

AXIS/CO/CS/36/2020-21

28th April 2020

Shri Kautuk Upadhyay
The Chief Manager (Listing & Compliance)
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
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Bandra (E), Mumbai – 400 051

Shri Khushro Bulsara
The Senior General Manager (Listing)
BSE Limited
1st Floor, New Trading Ring, Rotunda
Building
P. J. Towers, Dalal Street
Fort, Mumbai – 400 001

NSE Code: AXISBANK

BSE Code: 532215

Dear Sir(s),

SUB: AGREEMENT WITH MAX FINANCIAL SERVICES LIMITED

REF: REGULATION 30 READ WITH PARA A OF SCHEDULE III OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS).

This is with reference to our letter no. AXIS/CO/CS/981/2019-20 dated 20th February 2020 on "Confidentiality and Exclusivity Agreement with Max Financial Service Limited".

We wish to inform you that the Board of Directors at its meeting held on Monday, 27th April 2020, has approved entering into an agreement with Max Financial Services Limited (MFSL) to acquire 29% stake in Max Life Insurance Company Limited. The Bank will acquire shares from Max Financial Services and will sign a Shareholders' Agreement and a Share Purchase Agreement in relation to the same.

The said transaction is subject to satisfaction of conditions precedent, including receipt of regulatory approvals from Reserve Bank of India, Insurance Regulatory and Development Authority of India and Competition Commission of India, among others.

The details as required under the Listing Regulations are provided in **Annexure A**.

The press release in this regard is attached herewith.

You are requested to take note of above and arrange to bring the same to the notice of all concerned.

Thanking you,
Yours faithfully,

For Axis Bank Limited

Girish V. Koliyote
Company Secretary
Encl: As above.

AXIS BANK

Legal & CS: Axis House, Wadia International Centre, Pandurang Budhkar marg, Worli, Mumbai 400 025

Registered Address: "Trishul" - 3rd Floor, Opp. Samarthesw ar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006. Telephone No.:

079-26409322 Fax No.: 079-26409322

CIN : L65110GJ1993PLC020769 Website: www.axisbank.com

Annexure A

Details which a listed entity needs to disclose for the events that are deemed to be material as specified in Para A of Part A of Schedule III of Listing Regulations.

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring:
1.1. Acquisition (including agreement to acquire):

Particulars	Details
a) Name of the target entities, details in brief such as size, turnover etc.;	Max Life Insurance Company Limited (unlisted entity) Turnover: 2017 – Rs. 15,774 crores 2018 – Rs. 16,789 crores 2019 – Rs.19,987 crores
b) Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm's length”;	The acquisition of stake in Max Life Insurance Company Limited will not fall within the related party transaction. Shares will be acquired from the listed parent entity of the target company i.e. from, Max Financial Services Limited. The promoter/ promoter group/ group companies do not have any interest in the entity being acquired.
c) industry to which the entity being acquired belongs;	Life Insurance
d) objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	To strengthen Bank's position in Life Insurance industry. Banks are allowed to engage in Insurance business.
e) brief details of any governmental or regulatory approvals required for the acquisition;	The said transaction is subject to regulatory approvals from Reserve Bank of India, Insurance Regulatory and Development Authority of India and Competition Commission of India, among others.
f) indicative time period for completion of the acquisition;	6-9 months subject to regulatory approvals.
g) nature of consideration - whether cash consideration or share swap and details of the same;	Cash Consideration

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h) cost of acquisition or the price at which the shares are to be acquired;	The purchase price shall be arrived basis the valuation of Max Life conducted as per Rule 11UA read with Rule 11UAA of the Income-tax Rules, 1962 on the date of share purchase.
i) percentage of shareholding/control acquired and/or number of shares to be acquired;	55,64,94,102 shares representing 29% stake in Max Life Insurance Company Ltd
j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Line of business: Life Insurance</p> <p>Date of Incorporation: 11-Jul-2000</p> <p>Turnover:</p> <p>2017 – Rs. 15,774 crores</p> <p>2018 – Rs. 16,789 crores</p> <p>2019 – Rs.19,987 crores</p> <p>Country of operation: India</p>
k) Significant terms of the agreement (in brief), special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.	<p>The definitive agreements provide for certain rights with regard to:</p> <ul style="list-style-type: none"> • Governance of Max Life including the right of appointment of nominee directors, and affirmative voterights for the Bank and Max Financial Services Limited (MFSL). Accordingly, MFSL will have the right to nominate 4 (four) directors on the Board of Directors of Max Life ('Max Life Board') and Axis Bank will have the right to nominate 3 (three) directors on the Max Life Board. • Axis Bank and MFSL intend to create long term value for all shareholders of Max Life by working towards a merger of the Company with Max Life. Should the merger not be completed by a pre-agreed timeline, the parties have contractually agreed on certain other outcomes which are detailed in the transaction documents including the right to swap up Axis Bank's shareholding to Max Financial, tax consequence of which will be equally borne by the parties. ("Value Creation Options"). If the Value Creation Options are not consummated within 63 months from the closing, the transactions provide for a put option for Axis Bank on the Company to sell all

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	<p>shares held by Axis Bank in Max Life at a price of INR 294 per share (subject to adjustments mutually agreed between parties) within 9 months of exercise of such put option.</p> <ul style="list-style-type: none"> • Customary rights like minority protection rights for Axis Bank at Max Life level, anti-dilutive provisions, consequences of identified events of default form a part of the inter-se agreements.
<p>l) Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;</p>	<p>Upon the closing of the transaction, Axis Bank will have the right to nominate 3 (three) directors and MFSL will have the right to nominate 4 (four) directors on the Max Life Board. One nominee director of the Promoter group on the Board of MFSL shall be a person identified by Axis.</p>

28th Apr 2020 - Mumbai, New Delhi

Max Life to be 70:30 joint venture between Max Financial Services and Axis Bank

- *Deal marks coming together of 3rd largest private bank and 4th largest private life insurer*
- *Strategic transaction to strengthen the franchise and bring long term orientation to the relationship*
- *Axis Bank to own 30% stake in Max Life post transaction closure*
- *Max Life to include Axis Bank logo in its brand tag line to demonstrate the close knit partnership*

Axis Bank Limited (Axis Bank) and Max Financial Services Limited (MFS) announced the signing of definitive agreements to become joint venture partners in Max Life Insurance Company Limited (Max Life). Axis Bank will hold 30% stake in Max Life post transaction closure. The development will result in a mutually beneficial and enduring relationship between Axis Bank and Max Life and bring the stability of a long term partnership to India's fourth largest private life insurance franchise. The joint venture arrangement will significantly improve Max Life's competitive position vis a vis its competitors, including the other large bank owned private life insurers.

The Boards of Axis Bank, MFS and Max Life approved the transaction late on 27th April 20. This is an outcome of the inter-se discussions after the three companies had signed a confidentiality and exclusivity arrangement on 20th Feb 2020 to explore the possibility of a long-term strategic partnership between Axis Bank and Max Life.

Max Financial Services presently holds a 72.5% stake in Max Life and Mitsui Sumitomo Insurance (MSI) owns 25.5% stake. Axis Bank also has a minor stake in the life insurer.

The aforesaid transaction with Axis Bank follows the ongoing swapping by MSI of 20.6% stake that it holds in Max Life with a 21.9% stake in MFS. MFS also plans to purchase MSI's balance stake in Max Life. Post completion of the series of transactions, Max Life will become a 70:30 joint-venture between MFS and Axis Bank. The proposed transactions are subject to approval of requisite corporate and regulatory authorities (including IRDAI, RBI and CCI).

Max Life's tag line will include Axis Bank's name, which will further enhance customer trust in the brand and highlight the strength of the partnership.

Axis Bank is the third largest private bank and Max Life is the fourth largest private life insurer in India. The two companies have had a successful business relationship for over a decade, providing long term saving and protection products to over 19 lakh customers. The total premium generated through this relationship has aggregated to over Rs. 38,000 crore. Both companies have invested extensively in product and need-based sales training, thereby leading to consistent increase in productivity.



Announcing the transaction, **Mr. Amitabh Chaudhry, MD and CEO, Axis Bank**, said, “We continue to believe in the long term prospects of India’s under-penetrated life insurance space, current environment notwithstanding. We see this joint venture creating immense value for our stakeholders given our long standing, high performing partnership with Max Life. We believe this transaction will allow us to deepen our working relationship leading to better integrated teams and infrastructure and a superior alignment in our approach.”

Welcoming the development, **Mr. Analjit Singh, Founder and Chairman, Max Group**, said, “This move is an emphatic signal that Max Life will become an even more formidable player in the Indian life insurance space. We at Max Group have had a long standing record of having successful joint ventures. We achieve this by choosing partners with complementary skills, a matching belief system and a shared vision for the future of the business. I believe that in Axis, we have found an exceptional partner and we have conviction that this will make Max Life fundamentally stronger, better performing and will bring stability to the franchise. We will run the organization as if it’s an equal partnership, a philosophy which has held us in good stead earlier as well.”

Mr. Pralay Mondal, Executive Director - Retail Banking, Axis Bank, added, “This transaction would enable Axis Bank to take its partnership with Max Life to the next level. Max has been a well-managed, professional organization with product and distribution capabilities that can be significantly augmented by this partnership, thus leading to greater customer value”

Elaborating the rationale for the potential transaction, **Mr. Mohit Talwar, Vice Chairman, Max Group and Managing Director, Max Financial Services** said, “The strategic benefits of this partnership will be multi-pronged and will continue to unfold over a long period of time. I have no doubt that this joint venture has the potential to catapult Max Life further up on the life insurance league table. The combined trust of the Max and Axis franchise will hold us in good stead, especially in the current scenario where people are seeking safety in well governed and trusted institutions.”

Axis Capital acted as the sole advisor to Axis Bank for this transaction.



About Axis Bank:

Axis Bank is the third largest private sector bank in India. Axis Bank offers the entire spectrum of services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses. With its 4,415 domestic branches (including extension counters) and 12,173 ATMs across the country as on 31st December, 2019, the network of Axis Bank spreads across 2,521 centres, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Axis Group includes Axis Mutual Fund, Axis Securities Ltd., Axis Finance, Axis Trustee, Axis Capital, A.TReDS Ltd., Freecharge and Axis Bank Foundation.

About Max Financial Services

Max Financial Services Limited (MFS), a part of the leading Indian multi-business conglomerate Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. MFS actively manages a 72.5% stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance.

MFS is listed on the NSE and BSE. Besides a 28.3% holding by Analjit Singh sponsor family, some of Max Financial Services' marquee shareholders include KKR, New York Life, Baron, Vanguard, Blackrock, Aberdeen, First Voyager, Jupiter, Dimension, East Spring and the Asset Management Companies of Nippon, HDFC, ICICI Prudential, Aditya Birla Sun Life, Mirae, BNP, DSP and Sundaram.

About Max Life

Launched in 2000, Max Life is India's largest non-bank private life insurer and the fourth largest private life insurance company, with gross premium income of Rs. 14,575 crore and a Claims Paid Ratio of 98.74% in FY19. It currently has over 4 million policies in force and has a pan-India presence through 345 branch units. 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 demonstrated over the last 2 decades, 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.

Press Contacts:

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