November 04, 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

SYMBOL: POLICYBZR

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

SCRIP CODE: 543390

Sub: Transcripts of the Earnings Call conducted on October 30, 2026

Dear Sir/Madam,

In furtherance to our earlier communication dated October 27, 2026, October 30, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcripts of the Earnings Call conducted on October 30, 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
Digitally signed by Bhasker Joshi
Date: 2026.11.04 19:49:34 +05'30'

Bhasker Joshi
Company Secretary and Compliance Officer

Encl.: A/a

PB FINTECH LIMITED

Q2 FY 2026-27

Earnings Call

October 30, 2026

Management: Good evening, everyone, and a very warm welcome to PB Fintech Limited Earnings Conference Call Q2FY27. Thank you for joining us today. On the call today, we have:

- 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. Dhruv Sarin, CEO, PB Partners
- Mr. Mandeep Mehta, Group CFO, PB Fintech, and
- Mr. Mohit Khobragade, Head, Investor Relations, PB Fintech

We will begin with opening remarks from the management, followed by Q&A session. I now invite Yashish to share his opening remarks. Over to you, Yashish.

Management: Thank you, Mohit. Good afternoon, good evening, good morning to everyone, wherever you are joining from. Thank you for joining us. We've had another strong quarter with healthy growth across insurance and credit. The total insurance premium for the quarter was ₹9,385 Cr, up 38% year-on-year, setting us up well for over ₹40,000 Cr this year. As always, growth was led by protection, because that's our focus from day one, and continues to be our focus. Core online new health and term grew 42% YoY, and within this, new health grew 46% YoY. Consolidated operating revenue grew 35% to ₹2,178 Cr. Core insurance revenue was up 42% YoY and core credit revenue, up 19% YoY. PAT grew 43% to ₹192 Cr, and PAT margin improved from 8% to 9%. The quality of this growth shows in its consistency. Core new premium, excluding savings, has now grown at above 34% for 14 consecutive quarters. And our core renewal and trail revenue is now over ₹1,000 Cr, it's almost ₹1,100 Cr. On a rolling 12-month basis, up 42% year-on-year. In credit, disbursals grew 22% in the core business and this has now risen for 5 consecutive quarters. Our insurance-led new initiatives, PB Partners, UAE Business, and PB for Business, delivered ₹826 Cr of revenue, up 40% and are now close to break-even. UAE Premium grew 36% YoY.

Let me now address the question straight up, which I'm assuming is on everybody's mind. First of all, where do we stand on IRDAI's consultation paper? IRDAI's consultation paper aims for lower mis-selling, better claims experience, lower prices, and deeper penetration. We absolutely support all of these goals fully. These are the goals Policybazaar was built on. Our first campaign back in 2009 was 'Ullu Mat Bano', aimed at addressing mis-selling. We have engaged constructively with the regulator, and we will implement the final framework fully, and in its spirit. Second, the impact. Lower distribution payouts will reduce our insurance distribution revenue, for sure. We are working on three fronts. We will expand our non-insurance revenue within and as the regulator permits and there is some anticipation that could happen. In the discussion paper, it does mention that. We will accelerate our ecosystem offerings. And as any long-term business should, we are evaluating other options to strengthen our business over time. We will share much more on this as and when the time is appropriate. Now, why do we remain confident? Health and term insurance stay deeply under-penetrated. And for the consumer, it's not really about buying the policy. The customer gets nothing on the day he buys it. The real test comes at claims. And I would like to just cover our record. On the four points that the regulators themselves lay out. On claims in the health insurance industry, the industry data says 87% of health claims are settled. That same number for Policybazaar customers is 97%. Last year, 11,156 rejected claims worth ₹185 Cr were reopened after initial rejection and paid. In the first half of this year alone, we supported about 1.25 lakh health claims and 80,000 motor claims. Our customer satisfaction is consistently above 90%. On persistency, 71% of our life policies are still in force at month 61. This is against a benchmark of 51% to 66% for the large players. Our renewal in health insurance is at 89%, rising to 91% from second-year renewals onwards. On mis-selling, in the life insurance category, we get 16 complaints from our customers per 10,000 customers. This is against a benchmark of 30 to 53. In health insurance, we get 21 claim complaints for every 10,000 claims. This is against a benchmark of 29 to 54. On

price reduction, for the plans they choose, our health customers pay, on average, 9% less and up to 30% less than some other channels. And on reach and expansion of the market, about 40% of new customers added in Retail Health across the country come through us. More than a quarter of India's pure term premium, 17.8% of the retail health premium came through us last year. 74% of our term policies and 64% of our health policies come from Tier 2 and Tier 3 cities. These outcomes are very much required in the country and that is why we, as a management team, are super confident that we solve this particular problem. We are a part of the solution, and we will only grow stronger through this. Our credit business and our UAE business are growing, and outside this broad framework. We will maintain strict cost discipline over the years as we go through this period. What will we not do? While maintaining this cost discipline, and profitability focus, we will not cut back on the customer proposition. Not one step back on that. Choice, transparency, and claim support remain non-negotiable. We will remain fully compliant and consult with the regulator on whatever we do in this area. Finally, since our listing, quarterly revenue has grown from ₹280 Cr to ₹2,178 Cr, a 51% CAGR, and the PAT margin has moved from -73% to 9%. That came from building around what customers need. And we have a very clear, let's call it, mission, or strategy, whatever you want to call it. Over the next 1000 days, we will serve customers well, we will stay focused on that, we will stay disciplined on cost, and we will keep investing in a market that remains deeply underpenetrated. It's a very simple strategy. Thank you. Look forward to your questions.

Management: Thank you, Yashish. We will now move to the Q&A session.

Management: We will take the first question from the line of Sachin Salgaonkar from BofA. Sachin, please unmute your mic.

Sachin Salgaonkar: Hi Mohit, thank you. Good day, management. I have 3 questions. First question, want to understand anything specific happened in the quarter which led to an increase in selling and marketing expenses and other expenses, both in terms of QoQ as well as YoY.

Management: Sachin, two things have happened. Last year, because of the GST impact and everything, and I think it was kind of pre-GST, although this quarter. But somehow, last year, from June to, obviously till December, the demand was very robust, and which meant that we spent, I would say, lower than our normal level of spending in marketing. This year, it's been the reverse. Actually, demand has been very tough, and I think we've had to spend a lot more money. So I would say that if you look at it on a two-year basis, you'll find it's not that dramatic. But yeah, versus last year, it will look as if it was higher. And it was just lack of demand in the market, and I think we had to spend money to make sure that we got the leads.

Sachin Salgaonkar: Got it. And, to follow up on this, how should we think about the incremental spending in next, let's say, 3 to 6 months? And I'm asking from a point of view that there is this entire overhang associated in terms of these commission structure gets implemented. Is there a school of thought that it would make sense to control costs, particularly the discretionary items, and show contribution margin improvement. In the opening remark, Yashish did mention about being disciplined from a cost point of view. And how do you look to sort of, balance it in context of what you indicated, that from a demand point of view, things are a bit tough in the near term?

Management: Thanks, Sachin. Look, philosophically, earlier, we were only focused on growth. And, when we say that, P0, P1, P2, P3, everything was growth. And we could have been a little aggressive on cost, because that was not the highest priority. Now, that does not imply we were wasteful. As we move forward, the cost consciousness will be there, but that does not mean we are backing off from growth. I think growth stays very critical in this market. Two things. First of all, the market needs it. And I think in a way, scale is very important. And thus, we are going to keep

the focus on growth. However, yes, we will be more conscious about the balance between growth and cost than we were in the past.

Management: I think Yashish said it right, Sachin. I think we will be more conscious of the balance, but having said that, the truth of the matter is that the biggest challenge in insurance is demand. See, everything else is manageable. The only thing that you can't manage is demand. So, I think, we will have to spend money to keep the awareness to continue with the focus on building the categories. And, frankly speaking, I think it doesn't impact just Policybazaar, I think it impacts the industry, because, when we advertise, it helps everyone, and I think that's something that we will have to keep doing.

Sachin Salgaonkar: Thanks, Sarbvir. And my last question is, I know Yashish did mention about, you guys are evaluating options, and at an appropriate time, you guys will mention that to market. But, does it make sense in the near term to accelerate and focus a bit more on international business, Paisabazaar, PB Health. And these kind of things, which is perhaps not impacted by these recent draft regulations, what we saw.

Management: I don't think we are actively considering anything in the international space, as of now. And I think, on Paisabazaar, we are doing everything we can, so it is not like our stance changes in any way. PB Health was and is a very important project, which, we are doing, so that continues. I think, as we said. There are many ecosystem activities that we do. We may have had a certain time frame on those. That timeframe starts to speed up a little bit. Also from a revenue expectation, that increases from those areas. So, I guess that is how it would be. And we have been in discussions with the regulator on various other options for us. And as and when we have clarity, we will, of course announce them. There is no point announcing them in advance of regulatory approval. So, we will take that approval, and once we have that, we will definitely inform the market.

Sachin Salgaonkar: This is very helpful, thanks a lot.

Management: Thank you, Sachin. We will now take the next question from the line of Manas Agarwal from Bernstein. Manas, please unmute your mic.

Manas Agrawal: Thank you for the opportunity. Couple of questions. One, is there any understanding of whether, collecting numbers the way we collect, is that a dark pattern or not, in discussions with the regulator. And, B, you talked about cost discipline, but at the same time, you also talked about not cutting back on the core proposition to the customer. So, just want to understand where are those cost opportunities? I understand you've spoken about ad spends in the past. Any more color on it? How exactly we should think about the balance between growth and spending. Those two questions.

Management: So, on, dark patterns, we and other players in the industry are engaging with the regulator, and there is, increasing clarity on what the expectations are and we are fully committed to aligning on those. I think we've said what we wanted to on the cost side, etc., and people, of course, align it with the new realities of the net present values, etc. That is obvious. See, we've had a very consistent framing of how our costs and our revenues work. And I don't think that'll be very different. We had a certain expectation from NPV, and as that evolves, the costing will also align with that. See, our approach at this moment is, we are not behaving the way we were in Q1, Q2, which was all in growth. But at the same time, we are being cautious. But we are not stepping away from growth. We're not stepping away from spending, we're not stepping away from increasing our strength in terms of conversion ability, etc. We're also waiting and watching. Look, let's be clear. This is a discussion paper. Let's see how it evolves, and what comes out finally, and I think that will advise us more appropriately on what the final course of action should be. We will stay prudent; there's no kind of doubt about it. Prudent, but with purpose. You know, as we said, over the next 1000 days,

we don't want to step back from where we would have been otherwise. If anything, we want to do more. How? Let's see. We'll align to the new realities.

Manas Agrawal: Understood. Thank you.

Management: Thank you, Manas. We will now take the next question from the line of Nidhesh Jain from Investec. Nidhesh, please unmute your mic.

Nidhesh Jain: So, Yashish, as you talk about more consciousness on the cost side, which are the line items you see where you have levers to pull, in terms of cost consciousness or cost control? And if you can provide any quantification for that.

Management: See, you know it as well as I know it, Nidhesh. Let's look at the POSP business. We do make a loss there today. I think the way the regulations are, that entire business is a bit under a question mark because to an extent, it relies on being able to pay people. So, you know, what the regulation is like. So there is some possibility of, in that area, maybe, a different outcome. The second area. Of course we look at both our fixed costs, and our variable costs. And how we were looking to expand our proposition. I don't think you're gonna see anything which is dramatically different in that. But yeah, of course, we will wait for the new NPV to emerge. And if that NPV is markedly different. Then, of course, our variable costs will also be markedly different. And, I think even on the fixed cost side. See, please appreciate, as we said, we are going to be accelerating our ecosystem, we are looking at new offerings, a lot of our current management, we are very unlikely to hire external people to be running those. So, a lot of the current management will get repurposed. And I think, from a current management perspective, that is a fairly exciting proposition. Because people are looking forward to the challenges of building these businesses. But yeah, I guess that's where I'll stop.

Management: I just want to add to what Yashish is saying. See, one of the things that we have to understand is that in 2026, in a way, one very big force in the whole world today is AI, or GenAI. Now, if you think about it, for the last 18 months, we have been preparing. Because it takes time, see, whatever we all read about in the papers and, on websites, etc., but the fact is, for a running organization, it takes time for these technologies to bite, and for them to start becoming real. And if you ask me personally, I believe that in the last 18 months, we have done a lot of work. There are some slides in the deck about the improvement that we have made, whether in terms of our advisor's ability to handle 15-20% more leads, improve conversion. On the customer service side, on the risk side, on our ability to train our people faster than we used to earlier. So, my view is that there's a bunch of factors that will be at play in the next 12 to 18 months, and I think we will drive these technological changes also faster. See, finally, necessity is the mother of invention. Now, today we understand that we cannot afford a certain cost to serve or to do certain things. So, we will have to work out other ways, and I think this Gen AI has come at exactly the right time for us in that respect. And, again, our teams are very excited about this. We are using it as you would expect, and I think that this will also help us, in the next few years, going forward. So yeah, I mean, it's hard to quantify, it's hard to give you really big numbers today, but my view is that, as a lever, since you asked for what levers do we have, I think AI is a very big lever for Policybazaar to become a lot more efficient.

Nidhesh Jain: Sure. And secondly, do you see a scenario where you will return back to cash burn scenario, or will still be profitable in all the scenarios which we are seeing in future?

Management: I think, Nidhesh, to be brutally honest, we need to wait a little bit for the final regulations to come out. See, the way the regulator has placed the discussion paper, the regulators themselves have said this is a discussion paper. And they have undergone intense discussions since bringing out the regulation papers. And they're receiving

feedbacks from many quarters, more than 1,000 feedbacks have already reached the regulator. And I think, let them have the chance to go through that and, come back with the draft regulations and then the final regulations, and I think once we have those in place, we can start to have a better sense of where this will all end from a cash flow perspective, as you said and from an NPV perspective. To me, the NPV is more critical than the cash flow element, thinking about the situation because, if anything, the cash position is a position of capability. Because if the NPV is there and the cash is not there, that can assist us in that time frame. Mentally, the intent is not a cash burn intent. Now, let's see when the paper comes out, and what opportunities arise out of it, and what situations arise out of it.

Nidhesh Jain: Sure, and last question is that we are providing a lot of claim assistance services to the customers, and we are not charging anything for it. Now with the commission and economics getting severely impacted, is there a possibility to start charging explicitly for that services that we are providing for free today?

Management: We will see, whatever the regulation permits. The regulation has made an explicit mention of non-insurance services being allowed. We will explore those, in their entirety. And see which ones of them make sense to us. I'm sure there are quite a few. And we are fairly confident a lot of them will emerge, and emerge quickly, without long gestation periods. But I think that's where we would like to place it.

Nidhesh Jain: And lastly, on dark patterns, have you done any analysis that if, let's say, that is implemented, how much business can be lost, or how many leads that are getting converted through calls, etc, and any analysis that you have done internally?

Management: Nidhesh, we have done the analysis fully. And we have committed to the regulator to align fully with the discussions. I would not want to say what is the quantum of those impacts? I think it's not prudent for us to say that.

Nidhesh Jain: Sure. Thank you, Yashish.

Management: You're welcome. Thank you, Nidhesh. We will now take the next question from the line of Nischint Chawathe from Kotak. Nischint, please unmute yourself.

Nischint Chawathe: Hi, I hope I'm audible. Going forward in the future, are you open to, sort of, integrate with Paisabazaar to kind of have a more, full-service financial super house, rather than kind of focusing just on insurance? Obviously being an insurance-heavy entity.

Management: See, I think Paisabazaar is that entity. Policybazaar will continue to be centered on insurance. Its primary task is insurance. Let me put it this way, it's not a Money supermarket, it's an Insurance supermarket. But let's look at the regulations in the final form as they come out. See, when the final regulations, we have to see, how that timeframe runs. And, of course, it's a positive opportunity to be able to do non-insurance activities. There was a time before 2011, I believe, or maybe 2013, that it was allowed, and then it was no longer allowed. And now it may be allowed again. And it could possibly open up and it's an advantage that we have Paisabazaar already ready with lots of products, not just credit, but also the investment products. And we see that as a massive opportunity. But let us wait. And the teams in the background have started assessing all this work. So that work has started in trying to assess, okay, if we had to do this, how would we do this? So that discipline we have, that operating discipline to get ready. But it doesn't mean we can act on anything, right? We have to wait for the final regulations to come out, and let's hope that they come out with this possibility. And if they do, yeah, there should be some serious opportunities, but it would be Paisabazaar offerings being utilized in Policybazaar to some extent, but not becoming the primary, as I see it. So we're not going to become a lending platform or something else.

Nischint Chawathe: Got it. And, are you open to, sort of, extend software services support to insurance companies which is not distribution of their products, but for some of the other channels.

Management: So, we already do that, and in fact it's a bit unknown, but the Bahrain government's financial platform is being powered by us. So, there is clearly both an ability and an intention to power more and more people's technology and operational backends. There is no doubt about it. And, yeah, we will, of course, keep exploring that. So, it's not a new thing, that we already have.

Nischint Chawathe: And just finally, PB Health, how does this feature into it? Any thoughts on that?

Management: Look, let's be crystal clear here. Today, what problems do we have as an industry. Let us say claims is a massive problem. I don't think anybody's denying that health insurance claims is a massive problem. Why is that problem there? If you actually look at why claims are denied, a large component of it is either some level of pre-existing diseases which existed but were not disclosed, so, disclosure problems. And the second large part of it is, at some level, treatment not required, et cetera, et cetera. I believe we can't run that way. See, the health insurance achieved a lot. And I'll want to explain this in just some brief data points. Back in 2008, 1% of hospitals' bills used to be settled by retail health insurance and insurance per se. Then it became about 10%, and today about 40% of hospitals' bills are being settled by insurance. So, there is massive growth in healthcare costs being addressed by insurance. Massive growth. But still, we have a lot of negativity around claims. And that negativity is coming from these two problems. Disclosure, and the ability to align the network. The job Policybazaar historically did was of better disclosures. And increasingly, has been doing of better network management. And in that network management, creating a benchmark for let us say consumer lifetime value, will be PB Health. Not from the highest profit perspective, but from how the customer ought to be treated without an intent to make the maximum from the customer on every visit. This is something PB Health has to do, and we started this project, and there's no change in our thought process on that. It is neither speeding up, not slowing down. But yeah, some of the associated activities like PB Care+, etc, which were around network management. Those, of course, are ever more important, as if claims is a problem, then claims need to be solved, and, we have to be part of the solution.

Nischint Chawathe: No change in the business plan, I think that's what I was looking at.

Management: No, no change in that particular business plan.

Nischint Chawathe: Got it. Thank you very much.

Management: Thank you Nischint. Our next question is from the line of Jayant Kharote, from Axis. Jayant, please unmute yourself.

Jayant Kharote: Hi, first question is on the POSP business. Last time, we did not have a clear answer because the regulations were fresh. Have you had a chance to talk to your POSP partners, given the value we bring to the table. For many of them, they may be able to work at a lower commission structure, maybe this is my conjecture, so I want to understand from you if some of those conversations you've had and can help us understand if that business can still continue to operate, maybe at a lower scale, or maybe you can tell us how should we think about it?

Management: Jayanth, look, if you really look at the POSP business, a lot of it was motor insurance. And it is not because that POSP was there, that that business was happening, to a large extent. Yes, some of the health insurance business and some of the other business, there would have been some growth because of the POSP business. The way the current regulations are, it says, if you are open architecture, you're going to get paid less than the closed architecture. That in my opinion, does not leave scope for POSP the way it is today. Now, if POSP becomes a totally

different business, like maybe a services player or something of that sort, then maybe there is some possibility. I don't think that the people involved in that business, suddenly have the ability to sell mutual funds, or other products. I don't think that is as easy as it is assumed. At the same time, these are not the final regulations, so let us wait and watch. And, we stay observant. And, like, we're waiting. We're waiting for the final regulations, and I hope, time is provided, because there are also cash flow elements in that business, because to a large extent, we end up paying the POSPs sooner than we get paid by the insurance companies. So, there are also those concerns. So, let's see how that happens, right? It's about many, many parts, and given that, I hope, some time is given to transition on that business.

Jayant Kharote: Understood. So, second question is, on the balance sheets businesses. PB Health, last time you had mentioned, we can look at a revenue of ₹500 Cr, and then some timelines around it. If any update on that, how is it progressing? And then, if at all that business is scaling up well, would you be open to probably taking your stake higher over there and building it out in a bigger way?

Management: So, I will let Alok answer on the plans and on how we are against our target for March, from a revenue standpoint. In terms of stake, no, we want to maintain our stake at present. We are not expanding it, nor reducing it.

Management: In terms of the execution on PB Health's side, things haven't changed actually, in the last one quarter. We are on track of executing a few new hospitals. So, around March, we should have a run rate somewhere between ₹40-45 Cr per month, which is about ₹500 Cr for the year. That's because some of these are running hospitals. You don't need to invest too much. They are already generating profit, so you will have some Op Ex coming from corporate and one or two greenfield operations. Otherwise, pretty much, you are sort of breaking even in that business, and we want to execute first, stabilize these properties, and then at some point, as we get more confidence, then look at aggressively growing. But next 6 months to 1 year, it's mostly around executing what we have in hand.

Jayant Kharote: Alok, you want to take that O&M product to other hospitals which are not on PB Health's balance sheet. How long do you think you'll take that timeline-wise?

Management: Yeah, nothing is specific right now. I think, let's understand the lay of the land. I think, as I said, once we have 3 to 5 properties which we are managing. It will be a steep learning curve for everyone in the team. And, at some point in about, you can say, 18 months onwards. We start to look at those sort of options, but still a bit far away.

Jayant Kharote: Understood. And last question, to Yashish again. So, see, we will probably become a very highly profitable business with the new commission structure, right? The COR moves to maybe 65% in, let's say, health, for example. How do you capture that economic value? So, why not take up minority stakes in an insurer? Have you thought about something like that? I mean, I understand there could be plans to go back and become manufacturing yourself, but instead, what if it can be done through minority stakes in manufacturers rather than the entire value chain?

Management: Jayant, we think of a lot of options. Taking minority stakes is not one of them. And all I can say is, we are already in conversations with the regulator, of course, in formal conversations. And, there is clear precedent and laws out there, and of course, we will engage with the regulator further and seek their guidance on how they want to see this. But yes, the intent is quite clear in our mind, that we want to serve our customers more. See, if you look at a fundamental level, we have been a distributor, with the heart of a manufacturer, from sort of day one, which is, we think, combined operating ratio. Most distribution in India does not think combined operating ratio, but the first metric we have in almost every review, it's not how much our sales increased but what is the claims ratio of our insurance companies? Like, if you talk to our team and ask them what questions I ask them, it's mostly around claims ratios, so we think combined operating ratio. And thus, that can be called responsible distribution. And somewhere,

that is part of the paper, where it says, Pay for outcomes. Now, in what form, what shape, it comes out is interesting to see, and will inform some of the thinking. Our discussions with our partners will sort of veer around the combined operating ratio model, because the combined operating ratio model already gives our partners sufficient profitability. If you think about it, 30-40% return on equity, which is much higher than the return on equity they receive in the market. And, I think expecting more than that could be construed to be an unfair expectation. And, assuming our take rates reduce dramatically, then, the customer benefit may have to increase to ensure that the profitability stays in that 30-40% return on equity, which is fair profitability. So, I think the matter will evolve, is all I would say Jayant but, that's the reality. The reality is we think like a manufacturer while we are a distributor. I think you're spot on, there are conversations which are not prudent to speak about at this stage, because they are sub-regulation and judgment.

Management: No, I just want to add, Jayant that one of the things that is kind of unique about the Policybazaar business model is that if you think about the four things that have to be done in insurance. The first is to create awareness for insurance, bring people to buy insurance; the pull, which the paper talks about. The second is to sell or help them choose the right insurance policy; what are the right terms, conditions, price that they should pay? Third is to manage the sales process, as well as to provide a level of service, claims support, etc., that is required by the customer. And then fourth are the core insurance activities of underwriting, risk management, compliance, etc, etc. So, if you think about it, if you compare Policybazaar to any other distribution network, you'll find that we are doing at least three and a half things. We are doing the first one, I think, very significantly. Second one, fully done by Policybazaar. Service and claims, now we are a significant part. And even in the fourth part, we help with risk management, we help with managing the book, etc, persistency, renewal rates, everything. So, in a strange way, the way the system is, like, if you measure us only by commission, then actually, it is a very different comparison. I would argue that Policybazaar's commission and Policybazaar's EOM is actually almost the same. Because there is very little expense after that. So, I think that's just one of the things to also think through.

Management: I think what Sarbvir is saying is very important. If you look at a company's EOM, what do they have to do on Policybazaar's business, over and above what Policybazaar has already done. The cost may be 1% to 3% at most. At most. And that is not taking into account the advantage Policybazaar is bringing in terms of lower claims ratios because of better underwriting, which we are working together. Like, of course, it's the insurance company's underwriting, but we are helping a lot with informing those decisions. So, I think we are a fairly, unique player in that respect. And I think whatever solution we appear, we arrive at, will also be reflective of that.

Jayant Kharote: Yeah, Yashish, what I was trying to come at, and you rightly pointed this point, if we are at a 65% COR post this, one of the ways is the gains get passed on to our customers, and then you offset that through volumes, right? Because you become the most attractive channel. A, is that regulatory compliant in a way, or, within this, I know you keep innovating new products with your partners, but have you had any initial discussions that something like that can be architectured around that? And B is probably, again, going back to the manufacturing piece, that if you do decide to manufacture in its current structure, being a distributor of all other products. Do you think you'll be comfortable placing your own as well? These last two questions from my side.

Management: Jayant, we will not be the most profitable channel for insurers. We are the most profitable channel for insurers. We have been for a long time. It's very rare that a manufacturer admits that to a distributor, and most of our manufacturers admit that to us very clearly. That we are a very profitable channel for them, and that admittance has been increasing over the years. I think everything that you are saying, Jayant, is fairly obvious. Please also appreciate our constraints. We are a regulated entity. And whatever we say on this call, is also at the regulator. So, I think just appreciate our constraints. We cannot jump the gun here. We have to go step in step, and the sequences is, we and the regulator have to have the conversation before it comes here. It is not like we're trying to hide anything.

But that is the sequence, and you have to, as analysts, give us that space, that, look, you guys do your conversations before you come to us. We can't, in advance of those conversations, come and announce the deal.

Management: Jayant, I think we don't want to mystify this so much. At the end of the day, it's insurance companies' call on what prices they want to keep in which channel. There is nothing beyond that. And, I think, we'll work with our partners, and they'll decide. I mean, at the end of the day, pricing is their call. They decide how to do some of these things. But all we are, I think, trying to explain again and again is that there is significant value in the book that we are generating for our insurance partners, and we are serving customers well. I think it's very important to understand that both things are happening together, and because of that, hopefully, we will keep benefiting from that, and we'll do well in the future as well.

Management: The 1000-day number, it's a very important number. It's a thought-through number. Persistency, patience, and engagement, through this 1000 days, is very critical. Let us see what comes out at the end of this 1000 days, rather than trying to say what comes out today.

Jayant Kharote: That's a firmly fair decision. I do understand the constraints we have at this stage, and like I said, this is work in progress, we will be watching how this plays out. Congrats on a great set of quarters, and I'm sure there'll be some way to navigate this. All the best.

Management: Thank you, Jayant. Next question is from the line of Shobhit Sharma from Elara. Shobhit, you can speak now.

Shobhit Sharma: Hi, Mohit. Thank you for the opportunity. I hope I am audible. My first question is on the multi-year policies. I think we have been quite aggressively doing that piece of business, and we have been recognizing the revenue as the service aspect was completed. So, what kind of discussions you are having with your insurance partner in terms of the commitments with regards to the payout which will they do, whether they will do it at the rate at which we have sourced that business, or it will undergo a change because of the EOM which will come in. Secondly, if I look at the last year's second half, industry-wide, there were some campaigns around ‘Insurance kia, acha Kia’. Do you think it will help you in terms of moderating your own advertisement spends for the second half, and if those kind of campaigns continue from the industry, that will help you in terms of maintaining your overall growth rate. And lastly, if I look at Paisa, for this quarter number, if I look at core business disbursals, are broadly flat on a sequential basis. So if you can help us understand how are we going to speed that up and build that channel slightly faster, going forward.

Management: Shobhit, on multi-year, or any other, very specific query, we will not be able to respond to that right now. On the campaign side, over the last 17-18 years, if you notice, we have been more than half of the industry's marketing spend. And that means, to some extent, we push for that growth and, bring in the new customers. So we really welcome when more contribution from other players comes into the marketing space, because that expands the overall market. And, of course, we also see in marketing, when you market some business you get, some business other people get. So that hopefully also has a positive rub-off on us, so that's for sure. On Paisa, I’ll let Santosh answer that.

Management: So, Shobhit on Paisa, what we've seen is, we saw an opportunity in our customer strata, and we saw a lot of partnerships or suppliers that we could add on our platform, and that will help us grow disbursal. So, in fact, we see in our deck, we've mentioned a few banks that we've onboarded. And, those, I think, will now play out in quarter three. Having said that, we've not been aggressive on the marketing side to grow our inquiries so much, from quarter

one to quarter two, and that's why disbursals has also been muted. We wanted to add suppliers, strengthen distribution, and then go after growth, and I think that's why the quarter was flat.

Shobhit Sharma: How do you think about second half, Santosh? Because it really becomes important for Paisa now to start contributing to overall growth for Policybazaar as a franchise. So what's your near-term aspirations as such as of now?

Management: So, before Santosh answers, Paisa will contribute. But I don't think anybody needs to assume that it is more important for Paisa to contribute than it was before. Look, we are being cautious in our statements. It doesn't imply that the confidence is even half a percent lower than it was 35 days ago. And I would just leave that thought with you, and to judge us at the end of 1,000-day period, after the day the final regulation comes out. 1,000 days after that. Judge on the basis of what actually happens, is all I would say. I'm standing here, and we will be here at the 1000-day point. And, please at least keep note of this thing I said. After that, Santosh, please answer, with no pressure that you have to solve the group's problems.

Management: I was not thinking it from this perspective. I thought we will always want to add value, and whether it was past or now, and of course, we are doing all we can to build up. One thing I would say that has changed, maybe, over a period of time for Paisa is that what Yashish mentioned from our risk discipline on the Policy side, that we are always very, I think, cautious about the kind of portfolio that we are generating for our partners. I think that discipline has definitely come in. And we're doing a lot on that side, and being extremely careful on the quality of book that we generate for our partners, and that, I think, is showing up very well in our portfolio that we are building up. And, I think we're also in a phase where we're adding a lot of new business lines. So, we were largely a credit-focused business. We've now gone into bill payments, so we're doing a lot on the consumer engagement side, and we're also starting our wealth journey. So bonds, fixed deposits, etc. they're shaping up now, but some of them to add to revenue, it's gonna take a while. So I would say that we are focused on being a meaningful part of the group, and I think everything for that to happen is happening at the moment, and it was the same before and the same now.

Shobhit Sharma: Got it. Thank you, Santosh, for that elaborative answer. All the best to the entire team. Thank you.

Management: I wanted to refrain from making this statement. But I remember once we had an investor long ago, maybe about 6-7 years ago. And I mentioned to them that many of your investments will be found they're not wearing swimming trunks when the water goes down. And, he said that who wishes for that to happen. But all I'm saying is, sometimes the strong wait for that opportunity to display their strength. That's all. So, please go ahead.

Management: Thank you, Shobhit. Next question is from the line of Dipanjan Ghosh from GS. Dipanjan, please speak.

Dipanjan Ghosh: Hi, Yashish and team. So, firstly, coming to the cost bit, if you can share some color on three particular line items, given the current scenario, and assuming the current scenario stays as it is, which might be a hypothesis. One is on the ESOP expenses and remuneration structures. Second would be on your brand spend, if you can quantify that, let's say for FY26, so how much scope do you have to, kind of, rationalize that? And third would be on PB Pay, I mean, how does the synergies fit in, given the payment charges that you might be witnessing over the past few years? So that was on the cost bit. My second question, if you were to kind of go into distribution of other product categories, can you kind of spell out the top 2 or 3 products which should be top of your mind, both from an opportunity perspective, and also from a scope or investments that you may need to incur to get into these businesses. And my third question, would be on your discussions with the regulator. I mean, based on whatever you've discussed with the regulator and your own internal business strategies, do you see a case where savings, and

especially your phygital channel, can probably go on to become a bigger portion of the pie, over the next few years. And one data-keeping question, if you can give the PB partners revenue, for the quarter.

Management: PB Partners revenue; it's about ₹700 Cr. See, we wouldn't want to, at this stage, specify how much our brand cost will come down by, or anything of that sort. We will take a call as time goes by. We have already explained our ethos. In terms of how much will we make from one particular business category, or one particular ecosystem part or another, it's not that big. We want to maximize all, just like we have always done. It is not that if we are focusing more on term, that our health has to grow less, historically, I'm saying. So it is not that, PB Care+ has to make more revenue, it has to make the maximum revenue it can, of course. And so each one is independent, and each one is running to their own objectives. On PB Pay, it's a 3-month-old operation, but of course, it's scaling up fast and the intent of PB Pay was to be a solution for the insurance industry, in terms of all the different payment formats that exist, and solve for the specific requirements and, that is what it will do. And of course, it should speed up as much as possible, and as I said in the opening comments as well, our efforts on the ecosystem side obviously increase more, primarily because some of the management teams that we have will get redeployed here to focus on growing these businesses, because there is a need to grow those businesses. If you're insurance distribution revenue is coming down, you do want to make other revenue formats, and the management being repurposed to other formats will certainly add to the focus on the business side of those. So far, maybe the focus was more on the operating side, that would increase towards the business side. In terms of key product categories, we will wait for the final regulations to come out and see what all is allowed and then take a call on that. In terms of discussions on savings, I don't think any discussion has happened which makes savings a more meaningful, a larger category.

Management: I think probably, Yashish, what Dipanjan means is that, so far, they've sold insurance products in savings, and I think now that Paisa has built the wealth stack out in terms of mutual fund, bond, fixed deposit, I think we will have an opportunity to look at it together and say that, if a customer is coming into the system, what is the right product for them? Sell multiple products to customers, have a more elaborate, sort of financial overview of a customer. I think those are all opportunities, as one would imagine, we have to wait till the whole story is clear, as it gets allowed.

Management: So, operationally, those conversations have begun, but we will wait for it to appear in the final regulations before we can do it.

Dipanjan Ghosh: Got it. Thank you, Yashish and Sarbvir, and the team, and all the best.

Management: Thank you Dipanjan. We are conscious of the time. I would request, next participants to only ask one question going forward. Next question is from the line of Ashwin Mehta. Ashwin, please unmute your mic.

Ashwin Mehta: Hi, thanks for the opportunity. Yashish just wanted to get a sense in terms of the first-year loss in selling health insurance, and the intensity difference in terms of either the call center or the employee cost between life and health. And in that light, given that we've in the past indicated that we make a loss in the first year, would you look at recalibrating health insurance growth if the commission regulations were to pass, or we'd continue to push for a shift in our favor?

Management: So, I think we will wait for the final regulations to come out. You are absolutely right. In the current framing, the renewal's profitability from insurance distribution, is extremely limited. And the fresh payouts are also limited. I think our approach is going to be towards growth. But our costs will align with the new net present values available. Also, we will need to see how much of that we can make up through non-insurance activities. There are a ton of non-insurance activities that we have which we will see how those expand. And, how we can, kind of benefit

from them. Also, as we said, we do in the four pieces that Sarbvir laid out, we probably do between two and a half to three and a half of the activities that insurers do. Maybe some of those activities they can start doing, in the future. So, we will see. We will align with our partners and we will see.

Ashwin Mehta: And Yashish, if I can squeeze one data question, the CapEx seems to have substantially grown compared to the last year, so what is the big driver for that? It's almost 4x?

Management: As we have spoken earlier about this, that we have been building capacity, we have been ramping up, and P0 remains our growth. So, this CapEx is largely towards supporting the expansion of offices, as well as supporting the staff.

Management: So, our approach on that front, as we've already explained, will, and has already started to take a shift. Our October hiring was a very, very small fraction of what it might have been in the past. So those shifts have already started happening, and of course, we will align with the new realities.

Ashwin Mehta: Thanks, Yashish, and all the best.

Management: Thank you, Ashwin. Next question is from the line of Prayesh Jain from Motilal.

Prayesh Jain: Hi. So, just a couple of bits. One, it's been some time that the consultation paper has been rolled out. Obviously, the calculations on IRRs and PVs that you would be earning, and generally, we've been talking about the lifetime value of a customer that it brings. Any changes to what you would have thought earlier versus now, that would have happened. And, second bit is on, if you think about the investments in terms of AI, which you have alluded to. How were you thinking, say, before the consultation paper, and how are you thinking today, and what kind of cost savings that can be brought across and probably, at the initial stage, that would require some investments before they kind of start giving you benefits out of it, the lead time would be there. So how do you think about these aspects?

Management: Yeah, I think Sarbvir already mentioned that we have been investing in AI for the last multiple years. Last 18 months, there were a lot of experiments, a lot of projects and many of them would have come to some level of fruition on their own. And, that will keep happening. Of course, it brings the focus on cost-cutting opportunities stronger than before. If you think about it from a marketing perspective, let me give you a very simple example. Suppose you advertise in a particular space, suppose you do a particular influencer campaign and basis that, you get 10 sales. Did all 10 of them come only because of the influencer campaign, or could some of them have come to you anyway? So those kind of analysis obviously get sharper around these times. And a small fraction of our total sales comes from our, what you would call, active acquisition marketing spends. Now, at the same time there are two things, which from a 1000-day perspective, we do not want to step back from. Number one is customer proposition. See, if there is a customer proposition that says, if this customer proposition is provided, there is not enough money for distribution. Like, let us take the example of the maternity cover or something of that sort. We used to give maternity cover, we actually make zero commission on day one. That's a good customer proposition. It's not very profitable to us from a one-year perspective, much below the current prescribed remuneration numbers. Are we going to back off from that? No, of course not. So, customer propositions, we will not back off from. We would, in fact, like to push those forward. What we don't want to back off from is our ability to convert and generate inquiries. At the same time, assessment of where there may be an iota of non-requirement, will obviously be sharper. That goes without saying. If at the marginal level, if your NPV was X, if at the marginal level you were operating at X in terms of cost. If you're NPV becomes 0.5x, then your marginal level spend will be 0.5x. There is no reason why you will spend X for 0.5x of business, on a net present value basis. And that's at the marginal level, so there's, of course, a lot of business that's happening from direct traffic, and there is always going to be that, because it's a brand that's been

built over 17-18 years. And there's good customer service that's been built over the last multiple years. And, of course, there's an advantage to having built that customer proposition. So, yeah, I guess, we do have that part, but yes, of course, at the upper end of the marginal cost, some things will get cut up. There's no doubt about that.

Prayesh Jain: Got that. Any alterations to your NPVs or IRRs that you would have observed then versus now?

Management: Let's wait a bit. It would be unfair to expect that the management would not have worked on the current proposal and seen what it means for it. I think if that's the case, then, yeah, it's pretty sad anyway. But, no, of course, we have spent a lot of time on that, but we are still waiting for full clarity. We do see where we are, and let's see where we end up. And of course, it would also be imprudent to expect that we wouldn't be speaking to all our core partners and seeing how things shape up in the future. But at the same time, see those constraints are very clear. No backing off on consumer proposition, no backing off on focus on growth and quality and doing everything with 100% alignment with the regulator. I think those three guiding principles are very clear.

Prayesh Jain: Got it, thank you.

Management: Thank you, Prayesh. We will now take our last question from the line of Shreya Shivani from Nomura. Shreya, please unmute yourself.

Shreya Shivani: Hi, thank you for the opportunity, Mohit. So, Sir, I wanted some of the trends in October from both Policybazaar and Paisabazaar business. So, in Policybazaar, the trend on ULIPS, what efforts are we making to push term and health sales, given that it's a high base, now from October onwards? And on Paisabazaar, what I wanted to understand was that, the lending ecosystem might be looking at slightly rougher macro environment in the second half of the year or so, given the droughts and all of those issues that's going on. Has any of the banks or any of your lending partners tightened their underwriting on the Paisabazaar portal, or are you guys tightening anything anywhere? Any color in the trends in October and the second half, from these two platforms? Thank you.

Management: Thank you. I think, first, and simply on Paisabazaar, we haven't seen any change from September to October, or from August to October in terms of any partner. In fact, some new partners have come on board and expanded. I'll leave that.

See, we have to understand one very important thing about what happened at GST? There was an 18% reduction of GST, and that was passed on to the customer. This is a very important data point for informing everyone. For the first 6 months, we saw an incremental 18% growth in the industry. And so, what that means is, with a 6-month time frame, our price elasticity for the consumer for health insurance is about 1, with a 6-month time frame. However, that timeframe is over now and that growth is no longer there. So the interesting part is, with that 18% benefit, year on year for the industry, my assessment is Q4 over Q4, for the industry, may not even be a growth quarter, but let it get there. And specifically from a new customer acquisition perspective, I think that immediate part after GST was a very interesting area. And there is no way that wouldn't have a short-term impact on the visible growth numbers for Policybazaar as well. What I would request you all to do is evaluate the 2-year growth rate which I believe should stay similar, specifically as we go through this phase of the next one or two quarters. I think the GST impact had largely gone away by about March. And now, we are, of course, facing the reverse of that but the good news is, the people who bought immediately after GST, the renewals are continuing, and that is the positive part of it.

Shreya Shivani: Right. And just on the ULIP sales bit, I mean, that will surely be under pressure, but are new products on retirement and children, how well is that panning out in October? Any pickup, or any trends on that?

Management: I think, Shreya, it would be kind of unfair to talk of monthly trends. All I just want to tell you is that we've been on this journey of waiver of premium products, where we've explained that ULIPs are the best instrument for protecting your long-term goals. Your serious goals require serious investment over 5, 10, 15 years, and you need to be in the market, and waiver of premium means that if something happens to you, your goals remain protected, because the insurance company will pay the premiums on your behalf. So, I think that's the story we've been, sort of very, very determinedly driving, and I think that's doing very well. The rest, obviously, monthly trends are kind of probably not worth spending too much time.

Management: I'm sure it is important from a shareholder's perspective, I think there was, for a brief moment, a feeling that maybe Policybazaar was, sort of, seen a little unfavorably, from a regulator's perspective. We've had multiple meetings with the chairman Sir. We've explained in detail, because there was some confusion also created, because we have a POSP business, we have a core business, we have various parts of our business. So, just simply put one data point which I can share with you. Our health fresh take rate was 24%, our motor fresh take rate for third party was 31% and that, obviously, was a reflection of the POSP business. Some of these things have been clarified. And I think the outcome of those conversations is a much better understanding of the Policybazaar core business, and how it helps the customers, be more informed in their decision-making; be able to solve the customer's claims problems when they occur, and be able to stand that ground without being tied to any one carrier. So I think that is where we are right now. We still have more conversations, I'm sure, and we expect those to carry on.

Now, before I end, there is also one, as they say, left matter from last time's call. I had made a comment about media, which was a little harsh. And I specifically want to take this opportunity to apologize to ET, because I had reached out to them, and I had spoken with them about various matters, but we discussed a lot of matters. And, my comment was more about media at large, rather than any one specific player. So, I think I owed that apology on the same platform that I made that comment on, and thus I'm clarifying that here. I think they did engage with us, and we also did engage with them. But that point about insurance being in a very bad spot was one of the points made, not the only point made. Thank you very much.

Management: Yeah, I think before we finish, I want to say one thing. I know Yashish normally has the last word, but see, I know the entire 1 hour and 20 minutes was about what may happen in the future, but I just want to say many people from our team will be listening. I just want to tell them that they've done a great job. And, our market shares have gone up in every segment that I can see. We are growing faster in protection. Actually, if you see the spread of businesses in Q2, almost every business has outperformed the market by at least 2x. So, I think the team is doing a phenomenal job. The outcomes that the regulator has laid down are the outcomes that we are delivering. Our NOPs are growing faster than our Premium. Our persistency is higher, our renewal rates are higher, our mis-selling is lower, so I just want to tell our team that they are doing a great job, and I think even for our shareholders, see, many people can make tall promises about the future, but I think one should also sometimes look at the results. So, I would urge you all to also look at the results. I think it's very easy to just say that 40% growth, it is taken for granted, but I think in today's insurance world, at least, delivering these kind of numbers is exceptional for 14 quarters. So, I just want to congratulate our team, they are the ones who have delivered, and we want to make sure that they are appreciated. I mean, normally you all say it, but today I thought I should say it.

Management: And for the future, our intent is no different, in terms of growth, and in terms of consumer focus, within the bounds of regulation. Thank you very much. We'll end the call.