



May 12, 2026

To

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

BSE Limited
Department of Corporate Services/ Listing
Phiroze Jeejeebhoy Towers,
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Mumbai – 400001

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Sub: Transcript of the Earnings Call conducted on May 06, 2026

Dear Sir/Madam,

In furtherance to our earlier communication dated April 27, 2026, May 07, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of the Earnings Call conducted on May 06, 2026.

The transcript of Earnings Call is also available on the website of the Company at <https://www.pbfintech.in/investor-relations/>.

You are requested to kindly take the same in your records.

Yours Sincerely,
For PB Fintech Limited

Bhasker Joshi
Company Secretary and Compliance Officer

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PB FINTECH LIMITED

Q4 FY 2025-26

Earnings Call

May 06, 2026



Management: A very good evening, everyone and a very warm welcome to PB Fintech Limited Earnings Conference Call for Q4 and full Year FY26. Today, we have with us:

- Mr. Yashish Dahiya, Chairman & Group CEO, PB Fintech
- Mr. Alok Bansal, Executive Vice Chairman, PB Fintech
- Mr. Sarbvir Singh, Joint Group CEO, PB Fintech
- Ms. Santosh Agarwal, CEO, Paisabazaar
- Mr. Mandeep Mehta, Group CFO, PB Fintech, and
- Mr. Mohit Khobragade, Head, Investor Relations, PB Fintech

I now request Yashish for his introductory note.

Management: Thanks very much, Mohit.

Hi, everyone. Before I just start giving you the numbers, which some of you may have already seen because the press release went out about an hour and a half ago. See, we spent the last two-three months just thinking a little harder about various data points, etc, and one of the interesting pieces that we came out with was that when you look at health insurance data over the last 10 years that we have had, customers who joined us 10 years ago, and we explore that data more deeply. Only 5% of these lives; so, if 100 customers bought insurance 10 years ago, only 5 of them used a claim more than once. Another about 8 or 10 use the claim once and the rest never claimed for 10 years. And I won't take a long time. The remaining 85-odd customers that you're talking about and that represents about 67% of all insurance policies, have no customer who has ever claimed for the last 10 years, and have been paying premiums for a 10-year period. Those 67 do not interact with anybody. And usually, the one who's responsible for bringing these customers into the insurance fold is some kind of mandation. So, if you look across the insurance industry, you will usually find customers buy products when they are mandated. But otherwise, it's a very difficult job to bring this 67% of policies into the insurance fold to pay premiums year on year without claiming for a single year over a 10-year period. And this is the job that is entrusted to the insurance industry. And I think this is the part, every time somebody wakes up in the morning and tries to compare health insurance and term insurance with any other product like a mutual fund, or even the insurance savings products, etc, I think they make this mistake that this 67% actually is not going to claim at all. Anyways, I will stop there, but that is our job, and that is what Policybazaar really, really specializes at, bringing in that 67% of people who are not going to claim, because without that, please appreciate, that 5% of lives will simply not be able to afford their situation. Because even over a 10-year period, their claims ratio at a life level is almost 700-800%. At a policy level, it is about 300%, so they cannot afford these policies. They cannot afford their healthcare without the insurance policy.

Coming to the results, we grew 42% year-on-year, to almost ₹30,000 Cr. I wish it was ₹30,000 Cr, but it's ₹29,934 Cr, led by new protection premium, which grew at 57% year-on-year. And the PAT is at ₹670 Cr, which represents 2.2% of our premium. Now, for the full year, our insurance premium obviously grew at 42%, but for the quarter, it grew at 46% year-on-year. So, what I'm trying to say is, as we get towards the end of the year, the speed has increased a little bit. The core online insurance premium is up 39% for the year. And the new protection premium is up 57% for the year. However, when you look at the same numbers on the quarter, they are 44% and 67% each. Obviously, the fact the last two quarters were somewhat faster growth bodes well as we go forward, and also because the savings business came out of a low cycle, you're starting to see some higher growth. The lending disbursement is also clearly in the positive territory now. We are up 11% year-on-year. Overall, at the financials, the operating revenue for full year is ₹6,794 Cr, the operating revenue for the quarter is just about ₹2,000 Cr. The new protection business in Q4FY26 was up for the year 57%, health at 68%, so even in this, 67% year-on-year protection story, health continues to be slightly ahead of the pack, which is a positive sign. But term is catching up fast, and as we look into the new year, term is certainly going to be challenging



health. For the overall year, the consolidated operating revenues grew 37%. I think we've given you all these numbers. When we look at our core renewal revenues, as I explained why the quarter is doing better and why we feel confident about the financials for the coming years. As I said in the past, our renewals is a large contributor to our future growth of profits. That has gone up for the last 12 months rolling from ₹668 Cr to ₹935 Cr, up ₹267 Cr. And for the quarter, this is at an ARR of ₹1,126 Cr, up from ₹689 Cr, so that's a growth of 63% year-on-year. And this is one of the key drivers, not the only driver, I must emphasize that the new business is also contributing to increasing profits and doing so very handsomely. The second part is the growth has been, obviously, accelerating. So, as we said, net of savings, we look at one thing which is net of savings; over the last few years, we've been in the 30-40% range. Mostly around 35%. But this quarter, we were at 59% year-on-year. That is basically savings coming into growth territory again. And including savings, we were at 48% year-on-year for the quarter, for the new insurance premium. So again, new versus renewals, new is still outgrowing renewals. And new health is outgrowing everything else. We're continuing to improve our customer onboarding and claim support and the insurance CSAT is now consistently above 90%. Even our Paisabazaar CSAT, which used to be at about 72%, has finally reached about 90%, which is a very positive turn. Our credit revenue is up 7% year-on-year, and the disbursement is up 11% year-on-year. However, I must emphasize, Paisa has made very significant difference in the last one year in terms of the stability of its supplier base. In terms of the service that we provide as a platform, we are no longer just a redirection platform, we are increasingly an end-to-end platform, and in terms of its customer service. So, the core reasons why our business exists, it has improved remarkably on. Obviously, our new initiatives, as you've seen, have continued to do well. Our EBITDA is at -4%, with a 5% contribution margin. We've grown at 43% year-on-year. However, I must emphasize, new initiatives, I don't know why we call it new anymore, it's about 3-4 years old. The new initiative is now growing pretty much at the same pace as the other businesses, so there is nothing very specific about the growth rate here. PB Partners has 450,000 advisors. And it is the most diversified business. 99% of the PIN codes in the country are covered. Our UAE business grew 54% year-on-year. They have built their strength on the basis of cross-border health insurance and life insurance products, as well as the claims assurance program. Again, learning from Policybazaar in India, and taking those learnings there and applying them beautifully. The consolidated PAT, as I said grew, I've already said all this. To summarize: Once in a while, it helps to look back at November'21 and now where we are. Our revenue has grown at a CAGR of 48% over this period, over the last 4 or 5 years, and our PAT has grown from -58% to 10% in the full year of 2026. I'll stop there and take questions, please.

Management: Hi, everyone. May I now request you all to please ask your questions?

Management: Hi, Sachin, please go ahead.

Sachin Salgaonkar: Thanks, Mohit. Congrats Management, one more time, a great set of results. I have a few questions. First question, want to understand a bit more on what's driving the new insurance premium growth. It's has been around 59% YoY in this quarter. Any colour on some of the drivers in terms of the product mix, volume growth, and so on and so forth? And more importantly, how could we think about this growth in coming years?

Management: Sachin, I think the drivers of new insurance premium growth remain the same. Health has been growing fairly rapidly. There was a little bit of a bump up that we got after September. After GST, in the last quarter also, if you saw, we did grow quite strongly, and in this quarter also, that growth continued. And it's on the basis of two-three things. One is a superior product proposition. We have modular products which allow us to segment the market and produce the most appropriate product for every person, whether you are young, old, or you have pre-existing diseases, or you're a non-resident Indian, etc. The second thing on the health side that we provide is a superior claims experience. Increasingly the confidence that both our sales advisors and the customer who's coming to Policybazaar have in this proposition that if you buy from Policybazaar, the chances of getting a claim become higher



and higher, closer to 100%. I think this proposition is beginning to take root, and I believe this story has a long way to go, because, as you can imagine, this is the most important issue. I think on the term side, in Q4, we had a great quarter. The team has been bringing things together, and they all sort of came together in Q4. There was a little bit also that last year, fourth quarter was not as strong, so the comparison was also a little bit favourable. Savings, as Yashish mentioned, we had a little bit of a tough last 3-4 quarters, starting from Q4 of last year, so we returned back to growth. In fact, savings would have had an even better quarter in Q4, except that in March, because of the situation in the Gulf, etc, the non-resident business, definitely took a little bit of a hit in that way. And the other businesses, motor, two-wheeler; Travel, of course, was a little soft, but motor, two-wheeler continued to grow. So overall, all the businesses, I would say, contributed. The drivers are the same. We got a little extra in Q4, in health, term, and to some extent in savings.

Sachin Salgaonkar: And in terms of steady-state growth, what could be the growth one could think about?

Management: We always guide about 30%, we always beat that guidance.

Sachin Salgaonkar: Okay, fair point. Second question, Yashish, your presentation does mention a lot on AI in terms of PB AI operating system. It's used across different functionalities, right from a risk to claims and to everything. Anyway to quantify the margin benefits we could see on the back of AI implementation? Not immediately, maybe from a medium-term perspective, the benefits of AI on the revenue and cost, how could one think about that?

Management: I think, Sachin, the best way to think about it is, if you ask me, we are not actually right now in the stage where one is trying to optimize for cost and, margin, etc. I think right now, we are in a stage where we want to make sure that we are leveraging AI in the best possible way. And we've tried to give you a flavour for that, which is to say that we are focused right now on increasing the productivity of our sales team, of our customer service team, of making sure that our customers can get an amazing experience when they come to the platform. So, I think, right now, the focus is on these things, and obviously, we are trying a lot of experiments to see beyond this also, on the frontier kind of stuff. So the idea, I would say, from an outside perspective is to make sure that we are doing all these things and delivering, and you can see that conversions have been going up, quarter on quarter, year on year. It's always very hard to break it down as to how much is due to AI, how much is due to other things, but I would say overall, what gives us optimism and hope for the future is that all our teams, it's no longer a few people using AI or something, the entire company is on it, and a lot of organic things are coming up, and we can see the productivity going up. Exactly what will happen 3 years from now, 5 years from now, I think that remains to be seen. My view is that over the long term these things adjust. So, the main thing for us remains to drive Fresh growth. If you ask me, the structure of the P&L, if I could say it myself, is in pretty good shape. The main thing now is that we must continue to drive fresh growth, bring new customers to the insurance industry, and service them well. That's really our focus, so I'm not sure we're looking at this as some kind of margin driver going forward. Is that fair?

Management: No, that's a very fair statement, and as you think about AI, and I'm not just talking about Policybazaar, but also the insurance industry. I think the biggest use case in the insurance industry is going to be risk, not efficiency. I think we are, as people, more focused on the efficiency part, but the insurance industry is actually not about distribution, it's actually about claims. And it's about cost of claims, and underwriting, and all those things. I just gave you an example that only 5%, 5 out of 100 people who bought an insurance policy 10 years ago, have ever made more than one claim. Now, obviously, the next thing we want to know is, how do we identify those 5 before they become those 5, right? Because that's appropriate pricing. And, of course, AI is going to help a big time in that. Now, at the point of claim, identifying whether a claim is right or wrong, I think that is the immediate and the most critical use case. The second use case is more about building our capability as people, and I think



the answer is spot on. Our priorities, not for one year or two years, but for, I would say, the next 5 years, and hopefully much longer, is growth and customer excellence. See, those of you who see us from the outside in, and maybe compare us to an Amazon or something, might feel like, oh, what's so great about this customer excellence? But the moment you compare it to the industry dynamic and the complexity of the industry, I think we are phenomenal in customer excellence, and we have a very long way to go in that. So those two are the primary drivers, and as long as we keep driving on that, I think everything else will fall in place.

Sachin Salgaonkar: Got it, very clear. Third question, Yashish, is on the growth and the new opportunities. Clearly, when we look at the kind of cash flows PB Fintech is going to generate in coming years, it's pretty huge. So, when you think about growth and new opportunities, what are some of the areas of investments, either in the current business or adjacencies we are looking? And a relative question is, PB Health clearly is in the market to look to raise money. Is PB Fintech looking to invest in the next round?

Management: So, on both of them, today, we are not exploring, either as a board, or I can tell you as a Management, any other growth opportunity. We have not come across any in the last 3 months? And we are not actively looking at anything, and we have not even discussed anything. And I'm not even saying at a board level, even at a management level. Number two, you asked about PB Health. Yes, PB Health is going to be raising capital. They will be close to that. They have not come to PB Fintech to raise capital yet.

Sachin Salgaonkar: Okay, but there remains a possibility PB Fintech might invest in PB Health at some point?

Management: That has to come to the board, and when it comes to the board, PB Fintech might consider it. It has the right to do a pro data. It has about 26-28% shareholding, it has a right to maintain that.

Sachin Salgaonkar: Got it. And last question I would say is, any incremental discussion on any cap on commissions or tighter commission regulation? As you know, this was all around in media around 3 to 4 months back, but as of now, there appears to be no news flow on this topic.

Management: No, no, there's news flow even today. The media is much more active than either the regulator or the insurance industry. So, nobody else knows, only the media knows. I think earlier you had only one, now you have two, three of them competing with each other for the same news flow.

Sachin Salgaonkar: But nothing from the regulator on this topic, basis your discussion with the regulator.

Management: I haven't seen anything, neither have any of the insurance companies seen anything. I don't think most of the people in the regulatory have also seen anything. Only the media has seen it.

Sachin Salgaonkar: Got it, very clear, and all the best for future. Thanks, Yashish.

Management: No, look, I think, I have to be a little less jovial about it, a little more fact... It doesn't mean that we don't track. What we track is, I believe there are two different conversations that go on, actually multiple conversations that go on. One conversation that's been on in the life insurance industry is about some form of deferred revenues. We don't want to participate in that debate. We are very positive about it. If that happens, that's a very, very good thing for us. The second conversation that goes on is some kind of lower EOM structure, in the health insurance industry. Once more, we welcome it. If it happens, we have no kind of comment to offer on this. The remaining conversations that you hear, we only hear from the media, honestly. We actually don't hear it from the regulator.

Sachin Salgaonkar: Fair point. Thank you.



Management: Thank you, Sachin. We will take the next question from the line of Jayant Kharote from Axis.

Jayant Kharote: Hi, thanks for the opportunity, and congratulations to the whole team, for once again delivering above expectation numbers. First question is on the margins. If you can help us break down the core business margins, I see this 25%. Meaning, if Paisabazaar has turned around this quarter, then how does the YoY margin look in the insurance business? Basically, if you could break down the margin movement in Paisabazaar and the core insurance business.

Management: I don't think we get into that level of detail. I don't know if we've done that historically. So, we will simply avoid it. At the contribution level, both are doing well and both are quite similar now at the contribution level. Yeah, maybe insurance is a little better.

Jayant Kharote: Has Paisabazaar turned around on EBITDA? Is it a positive?

Management: Paisabazaar, on an operating basis, is positive on EBITDA this quarter, and honestly, internally at least, we expect it to be significantly positive next year, so we actually expect quite a strong year from Paisabazaar. Santosh, if you want to speak a bit about it.

Management: Right now, Q4, the contribution margin is healthy, and at an EBITDA level, it is still minuscule, I'd say, very small but it's positive. This financial year, I think we should make a lot of progress, and I think we're seeing growth every quarter, that's all I would say. But for it to be meaningful, I think it's a wide way.

Jayant Kharote: So, in Paisabazaar, only if I could double-click, and maybe, Santosh ma'am, if you could help. See, the main issue has been that our fixed cost base is roughly in that range of ₹200 Cr +/-, I don't know the exact number, but the revenues, unfortunately have been facing some downward pressure, whether it's credit card issuances, or even the take rates in unsecured, right? The industry is having a lot of channels that are doing that. Of course, Paisa has its moat, but there is take rate directionally that's getting compressed. So, where do you see that delta coming from and again, while you're building new businesses, does it mean it's not adding up in direct costs on the balance sheet.

Management: See, you rightly mentioned the number. So, the cost numbers are roughly similar. They've stabilized, and I think what we will see, this year is operating leverage because of that. The fixed cost option will be better, and as we scale, the PAT margins will emerge. That's what we're expecting in this financial year. We are starting a few new initiatives, but those will not add to incremental costs, so I don't see the cost side increasing too much. As the revenues scale, the margins will improve.

Jayant Kharote: And ma'am, is the renewal revenue improving, or that continues to struggle a little bit because of what has happened in cards?

Management: So, largely, Paisa is an origination revenue, its renewal revenue is not too significant, so most of what you see is one-time origination revenue.

Management: In fact, Jayant, we are moving away. So, I know what you mean by renewal revenues, what we used to receive up to one, two years ago. We still receive some component of that, but that's becoming less and less important. We are more and more focused on upfront payments rather than renewal revenue. However, as we move towards the savings business, some of it will appear, but honestly, from a revenue perspective and a meaningful revenue, both at PB Fintech and even Paisabazaar level, you're probably talking not the next 2 years, from a renewal revenue of that.

Jayant Kharote: Great, great. And last question is on, while I know there is no consultation paper that is out there but one hypothetical question to you, Yashish, if at all there is some take rate reduction, we



operate at a blended between 16 -18%, if there is a 50-100 bps. The only question is, how much can we manage to pass on?

Management: I'll give you all, the very, very straight answer as I see it, and you either accept it or don't accept it. See, if we were an insurance company, if Policybazaar was an insurance company, and I'm talking about health insurance because, as I explained, you have to break this up. POSP, what happens, honestly, doesn't matter to us. Whether I say it or not, we do that business for different purposes, growth and whatever, defensive play, etc, etc. But in the core business, if we talk about it, if you look at life, I think whatever happens, we will benefit. Because whenever you have deferral of payments, the larger, more consolidated players benefit, because they are the ones who can play that game out very well. I think the story everybody may be worried about is health and so let me address that. If Policybazaar was an insurance company, our total costs and the claims paid out on our book, and when I'm looking at a fully loaded, delayed book, are less than 80%. There is no insurance company in the country who can compete with that. All I'm saying is we have the most profitable book in the industry by a 20% delta from the rest of the industry. So that 20% profit will go somewhere, whether to us or to the insurance company. And it will be a fair outcome between us and the insurance players. How? You have to trust us. It can always take us 3 months, 6 months to put that in place, but that will come in place. Whether it comes through, whichever mechanism it comes through, whether from a reinsurance, whether from a reinsurance broker, whether from a JV, whether from whatever mechanism it comes through, but it will come through. I also explained to you, and I think you guys should start catching the clues of what I'm trying to give. We know the 95% of customers who are not claiming. So, I just leave it there. So, I know the part of my book which is operating at less than 10% claims ratio. It is visible to me. Those customers deal with me every year at every renewal. I'll stop there. You can just imagine the kind of situation.

Jayant Kharote: No, of course, this is clear.

Management: Please don't worry about my 16%. I take the 16% because I only want to take 16%. It's not because I can only get 16%. I'll park it there.

Jayant Kharote: This is very helpful, Yashish. Sorry, what I was asking was, on the agent side, essentially, how much do you think we can pass on to the tele-agent network? With the AI also coming in, can we offset? Basically, I was trying to say, even if we were to take 30-40 bps, can we offset that through more IVR and tele-agent pass-on? Is that a right thought process, or I shouldn't be thinking like that?

Management: I just want to be very upfront with you. It's not like that we are today not trying to be more productive because we are getting paid expectantly. I mean, our teams are seriously working hard, and we will not leave anything. It doesn't matter whether the commission goes up or down, we want to be more productive. So, yes, I understand where you're going. I think Yashish was trying to indicate that the economics very much support the take rate that we get, and we leave significant profitability for our partners also. So, hopefully, as things work out, and depending on where they go, I think speculation is not required. Wherever we end up, we have a very high probability of being able to manage the economics. I think that's what the message we're trying to give you, but I do want to assure you that we are making every effort, every day, to be more productive and reduce costs, whether through AI and all other routes available to us.

Jayant Kharote: Great, great. Thanks a lot, and congratulations once again to the whole team for the great success.

Management: Thank you, Jayant. We will now take the next question from the line of Dipanjan Ghosh from Citi.



Dipanjan Ghosh: Hi, just a few questions from my side. First, when I look at the evolution of Policybazaar, from insurance and Paisa, now pension, in your presentation, you have mentioned about PB marketing, your intention to get into even stock broking, if I'm not wrong. You mentioned in the presentation, you're applying for ARN license for MF. And when I look at the landscape, the way it is developing, and some of your listed peers, or even unlisted peers. It seems all of you would start, becoming a digital native platform for distribution of all sorts of financial products, or most sorts of financial products. Now, there are two questions. One is, how do you really differentiate yourself from others, maybe not today, but let's say 5 years out. And second is, in terms of, leveraging your existing customer base, whether it's Policy or Paisa, for these new product classes or kind of cross-selling, what sort of data sharing practices are there, or, I mean, can you really do that? I mean, how do you really leverage the existing customer base? My second question is on PB Connect, the physical leg of the lending business. It seems that the volumes were quite low compared to last quarter. So, is there any change in strategy on that business? And my last question is on the phygital leg of the business on the core insurance side, in terms of you deploying manpower in 200-plus cities. I just wanted to understand, in terms of capacity that you have currently to service, and the product mix or margin profile, how do you really look at the phygital business versus the core online business? I mean, over the long term, will there be any difference in the margin profile?

Management: Sure, thank you. First of all, we have two businesses. One is Policybazaar, and one is Paisabazaar. And a lot of what you mentioned actually applies to Paisabazaar, so I'll pass that. Policybazaar stays extremely focused on one problem, and it's a very, very deep problem, and I don't think anybody else is trying to solve that problem, which is solving for social security of the middle class, which implies protection against death, disease, disability, and old age, which can be pensions. So, there are basically four products required. Health, term, pensions, and waiver of premium. Waiver of premium is basically, in case something bad happens, if you've invested in a mutual fund, you only get the 3 months that you've invested for, but if you've died, then you get the waiver. So, these are the four products. And that goes for child education. These are what Policybazaar is focused on. Paisabazaar and the future that it wants to build, I will just pass on to Santosh to explain. Before I go there, maybe Sarbvir can cover the insurance physical versus online.

Management: So, again, just to be very clear, Dipanjan, the person comes to our platform, and either the same person who is speaking to them on the phone, goes to visit them, or they pass on, they make an appointment, and one of their colleagues who's in that city goes to meet the customer. So, the journey is exactly the same, it's just the fulfilment, which is physical. It's about 25% right now of our savings, term, and health business. If you've just looked at together. It has been growing, quite rapidly, but so has the rest of the business, so the percentage, grows very, very slightly every quarter, every year. Now, as far as the economics of the business are concerned, they are actually very, very good, because as you can imagine, the lead cost is the same. Now we're getting extra conversion from that lead. We have spent money to get the customer, now we're getting extra conversion from that. So that conversion, of course, comes at a very high contribution margin. The biggest challenge that we have been working on from day one is the quality of the business, because suddenly we have a situation where you're not on a recorded line, etc, etc. So, we do verification calling, we focus from a cultural perspective to ensure that our team understands the importance of quality, etc. So, I think the skill that has been built, the first skill to be built was how to manage a physical workforce, which I think our team now has got pretty good at. The second skill that we have built is how to manage the quality of that sale so that there is no deviation, because, all the things that we tell you about, the quality of business at Policybazaar is one of the key ingredients, and that is measured in terms of claim settlement rates, loss ratios, in terms of persistency and renewal rate. These are the clear metrics which tell you whether the quality is good or bad, and I would say all four of them are at all-time highs right now. So far, it appears that we are managing it well. But it's something that we are very watchful about.



Management: I'll now pass on to Santosh, and before I pass on to Santosh, this is not a board-approved thing, but our idea is that Paisabazaar goes on to list itself, maybe in 4-5 years, whenever, but that's the whole idea to which the team is driving towards, and I'll kind of pass on to Santosh to kind of explain what her strategy for doing that is. Sorry, not for doing that, but yeah, overall.

Management: Dipanjan, largely, Paisabazaar has about 5.8 Cr consumers that it has acquired till date and that almost represents 50% of the active credit Indians in India. Now, how do you do more to these consumers is basically the idea. We are transitioning into becoming a more engagement platform than a one-time origination platform. And, you can, of course, do that through credit, but you can also do that through savings. People want both kind of products. Now, to do the savings business, we of course wanted both the bonds and mutual funds. So, the stock broking license that you were talking about is a prerequisite for acquiring a bond license. So that is why you see that license being applied. And, Bonds, I think, is a very good consumer product, very efficient, and a good, fixed return product that consumers like. We've done some initial experiment partnering with the platform, and we've seen some early success. So that gives us a lot of confidence that this area will really build. And I think it's the right time to also, I think, start this product in India today. It's a very new industry, and there is some activity happening, but I think we're at the right time entering this space. On the mutual fund side, it is an established industry. If you ask me really, the right to win will be harder, but what we are attempting is, instead of moving to a monthly SIP format, bringing in a daily SIP format. And that can build a lot of engagement. It really improves affordability. People, when put in, say, 100 rupees every day, and when you see it compound over 5 years, it can be a meaningful number. So I think that is the path of building the savings area. Of course, it'll take another 2-3 years to actually flesh that out fully. But that will build a trail, building a recurring revenue stream. That's largely the idea of customer engagement.

Management: And on PB Connect, just to explain, we had two kinds of businesses. So PB Connect is basically, just for everybody's sake, it's like the POSP of home loans, and in that, we have two kinds of businesses. One is more focused at retail agents, so very, very small micro-agents, and one is dealing with other agents who are large enough, so more like wholesale. We have decided to stop the wholesale business, and it's a decision that we've taken, because we don't see any strategic value of that business. And, because we decided to stop that, you have seen a decline in the revenue. It has no impact on the overall profits. Like, maybe we were losing ₹0.5 Cr a month or something, so that ₹0.5 crore loss is gone.

Dipanjan Ghosh: Got it. Thanks, everyone, and all the best.

Management: Thank you, Dipanjan. We will now take next question from the line of Supratim Datta. Supratim, please unmute your mic.

Supratim Datta Hi, thanks everyone for the opportunity. I'll start off on the Policybazaar side. So, you have indicated that the fresh business growth has continued to remain very strong, driven by protection. Just wanted to understand, how are the customers that you're getting post-September different to the ones before that? Is there a ticket size difference, is there a product or the kind of policies that they're taking; is there a difference there? Just because that would be very important in extending this growth. So that's the first bit. The second bit is on the change, how you're trying to expand the Paisabazaar platform. Wanted to understand, one, on the mutual fund side, would these be direct mutual funds that you're doing, or would these be, the regular mutual funds? And then, it seems like you're going towards more of a distribution, a wealth management, kind of a setup, with bonds and mutual funds. So, wanted to understand that, maybe 5 years out or 7 years out, is that the ultimate aspiration, that you want to be kind of a wealth management platform for retail, mass affluent customers? That's the second bit. And lastly, on POSP platform. You have indicated that you are going for more granular, smaller agents. Wanted to understand, currently, what is the proportion of these smaller agents, be it in form of number



of agents or contribution to premiums. And what was it, maybe one year back, or two years back? So, just some colour, how is that actually playing out? So, those are my three questions.

Management: Sarbvir, do you want to just explain the customers before September, post-September?

Management: Supratim, as you can imagine, the customers are roughly the same, but what has changed is the fact that, one, there was a lot of exposure to people about term insurance and health insurance, because there was a lot of discussion during the GST time. However, what has happened post-GST is that in health insurance, for instance, people are buying higher sum insured than they were buying earlier. So, if you look at the proportion of policies below ₹10 lakhs and greater than ₹10 lakhs, now a vast majority of policies are being bought which are ₹10 lakhs and above in terms of sum insured. So that has pushed up the ticket size somewhat, and that is helping. There have also been a couple of insurers who have launched unlimited sum-insured products, their pricing is around ₹25 lakh sum-insured type range. So, those also have helped, because now people are attracted by the fact that they can have unlimited sum insurance. So, I think that is what has changed to some extent on the health side. On the term side, the change has been, again, because the customer is seeing a 18% reduction, because, prices have not changed on both health and term insurance. And what that has led to is that people are buying; there the sum assured hasn't gone up by that much, because, people tend to think in bigger buckets, like, you think of ₹1 Cr, then ₹2 Cr etc. But people have been buying a little bit more of the riders. So, things like a critical illness rider, the attachment of that has gone up; some of the accidental protection riders, their attachment has gone up. So, I think that has changed post-September, but both of these changes are dwarfed by a different change, which is the fact that our conversion rate has gone up. So, for the people who are coming, more of them are buying, because I guess they are a little bit more aware about the value of insurance. On the POSP, before we move on, Sarbvir obviously has this data we just looked at yesterday. 99.5% of the agents make less than about ₹20 lakh revenue in a year from us. Only 350 agents or so make more than that. In terms of premium, 83% of the premium comes from the small agents now. If you look at the same number a year ago, that would have been close to 50-50 in terms of premium. So, I think our growth is despite the fact that we're cutting out a lot of the other part, and it's actually reducing year-on-year, but it's gone from about 50-50 to about 80-20 in terms of premium.

Supratim Datta: Understood.

Management: But in terms of agents, 99%+.

Supratim Datta : Got it. And on the Paisabazaar bit.

Management: On the Paisabazaar side, look, we're a lending company. Lending has certain advantages but it does not have engagement with the customer as much. So one of the things we've done is, because every time there's a downward trend, you used to get hurt, we have improved the quality of partners that we are operating with. See, what we noticed over time was the larger banks, the larger institutions, even in downtimes, support their partners, and maybe our efforts in that direction was lower in the past. We have put in additional efforts in that direction, so we've got more of those partners. Our end-to-end journeys have increased. See, in downtimes, people and quality is something to be really focused on. So lending is going to keep doing well, and I think you will see a very good year from Paisabazaar. In terms of the long term, at this point, it's not very crystallized, but yes, you are right, we are going to do pretty much everything that anybody does to take care of our customer base and engage with them in more and more products, and create more and more opportunities for them to visit us. There are various things we're doing. We're doing points, we're doing tokens, we will do mutual funds, we will do bonds, and we will find our own space, like we've done in everything else. We were never the market leader when we started anything. We'll find our own space.



Supratim Datta: Understood. One last data-keeping question. Can you split that 67% protection growth into how much is term and how much is health?

Management: Health is ahead; we just want to stop there. We don't want to give out our exact health growth. It's quite high. It's interesting.

Supratim Datta: Got it. Thank you.

Management: Thank you, Supratim. We will now take next question from the line of Neeraj Toshniwal from UBS. Neeraj, you can unmute of your mic.

Neeraj Toshniwal: Hi everyone. So, first question is, Yashish mentioned that, there have been a possible scenario of, deferral in the life insurance, in terms of commissions. So, just wanted to understand in such scenario, what will be the impact of deferral revenue recognition and, and the cost which we incur. How would that change?

Management: So, Neeraj, first of all. I don't want to speculate on any scenario. This is just what we hear in the market. It might happen, it might not happen. All I'm saying is, for us, we find we've been asking the industry for this for the last 10 years, that we would like to get paid on a deferred basis. We're the ones who've been going and asking for it. So, and I don't want to kind of add fuel to this fire by kind of saying Policybazaar has this view, Policybazaar has that view. We'll just chill there, yeah, that's all. I think I don't want to answer specific questions on what we will do with this deferral and all that stuff.

Management: I just want to explain, because, this is a very emotive topic, and I think what Yashish is trying to say is that if you look at it on a persistency-adjusted basis, we are there. It's not that what we get paid would have a major impact, if you were to defer it, because of the persistency that our portfolio has. Having said that, we are okay both ways, and in the wisdom, whatever way is there, we will cope with it. But I think the point that he's trying to make is that because we have the persistency, it doesn't really affect us that much. But overall, we are very happy with the current system. I would just want to say one more thing, that life insurance contracts are 30-40 years, especially in the case of term insurance. So, the way to think about it is, the first-year commission should not be seen as divided by the first-year premium. You have to look at it on an NPV basis over the life of the product. Obviously, persistency adjusted. So, when you do that, then you'll actually find that, especially in term insurance, the commission is not as high as people think it is. Commission is less than 5%. So that's kind of where we are, and I think that's what we are trying to say. I don't think we necessarily want to advocate one direction or the other.

Management: Yeah, we are certainly not participant in this debate of whether it should be deferred or not deferred.

Management: See, basically, there's a P&L part, and there's a cash flow part. Now, if you just look at the Ind AS accounting, on P&L, actually, there should not be any impact, whatever happens. Cashflow, they may be a strong impact, but we'll see when the rules will come out and what sort of rules come out.

Neeraj Toshniwal: Definitely very, very helpful on this. The second is on Paisa. As we are mentioning that there's lot of growth which we're expecting, are we also deploying more resources, and that could lead to somewhat of higher expenses as well? Or are the cost base totally intact, and only we can get is operating leverage from here? How should one think about it?

Management: I think I'll let Santosh answer it. I know the answer, but yeah.

Management: I think we'll see a lot of operating leverage, this year. The costs have stabilized, and I think the absorption of that will be much better. See, as we improve scale, and like Yashish mentioned,



a lot of supply work has happened. Our conversions are going up; people are seeing more offers that can translate into actual disbursements. So those rates have significantly improved, and hence the scale will improve. From a cost perspective, it should be roughly similar this year.

Management: See, on Paisa, I would just say, and Santosh probably didn't say it because she's too nice. Compared to last year in terms of quality of business, productivity of employees, we are supremely high right now. For the same inquiry, how much are we getting out, we are supremely high. I think we are at a point where we're not expanding employees for some time, and we think there is some leverage left for us to get. Maybe about 30% or so is something that we can get with the current employee base. But I'll just share one thing with you. Like last year, if we looked at when Santosh took over the CEO position, if we looked at how many of our employees were making incentives, it was very, very few because they were not operating at a very high quality. But today, if we look at that, that number is a lot higher, and incentives is a higher percentage of their compensation, because that's the way you can see if a sales team is driven or not. Incentives is a much higher percentage of their comp. They're almost unbelievable, because it has almost come to Policybazaar levels in that respect, that what percentage of your total compensation is variable. And I'll stop there. I'll let time reward Santosh, rather than kind of, me doing it in advance of time.

Neeraj Toshniwal: No, that is helpful, Yashish and Santosh. The last bit on this is secured disbursements have meaningfully dropped. It's a change of strategy, or the take rates are not favourable, so we are kind of pushing back on this.

Management: No, they have only dropped in one area, which was wholesale POSP distribution, which we were doing for one supplier. Look, it was not making strategic sense. We've decided not to continue that business. We stopped it in January. It takes 15 days to stop the business, after that, we are not doing that business. It was a meaningful part of the home loans part of the Paisa revenue. That's fine. It was kind of fluffy revenue in the sense it didn't really have profits; it would never make massive profits. So, wholesale POSP is what we've stopped. Everything else is up.

Neeraj Toshniwal: Okay, thank you, team.

Management: Thank you, Neeraj. Next question is from the line of Manas Agrawal from Bernstein. Manas, please unmute your mic.

Manas Agrawal: Thanks for the opportunity. Great momentum on operationally everything. Couple of strategic questions. I think we have discussed take rate extensively. The other thing that comes up in investor conversations is capital allocation. So, are we in a position that we want to comment on use of money that is lying on the balance sheet and the accruals that we are expecting? That is one. The other is on PB Health. Can you give an update on what operationally is happening on the ground? Because I may be wrong on this, but I thought the investment last year was going to be a one-time investment, so if we are looking at a follow-on round as well, would be good to know what is actually happening on the ground on that business. That's it.

Management: So, there are multiple layers to PB Health, but let's go with the hospital part. We've acquired one hospital, which is an operating hospital, makes about ₹20-30 Cr of profit in a year, does about ₹150 Cr of revenue. So that's operational and running in Noida. Our next hospital is to go live in the next few weeks. In fact, next week is sort of starting of it. By this month end, it should be operational. That's in what you call Central Gurugram. We are getting into another hospital in Gurgaon. There's another one we're looking in Delhi, and we've also started looking outside of Delhi. So that's the hospital's part. On the second hand, there is something called PB Care+, which is a network. Basically our customers go to all hospitals today; and now we are creating a preferred network for our customers, and that preferred network is about 500 hospitals strong. So, for example, if you had cataract. Today, across the country, if you were our customer, we would direct you towards Agarwal Eye Care, because



that is part of the PB Care+ network. So, that's happening. Now, what you will see over time emerging from these two, so one you see is an absolute operation less; of course, operations is involved, but the healthcare is somebody else's responsibility and we are only coordinating between our customer and the healthcare. And the second is full-blown hospital development, and this is where you're seeing two parts. Now, these will start to come together over the next one year, where you will see O&M operations. So, of this 500-600 hospital network, we will take on some of them and start operating them under the PB Health brand. I'll stop there. As I said, PB Health has no immediate requirement of cash. They have not even used 30% of the cash they had. But they are in conversations to raise capital, they are in late-stage conversations, and should they come to PB Fintech, PB Fintech will consider it, we will think about it. But it has not come to PB Fintech yet. And it may, it may not. But PB Fintech has the right to invest up to its pro-rata, which it can decide. It can decide not to; it can decide to do it. It doesn't have the right to invest more than pro-rata.

Manas Agrawal: Understood. Anything on capital allocation, balance sheet, cash?

Management: I'll explain. Over the last 3 months, because see, you're asking, in a way, I've already said we've not had any discussion at the board level, so you're asking, okay, what's in your head? So, in our head, at least once we've had a conversation about buybacks and dividends. That's it. I can just say that. That's a conversation. It's not even gone to the board. It's not even being discussed properly at the management level. We don't know what we will do here. We don't know but right now, we don't really have a plan on what to do with the capital.

Manas Agrawal: Got it. Thank you.

Management: Thank you, Manas. Next question is from the line of Nischint Chawathe, from Kotak. Nischint, please unmute your mic.

Nischint Chawathe: Hi. Two questions. One is, can you give some update on what happened, and how did the UAE business fare this quarter, and is there a particular outlook on this business?

Management: No, absolutely. I'm amazed by those guys, and I'll tell you why. In fact, I would have spoken about them in the beginning, as I usually do, about something amazing out there. Because, if you really think about it, the bombing started kind of on 28th of Feb. March should have been a washout month for them. Then about 5 days in, AWS got knocked out and we were on AWS. So, just imagine this scenario. 10 days, we had the ability to do zero bookings. Our entire system is down. And I go there for the review, like I usually do at the end of the month, and I'm trying to be encouraging about everything. And they review the thing, and they say we are 3% year-on-year up. I'm saying, how is that possible? I was thinking that the competitor would have taken everything from them, because the competitor was not on AWS. And the competitor's not as much up. So, boss, all I'm saying is, thankfully, and I was explaining to the board also yesterday, that while they're a public company and everything, we somehow are very, very driven, and we have deep ownership in the company, not in terms of stocks, but just in terms of deep ownership of the processes. And I just feel super proud about the situation. And so, I think in bad times we'll perform okay; in great times, we'll really shine. That's all I can say. Like, you can't get worse than this, your entire network is gone, you've been bombed, and you still grow 3% year on year, for the month. I'll stop there. For the quarter, they are actually 10% or 12% up. Obviously, Jan, Feb, they were growing beautifully.

Nischint Chawathe: Okay, got it. You know, on the term and health, we have seen a beautiful J-curve post-GST cuts, and if I look at the savings business, I think we're at an industry level...

Management: In health, for the last 13 quarters, we have grown at 60%+; 60% growth over 4 years. We do realize what that does, in terms of multiplications. But, GST becomes the J-curve? But yes, term, I



agree. But term, it is not GST, it's actually our guy here. We got a very special guy who started to really make changes. I said he's the hire of the year for us. But, sorry, Sarbvir, I'm taking your thunder.

Nischint Chawathe: Yeah, so the question was actually on savings business, when do you see the similar J-curve in savings business? And I think more from a broader industry point of view as well, right? I mean, the life industry, new business premiums have sort of stagnated at low double-digit levels. So, what can the industry do, or distributors do, or what can the government do to nudge both the parties to kind of have a similar J-curve in the savings business?

Management: Avoiding the use of the term J-curve, I would say that, savings for insurance, we have to figure out what is the customer proposition, because, see, total amount of savings, we can see the growth in SIP, we can see the growth in mutual funds, etc, bonds, everything. So, it's not that the total amount of savings in the country is a challenge, I think the savings coming to insurance is definitely, to some extent, you can argue, is a challenge. And I think the main thing is the customer proposition. And one of the things that we have always tried to do is to start from the customer, rather than starting from what we want to sell. Many years ago, when Santosh was leading the business, she introduced the concept of a capital guarantee, where we said that your premium will be guaranteed, we will ensure that we get your premium back, and then you have upside in terms of the market. That was an innovation that did well. Now we are trying to go to the next level, where we are saying that the reason you should invest in a ULIP is that you at least have to be in the product for 5 years, that's the base term of the product. Obviously, you can stay 10, 15, 20 years. And we're saying that the reason is that you tie a goal to the investment. It's not a frivolous thing that, okay, let me put some money into the market and see because there's a war going on, or whatever. It's a goal that you have. One goal, it could be child education, could be buying a house, could be your retirement. So, these goals are serious goals for which you have to remain invested. That's what a ULIP really does well. Second, ULIPs have a feature which is called waiver of premium, which means that should something happen to you, the insurance company will continue to pay your premiums, also pay out the sum assured, give a monthly income to your family. Here, you have not just planned for the goal, but you have protected the goal. And then the third thing is that still ULIPs enjoy a tax advantage up to ₹2.5 lakhs, so they are actually, right now, the best investment. And within that ₹2.5 lakhs tax advantage, you also have the ability to switch from equity to debt. So, it's the only debt product available in the country without having to pay tax on it. So, there are 3 very big advantages of ULIPs. I think we are going to promote this more and more. This is something that we have been doing even earlier, but we are going to promote these things more, and we believe that this will attract customers for the right reasons. See, many times we forget that despite all the discussion about SIPs and mutual funds, after 5 years, the number of active SIPs, the estimates vary from 3% to 11% or something. So, after 5 years in our ULIP, the persistency is somewhere in the 70-75% range. So, the customer that we are getting is a good customer. I think we just need to talk more about the advantages, and it's not for me to say what the industry should do or not do, but I do believe that all of us have to start from the customer and offer a proposition which is good for the customer. Waiver of premium is a great proposition.

Nischint Chawathe: But do you think, a meaningful change in commission, origination expenses, operating expenses, EOM can kind of make the proposition much more attractive? I mean, is that something that can trigger customers to buy more of savings products?

Management: See, Nischint, our take rates on the ULIP side are probably the lowest take rates, probably, of the entire business that we do. Because as you can imagine, when you sell low-cost ULIP that too with waiver of premium type of feature, there's not much that is left. We are giving everything to the customer. So, the products that we sell, I don't think there's any story around commission in that, because we don't take much commission. The story for commission is in other types of products that the industry sells, and in those products, yes, the commission again, because it's a first-year commission, can appear very high. The customer has no clue about that commission, and quite



honestly, without distribution, that industry would not be there or with lower benefits. So, assuming Nischint, quite bluntly, in some product, there is high commission, and you say, equate it to what Policybazaar gets. So, suppose the entire industry's commission structure became for savings business, the same as what Policybazaar makes on the savings business. I think it would pretty much stop. It'll probably be 2% of the industry left, besides Policybazaar. But, why should I make those statements. I think everybody who's smart can see those statements eventually, and that's why, when earlier, Dipanjan was asking that question, I did not want to answer it, because it's a speculative question which would never happen. If it happens, it's industry destruction, not industry expansion, in my opinion.

Nischint Chawathe: That's fair. Great, thank you very much.

Management: This is not a mutual fund product. It's not something that the customer is saying, I really want to buy this. I really want to invest in this. And that's why I'm saying, Santosh started this business from scratch, took it up to when we were doing ₹5,000 Cr of this kind of business. Imagine what she will do when she actually gets the mutual fund product, because she wanted to always sell mutual funds, and she's finally there. So, all I'm saying is that is a much easier, much more attractive product, and if you take it on an AUM basis, eventually, we make less than that also. So, there's lots of existential questions around that part of the story.

Nischint Chawathe: Got it, got it. Thank you very much, and all the best.

Management: Thank you, Nischint. Next question is from the line of Prayesh Jain, from Motilal. Prayesh, please unmute your mic.

Prayesh Jain: Hi. Just my question is again, on the health insurance bit, and a phenomenal growth journey, growing for so many quarters at 60%+. Post-GST, obviously, we've seen some tailwinds coming in, more tailwinds coming in. Just wanted to understand more colour of it, apart from new customers coming in and sum insured increases that have happened. Has long-term policy also has picked up a momentum, because we keep hearing about people kind of marketing about a price hike that could come through and, lock-in of a price and probably long-term policy, and that is kind of also coming into your premium and driving the growth. And related to that. Obviously, we have seen a phenomenal growth in the second half of this year. Now, do you think that a 30% growth on that high base is still achievable, or what are your thoughts there?

Management: So, I'll just explain the question that you asked in terms of the long-term policies. For us, long-term policy proportion of our premium has remained very stable between last year and this year. What has changed, however, is that some of the people are buying 4- or 5-year policy. Traditionally, in health insurance, the highest term used to be 3 years. Now, we have 4- and 5-year policies, so that proportion has increased, but the overall proportion of people buying long-term policies, or the premium on multi-year policy has not changed very much, at least for us. And this question was asked on the last call also. I just want to explain to you that there is no tricks in the business growth that we have achieved, because it's been going on for 3 years now. And again, no one can say whether it will remain at this rate for next year or not. I mean, I don't think that's something we want to speculate about. I would say that the thing to focus on is the fundamentals, the fact that we have the segmentation of customers, we have the products for those appropriate products, priced correctly. The fact that we have a well-trained sales team, which has tools, now increasingly using GenAI, etc. And then we have the service and claims experience. I cannot stress enough that the service and claims experience is the keys to a kingdom. Everybody buys insurance policy for that rainy day when something will happen. And I think when you show up on that day, and they're able to get the claim, that changes the equation, and honestly, the feedback that we are getting shows that we are making progress. One is a CSAT and all those kind of numbers, but the other is to see the anecdotal feedback. So, to my mind, those are the



building blocks, and it's not that we are selling more multi-year this year versus last year, etc, etc. None of that stuff is happening. Now, a large number of customers who have not bought from us are coming to us saying, please just help us at the point of claim. That is becoming a massive USP. Next year growth; no problem.

Prayesh Jain: Yeah, the other question was on claims bit, the physical support that you offer on claims, people on the ground in hospitals, helping customers settle the claims. What is the kind of penetration that we have in the country today, and how do you kind of see that increasing, and the span increasing over the next few years?

Management: I think, Prayesh, if I'm right, we are at 250+ cities, and I think there are two things that are going on. One is this 250+ may go up a little bit, but that's not really the story anymore. The story now is actually shifting towards the PB Care+ that Yashish mentioned, where there is the preferred network, and if you go to that network, you will get preferential treatment. So, the cataract example that we discussed, because it's a planned procedure, the customer is taken straight to their room. The procedure is done. Depending on how much time they have to stay, they then go home. Again, no billing desk, nothing. So, what we are trying to do is to create this, totally red-carpet type of experience. There will be a PB person in that hospital, etc. So, combination of technology and operations, and the experience will be at next level. So that's what we are really trying to do. Today, if you have the Policybazaar app, you can consult a doctor 24/7. So we have worked with all our insurance partners to offer this service to our customers. So, you can consult a real doctor, you can call an ambulance. So, I mean, the whole story is changing from just physical presence in cities to presence in hospitals, and giving amazing experience to the customer.

Management: And Prayesh, if you look at the data, and I'll just take one minute on this. There are basically three segments of customers, but on the corners, there are two segments of customers. A very small percentage that are regular claimers and there's a large percentage that never claims. I think as we look at the next 5 years or so, what we have to do is to give something back to the non-claimers also. Whether that comes in terms of maternity cover, whether that comes in terms of some gym access, some wellness benefits, OPD benefits, etc, somewhere we have to sweeten the deal for them, because right now, they're getting nothing. So young people, etc, coming in are getting nothing. And as we talk about the people who are regular claimers, we have to bring them into participation. And please understand, right now, participation is hated as a word, but participation can be in terms of co-pay, can be in terms of limited networks, can be in terms of tiered networks, various things. But without this participation, please appreciate the cost is going to become unsustainable for the industry; we're not doing this out of joy, we're doing this out of necessity. The cost will become unsustainable for the industry. So those are the two things that we have to work on, make it better for the people who do not claim, so that more and more of them come and get something out of it, and bring participation from the regular claimers, because without that, it won't be sustainable and they're very few to work on.

Prayesh Jain: This last one bit. So Yashish, you were rightly mentioning, the new initiatives have been in existence for some years now, and they're no longer new initiatives and scaled up beautifully. So, if we start bucketing new initiatives, like what we've spoken about in Paisabazaar, what would be those in terms of, say, 5 years out, do you think that these could be, say, about 10% of your revenues in like, 5 years out?

Management: I think new, new initiatives will come. There are new things happening already, whether we talk about embedded insurance, whether we talk about the savings business, whether we talk about home loans business, there are new things happening constantly, PB Care+, PB Wheels, PB Pay. See, if you look at the new initiatives, where did the big revenue impact come from? It came from POSP. POSP is like wildfire. You can expand that business very rapidly. And doing it with the right quality is hard. And that is what our team is doing & has been doing for the last 3 years. They're building it to the



right quality. So, I think that kind of growth coming from a single lever is not going to be that easy. But we'll see. We always stay open. All the time, there are 3-4 new things we are doing. The reason we are still calling them new initiatives and not old; we don't want to confuse the market by kind of just combining them and stopping disclosure around how much is what. That's all. It's just for disclosure purposes, nothing more than that. The growth rates are very similar now.

Prayesh Jain: No, that's super helpful, thank you.

Management: Thank you, Prayesh. We will now take the last question from the line of Sanketh Godha from Avendus. Sanketh, please unmute your mic.

Sanketh Godha: Thanks, Mohit. So, my first question was on the contribution margin of the new initiative which is coming down a bit. Actually, from the last 8 quarters it has been steadily improving; we see a dip in the current quarter. So, anything to read there, 4.3% seems to be lower compared to 5.7% what you reported last quarter.

Management: No, it is same. There is some small mix changes, sometimes there is quarterly, annual shifts. Please, in our numbers, just look at them on a 12-month rolling basis. Do not focus a huge amount on quarterly numbers, because sometimes you get rewarded for some action, or penalized for some action in the last quarter. That always happens.

Management: Actually, since this may be one of the last questions, I do want to talk about how we are thinking about POSPs in general. See, POSP has been growing, still growing faster than our core business. And we believe right now, is a very opportune moment for us to deepen our penetration in the country. And the reason for that is that we have now, learned how to go to smaller cities, the model is kind of becoming better and better. So, I think that you will find us being very aggressive this year on POSP, because we see that opportunity. There is also a bit of an industry structure issue, because some of the competitors, we are now much larger than the competition than we've ever been. And the number two thing is that there are some changes going on; somebody is merging with somebody, somebody's trying various other things. So, we see a very big opportunity for us to really go hard on POSP this year. So, I would not get too worried or excited about contribution margin. I think we should see a meaningful improvement in growth in the next financial year, and that's what I would look towards.

Sanketh Godha: And the second question, again, maybe related to fourth quarter only, that PB Corporate Business grew 140-odd percentage, which you highlighted in the slide. So, anything to read there, whether it's a one-off, or you think that you are going to scale this business meaningfully faster? And honestly, on profitability, you last time told that UAE is profitable. So, how do you see PB Corporate to play out from a profitability point of view?

Management: I think the reason PBFP's growth looks very high, of course, is the fact that we are still, growing in that business. We are the fastest growing corporate broker, but we are still small. Compared to where we want to be. We had a great Q4 on the corporate side. We won some very prestigious accounts, which were with other brokers, which we were able to win, especially in the banking and financial space. I think those accounts, obviously, then led to revenue, etc, and that's why you're seeing that very dramatic growth. But again, it's 140%, but we have a long way to go on. I think corporate business will require investment still in the years ahead. And, if you ask me honestly, at this point, we're very happy to make that investment, because every year, we are building strength in that business, not only just in employee benefits, but now on the commercial side, the P&C side, where historically, we were not as strong. I think we are getting much, much stronger. So, I think there is again, a lot of reasons to invest in that business in the next few years.

Management: So, Sanketh, we've come from zero and we are now in the top 8 brokers in the country. Obviously, we don't want to stay in top 8. We want to be very, very big. We will invest in this, and what



we are seeing is a very good team. We are barely hiring from outside, it's mostly internally built and internally driven, and we are building our own culture which is, as most of you appreciate, is quite strong. So, I think we feel very good about that business, and that business is not just a distribution again, we're thinking of it the same way. It's, again, leading us into healthcare, leading us into various places. So, we're very happy with the progress of our business. Yes, it does make a small amount of loss, which is perfectly fine. I think the group can easily afford it for a few more years.

Sanketh Godha: But do you think this business to become very quickly profitable, given after you achieve a scale, the kind of growth what you're delivering right now? I mean, compared to POSP, naturally?

Management: Yes, this can be significantly more profitable than the POSP business, I have no doubt there. But, as I said, that's not the immediate focus. See, across the board, our immediate focus is growth and quality. I think there are 3 levers you can think of growth, quality, profits. Please read us, while a lot of questions come around profits, that has not been our focus. Our focus is the other two. And this leg will just follow along, and of course, if you are doing growth and quality, eventually profits can't elude you forever.

Sanketh Godha: Understood. And lastly, on the revenue side, we know that in long-term plans, we recognize the revenue, but naturally it is receivable. So just wanted to understand from the full-year point of view, around ₹6,800 Cr of revenue what we have reported, how much of the revenue, we have recognized, but yet to be received from the insurer. Just want to understand the portion of the revenue coming from there.

Management: I think, Sanketh, it's a complicated question. There is multi-year policies, monthly mode policies, etc. Mohit can help you on that directionally. I think the point remains that it's not a large portion of the story, and, growth is from last year to this year.

Management: There was a cycle, there was a cycle which kind of started about October'24. That cycle has run its course. So, yes, you have the impact of one year, but that should not keep playing out forever, and it should start clearing out now. As Sarbvir said, yeah, we can explain that in a more closed setting.

Sanketh Godha: Understood. That's it for my side. Thank you very much.

Management: Thank you, Sanketh.

Thank you, Yashish, and the other Management. With this, we now close the call, and if you have any further queries, you may please reach out to Investor Relations. Thank you so much.