

Axis Bank to explore long-term strategic partnership with Max Life

Axis Bank, Max Financial Services and Max Life sign exclusivity agreement

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Axis Bank, Max Financial Services Limited (MFS) and its subsidiary Max Life Insurance Company Limited (Max Life) today signed a confidentiality and exclusivity arrangement to explore the possibility of Axis Bank entering into a long-term strategic partnership with Max Life.

Max Life is currently the largest non-bank owned private life insurer in India. Max Financial Services presently holds a 72.5% stake in Max Life while Mitsui Sumitomo Insurance and Axis Bank hold 25.5% and 2.0% stake respectively.

Axis Bank and Max Life have had a successful bancassurance (banca) arrangement for nearly a decade. The new premium generated through this banca arrangement has aggregated to over Rs 12,000 crore over this period, while maintaining high persistency. Both companies have invested extensively in product and need-based sales training, thereby leading to consistent increase in productivity.

Welcoming the ongoing discussions, **Mr. Amitabh Chaudhry, MD and CEO, Axis Bank**, said, “At the Bank, we constantly keep assessing various strategic opportunities and we see a potential for greater participation in the under-penetrated life insurance space. We have had a long standing bancassurance relationship with Max Life and the on-going discussions are a step further to deepen and strengthen this strategic partnership. The successful completion of the proposed transaction is expected to create significant value for all stakeholders.”

Speaking about the development, **Mr. Analjit Singh, Founder and Chairman, Max Group**, said, “The Max Life-Axis Bank partnership is a natural. The partnership has already set multiple benchmarks in the life insurance industry for policy sales, customer retention, rigorous training to ensure need-based policy writing, technology integration etc. The strategic interest of Axis Bank in Max Life will lead to the much awaited permanence and allow both companies to work towards an enduring future for policyholders and other stakeholders. We also believe that the potential transaction will provide a fillip to the life insurance sector overall.”

Mr. Pralay Mondal, Executive Director - Retail Banking, Axis Bank, added, “Axis Bank and Max Life have worked together for nearly a decade, bringing immense value for all customers. The teams have been collaborating closely and are continuously building on each other’s strengths. The time is right to leverage this unique camaraderie and bring in a more strategic intent to benefit both entities, our customers as well as the larger ecosystem.”



Explaining the rationale for the potential transaction, **Mr. Mohit Talwar, Vice Chairman, Max Group and Managing Director, Max Financial Services** said, “The proposed long term partnership between Axis Bank and Max Life is a natural evolution of what has been a highly productive and mutually beneficial affiliation. It will infuse fresh impetus into the teams in both companies and will motivate them to serve customers effectively and efficiently. I believe that this will be one of the most value-accretive partnerships in the Indian life insurance industry. ”

The transaction will be subject to applicable regulatory approvals, satisfactory completion of due diligence, execution of definitive documentation and satisfaction of other conditions, including the necessary corporate approvals.