August 20, 2026

BSE Limited
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Mumbai – 400 021

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
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Sub: **Transcript of Investors & Analysts Conference Call**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transcript of Investors & Analysts Conference Call held on August 13, 2026, post declaration of unaudited Financial Results of the Company for the quarter ended June 30, 2026, is enclosed.

The same has also been uploaded on the website of the Company at https://maxfinancialservices.com/static/uploads/financials/earnings-call-transcript-q1fy27.pdf

You are requested to kindly take the aforesaid on record.

Thanking you,

Yours faithfully
For **Max Financial Services Limited**

SIDDHI SUNEJA

Digitally signed by SIDDHI SUNEJA
Date: 2026.08.20 15:56:34 +05'30'

Siddhi Suneja
Company Secretary & Compliance Officer

Encl: as above

MAX FINANCIAL SERVICES LIMITED
CIN: L24223HR1988PL145368
Corporate Office: L20M(21), Max Towers, Plot No. C-001/A/1, Sector-16B, Noida- 201301
P: + 91 120 4696000 I Email: investorhelpline@maxfinancialservices.in I Website: www.maxfinancialservices.com
Regd. Office: Plot No. 90-C, Sector – 18, Urban Estate, Gurugram – 122015, Haryana

Max Financial Services Limited
Q1 FY27 Earnings Conference Call
August 13, 2026

Moderator: Ladies and gentlemen, good day and welcome to Max Financial Services Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishant Kumar, Chief Financial Officer of Max Financial Services Limited, for opening remarks. Thank you, and over to you, sir.

Nishant Kumar: Thank you. Good evening, everyone, and thank you for joining Max Financial Services earning call for the quarter ended June 30, 2026. Our quarter 1 FY27 results have been released and are available on our website as well as on the stock exchanges.

Joining me today are Mr. Sumit Madan, Managing Director and CEO, and Mr. Amrit Singh, Chief Financial Officer of Axis Max Life. With that, let me hand over the call to Sumit to take you through our performance and key developments during the first quarter of FY27.

Sumit Madan: Yeah. Thank you, Nishant, and good evening, everyone. As you are aware, quarter 1 was marked by geopolitical uncertainties and a very volatile macro environment that weighed on the market sentiment. Despite these challenges, the Indian economy remained resilient, supported by some very strong domestic fundamentals. Against this backdrop, we stayed focused on execution, continued to advance our strategic priorities, and maintained disciplined risk and capital management.

To begin with, we achieved a key milestone during the quarter with the completion of Axis Bank's acquisition of an additional 0.98% stake in Axis Max Life Insurance through an equity infusion of INR381 crore, increasing its shareholding to 19.99%. The infusion enhanced our financial strength, raising our solvency ratio to a robust 198%, while further underscoring the commitment of our promoters and their confidence in our strategy, execution capabilities, and long-term value creation potential.

With that context, let me take you through the performance highlights across our strategic focus areas during the quarter.

Sustainable and Predictable Growth

Following a very successful FY26, we have started FY27 on a strong note, carrying forward our growth momentum and delivering a healthy performance in the first quarter. Our focus remains on building a sustainable and profitable franchise while creating long-term value for all stakeholders, including customers, employees, distribution partners, and shareholders.

In quarter 1 FY27, our individual adjusted first year premium grew by 17%, outperforming both the private sector and the overall industry growth. More importantly, our growth remains consistent and sustainable with a 2-year CAGR of 20%, which is well ahead of the private industry CAGR of 12% and double the overall industry growth rate of 10%.

Our APE grew by 15% during the quarter, supported by balanced contributions from both proprietary and the partnership channel, growing at 15% and 16%, respectively. Our proprietary channels continue to be a key engine of growth, delivering a strong three-year APE CAGR of 26% by offline proprietary sales recorded 9% growth in quarter 1.

Our online business continued to lead the market with a 27% APE growth. Within partnerships, APE growth of 16% was driven by 14% growth from Axis Bank and 21% growth from other partners, again underscoring the breadth and the resilience of our distribution franchise. We also continue to make some very strong progress in the Group Credit Life segment, delivering a 57% growth in Q1 FY27.

It is also noteworthy that 45% of our GCL business has been sourced from partners we added in the last three years, diversifying our presence in this segment. In addition, we have onboarded several meaningful credit life partnerships during the quarter, which are expected to further strengthen growth momentum in the coming quarters. We also continue to expand our addressable market through some very targeted strategic initiatives.

During the quarter, we launched our USD-denominated offering of Smart Gift Plan, enhancing our ability to serve the growing NRI customer segment. Further, we launched Aurus, our exclusive proposition for high-net-worth individuals designed to deliver a differentiated experience and tailored wealth and protection solutions for this very critical segment of customers.

Product Innovation Driving Margin Expansion

At Axis Max Life, innovation remains a core strategic lever, enabling us to address evolving customer needs while driving the long-term value creation for all our stakeholders. Our focus continues to be on building a balanced and diversified portfolio mix that supports sustainable growth, improves the product mix, and enhances the margins.

Q1 FY27 largely reflected a normalization of growth across traditional savings products, while maintaining the product mix trends seen over the previous recent quarters. Participating products continued to witness strong traction, growing 48% and contributing 15% of the overall APE.

The non-par segment saw a relatively lower contribution compared to the same period last year, reflecting a higher base effect. Despite volatile market conditions, our ULIP business grew 19%, supported by the launch of Smart Gift Plan.

Protection remains one of our key strategic priorities. During the quarter, we further strengthened our proposition for the self-employed customer segment and as a result, our protection and health business grew 44%, led by 57% growth in riders, reflecting increasing customer demand for comprehensive protection solutions.

Retirement solutions continue to represent a significant long-term opportunity. Our annuities business delivered an exceptional 116% growth during the quarter. We further expanded our retirement portfolio with the launch of Smart RISE, a variable annuity product that combines guaranteed lifelong income with participation in long-term equity market performance, offering customers an attractive balance between security and growth.

The strong growth in our protection and annuity business, coupled with favorable yield curve, resulted in a meaningful improvement in profitability. Consequently, our VNB margin expanded from 20.3% in Q1 of FY26 to 23.2% in Q1 FY27, driving a robust 33% growth in the value of new business or VNB. This reflects the success of our strategy to build a higher quality, more profitable and a sustainable business.

Customer-Centric Approach

Needless to add, at Axis Max Life, customer trust or the Bharosa remains the foundation of our franchise. And we are proud to see this reflected across key customer-centric metrics. In FY26, we achieved our highest ever individual death claim paid ratio of 99.8%, reaffirming our unwavering commitment to standing by our customers and their families when they truly need us the most. Further strengthening this trust, our InstaClaim service now settles 67% of eligible claims within one single day, delivering a faster and more seamless claims experience.

We were also recognized as the number one life insurer in customer experience in India in Hansa Research's syndicated life insurance CuES 2026 study, improving from the second position held over the previous three years with a customer experience score of 61. These milestones underscore the confidence customers place in the Axis Max Life brand and our ability to consistently deliver on that promise.

Our 13-month premium persistency stood at 83%. Additionally, longer tenure persistency metrics, including 37th month, 49th month and 61st month persistency, continued to improve on both premium and number of policy bases, reflecting the growing quality and durability of our business.

Customer advocacy also remains strong. Our overall net promoter score increased to 63 from a baseline of 60 at FY25 exit. Touchpoint NPS improved by 2 points to 65, while relationship NPS again increased meaningfully to 61 from 57. All reflecting the strength of our customer engagement initiatives and some very strong service proposition.

Digitization for Operational Efficiency

Axis Max Life's digital, technology and AI strategy is transforming the company into a platform-led intelligence driven insurer. At the core of this strategy is pervasive intelligence with AI, Gen AI and analytics embedded across customer journeys, distribution, underwriting, servicing and employee productivity. All supported by some very agile technology platforms and a modern data foundation.

In digital commerce and acquisition, we continue to strengthen our D2C franchise through superior proposition discovery, AI-led marketing and lead nurturing and optimized onboarding journeys. Our digitally empowered distribution platform mSpace as we call it, equips advisors with recruitment intelligence, personalized engagement, next best action recommendations and performance nudges. The ecosystem now supports 36,000 monthly active users with over 90% adoption, helping us drive improved productivity and sales effectiveness.

Through our customer app, customers benefit from AI-enabled self-service, wellness offerings, personalized engagement and digital servicing. We have also simplified claims experience across website and customer app to improve customer ease and accessibility. With over 10 lakh installs and 4 lakh monthly active users, the platform is emerging as a key engagement channel across the customer lifecycle.

AI and analytics are increasingly becoming the operating backbone of Axis Max Life. We now have 30 plus AI and ML models in production across recruitment, sales, underwriting, servicing and cross-sell. AI-based digital prospecting generated 38,000 recruitment leads. Our AI sales co-pilot has supported 27,000 plus sales interactions. Recommendation engines have shifted 50% of quotes to higher value variants and voice analytics has assessed 2 lakh plus customer interactions.

In servicing, the Gen AI email bot has resolved 40,000 queries while AI-driven cross-sell initiatives have delivered INR58 crore of new business, demonstrating Axis Max Life's AI's growing contribution to growth, productivity and customer experience.

To summarize, I would like to highlight that we have had a strong start to the year, with solid performance across all the key metrics. While global geopolitical developments continue to shape the market dynamics, we remain confident in our ability to deliver on our guidance of outperforming the industry and drive sustained value for all stakeholders.

With that, I will now hand over to Amrit, who will provide an update on our financial performance.

Amrit Singh: Thank you, Sumit and good evening everyone. Very quickly some housekeeping numbers. At MFSL level, the revenue excluding investment income grew by 18% to INR7,289 crore. And the consolidated profit after tax at MFSL stood at INR180 crore.

The gross written premium for Axis Max Life has grown by 19% to INR10,610 crore. In which renewal premium has registered a healthy growth of 20% and stands at INR4,639 crore. Which reflects the resilience of our portfolio

Individual new business sum assured, which is a measure of protection penetration that we are trying to drive within the country, has grown by 32% year-on-year and has touched INR1,17,000 crore from an Axis Max Life perspective. We continue to hold on to our rank 3 on individual sum business assured in the private space

Our embedded value end of the quarter stood at INR 30,415 crore, with a growth of 15% year-on-year. The annualized operating ROEV has improved to 14.9% in quarter one FY27. There has been no operating variance during the quarter. And this compares 14.9% compares to 14.3% of the previous year corresponding period. We continue to remain focused on operational efficiency.

Policyholder operating expense as a percentage of GWP has improved by 185 basis points year-on-year to touch 16%, driven by focused productivity enhancement initiatives. Despite a healthy business growth, policyholder operating expense increased by only 7% during the quarter. AUM has crossed a significant milestone for the company, surpassing INR 2 lakh crore and closed at INR 2.03 lakh crore at the end of June 30, 2026 quarter, reflecting an 11% increase.

As Sumit mentioned, VNB margins have improved from 20.1% in quarter one FY 2026 to 23.2% in quarter one FY27, resulting in a growth of 33% in VNB despite the GST impact. As you are aware, on a VNB computation basis, we use the actual expense of the quarter to compute the VNB, and we do have an effect where the VNB improves along as operating leverage kicks in during the quarter.

This improvement in VNB is driven largely by a higher protection mix and also supported by favorable yield curve movement, which helped offset the GST impact that had come. The profitability outcomes achieved during the quarter reinforce our confidence in sustaining our y-o-y margin profiles through FY27. Going forward, we remain focused on delivering VNB growth that outpaces APE growth while maintaining disciplined execution and profitability.

With that, we will request the moderator to open the floor.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and then two. Participants are requested to use their handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Requesting participants to limit their questions to two each per participant and rejoin the queue for follow-up questions.

Your first question comes from the line of Swarnabha Mukherjee with 360 ONE Capital. Please go ahead.

Swarnabha Mukherjee: Thank you for the opportunity and congrats on a great set of numbers. My two questions. So, first of all, just wanted to understand the margin increase that has happened. This has, as you mentioned, only on the back of the protection mix improvement or anything else to also call out in that. For example, if you could give some color on what would be the you know, impact, residual impact, if any, of the GST and how we should think about it?

And also, I wanted to understand that solvency, despite this protection growth, has remained flat. So how should we look at it. So, if you could explain this, that is the first question. Second is, sir, on overall the structure simplification process, fund raise, etcetera. So, Axis Bank had also commented in their call about a potential, you know about looking at a potential stake increase, evaluating that, and plus your fund raise plans and structure simplification. How should we think about all these things given the new development? These will be my 2 questions, sir.

Amrit Singh: Okay. Firstly, on the margin profile, as I had said in the remarks, that it is to do with the protection-enabled growth that we have experienced and also the yield curve benefits that have come through. Now, in this 3% approximate increase, you can say 30% is linked to mix around protection and some bit of operating leverage and around 70%, you can say is the yield curve, which actually has also helped offset the GST impact. As we had mentioned in the previous, previous call that in Q4 we had almost taken care of 80% of the GST effect.

Now that is largely behind us. From a GST perspective, there is not any other effect we have to worry about. On the second one around solvency, you would have and Sumit mentioned in his opening remarks that, Axis Bank infused around INR 380 crore during the quarter, which actually helped us lift the solvency profile of the business, and that is why the solvency at the end of June has come at 198%.

Now our solvency is, as, as you are aware, the regulatory threshold of the solvency is 150%. 198% is fairly well above the regulatory minima and also above our internal thresholds that we derive from a risk principal perspective. The approval of the, enabling approval of QIP at MFSL was taken as an enabling approval and which is valid until May of next year. And that was largely to support the growth requirements of the company.

As at this point in time, we do not see any specific need I mean, I think solvency position is healthy. We will keep evaluating and you will you know, accordingly be informed around if was there any future plan forward.

With respect to your question around structure simplification the final, after the Insurance Act amendment which happened in December, we are grateful for the regulator to have brought in now detailed regulations around how the structure simplification can be undertaken. We are obviously, there are technical elements which requires an internal consultation and some of those with our shareholders. We are in that process.

As we had indicated always in the past that we are quite keen in making that happen. I think the good news is that now all paths are paved for this. We will come back to you at appropriate time on our next steps on structure simplification.

With respect to the Axis comment, I think there is an, as Axis indicated there is an opportunity which the banking regulations threw up and you will recall that Axis always was keen on taking stake up to 30%. They are also in their internal process of doing the pros and cons around it and depending upon how they kind of see, I think both them and us will make adequate disclosures around the same in due time.

Swarnabha Mukherjee: Yeah. That is, that is very helpful. Just 1 follow-up that any, I mean should we at this point of time, think the timelines that what had. we were previously indicated in terms of the simplification process would still hold?

Amrit Singh: Sir, we had always indicated that the moment we file a scheme document, given it is an NCLT process, will take anywhere between 6 to 12 months. Those timelines hold. I think you should wait for us to indicate after we have done our due consultations internally around a specific period of the time.

Swarnabha Mukherjee: All right sir. Thank you. This is very helpful. Thank you and all the best for FY 2027.

Moderator: Thank you. Your next question comes from the line of Supratim with Jefferies. Please go ahead.

Supratim: Thanks a lot for the opportunity. My first question is on the cost savings bit. If I look at the opex to GWP ratio that has improved despite the ITC loss. Just wanted to understand that, if you could give us some color here, what is driving this and where are you getting the efficiencies from? Moving to my second question, the offline this quarter. We have been seeing the growth slow down here over the last two quarters. So just wanted to understand.

Moderator: Supratim, sir, we are losing your audio.

Supratim: Better now? Hello?

Moderator: Yes, sir. The audio is getting, getting chipped in between. We are able to hear you clearly, but it was getting cut.

Supratim: Yeah. Is this better now?

Moderator: Yes, sir, this is much better.

Supratim: Yeah, sure. I will just repeat my last question. So on the offline proprietary channel, the 9% growth, the growth slowed down last quarter. Is that just understand where that came in…

Moderator: Sorry, sir. Even right now the audio got chipped at the end.

Supratim: Yeah. It is largely related to the offline prop channel performance. If you could give us some color there? On persistency, just wanted to understand what is the deal with the three-month persistency drop?

Amrit Singh: Okay. I think you have asked three questions because we could not hear at this side of the line. The first question is you are asking what is driving this improvement in opex to GWP. The second question you have asked us…

Supratim: Yes.

Amrit Singh: Offline proprietary at 9%, anything structural, I guess is your question there. And the third one you have asked us on persistency, if I could capture it right, the reason for the drop in persistency. I think on the first one we have been on this journey of actually enhancing productivity across our distribution channel.

And as you would know in the last few years, we have been investing heavily on distribution channel. And whenever you invest there is a period of maturity of the distribution channel where the productivity throughput part comes through. So some bit of overall productivity enhancement that we have experienced on the distribution side is one element.

On the non-distribution element, I think when GST came in impacted us, we collectively as a team started taking many cost initiatives and those can range from simple negotiations to travel related restrictions to being far more careful on advertising and marketing spend. Those are a mix of reasons why the overall number looks lower.

However, I must say that as an organization, we are committed to continuously keep expanding our distribution footprint. Some bit of this will normalize. You should not take this fact that this growth, you know, lower growth of opex of the quarter to continue in the subsequent quarters as well. There would be some normalization but definitely we are looking forward to improving the jaw between sales growth and operating expense as years kind of progress.

On offline proprietary, to be very honest, I mean it is a small quarter and there were certain one-offs related to certain specific very consciously thought through cancellation that we had to undertake, which actually impacted the numbers. Had those cancellations not come through, the offline proprietary growth would have been robust too.

On persistency, persistency we had explained earlier as well. I think there is, there was a specific variant of a product which actually posted introduction has not panned out to the way that we wanted it to pan out, which started creating certain impact on our persistency numbers.

The decision to discontinue that variant was taken in the month of March itself and a very sales heavy month, despite being a sales heavy month the decision was taken. But some bit of that pain is what is being felt in the persistency number. But beyond the 13th month you can notice that around 37th after 61st month there is an improvement in persistency that has come up.

Supratim: That is very helpful. Just one last thing, I did not get the cancellation bit. So the cancellation was related to agent licenses being discontinued or certain policies?

Amrit Singh: There are certain policies that were sourced actually. So we did not feel that those met the quality standards, so it was a voluntary decision we took. Because it is a small quarter, some of this kind of comes through in the numbers. If you remove it, the growth is actually fairly robust.

Supratim: Understood. Now that is very clear. Thank you.

Moderator: Thank you. Your next question comes from the line of Shreya Shivani with Nomura. Please go ahead.

Shreya Shivani: Yes, hi. Thank you for the opportunity. Congratulations on a very good quarter. My question is broadly around our distribution strategy, not so much to do with this quarter alone but how are we thinking about diversifying within our online proprietary specifically not being dependent on one web aggregator too much, etc.

And second strategy that I want to ask my question around is you reach a certain size, so from here on for your growth to be at a certain level or for you to expand you will want to move beyond metro in Tier 1 and Tier 2 cities. How are we planning out the distribution strategy for those markets?

Sumit Madan: Yes, I think thank you for the question. We already are making investments as far as Tier 2, Tier 3 markets are concerned across all our channels. So we have seen some very good response coming to our products, to our brand in some of the smaller markets in the country. So those efforts will continue to happen.

On the specific diversification on the online prop that you spoke about devoid of a large aggregator, actually, only, almost 45% of the sales in quarter one were outside this large aggregator. This number was 38% in the last year quarter one. So this number has clearly grown. Other than the large aggregator, we have made some great inroads as far as all the other aggregators are concerned.

One of the channels which you must note we are exceptionally proud of is the entire D2C engine that we have built. And that has been giving us some very good traffic, the profile of customers coming onto that channel again is very good, the quality of business sourced from that channel again is very good. So I think on the online proprietary we are not now dependent only on one large aggregator.

It is a number which is well spread across. I also feel we have developed a bit of a moat around it. So whichever new aggregator is coming in, their first port of call is to AMLI. That is courtesy all the engines we have been able to build, all the integration that we have done across, which is now helping us improve our penetration in all the new aggregators who are also joining the industry.

Shreya Shivani: Right. Thank you for that answer. Just a follow-up. So your first on the Tier 2-3 markets that you mentioned your making an investment, that is primarily agents, right? Or is there any other your new partnerships that you mentioned on the Group Credit Life, are those also a part of those investments? And my second follow-up is on the D2C engine, if you can help us understand, I am assuming that the majority of customers this D2C platform is pulling is from the urban markets. Would that be fair to say?

Sumit Madan: Surprisingly no. In fact, if you look at our online sales, it has a very healthy contribution of customers coming in from Tier 2, Tier 3 markets. It also coincides with the first question that you asked with respect to Tier 2, Tier 3 and are these only the agents.

Answer is actually across, not only agents, but when you look at the banking channel, when you look at the e-com channel, there is a very healthy mix of customers actually coming from Tier 2, Tier 3 locations. So I think the concept of some of these customers coming only from urban centers, I think across the industry that trend is changing at a very fast pace and we are no exception.

Shreya Shivani: Yes, that is very useful. Thank you so much and all the best.

Moderator: Thank you. Your next question comes from the line of Nischint with Kotak. Please go ahead.

Nischint: Thanks for taking my question and congrats for a great set of numbers. On the looks of it is now very clear that any kind of a capital issuance is off the cards right now but just looking at the current solvency numbers, I was just curious how long can you as I am sure Axis Bank is having its own discussions in terms of increasing further stake in the company, etcetera. But how long can you really wait or probably couple of months down the line you might have to still consider alternate capital issuance options. So, how long can you really wait for this?

Amrit Singh: Look, I think there is an internal risk threshold that we run. And you are also aware that the accounting standard 117 will be in effect now, after, because we had sought a forbearance on the same will be an effective order on 1st April 2027. Regulators also keen at the same time along with this accounting standard to bring about the RBC framework as well, which essentially has a potential to create some bit of buffers and releases from a growth capital perspective that the sector can get, given the efficiency of which RBC will bring about.

So it is important to keep some of these elements in mind as well how things kind of progress. And I think next few months and quarters will give more clarity around timelines around some of those things. So from a long-term perspective, I think that is a very important watch out area. But if your specific question is that the 198% that we are sitting at can be continued running it for how many more quarters before reaching our internal threshold.

I think what you should also understand is that along with the equity raise that Axis did in the company, it also provides us additional debt capacity on that money as well. So, we will leverage that as well. And I think we can stay above the risk threshold for at least two to three quarters quite comfortably as we see it.

Nischint: Got it. That is helpful. And just one more one was, on the profile of your annuity and non-par business, does the increase in -- I am just curious in terms of how the margins would stack up in these two products and does the swing between non-par to annuity is it in any form margin dilutive?

Amrit Singh: I mean not giving a specific number around these because we do not disclose margins at the product segment level but as a whole the margin profiles are similar-ish. So it is not as if there is a drag getting created of one cannibalizing into another. They are very similar-ish obviously, annuity has different flavors and forms so there will be some of those elements in play. I mean individual annuity will behave differently than group annuity and so forth. But at an aggregate level the margin are quite comparable.

Nischint: And so just one last one is that can we read that slower growth in proprietary offline kind of also becomes a little margin accretive?

Amrit Singh: I think we have in the past in conversations indicated that the margin profile of our proprietary channel is actually now healthy. It is higher than the margin profile of the company at the margin. So in that sense, slower growth does not mean that it will be kind of adding to the margin. That would be an incorrect assumption.

Nischint: Thank you very much and all the best.

Moderator: Thank you. Your next question comes from the line of Avinash with MK. Please go ahead.

Avinash: Yes, thanks. Good evening. Great set of numbers. So a couple of questions, the first one, on the trend we are seeing so far in terms of the par and non-par, is it going to kind of continue for the rest of the year or would we see some kind of a --will we see some reversal here? And second if you can sort of provide some kind of a color or understanding on your variable annuity product, what kind of a risk that is stayed with you and what kind of a hedging mechanism you are using to hedge those risk. I mean some bit of a clarity there. Thanks.

Amrit Singh: Thanks Avinash ji. I think on participating and non-participating from a trend perspective, you should understand that from a product construct, both these product constructs try to solve a fairly similar-ish consumer needs as well. I mean one over another has higher guaranteed component and the other one does not have equivalent guaranteed component, even par has a guaranteed component implicit in it.

So it is a from a consumer perspective, these are stories and these are what you bring to the market from a freshness perspective, how many launches that you do. So it will be a I think between quarters etcetera, depending upon what launches we are doing because any new launch always refreshes the distribution machinery.

So we will navigate through some of these things. We do hope to get the trends even on the non-par to at least no longer be in such sharp de-growth. It should move towards more in the green as the quarter's progress. One reason for that also is the base effect because non-par in the last year same time was higher for us and as the quarters progress that will moderate.

But more importantly, I think the segments of choices, protection, annuity is where we continue to remain focused and we are keen that those trends hold and we are able to tap onto that opportunity that India presents with respect to those products.

On your second question was on variable annuity product that we have launched. That product actually has two components. There is an element of fixed return and on top of those fixed returns there is an element of ability of the annuitant to participate in the equity upside and the equity story that the country has to present.

Now on the fixed portion of the return, needless to say, there is a hedging strategy which is in play as it follows in other products. On the variable component of the equity side, it is a bit of a participation behavior which exists.

The product obviously has been launched with fair bit of deliberation. So in our assessment, it does not bring on any additional risk onto the company because of this particular feature because that is participated by the annuitant himself.

Avinash: Okay, clear. Thank you.

Moderator: Thank you. Your next question comes from the line of Prayesh Jain with Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain: Yes, hi. My first question is on, there has been so much discussion on the commission regulations right and more of a broader picture I understand things can really be very different or whatever there is out in the media it can be very different from that or in line with that. But just wanted to understand I think there are two partners which would be key ones for us where things can be different, one is the parent bank Axis Bank as well as the other big web aggregator that we work with.

Now in case of an in case there is a commission cut, how does generally would you expect the behavior of these channels to change or how do you think this could kind of pan out for us in the medium-term. That is, that is question number one. Second is Axis Bank has seen some pickup in momentum in the recent quarter as well as.

So how do you see Axis Bank as a channel growing and especially there was earlier a question about Tier 2, Tier 3 growth. That also can we see some Axis Bank playing a meaningful role in that segment of growth? Yes, those would be my question. Thanks.

Amrit Singh: I think firstly on commission regulation as the regulator has spoken on multiple forums. They are proposing to bring a draft and they want to follow a consultative process with entire industry. At a macro level very frankly, anything the way we see it is that anything which is good for the consumer is good for the entire ecosystem.

And we will welcome those regulations, and it is a great initiative by the regulators and they will want to follow a very long drawn consultative process here, at least what we are picking up from the media news articles as well.

So rather than getting specific into what does it mean to one channel or over another channel and each of these channels actually are at different efficiency levels for us and also the nature of the relationship that we have with some of these channels are different like Axis with the promoter of the company.

Hence rather than giving you any specific response on an unknown thing of what the specific change is, it is better that we wait for some of these draft regulations that is being spoken off as and when they come. But at a macro level, we will just reiterate that I think whatever is good from a consumer's perspective will always be good for the industry as well and we are a firm believer in that.

And we will work and we will navigate through some of these things. This is not the first time such things will happen with me. On Axis Bank, I will request Sumit.

Sumit Madan: Yes, sure. I think on Axis Bank, we have been having some consistently good growth now, and this quarter has been no exception. Before I answer your specific question around Tier 2, Tier 3, also important to highlight, and we have discussed this in the previous investor call as well, that we have kind of fragmented the bank as a whole.

We look at Bharat Banking as a separate segment. We look at emerging channel as a separate segment. We look at branch banking as a separate channel. And recently, the focus has also come around the asset vertical, where we are increasing the retail insurance penetration. All that focus that we have been speaking about on the earlier investor calls also, I think everything is coming together now reasonably. In fact, I would say very well.

And that is the reason why you see growth coming from the emerging channels and the overdependence on let us say a channel like branch banking drastically going down. The emerging OA share alone, if you look at in the emerging channel, it has been at almost 75%. If you look at the overall growth as far as quarter one is concerned, and we look at affluent channels separately, we look at HNI channels separately.

There has been some very healthy growth coming across these channels as well. If you look at Bharat Banking and Axis Bank's presence, if you look at the overall number, 65% of the customers for us at a company level are actually from Tier 2, Tier 3 markets. So that gives a bit of a fillip to our overall numbers. We have almost around 2,736 RSU branches, which again have added to the pace of growth across Axis Bank.

Like I mentioned, the Bharat Banking channel at Axis Bank has also been coming very handy with respect to all the growth. The overall reach for Axis Bank alone is almost at some 3,200 cities with some 692 branches. We also have the privilege of partnering with some very specific banks, which have improved our presence in the smaller cities and the hinterland of the country.

You have a Capital Small Finance Bank, which is there in the hinterland of Punjab. You have certain other banks down south, which are catering to our masses in the Tier 2, Tier 3 markets, so in those states. So, I think overall, we are very conscious of the growth that the country is seeing in some of the smaller markets. We are well-equipped with our presence, with our technology, with our people to extract the maximum pace out of the advantage, out of the opportunity which exists in these markets.

Prayesh Jain: Just question one more question. If you could give your guidance on the VNB margins. Last year we gave that guidance and we are pretty much there. How should we think about VNB margins for this full year?

Amrit Singh: I think rather than calling it guidance from an aspirational perspective, we have been saying we will want to make the VNB grow faster than the APE growth. And we leave it at that, which actually does mean that there would be a consequent margin improvement. The year has started to a great start. Let us keep our focus on that. We do intend to grow VNB at a faster clip than the APE growth.

Prayesh Jain: Thank you so much.

Moderator: Thank you. The next question comes from the line of Samant Singh with Phillip Capital. Please go ahead.

Samant Singh: Yeah, hi. Thanks for taking my question. Good set of results. Congrats for that. Just on PAR APE growing by 48% in the quarter. Wanted to understand what is the PPT profile of that growth. The reason is under Regulation VIII, first year regular premiums with a PPT of less than 10 years carries 80% of allowable EOM versus 17.5% for renewal and close to 5% for single premiums. Is the PAR push a way of expanding your allowable ceiling?

Sumit Madan: Samant, sorry, can you hear us? Sorry, we are not able to hear you properly. Could you please repeat the question, please? Because we were not able to properly comprehend what you were asking.

Samant Singh: Okay. Did you hear any part of it? I will start from...

Sumit Madan: May I request you to kindly repeat from the very beginning, please, if you do not mind?

Samant Singh: Sure, sure. Yeah. I am saying PAR APE growth was very strong in this quarter, 48% Y-o-Y. I just wanted to understand the PPT, Premium Payment Term profile of that growth because in that Regulation VIII if you see the first-year regular premiums with a PPT of less than 10 years, it like carries 80% of allowable EOM versus 17.5% on renewal and 5% on single premium. Is this PAR push a way of expanding your allowable ceiling?

And the second component of the same question is, what was your PAR fund utilization for FY 2026? If you can provide that number. That is question one. Second question is on the amalgamation. So, the share entitlement ratio will be stuck on a look-through economics or with reference to MFSL's stated price. And does the resulting cap table change any shareholder's classification or trigger fresh regulatory approvals? Yes. These are 2 questions.

Amrit Singh: I am sorry, the last question we could not follow, but I think the first question we understood because your voice is very muffled.

Samant Singh: Sorry. Maybe my connection because even I am not able to hear you back. Anyways, let us continue, yeah.

Sumit Madan: We will answer the first one.

Amrit Singh: Let us answer the first question. I think as given our scale, etcetera, the expenses or management limits that the regulators set and we operate well within those ratios. That is not the reason why a specific action is taken around anything around participating products. This is what I heard you speak, actually. With respect to your question around where is, there any specific trend of PPT within the PAR product? There is nothing like that. It is very secular. It is the business as usual from that perspective across channels depending upon the mix that they are used to selling. That is the kind of growth that we have seen. The other question I could not understand.

Samant Singh: Okay. Let me try for the second question. On the amalgamation of MFSL into AMLI. So, this is like share entitlement ratio will be stuck on a look-through economics or with reference to MFSL's stated price. Are you able to follow me or probably I should.

Amrit Singh: I think it is a little bit premature to. When the scheme of arrangement comes through, obviously you will see the specifics and details around it. But having said, you will appreciate that MFSL is a fairly simple structure from a very light operation and largely the asset that they hold is an equity into the life insurance company, Axis Max Life. So the swap ratios, etcetera, fairly will be simple and if I may use your word, look through kind of values. There is not like a big adjustment that needs to be done.

Samant Singh: Okay. Just a follow-up small thing. The capital requirement through FY 28, is it fully covered through this INR1,600 crore QIP or it might have been answered earlier, but sorry for that, asking again.

Amrit Singh: What we were trying to explain was that firstly it is an enabling approval which goes up to May of next year from a capital perspective. While we had taken that approval and the shareholder consent on the same, we had indicated that it is largely to support the growth capital requirements of Axis Max Life. What we are also seeing is that the developments that are happening around the new accounting standard adoption by the regulator, also the risk-based solvency framework.

There seems to be progress being made quite strongly on both those fronts. So we would want to see the outcomes of what the final risk-based solvency framework kind of comes through. At a macro level, such a framework does make the insurance company more capital efficient and provides more buffer on growth capital perspective.

But it is a little difficult to comment specifically around all those things given that element is not finalized. I think the regulatory intention is to make more capital efficiency within the sector, thereby providing adequate capital for a single growth aspiration.

Samant Singh: What is your internal solvency sort of bands?

Amrit Singh: As a methodology, there is a, every year depending upon the kind of risks that we have on our balance sheet, we run a certain risk threshold scenario. That number hovers anywhere between plus minus 180% few percentage.

Samant Singh: Okay, sure. Thanks for that and all the best. Sorry for the disturbance in line.

Moderator: Thank you. Your next question comes from Sanketh Godha with Avendus Spark. Please go ahead.

Sanketh Godha: Yeah, thank you for the opportunity. My question, again, probably is more on solvency and Axis things. Is it fair to say that if Axis approval of going from 20% to 30% gets delayed, this INR1,600 crore of QIP, what you are, what you have kept it on abeyance right now, you might do it eventually to support the growth? That is a fair assumption to make?

Amrit Singh: Look, if RBC does not come on time, as we had indicated in the past as well, then your assumption is correct. But if there is a development which happens on that framework, maybe the number may go up.

Sanketh Godha: Understood. And just one more clarification. This 190 solvency what you have reported in the end of June includes the sub-debt which you are redeeming. So if you remove that number, I am believing that you are raising one more round of sub-debt to compensate for that coupon rate. Still solvency will be closer to 200 with the additional sub-debt what you will raise?

Amrit Singh: Sorry, can you say that again, Sanketh?

Sanketh Godha: No. What I was asking is that you are redeeming your sub-debt around INR480 crore, INR490 crore as per the result. Will you be raising another round of sub-debt? Because what you reported at June end includes that sub-debt. Now, given that sub-debt will go away, solvency will naturally fall. Then, you are raising another round of sub-debt to boost it up back to 190, 200 level?

Amrit Singh: Your observation is correct. We have actually already honored the call on the sub-debt. This was done on 31st of July. We will recoup and re-raise both that amount and also the amount that we got from an additional capacity of the Axis infusion that happened in the first quarter. Yes, we will be doing a sub-debt raise.

Moderator: Thank you. Your next question comes from the line of Vinod Rajamani with Nirmal Bang. Please go ahead.

Vinod Rajamani: Yeah. So, thank you for taking my question. I had just one question. So, to an earlier question, you had responded saying that almost 70% of the margin uplift is on account of yields and 30% is on account of the product mix change. So, just wanted to know now in, so if I look at the yield curve of the June curves, so the Q2 VNB will be priced off the June curve. That is already almost 50 basis points lower at the long end than the March curve. So should we expect some bit of unwind on account of this yield change in, say, the Q2 margin? That is the only question I have.

Amrit Singh: Look, dynamic pricing of products, depending upon yield curve is a natural process as a life insurance company we follow. Your observation is correct. You are saying that at the end of the June, the curve has moved, which could take away not the entire, but some benefits that were available in the first quarter from a yield curve perspective.

But it is a par for course for insurance company, depending from build environment, etcetera, you continue doing repricing. But from the aspiration perspective, we hold steady to some of those things that we expect the VNB growth momentum to be faster than the APE growth momentum as we conclude the year. We are working towards some of those aspirations.

Vinod Rajamani: Right. But that 70% and 70/30 split, that is correct? That side, right?

Amrit Singh: Yeah, there is look, there is a reality of, as the quarter kind of progresses the operating leverage plays out. Typically, if you have a good healthy start from a mix perspective, the operating leverage play out is also superior. Doing that, I think you are trying to do that maths of 70% will go away and consequently there could be pressure. I mean I will not go in that direction because operating leverage of the quarter also helps us.

Vinod Rajamani: Yeah. Thanks so much. Thank you.

Moderator: Thank you. The next question comes from the line of Nidhesh Jain with Investec. Please go ahead.

Nidhesh Jain: Hello. Thanks for the opportunity. My question is on annuity. What is driving such strong growth in annuity business? Is it driven by the new product launch that we have done? And is there a, do you sense a customer behavior change? Because annuity traditionally has not been large product in India. So is it changing and what is driving that?

Amrit Singh: We had a few launches of annuity in quarter three last year. Annuity, that particular product that we launched came into the base, which was accepted, very well accepted across distribution channels, given the unique retirement need an annuity product solves for. Some bit of this superlative growth that you are seeing is also coming out of a bit of a low base effect of quarter one.

Having said, in the current quarter, we have also launched a new variable annuity product which was asked at the start of the call by someone, which will also give us a positive lift. So it is a combination of product launches on the annuity space, which is actually helping us drive that momentum. But yeah, I mean, Q1, the 120% growth numbers have some bit of a base effect as well.

Nidhesh Jain: And any particular channel which is driving this growth?

Management: No, it is a fairly accepted product.

Sumit Madan: It is across all channels. Axis and agency both obviously are leading the way. There are the specific customer segmentation around the silver segments, as we call it, where annuity is becoming quite popular, and I think the team has been able to sell the product well. Also, it coincides with our overall growth across all channels, including the proprietary business.

It is important to mention that because strategically all channels remain the key engines of growth. There was a question earlier around proprietary also, and it is important to say that some of the input parameters on proprietary, which is the offline proprietary, still remain strong. And annuity, of course, forms a key part of that bucket as well.

If you look at the last 36 months or so, we have had a very consistent growth as far as offline proprietary channels are concerned. And we not only look at the output or the final number as far as offline prop is concerned, but we also follow the input vectors very seriously. If you look at the advisor recruitment, we have actually grown on that parameter.

Top advisor premium, again, which is a very critical component of the offline proprietary channel, we have seen a growth of 28%. FLS productivity, Amrit mentioned about some of the initiatives we have taken around AI and tech. Again, we have seen a 7% growth as far as FLS productivity on the offline proprietary channel is concerned.

So I think importantly, whenever we launch a new product, Amrit just mentioned about the variable annuity. I think the engine is right now well-equipped across all channels, be it Axis, agency or banker proprietorship as a whole, to be able to capture the most out of it. And again, in annuity, it looks like a very sustainable, scalable growth for us.

Moderator: Thank you. Your next question comes from the line of Rishi Jhunjhunwala with IIFL. Please go ahead.

Rishi Jhunjhunwala: Yeah, thanks for the opportunity. Can you please give some color on how the competition is faring, especially on the banca channels, Axis as well as some of the other larger banca channels? Has the couple of unlisted players become a lot more aggressive in those channels? If that is driven by higher payouts or more lucrative product offerings, then how do you intend to counter that?

Sumit Madan: I mean very difficult to comment on what some of the other players are doing. I can largely talk about some of the strengths that we have and how, very -- I would say in a very consistent manner, we have been at the numero uno position at some of the banks. Our average of last for quarter counter share at Axis Bank always around 65%-70%. In Yes Bank, again, we are the number one player.

What gives us all the more confidence is the separate vertical we have called strategic alliances, where we get into new partnerships. Just as a case in point, across the seven last banks that we acquired, and you will appreciate just the acquisition or signing of the agreement with the bank is only a starting point. It is far more difficult to become a dominant player in any of the newer banks.

At least from that perspective, Axis Max Life Insurance has done very well. In the last seven banks that we have gotten into a partnership where we have not been the first, second, or the third player. We have in fact been the fourth, fifth, or the sixth player. Across these 7 banks, we already have a counter share of 25% plus. Four out of these seven banks, we are actually now the number one player.

So, I think the important point is across all the banks, our story has been very consistent with respect to the growth. In terms of what the competition is doing, the market is always competitive. It keeps us on our toes. It keeps us demanding more out of one another. But I think we are a little ahead as far as some of those discussions across people, technology, product are concerned.

Rishi Jhunjhunwala: Understood. I was just, Sumit, trying to understand if any of the players are becoming increasingly irrational in open architecture banks. That is all.

Sumit Madan: We like the term irrational. We have heard it a few times. All that we can say is you can count on us as far as the Bharosa is concerned. We will never go that route. It will not be wise or prudent on my part to comment on what some of the other players are doing in the market.

Rishi Jhunjhunwala: Got it. Thank you. All the best.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Nishant Kumar: Thank you. Thank you, ladies and gentlemen, for being on Max Financial's earning call. We look forward to more such interactions in the future. Thank you once again. Goodbye.

Moderator: Thank you. Ladies and gentlemen, on behalf of Max Financial Services Limited, that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines. Thank you.
