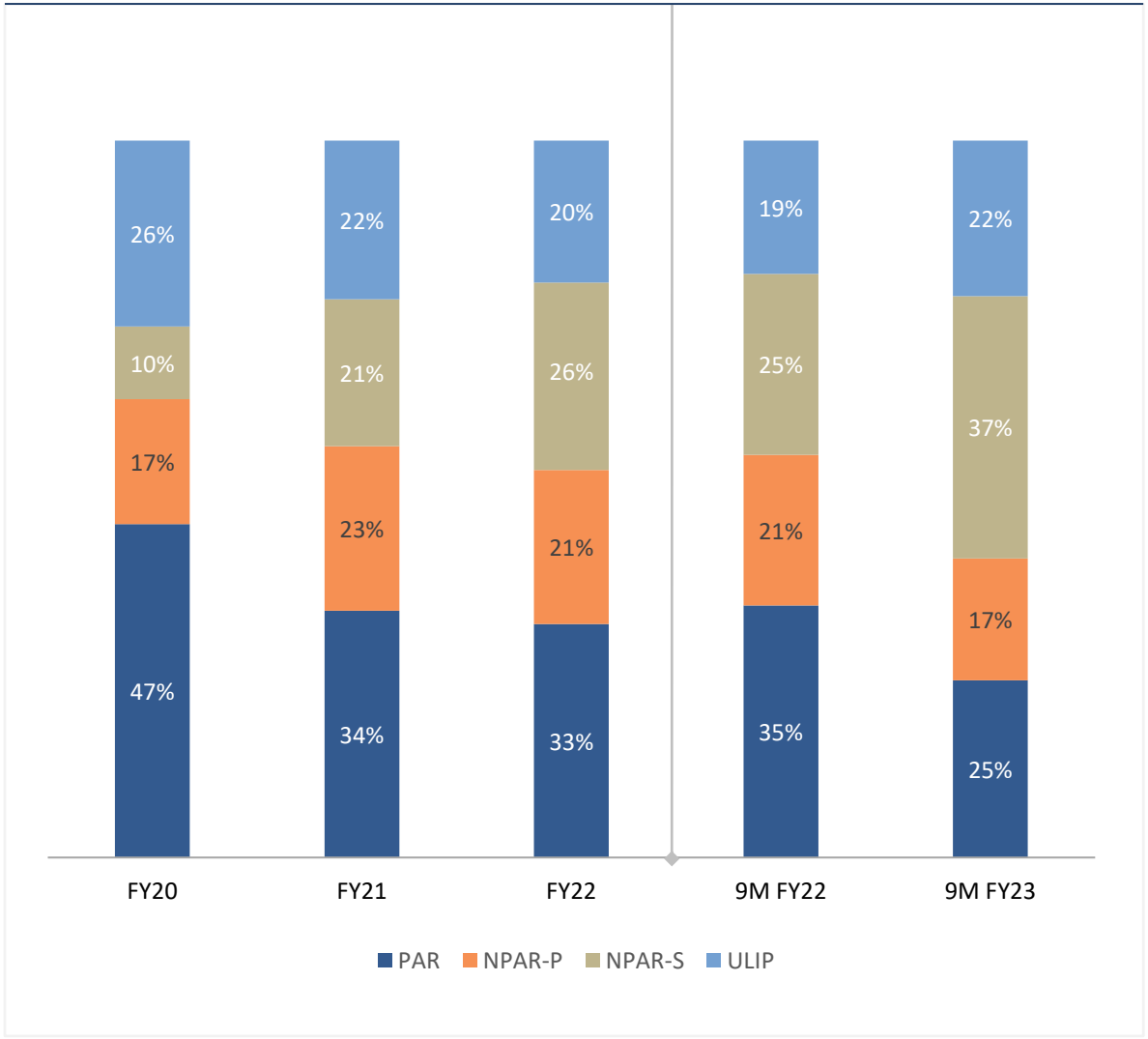
- Homemaker
- NRI
- Self-employed

Key Success Factors

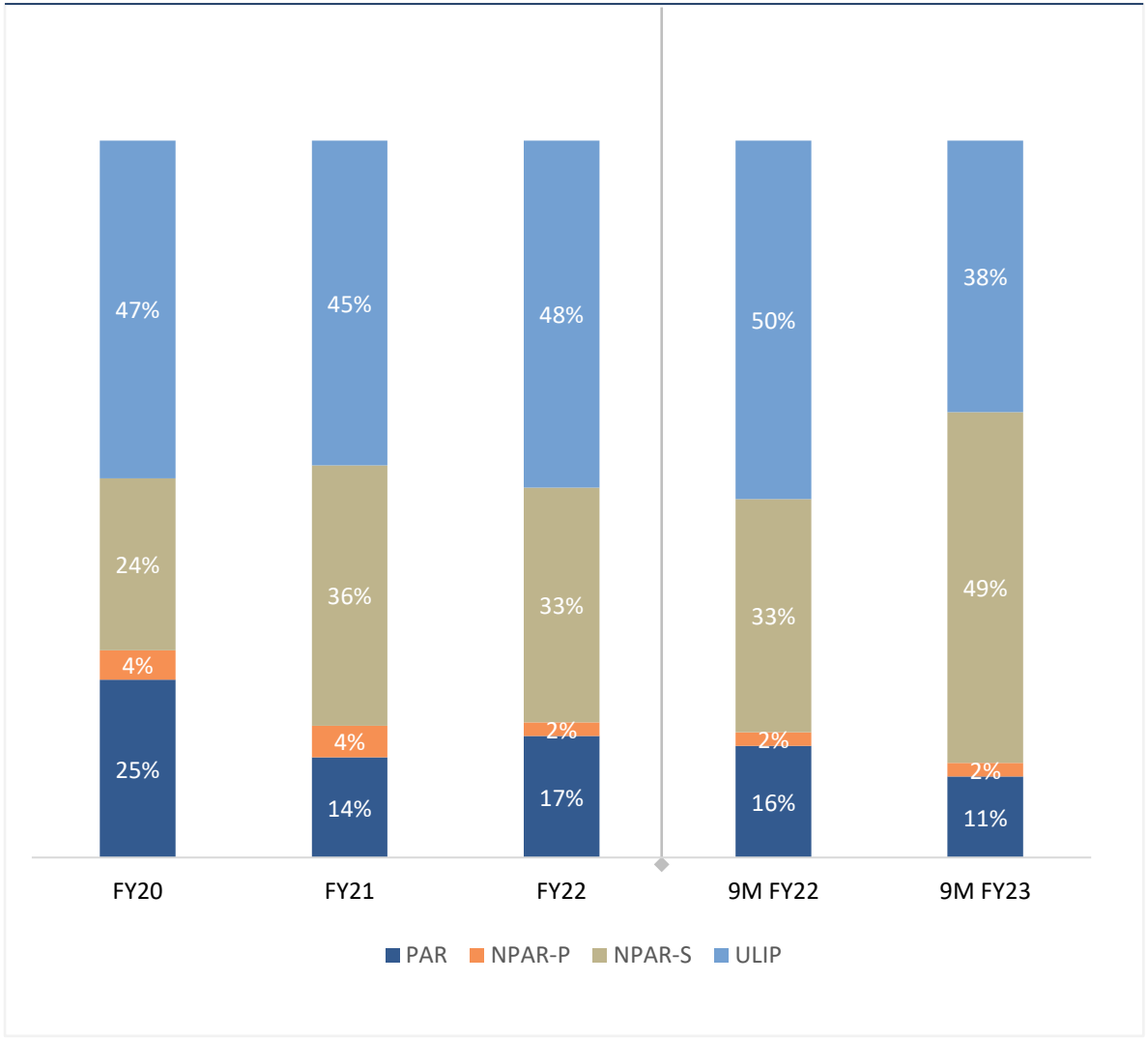


B Product mix in proprietary and Bancassurance channels aligned to customer needs;

Proprietary Channels Product mix - biased towards traditional products and protection for driving margins



Bancassurance Product Mix - has been biased towards ULIPs to cater to target customer segments

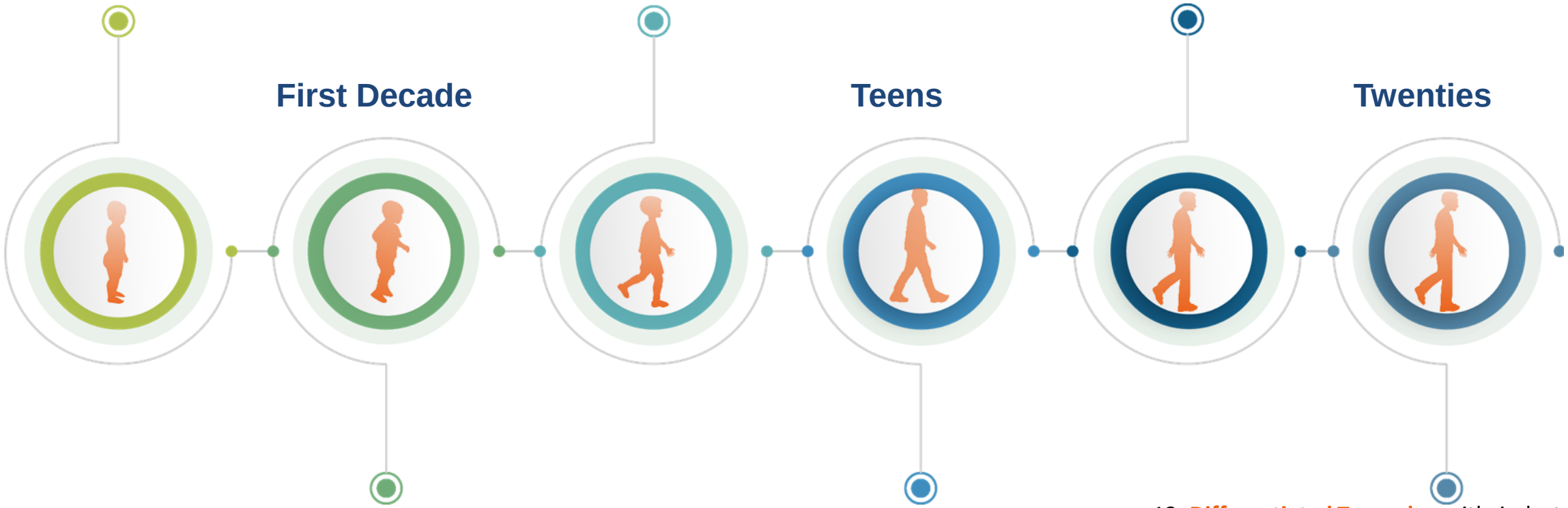


B Max Life has been at the forefront of driving Products Innovation by creating first-in-industry propositions

1. Break the endowments category clutter with Industry **First Whole Life plan**
2. Provide **liquidity & flexibility through First Cash & Premium Offset Bonus** options
3. **First PAR Top Up** option

6. Enabled transparent customer participation in Bonds with **First Index-Linked Non PAR plan**

10. **Hedged Guarantees with Derivatives**
11. Launched industry **First COVID-19 Rider** (diagnosis & death benefit)



4. Enable Customer Obsession **through First "Freelook Period"**, became Regulation later
5. **Created Universal Life product** – Enable transparent customer participation in Debt market

7. **Scaled "Monthly Income" category** first on Non PAR and then on PAR platforms

12. **Differentiated Term plan** with industry firsts (Special exit value, Premium holiday option)
13. **Strengthened PAR proposition** (guarantees under early income variant)
14. Launched new savings proposition **Smart Fixed-return Digital Plan**

B …Accelerating product innovation agenda through experiments and creating new customer segments (1/2)

Millennials preferring FD/RD like deposits

Smart Fixed-return Digital Plan

Key Features

- Simplified on-boarding process with instant confirmation of issuance after journey completion
- Shorter policy tenures starting at just 5 years
- Fully guaranteed returns payable as a lump sum at maturity
- Higher benefits offered for higher premiums paid
- Special benefits for women customers

ULIP product for self employed

Smart Flexi Protect Solution

Key Features

- Enhanced life cover
- Comprehensive protection against Death, Critical Illness and Total Permanent Disability
- Savings with market linked returns
- Easy issuance with Video medical examination and relaxed financial documentation
- Tax benefits under Sections 80C and 80D of the Income Tax Act

Solution for self employed /homemakers

Smart Secure Easy Solution

Key Features

- Comprehensive protection against Death, Critical Illness and Total Permanent Disability
- Easy issuance with Video medical examination and relaxed financial documentation
- Return of premium option available
- Choice of 4 coverage options
- Tax benefits under Sections 80C and 80D of the Income Tax Act

B …Accelerating product innovation agenda through experiments and creating new customer segments (2/2)

Limited and Regular Pay Deferred Annuity for near retiree segment

Guaranteed Lifetime Income Plan

Key Features

- Guaranteed Lifelong income with Single Life & Joint Life Option
- Option to choose between Immediate & Deferred Annuity
- Flexibility to choose how long you want to pay premiums - Single Pay and Limited Pay Options
- Easier on-boarding with Zero Medical Underwriting
- Option to get Return of Premium as minimum Death Benefit[3]

Guaranteed savings with enhanced flexibility, liquidity and protection

Smart Wealth Advantage Guarantee

Key Features

- Enhanced flexibility to choose payment term, income period, policy term as well as income date of choice through “Save the Date” option
- Enhanced liquidity with option to receive income as early as first year through “Early Wealth” variant
- Enhanced protection with in-built additional accidental benefit post payment term and optional policy continuance benefit

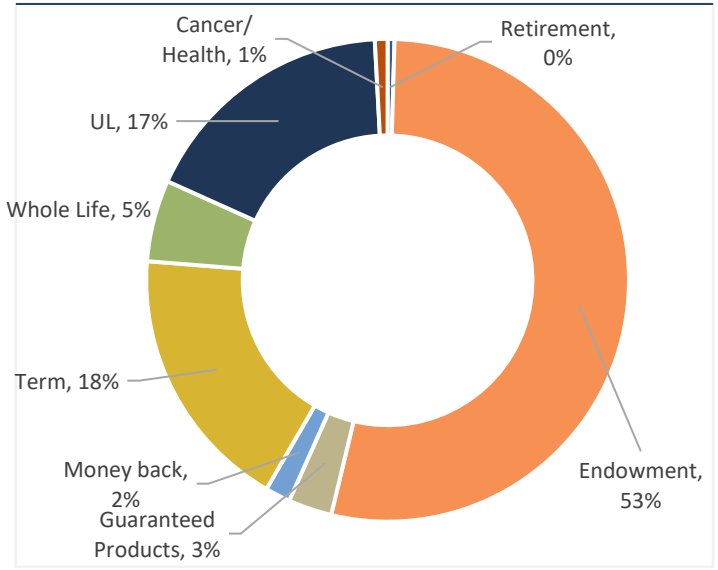
3 ‘Available with Death Benefit Options only

B Max Life has a complete suite of products and focus is on selling longer term products along with improving penetration of pure protection offerings

Max Life has products across all categories

- **4** Protection plans
- **6** Income plans
- **5** Endowment plans
- **5** ULIP plans
- **2** Child plans
- **1** Health plan
- **3** Annuity plan
- **1** Retirement ULIP
- **1** Whole life
- **4** Riders

Current portfolio[1] biased towards traditional products



Product Type	Average Policyholder Age (Years)	Average Policy Term (Years)	Average PPT (Years)
Endowment	35	22	10
ULIP	38	14	8
Whole Life	36	64	52
Money back	27	17	17
Pure Term	34	38	32
Guaranteed products	43	19	9
Health	38	22	22
Cancer Insurance	38	29	29
Pension	32	24	24
Annuity	62	58	1
As on 31st Dec 2022	36 Average	26 Average	16 Average

(1) Based on all policies sold till date

B Focus on retirement – Annuity business more than tripled in 9M FY23

Life stage & Objective	Age: 25-45 yrs Accumulate funds	Age: 45-60 yrs Plan for retirement	Age: 60+ yrs Cover the risk of living too long
Needs	▪ Tax Saving ▪ Savings for future	▪ Tax Saving ▪ Lumpsum req. for big events (child's education, buy home, child's marriage) ▪ Savings for retirement	▪ Regular income stream until death ▪ Legacy planning
Max Life's solutions	▪ NPS account (Pension Fund Management - PFM) ▪ Pension plan	▪ Long Term Income (Smart Wealth Plan) ▪ NPS account (PFM) ▪ Pension plan ▪ Annuity	▪ Annuity

MAXinnings
BE THE DIFFERENCE, ALWAYS

Smart Guaranteed Pension Plan

- **Guaranteed Income** to cater to your needs as long as you live
- **Advance Annuity Amount** option to take in advance, your next 5 years annuities
- **Option for Life-long income:** option to choose a single life or a joint life annuity
- **Available for Group members who want to purchase annuities**
- **Available for National Pension System(NPS) customers**

Max Life Pension Fund Management

- **Business commenced from 12th September**
- **Launched social media campaigns and PFM website**
- **Garnered INR 22.4 Cr AUM**
- **Distribution across Corporate, retail and government base**
- **PoP license received**

Guaranteed Life Time Income Plan

- Guaranteed Lifelong income with Single Life & Joint Life Option
- Option to choose between Immediate & Deferred Annuity
- Flexibility to choose how long you want to pay premiums - Single Pay and Limited Pay Options
- Easier on-boarding with Zero Medical Underwriting
- Option to get Return of Premium as minimum Death Benefit[3]

B Focus on protection and its risk management

Customer Profiling and Selection

- AI based risk models, Credit Bureaus, IIB Database deployed in underwriting risk assessments
- Stringent medical and financial underwriting controls deployed

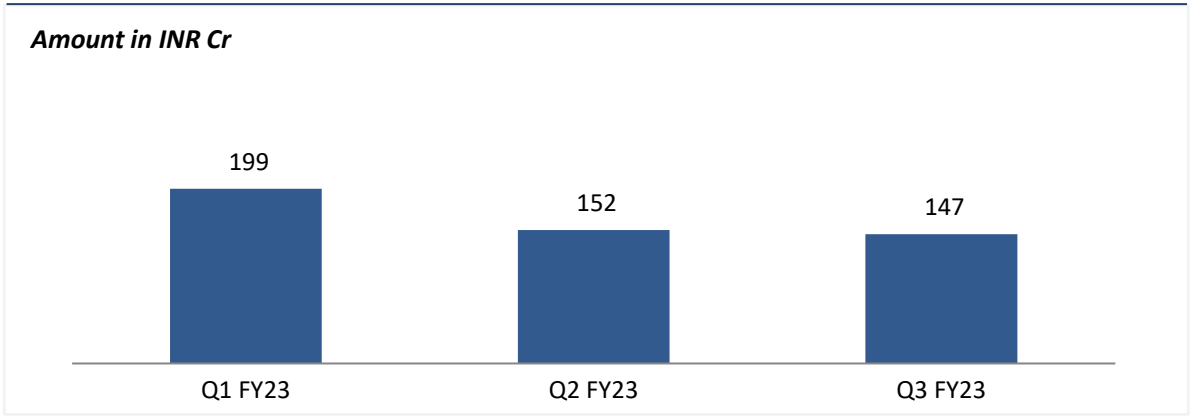
Experience monitoring

- Regular portfolio review/ Post issuance verification
- AI models leveraged to monitor and forecast experience
- Early warning framework for early course correction
- Industry collaboration against organized frauds

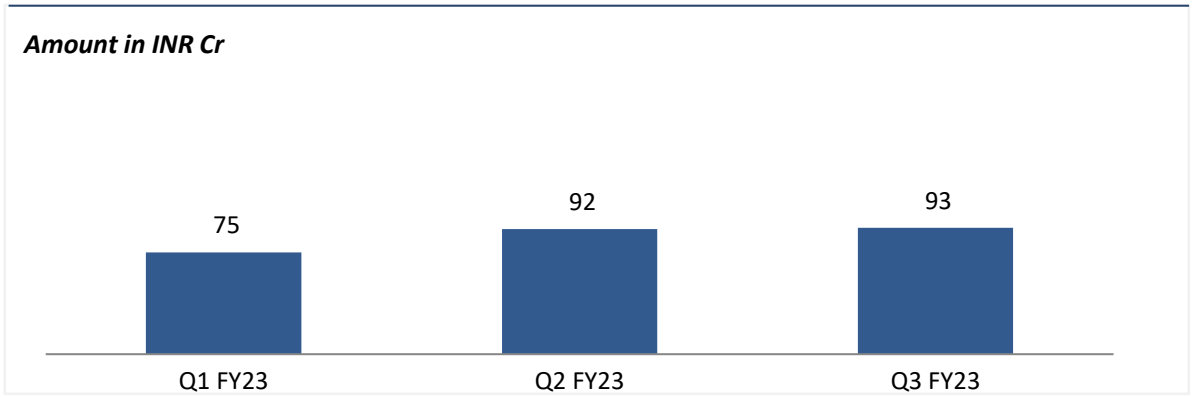
Profitability & Risk Management

- Regular repricing of products
- Product boundaries based on geography, income and channel
- Adequacy of reserve to minimize P&L volatility – Building up provisions for catastrophic events
- Adequate reinsurance (Individual and Catastrophic) to protect against claims volatility

Total Protection – Growth tapered due to moderation in GTL pricing



Retail Protection APE- Sequential growth



B Managing Other Major Risks

Interest Rate Risks

Robust Asset Liability Management Framework:

- Cash flow and duration matching
- Comprehensive hedging program
- Natural hedge
- Limit on non-par sales
- Active policyholder bonus management for Par business

Focused Product Management:

- Repricing to align benefits with current rates
- Variant and channel level granular monitoring

Resilience and Expert Validation:

- Direct Board oversight
- Stress testing
- Sensitivity tracking
- Peer review of liabilities
- Periodic external review of Derivatives

Investment Risks

Front Office – Led by CIO:

- Differential strategy as per the fund characteristics
- Ensuing diversification and credit quality across portfolio, minimize credit and concentration risks

Middle Office – Led by CRO:

- Independent credit review of portfolio and all new investment proposals
- Derivative risk management
- Early Warning Framework
- Consequence management of stressed assets

Back Office – Led by CFO:

- Ensuring implementation of cash flow matching requirement of ALM
- Valuation, Collateral and Margin management of Derivatives
- Appropriate provisioning for stressed assets

Information Security and Business Continuity Risks

Cyber DARE framework for managing security goals:

- Robust framework based on **ISO 27001**

Internal and External Validation:

- Dedicated CISO, internal security team and external security partner(s)
- Independent external benchmarking (Bit Sight) to keep abreast with emerging security trends

Business Continuity :

- Robust framework based on **ISO 22301**
- Business continuity plans reviewed annually
- Annual BCP drill
- Alternate Disaster Recovery (DR site) and regular data backups with movement to DR site
- Crisis Action Manual

Operational Risks

Preventive Programs:

- Multi-tier governance and automation for highest impact areas
- Quantified risk appetite for
  - Operational errors
  - Product set up errors
- Comprehensive Vendor due diligence

Detective Programs:

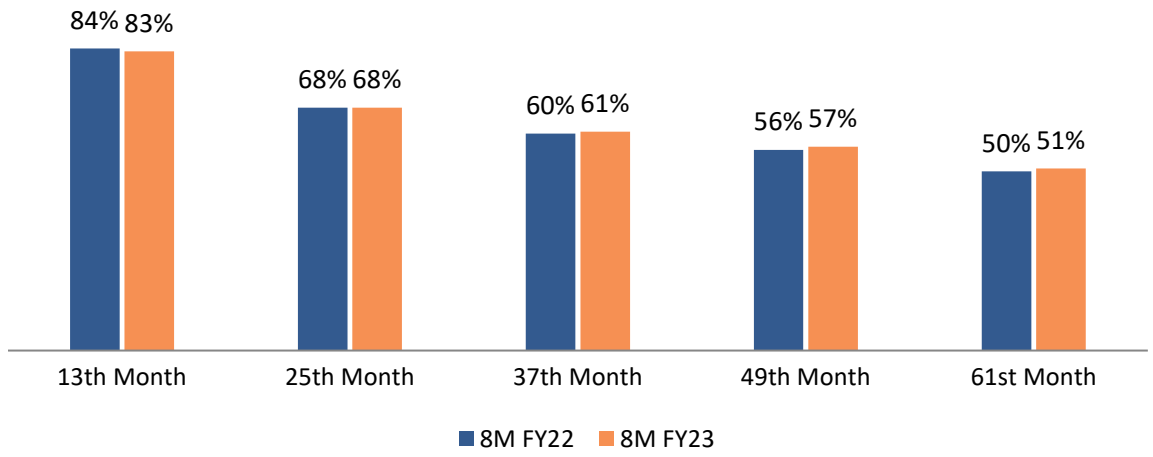
- Customized Incident Management program
- Enterprise-wide tool for incident disclosures
- Risk certifications for critical processes

Corrective programs:

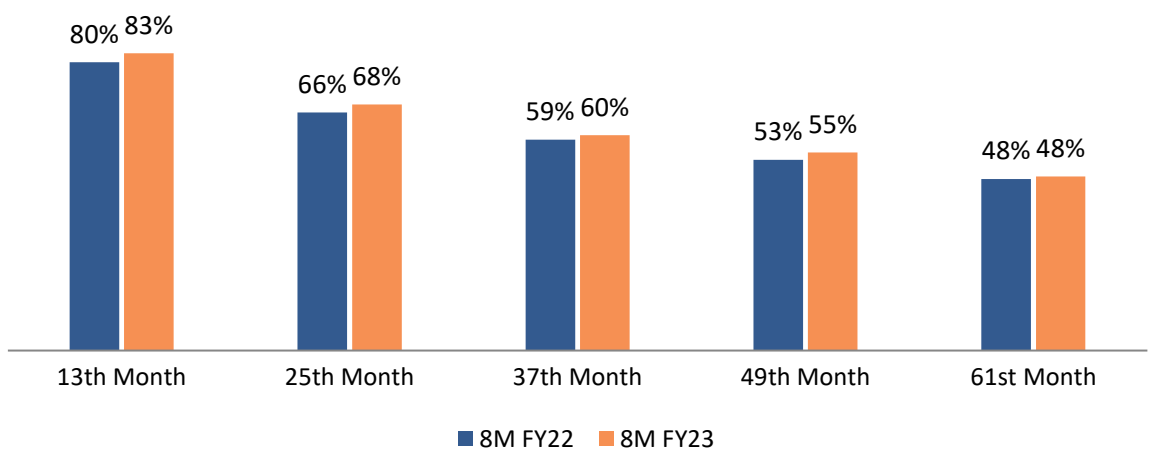
- Revenue Assurance model for concurrent checks
- Cross functional forum for system gaps

Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority

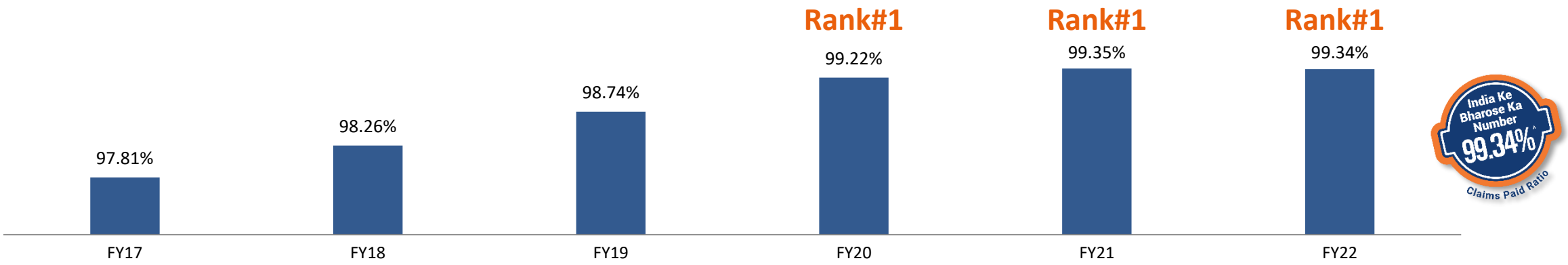
Persistency# (Premium)- Individual policies excluding single pay/fully paid up policies



Persistency# (Policies)- Individual policies excluding single pay/fully paid up policies



Claims Paid Ratio



Persistency for the period ending 31st Dec 22 for policies renewed from Oct 21 to Nov 22

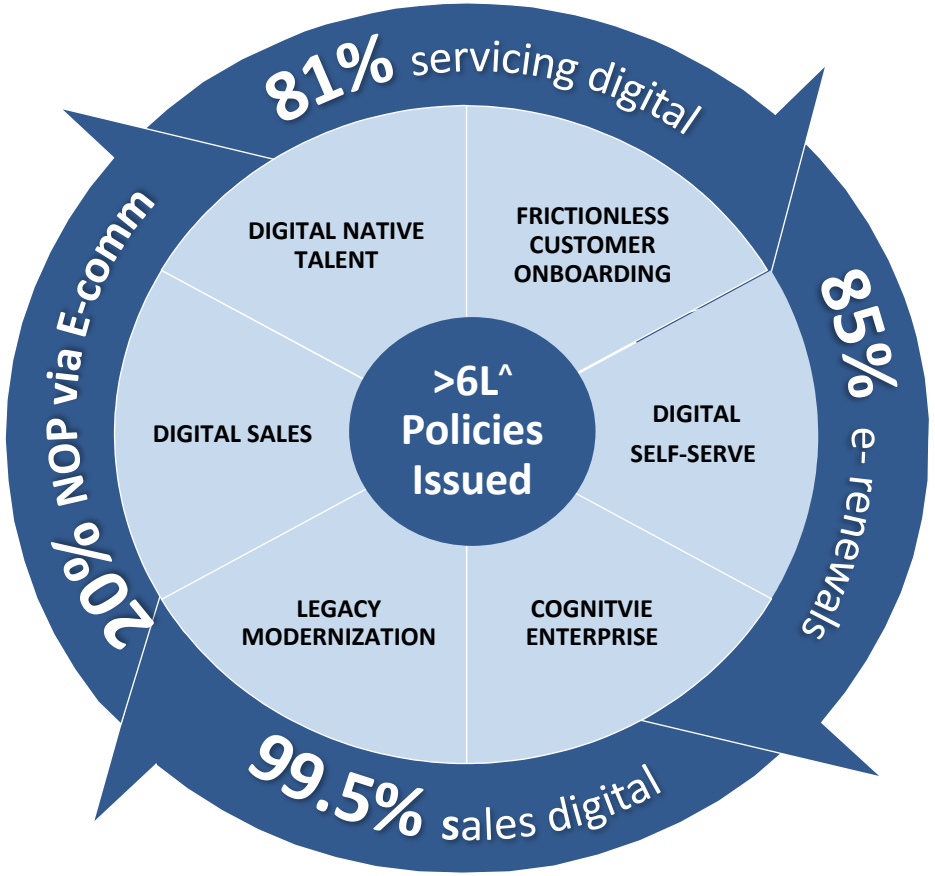
D We had made significant progress on our Digital Journey

72%
Automated Underwriting (Retail)

~58
Claims paid everyday

<3 seconds
Page load time

99.34%
Claims settlement ratio



50+
Partners

54%
Infra on Cloud

44%
Insta COI (Axis)

560K+
Bot queries per month

^ Total policies issued for FY22

D Max Life's Digital Strategy is based on 9 Key Pillars

Scale eCommerce Business 1

- Digital Marketing Muscle (**Sharper prospecting**)
- **Mobile first** purchase journey
- **Personalized** experience
- **WhatsApp** chase journeys

Digital Sales 2

- Intelligent & Integrated **LEAD management**
- Integrated **Recruitment Funnel**
- Digital **Native Training** & Content Mgt solution
- **Smart Assistant** for seller productivity
- Digital standardized **sales governance**

Onboarding / Issuance 3

- Digital Native Onboarding platform – **SEO**
- **Frictionless Onboarding** experience leveraging eco system partnerships
- **Smart U/W** - embedded AI Models
- **Legacy Modernization** – Insta Issuance

Customer Service 4

- **Omni Channel** customer experience (Customer 360)
- Help Center / conversational BOTS for **self service**
- **Continuous customer engagement** by Leveraging Ecosystem
- Digital **Agent Servicing**
- Integration with **Social platforms**

Enterprise 5

- **Mobile First Employee Experience** – HR Self Service
- **Digital Engagement & Collaboration**
- **Back-office transformation –** Treasury, AML
- **Enhanced Security** – cloud, threat monitoring, vulnerability Mgt
- **Intelligent Automation**

Pervasive Intelligence 6

(AI /ML, Analytics embedded in all key processes)

Cloud Enabled Legacy Modernization & Enterprise Data Hub 7

Workloads on Cloud

Employer of Choice for Top Digital Talent 8

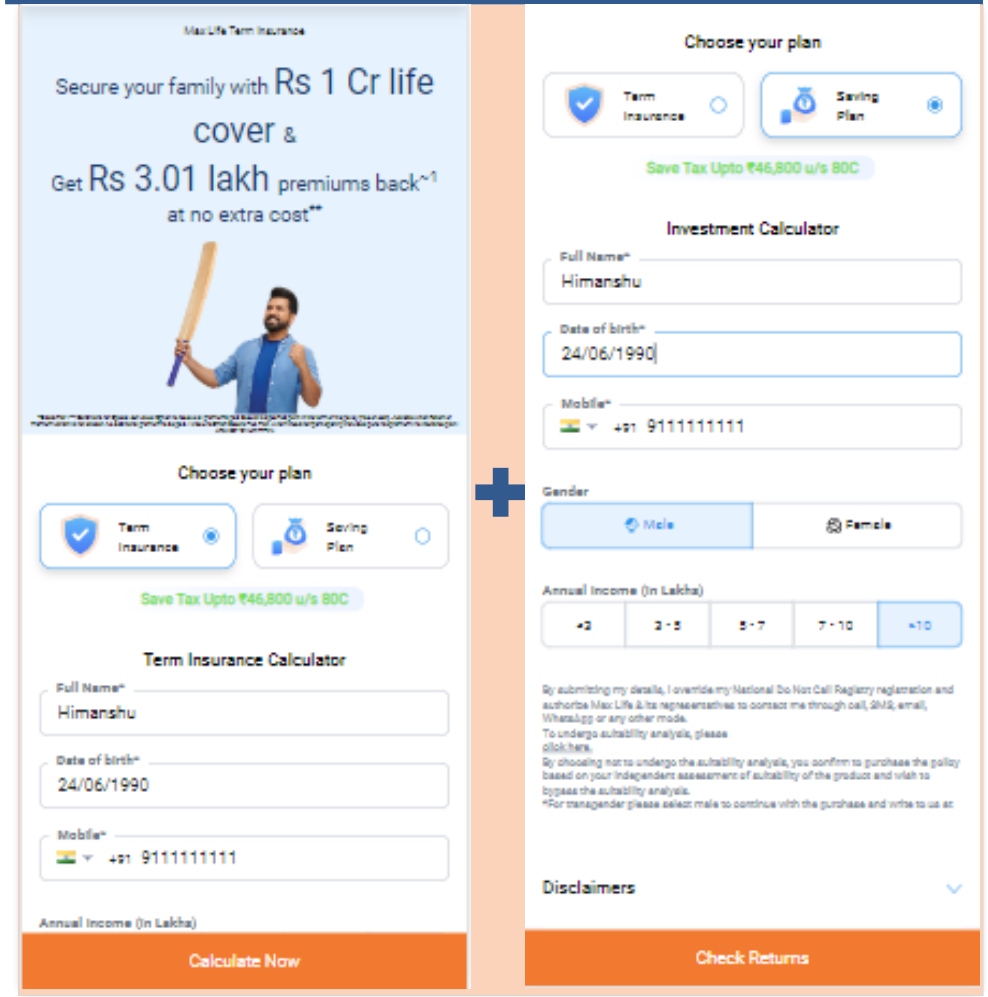
300+ Engineers

Digital Culture 9

InsureTech ecosystem

Max Life is Leveraging Digital Tech & is a Leader in E-Commerce Protection Sales…

Combine Landing page for Online Products

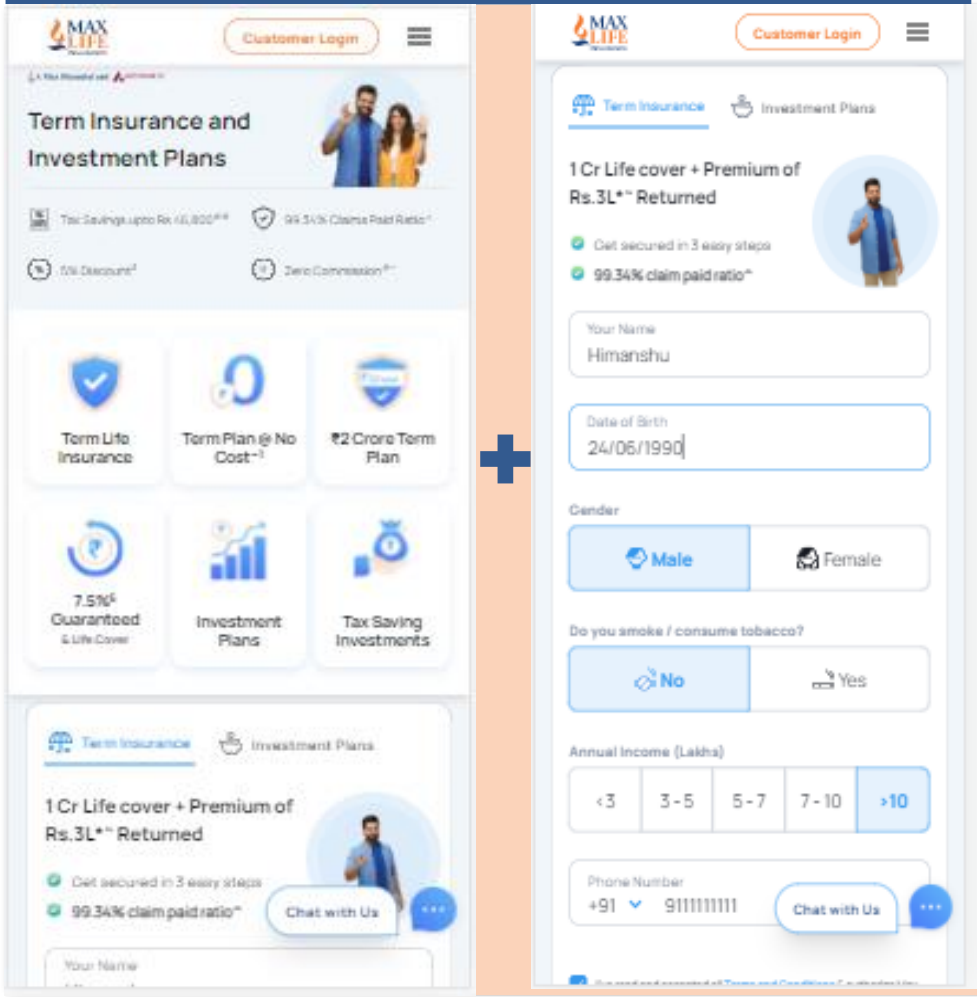


- Combined landing page for protection and savings
- Improved S2L for online channel
- Term S2L improvement – by 20%
- Savings S2L improved by 9%

Home page revamp

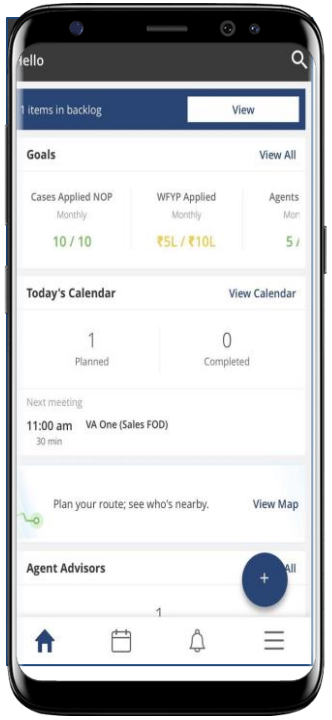
- New age home page revamp with store front
- Reduced bounce rate by 19%
- Improved S2L by 15%

Home Page Store front launch



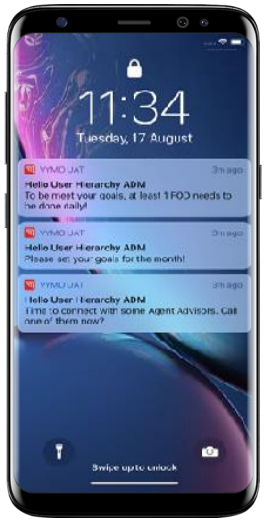
We are digitizing the sales Force by driving capability and Productivity

mSMART – Activity and lead Management

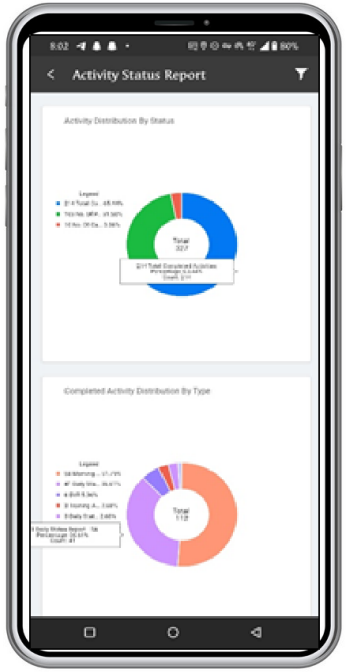


Enables ADM/RA's to track and create activities, goals and PRP

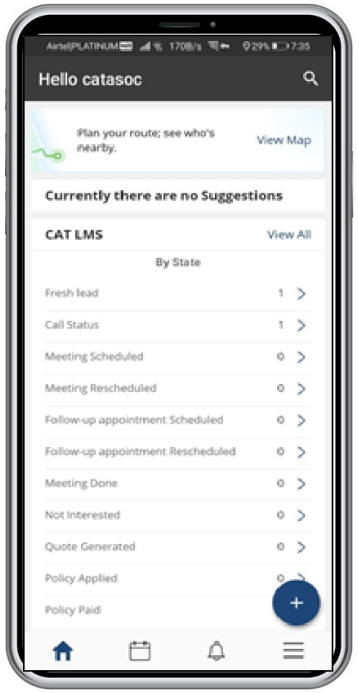
Intelligent nudges on next best action



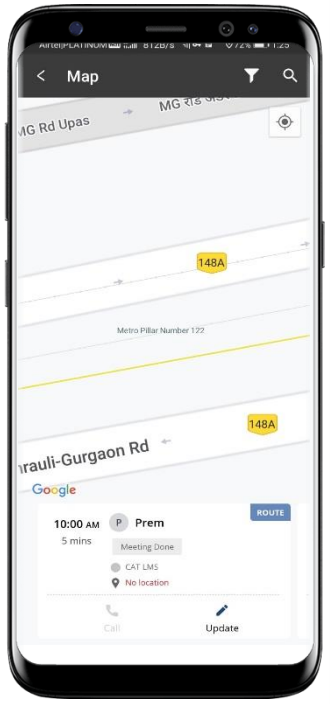
mSMART



Smart Dashboards

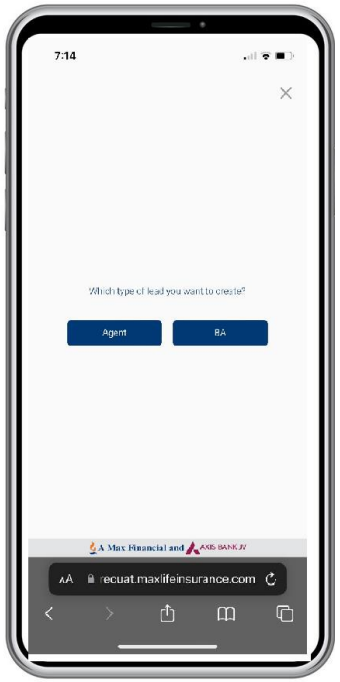


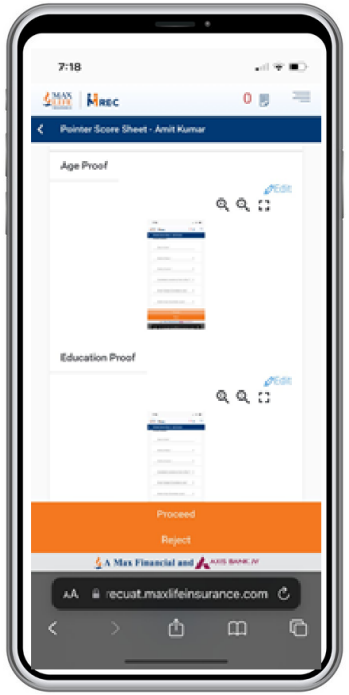
Lead Management bucket wise view



Near by locations view of the leads

mREC





BA hiring for APC/Agency enabled in mREC

2.40 Lac+ activities in a month

~1 Lac+ FODs in a month

~80%+ Adoption and ~73% engagement across Agency & Axis channel

New lead Management with intelligent features

All the new BA hiring is being done through automated tool only

D …New Partners on-boarded in record time, enabled end to end Integration with Axis Bank marketplace- from lead generation to policy issuance, Partner Integration marketplace & eco-system integration

New partner Onboarding

INSURANCE BROKERS

Yella

turtlemint

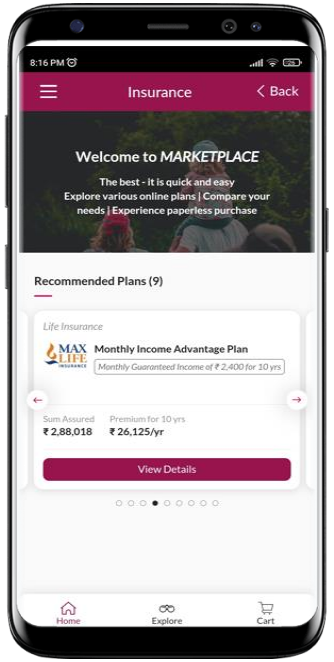
BLUECHIP
EXPERT ADVICE. EASY INVESTING.

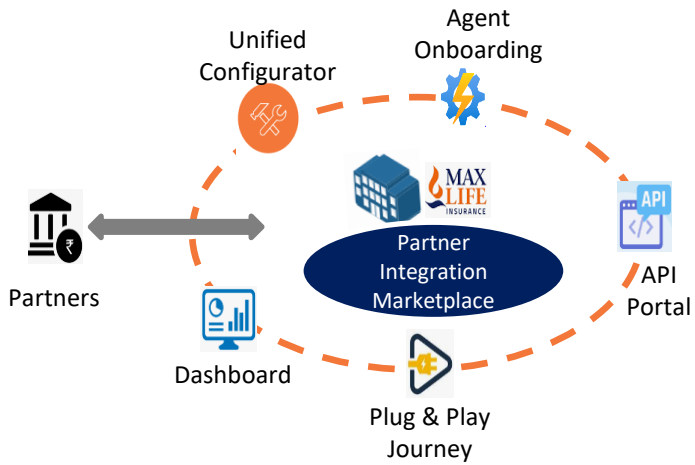
Muthoot Finance

TMB Tamilnad Mercantile Bank Ltd
Be a step ahead in life

5 new brokers on boarded within 1 month. New bank on boarded with a week.

Integration with Market Places & creating Max Life Partner Integration





Max life –Partner Integration Market place

End to end integration from lead generation to policy issuance – Single pane view for Axis Bank & MLI seller

Eco-system Integration

For KYC details and document waivers

CERSAI

IndiaStack

Waiver of Financial Document

CIBIL · CRIF HIGH MARK · Experian · Sahamati · FINVU

Integration with TPA for Medical scheduling and digital report

DocsAPP · MD India

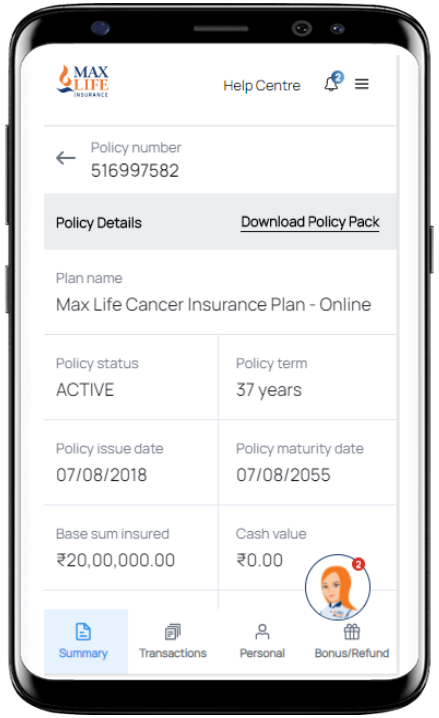
5 new brokers on-boarded within 1 week. New Bank on-boarded in less than a week

Improvement in TAT by **20%**

Clear Case – 72% (Retail)

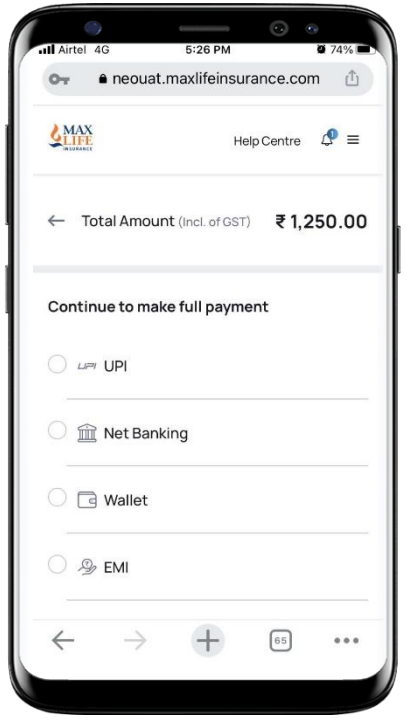
We are Building a New Age Digital customer service platform…

Revamped Website



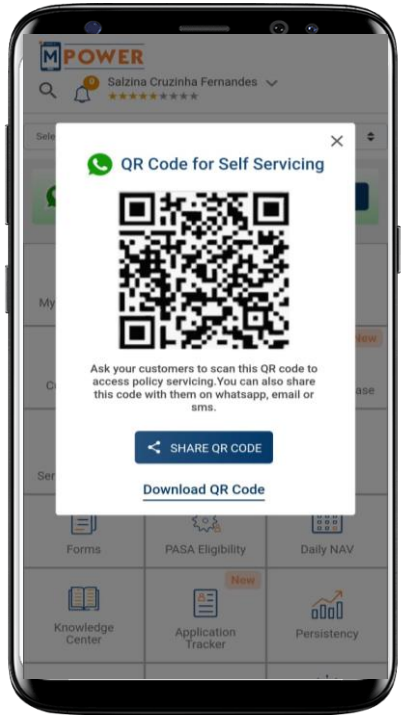
Improved Customer Experience
NPS up by 10pts

Unified Payment Platform



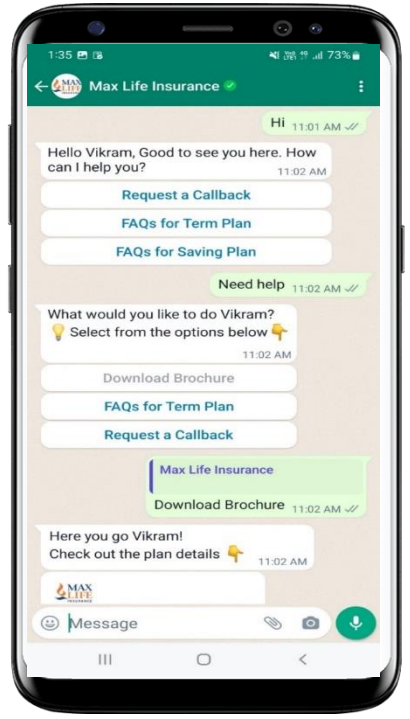
Robust & scalable payment platform
Paytm router - Multi Switch PG capability

Launched QR Code



Soft launch across channels
Seller enablement, Website

Chase journey- WhatsApp Bot



POC completed on Haptik platform

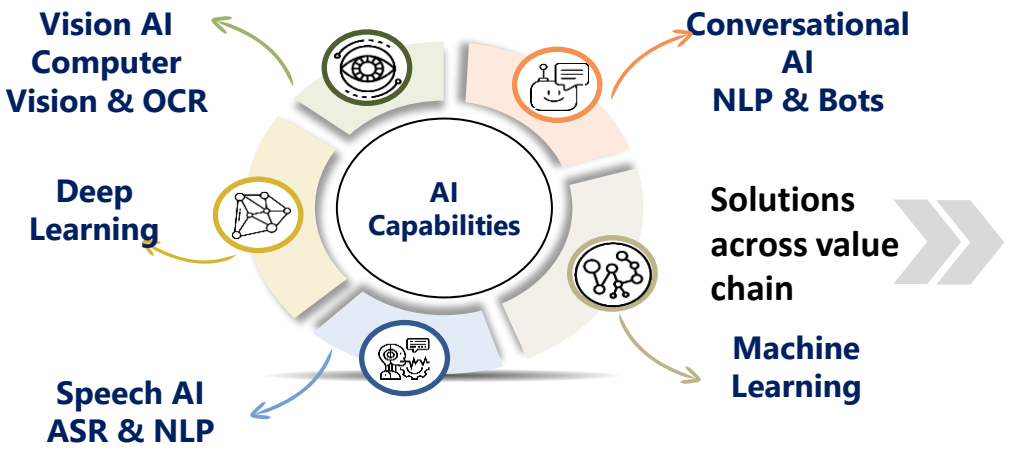
40L+ Self-service transactions YTD, 82% Penetration

10+ Uplift in Digital NPS for customer Portal

20% Increased traffic on Whatsapp Bot QoQ

10% Higher user engagement + 63% Improved query resolution On Haptik platform

D Max Life has implemented cutting edge AI application at scale enabling superior business outcomes across the customer touchpoints



New Business

- **VOX** — Speech Analytics suite for Customer insights, call sentiment, effectiveness & Agent performance analysis
- **i2i** — Customized customer offers with propensity prediction & Product recommendation engine
- **Geo-Intel** — Upfront Rural-Urban sector classification engine
- **QVerify** — Machine Learning based Sales Leakage prediction
- **The Light House** — Personalized performance scorecards to the field-force to boost adherence to input activities and propel higher outcomes

Purchase & Issuance

- **shield** — Shield Early Claim & Fraud risk prediction Engine
- **Reassure** — 13M & 25M Upfront Persistency Risk Prediction and Engagement recommendation
- **verilive** — Computer Vision based Photo and liveliness verification in PoSV
- **MEDICHECK** — Diagnostic center analytics and fraud prediction & monitoring
- **gUWern** — UW decision anomaly identification suite to enhance decisional accuracy
- **Redact** — Computer vision based Adhaar Masking Suite
- **CRISP** — Mortality Insights & Analytics hub

Servicing, Retention & Others

- **TU-RING** — Deep Learning Customer Engagement, Retention & Persistency Prediction
- **CoreConverse** (Unified NLP Engine) — Upfront Query Resolution with unified intent prediction and auto response bot
- **HUB** — Machine Learning based Renewal Income & Persistency Forecasting & monitoring
- **delight+** — Machine Learning based Detractor & NPS prediction model
- **Surrender Prediction** — Machine Learning based Surrender prediction and Surrender retention
- **RateScan** — Investment Risk Identification by flagging probable dealer broker collusion

AI Industry Recognition

CYPHER – Top Domestic Firms using AI/ML

Nasscom AI Game Changers Award

ETBFSI AI excellence Awards

Top 40 Under 40 data scientists Award

Best Data Science Project Award

AI Case Study Books & Publications

IIM Ahmedabad · IIMB तेजस्वि नावधीतमस्तु · Applied Advanced Analytics · Springer

100%
Real time Risk prediction

400+
Diagnostic Centers delisted basis Medicheck

6000
Daily personalized input performance being triggered for Axis RA & supervisors

12 Cr
Historical documents processed in 3 months for Aadhar masking

NLP: Natural Language Processing
ASR: Automatic Speech Recognition

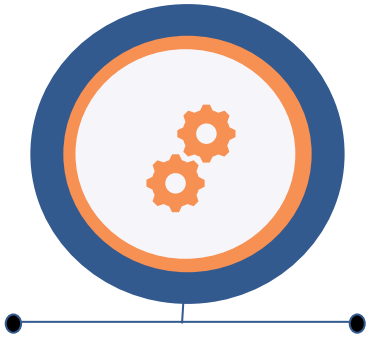
D Our investments in cloud and system modernization is helping us scale business in an agile way…

Cloud Data & Analytics Platform

- Data Lake Foundation & Customer 360
- Data stores consolidation and real-time reporting
- AI/ML – Speech to Text, Claims Risk Insight Engine

Cloud Foundation

- Agility in operations support for 4X volume on peak days with response time <1sec
- Footprint increase form 18% to ~54%



Legacy Modernization

- Modernized Treasury, HR, Contact Center, Communications and AML platforms
- Centralized product setup by implementing Product Configurator as a single source of truth for all applications

Google Cloud | aws | ORACLE CLOUD | Microsoft Azure

DR 100% for application migrated

Real-time Backup

Improved resiliency and peak volume support via auto-scaling

Provisioning from 8 weeks to 2-3 Days

SECTION IV

- Max Life Insurance – ESG

Four pillars of our sustainability framework

Four pillars of our sustainability framework (contd…)

Work Ethically & Sustainably

- Corporate Governance
- Ethics & Compliance
- Digital Initiatives
- Ethical usage of Data
- Operational Risk Management

Care for People

- Diversity & Inclusion
- Employee Development
- Health & Wellness programs
- CSR (with Financial Empowerment)

Financial Responsibility

- Sustainable Investing
- Product responsibility
- Customer feedback integration

Green Operations

- Waste Management
- Water Management
- Energy efficiency
- Emissions control

Work Sustainably and Ethically

Governance

- Dedicated **ESG Management Committee**
- **ESG Head** to oversee ESG initiatives/ Dedicated resources for ESG, DE&I, CSR
- **Diverse Board composition Independent Directors** (~50%- MFSL; ~30%- Max Life Insurance)
- Average Board experience **> 30 years**

Data Privacy & Security

- MLI received the **DSCI Excellence Award** for Best Security Practices in India in 2021
- BitSight rating of 810, which is best in financial services
- Certified on International standards **ISO 27001 and ISO 22301**
- Data privacy policy and practices in place
- Board approved Information security policy in line with **Aadhar Act, I-T Act** and other regulatory guidelines
- Dedicated CISO reporting to CRO for independence and better governance

Risk Management

- Max Life has a **robust governance framework with Board risk committee (REALMC)** supported by domain expertise committees (MRC, ALCO, DMC, ORG, IS BCM etc.)
- **Risk Appetite** and **Risk Management** framework in place
- Robust derivative program as well as an ALM framework
- Detailed review process of Business Plan in place by CRO with focus on solvency risk and capital management

Compliance & Policies

- **Platforms, mechanisms, channels** in place for grievance addresses, incident investigations and corrective actions and policies
- Dedicated **whistle-blower platform** managed by independent external partner
- Approved **Business Code of Conduct, Anti Bribery, Gifts and Meals policies**
- Max Life won an award for the best in-house legal team in Insurance Industry across Asia from Biz Asia

Care for People and Community

Diversity & Inclusion

- Gender diversity ratio at 26**%** at Max Life
- Capability building program for women's leadership – 'She Leads'
- Enterprise wide DE&I week celebrated.
- DE&I vision formulated and cascaded
- Panel discussion for Financial Freedom for Women with Twinkle Khanna and Fayed D'Souza
- Observing the International Day of Person's with Disabilities

Well-being of Employees

- Counselling and **mental wellbeing** sessions conducted for employees
- Ongoing employee engagement on **health & wellness (doctors for consultations, mental wellbeing sessions and COVID-19 helpline)**
- Hobby Clubs launched to promote Intergenerational inclusion : Bikers, Yoga, Poetry, Music and Cricket

Employee Development & Policies

- **Ranked 18th in Great Place to work** survey in 2021
- High **employee engagement** -2022 sustainable engagement score of 95% in the Annual Engagement Survey through Willis Towers Watson
- **Robust** talent review process
- Created **Employee Centric reward programs & benefits**
- Launched **Sports Enthusiast Policy** to encourage & provide financial support to employees to pursue their passion for sports professionally
- Introduced **Retirement Gift** to our employees
- Environment friendly **Joining Kit** for new hires in HO, 90C & Mumbai Investment Office

CSR Initiatives

- **Joy of Giving:** Teams volunteered in our office communities: **2200 plus beneficiaries positively impacted** through virtual and physical volunteering initiatives by employees.
- Financial literacy and insurance awareness project: 52,000+ applications submitted and **18,200+ unique beneficiaries** for availing benefits of various Govt. schemes
- **Environment preservation:** Monthly maintenance and preservation work continued at the MG Road plantation site in partnership with GMDA.
- 70,000 saplings were planted at the Wazirabad lake

Financial Responsibility

Committed to responsible investments

- **100% ESG integration** will be ensured in all equity investment research and decision making by FY23
- **75%** of equity portfolio to be ESG compliant from FY23
- **100%** compliance for equity portions of shareholders fund to be adhered to from FY23

Responsible Investments

- **Comprehensive stewardship policy** in place and a detailed summary of MLI's voting actions are disclosed on a quarterly basis.
- Max Life evaluates detailed governance reports of all its investee companies in detail
- Launched new **ESG Fund**
- Invested in the first issue of **Green bonds**

Product Responsibility

- Special rates for females to precipitate financial inclusion for women - **Under Smart Wealth Insurance Plan (SWIP),** we provide a preferential discount for women
- Max Life annuity plans, and Smart Wealth Plan offer senior customers guaranteed income throughout their life
- Additional health protection through our Rider Suite. Critical Illness and Disability Rider can be attached to almost the entire product portfolio; offers protection against 64 critical illnesses and disabilities
- In process to launch Ethical Fund where the investment would be excluded in certain sectors such as alcohol, gambling, contest, entertainment etc.

Integrating Customer Feedback

- Consistent focus on integrating feedback from policyholders in our services, reflected in our NPS ratings, as per Kantar Studies**.** NPS improved from 35 in FY19 to 52 YTD December'22

Green Operations

Holistic approach

- Conducted a **carbon footprint assessment** of our pan-India offices.
- Striving to be carbon neutral by FY28

Energy Management

- **Home Office (HO) building is a LEED Platinum certified building** with **"5 star rating"** in health and safety by British safety council
- Replacement of CFL with LED lights ongoing in all offices to reduce energy consumption : Replacement concluded in **30% offices in last 3 yrs. ~3%** of energy reduction achieved
- Replacement of old air-conditioners ongoing: Plan to replace **500 ton of AC in FY23**

Water Conservation

- Water is recycled with the help of **STP: 30 kilo litres of water recycled** in FY22
- **100% tap sensors** and water aerators in place in HO. **~70%** water consumption is reduced

Waste Management

- MLI has pledged to completely ban **single-use plastic** in the next few years with emphasis on recycled plastic at tuck shop and pantries
- Implementing **dry and wet waste segregation process**
- Used **10000 kg of plastic**, **3000** being single use and **7000** being recycled plastic

Accomplishments in our key strategic shifts identified in our ESG journey

Indicators	Key Metric for ESG Indicators	Key Targets	Current Status
Digital Operations	Digital enablement (Self Servicing) in Business transactions	**90%** of all self- servicing operations to be digital by FY25	**95%** self-service enablement by December'22
Diversity & Inclusion	Overall Gender Diversity Ratio	Achieve **30%** gender diversity ratio by FY25 (23% in FY21)	**26%** gender diversity ratio in Dec'22
Workforce Training	Number of Digital Learning hours to upskill and reskill employees	Improve total training hours by **~3X** by FY25	**21,026** training hours till December'22
Responsible Investments	ESG integration* & Compliance^ in Investment Decision Making	**100%** ESG integration in equity investment research and decision making by FY23 | **75%** of equity portfolio to be ESG compliant at all times from FY23	External Consultant on-boarded for ESG integration process | Tracking ongoing for ESG compliance
Carbon Neutrality	Reduce carbon footprint and achieve Carbon Neutrality	To achieve **carbon neutrality by FY28**	Carbon Assessment completed. Mitigation in progress.

*ESG Integration refers to evaluation of ESG risks and opportunities for each company in the portfolio
^ESG compliance refers to all ESG rating categories excluding severe risk category, as per rating agency scores

SECTION IV

- Max Life Insurance - MCEV Disclosures: 9M FY23

Key Results

The Embedded Value[1] (EV) as at 31st December 2022 is **Rs 15,547 Cr.**

The Operating Return on EV (RoEV) over 9M FY23 is **19.5%**. Including non-operating variances, the total RoEV[2] is **13.1%**.

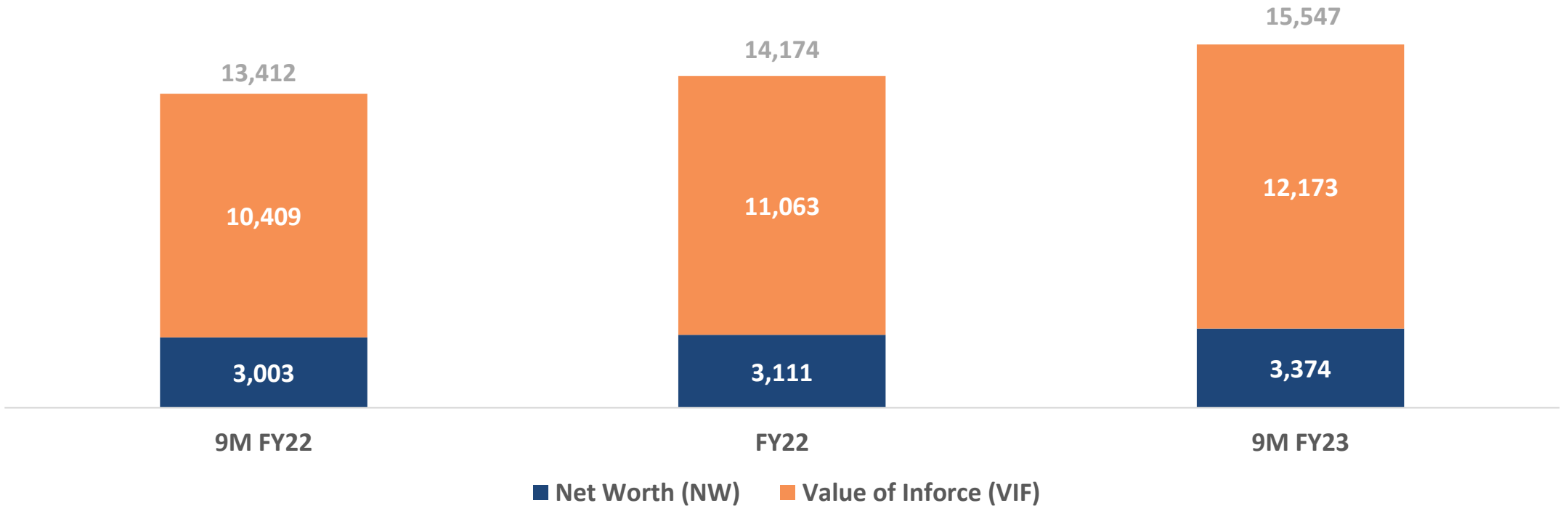
The New Business Margin (NBM) at actual cost for 9M FY23 is **31.8%**, with Value of New Business (VNB) written over the period being **Rs 1,179 Cr**.

Notes:

[1] Max Life's Embedded Value (EV) is based on a market consistent methodology. However, 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.

[2] The return on EV over 9M FY23 is calculated as 9.7% (growth in EV) annualized to 13.1%.

Progression of Embedded Value



1. EV as at 9M FY23 represents an increase of Rs 1,373 Cr from the EV of Rs 14,174 Cr as at FY22; implying a growth of 9.7% (annualized to 13.1%) over the period.

Note: Figures in Rs Cr. and may not add up due to rounding

Value of New Business and New Business Margins as at 31st December 2022

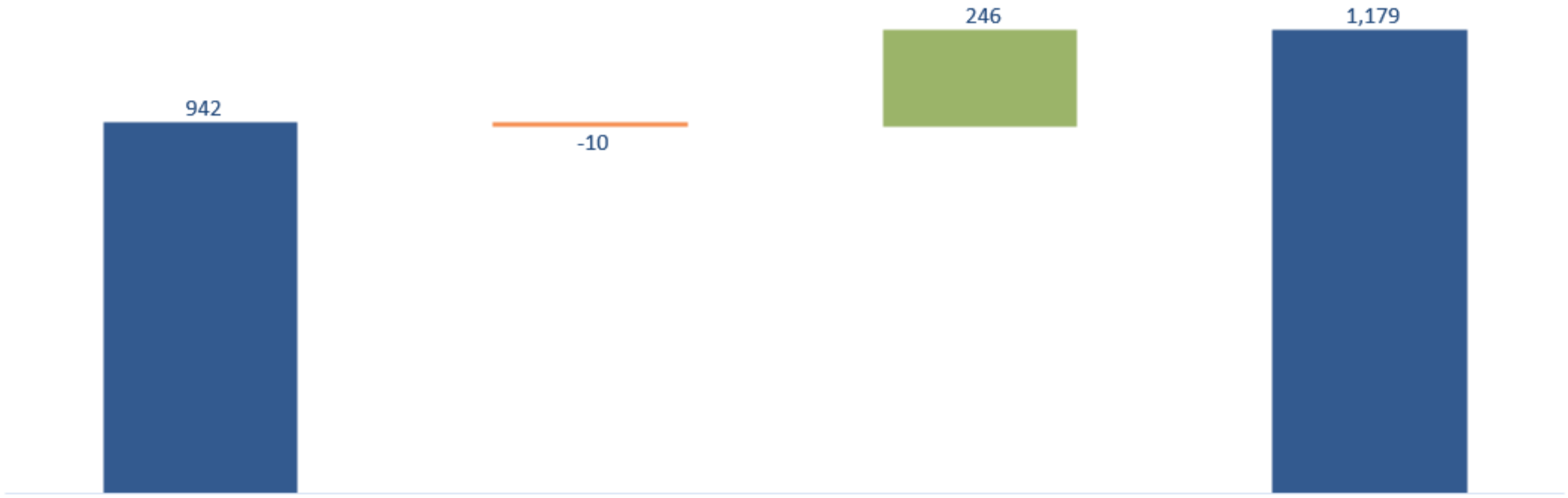
Description	9M FY22	9M FY23	Y-o-Y growth
APE [1]	3,751	3,710	-1%
New Business Margin (NBM) (post cost overrun)	25.1%	31.8%	670 bps
Value of New Business (VNB) (post cost overrun)	942	1,179	25%

- The New Business Margin (NBM) has increased by circa 6.7% to 31.8% for 9M FY23 as compared to 25.1% for 9M FY22.
- The increase in margins is primarily driven by change in business mix along with expansion of margin for non-linked business, on account of active re-pricing and new product launches.

[1] Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.
[2] The VNB is accumulated from the point of sale to the end of the reporting period (i.e. 31st December 2022), using the beginning of quarters' risk free yield curve.

Note: Figures in Rs Cr. and may not add up due to rounding

Value of New Business (VNB) and New Business Margin (NBM) Walk



NBM -->	**25.1%**	-	6.7%	**31.8%**

Note: Figures in Rs Cr. and may not add up due to rounding

Sensitivity analysis as at 31st March 2022

Sensitivity	EV		New business	
	Value (Rs Cr)	% change	VNB (Rs Cr) | NBM	% change
Base Case	**14,174**	-	**1,528 | 27.4%**	-
Lapse/Surrender - 10% increase	14,045	(1%)	1,502 | 26.9%	(2%)
Lapse/Surrender - 10% decrease	14,300	1%	1,553 | 27.8%	2%
Mortality - 10% increase	13,932	(2%)	1,465 | 26.2%	(4%)
Mortality - 10% decrease	14,418	2%	1,592 | 28.5%	4%
Expenses - 10% increase	14,043	(1%)	1,439 | 25.8%	(6%)
Expenses - 10% decrease	14,305	1%	1,618 | 28.9%	6%
Risk free rates - 1% increase	13,945	(2%)	1,592 | 28.5%	4%
Risk free rates - 1% reduction	14,350	1%	1,449 |25.9%	(5%)
Equity values - 10% immediate rise	14,310	1%	1,528 | 27.4%	Negligible
Equity values - 10% immediate fall	14,039	(1%)	1,528 | 27.4%	Negligible
Corporate tax Rate - 2% increase	13,881	(2%)	1,482 | 26.5%	(3%)
Corporate tax Rate - 2% decrease	14,467	2%	1,575 | 28.2%	3%
Corporate tax rate increased to 25%	12,240	(14%)	1,221 | 21.9%	(20%)

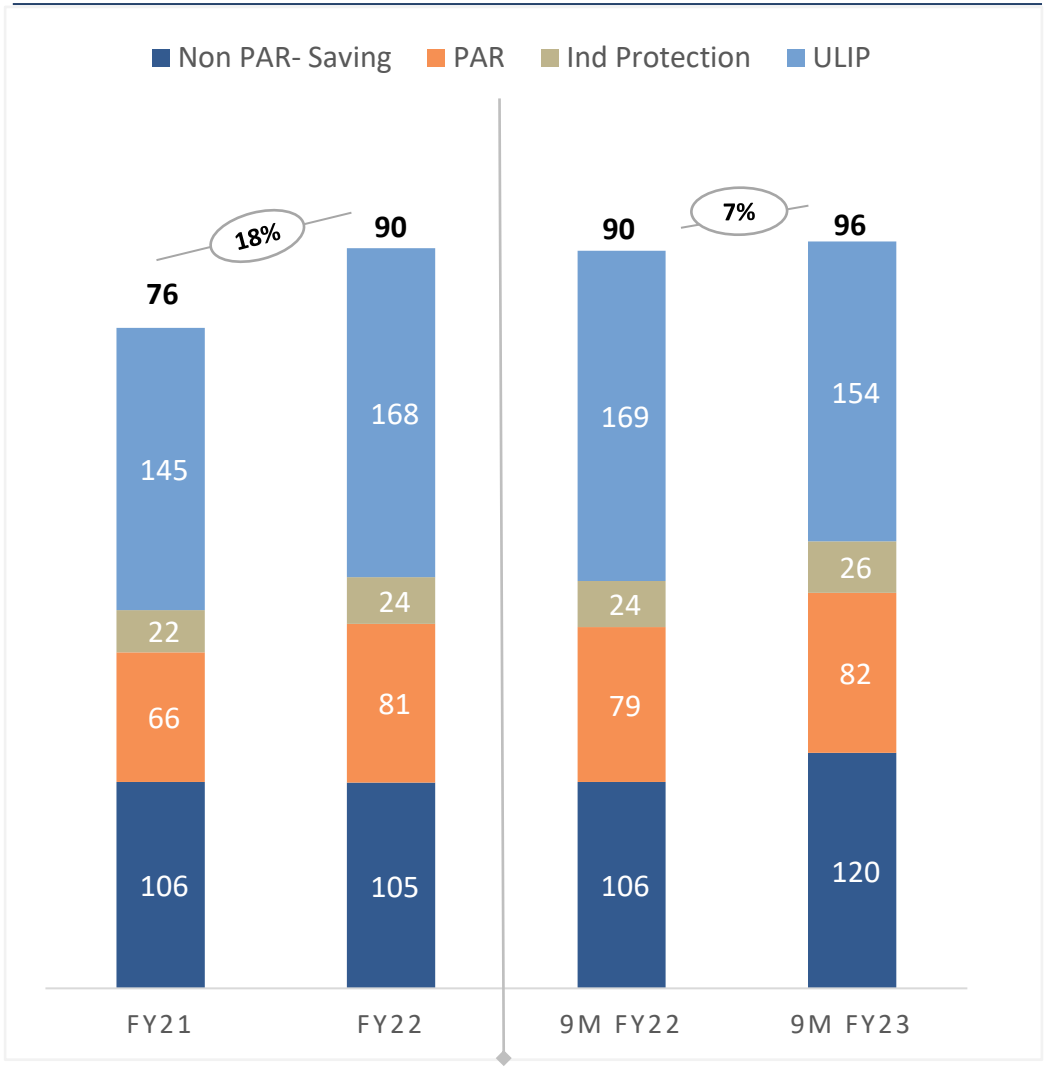
1. Reduction in interest rate curve leads to an increase in the value of assets which offsets the loss in the value of future profits.
2. Risk free rate sensitivities under new business allow for the change in the value of assets as at the date of valuation.

Note: Figures in Rs Cr. and may not add up due to rounding

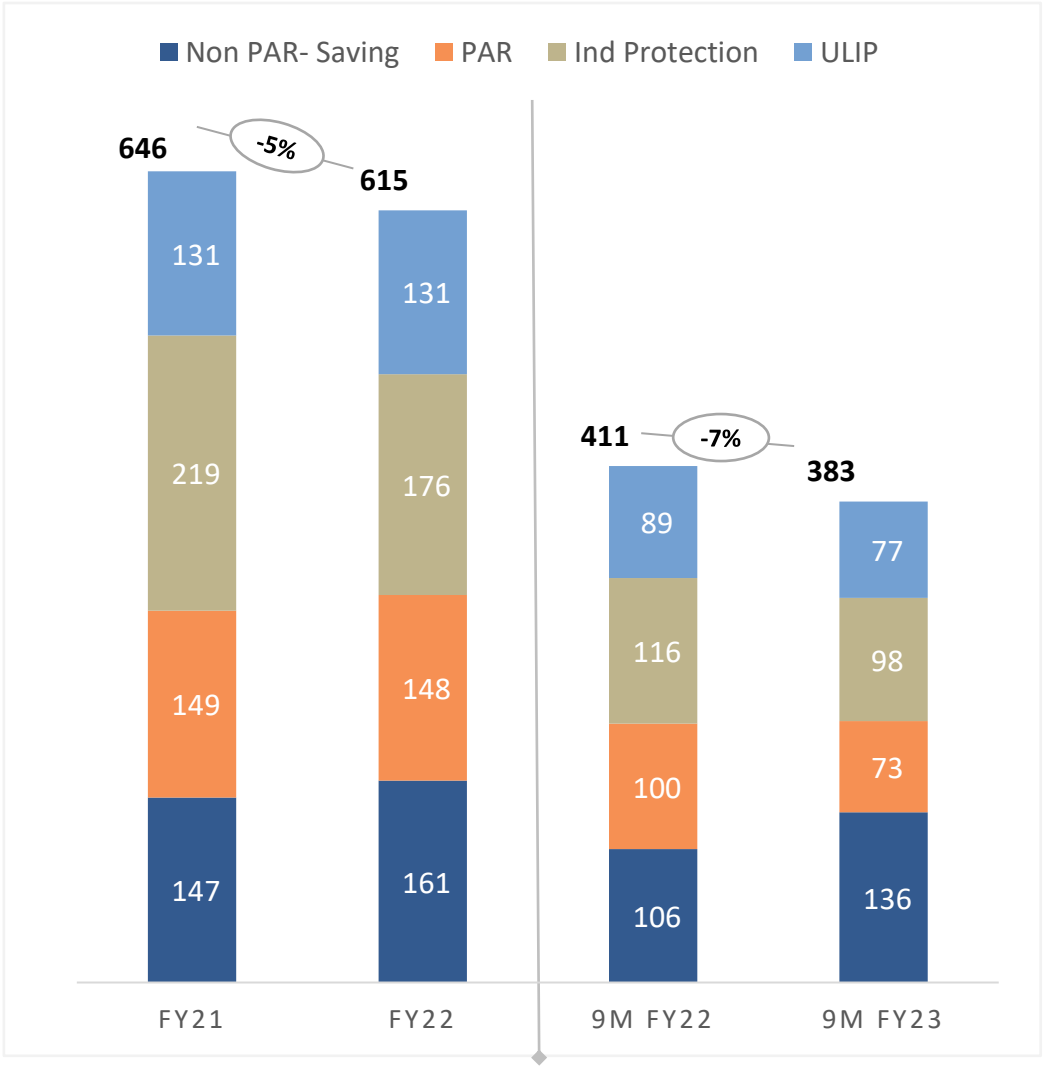
ANNEXURES

Expansion in case size of policies sold in 9M FY23

Case Size (INR'000)



NoPs ('000)



Definitions of the EV and VNB

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 Risk Discount Rate (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 Present 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 are excluded due to their immateriality to the overall EV.

Components of VIF (1/2)

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 4% 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.

Components of VIF (2/2)

Time Value Of Options and Guarantees (TVFOG)

- The TVFOG for participating business is calculated using stochastic simulations which are based on 5,000 stochastic scenarios.
- 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).

Key Assumptions for the EV and VNB (1/2)

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FBIL[1] as at 31st December 2022. The VNB is calculated using the beginning of respective quarter's risk free yield curve (i.e. 31st March 2022 ,30th June 2022 and 30th September 2022).
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.
- Samples from 31st December 2022 and 31st March 2022 spot rate (semi annualized) yield curves used are:

Year	1	2	3	4	5	10	15	20	25	30	40
Dec-22	6.79%	7.02%	7.12%	7.22%	7.30%	7.37%	7.46%	7.48%	7.40%	7.58%	7.44%
Mar-22	4.51%	5.10%	5.63%	6.08%	6.42%	7.02%	7.37%	7.51%	7.34%	7.52%	7.40%
Change	2.28%	1.92%	1.49%	1.15%	0.88%	0.35%	0.09%	-0.03%	0.07%	0.05%	0.04%

Demographic Assumptions

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

- Demographic assumptions are set to reflect the expected long term experience.
- 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] Financial Benchmark India Pvt. Ltd.

Key Assumptions for the EV and VNB (2/2)

Expense and Inflation

- Maintenance expenses are based on the recent expense studies performed internally by the Company. The VIF is reduced for the value of any maintenance expense overrun in the future. The overrun represents the excess maintenance expenses expected to be incurred by the Company over the expense loadings assumed in the calculation of PVFP.
- Future CSR related expenses have been taken to be 2% of post tax (risk adjusted) profits emerging each year.
- Expenses denominated in fixed rupee terms are inflated at 6.0% per annum.
- The commission rates are based on the actual commission payable, if any.

Tax

- The Corporate tax rate is the effective tax rate, post allowing for exemption available on dividend income. Tax rate is 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.
- Goods and Service tax is assumed to be 18%.
- The mark to market adjustments are also adjusted for tax.